

6519785

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**Corrin Kenny Limited (In Compulsory Liquidation)**

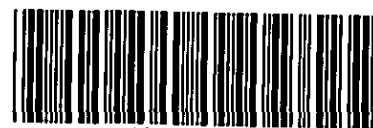
Liverpool County Court No. 465 of 2012

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Progress report pursuant to Rule 4.49B of the  
Insolvency Rules 1986

Period: 18 July 2012 to 1 July 2013

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### **Important Notice**

This report has been produced solely to comply with my statutory duty to report to creditors pursuant Rule 4.112 of the Insolvency Act 1986. This report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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# 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Corrin Kenny Limited (In Compulsory Liquidation)
"the liquidation"	The appointment of liquidator by the Secretary of State pursuant to Section 137 of the Act on 18 July 2012
"the liquidator", "I", "my" and "me"	David Moore of Begbies Traynor (Central) LLP, 1 Old Hall Street, Liverpool, L3 9HF
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a), of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

This is my first progress report for the period 18 July 2012 to 1 July 2013

## 2. COMPANY AND LIQUIDATOR'S DETAILS

Trading name(s)	Cornn Kenny Limited
Company registered number	06519785
Nature of business	Business Services - Professional Services
Registered office address	C/O Begbies Traynor, 340 Deansgate, Manchester, M3 4LY
Former trading address	Hanover House, Hanover Street, Liverpool, L1 3DZ
Date of winding up petition	27 January 2012
Date of winding up order	12 March 2012
Date of liquidator's appointment	18 July 2012
Changes in liquidator(s) (if any)	On 1 July 2013, a block transfer order was made in the High Court of Justice, Manchester District Registry No 3571 of 2013 replacing David Moore with Dean Watson and Gary Lee as Joint Liquidators

## 3. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is a summary of my account of receipts and payments for the period from my appointment to 1 July 2013

### RECEIPTS

There have been no receipts in the period

### PAYMENTS

The amount paid to the Official Receiver ("the OR") represents the costs incurred by the OR prior to my appointment

Bank charges of £88 00 have been incurred in the period

I confirm that the account has been reconciled with that which is held by the Secretary of State in respect of the winding up

## 4. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors, based upon the information detailed in the statement of affairs provided to the Official Receiver by the director and the work I have undertaken in the course of the liquidation, are as follows

### **Secured creditor**

There are no secured creditors in this matter

### **Preferential creditors**

Preferential claims of employees for arrears of wages, salary and holiday pay have been estimated at £2,250 although this claim has yet to be verified

### **Unsecured creditors**

Unsecured creditors were estimated at £75,294 34

On the basis of realisations, the outcome for each class of the Company's creditors is as follows

### **Preferential creditors**

No dividend is currently available for preferential creditors as no funds have been realised

### **Prescribed Part for unsecured creditors pursuant to Section 176A of the Act**

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows

- ☐ 50% of the first £10,000 of net property,
- ☐ 20% of net property thereafter,
- ☐ Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

To the best of my knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors

### **Unsecured creditors**

As I have previously advised by letter dated 9 October 2012, no funds have yet been realised and consequently I have not taken steps to formally agree the claims of unsecured creditors. I am also therefore unable to advise whether there will be any dividend available to unsecured creditors

## 5. REMUNERATION AND DISBURSEMENTS

### Remuneration

My remuneration has been fixed by a resolution of creditors on 31 October 2012 by reference to the time properly given by myself (as liquidator) and the various grades of my staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation

My time costs for the period from 18 July 2012 to 1 July 2013 amount to £7,499 00 which represents 24 8 hours at an average rate of £302 38 per hour

To 1 July 2013, I have not drawn any fees or disbursements leaving unbilled time costs of £7,499 00 to 1 July 2013

The following further information in relation to my time costs and disbursements is set out at Appendix 2

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 18 July 2012 to 1 July 2013
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

### Disbursements

Approval was obtained by a resolution of creditors on 31 October 2012, for Category 2 disbursements to be drawn No Category 2 disbursements have been charged to the case My firm's policy in relation to these disbursements is shown at Appendix 2

## 6. LIQUIDATOR'S EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3

## 7. ASSETS THAT REMAIN TO BE REALISED

The only remaining asset of the Company is an overdrawn director's loan account of £53,670

I have been in discussions with the director in order to agree a settlement but these negotiations are ongoing pending a sale of his property and income from new contracts in his new business

Should it be necessary we will consider taking legal action in order to recover funds due to the Company under this loan account The replacement liquidators will update you further in their next report

## 8. OTHER RELEVANT INFORMATION

### Investigations

Investigations have previously been conducted by the Official Receiver As discussed above the only asset of the Company is an overdrawn director's loan account The replacement liquidators will continue to gather evidence in respect of this account

## 9. CREDITORS' RIGHTS

### **Right to request further information**

Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that the I provide further information about my remuneration or expenses which have been detailed in this progress report

### **Right to make an application to court**

Pursuant to Rule 4.131 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, in relation to the basis fixed for my remuneration, inappropriate

## 10. CONCLUSION

The replacement liquidators will report to you again in approximately 12 months time or at the conclusion of the liquidation, whichever is the sooner



**David Moore**  
Liquidator

Dated 29 August 2013

**ACCOUNT OF RECEIPTS AND PAYMENTS**  
**Period from 18 July 2012 to 1 July 2013**



**Corrin Kenny Ltd  
(In Liquidation)  
Liquidators' Abstract of Receipts & Payments  
To 01/07/2013**

<b>S of A £</b>		<b>£</b>	<b>£</b>
	<b>ASSET REALISATIONS</b>		
Uncertain	Director's Overdrawn Loan Account	NIL	NIL
	<b>COST OF REALISATIONS</b>		
	O R Remuneration	2,235 00	
	Petitioners Deposit	(1,165 00)	
	Bank Charges	88 00	(1,158 00)
	<b>PREFERENTIAL CREDITORS</b>		
(2,250 00)	Employees re Arrears/Hol Pay	NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(70 00)	Bank	NIL	
(49,646 01)	HMRC (non VAT)	NIL	
(21,006 81)	HMRC (VAT)	NIL	
(1,700 00)	Accountancy Fees	NIL	NIL
	<b>DISTRIBUTIONS</b>		
(2 00)	Ordinary Shareholders	NIL	NIL
<b>(74,674 82)</b>			<b>(1,158 00)</b>
	<b>REPRESENTED BY</b>		
	ISA NIB		(1,158 00)
			<b>(1,158 00)</b>

## TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred, and
- d Table of time spent and charge-out value for the period from 18 July 2012 to 1 July 2013

## **BEGBIES TRAYNOR CHARGING POLICY**

### **INTRODUCTION**

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance<sup>2</sup> requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### **OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

### **EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100,
- Car mileage is charged at the rate of 45 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,
- Displaying properties for sale on the 'Accelerated Property Sales from Begbies Traynor' section of the Begbies Traynor website is charged at the rate of £75.00 per property,

<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)

<sup>2</sup> Ibid 1

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

#### BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Manchester office as at the date of this report are as follows

Grade of staff	Charge-out Rate (£ per hour)
Partner 1	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Junior Administrator	110
Support	110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

## **SUMMARY OF OFFICE HOLDER'S TIME COSTS**

CASE NAME                      Cornn Kenny Ltd  
   LIVERPOOL COUNTY COURT 465 OF 2012  
CASE TYPE                      COMPULSORY LIQUIDATION  
  
OFFICE HOLDER                David Moore  
DATE OF APPOINTMENT      18 July 2012

### **1 CASE OVERVIEW**

1 1    This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

1 2    **The office holders' effectiveness**

The primary reason for the appointment of the Liquidator was to realise funds from the director's loan account. Negotiations have continued with the director.

1 3    **Nature and value of property dealt with by the office holders**

Please see Section 4 of Report

1 4    **Time costs analysis**

An analysis of time costs incurred between 18 July 2012 and 1 July 2013 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type.

The time costs analysis provides details of work undertaken by the Liquidator and his staff following their appointment only.

1 5    **The views of the creditors**

There have been no significant matters that required creditor approval since the resolution of creditors to agree the liquidator's remuneration.

1 6    **Approval of fees**

A resolution was passed by the creditors' that the liquidator's remuneration be fixed by reference to the time properly given by him (as liquidator) and the various grades of his staff calculated at the prevailing hourly charge-out rates of Begbies Traynor (Central) LLP for attending to matters arising in the winding up.

1 7    **Approval of Expenses and Disbursements**

A resolution was passed by the creditors' that the liquidator be authorised to draw disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9), in accordance with their firm's policy, details of which accompanied the information presented to the creditors meeting.

## **2 SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT**

2.1 Since the date of appointment, the following work has been carried out

- Appointment matters and case set up procedures
- Dealing with creditors' correspondence and enquiries
- Investigating the Company's affairs
- Pursuing a settlement for the director's loan account
- Maintaining case records and ensuring our administration is conducted in accordance with the 'Act' and the 'Rules'

Corinn Kenny Limited - In Liquidation  
Time costs analysis for the period from 18 July 2012 to 1 July 2013

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## STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Bonding	Insolvency Risk Services	75 00	-	75 00
Advertising	TMP (UK) Ltd	69 75	-	69 75