In accordance with Rule 18.8 of the Insolvency (England & Wales) Rules 2016.

WU07

Notice of progress report in a winding-up by the court

Companies House

TUESDAY

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A18 04/02/2020 #33
COMPANIES HOUSE

ease
use

1 Company details

Company number	6 8 0 5 7 6 0
Company name in full	Martholme Motors Ltd

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

2 Liquidator's name

Full forename(s)	Ian
Surname	Richardson

3 Liquidator's address

Building name/number	No 1 Whitehall Riverside
Street	Whitehall Road
Post town	Leeds
County/Region	
Postcode	L S 1 4 B N
Country	

4 Liquidator's name ❶

Full forename(s)	Kevin J
Surname	Hellard

❶ **Other liquidator**
Use this section to tell us about another liquidator.

5 Liquidator's address ❷

Building name/number	30 Finsbury Square
Street	
Post town	London
County/Region	
Postcode	E C 2 A 1 A G
Country	

❷ **Other liquidator**
Use this section to tell us about another liquidator.

WU07

Notice of progress report in a winding-up by the court

6 Period of progress report

From date	d0 d9	m1 m2	y2 y0 y1 y8
To date	d0 d8	m1 m2	y2 y0 y1 y9

7 Progress report

☑ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X X

Signature date	d3 d1	m0 m1	y2 y0 y2 y0

WU07
Notice of progress report in a winding-up by the court

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name Grant Thornton UK LLP

Address 4 Hardman Square

Spinningfields

Post town Manchester

County/Region

Postcode M3 3EB

Country

DX

Telephone 0161 953 6900

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

Important information

All information on this form will appear on the public record.

Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Grant Thornton

Our ref IZR/JSS/KXC/LKG/M30202630/7

To the creditors

Insolvency and asset recovery
Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester
M3 3EB

T +44 (0)161 953 6900
F +44 (0)161 953 6901

27 January 2020

Dear Sir / Madam

Martholme Motors Ltd - In Liquidation ("the Company")
In the Manchester District Registry No 2865 of 2016

1 Introduction

1.1 Following my appointment as joint liquidator in this matter with Kevin J Hellard, I now report on the progress for the year ended 8 December 2019 and attach:

- Appendix A, an account of our receipts and payments for the year ended 8 December 2019 and also for the whole period of the bankruptcy to that date
- Appendix B, Statement of Insolvency Practice 9 disclosure

1.2 Please note that we are both authorised by the Insolvency Practitioners Association to act as insolvency practitioners. We are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

2 Progress report

Assets

2.1 According to the Official Receiver's report to creditors, the Company had no known assets as at the date of liquidation.

2.2 As previously reported, the sum of £137 was realised in respect of cash held in the Company's bank account. A sum of £10,000 was recovered in respect of a void payment pursuant to section 127 of Insolvency Act 1986 ("IA1986").

2.3 The Company's former legal advisers failed to deliver up its files. Accordingly, I instructed Gunnercooke LLP and a formal application was made pursuant to section 236 of IA1986. Following negotiations, the files were delivered up and costs of the application, totalling £2,500, were paid.

2.4 As reported previously, my investigations identified an overdrawn director's loan account totalling £53,000. I lodged a claim in Keith Middleton bankruptcy for the balance due. The bankruptcy has now been concluded with no return to creditors.

Investigations

2.5 A review of the Company's bank statements revealed a number of payments. I instructed solicitors, Knights PLC, to obtain further information from the recipients.

2.6 In respect of payments to one individual totalling circa £85,000, I have obtained, and reviewed information delivered up by the individual to Knights PLC and consider there to be no potential claims in relation to these payments. I have identified a potential claim against a company totalling circa £32,000. Despite numerous requests and threats of legal action, the company has refused to refund the payments. I consider that there is little prospect of securing any recoveries from the entity given its financial position.

2.7 Accordingly, we will shortly take steps to conclude our administration of this matter. No funding was available, and we acted on a contingent basis so that we were only able to draw fees should there be sufficient realisations. Due to the level of the statutory fees due to the Official Receiver (OR) and legal costs incurred we are unable to draw any fees and as such, our time costs will be written off.

3 Creditors

3.1 There are no preferential creditors in this matter.

3.2 I have received unsecured claims totaling £659,971 No further claims are anticipated.

3.3 Unfortunately, there are insufficient funds available for a distribution to be made to creditors.

4 Remuneration and expenses

4.1 On 3 April 2018 the creditors resolved that remuneration of the joint liquidators be calculated according to the time properly spent by the liquidators and their staff in attending to matters arising in the liquidation, not exceeding £76,834. You will note that from SIP 9 table attached at Appendix B that the total time recorded to date is valued at £92,595, represented by 379 hours at an average charge-out rate of £244 per hour and from the receipts and payments account attached at Appendix A, that I have not drawn any fees to date.

4.2 Further details about remuneration and expenses are provided in Appendix B to this report.

5 Contact from third parties

5.1 Please be aware fraudsters have been known to masquerade as legitimate trustees in bankruptcy. The fraudster will contact creditors asking for an upfront fee or tax to release an investment or pay a dividend / to enable release of money payable to the creditor. The trustee in bankruptcy would never ask for such a payment nor instruct a third party to make such a request.

6 Data Protection

6 1 Any personal information held by the trustees in bankruptcy will continue to be processed in accordance with completing the administration of the bankruptcy and in accordance with meeting the requirements under applicable Data Protection Legislation/law in the United Kingdom.

Should you wish to speak with someone regarding this matter, please contact Ben Burgoyne on 0161 953 6322 or email Ben.J Burgoyne@uk.gt.com.

Yours faithfully

For and on behalf of Martholme Motors Ltd

Ian Richardson
Joint Liquidator

Enc.

Appendix A

Martholme Motors Ltd - in liquidation
Summary of receipts and payments
from 9 December 2016 to 8 December 2019

	Statement of Affairs Per OR £	From 09/12/2016 to 08/12/2018 £	From 09/12/2018 to 08/12/2019 £	Total £
Receipts				
Costs awarded in Section 236 action		0.00	2,500.00	2,500.00
Void Disposition		0.00	10,000.00	10,000.00
Cash at Bank		136.74	0.00	136.74
Bank/ISA InterestGross		0.01	0.00	0.01
Deposit on creditors petition		1,600.00	0.00	1,600.00
		1,736.75	**12,500.00**	**14,236.75**
Payments				
OR Statutory "general" fee		6,000.00	0.00	6,000.00
OR statutory "administration" fee		5,000.00	0.00	5,000.00
ISA Account Fees		176.00	88.00	264.00
ISA Cheque Fees		1.10	0.00	1.10
Legal Fees		0.00	6,500.00	6,500.00
Legal Disbursements		0.00	336.80	336.80
Statutory Advertising		84.60	0.00	84.60
VAT Receivable		16 92	1,335.76	1,352.68
		11,278.62	**8,260.56**	**19,539.18**
Net Receipts/(Payments)		**(9,541.87)**	**4,239.44**	**(5,302.43)**
Made up as follows				
ISA - NIB 20/03/17		(9,439.26)	4,239.44	(5,199.82)
GT Suspense Account NIB		0.01	0.00	0.01
Grant Thornton Loan Account		(102.62)	0.00	(102.62)
		(9,541.87)	**4,239.44**	**(5,302.43)**

Note:
Note that, as there have been insufficient realisations into the estate, Grant Thornton UK LLP has funded payment of the estate's expenses necessary to progress the case and to comply with statute. This is shown by way of a loan account in the receipts and payments account. The loan will be repayable as an expense of the liquidation in the same priority as attaches to the respective expenses comprising the loan. In the event there are insufficient realisations to repay the loan, Grant Thornton UK LLP will write-off the final balance when the liquidation is closed but reserves its right to recover such balance should circumstances subsequently permit.

Payments, remuneration and expenses to the joint liquidators or their associates

Martholme Motors Limited – In Liquidation

Statement of Insolvency Practice 9 disclosure

This appendix has been prepared in conjunction with the requirements of the Insolvency Act 1986, the Insolvency (England and Wales) Rules 2016 (the Rules) and Statement of Insolvency Practice 9 (SIP9). In summary, it covers:

- fee basis
- work done by the joint liquidators and their team during the period
- hourly charge out rates
- disbursements and expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)

Fee basis of the joint liquidators

On 3 April 2018 the creditors resolved that remuneration of the joint liquidators be calculated according to the time properly spent by the liquidators and their staff in attending to matters arising in the liquidation, not exceeding £76,834.

During the period from 9 December 2018 to 8 December 2019 (the Period) time costs were incurred totalling £19,131 represented by 68 hours at an average charge out rate of £280 per hour. This brings cumulative time costs at the Period end to £92,595 of which no fee has been paid. Description of the work done in the Period is provided in the respective section below.

As at Period end, as shown in the 'Work done' section below, recorded time costs have exceeded the time costs in the fees estimate and expenses will roughly be the same as the expense estimate, both of which were provided to the creditors prior to the determination of our fee basis.

The reasons for the excess/anticipated excess are as follows:

- The liquidators and their staff have undertaken further investigations into the directors of the Company and associated third parties which there are potential claims against

Under r18.30 of the Rules, we are not permitted to draw remuneration in excess of the total amount set out in the fees estimate, £76,834, without approval. At present we do not expect to seek approval to draw remuneration in excess of our fees estimate, however we reserve our right to do so in the future.

Work done by the joint liquidators and their team during the Period

We are required to detail costs of actual work done in the Period, including any expenses incurred in connection with it, as against any fees estimate provided. Our fees estimate was included within our report to creditors dated 5 February 2019. We are also required to provide narrative explanation of the work done. The following tables (narrative followed by numerical) set out this information for the joint liquidators' fees incurred together with a numerical fees estimate variance analysis. Reasons for any anticipated excess of the fees estimate are included in the 'Fee basis' section above. Details of expenses incurred in connection with work done are provided in the 'Disbursements and expenses' section below.

Area of work	Work done	Why the work was necessary	Financial benefit to creditors	Fees incurred		
Realisation of assets				**26.30 hrs**	**£7,949.50**	**302.26 £/hr**
General	• Correspondence with legal support on the case to appraise possible claims in the liquidation	• To understand the position of various claims in the liquidation and the possibility of realising value into the liquidation estate	• This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available			
Investigations				**12.50 hrs**	**£3,475.00**	**278.00 £/hr**
General	• Research in to connected parties and potential claims	• To ascertain whether it is possible and if so commercial to bring claims against third parties, thus realising value into the liquidation estate	• This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available			
Creditors				**3.40 hrs**	**£680.00**	**200.00 £/hr**
Unsecured	• Preparation and circulation of annual report to creditors	• It is a statutory requirement for the liquidator to produce annual progress reports to creditors	• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate			
Administration				**26.15 hrs**	**£7,026.50**	**268.70 £/hr**
Case management	• Internal file reviews	• It is essential to review cases regularly to ensure the case is being carried out efficiently and in a cost effective manner	• This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it did not add financial value to the estate it adds value to the insolvency process			
Treasury, billing & funding	• Bank account administration	• To maintain the liquidation bank account	• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate			

Tax	• Review of the tax position	• The liquidator has a duty to comply with the relevant tax legislation	• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate			
Pensions	• Internal discussions and discussions with legal support regarding possible claim for unauthorised payments to the pension scheme	• To confirm if a claim can be made against the pension scheme to realise value in to the liquidation estate	• This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available			
General	• Drafting and reviewing the annual report to creditors	• It is a statutory requirement for the liquidator to produce annual progress reports to creditors	• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate			
Total fees incurred in the Period				**68.35 hrs**	**£19,131.00**	**279.90 £/hr**

Detailed SIP9 time cost analysis for the period

Area of work	Partner		Manager		Executive		Administrator		Period total			Cumulative total as at period end		
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	£/hr	Hrs	£	£/hr
Realisation of assets:									**26.30**	**7,949.50**	**302.26**	**69.25**	**19,007.50**	**274.48**
Insurance	-	-	-	-	-	-	-	-	-	-	-	0.80	144.00	180.00
Property	-	-	-	-	-	-	-	-	-	-	-	6.40	1,536.00	240.00
General	0 50	242.50	5 40	2,403 00	20.40	5,304.00	-	-	26 30	7,949.50	302 26	62.05	17,327.50	279.25
Investigations:									**12.50**	**3,475.00**	**278.00**	**171.45**	**39,514.25**	**230.47**
Debtor	-	-	-	-	-	-	-	-	-	-	-	4.10	975.00	237.80
Books & records	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank statements & analysis	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General	-	-	-	-	12.50	3,475.00	-	-	12.50	3,475.00	278.00	167.35	38,539.25	230.29
Creditors:									**3.40**	**680.00**	**200.00**	**19.60**	**4,298.00**	**219.29**
Secured	-	-	-	-	-	-	-	-	-	-	-	3.10	680.00	219.35
Employees & pensions	-	-	-	-	-	-	-	-	-	-	-	0.50	120.00	240.00
Unsecured	-	-	-	-	-	-	3.40	680.00	3.40	680.00	200.00	16.00	3,498.00	218.63
Administration:									**26.15**	**7,026.50**	**268.70**	**118.50**	**29,775.25**	**251.27**
Case management	-	-	-	-	-	-	0.30	60 00	0.30	60.00	200.00	0.30	60.00	200.00
Treasury, billing & funding	-	-	-	-	1.85	453.00	2.60	454.00	4.45	907.00	203.82	12.45	2,337.25	187.73
Tax	-	-	0 20	82 00	-	-	0.50	80 00	0 70	162.00	231 43	19.80	4,930.00	248.99
Pensions	-	-	1 00	485.00	0.90	234.00	-	-	1.90	719.00	378.42	7.00	3,072.00	438.86
General	0 55	283.25	3 45	1,514.25	9.00	2,340.00	5.80	1,041.00	18.80	5,178.50	275.45	78.95	19,376.00	245.42
Total	**1.05**	**525.75**	**10.05**	**4,484.25**	**44.65**	**11,806.00**	**12.60**	**2,315.00**	**68.35**	**19,131.00**	**279.90**	**378.80**	**92,595.00**	**244.44**

Summary SIP9 time cost analysis for the period and fee estimate variance analysis as at period end

Area of work	Partner		Manager		Executive		Administrator		Cumulative total as at period end			Fees estimate			Variance		
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	£/hr	Hrs	£	£/hr	Hrs	£	£/hr
Realisation of assets	0 50	242.50	5.40	2,403.00	20.40	5,304.00	-	-	69 25	19,007.50	274.48	40.25	10,171 50	252.71	(29.00)	(8836.00)	(21.77)
Investigations	-	-	-	-	12.50	3,475.00	-	-	171.45	39,514.25	230.47	168 10	38,629.50	229.80	(3.35)	(884.75)	(0.67)
Creditors	-	-	-	-	-	-	3.40	680 00	19 60	4,298.00	219 29	16 00	3,901 00	243 81	(3 60)	(397.00)	24.52
Administration	0.55	283.25	4 65	2,081.25	11.75	3,027.00	9.20	1,635.00	118.50	29,775.25	251.27	97.65	24,131.75	247 12	(20.85)	(5643.50)	(4.15)
Total	**1.05**	**525.75**	**10.05**	**4,484.25**	**44.65**	**11,806.00**	**12.60**	**2,315.00**	**378.80**	**92,595.00**	**244.44**	**322.00**	**76,833.75**	**238.61**	**(56.80)**	**(15761.25)**	**(5.83)**

Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- Due to enhancements to our SIP9 reporting systems, allocation of time against areas of work may differ to previous periods, however this does not affect overall total time costs
- Adverse variances are presented in brackets
- Total time costs paid to date: £Nil

Hourly charge out rates

Time is charged in units of 6 minutes for each grade of staff used. The hourly charge out rates applied take into consideration the nature and complexity of the case and are as follows:

Grade	From 1 October 2017 to 30 September 2019		From 1 October 2019 to current	
	Insolvency £/hr	**Pensions & tax £/hr**	**Insolvency £/hr**	**Pensions & Tax £/hr**
Partner	510-650	745	750	745
Director	380-545	595	400-650	595
Associate director	340-495	485	380-580	485
Manager	330-420	410	300-475	410
Assistant manager	300-350	340	260-345	340
Executive	245-325	315	n/a	n/a
Administrator	200-295	165-200	200-345	165-200
Treasury	180	n/a	n/a	n/a
Support	155-165	n/a	180	n/a

The current charge out rates have applied since 1 October 2019. I reserve the right to amend our charge out rates in the future. Any amendments will be detailed within the next report following such an amendment.

Statement of expenses and disbursements incurred in the Period

This table provides details of expenses and disbursements incurred in the Period in connection with the work done by the joint liquidators, description of which is provided in the 'Work done' section above.

Category	Incurred in the Period (£)	Cumulatively incurred as at Period end (£)	Of which paid by the estate as at Period end (£)
Category 1 disbursements			
Land Registry Fees	12 00	359.00	-
Bond			
JLT	-	20.00	-
Courier Fees			
Citysprint	-	122.71	-
Experian Search	-	15 00	-
Statutory Advertising			
Courts Advertising	-	84 60	84.60
Expenses			
Legal Fees			
Knights plc	4,601 00	5,355.00	-
Gunnercooke plc	-	10,415.83	6,500.00
Legal Disbursements			
Knights plc	336.80	336.80	336.80
Total expenses and disbursements	**4,949.80**	**16,708.94**	**6,921.4**

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment and fall into two categories:

Category 1 disbursements

These are also known as 'out of pocket expenses' and are payments to independent third parties where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval and consist of the following categories:

- Travel and subsistence – these costs, which exclude mileage, are incurred by staff in attending trading premises or meetings, for example
- Office costs – these are costs such as postage or courier charges which are incurred in managing the case
- Statutory costs – these are costs such as bonding and advertising relating specifically to the case, which are required by statute

They also include expenses which have been paid using a Grant Thornton Loan, the balance of which (if any) can be seen on the joint liquidators' receipts and payment account at Appendix A

Category 2 disbursements

These are expenses that are directly referable to the insolvent estate but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by an office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holder's remuneration To the extent that recovery of category 2 disbursements is sought, this will be for mileage only. Mileage is charged at 45p a mile VAT is added as appropriate. Details of these costs are also provided in the table above.

Sub-contracted out work

We confirm that, in the Period, we have not sub-contracted out any work that could otherwise have been carried out by us or our team.

Payments to associates

Where we have enlisted the services of others we have sought to obtain the best value and service. In the interest of transparency, we disclose below services we have sought from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has a business or personal relationship:

Service provider	Services enlisted	Cost of service
Grant Thornton UK LLP	• Tax work/advice (narrative is included within the above narrative of work done) • Pensions work/advice (narrative is included within the above narrative of work done)	• Costs are included within the above SIP9 time cost analysis

Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the joint liquidators' fee basis, or who provide services to us as joint liquidators, which may give rise to a potential conflict.

Information for creditors and members

Information to help creditors and members to understand their rights in insolvency and regarding officeholders' (i.e. administrators or liquidators) fees, and the roles and functions of committees is available via Grant Thornton's website:

https://www.grantthornton.co.uk/portal

Alternatively, we will supply this information by post, free of charge, on request.