

Liquidator's Progress Report

Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986

S.192

To the Registrar of Companies

Company Number

06967468

Name of Company

(a) Insert full
name of company

(a) NETWORK 4 HOME DELIVERY LTD

(b) Insert full
name(s)
and
address(es)

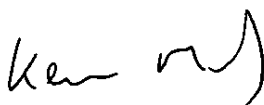
W We (b) K G Murphy and A Poxon

of Leonard Curtis, Tower 12, 18/22 Bridge Street, Spinningfields, Manchester, M3 3BZ

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 12 November 2014 to 11 November 2015

Signed



Date 7 January 2016

Presenter's
name, address
and reference (if
any)

Leonard Curtis
Tower 12, 18/22 Bridge Street
Spinningfields
Manchester
M3 3BZ
Ref M/35/RB/NN615K/115

FRIDAY



A21 08/01/2016 #340
COMPANIES HOUSE



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

NETWORK 4 HOME DELIVERY LTD
(In Creditors' Voluntary Liquidation)

Registered Number 06967468

Joint Liquidators' first annual progress report
prepared in accordance with s104A of the Insolvency Act 1986
and Rule 4.49C of the Insolvency Rules 1986 (as amended)

07 January 2016

Leonard Curtis
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Ref M/35/RB/NN615K/1010

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TO. **ALL MEMBERS
ALL CREDITORS
ALL DIRECTORS
THE REGISTRAR OF COMPANIES**

1 INTRODUCTION

- 1 1 My colleague, A Poxon, and I were appointed as Joint Liquidators of the Company on 12 November 2014. Our appointment took effect upon the cessation of our appointment as Joint Administrators and the registration of Form 2 34B – Notice of Move from Administration to Creditors' Voluntary Liquidation at Companies House. No other nominations for the office of Liquidator were received. Both A Poxon and I are licensed in the UK by the Institute of Chartered Accountants in England and Wales. I can confirm that there has been no change in office-holder since the date of liquidation.
- 1 2 This report has been prepared in accordance with the requirements of Section 104A of the Insolvency Act 1986 and Rule 4 49C of the Insolvency Rules 1986 (as amended) to provide members and creditors with a report on the progress of the liquidation.
- 1 3 The period covered by this report is the period of 12 months from appointment.

2 CONDUCT OF THE LIQUIDATION

- 2 1 The Company's registered office was changed from Unit 7, Cronin Courtyard, Weldon South Industrial Estate, Corby, Northamptonshire NN18 8AG to Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ on 18 June 2013. The Company's registered number is 06967468.

3 RECEIPTS AND PAYMENTS ACCOUNT

- 3 1 Attached at Appendix A is a summary of the Joint Liquidators' receipts and payments for the period from 12 November 2014 to 11 November 2015, being twelve months from the date of appointment.

3 2 Balance from Administration

A sum of £24,296.73 was available to the Joint Liquidators following the administration.

I can confirm this sum has been received.

3 3 Sale of Business

The business and assets of the Company were sold on 4 June 2013, during the administration period, to Network 4 Home Delivery (UK) Limited ("the Purchaser"), a connected company.

At the date of Liquidation, £9,302.33 remained outstanding, in respect of Work in Progress.

I can advise that £3,000.00 has been received from the purchaser during the liquidation.

A personal guarantee has been provided by the directors of the Purchaser for the outstanding consideration.

We are currently in discussions with the Purchaser and guarantors in relation to the sums outstanding, and it is expected that the remaining consideration will be received shortly.

3 4 **Bank Interest**

Bank interest in the sum of £15 60 has been received

4 **OUTCOME FOR CREDITORS**

4 1 **Secured Creditors**

Bibby

Bibby hold security by way of a debenture incorporating a fixed and floating charge over the Company's assets created on 13 April 2011 Bibby provided an invoice finance facility to the Company

The outstanding debtor ledger at our appointment totalled £303,934 of which £265,662 was approved for funding

The Company's indebtedness to Bibby inclusive of termination costs and interest equated to £234,892 50

Debtor collections in the sum of £284,922 08 have been received and paid to Bibby under its fixed charge in the administration Collections have been sufficient to repay Bibby in full, and a surplus of £50,029 58, including VAT reclaimable on fees charged, was received in the administration

4 2 **Preferential Creditors**

The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay

I can advise that all the employees were transferred to the purchaser upon completion of the sale of the business

No preferential claims have been received

4 3 **Prescribed Part**

As the secured creditor has been repaid in full under its fixed charge, there is no requirement to set aside a prescribed part in this case

4 4 **Unsecured Creditors**

It is anticipated that there will be sufficient funds to enable a distribution to unsecured creditors upon receipt of the outstanding sales consideration

If you have not already done so, please submit details of your claim, by completing and returning the proof of debt form attached at Appendix D to this office Please include documentation to support your claim

5 **INVESTIGATIONS**

- 5 1 Following their appointment, the Joint Liquidators considered the information acquired in the course of appraising and realising the business and assets of the Company, together with information provided by the Company's directors and its creditors, to identify any further possible realisations for the estate and what further investigations, if any, might be appropriate

5.2 That assessment did not identify any possible further realisations. In addition, the Joint Liquidators concluded that no further investigations were required. If, however, any creditor is aware of any particular matters which they consider requires investigation, they should please send full details to this office at the address given at the front of this report.

5.3 Regardless of the above, the Joint Liquidators have complied with their statutory obligations under the Company Directors Disqualification Act 1986 and the appropriate report has been submitted to the relevant authority.

6 JOINT LIQUIDATORS' REMUNERATION AND DISBURSEMENTS AND CREDITORS' RIGHTS

Remuneration

6.1 Rule 4.127(5A) of the Insolvency Rules 1986 (as amended) states that where a company which is in administration moves into liquidation and the former Administrators become the Liquidators, the basis of the office holders' remuneration fixed in the Administration also applies in the subsequent Liquidation. Accordingly, the Joint Liquidators' remuneration will be payable by reference to time properly given by the Joint Liquidators and their staff in attending to matters arising in the liquidation.

6.2 The Joint Liquidators' time costs are summarised below.

	Hours No	Rate / hr £	Total value of time £
Time incurred	44.9	305.52	13,718.00
Total Joint Liquidators' time costs	44.9	305.52	13,718.00

Please note that the firm's charge out rates were amended with effect from 6 January 2014.

6.3 The time charged by the Joint Liquidators and their staff for the period from 12 November 2014 to 11 November 2015 amounts to £13,718.00. This represents 44.9 hours at an average rate of £305.52 per hour. Attached at Appendix B is a time analysis which provides details of the activity costs incurred by staff grade during this period.

6.4 Liquidation fees drawn at the date of this report amount to £10,000.00.

6.5 Please note that the balance of outstanding Administrators fees, totalling £3,923.50, has also been paid during the period.

Category 2 disbursements

6.6 Creditors have approved the basis for recharging disbursements that include an element of allocated cost or payments to outside parties in which the Joint Liquidators or Leonard Curtis have an interest. These are known as Category 2 disbursements.

No disbursements of this kind have been incurred in this case.

Other disbursements and expenses

6.7 The Joint Liquidators have also incurred other disbursements and expenses since the date of their appointment. These expenses are detailed in the table below, which also indicates whether these expenses have yet been paid from case funds.

Nature of expenses	By whom provided	Total amount incurred to date £	Amount reimbursed £	Amount still to be reimbursed £
Other Professional Fees	DTE Business Advisers Limited	3,500 00	3,500 00	-
Software Licence (Cat 1)	Pelstar Computing Ltd	87 00	87 00	-
Statutory Advertising (Cat 1)	Courts Advertising	84 60	84 60	-
Report Hosting (Cat 1)	The Creditor Gateway	7 00	7 00	-
Storage (Cat 1)	Auctus Limited	5 08	-	5 08
Companies House Searches (Cat 1)	Companies House	1 00	-	1 00
Total		3,684 68	3,678 60	6 08

- 6 8 Attached at Appendix C is additional information in relation to the firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade. During the liquidation the following professional advisors and / or subcontractors have been used:

Name of Professional Advisor	Service Provided	Basis of Fees
DTE Business Advisers Limited	Assistance with Statement of Affairs	Time Costs

Creditors' Rights

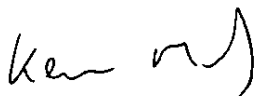
- 6 9 Any secured creditor, unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) or any unsecured creditor with the permission of the Court, may within 21 days of the receipt of this report make a request in writing to the Joint Liquidators for further information about the remuneration or expenses incurred since the date of appointment.
- 6 10 In addition to the above, any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) or any unsecured creditor with the permission of the Court, may within 8 weeks of receipt of this report make an application to Court on the grounds that the basis fixed for the Joint Liquidators' remuneration is inappropriate, or the remuneration charged or the expenses incurred by the Joint Liquidators since the date of appointment are excessive.

7 NEXT REPORT

- 7 1 The Joint Liquidators are required to provide a progress report within two months of the end of the next anniversary of the Liquidation or earlier if the Liquidation has been finalised.

If you require further information in the meantime please contact my office in writing. Electronic communications should include a full postal address.

Yours faithfully



K G MURPHY
Joint Liquidator

Licensed in the UK by the Institute of Chartered Accountants in England and Wales

APPENDIX A

ACCOUNT OF JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS FOR THE PERIOD FROM
12 NOVEMBER 2014 TO 11 NOVEMBER 2015

	Estimated to realise £	Cumulative £
RECEIPTS		
Balance from Administration	24,296 73	24,296 73
Work in Progress	9,302 33	3,000 00
Bank Interest	-	15 60
	<u>33,599 06</u>	<u>27,312 33</u>
PAYMENTS		
Administrators' Remuneration		(3,923 50)
Liquidators' Remuneration		(10,000 00)
Other Professional Fees		(3,500 00)
Category 1 Disbursements		(178 60)
Corporation Tax		(2,266 30)
		<u>(19,868 40)</u>
BALANCE IN HAND		<u>7,443 93</u>

APPENDIX B

SUMMARY OF JOINT LIQUIDATORS' TIME COSTS FOR THE PERIOD
FROM 12 NOVEMBER 2014 TO 11 NOVEMBER 2015

	Director		Senior Manager		Manager 2		Administrator 1		Administrator 2		Administrator 4		Total		Average	
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Hourly Rate £	Hourly Rate £
Statutory & Review	71	3,195.00	4	164.00	4	128.00	15	390.00	30	560.00			124	4,557.00	368.31	368.31
Receipts & Payments							32	832.00			41	615.00	73	1,447.00	198.22	198.22
Assets							43	1,118.00					43	1,118.00	262.00	262.00
Liabilities	41	1,845.00			5	160.00	41	1,366.00					87	3,071.00	352.99	352.99
General Administration	10	450.00					12	312.00	1	23.00			23	785.00	341.30	341.30
Appointment	6	270.00			7	224.00	61	1,586.00					74	2,080.00	281.08	281.08
Investigations	-	-	-		-		25	650.00					25	650.00	260.00	260.00
Total	128	5,760.00	4	164.00	16	512.00	229	5,954.00	31	713.00	41	615.00	449	13,718.00		
Average Hourly Rate (£)		<u>450.00</u>		<u>410.00</u>		<u>320.00</u>		<u>260.00</u>		<u>230.00</u>		<u>150.00</u>		<u>305.52</u>		
All Units are 6 minutes																

APPENDIX B (continued)

DESCRIPTION OF TIME SPENT BY CATEGORY

Statutory & Review

This involved reviewing the case file to ensure all matters were being progressed and statutory requirements were met

Receipts & Payments

This involved dealing with all transactions during the liquidation including asset realisations and expenses Regular outcome statements have also been prepared

Assets

Time was spent transferring the balance from administration to the liquidation account Time was spent monitoring the outstanding deferred consideration

Liabilities

A significant portion of time was spent dealing with general queries from trade creditors by post, telephone and email Time has been spent reviewing claims that have been received from creditors

General Administration

This includes setting up the case file and engaging in general correspondence

Appointment

This involved notifying creditors and all relevant parties of our appointment as liquidators including complying with statutory requirements

Investigations

Time was spent gathering information from the company records for assistance in preparation and submission of the statutory requirement to submit a confidential directors' conduct report to The Insolvency Service

APPENDIX C

LEONARD CURTIS CHARGE OUT RATES AND POLICY REGARDING STAFF ALLOCATION, SUPPORT STAFF, THE USE OF SUBCONTRACTORS AND THE RECHARGE OF DISBURSEMENTS

The following information relating to the policy of Leonard Curtis is considered to be relevant to creditors

Staff Allocation and Support Staff

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution of the secured creditors, a creditors' committee or creditors generally, that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters arising in the appointment, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below.

With effect from 6 January 2014 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis

With effect from 6 Jan 2014	Standard £	1 Jan 2012 to 5 Jan 2014	Standard £
Director	450	Director	425
Senior Manager	410	Senior Manager	385
Manager 1	365	Manager 1	330
Manager 2	320	Manager 2	285
Administrator 1	260	Administrator 1	230
Administrator 2	230	Administrator 2	210
Administrator 3	210	Administrator 3	190
Administrator 4	150	Administrator 4	135
Support	0	Support	0

Subcontractors

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holders or their staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Disbursements

- a) **Category 1 disbursements** These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) **Category 2 disbursements** These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£66.09 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

PROOF OF DEBT – GENERAL FORM

NETWORK 4 HOME DELIVERY LTD		
Date of Winding Up Order/Resolution for voluntary winding up 4 June 2013		
1	Name of Creditor (if a company please also give company registration number)	
2	Address of creditor for correspondence (Please include email address)	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation	£
4	Details of any documents by reference to which the debt can be substantiated (Note There is no need to attach them now but the liquidator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting)	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7	Particulars of any security held the value of the security and the date it was given	
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf _____ Name in BLOCK LETTERS _____ Position with or relation to creditor _____ Address of person signing (if different from 2 above) _____	
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Liquidator		Liquidator