

# Liquidator's Progress Report

# S.192

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

To the Registrar of Companies

Company Number

07008623

Name of Company

Academy Furniture And Interiors Ltd

I / We

Andrew John Whelan, 60/62 Old London Road, Kingston Upon Thames, KT2 6QZ

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 01/07/2015 to 30/06/2016

Signed



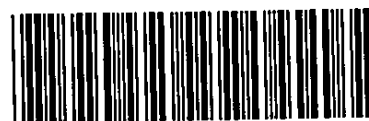
Date

20/7/16

WSM Marks Bloom LLP  
60/62 Old London Road  
Kingston upon Thames  
KT2 6QZ

Ref A436/AJW/AN/LP

SATURDAY



A11 \*A5BUBRN6\* #359  
23/07/2016  
COMPANIES HOUSE

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## **ACADEMY FURNITURE & INTERIORS LIMITED (IN LIQUIDATION)**

### **ANNUAL PROGRESS REPORT FOR THE YEAR TO 30 JUNE 2016**

#### **CONTENTS**

- 1 Introduction and Statutory Information
- 2 Progress of the Liquidation
- 3 Creditors
- 4 Liquidator's Remuneration
- 5 Creditors' Rights
- 6 Next Report

#### **ATTACHMENTS**

Receipts and Payments Account from 1 July 2015 to 30 June 2016 together with a cumulative Receipts and Payments Account from 1 July 2013 to 30 June 2016

Time Analysis for the period from 1 July 2015 to 30 June 2016 together with a cumulative Time Analysis for the period from 1 July 2013 to 30 June 2016

Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9

## **1 Introduction and Statutory Information**

1 1 I, Andrew John Whelan of WSM Marks Bloom LLP, 60/62 Old London Road, Kingston upon Thames KT2 6QZ, was appointed as Liquidator of Academy Furniture & Interiors Limited ("the Company") on 1 July 2013. This report covers the period from 1 July 2015 to 30 June 2016 ("the Period").

1 2 The principal trading address of the Company was 6 Shelveys Way, Tadworth, Surrey KT20 5QN. The principal trading activity was that of sale of furniture and refurbishment of schools and other institutes primarily in the education sector. The business traded under the Company's name.

1 3 The registered office of the Company has been changed to 60/62 Old London Road, Kingston upon Thames KT2 6QZ and its registered number is 07008623.

## **2 Progress of the Liquidation**

2 1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period.

2 2 Attached is my receipts and payments account for the Period, together with a cumulative receipts and payments for the period from the date of my appointment as liquidator to the end of this Period.

2.3 Also attached is a time analysis outlining the time spent by the Liquidator and his staff during the Period.

2 4 Further information about the basis of remuneration agreed in this case and the Liquidator's fees can be found in section 5 of this report.

### ***Realisation of Assets***

#### ***First Year Realisations***

2 5 Realisations were made in the first year of the liquidation in respect of cash at bank in the sum of £3,120.19 and books debts of £3,650. The realisations were comparable to the figures shown in the statement of affairs of the company on liquidation.

#### ***Other Assets – Director's loan account***

2 6 There were no further assets identified on the statements of affairs. However, I have now concluded a detailed review of the Company's books and records and it has been established that there is an overdrawn director's loan account balance of £107,350.47. A demand for payment is being issued now.

### ***Creditors (claims and distributions)***

2 7 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. A Liquidator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.

2 8 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.

- 2 9 The above work will not necessarily bring any financial benefit to creditors generally, however a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims.

### *Investigations*

- 2.10 You may recall from my first progress report to creditors that some of the work the Liquidator is required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidator can pursue for the benefit of creditors.
- 2 11 My report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills under the CDDA 1986 was submitted during the first year of the liquidation and is confidential.
- 2 12 Since my last progress report, as noted at 2 6, my review of the Company's books and records has established a director's loan account balance of £107,350 47, which I am now pursuing.

## **3 Creditors**

### *Secured Creditors*

- 3.1 There are no secured creditors.

### *Preferential Creditors*

- 3 2 The director's statement of affairs estimated preferential claims at £9,230. However, no claims have been received or processed in respect of the entitlements of the former employees.
- 3 3 Accordingly, no preferential claim has been received from the National Insurance Fund.

### *Unsecured Creditors*

- 3 4 I have received claims totalling £211,205 95 from 9 creditors. I have yet to receive claims from 6 creditors whose debts total £35,893 30 as per the director's statement of affairs.
- 3 5 The Company did not grant any floating charges to a secured creditor. Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors, which only applies where a floating charge was created after 15 September 2003.
- 3 6 The likelihood of a distribution to unsecured creditors is wholly dependent on future funds realised from the director in respect of his overdrawn loan account and the costs of so realising.

#### **4 Liquidator's Remuneration**

- 4 1 At the meeting of creditors held on 1 July 2014, the creditors approved that the basis of the Liquidator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the Liquidation
- 4 2 My time costs for the Period are £2,128 50, representing 12 40 hours at an average rate of £171 65 per hour Attached is a time analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent by me in managing the Liquidation To date, no remuneration has been drawn on account
- 4 3 Also attached is a cumulative time analysis for the period from 1 July 2013 to 30 June 2016 which provides details of my time costs since my appointment The cumulative time costs incurred to date are £13,849 50 This represents 69 40 hours at an average rate of £199 56 per hour
- 4 4 In considering the remaining work to be done in this liquidation, I am unable currently to anticipate my time costs to complete the liquidation. As detailed above, there is a large director's loan account balance to pursue; the level of cost will depend upon the director's ability to repay I will update creditors on this in my next progress report.
- 4 5 Also attached is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements, and details of our current charge-out rates by staff grade Since my appointment, no category 2 disbursements have been taken
- 4 6 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from [www.wsm.co.uk/insolvency/creditors-guides](http://www.wsm.co.uk/insolvency/creditors-guides)

#### **5 Creditors' Rights**

- 5 1 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) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report.
- 5 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive

#### **6 Next Report**

- 6 1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors



A J Whelan, Liquidator  
20 July 2016

**Academy Furniture And Interiors Ltd**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**

Statement of Affairs		From 01/07/2015 To 30/06/2016	From 01/07/2013 To 30/06/2016
	<b>ASSET REALISATIONS</b>		
NIL	Plant & Machinery	NIL	NIL
3,600 00	Book Debts	NIL	3,650 00
3,000 00	Cash at Bank	NIL	3,120 19
	Bank Interest Gross	2 57	5 62
		<u>2 57</u>	<u>6,775 81</u>
	<b>COST OF REALISATIONS</b>		
	Specific Bond	NIL	30 00
	Preparation of S of A	NIL	5,500 00
	Office Holders Expenses	NIL	3 00
	Corporation Tax	0 40	0 40
	Statutory Advertising	NIL	225 00
		<u>(0 40)</u>	<u>(5,758 40)</u>
	<b>PREFERENTIAL CREDITORS</b>		
(9,230 00)	Employee Arrears/Hol Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>UNSECURED CREDITORS</b>		
(65,619 77)	Trade & Expense Creditors	NIL	NIL
(2,190 00)	Employees	NIL	NIL
(18,300 00)	Banks/Institutions	NIL	NIL
(28,114 45)	HM Revenue & Customs - PAYE	NIL	NIL
(40,000 00)	HM Revenue & Customs - VAT	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>DISTRIBUTIONS</b>		
(1 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>(156,855.22)</b>		<b>2.17</b>	<b>1,017.41</b>
	<b>REPRESENTED BY</b>		
	Fixed Current A/c		1,017 41
			<u>1,017.41</u>

**WSM MARKS BLOOM  
TIME & CHARGEOUT SUMMARIES**

From 1 July 2015 to 30 June 2016

Academy Furniture And Interiors Limited

HOURS							
Classification of Work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	0 90	0 20	0 75	1 30	3 15	651 00	206 67
Investigations	0 00	0 00	0 00	0 50	0 50	50 00	100 00
Realisation of Assets	0 00	1 60	0 00	5 70	7 30	1,075 00	147 26
Creditors	0 30	0 90	0 00	0 25	1 45	352 50	243 10
Total Fees Claimed £	444 00	777 00	135 00	772 50		2,128 50	
Total Hours	1 20	2 70	0 75	7 75	12 40		171 65
Average Rate £	370 00	287 78	180 00	99 68			

**WSM MARKS BLOOM  
TIME & CHARGEOUT SUMMARIES**

From 1 July 2013 to 30 June 2016

Academy Furniture And Interiors Limited

HOURS							
Classification of Work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	5 20	5 90	6 85	1 30	19 25	4,213 50	218 88
Investigations	4 00	17 50	1 30	4 50	27 30	5,517 50	202 11
Realisation of Assets	0 00	9 30	2 10	5 70	17 10	3,009 50	175 99
Creditors	0 90	1 40	2 70	0 75	5 75	1,109 00	192 87
Total Fees Claimed £	3,396 00	7,295 00	2,026 00	1,132 50		13,849 50	
Total Hours	10 10	34 10	12 95	12 25	69 40		199 56
Average Rate £	336 24	213 93	156 45	92 45			

**ADDITIONAL INFORMATION IN RELATION TO LIQUIDATOR'S FEES  
PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)**

Detailed below is WSM Marks Bloom LLP's policy in relation to Staff allocation and the use of subcontractors, Professional advisors, and Disbursements

*Staff allocation and the use of subcontractors*

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We have not utilised the services of any subcontractors in this case.

*Professional advisors*

We have not used professional advisors on this assignment.

*Liquidator's Expenses & Disbursements*

An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below.

Supplier / Service Provider	Nature of expense incurred	Paid in prior period £	Amount incurred & paid in period £	Amount incurred but not paid to date £	Total anticipated cost £
AUA Insolvency Risk Services	Specific Bond	30 00	Nil	Nil	490 00
Companies House	Company searches	3 00	Nil	Nil	3 00
HM Revenue & Customs	Corporation tax	Nil	0 40	Nil	5 00
Legal & Public Notices Advertising Agency	Statutory Advertising	225 00	Nil	Nil	316 20

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, or document storage. We would confirm that this firm does not seek to charge any Category 2 disbursements.



## **Charge-out Rates**

A schedule of current charge-out rates (effective since January 2016) is detailed below

Grade of staff	Charge-out rates per hour	Previous rates from January 2015
Partners & Licensed Insolvency Practitioners	£400	£360
Licensed Insolvency Practitioners	£320	£250
Qualified managers	£240	£220
Other professional staff	£180	£175
Assistants and support staff	£100	£90

The minimum time unit is 6 minutes