

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

07810493

Name of Company

Gomer Solutions (Northern) Limited

I / We

David Hill, 1st Floor North, Anchor Court, Keen Road, Cardiff, CF24 5JW

Peter Richard Dewey, 1st Floor North, Anchor Court, Keen Road, Cardiff, CF24 5JW

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 26/04/2013 to 25/04/2014

Signed

Date

4. 6. 14

Begbies Traynor (Central) LLP
1st Floor North
Anchor Court
Keen Road
Cardiff
CF24 5JW

Ref GO088CVL/DH/PRD/CAL/DXF

THURSDAY



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05/06/2014

COMPANIES HOUSE

#92

**Gomer Solutions (Northern) Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 26/04/2013 To 25/04/2014
65,000 00	SECURED ASSETS Book Debts	9,630 60 <u>9,630 60</u>
(32,973 00)	SECURED CREDITORS ABN-AMRO Commercial Finance	8,025 50 <u>(8,025 50)</u>
(21,984 00)	HIRE PURCHASE Motor Vehicles	NIL
21,984 00	Finance Company	<u>NIL</u> NIL
	ASSET REALISATIONS	
	Book Debts	300 00
	Rates Refund	65 10
	Bank Interest Gross	<u>1 96</u>
		367 06
	COST OF REALISATIONS	
	Specific Bond	75 00
	Pre-appointment Disbursements	177 04
	Statutory Advertising	<u>226 11</u>
		(478 15)
(10,926 00)	PREFERENTIAL CREDITORS Employees re Arrears/Hol Pay	<u>NIL</u> NIL
	UNSECURED CREDITORS	
(66,581 00)	Trade Creditors	NIL
(50,969 00)	Employees	NIL
(148 00)	Bank	NIL
(37,983 00)	HMRC (non VAT)	NIL
(48,481 00)	HMRC (VAT)	<u>NIL</u> NIL
	DISTRIBUTIONS	
(20,000 00)	Ordinary Shareholders	<u>NIL</u> NIL
<u>(203,061.00)</u>		<u><u>1,494.01</u></u>
	REPRESENTED BY	
	Bank 2 Current	<u>1,494 01</u>
		<u><u>1,494.01</u></u>

Gomer Solutions (Northern) Limited (In Creditors' Voluntary Liquidation)

Progress report pursuant to Section 104A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986

Period: 26 April 2013 to 25 April 2014

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members 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"	Gomer Solutions (Northern) Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Act on 26 April 2013
"the liquidators", "we", "our" and "us"	David Hill and Peter Richard Dewey of Begbies Traynor (Central) LLP, 1st Floor North, Anchor Court, Keen Road, Cardiff, CF24 5JW
"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

2. COMPANY INFORMATION

Trading name(s)	Gomer Solutions (Northern) Limited
Company registered number	07810493
Company registered office	1st Floor North, Anchor Court, Keen Road, Cardiff, CF24 5JW
Former trading address	Unit 4-6 Barlow Park, West Pitkerro Industrial Estate, Dundee, DD5 3UB

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	26 April 2013
Date of liquidators' appointment	26 April 2013
Changes in liquidator (if any)	None

4 PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 26 April 2013 to 25 April 2014

RECEIPTS

Book Debts

The Company's book debts were subject to an invoice discounting agreement with ABN-AMRO Commercial Finance plc ("ABN"). The director's estimated Statement of Affairs indicated that the Company's book debt ledger had a realisable value of £65,000 with the sum of £32,973 due to ABN. A book debt surplus of approximately £32,000 was therefore expected. Following the collection of all realisable book debts, and the application of ABN's termination charges of £8,025, no surplus was available for the liquidation. Further realisations in this regard are unlikely.

The sum of £300 has been received in respect of a debt due to the Company not subject to the invoice discounting agreement.

Rates Refund

A refund of £65.10 was received from Dundee City Council.

Bank Interest

Gross bank interest in the sum of £1.96 has been received.

PAYMENTS

The payments made from liquidation funds are detailed in the attached receipts and payments account.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the director's Statement of Affairs included within the report sent to creditors further to our appointment as liquidators.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

Secured creditor

As stated above, the Company's book debt ledger was subject to an invoice discounting agreement with ABN.

The agreement with ABN was subject to cross guarantees with the associated companies Gomer Solutions Limited and Gomer Fire and Security Limited, both also in liquidation. Although book debt realisations for the Company were insufficient to repay ABN in full, ABN were repaid in full via surplus funds on the accounts subject to the cross guarantees.

Preferential creditors

Based upon realisations to date and estimated future realisations, there is no prospect of a dividend being paid to the preferential creditors.

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 our 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

No dividend is available for unsecured creditors as insufficient funds have been realised.

6. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge-out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report.

Our time costs for the period from 26 April 2013 to 25 April 2014 amount to £10,792.50 which represents 41 hours at an average rate of £263.23 per hour.

The following further information in relation to our 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 26 April 2013 to 25 April 2014
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

To 25 April 2014, no fees have been drawn on account of our remuneration.

To 25 April 2014, we have also drawn disbursements in the sum of £75

No Category 2 disbursements have been incurred since the appointment of the joint liquidators

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2011' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy

7. LIQUIDATORS' EXPENSES

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

8. ASSETS THAT REMAIN TO BE REALISED

No assets remain to be realised

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, as explained in the report circulated at the meeting of creditors convened pursuant to Section 98 of the Act, such report having also been sent to creditors following the meeting, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills. We can confirm that we have discharged our duties in these respects

Investigations carried out to date

We have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect

Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties

10. 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 we provide further information about our 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, the basis fixed for our remuneration is inappropriate

11 CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner



David Hill
Joint Liquidator

Dated 4 June 2014

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 26 April 2013 to 25 April 2014

Gomer Solutions (Northern) Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments
To 25/04/2014

S of A £		£	£
65,000 00	SECURED ASSETS Book Debts	9,630 60	9,630 60
(32,973 00)	SECURED CREDITORS ABN-AMRO Commercial Finance	8,025 50	(8,025 50)
(21,984 00) 21,984 00	HIRE PURCHASE Motor Vehicles Finance Company	NIL NIL	NIL
	ASSET REALISATIONS Book Debts Rates Refund Bank Interest Gross	300 00 65 10 1 96	367 06
	COST OF REALISATIONS Specific Bond Pre-appointment Disbursements Statutory Advertising	75 00 177 04 226 11	(478 15)
(10,926 00)	PREFERENTIAL CREDITORS Employees re Arrears/Hol Pay	NIL	NIL
(66,581 00) (50,969 00) (148 00) (37,983 00) (48,481 00)	UNSECURED CREDITORS Trade Creditors Employees Bank HMRC (non VAT) HMRC (VAT)	NIL NIL NIL NIL NIL	NIL
(20,000 00)	DISTRIBUTIONS Ordinary Shareholders	NIL	NIL
(203,061.00)			1,494.01
	REPRESENTED BY Bank 2 Current		1,494 01
			1,494 01

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 26 April 2013 to 25 April 2014

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 guidance¹ 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 guidance² 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 (London £150) per meeting,
- 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,

(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

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

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 Cardiff office as at the date of this report are as follows

	Standard 1 May 2011 – until further notice Regional
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee 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 units 6 minute units

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	Gomer Solutions (Northern) Limited
CASE TYPE	CREDITORS' VOLUNTARY LIQUIDATION
OFFICE HOLDERS	David Hill AND Peter Richard Dewey
DATE OF APPOINTMENT	26 April 2013

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 Complexity of the case

The main actions in this liquidation have involved compliance with statutory requirements, asset realisations and dealing with creditors generally

1.3 Exceptional responsibilities

None

1.4 The office holders' effectiveness

We set out to maximise the value of the assets for the benefit of creditors and reduce claims against the Company. This is an ongoing process

1.5 Nature and value of property dealt with by the office holders

The Company's main assets at the date of the joint liquidators' appointment were book debts subject to an invoice discounting agreement

1.6 Anticipated return to creditors

Based upon realisations to date and estimated future realisations, there have been sufficient funds to enable payment in full to the secured creditor ABN-AMRO Commercial Financial plc only

1.7 Time costs analysis

An analysis of time costs incurred between 26 April 2013 and 25 April 2014 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 Liquidators and their staff following their appointment only

1.8 Work undertaken prior to appointment

In addition to the post appointment time costs detailed in the Time Costs Analysis, the costs relating to work undertaken prior to the Liquidators' appointment in summoning, advertising and holding the creditors' meeting and assisting the directors in preparing the statement of affairs were approved by the creditors at the Section 98 meeting

The agreed fee of £5,000 plus VAT is yet to be drawn, however disbursements of £177.04 have been paid

1 9 The views of the creditors

Creditors were circulated with notice of our appointment on 10 May 2013 and a copy of our first annual progress report is attached

1 10 Approval of fees

The joint liquidators remuneration is based on the time properly given by them (as liquidators) and the various grades of their staff calculated at the prevailing hourly charge-out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation and was approved at the meeting of creditors convened pursuant to Section 98 of the Act on 26 April 2013

1 11 Approval of Expenses and Disbursements

In respect of expenses necessarily incurred, the joint liquidators are authorised to make a separate charge in accordance with their firm's policy note which accompanied the information presented to the creditors at the Section 98 meeting on 26 April 2013

1 12 Category 2 Disbursements

No Category 2 disbursements have been incurred to date

1 13 Other professionals employed & their costs

No agents, solicitors or other professionals have been employed to date

2. SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

2 1 Since the date of our last report, the following work has been carried out

- Realisation of Company's assets,
- Notifying and liaising with Crown Departments as necessary,
- Dealing with creditors' claims and correspondence generally,
- Employee matters,
- Statutory reporting to members and creditors, and
- Scrutiny of the key reasons for the failure of the Company and reporting to the Department of Trade and Industry as required by statute

[illegible]

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance to be discharged £
Statutory advertising	TMP (UK) Ltd	226 11	226 11	Nil
Pre-appointment travel disbursements	Begbies Traynor (Central) LLP staff member	177 04	177 04	Nil
Specific bond	AUA Insolvency Risk Services Ltd	75 00	75 00	Nil