

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

SATURDAY



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07/01/2023

#132

COMPANIES HOUSE

### 1 Company details

Company number 1 0 0 5 7 6 7 8

Company name in full Bawtry Home Cinema Limited

→ Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Antony

Surname Denham

### 3 Liquidator's address

Building name/number DLP House

Street 46 Prescott Street

Post town Halifax

County/Region West Yorkshire

Postcode H X 1 2 Q W

Country England

### 4 Liquidator's name ①

Full forename(s) Sarah

Surname Long

① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number DLP House

Street 46 Prescott Street

Post town Halifax

County/Region West Yorkshire

Postcode H X 1 2 Q W


Country England

② Other liquidator

Use this section to tell us about  
another liquidator.

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<b>6</b>	<b>Period of progress report</b>															
From date	d	1	d	2	m	1	m	1	y	2	y	0	y	2	y	1
To date	d	1	d	1	m	1	m	1	y	2	y	0	y	2	y	2
<b>7</b>	<b>Progress report</b>															
<input checked="" type="checkbox"/> The progress report is attached																
<b>8</b>	<b>Sign and date</b>															
Liquidator's signature	Signature 															
Signature date	d	0	d	5	m	0	m	1	y	2	y	0	y	2	y	3

LIQ03

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**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	Sarah Long				
Company name	DL Partnership (UK) Limited				
Address	DLP House				
46 Prescott Street					
Post town	Halifax				
County/Region	West Yorkshire				
Postcode	H	X	1	2	Q W
Country					
DX					
Telephone	01422 356093				



**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

**Bawtry Home Cinema Limited – In Liquidation ("the Company")  
Joint Liquidators' Annual Progress Report to Members and Creditors  
In Accordance with Section 104A of the Insolvency Act 1986**

**1 Introduction**

- 1.1 At a meeting of members held on 12 November 2019, a resolution was passed that the Company be wound-up and that we Sarah Long and Antony Denham of DL Partnership (UK) Limited ("DLP"), DLP House, 46 Prescott Street, Halifax, HX1 2QW be appointed as Joint Liquidators. Our appointment was subsequently confirmed by creditors later that day by Deemed Consent.
- 1.2 The Company carried on business installing specialist home cinema systems from leasehold premises situated at 1 Swan Court, The Courtyard, Bawtry, Doncaster, DN10 6JG.
- 1.3 The Company is registered at Companies House under the number 10057678 and its current registered office is c/o DLP House, 46 Prescott Street, Halifax, HX1 2QW.
- 1.4 This is our third annual progress report on the conduct of the Liquidation in accordance with Section 104A of the Insolvency Act 1986.

**2 Receipts and Payments**

- 2.1 Please find enclosed at Appendix A, a copy of our receipts and payments account for the period covering 12 November 2021 to 11 November 2022.

**3 Asset Realisations**

- 3.1 As detailed in the director's estimated statement of affairs, the Company's assets consisted of cash at bank of £1,000 and book debts totalling £1,500.
- 3.2 The Company's cash at bank was being held in the client account of DLP at the time of Liquidation and was subsequently transferred into the designated Liquidation estate account.
- 3.3 The book debts of £1,500 were collected in full during the first reporting period.
- 3.4 The only receipt during the period 12 November 2021 to 11 November 2022 has been gross bank interest of £1 making total interest received for the duration of the Liquidation of £2. At all material times the Liquidation funds have been held on an interest bearing designated estate account. All VAT incurred during the Liquidation has been recoverable.

**4 Report on the Director**

- 4.1 We have carried out our investigation into the affairs of the Company in accordance with Statement of Insolvency Practice 2 and have submitted our final report on the conduct of the director prior to our appointment to the Department for Business, Energy and Industrial Strategy ("BEIS").
- 4.2 As you can appreciate the content of this report is a confidential document between BEIS and our firm and cannot be made available for public inspection. As at the date of our last annual progress report, our investigations into the Company's affairs remained ongoing in respect of any potential recoveries that may have been of benefit to creditors.

- 4.3 Following the issuing of our first annual progress report we were subsequently notified by BEIS that the Company's director, Mr Michael Gary Barker had provided a Disqualification Undertaking to the Secretary of State with effect from 26 January 2021 until 25 July 2024.
- 4.4 As per the publication of the Disqualification Undertaking on the Insolvency Service website, a review of the Company's bank account for the period 7 July 2018 to 31 October 2019 had identified funds totalling £97,996 as being transferred to the director personally thereby creating an overdrawn director's loan account.
- 4.5 As a consequence of the above, Mr Barker was asked to both account for these transfers and also to submit his proposals to us for repayment. Mr Barker subsequently provided us with a personal income and expenditure account, a statement of assets and liabilities, a summary of his recent employment history including the impact of the COVID-19 restrictions and he also voluntarily delivered up his personal bank statements covering the sixteen month period in question. Given the personal nature of this financial information we are unable to make the contents public.
- 4.6 Following a review of the personal bank statements, we found no evidence to suggest that the payments received were used to acquire any assets which could be recovered for the benefit of the unsecured creditors. Whilst certain items were disputed, some business related transactions were identified reducing the balance outstanding to £89,438. However, it was evident from the statements that the remainder of the funds had been fully utilised in discharging reasonable day to day family living expenses together with servicing historical financial commitments. The financial statements also confirmed that Mr Barker had neither the surplus income nor asset base to make either a monthly repayment or lump sum offer at that time.
- 4.7 We have continued to keep Mr Barker's position under review with the aim of reaching some form of settlement of the overdrawn director's loan account. However, based on our recent contact with Mr Barker his financial position has not changed substantially since our last report with his income still being insufficient to support a meaningful monthly repayment. The option of raising some form of lump sum via a third party is currently under consideration.
- 4.8 There are limited funds available in the Liquidation but regardless we do not currently consider there to be any merit in commencing legal proceedings against Mr Barker as there is unlikely to be any benefit to the creditors in taking such steps. We consider a negotiated settlement represents the best prospect of any realisation in this matter but legal action will remain an option. However, at this time we are not of the opinion that there would be any prospect of a substantial recovery from the director in light of the information provided to us in respect of his financial position and obligations unless there are significant developments.

## **5 Payments**

- 5.1 The sum of £96 was paid to AUA Insolvency Risk Services in respect of the Statutory Insurance Bond which the Joint Liquidators are required to obtain. The premium due varies with the expected realisable assets in the estate. These premiums are set by the Joint Liquidators' underwriter. This bond amount is the amount due for estate realisations in the band £499 - £5,000.

## 6 Joint Liquidators' Remuneration

- 6.1 We have not yet sought to agree the basis and the amount of our remuneration for acting as Joint Liquidators; the basis on which certain of our disbursements (Category 2 disbursements) as Joint Liquidators should be paid and the level of our pre-appointment costs for assisting the director with the preparation of his statement of affairs and the convening of the decision procedure. An estimated outcome statement of the Liquidation incorporating our Statutory Fees Estimate and statement of expenses will be forwarded to creditors in due course.
- 6.2 Our firm's underlying time costs in relation to the administration of the Liquidation for the period 12 November 2021 to 11 November 2022 amount to £3,330 making total time costs incurred of £16,270 for the duration of the Liquidation to date. No amount has been recharged to the estate in respect of the Joint Liquidators' fees. Detailed below is a summary of time charged by each member of our staff:

Hours					Time Cost £	Average hourly rate £
Classification of work function	Director	Associate	Cashier	Total Hours		
Administration and planning	2.20	2.50	1.40	6.10	1,030.00	168.85
Investigations	28.00	6.90	-	34.90	8,035.00	230.23
Realisation of Assets	5.20	0.50	-	5.70	1,375.00	241.23
Creditors	8.80	2.00	-	10.80	2,500.00	231.48
<b>Total Hours/ Fees claimed to 11 November 2021</b>	<b>44.20</b>	<b>11.90</b>	<b>1.40</b>	<b>57.50</b>	<b>12,940.00</b>	<b>225.04</b>
Administration and planning	5.40	-	0.70	6.10	1,580.00	259.02
Realisation of Assets	4.00	0.50	-	4.50	1,250.00	277.78
Creditors	2.00	-	-	2.00	500.00	250.00
<b>Total Hours/ Fees claimed to 11 November 2022</b>	<b>55.60</b>	<b>12.40</b>	<b>2.10</b>	<b>70.10</b>	<b>16,270.00</b>	<b>232.10</b>

- 6.3 Creditor approval to the basis of our remuneration will not necessarily mean that we will receive that implied level of remuneration. As you will note from the time summary above, the level of projected costs exceeds the current known level of available assets. We can only be paid out of the assets of the Company and if no substantial settlement of the overdrawn director's loan account can be achieved then our remuneration will be restricted and it will be necessary for us to perform significant work for which we will not be paid.
- 6.4 We have also incurred time costs of £1,100 pre-appointment in respect of assisting the director in convening the meeting of members and decision procedure of creditors and preparing the Company's Statement of Affairs along with ancillary documentation forwarded to creditors on 1 November 2019. This represents 6 hours of time at an average hourly rate of £183.

- 6.5 To reduce the level of professional costs incurred, some of the work has been conducted by staff under our supervision. The hourly charge-out rates for each level of our staff applicable for the period of the Liquidation are detailed at Appendix B.
- 6.6 The work undertaken by this firm is briefly detailed below:

#### Case Planning and Administration

As Joint Liquidators we are obliged by Statute, the Insolvency Code of Ethics and regulatory requirements (as well as commercial considerations) to carry out numerous statutory tasks such as advertising and filing as well as to adequately plan and administer the case throughout its conduct until we are released. The case management work performed under this heading primarily consists of strategic planning and case progression matters, periodic file reviews, returns and reports, record keeping (including the liquidation cash book) and other case management activities. All of this work is a statutory or regulatory requirement.

#### Investigations - Preliminary Investigation and Statutory Report on the Director's Conduct

Every Liquidator is obliged to conduct a minimum, preliminary investigation into the conduct of the Company's Affairs prior to his or her appointment. The nature and extent of the investigatory work required is set out in Statement of Insolvency Practice 2 ("SIP2"). This is a statutory requirement. A copy of SIP2 can be found on the following website [www.r3.org.uk/technical-library/england-wales/sips/](http://www.r3.org.uk/technical-library/england-wales/sips/)

They are also required to send a report on the conduct of each person who has been a director of the Company in the three year period prior to the Liquidation to the Department for Business, Energy and Industrial Strategy ("BEIS"). This work is a further statutory requirement.

Details of the work required here are set out in Guidance Notes which can be found on the following BEIS website:

[www.gov.uk/government/publications/company-directors-disqualification-act-1986-guidance-notes-completion-of-statutory-reports-and-returns](http://www.gov.uk/government/publications/company-directors-disqualification-act-1986-guidance-notes-completion-of-statutory-reports-and-returns)

Whilst these reports are now submitted online, the guidance remains applicable.

These are two quite separate mandatory activities; however, there is a degree of overlap in terms of the work that needs to be done. Our preliminary investigation is now complete and we can confirm that our report on the Director's conduct was submitted on 11 February 2020 the outcome of which is detailed above at Section 4.

#### Realisation of Assets

This specifically relates to the issues dealt with at Section 3 and 4 of this report and all other asset realisation matters.

#### Creditors

Throughout the duration of the Liquidation, we have continued to report to the creditors of the Company, either on an individual basis (dealing with queries, proof of debt forms, paperwork, retention of title claims) or collectively (statutory reporting). To date, we have issued three annual statutory reports as to the position of the Liquidation as at the anniversary. Future reports will be required at each anniversary and at the conclusion of the Liquidation.

- 6.7 A creditors' guide to Liquidators' fees can be found at the guide to fees section of our website at [www.dlppartnership.co.uk](http://www.dlppartnership.co.uk) along with a statement of creditors' rights in this regard which details the creditors' right to request further information and/or to challenge the remuneration and expenses of the Joint Liquidator.

## 7 Joint Liquidators' Disbursements

- 7.1 Total disbursements of £249 have been incurred of which the sum of £189 was recharged to the estate during the second reporting period in respect of Category 1 disbursements only. The Category 2 disbursements totalling £52 and postage costs of £8 remain outstanding. No disbursements have been incurred during this reporting period. A breakdown of the disbursements incurred is included below:

<b>Category 1 Disbursements</b>	<b>Incurred 12.11.19 to 11.11.20 (£)</b>	<b>Incurred 12.11.20 to 11.11.21 (£)</b>	<b>Total incurred as at 11.11.22 (£)</b>
Statutory Advertising	174.96	-	174.96
Postage (Franking)	14.41	7.80	22.21
<b>Total Category 1</b>	<b>189.37</b>	<b>7.80</b>	<b>197.17</b>
<b>Category 2 Disbursements</b>			
Photocopying	37.35	14.40	51.75
Facsimile	-	-	-
Travel	-	-	-
<b>Total Category 2</b>	<b>37.35</b>	<b>14.40</b>	<b>51.75</b>
<b>Total Disbursements</b>	<b>226.72</b>	<b>22.20</b>	<b>248.92</b>

### 7.2 Statutory Advertising

We are obliged by Statute to advertise certain events arising during the Liquidation in the London Gazette. Advertising charges are set by them. In this case, the winding up of the Company and the appointment of the Joint Liquidators have both been advertised.

### 7.3 Postage & Photocopying

We have incurred postage and photocopying charges in providing creditors with copies of the director's report and initial notice of the deemed consent procedure, our notice of appointment and our first annual progress report. As you will be aware, postal charges are set by the Royal Mail. Photocopying charges are incurred when reporting to creditors in order to produce the relevant circulars. Communicating with creditors is a statutory cost.

- 7.4 Details of the rates at which Category 2 charges are made are shown at Appendix B although none have been re-charged to the Liquidation to date. Category 2 disbursements are subject to specific creditor approval which will be sought in conjunction with the basis of the Joint Liquidators' remuneration.



## 8 Distributions to Creditors

### Preferential Creditors

- 8.1 We have not yet received a final claim from the Redundancy Payments Service ("RPS") although the preferential creditors were estimated in the statement of affairs at £800. Preferential creditors are categorised as employee wage arrears to a maximum of £800 per employee, all holiday pay and certain pension benefits.

### Secured Creditors

- 8.2 As there is no known secured creditor in this case, the prescribed part provisions of Section 176A of the Insolvency Act 1986 will not apply.

### Unsecured Creditors

- 8.3 We have received unsecured claims totalling £61,303 compared to the estimated statement of affairs figure of £33,039. No further creditors have been identified since the issuing of our last annual progress report. A summary of creditors' claims received in this matter is detailed in the table below:

Nature of Creditor	Statement of Affairs (£)	Claims Received (£)
Trade & Expense Creditors	1	563
Landlord	12,500	10,504
Estimated Employee Claims - RPS	2,200	-
HM Revenue & Customs (PAYE)	3,200	8,601
HM Revenue & Customs (VAT)	15,137	23,835
HM Revenue & Customs (Corp Tax)	1	-
Former Customer	-	17,800
<b>Total</b>	<b>33,039</b>	<b>61,303</b>

- 8.4 The HM Revenue & Customs total claim of £32,436 includes VAT of £23,835. This is higher than the figure estimated for the purposes of the statement of affairs as an assessment has been raised for the final period 1 October 2019 to 11 November 2019.
- 8.5 Following our appointment, we received an additional claim in respect of a project with an invoiced value of £78,484 which a Former Customer maintained had not been completed or commissioned in accordance with the schedule of works issued by the Company. This claim was disputed by the director and we have attempted to liaise between both parties with a view to either resolving the issue to the Former Customer's satisfaction or investigating the level of the final claim as far as we were able to under the circumstances, from the information provided.
- 8.6 Based on the information available to us at this time, it is unlikely that a dividend will be payable to any class of creditor in this case and as a result we would not usually incur the time and costs of adjudicating on creditor claims until there were sufficient funds available to enable a dividend to be paid. However, the Former Customer has since submitted a claim to us of £17,800 in respect of remedial works, outstanding supplies and commissioning costs and whilst this amount remains disputed by the director, as its agreement will have no effect on the overall outcome for creditors, we have accepted this claim for dividend purposes within the Liquidation in the sum of £17,800.

**9 General**

- 9.1 The outstanding matters in this case are; the settlement of the director's overdrawn loan account; the agreement of the Joint Liquidators' fees; the payment of the Liquidation expenses and the agreement of creditor claims (if appropriate).
- 9.2 Should you require any additional information regarding the information contained within this report then please do not hesitate to contact this office.

Signed .....

**Sarah Long (9615)**  
**Joint Liquidator**

Date: 5 January 2023

**Bawtry Home Cinema Limited - in Liquidation**  
**APPENDIX A - Joint Liquidators' Receipts and Payments Account**

<u>Estimated to Realise as per Statement of Affairs</u>		<u>Period 12.11.2019 to 11.11.2021</u>	<u>Period 12.11.2021 to 11.11.2022</u>	<u>Cumulative Total</u>
		<u>£</u>	<u>£</u>	<u>£</u>
	<b>Receipts</b>			
1,500.00	Book Debts	1,500.00	0.00	1,500.00
1,000.00	Cash at Bank	1,000.00	0.00	1,000.00
	Gross Bank Interest	0.74	1.39	2.13
<u>2,500.00</u>	<b>Total</b>	<u>2,500.74</u>	<u>1.39</u>	<u>2,502.13</u>
	<b>Payments</b>			
	Statutory Insurance Bond	96.00	0.00	96.00
	Joint Liquidators' Disbursements	189.37	0.00	189.37
	<b>Total</b>	<u>285.37</u>	<u>0.00</u>	<u>285.37</u>
	<b>Balance</b>	<u>2,215.37</u>	<u>1.39</u>	<u>2,216.76</u>
	<b>Made Up as Follows</b>			
	Output VAT			0.00
	Cash at Bank			2,178.89
	Input VAT			37.87
				<u>2,216.76</u>

## **APPENDIX B - DL PARTNERSHIP PUBLISHED TARIFF OF CHARGE-OUT RATES & DISBURSEMENTS**

### **1. Basis of the Joint Liquidators' Remuneration**

The hourly charge-out rates for each level of our staff applicable for the period from 12 November 2019 are detailed below:

<b>Grade</b>	<b>Rate per hour</b>
	<b>£</b>
Directors	250
Associates	150
Cashier	75

The hourly charge-out rates for each level of our staff applicable for the period from 1 March 2022 are detailed below:

<b>Grade</b>	<b>Rate per hour</b>
	<b>£</b>
Directors	300
Associates	200
Cashier	100

The level of staff has been selected based upon the nature and complexity of the assignment. All staff involved in the assignment have been charged directly to the case in units of six minutes.

### **2. Joint Liquidators' Disbursements**

Category 1 disbursements relate to external services provided which are directly attributable to the case. Category 2 disbursements relate to shared or allocated costs which generally relate to internal charges made for items such as postage, faxes and internal room hire.

Details of the rates at which these charges are made are shown below. In our opinion the charges are in line with the cost of external provision of these charges.

<b>Disbursement</b>	<b>Charge</b>
Photocopying (circulars only, per page)	15p
Faxes (incoming & outgoing, per page)	25p
Internal Room Hire (per hour, minimum charge £25)	£25.00
Mileage (per mile)	40p - 50p

In accordance with best practice guidelines as set out in Statement of Insolvency Practice 9, creditors' approval is required for Category 2 disbursements to be charged as an expense of the Liquidation.