

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 1 1 7 5 8 9 7 9

Company name in full Brown Stream Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Fiona

Surname Grant

3 Liquidator's address

Building name/number The Manor House

Street 260 Ecclesall Road South

Post town Sheffield

County/Region

Postcode S 1 1 9 P S

Country

4 Liquidator's name ①

Full forename(s) Robert Neil

Surname Dymond

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number The Manor House

Street 260 Ecclesall Road South

Post town Sheffield

County/Region

Postcode S 1 1 9 P S

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report											
From date	^d 1	^d 4	^m 0	^m 9	^y 2	^y 0	^y 2	^y 1				
To date	^d 1	^d 3	^m 0	^m 9	^y 2	^y 0	^y 2	^y 2				
7	Progress report											
<input type="checkbox"/> The progress report is attached												
8	Sign and date											
Liquidator's signature	Signature X <i>Liaa Grant</i> X											
Signature date	^d 1	^d 9	^m 1	^m 0	^y 2	^y 0	^y 2	^y 2				

**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 Rachel Harvey

Company name Wilson Field Limited

Address The Manor House
260 Ecclesall Road South

Post town Sheffield

County/Region

Postcode S 1 1 9 P S

Country

DX

Telephone 01142356780

**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

Brown Stream Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 14/09/2021 To 13/09/2022 £	From 14/09/2021 To 13/09/2022 £
ASSET REALISATIONS		
Cash Held by Liquidator	5,827.17	5,827.17
Investigation Matters	5,000.00	5,000.00
	<u>10,827.17</u>	<u>10,827.17</u>
COST OF REALISATIONS		
Legal Fees	4,166.65	4,166.65
Statement of Affairs Fee	4,855.97	4,855.97
VAT Unrecoverable	971.19	971.19
	<u>(9,993.81)</u>	<u>(9,993.81)</u>
PREFERENTIAL CREDITORS		
(7,365.60) HMRC Indirect Taxes	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
UNSECURED CREDITORS		
(50,000.00) Banks/Institutions	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
(57,365.60)	<u>833.36</u>	<u>833.36</u>
REPRESENTED BY		
Bank 1 Current		0.01
Vat Control Account		166.67
Vat Receivable		666.68
		<u>833.36</u>

Fiona Grant

Fiona Grant
Joint Liquidator

Joint Liquidators' Annual Progress Report to Creditors & Members

Brown Stream Limited (**“the Company”**) - In **Creditors’**
Voluntary Liquidation

19 October 2022

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- 6** Creditors' rights
- 7** Next report

APPENDICES

- A** Receipts and Payments Account ("R&P") for the period 14 September 2021 to 13 September 2022 ("the Period").
- B** Time analysis for the Period
- C** Additional information in relation to the Liquidators' Fees, Expenses & the use of Subcontractors

1 Introduction and statutory information

- 1.1 I, Fiona Grant, together with my colleague Robert Neil Dymond, was appointed Joint Liquidator of the Company on 14 September 2021. We are licensed to act as insolvency practitioners in the United Kingdom by the ICAEW and as such are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. If you have any queries relating to this case, please contact my colleague Rachel Harvey on 0114 235 6780 or by email to r.harvey@wilsonfield.co.uk.
- 1.2 This progress report covers the Period and should be read in conjunction with any previous progress reports which have been issued.
- 1.3 Information about the way that we use and store personal data on insolvency appointments can be found at <https://www.wilsonfield.co.uk/not-so-small-print>. If you are unable to download this, please contact my office and a hard copy will be provided to you.
- 1.4 The principal trading address of the Company was Optionis Hoisue 840 Ibis Court, Centre Park, Warrington, WA1 1RL.
- 1.5 Following the Joint Liquidators' appointment, the registered office of the Company was changed from Optionis Hoisue 840 Ibis Court, Centre Park, Warrington, WA1 1RL to Wilson Field Limited, The Manor House, 260 Ecclesall Road South, Sheffield S11 9PS. Its registered number is 11758979.

2 Receipts and Payments

- 2.1 At Appendix A is my Receipts and Payments Account covering the Period.
- 2.2 In Section 3 below, you will find an update on the progress made during the Period in realising the Company's assets and dealing with its affairs.

3 Progress of the Liquidation

- 3.1 This section of the report provides creditors with an update on the progress made in the Liquidation during the Period and an explanation of the work done by the Liquidators and their staff.

Administration (including statutory compliance & reporting)

- 3.2 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated would need to be done in this area was outlined in my two fee estimates/information previously provided to creditors.
- 3.3 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidators.
- 3.4 As noted in my initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors but is required on every case by statute.

Realisation of Assets

- 3.5 The sum of £5,000 has been received from the director in respect of a settlement agreement for £65,000, with a further £1,000 being received in the period after that covered by this report. Please refer to the Investigations section for more details regarding this.

- 3.6 It is anticipated that the work the Liquidator and his staff have undertaken to date will bring a financial benefit to creditors because this should result in a dividend payment for the secondary preferential and possibly for the unsecured creditors.

Creditors (including claims and distributions)

- 3.7 The Liquidators are 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.
- 3.8 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 3.9 Since 1 December 2020, claims from preferential creditors now fall into one of two categories, either ordinary (typically involving employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal, which rank equally among themselves), or secondary (which are claims by HMRC for VAT or other relevant tax deductions such as PAYE and employee NIC deductions, together with student loans and CIS deductions, which also rank equally among themselves). Ordinary preferential claims rank ahead of secondary preferential claims and all preferential creditors must be paid in full before any distribution can be made to the unsecured creditors of a company.
- 3.10 Work undertaken by a Liquidator in dealing with a company's creditors may only therefore bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, 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.
- 3.11 More information on the anticipated outcome for all classes of creditors in this case can be found in Section 4 below.
- 3.12 At this stage, I consider the following matters worth bringing to the attention of creditors:
- I have received a claim from the secondary preferential creditors totalling £7,365.60; and
 - there are two known potential unsecured creditors with a value per the director(s) statement of affairs of £50,000. Two claims totalling £51,003.95 have been received

Investigations

- 3.13 Some of the work the Liquidators are 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 Liquidators can pursue for the benefit of creditors.
- 3.14 I can confirm that I have submitted a report on the conduct of the directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.
- 3.15 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account any information provided by creditors. My investigations revealed the following issues

- 3.16 Having carried out a detailed analysis of the Company's bank statements, it became apparent that Mr Rahim (the director) had received £289,387.84 from the Company bank account between 19 September 2019 and 29 January 2021. Of these, £103,951 was received following receipt of the bounce back loan which was received in July 2020.
- 3.17 Mr Rahim also paid £40,300 into the Company's account. The director was unable to provide any documentation to evidence that these were genuine Company expenses and confirmed that they were personal payments.
- 3.18 When no response was received from him as to how these were to be repaid, I handed the matter onto my solicitor to pursue.
- 3.19 After taking into account the estimated costs and claims in the Liquidation, it was determined that Mr Rahim would need to repay £94,372.25 in order to allow full payment of costs and claims.
- 3.20 The director advised my solicitor that he did not have sufficient funds to pay this. However, he made an offer of £65,000 with £1,000 paid for six months and the balance of £59,000 to be paid in October 2022, which was then revised slightly to five payments of £1,000 and a lump sum payment of £60,000 in September 2022. He was therefore asked to complete a statement of means to evidence that this was affordable and not able to offer a higher amount.
- 3.21 Following receipt of this and advice from my solicitor, the offer was accepted, with the final payment due on 29 September 2022. To date, £6,000 has been received, including the sum of £1,000 paid after 13 September 2022.
- 3.22 Whilst the due date of the final payment is outside of the Period covered by this report, I advise creditors that the director recently contacted my solicitor to inform him that he was not in a position to make the final payment of £60,000 at the end of September. This was due to a change in personal employment circumstances. Instead, he proposed to continue making monthly payments of £1,000 for October and November 2022 with the balance of £57,000 payable in December 2022. This revised payment schedule has been confirmed with the director.

4 Creditors

Secured creditors

- 4.1 There are no secured creditors.

Preferential creditors

- 4.2 A summary of the ordinary and secondary preferential claims in the liquidation and details of any distributions paid to date can be found below:

Secondary preferential claims	Agreed Claim £	Statement of Affairs Claim £	Dividend paid p in the £1	Date dividend paid
VAT (HMRC)	7,365.60	7,365.60	nil	N/A

- 4.3 No dividend has yet been paid to the preferential creditors but it is anticipated that they will be paid in full.

Unsecured creditors

- 4.4 The Company's statement of affairs indicated there was one creditor whose debts totalled £50,000. To date, I have received two claims totalling £51,003.95.

4.5 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 (known as the Prescribed Part).

4.6 Further updates on the anticipated outcome to creditors will be provided in subsequent reports, however you will note that it is currently anticipated there may be a small dividend payable to unsecured creditors

5 Joint Liquidators' Remuneration

5.1 Creditors were asked to approve my remuneration based on an estimate of time costs included with correspondence dated 7 September 2021, prior to my appointment as Liquidator. This was estimated at £29,607.00. However, no votes were received.

5.2 I therefore approached creditors again for a fee resolution on 14 July 2022. The time costs incurred at this time were £19,976.00 and I estimated that a further £16,042.50 would be incurred to the end of the Liquidation. This was based on the work already carried out and the anticipated future work to bring the administration of the case to a conclusion. Again, no creditors responded so my solicitor was engaged to make an application to court for time costs in line with this latest request i.e. £36,018.50. The application was made and an Order granted for remuneration to be fixed in accordance with Rule 18.23 of the Insolvency (England and Wales) Rules 2016 by reference to the time properly given by me and my staff up to a maximum of £36,018.50.

5.3 My time costs for the Period are £21,980. This represents 75.6 hours at an average rate of £290.74 per hour. Attached as Appendix B 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. No remuneration or expenses have currently been drawn on account.

At the date of this report, I would confirm that my fees estimate for the liquidation remains unchanged. I will update creditors on the anticipated total amount that will be paid to my firm in respect of the approved fees in my next progress report. Given the ongoing work in the liquidation, it is difficult at this time to accurately report the anticipated payment to my firm, other than it will not exceed the cap approved by the Court.

5.4 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <https://www.icaew.com/en/technical/insolvency/understanding-business-restructuring-and-insolvency/creditors-guides>

5.5 Attached as Appendix C is additional information in relation to the Liquidators' fees and expenses including where relevant, information on the use of subcontractors and professional advisers.

6 Creditors' rights

6.1 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 Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report.

6.2 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 Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidators, as set out in this progress report, are excessive.

7 Next report

- 7.1 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 account.
- 7.2 If you have any queries in relation to the contents of this report, I can be contacted by telephone on 0114 235 6780 or by email to r.harvey@wilsonfield.co.uk.

Yours faithfully

F Grant

F Grant
Joint Liquidator

Appendix A

R&P for the Period from 14 September 2021 to 13 September 2022

Brown Stream Limited
(In Liquidation)

Summary of Receipts & Payments
14 September 2021 to 13 September 2022

RECEIPTS	Total (£)
Cash Held by Liquidator	5,827.17
Investigation Matters	5,000.00
	<hr/>
	10,827.17
	<hr/>
PAYMENTS	
Statement of Affairs Fee	4,855.97
Legal Fees	4,166.65
VAT Unrecoverable	971.19
Vat Receivable	833.35
	<hr/>
	10,827.16
Balance In Hand	0.01
	<hr/>
	10,827.17
	<hr/>

Appendix B

Time analysis for the Period from the 14 September 2021 to 13 September 2022

Time Entry - Detailed SIP9 Time & Cost Summary

BROW03C - Brown Stream Limited
From: 14/09/2021 To: 13/09/2022
Project Code: POST

Classification of Work Function	Directors & IPs	Managers	Administrators	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
ADAP : Appointment	0.70	0.00	2.30	0.00	3.00	948.00	316.00
ADCA : Cashiering	1.30	0.00	0.50	3.00	4.80	1,530.00	318.75
ADCR : Case Reviews	0.70	0.00	9.90	0.00	10.60	2,875.00	271.23
ADCI : Directors/Clients	0.60	0.00	0.00	0.00	0.60	300.00	500.00
ADGA : File Maintenance	1.40	0.00	0.50	0.80	2.70	967.00	358.15
ADSG : Statutory and Compliance	1.50	1.80	14.20	1.80	19.30	5,745.00	297.67
Admin and Planning	6.20	1.80	27.40	5.60	41.00	12,365.00	301.59
CCAD : Calculation & Distribution	0.60	0.00	0.00	0.00	0.60	300.00	500.00
CRCL : Creditors Claims	0.00	0.00	3.30	0.00	3.30	858.00	260.00
CRCO : Communications with Creditors	0.20	0.00	0.00	0.00	0.20	100.00	500.00
CRTV : Tax and VAT	0.20	0.00	1.50	0.00	1.70	476.00	280.00
Creditors	1.00	0.00	4.80	0.00	5.80	1,734.00	298.97
INAT : Antecedent Transactions	0.20	0.00	0.00	0.00	0.20	100.00	500.00
INDR : CDDA Report	1.10	0.00	3.50	0.00	4.60	1,460.00	317.39
INRE : Investigation and Review	0.70	0.10	22.70	0.00	23.50	6,173.00	262.68
Investigations	2.00	0.10	26.20	0.00	28.30	7,733.00	273.25
REIS : Identifying,Securing and Insuring	0.10	0.00	0.40	0.00	0.50	148.00	296.00
Realisation of Assets	0.10	0.00	0.40	0.00	0.50	148.00	296.00
Total Hours	9.30	1.90	58.80	5.60	75.60	21,980.00	290.74

Appendix C

Additional Information in Relation to the Liquidator's Fees, Expenses & the use of Subcontractors

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.

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

Professional Advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
MD Law (legal advice re investigations)	Time costs plus 100% success fee
MD Law (fee application)	Fixed cost of £1,250 plus disbursements

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

Liquidator's Expenses

The estimate of expenses which were anticipated was provided to creditors when the basis of my fees was requested. The table below compares the anticipated costs against those incurred to date.

Category 1 expenses

These expenses do not require prior approval by creditors. The type of expenses that may be charged to a case as a Category 1 expense generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, external room hire and external storage costs. Also chargeable, will be any properly reimbursed expenses incurred by personnel in connection with the case. These expenses may include disbursements which are payments first met by an office holder and then reimbursed from the estate.

Expense	Estimated overall cost £	Paid in the period covered by this report £	Incurred but not paid to date £	Total estimated costs £
Legal fees & expenses – investigations	2,624.40	2,499.99	478.93	2,978.92
Legal fees & expenses – Court application re remuneration	nil	nil	1,250.00	1,250.00
Statutory advertising pre appointment	85.85	nil	85.85	85.85
Statutory advertising post appointment	171.70	nil	261.60	351.50
Specific Penalty Bond	40.00	nil	40.00	220.00

Postage charges at £2.24 per creditor per circular	8.75	nil	8.75	8.75
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Legal costs are higher than initially estimated due to their involvement with negotiating a settlement with the director and making the application to court for my fee approval.

The amount due in respect of the specific bond has increased since the estimate due to the higher than anticipated realisations.

Advertising post appointment is also greater than anticipated. This is due to the adverts required in respect of any dividend payment.

Category 2 expenses

These expenses do require approval from creditors. However, it was not anticipated that any Category 2 expenses would be charged and none have been.

Charge-out rates

A schedule of Wilson Field Limited's current charge-out rates is below.

WILSON FIELD LIMITED CHARGE OUT RATES AND EXPENSES POLICY

In accordance with Statement of Insolvency Practice 9 ("SIP 9") covering fees and expenses, we are required to disclose to you our policy for recovering non-specific expenses, and the charge out rates for the various grades of staff who may be involved in this case.

Remuneration

The office holder(s) will seek approval from creditors to draw remuneration on a time cost basis, in accordance with the rates detailed below.

	Hourly charge out rate (£)			
Grade	01/11/2017 to 30/06/2018	01/07/2018 to 05/03/2020	06/03/2020 to 31/03/2021	01/04/2021 onwards
Director/Insolvency Practitioner	500	500	500	500
Manager	400	400	395	410
Assistant Manager	395	N/a	N/a	N/A
Team Leader	390	390	N/a	N/A
Senior Administrator	330	395	300	310
Administrator (dependent on experience)	230-300	230 - 300	240-270	180-280
Trainee Administrator	180	180	180	N/A
Assistant & Support staff	130	130	130 - 235	140-250

All time is recorded in 6-minute units.

Expenses

Expenses are payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder, and then reimbursed to the office holder from the estate. Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

Category 1 expenses

These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. These expenses can be paid without prior approval. Examples of these are advertising, insurance, legal fees etc.

Category 2 expenses

These are payments to associates or payment which have an element of shared costs. Examples of a category 2 expenses that officeholders may seek creditor approval for would be for mileage costs or for hire of external rooms for physical meetings where the room is used for more than one insolvency, Any such approval will be outlined with documentation for the relevant decision procedure.

Category 2 expenses are charged in accordance with the liquidator's prevailing recovery policy at the time the expense is incurred. However, any Category 2 expenses incurred prior to the 1 April 2021 but for which payment has not been drawn, will not be charged after this date. The rates applicable from 1 April 2021 are detailed below:

Expense	Charge	Period charged
Mileage	As per HMRC's approved mileage rates	On appointment (where appropriate)

In common with all professional firms, our charge out rates increase from time to time. We reserve the right to change the rates without prior notice to you. Any change will be reported in the next statutory report to creditors.