

The Insolvency Act 1986 Liquidator's Statement of Receipts and Payments

Pursuant to section 192 of the
Insolvency Act 1986

To the Registrar of Companies

For official use

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Company Number

05526990

Name of Company

(a) Insert full
name of company

A & G Retail Limited T/A Ixworth Stores Limited

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

I/We

Richard Frank Simms	Carolynn Jean Clark
F A Simms & Partners Ltd	F A Simms & Partners Ltd
Insol House	Insol House
39 Station Road	39 Station Road
Lutterworth	Lutterworth
Leicestershire	Leicestershire
LE17 4AP	LE17 4AP
United Kingdom	United Kingdom

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

Signed



Date 21/03/2012

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

Insol House
39 Station Road
Lutterworth
Leicestershire
LE17 4AP
United Kingdom

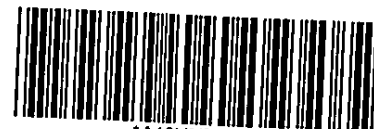
6346

For Official Use

Liquidation Section

Post Room

THURSDAY



A18NNTPF

A34

10/05/2012

#349

COMPANIES HOUSE

Your Ref
Our Ref RFS/CC/GT/6346
Reply to Mrs G Tilley
Email gtilley@fasimms.com

23 April 2012



F A Simms & Partners Limited
Turnaround, Rescue & Insolvency

Head Office
Insol House, 39 Station Road,
Lutterworth, Leicestershire LE17 4AP

Offices in
London • Birmingham • Bristol
Leeds • Manchester • Norwich

TO ALL MEMBERS AND CREDITORS

Dear Sirs

A & G RETAIL LIMITED T/A IXWORTH STORES In Creditors' Voluntary Liquidation

Formerly trading from: 13 High Street, Ixworth, Bury St Edmunds, Suffolk, IP31 2HH.

Pursuant to the requirements of Section 104A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986, we are pleased to provide the first progress report to creditors on the Liquidation to date and enclose, at Appendix A, a copy of the receipts and payments account to the anniversary of the Liquidation for your information.

The Company's main activity whilst trading was retail books and newspapers, it had ceased trading prior to Liquidation. The purpose of the Liquidation was to realise the fixtures & fittings, stocks and to investigate matters surrounding the failure of the Company and then to distribute realisations in the priorities laid down in the Insolvency Act 1986.

Asset Realisations

Fixtures & Fittings

The Director's Statement of Affairs estimated that the sum of £1,850.00 would be realised from the sale of the company's fixtures & fittings. The sum of £1,000.00 was received by the Joint Liquidators.

Stocks

The Director's Statement of Affairs indicated that the sum of £15,745.00 would be realised from the sale of the company's stock. To date the Joint Liquidators have received £8,018.38 and seek to realise the outstanding balance.

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Member of the Insolvency Practitioners Association
Chairman: Frank A Simms FABRP FIPA FICM FNARA Managing Director: Richard F Simms FCA FIPA FABRP
Directors: Patricia A Simms MCM Martin R Buttress MIPA Steven P Ford LLB FCCA MIPA Carolyn J Clark FCCA BSc (Hons) MIPA
F A Simms R F Simms M R Buttress S P Ford & C J Clark are licensed to act as Insolvency Practitioners by the Insolvency Practitioners Association
Registered in England Number 6003034

Bank Interest

Since the date of appointment, all funds have been held in an interest bearing account and to date have received interest totalling £0 43

Secured Creditors

There are no secured creditors in this matter

Preferential Creditors

	<u>Statement of Affairs</u> £	<u>Agreed Claim</u> £
Department of Employment	15,033	Not yet agreed
	<hr/>	<hr/>
	15,033	-
	<hr/>	<hr/>

No dividend has been paid to the preferential creditors

Unsecured Creditors

The Statement of Affairs showed 12 unsecured creditors with claims totalling £99,476 To date, 2 claims totalling ££9,946 00 have been agreed

Based on current estimated realisations, there is unlikely to be a dividend to unsecured creditors.

Investigation Work

Investigations have been completed into the failure of the Company as required by Statement of Insolvency Practice 2

The Company Directors Disqualification Act 1986 requires the Joint Liquidators to submit a return to the Insolvency Service in respect of Company's Director's conduct in all cases. Such return has now been submitted.

Outstanding Matters

The Joint Liquidators will continue to seek recovery of the outstanding stock monies.

Dividend Prospects

On the basis of current estimates of total costs and realisations, there is unlikely to be a dividend to unsecured creditors

Liquidators' Remuneration

The original creditors' meeting passed a resolution agreeing a fee of £3,446.00 and disbursements of £158.37 to be paid to the Joint Liquidators for summoning that meeting. To date, £3,446.00 has been drawn of fee and £158.37 of disbursements on account of these costs.

The original creditors' meeting also passed a resolution that the Joint Liquidators' remuneration be fixed on the basis of the time costs properly incurred by the office holders and staff in attending to matters arising in the insolvency.

Since appointment, the Joint Liquidators and staff have spent 52.60 hours on this case, having a total charge out value of £5,990.50 and an average hourly rate of £113.89. To date, £3,928.00 has been drawn on account of these time costs. Appendix B gives details of the time costs incurred to date by work category. These figures include an increase in charge out rates effective from 1 July 2011. Details of charge out rates and disbursement recovery rates are also included at Appendix B.

The disbursements charged to a case will comprise of external supplies of incidental services specifically identifiable to the case such as, case advertising, invoiced travel, external printing, and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. To date, the following external disbursements have been charged:

	£
Statutory Advertising	226.80
Storage	141.51

Disbursements relating to internal supplies or services specifically identifiable to the case will also be incurred such as photocopying, postage, telephone and fax. These items are charged to the case on the recovery basis detailed in the attached guide to fees. To date, £224.81 disbursements of this nature have been charged. Appendix B details the total internal disbursements incurred to date.

Any creditor has the right to request further information under Rule 4.49E of the Insolvency Rules 1986 and challenge the Joint Liquidators' remuneration and expenses under Rule 4.131 of the Insolvency Rules 1986. Details of this are attached in the Creditors' Guide to Fees at Appendix B.

Yours faithfully



R F SIMMS
C J CLARK
Joint Liquidators
For and on behalf of
A & G Retail Limited T/A Ixworth Stores

Case Number 6346
Manager GVT

Company Number 05526990
Date of Incorporation 03/08/2005

A & G Retail Limited T/A Ixworth Stores

Joint Liquidators Receipts and Payments Account

Covering the period from
08 March 2011 to 07 March 2012

<i>Receipts</i>	Estimated To Realise	Realisations
FIXTURES & FITTINGS	1,850 00	1,000 00
STOCKS	15,745 00	8,018 38
	<u>17,595 00</u>	
BANK INTEREST		0 43
V A T REFUND		985 29
	TOTAL	<u>10,004 10</u>
<i>Payments</i>		
LIQUIDATORS DISBURSEMENTS		224 81
LIQUIDATORS REMUNERATION		3,928 00
STATEMENT OF AFFAIRS DISBURSEMENTS		158 37
STATEMENT OF AFFAIRS FEE		3,446 00
STATUTORY ADVERTISING		226 80
STORAGE COSTS		141 51
V A T - INPUT		1,625 09
	TOTAL	<u>9,750 58</u>
		<u>Receipts</u> 10,004 10
		<u>Payments</u> 9,750 58
		Balance in Hand 253 52

Time and Charge Out Summary

A & G Retail Limited T/A Ixworth Stores

From 9/03/2011

To 7/03/2012

Classification of Work Function	Director Hours	Manager Hours	Other Senior Professionals Hours	Assistants & Support Staff Hours	Total Hours	Time Cost £	Average Hourly Rate £
Administration and Planning	9 90	21 90	0 30	7 30	39 40	4,396 00	111 57
Creditors	2 00	5 50	0 10	0 90	8 50	819 50	96 41
Investigations	0 20	2 50			2 70	275 00	101 85
Realisation of Assets	2 00				2 00	500 00	250 00
Total Hours	14 10	29 90	0 40	8 20	52 60		
Total Cost (£)	3,452 50	2,043 00	32 00	463 00		5,990 50	
Average Hourly Rate (£)	244 86	68 33	80 00	56 46			113 89

Disbursements

Description	Amount £	
Book Storage	Confidential Waste	10 50
Post	General Correspondence	11 45
Fee	IT Charge	100 00
Insolvency Bond	Insolvency Bond	50 00
Post	Other Payment	36 90
Photocopying	Photocopying	10 70
Post	Report of Meeting	6 48
Telephone	Telephone	2 12
		228 15

A CREDITORS' GUIDE TO LIQUIDATORS' FEES

ENGLAND AND WALES

1. Introduction

- 1.1. When a company goes into liquidation the costs of the proceedings are paid out of its assets. The creditors, who hope to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as liquidator. The insolvency legislation recognises this interest by providing mechanisms for creditors to fix the basis of the liquidator's fees. This guide is intended to help creditors be aware of their rights to approve and monitor fees and explains the basis on which fees are fixed.

2. Liquidation procedure

- 2.1. Liquidation (or 'winding-up') is the most common type of corporate insolvency procedure. Liquidation is the formal winding-up of a company's affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority. Liquidation may be either voluntary, when it is instituted by resolution of the shareholders, or compulsory, when it is instituted by order of the court.
- 2.2. Voluntary liquidation is the more common of the two. An insolvent voluntary liquidation is called a creditors' voluntary liquidation (often abbreviated to 'CVL'). In this type of liquidation an insolvency practitioner acts as liquidator throughout and the creditors can vote on the appointment of the liquidator at the first meeting of creditors.
- 2.3. In a compulsory liquidation on the other hand, the function of liquidator is, in most cases, initially performed not by an insolvency practitioner but by an official called the Official Receiver. The Official Receiver is an officer of the court and a member of The Insolvency Service, an executive agency within the Department of Trade and Industry. In most compulsory liquidations, the Official Receiver becomes liquidator immediately on the making of the winding-up order. Where there are significant assets an insolvency practitioner will usually be appointed to act as liquidator in place of the Official Receiver, either at a meeting of creditors convened for the purpose or directly by the Secretary of State for Trade and Industry. Where an insolvency practitioner is not appointed the Official Receiver remains the liquidator.
- 2.4. Where a compulsory liquidation follows immediately on an administration the court may appoint the former administrator to act as liquidator. In such cases the Official Receiver does not become liquidator. An administrator may also subsequently act as liquidator in a CVL.

3. The liquidation committee

- 3.1. In a liquidation (whether voluntary or compulsory) the creditors have the right to appoint a committee called the liquidation committee, with a minimum of 3 and a maximum of 5 members, to monitor the conduct of the liquidation and approve the liquidator's fees. The committee is usually established at the creditors' meeting which appoints the liquidator, but in cases where a liquidation follows immediately on an administration any committee established for the purposes of the administration will continue in being as the liquidation committee.
- 3.2. The liquidator must call the first meeting of the committee within 3 months of its establishment (or his appointment if that is later), and subsequent meetings must be held either at specified dates agreed by the committee, or when requested by a member of the committee, or when the liquidator decides he needs to hold one. The liquidator is required to report to the committee at least every 6 months on the progress of the liquidation, unless the committee directs otherwise. This provides an

opportunity for the committee to monitor and discuss the progress of the insolvency and the level of the liquidator's fees

4. Fixing the liquidator's fees

4.1. The basis for fixing the liquidator's remuneration is set out in Rules 4.127 – 4.127B of the Insolvency Rules 1986. The Rules state that the remuneration shall be fixed either,

- As a percentage of the value of the assets which are realised or distributed or both, or
- by reference to the time properly given by the liquidator and his staff in attending to matters arising in the liquidation

It is for the liquidation committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is to be fixed as a percentage, to fix the percentage to be applied. Rule 4.127 says that in arriving at its decision the committee shall have regard to the following matters

- the complexity (or otherwise) of the case,
- any responsibility of an exceptional kind or degree which falls on the liquidator in connection with the insolvency,
- the effectiveness with which the liquidator appears to be carrying out, or to have carried out, his duties,
- the value and nature of the assets which the liquidator has to deal with

4.2. If there is no liquidation committee, or the committee does not make the requisite determination, the liquidator's remuneration may be fixed by a resolution of a meeting of creditors. The creditors take account of the same matters as the committee would. A resolution specifying the terms on which the liquidator is to be remunerated may be taken at the meeting which appoints the liquidator. If the remuneration is not fixed in any of these ways, it will be in accordance with a scale set out in the Rules.

5. What information should be provided by the liquidator?

5.1. When seeking approval

5.1.1. When seeking agreement to his fees the liquidator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on

- the nature of the approval being sought;
- the stage during the administration of the case at which it is being sought; and
- the size and complexity of the case

5.1.2. Where, at any creditors' or committee meeting, the liquidator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case

5.1.3. Where the liquidator seeks agreement to his fees during the course of the liquidation, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the liquidator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the liquidator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the liquidator must fulfil certain statutory obligations that might be seen to bring no added value to

creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the liquidator to provide an analysis of the time spent on the case by type of activity and grade of staff.

The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

- Administration and planning
- Investigations
- Realisations of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the liquidator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

- Any significant aspects of the case, particularly those that affect the amount of time spent
- The reasons for subsequent changes in strategy
- Any comments on any figures in the summary of time spent accompanying the request the liquidator wishes to make
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement
- Any existing agreement about fees
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

5.1.4. Where the fee is charged on a percentage basis the liquidator should provide details of any work which has been or is intended to sub-contracted out which would normally be undertaken directly by a liquidator or his staff.

5.2. After fee approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the liquidator should notify the creditors of the details of the resolution in his next report or circular to them. When subsequently reporting to creditors on the progress of the liquidation, or submitting his final report, he should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set

out in paragraph 5.1.3. Where the fee is charged on a percentage basis the liquidator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

5.3. Expenses and disbursement

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the liquidator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the liquidator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

5.4. Realisations for secured creditors

Where the liquidator realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds (see paragraph 8.1 below), he should disclose the amount of that remuneration to the committee (if there is one), to any meeting of creditors convened for the purpose of determining his fees, and in any reports he sends to creditors.

5.5. Reporting in compulsory liquidations

It should be borne in mind that in compulsory liquidations there is no statutory requirement for the liquidator to report to creditors until the conclusion of the assignment. In most cases, therefore, creditors will receive no information during the course of the liquidation unless they specifically request it.

6. What if a creditor is dissatisfied?

6.1. Except in cases where there is a liquidation committee, it is the creditors as a body who have authority to approve the liquidator's fees. To enable them to carry out this function they may require the liquidator to call a creditors' meeting. In order to do this at least ten per cent in value of the creditors must concur with the request, which must be made to the liquidator in writing.

6.2. If a creditor believes that the liquidator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the liquidator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not out of the assets of the insolvent company.

7. What if the liquidator is dissatisfied?

If the liquidator considers that the remuneration fixed by the committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors or in accordance with the statutory scale is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days' notice to the members of the committee and the committee may nominate one or more of its members to appear or be represented at the court hearing. If there is no committee, the liquidator's notice of his application must be sent to such of the creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid out of the assets.

8. Other matters relating to fees

- 8.1.** Where the liquidator realises the assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with a scale set out in the Rules. Usually, however, the liquidator will agree the basis of his fee for dealing with charged assets with the unsecured creditor concerned.
- 8.2.** Where two (or more) joint liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the court, the committee or a meeting of creditors.
- 8.3.** If the appointed liquidator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the court.
- 8.4.** There may also be occasions when creditors will agree to make funds available themselves to pay for the liquidator to carry out tasks which cannot be paid for out of the assets, either because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to creditors. Arrangements of this kind are sometimes made to fund litigation or investigations into the affairs of the insolvency company. Any arrangements of this nature will be a matter for agreement between the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration.

9. Provision of information – additional requirements

In any case where the liquidator is appointed on or after 1 April 2005 he must provide certain information about the time spent on the case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is –

- the total number of hours spent on the case by the liquidator or staff assigned to the case,
- for each grade of staff, the average hourly rate at which they are charged out,
- the number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the liquidator's appointment, or where he has vacated office, the date that he vacated office.

The information must be provided within 28 days of receipt of the request by the liquidator, and requests must be made within two years from vacation of office.

**F A SIMMS & PARTNERS LIMITED
CREDITORS' GUIDE TO FEES**

Charge-out rates (from 1 July 2011)

Grade	Charge-out rate (£ per hour)
Insolvency Practitioner	200-250
Senior Manager	120-150
Managers	75-100
Assistants & support staff	45 - 110

Time costs are calculated at 6 minute units

Agent costs

These are charged at cost based upon the charge(s) made by the Agent instructed. The term "Agent" includes

- Solicitors/legal fees
- Auctioneers/valuers
- Accountants
- Quantity Surveyors
- Estate agents
- Other specialist advisors

Storage costs

Charged at actual cost incurred for storage (and retrieval, when appropriate) of records

Other disbursements (from 1 July 2011)

Category	Basis of charge
Indemnity Bond	At cost of mandatory cover required in accordance with the Insolvency Act 1986 for each appointment
Insurance of assets	At cost in relation to asset coverage requirement
Company searches	At cost incurred
Travel	Motor vehicle at 45p per mile All other forms at actual cost
Room hire	Initial meeting of creditors - £100 All other meetings of creditors - £50 Any other venue - at actual cost
Photocopying	15p per sheet of A4 30p per sheet of A3
Postage	At actual cost incurred
Facsimiles/Telephone	Charged at the following rate during connection Local Calls – 5p per minute National Calls – 10p per minute International Calls – 30p per minute Landline to Mobile Calls (telephone only) 20p per minute
Confidential Waste	£10.50 per case
IT Charge	£100.00
Other	At actual cost charged