

Companies Court

05869887 LIMITED (In Compulsory Liquidation) Company no 05869887

First annual liquidator's report to creditors and members on the conduct of the liquidation pursuant to section 104A & 105 of the Insolvency Act 1986. From 24th May 2012 to 25th May 2013

- 1 Full details of the company's name, address of registered office and registered number, 05869887 LIMITED (In Compulsory Liquidation formerly of Amara House Nelson Street Bolton BL3 2 JW now of Lancashire House 12 Church Lane, Oldham OL1 3AN, Company no 05869887
- 2 Full details of the liquidator's name and address and date of appointment, including any changes in office-holder, Kieran Dominic Scott of Lancashire House 12 Church Lane, Oldham OL1 3AN, date of appointment -24 May 2012

Background

The company was placed into compulsory liquidation upon the petition of HM RC who were owed in the region of £144,000. The Secretary of State decided that an urgent appointment of a liquidator was necessary as a meeting for the creditors voluntary liquidation of a wholly owned subsidiary was to be held at the offices of a firm of insolvency practitioners the same week as the winding up order was made. I was appointed and attended that meeting and voted in favour of their appointment as I had no knowledge of the company. Subsequent to that meeting I had a fairly detailed meeting with one of the directors who advised me that there was only a small amount of tax owed in the region of £12000 and as the company had net assets valued at up to £1,000,000 they would be applying to rescind the winding up order. The liquidator appointed for the subsidiary advised me that they had been holding meetings with this director and another director who unfortunately was no longer available, not only in relation to the subsidiary but also in relation to this company with the intention of having a members voluntary liquidation to enable the assets to be distributed amongst the shareholders.

The application to rescind the winding up was duly made and prior to that hearing I was advised that rather than going for the immediate rescission it was the intention to apply for an adjournment. I retained a neutral stance on that application although HMRC opposed the same. Prior to the hearing I was also contacted by the other director and had a meeting with his accountants who advised that they intended to support the application likewise.

At the hearing it transpired that the tax owed was considerably greater than believed and hence could not be immediately repaid and consequently His Honour Judge Hodge QC dismissed both applications.

WEDNESDAY



A2CSMSJE

A04

17/07/2013

#88

COMPANIES HOUSE

DETAILS OF PROGRESS DURING THE PERIOD OF THE REPORT

This is the first annual report and all work and investigations carried out and charge out rates are detailed here in

I subsequently had discussions with the solicitors for the applicant and a meeting with his accountants who wished to put in further returns to HMRC to ascertain the exact tax position. These returns had to be put in by myself as the liquidator, which I was agreeable to. These returns have now been prepared by Cowgill Holloway chartered accountants and were submitted in June of this year. These accounts show losses however they will have to be agreed with HMRC, who are the petitioning creditor before I will be in a position to distribute any monies. In addition there was a considerable amount of money appearing to pass between the subsidiary in liquidation and this company and I therefore also require confirmation from the subsidiary company that they have no claim against this company. Once again I will need to be satisfied of that before any distribution can be made.

The company traded from Amara House Nelson Street Bolton BL3 2 JW under the trading name of Amara Group and carried on business as a holding company, owning shares in Amara Partnership Ltd which as stated has gone into creditors voluntary liquidation having so far as I'm aware no realisable assets, and also owning three properties and a piece of land which are all free of mortgage. This company also had £63,763.55 in cash in a bank account at the time of its winding up order being made.

I have no formal valuations for the assets, however I have visited and inspected the properties in Bolton and am satisfied that there should be a return to members as well as payments in full to creditors. This of course is based entirely upon my current information and that position may change. In the circumstances however I decided to not immediately liquidate the assets as I believed this would diminish the value for the members and having considered relevant case law am satisfied that this would not be equitable. In order to continue the liquidation in this matter it was necessary for me to obtain a sanction of the Secretary of State which I obtained.

I currently await the report of the liquidator of the subsidiary which I hope to have had before making this report however in view of the time restrictions it has been necessary for me to make of this report without having that information. My obligations remain as the liquidator and consequently I will endeavour to ensure that the assets are protected as is the position of the creditors. I have received demands for council tax and a summons in respect of one of the properties and I will look to resolve that matter. I will also look to attend upon the properties periodically to ensure their position and condition. Upon any distribution to the members after creditors have been satisfied tax may become payable on the distribution and ad valorem fees will become due and payable all of which will have to be built into the calculations and paid in priority to any distribution to the members.

The following assets that vest in me as liquidator

Asset 1

Cash in the bank amounting to £63,763 55 plus interest

Asset 2

Properties and land

The company owns three buildings one of which is its head office, another is a privately rented domestic premises, and the final one is a large property which is being renovated. In addition the company owns a plot of land. These are all valued by one of the director's at somewhere between £750,000 and £900,000. These are all free of charge.

Asset 3

Monies repayable by one of the directors in the sum of £50,000 which he believed he had taken out as a dividend

If there are any further assets that are not detailed in this or the Official Receiver's report that creditors are aware of please inform me and I will investigate further

Monies were all invested with the secretary of state insolvency services account and kept separately from all other monies. This is also evident from the receipts and payments account attached. I confirm that I have reconciled my account in this liquidation with those of the Secretary of State and the monies held and the accounts balance.

(A receipts and payments account must be attached in the form of an abstract showing receipts and payments during the period of the report and, where the liquidator has ceased to act, must also include a statement as to the amount paid to unsecured creditors by virtue of the application of section 176A)

Liquidator's Receipts and Payments

The Receipts and Payments Account of the Liquidator is attached hereto, which is self-explanatory. This details actual realisations as compared with the estimated values provided. Full recoveries are estimated to enable creditors to be paid in full.

Cash at Bank

£23,890.14 is held in the insolvency services account being the balance monies after payments made as detailed in the receipts and payments account plus interest

Book Debts

There are no debts due to the company for work carried out. One of the directors has taken a loan by way of dividend of £50,000 which should be repayable to the company.

Plant and Equipment

At the time of the liquidation the Company had none

Stock

I am satisfied that there was no realisable stock. This was a holding company and its subsidiary trading company is in a creditors voluntary liquidation being handled by a separate firm of practitioners.

Investigation

It is the duty of the Liquidator to undertake such investigatory work as he considers appropriate with a view to identifying assets which may be recovered or causes of action which may be pursued in order to achieve recoveries for the Liquidation. Typically these investigations seek to identify transactions which may be overturned as "transactions at an undervalue" or "preferences". In addition the Liquidator will also consider the possibility of other actions such as those for "wrongful trading" where the Directors have allowed their Company to continue trading at a loss without any prospect of avoiding insolvency.

I have detailed the position in relation to the assets and properties earlier in this report. I have also briefly outlined the work carried out.

I'm currently satisfied that once I have identified the exact amount due to creditors and that there are no other claims to be made against the company that the property held by the company should be sufficient to pay off creditors in full.

Creditor Claims

There were no preferential claims. Non preferential claims to date totalling £144,008.67 have been lodged by creditors.

There appears to be sufficient realisations possible to warrant a distribution to any class of creditor in full.

Payments and Disbursements

(This report must contain the details of the basis fixed for the remuneration of the liquidator under Rule 4 127 (or if not fixed at the date of the report, the steps taken during the period of the report to fix it),

if the basis of remuneration has been fixed, a statement of—

(i) the remuneration charged by the liquidator during the period of the report (subject to paragraph (3)), and (ii) where the report is the first to be made after the basis has been fixed, the remuneration charged by the liquidator during the periods covered by the previous reports (subject to Where the basis for the remuneration is a set amount under Rule 4 127(2)(c), it may be shown as that amount without any apportionment to the period of the report) together with a description of the things done by the liquidator during those periods in respect of which the remuneration was charged, irrespective in either case of whether payment was made in respect of that remuneration during that period,

Plus a statement of the expenses incurred by the liquidator during the period of the report, irrespective of whether payment was made in respect of them during that period.)

Office Holder's Remuneration and Disbursements

The basis and rate of the remuneration of the Liquidator were approved by the meeting of Creditors held on the Thursday 20th September 2012

in the following terms.-

"That the Liquidator be remunerated and paid out of the Company's assets according to the time properly expended by him and his staff in the administration of the Liquidation"

This was at the following hourly rates:

In dealing with matters reasonably requiring the involvement of the Liquidator or a person qualified to act as an Insolvency Practitioner - £275.00 (plus VAT if applicable) per hour

In dealing with matters requiring the involvement of personnel experienced in insolvency matters - £140 00 (plus VAT if applicable) per hour

In dealing with routine administrative matters - £100.00 (plus VAT if applicable per hour)

The charge out rates were reviewed and as from January 2013 have been increased for a person qualified to act as an Insolvency Practitioner to £300 per hour and for the person acting as the administrator of the case, who is experienced in insolvency matters and is a qualified solicitor to £180 per hour

I attach an analysis of the time recorded. The time spent shows fees accrued of £28,470.00 although the full fees have not yet been drawn. The liquidator's fees have been drawn in the sum of £12,243.87 plus VAT. The balance will be drawn as and when applicable. Since the year end further fees have been incurred including preparation of this report

The disbursements expended appear in the Receipts and Payments Account and have all been paid. These include among others the Secretary of State fees, insurance costs for the buildings, counsels fees, the liquidator's professional insurance costs, the petitioning creditor's fees and the insolvency services account fees.

Creditors have a right to request further information in respect of Liquidator's remuneration and expenses in accordance with Rule 4.49E of the Insolvency Rules 1986 and have the right to challenge the amounts drawn under Rule 4.131. Copies of these rules are available on request

DETAILS OF ANY ASSETS THAT REMAIN TO BE REALISED

The only assets which have been realised to date are the cash from the bank. As explained I have not forced the sale of the properties nor taken any actual active steps in managing the same, other than visiting them to ensure their security liaising with the bank and insuring them. I have also not taken any steps to pursue the director who has taken the unlawful dividend upon the basis that this can be resolved when the division of the assets between the members as they then stand after payment of all creditors and expenses of the liquidation. I have discussed this and agreed it with solicitors and am also aware that on occasion the accountants have endeavoured to resolve the dispute between the directors for the purpose of agreeing the distribution of the assets once creditors have been paid.

DETAILS OF ANY OTHER RELEVANT INFORMATION FOR THE CREDITORS.

There is no further information relevant to the creditors however once the creditors have been paid I will require a court order to be able to make a distribution to members.

CONCLUSION

It is my view that to all intents and purposes the administration of the Liquidation can continue in the same manner pending resolution of the accounts with H MRC and agreement as to the tax due and also the requisites confirmation that no claim is due from the subsidiary.

No payments have been made to creditors however interest will continue to accrue on all monies due. Section 176A of the insolvency act is not applicable.

If there are any further assets not detailed above or as shown on the receipts and payments account that creditors believe should be brought to my attention, any assistance will be gratefully received.

K D Scott

**K D SCOTT
LIQUIDATOR
Office Holder No 9548
Authorised to act as an Insolvency Practitioner by The Solicitors
Regulation Authority**

05869887 LIMITED
(In Compulsory Liquidation)

Liquidator's
Account of Receipts and Payments
for the period
May 2012 to May 2013

	£	£
RECEIPTS		
Per attached Detailed Realisations		<u>66,161.27</u>
PAYMENTS		
Coupland Cavendish Per attached Detailed Disbursements		<u>42,271.13</u>
BALANCE HELD		<u><u>23,890.14</u></u>

I confirm that this is a complete and accurate account of all receipts and payments made during my administration as Liquidator since May 2012

KDScott

Kieran Dominic Scott LIQUIDATOR
Authorised by the Solicitors regulatory Authority

Disbursements			FORM 4 68 Pg 4
Date	To whom paid	Nature of disbursements	Amount
			£
23/05/2012	Insolvency Services Account	Administration Fee	£2,235 00
15/06/2012	Insolvency Services Account	Insurance Premium	£159 00
15/06/2012	Insolvency Services Account	Insurance Premium	£159 00
02/07/2012	Insolvency Services Account	Banking Fee	£18 00
27/07/2012	Insolvency Services Account	Secretary of State Fee	£11,534 53
21/08/2012	London Gazette Advert	Advert	£77 36
14/09/2012	Willis Ltd	Insurance	£1,848 00
14/09/2012	Insolvency Services Account	Cheque Fee	£1 00
24/09/2012	HM Land Registry	Restriction x 3	£150 00
01/10/2012	Insolvency Services Account	Tax	£8 84
01/10/2012	Insolvency Services Account	Secretary of State Fee	£5 30
01/10/2012	Insolvency Services Account	Banking Fee	£22 00
02/01/2013	Insolvency Services Account	Banking Fee	£22 00
23/01/2013	Coupland Cavendish	Liquidator's Fees	£12,243 87
	HMRC	VAT	£2,448 77
23/01/2013	Insolvency Services Account	Cheque Fee	£1 10
28/01/2013	HM Land Registry	HM Land Registry	£24 00
29/01/2013	HM Land Registry	HM Land Registry	£6 00
29/01/2013	HM Land Registry	Restriction	£50 00
06/03/2013	HMRC	Petitioner's costs	£1,995 00
06/03/2013	Insolvency Services Account	Cheque Fee	£1 10
29/03/2013	Insolvency Services Account	Tax	£21 49
29/03/2013	Insolvency Services Account	Secretary of State Fee	£12 89
02/04/2013	Insolvency Services Account	Banking Fee	£22 00
19/04/2013	Mr Richard Carter	Counsel's Fees	£1,080 00
19/04/2013	Willis Ltd	Insurance	£7,041 58
19/04/2013	Insolvency Services Account	Cheque Fee	£1 10
19/04/2013	Insolvency Services Account	Cheque Fee	£1 10
21/05/2013	Insolvency Services Account	Counsel's Fees	£1,080 00
21/05/2013	Insolvency Services Account	Cheque Fee	£1 10
		Carried Forward	42,271 13

05869887 LIMITED IN COMPULSORY LIQUIDATION
 Liquidator's statement of account
 under section 192 of the Insolvency Act 1986

REALISATIONS			FORM 4 68 Pg 3
Date	by whom paid	Nature of disbursements	Amount
23/05/2012	Insolvency Services Account	Deposit HMRC	£ 1,165 00
27/07/2012	Natwest	Money in Company Account	£63,763 55
01/10/2012	Insolvency Services Account	Gross Interest	£44 18
29/03/2013	Insolvency Services Account	Gross Interest	£107 44
19/04/2013	Insolvency Services Account	Cheque fee	£1 10
17/05/2013	Insolvency Services Account	Counsel's fees	£1,080 00
Carried Forward			66,161.27

Classification of Work	Hours Engaged on Case			Time Charges			Average Hourly Rate £
	Principal £	Manager £	Total £	Principal £	Manager £	Total £	
Administration and Planning							
1	13.6	7.4	21.0	3740.00	1036.00	4776.00	227.43
2	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
3	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
4	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
5	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
6	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
Investigations							
1	7.2	0.0	7.2	1980.00	0.00	1980.00	275.00
2	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
3	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
4	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
5	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
6	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
Realisation of Assets							
1	17.0	2.3	19.3	4675.00	322.00	4997.00	258.91
2	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
3	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
4	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
5	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
6	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
7	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
8	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
9	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
10	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
Trading							
1	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
2	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
3	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
4	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
5	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
6	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
Creditors							
1	5.7	0.0	5.7	1567.50	0.00	1567.50	275.00
2	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
3	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
4	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
5	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
6	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
Case Specific Matters							
1	34.1	1.5	35.6	9377.50	210.00	9587.50	269.31
2	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
3	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
4	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
5	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
6	0.0	0.0	0.0	0.00	0.00	0.00	#DIV/0!
TOTAL HOURS	77.6	11.2	0.0	0.0	0.0	88.8	
TOTAL TIME CHARGES				21340.00	1568.00	22908.00	257.97
TOTAL FEES CLAIMED							

Standard activity**Examples of work****Administration and planning**

Case planning
Administrative set up
Appointment notification
Maintenance of records
Statutory reporting
Annual and internal reviews

Investigations

SIP 2 review
Investigating antecedent transactions

Realisation of assets

Identifying, securing, insuring assets
Retention of title
Debt collection
Property, business and asset sales

Trading

Management of operations
Accounting for trading
On-going employee issues

Creditors

Communication with creditors
Creditors' claims (including employees' and other preferential creditors')

Fees and Disbursements

A schedule of Coupland Cavendish Ltd , Lancashire House 12 Church Lane, Oldham OL1 3AN charge out rates effective from the January 2013 is as follows -

Time incurred by	Rate per hour £
Insolvency Practitioner	£300 00
Insolvency Manager Solicitor	£180 00
Senior Administrator	£100 00
Administrator	£60 00

The charge-out rates are subject to periodic reviews and change

Disbursements

There are two types of disbursements, direct disbursements (known as category one) and indirect disbursements (known as category two)

Category one disbursements do not require approval by creditors. Typically, these include external supplies of incidental services specifically identifiable to the case, such as postage, advertising, invoiced travel and external printing, room hire, insolvency bond and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category two disbursements do require creditor approval and include elements of shared or allocated costs. This firm does not charge these types of disbursements to the case.