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1ST CALL MORTGAGE CHOICES LIMITED - IN LIQUIDATION

Liquidator's final report in respect of the liquidation of 1st Call Mortgage Choices Limited, covering the period 6 January 2012 to 19 April 2016.

Background

A winding-up order was made against the Company on 16 August 2006, with Brian Andrew Scott of Johnson Tidsall being appointed as Liquidator, on 30 October 2006. Mr Scott has since retired and I was appointed as Liquidator by a transfer Court order in the High Court of Justice dated, 6 January 2012.

I am required to report to members and creditors on the progress of the liquidation and I make this report to you in discharge of that duty. This report should be read in conjunction with the original Liquidator's report to creditors, dated 12 December 2006 and my previous report to creditors dated 12 February 2015.

Asset Realisations

The following summarises the final position in relation to asset realisations

	Estimated to realise per Statement of Affairs	Total realisations
	£	£
Director's loan account	Unknown	7,500
Book debts	1,243	1,383
Office fixtures and fittings	Unknown	1,000
Other debtors	-	371
Cash at bank	-	115
Rates refund	-	802
Bank interest net of tax	-	163
Official receiver	-	655
	<u>1,243</u>	<u>11,989</u>

Director's loan account

Management accounts were prepared to the date the Company entered liquidation, which show that the director, Steven Reynolds, had an overdrawn director's loan account in the amount of £21,564. Mr Reynolds previously disputed that the amount is due, on the basis that he could claim set-off in respect of a payment made to Bank of Ireland, which related to monies owed to the Bank by the Company (and which the director had personally guaranteed).

An amount of circa £15,400, was owed by the Company in respect of an overdraft on the Company's account, which the director had personally guaranteed. Bank of Ireland has confirmed that the monies have been received and that the Bank is no longer a creditor of the Company.

A without prejudice offer of £7,500, was received on 28 November 2015, from the director in full and final settlement of the debt. Due to the apparent financial position of the director and the estimated costs involved in pursuing the debt further, the offer was accepted subject to Mr Reynolds withdrawing any potential claim he may have, as a creditor of the Company. The amount of £7,500, was subsequently received on 11 December 2015.

Book debts

The amount of £1,382.89, has been received into the liquidation estate.

Office fixtures and fittings

The office furniture and equipment was sold for £1,000, to Mr Reynolds, prior to my appointment.

Other debtors

The amount of £370.92 was received from the Bank of Ireland, in respect of a debtor receipt which was credited to the Company's current account, subsequent to the appointment of the Liquidator.

Cash at bank

The amount of £115.19, was received from Bank of Ireland, in respect of the credit balance on the Company's bank account

Rates refund

Leicester City Council has forwarded the amount of £802.44, in connection with a business rates refund for the Company's former trading premises

Official Receiver

The amount of £655 has been received from the Official Receiver into the liquidation estate, as a recovery of admin fee

SIP 13 disclosure

I am required, in accordance with Statement of Insolvency Practice 13, to disclose to creditors the details of any asset sold by the Liquidator to connected parties.

I confirm that the sale of assets to the director, Mr Reynolds, for £1,000, is a related party transaction requiring disclosure by me

Liabilities**Secured creditors**

The Company does not have any secured creditors.

Preferential creditors

Claims of this nature would relate to certain liabilities in respect of wages, holiday pay and pension contributions due.

No claims have been received or are anticipated, in this respect.

Unsecured creditors

As per the Statement of Affairs, it was estimated that unsecured non-preferential creditors would total £97,800 To date, claims have been received from four creditors, totalling £10,708

The 'prescribed part' provisions

The 'prescribed part' provisions of section 176A of the Insolvency Act provide that a proportion of the net assets which would otherwise be paid to the floating charge-holder, are set aside for the benefit of the unsecured creditors.

The provisions do not apply to this case, as there is no relevant floating charge holder.

Dividend prospects

No dividend will be paid in this case. All funds realised have been distributed or allocated in defraying the expenses of the liquidation

Investigation matters

I confirm that no complaints have been received by me, in respect of the director's conduct. As the Company has entered into compulsory liquidation, I would advise creditors that I am not required to submit a report, in accordance with the Company Directors Disqualification Act 1986. This is the responsibility of the Official Receiver.

Liquidator's receipts and payments

I have attached to this report, at Appendix A, a summary of the Liquidator's receipts and payments for the period since my appointment to date, for creditors' information

My receipts and payments account has been reconciled with the account held by the Insolvency Service

Liquidator's fees and disbursements

Pursuant to Rule 4 127(2) of the Insolvency Rules 1986, the Liquidator is obliged to fix remuneration either as a percentage of the value of the property with which I have had to deal, or alternatively by reference to the time that myself and my staff have spent attending to matters in the liquidation

At the first creditors' meeting held on 12 January 2007, creditors approved a resolution confirming that the Liquidator be authorised to draw fees on a time-cost basis.

A summary of my outstanding time costs to date, is detailed at Appendix B. I have accrued time costs totalling £5,993.75, representing 22.83 hours at an average rate of £262.50 per hour. The amount of £1,000 has been received by the former Liquidator. I do not anticipate any further fees will be drawn. A guide detailing Cirrus Professional Services' fee and disbursement recharging policy, is also attached, at Appendix C.

Creditors should note that a copy of the Creditors' Guide to office holder(s) fees is available on request from this office, or the relevant guide can be found on the Insolvency Practitioners Association's website (www.insolvency-practitioners.org.uk) under the heading 'regulation and guidance', by following the link 'creditors guides'.

Within 21 days of receipt of this progress report, a creditor may request the Liquidator to provide further information about the remuneration and expenses set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

The Liquidator must provide the requested information within 14 days, unless he considers that.

- the time and cost involved in preparing the information would be excessive, or;
- disclosure would be prejudicial to the conduct of the liquidation or might be expected to lead to violence against any person, or,
- the Liquidator is subject to an obligation of confidentiality in relation to the information requested, in which case he must give the reasons for not providing the information.

Any creditor may apply to the court within 21 days of the Liquidator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information

Approval was also obtained in respect of the basis upon which internal disbursements are recharged, that include an element of allocated costs. Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as a "category 1 disbursement". Category 1 disbursements will generally comprise items such as bonding, identifiable telephone calls, postage, case advertising, invoiced travel and properly-reimbursed expenses. Also included will be services specific to the case where these cannot practically be provided internally - such as room hire, postage and secure record destruction

Creditors have authorised, that I may recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as internal room hire, documents storage or communication facilities provided by me) Such expenditure is referred to as a "category 2 disbursement". The following items of expenditure are recharged on this basis, and are believed to be in line with the cost of external provision:

Photocopying	Recharged at 10p per sheet
Room hire	£100 per meeting held at Cirrus Professional Services' offices
Archiving of files and company records	Recharged at £12 per box per annum (or part thereof)
Car mileage	45p per mile

Disbursements which have been incurred by Cirrus Professional Services and have been reimbursed by the liquidation estate, are detailed below:

	Amount incurred to date £	Amount reimbursed £
Specific bond	48	48
Statutory advertising	118	118
Copying	26	26
Postage	14	14
	<u>206</u>	<u>206</u>

Specific bond

I am required by law, to take out a specific bond which will reimburse the estate in the event of fraudulent activity by the office-holder. I am currently bonded for the amount of £25,000, at a cost of £48

Statutory advertising

Statutory advertisements have been placed in the London Gazette, as required. To date, the amount of £118 has been incurred, in this respect

Postage

The amount of postage charged, relates to the cost of circulating any notices and reports, to creditors

Photocopying

Copying of the previous correspondence to creditors has been accrued at a rate 10 pence per sheet, as detailed above

Other payments

Additional payments made from the liquidation estate to date, are also detailed on the receipts and payments account, attached at Appendix A, and comprise the following:

OR's remuneration

The amount due to the Official Receiver (the Official Receiver's 'debit balance') in connection with dealing with this case prior to my appointment, has been discharged from asset realisations, in priority to any other payments.

DTI fees

When making payments from the Insolvency Service Account, a fee is charged. The amount of £2.60 has been incurred in respect of cheque and BACS payments

Secretary of State fees

The Official Receiver's statutory fee of £1,576, was debited to the liquidation estate.

Petitioner's costs

The largest creditor, HM Revenue and Customs, presented a winding-up petition against the Company on 9 June 2006, with an order being made on 16 August 2006. The petitioner's costs of £1,424, are refundable from asset realisations.

Legal fees

Solicitors were instructed to assist with the recovery of the director's loan account. The amount of £3,932, has been incurred, in this respect.

Legal disbursements

Disbursements incurred by the instructed solicitors in this matter, total £29.

Tax deducted at source

The total amount of £33, has been deducted by the Insolvency Service during the period of the liquidation, in respect of tax.

Irrecoverable VAT

The Company was not VAT registered. The total amount of £1,015, incurred in respect of VAT is not therefore recoverable.

Insurance of assets

The former Liquidator arranged for the assets of the Company to be insured, prior to the sale to Mr Reynolds. The amount of £33, has been incurred in this respect.

Bank charges

For liquidation estates wound-up by the Court, I am required to deposit any realisations in the Insolvency Service Account. The amount detailed reflects the fees incurred for use of this account.

Further assistance

Should you require any further information, please contact me either myself or Jodie Raymond at my office.

Statutory information

Case name	1st Call Mortgage Choices Limited
Company registered number	03389156
Registered office	Unit 30 The Derwent Business Centre Clarke Street Derby DE1 2BU
Former registered office	27 The Pingle Quorn Leicestershire LE12 8FQ
Principal trading address	1 Elms Drive Quorn Leicestershire LE12 8AF
Type of insolvency	Compulsory liquidation
Office holder	Simon Gwinnutt
Firm	Cirrus Professional Services
IP number	8877
Address	Unit 30 The Derwent Business Centre Clarke Street Derby DE1 2BU
Telephone	01332 333290/01332 365967
Facsimile	01332 344107
Email	enquiry@cirrusproserv.co.uk
Date of winding-up order	16 August 2006
Date of appointment	6 January 2012

1. Case Overview

At the first creditors' meeting held on 12 January 2007, creditors approved a resolution confirming that the Liquidator be authorised to draw fees on a time-cost basis

For creditors' information, I have accrued time costs totalling £5,993.75, representing 22 83 hours at an average rate of £262.50 per hour. The amount of £1,000 has been received by the former Liquidator, to date I do not anticipate any further fees will be drawn. A guide detailing Cirrus Professional Services' fee and disbursement recharging policy, is also attached, at Appendix C

2. Liquidator's charging and disbursements recovery policies

Staff grades used on this case includes Partner, Manager, Administrator and various cashiering and support staff.

All time costs relate to staff who have worked on the case and have been charged on the basis of actual time spent administering the case. No time cost has been charged as an overhead cost of the firm.

Disbursements charged to this case include charges for statutory advertisements, redirection of mail, company searches, travel recharge, hire of meeting room for creditors' meeting and the Liquidator's bordereau in accordance with the Insolvency Rules 1986 and the Insolvency Practitioners Regulations 1990.

3. Narrative description of work carried out

- Administration and set up of case files and Liquidator's cashbook
- Maintaining and reviewing and case planning
- Preparation of post appointment statutory notices
- Preparation of director's conduct return/report as required by Company Directors Disqualification Act 1986
- Notifying creditors of Liquidator's appointment and complying with creditors' requests for information
- Completion of pre appointment tax returns and corresponding with HM Revenue & Customs
- Acknowledgement of creditors' claims and general correspondence
- Maintaining Liquidator's bank accounts and cashbook
- Completion of post appointment tax returns
- Completion of statutory returns as required by the Insolvency Act 1986 and Insolvency Rules 1986
- Assist employees claiming redundancy
- Completion of redundancy forms

1st Call Mortgage Choices Limited – in Liquidation

Summary of Liquidator's receipts and payments account

	Estimated to realise as per the Director's Statement of Affairs £	Period: 6 January 2012 to 19 April 2016 £
RECEIPTS		
Furniture and equipment	Unknown	1,000.00
Director's loan account	Unknown	7,500.00
Book debts	1,243	1,382.89
Other book debts	-	370.92
Cash at bank	-	115.19
Rates refund	-	802.44
Bank interest net of tax	-	163.03
Official Receiver	-	655.00
	<u>1,243</u>	11,989.47
PAYMENTS		
OR remuneration		1,950.00
DTI cheque fees		2.60
Secretary of State fees		1,575.86
Petitioner's costs		1,424.00
Specific bond		123.00
Liquidator's fees		1,000.00
Legal fees		3,931.92
Legal disbursements		29.00
Corporation tax		0.10
Tax deducted at source		3.52
Irrecoverable VAT		1,015.36
Postage		13.88
Photocopying		26.08
Statutory advertising		117.70
Insurance of assets		33.00
Bank charges		<u>714.45</u>
		11,989.47
Balance in hand		<u>Nil</u>

Case name 1st Call Mortgage Choices Limited
Case type Compulsory Liquidation
Summary of Liquidator's time costs
6 January 2012 to 19 April 2016

APPENDIX B

	Hours Spent						
	Partner (£325 per hour)	Manager (£250 per hour)	Supervisor (£225 per hour)	Case Administrator (£150 per hour)	Junior Case Administrator (£125 per hour)	Cashier (£125 per hour)	Support Staff (£75 per hour)
Assets	4 58	2 33	-	-	-		
Case administration	1 83	9 00	4 08	-	0 33		
Creditors	-	0 25	-	-	-		
Employees	-	-	-	-	-		
Investigations	-	-	-	-	-		
Cashiering						0 42	
Support							-
Total hours	6 42	11 58	4 08	-	0 33	0 42	-
Total fees (£)	2,085 42	2,895 83	918 75	-	41 67	52 08	-
Total chargeable hours		22 83					
Total chargeable cost	£	5,993 75					
Average hourly rate	£	262 50					

Activity Definitions	Examples of work involved
Administration and planning	Case planning, administrative set-up, appointment notification, maintenance of records, statutory reporting including court attendances, preparation of Administrator's proposals and liaising with solicitors
Investigations	Investigating transactions arising prior to Insolvency, collating information for the purposes of the reporting requirements of the Company Directors Disqualification Act 1986
Realisation of assets	Identifying, securing, insuring assets, ROT claims, debt collection, sale of business and/or assets
Trading	Management of operations, accounting for trading, employee issues etc
Creditors	Communication with creditors, creditors' claims (including employees and other preferential creditors), and dealings with the secured (appointing) creditor

The above list is not exhaustive

Cirrus Professional Services
fees and disbursement recharging policy

Charge-out rates

Grade	Charge-out rate (£ per hour)
Appointment Taker	325
Manager	250
Senior Administrator	225
Administrator	150
Junior Administrator	125
Cashier	125
Support	75
Time costs are calculated using 5 minute units	

Agent's costs

Charged at time costs and/or agree realisation percentage, as appropriate. The term agent includes

- solicitors
- auctioneers/valuers/sale agents
- accountants
- chartered quantity surveyors
- estate agents
- other specialist advisors

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either category 1, being expenses directly referable to a third party, e.g. postage, statutory advertising, external meeting room hire, specific bond insurance and courier costs, external archive, storage and subsequent destruction and company search fees; or category 2, being expenses incurred and recharged to the estate, which may include a profit element, e.g. internal meeting room hire, record storage, photocopying and care mileage

Category 1 disbursements are recoverable in full from the estate without the prior approval of creditors. Category 2 disbursements are recoverable in full from the estate, subject to the basis of the disbursement allocation being approved by creditors in advance.

Category 2 disbursements are proposed to be recovered as follows:

Photocopying	Recharged at 10p per sheet
Room hire	£100 per meeting held at Cirrus Professional Services' offices
Archiving of files and company records	Recharged at £12 per box per annum (or part thereof)
Car mileage	45p per mile

Rates/figures since: February 2015