

In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986.

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

FRIDAY



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A20

09/03/2018

#141

COMPANIES HOUSE

### 1 Company details

Company number 0 4 4 0 8 7 5 5

Company name in full Merit Merrell Technology Limited

→ Filling in this form  
Please complete in typescript or in bold black capitals.

### 2 Liquidator's name

Full forename(s) Neil

Surname Matthews

### 3 Liquidator's address

Building name/number 17th Floor, Cale Cross House

Street Pilgrim Street

Post town Newcastle upon Tyne

County/Region

Postcode N E 1 6 S U

Country

### 4 Liquidator's name

Full forename(s)

Surname

① Other liquidator  
Use this section to tell us about another liquidator.

### 5 Liquidator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator  
Use this section to tell us about another liquidator.

LIQ03

Notice of progress report in voluntary winding up

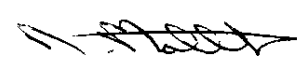
**6** Period of progress report

From date	<sup>d</sup> 0	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 3	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7		
To date	/	<sup>d</sup> 0	<sup>d</sup> 2	<sup>m</sup> 0	<sup>m</sup> 3	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8	/

**7** Progress report

<input type="checkbox"/> The progress report is attached	
----------------------------------------------------------	--

**8** Sign and date

Liquidator's signature	Signature <b>X</b> 	<b>X</b>						
Signature date	<sup>d</sup> 0	<sup>d</sup> 8	<sup>m</sup> 0	<sup>m</sup> 3	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8

LIQ03

Notice of progress report in voluntary winding up

 **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

Company name **Leather Matthews Restructuring Ltd**

Address **17th Floor, Cale Cross House  
Pilgrim Street**

Post town **Newcastle upon Tyne**

County/Region

Postcode **N E 1 6 S U**

Country

DX

Telephone **0191 224 6760**

 **Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- The company name and number match the information held on the public Register.
- You have attached the required documents.
- You have signed the form.

 **Important information**

All information on this form will appear on the public record.

 **Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

 **Further information**

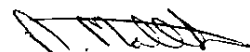
For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

**Merit Merrell Technology Limited**  
**(In Liquidation)**  
**Liquidator's Summary of Receipts & Payments**

Statement of Affairs £		From 03/03/2017 To 02/03/2018 £	From 03/03/2017 To 02/03/2018 £
19,763.19	<b>ASSET REALISATIONS</b>		
	Cash at Bank	19,770.64	19,770.64
		<u>19,770.64</u>	<u>19,770.64</u>
	<b>COST OF REALISATIONS</b>		
	Specific Bond	70.00	70.00
	Preparation of Statement of Affairs	1,300.00	1,300.00
	Pre-appointment Liquidator's Fees	1,700.00	1,700.00
	Liquidator's Fees	11,205.00	11,205.00
	Pre-appointment Liquidator's Expense	79.50	79.50
	Liquidator's Expenses	6.85	6.85
	Statutory Advertising	159.00	159.00
	Bank Charges	2.58	2.58
		<u>(14,522.93)</u>	<u>(14,522.93)</u>
(3,435,680.74)	<b>UNSECURED CREDITORS</b>		
	Inter company creditor	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(500.00)	<b>DISTRIBUTIONS</b>		
	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>(3,416,417.55)</b>		<b><u>5,247.71</u></b>	<b><u>5,247.71</u></b>
	<b>REPRESENTED BY</b>		
	Vat Receivable		2,890.07
	Bank 1 Current		2,357.64
			<u>5,247.71</u>

Note:



Neil Matthews  
Liquidator

**MERIT MERRELL TECHNOLOGY LIMITED (IN LIQUIDATION)  
("the Company")**

**PROGRESS REPORT TO CREDITORS PURSUANT TO RULES 18.3 AND 18.7  
OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016 ("the Rules")**

**8 March 2018**

**Disclaimer Notice**

- This report has been prepared for the sole purpose of updating the Creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by Creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.
- Neil Matthews was appointed Liquidator of Merit Merrell Technology Limited on 3 March 2017. The affairs, business and property of the Company are managed by the Liquidator. The Liquidator acts as agent for the Company and contracts without personal liability. The appointment of the Liquidator is personal to him and, to the fullest extent permitted by law, Leather Matthews Restructuring LLP does not assume any responsibility and will not accept any liability to any person in respect of the conduct of the Liquidation.
- Neil Matthews is licensed in the UK to act as an Insolvency Practitioner.

**Neil Matthews  
Leather Matthews Restructuring LLP  
17<sup>th</sup> Floor  
Cale Cross House  
Pilgrim Street  
Newcastle upon Tyne  
NE1 6SU**

## **INTRODUCTION**

### **Introduction**

This report has been prepared in accordance with Rules 18.3 and 18.7 of the Rules to provide creditors with an update on the progress of the Liquidation since the Liquidator's appointment on 3 March 2017.

A schedule of statutory information in respect of the Company is attached at Appendix 1.

### **Details of the appointment of the Liquidator**

I was appointed Liquidator of the Company by a general meeting of the Member on 3 March 2017 and my appointment was subsequently ratified by a meeting of creditors later on the same day.

### **LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT**

Attached at Appendix 2 is a Receipts and Payments account covering the period from 3 March 2017 to 2 March 2018.

In this section, I have summarised the progress made during the period since the date of my appointment.

### **STEPS TAKEN DURING THE LIQUIDATION**

#### **Realisation of assets**

##### *Cash at Bank*

The Company's bank account was held with Santander Corporate Banking and the funds held in the account at the date of the Liquidator's appointment were paid into the liquidation bank account on 27 March 2017. The amount realised was £19,770.64.

##### *Book debts and work in progress*

The Company's records indicated that there was one outstanding book debt and one contract in progress at the date of the liquidation and these both related to a contract with Imperial Chemical Industries Limited ("ICI"). The Statement of Affairs indicated that the book value of the book debt was £888,109 with an estimated to realise figure of £488,109 and the work in progress had a book value of £613,799 with an estimated to realise value of £213,799.

Neither the ICI book debt nor work in progress have been collected by the Liquidator as there is currently ongoing litigation with ICI which may result in a realisation from these assets. The Court hearing is due to start in April 2018.

In addition to the above there is a debt due from Bouygues UK Limited of £68,125.24 which is currently being pursued by the Liquidator's lawyer. Bouygues UK Limited have claimed that there are defects associated with the contract involved and correspondence is ongoing and it is too early to say what the outcome will be in relation to this debt.

#### **Liquidator's Payments**

The Liquidator has paid £70.00 in relation to the Specific Bond required by statute and £159.00 for statutory advertising costs.

Bank charges of £2.58 have also been incurred.

## **DISTRIBUTION TO CREDITORS**

### **Secured Creditors**

Santander UK PLC ("the Bank") holds a debenture dated 31 May 2016 giving it a fixed and floating charge over all of the assets of the Company.

The Bank was not owed any money at the date of the Liquidator's appointment.

### **Preferential Creditors**

These relate to specific employee wage arrears, holiday pay and certain pension contributions and are paid in priority to unsecured creditors out of net floating charge realisations before the Prescribed Part and before payment to the secured floating chargeholder.

The Company had no employees at the date of liquidation and there are therefore no preferential creditors.

### **Unsecured Creditors**

The Statement of Affairs indicates that there was only one unsecured creditor, being Merit Holdings Limited ("MHL"), the parent company, with a debt of £3,435,681. This debt has now increased by £68,125.24 for the Bouygues UK Limited debt which had previously been assumed to be collectible by MHL. In addition there will be further sums due to MHL for pre-liquidation costs incurred by MHL not previously recharged to the Company. At this time these costs have not been quantified.

Prior to the Liquidator's appointment a proof of debt was lodged by ICI for the sum of £16,900,000. This was rejected by the Chairman at the meeting of creditors and this is now the subject of the ongoing litigation referred to above.

The outcome for the unsecured creditors is dependent upon the outcome of the litigation with ICI.

### **The Prescribed Part**

The Prescribed Part is not relevant in this particular case as there is no debt due to the Secured Creditor and all of the net property is available for the unsecured creditors after settlement of the liquidation costs.

## **OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS**

### **Investigations**

The Liquidator has concluded his investigations into the conduct of the Directors of the Company. In accordance with the statutory provisions of the Company Directors Disqualification Act 1986 the Liquidator submitted his report to the DBERR on 31 May 2017.

The contents of this report are confidential and cannot be disclosed to the creditors of the Company.

### **SIP13 (E&W) – Transactions with connected parties**

In accordance with SIP13, we confirm that there have been no transactions with connected parties in the period.

## EC Regulations

Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

## Complaints

Creditors can now complain to a single Complaints Gateway and complaints may be made either by:

- calling the Insolvency Service Enquiry Line on 0845 602 9848 (Monday to Friday 8am to 5pm), or
- completing and emailing the online complaints form on the Insolvency Service website, "<http://www.insolvencydirect.bis.gov.uk/contactus/ipcomplaint/complaintform.htm>" or
- completing the online complaints form and posting it to: IP Complaints, Insolvency Service, 3rd Floor, 1 City Walk, Leeds, LS11 9DA.

For more details, please visit: "<https://www.gov.uk/complain-about-insolvency-practitioner>"

How to complain about the Insolvency Practitioner and using the Complaints Gateway may be found at "<https://www.gov.uk/government/publications/insolvency-practitioners-guidance-for-those-who-want-to-complain>"

## Insolvency Code of Ethics

The Liquidator can confirm that he is bound by the Insolvency Code of Ethics.

## LIQUIDATOR'S REMUNERATION AND EXPENSES

### Liquidator's Remuneration

The basis of the Liquidator's remuneration was approved by the creditors by resolutions dated 31 March 2017. The resolutions were as follows:-

1. That the Liquidator's fee for undertaking work in respect of the Liquidation as described in the accompanying report prepared in connection with fee approval will be charged as a fixed fee of £20,000 plus expenses plus VAT.
2. That the Liquidator be permitted to recover category 2 disbursements as described in the report as per my attached letter.

The Liquidator's total time costs to date are £32,162.50 consisting of 108.2 hours at an average hourly rate of £297.25; time is charged at six minute increments. Fees of £16,205 have been drawn to date. Of this sum, £11,205 has been drawn out of the funds held in the liquidation and £5,000 has been paid by Merit Holdings Limited.

The Liquidator's time costs for the Liquidation are detailed at Appendix 3. The work has been categorised into the following task headings and sub categories

- **Administration and planning** includes case planning, case set-up, notification of appointment, maintenance of our case files and insolvency case record, statutory reporting, compliance, cashiering and accounting.
- **Case specific matters** includes corporation tax and VAT matters.



- **Creditors** includes set-up of creditor records, creditor communications, preferential claims, unsecured claims, secured and employee claims.
- **Investigations** includes investigating the Company's affairs and in particular any antecedent transactions and also reporting on the conduct of its directors.
- **Realisation of assets** includes identifying, securing and insuring assets, sale of business, transition of contracts, collection of debts and realisation of other fixed assets.

As required by SIP9 (E&W) – Remuneration of Insolvency Office Holders England and Wales – a “Creditors’ Guide to Liquidators’ Fees” is available for download at <http://www.r3.org.uk>. Should creditors require a paper copy, please send a request in writing to the Liquidator at the address on the front of this letter and this will be provided at no cost.

### **Disbursements**

The Liquidator has incurred and drawn direct disbursements relating to mileage of £6.85 in the Liquidation.

### **Charge out rates**

The range of charge out rates for the separate categories of staff is based on our charge out rates as summarised below. Manager rates include all grades of assistant manager:

<b>Grade</b>	<b>£</b>
<b>Partners</b>	125 to 300
<b>Managers</b>	125 to 200
<b>Assistants and Support Staff</b>	20 to 100

All partners and technical staff (including cashiers) assigned to the case record their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

### **Other professional costs**

To date the Liquidator has not paid any other professional costs.

However, the Company remains in litigation with ICI and the costs of and associated with the litigation are being funded by the Company's shareholder on the basis that

these costs will rank as an unsecured claim against the Company and will be repaid to the extent that the Company's assets permit.

### **Pre-appointment costs**

At the meeting of creditors held on 3 March 2017 the creditors approved the following resolution in relation to pre-liquidation costs:-

"That payment shall be made out of the Company's assets as an expense of the liquidation of the necessary expense of preparing the Statement of Affairs in the sum of £1,300, the costs of convening the statutory meetings of £1,700 plus VAT thereon together with reimbursement of disbursements of £79.50 incurred in statutory advertisements plus VAT.

Pre-liquidation costs are defined as the remuneration charged and expenses incurred by the Liquidator (or other person qualified to act as such) before the company entered into Liquidation but with a view to its doing so. The Liquidator was involved in advising the Company and the Shareholder in the period immediately prior to the Liquidation.

The above amounts have been paid to the Liquidator as set out in the attached receipts and payments account.

### **Creditors' Right to Request Information**

Any secured creditor or, unsecured creditor with the support of at least 5% in value of the unsecured creditors or, with leave of the Court, may, in writing, request the Liquidator to provide additional information regarding remuneration or expenses to that already supplied within this document. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

### **Creditors' Right to Challenge Remuneration and/or Expenses**

Any secured creditor or, unsecured creditor with the support of at least 10% in value of the unsecured creditors or, with leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), challenging the amount or the basis of the remuneration which the Liquidator is entitled to charge or otherwise challenging some or all of the expenses incurred. Such applications must be made within eight weeks of receipt of this report, in accordance with Rule 18.34 of the Rules.

**MERIT MERRELL TECHNOLOGY LIMITED – IN LIQUIDATION**  
**SCHEDULE OF STATUTORY INFORMATION**

Registered Number: 4408755

Date of Incorporation: 8 September 2004

Registered Office: 17<sup>th</sup> Floor Gale Cross House  
Pilgrim Street  
Newcastle upon Tyne  
NE1 6SU

Trading Address: 3 Silverton Court  
Northumberland Business Park  
Cramlington  
Northumberland  
NE23 7RY

Directors:

<i>Name</i>	<i>Appointed</i>
Christopher Berriman	1 December 2002
Anthony Wells	22 May 2002
Matthew McGrady	18 April 2010

Company Secretary: Nicola Berriman 1 December 2002

Shareholder: Merit Holdings Limited 500 Ordinary shares of £1 each

Debenture: Santander UK PLC  
52 Fawcett Street  
Sunderland  
Tyne & Wear  
SR1 1SB  
Debenture dated 31 May 2016  
Giving a fixed and floating charge  
Over the assets of the company

**MERIT MERRELL TECHNOLOGY LIMITED - IN LIQUIDATION**

**LIQUIDATOR'S RECEIPTS AND PAYMENTS**

	<b>Statement of Affairs</b>	<b>Receipts and payments</b>
	<b>£</b>	<b>£</b>
<b>Receipts</b>		
Book debts	488,109	0.00
Work in progress	213,799	0.00
Cash at Bank	19,763	<u>19,770.64</u>
		<u>19,770.64</u>
<b>Payments</b>		
Preparation of Statement of Affairs		1,300.00
Pre-appointment Liquidator's Fees		1,700.00
Pre-appointment Liquidator's Expenses		79.50
Liquidator's Fees		11,205.00
Liquidator's Expenses		6.85
Statutory advertising		159.00
Specific Bond		70.00
Bank charges		2.58
VAT Receivable		<u>2,890.07</u>
		<u>17,413.00</u>
<b>Cash in Bank</b>		<u>2,357.64</u>

## MERIT MERRELL TECHNOLOGY LIMITED

## LIQUIDATOR'S TIME COSTS FOR THE PERIOD FROM 3 MARCH 2017 TO 2 MARCH 2018

<b>Administration and Planning</b>							
Initial actions (notification of appointment, securing assets)	7.60	2,280.00					
Cashiering and Statutory Filing	1.70	212.50					
Case supervision, management and closure	3.20	960.00					
Meetings with Directors	4.30	1,290.00					
Fee preparation	1.40	420.00					
Shareholders - communication	12.80	3,840.00					
	31.00	9,002.50	0.00	0.00	0.00	0.00	0.00
<b>Realisation of Assets</b>							
Cash at bank or in hand	0.40	120.00					
assets	0.40	120.00					
Book debts	1.90	570.00					
	2.70	810.00	0.00	0.00	0.00	0.00	0.00
<b>Creditors</b>							
Unsecured creditors	50.90	15,270.00					
Statutory reporting to creditors	5.40	1,620.00					
	56.30	16,890.00	0.00	0.00	0.00	0.00	0.00
<b>Investigations</b>							
Investigations	12.40	3,720.00					
CDDA reports	3.80	1,140.00					
	16.20	4,860.00	0.00	0.00	0.00	0.00	0.00
<b>Other Matters</b>							
Litigation	0.80	240.00					
Tax & VAT	1.20	360.00					
	2.00	600.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL HOURS &amp; COST</b>	108.20	32,162.50	0.00	0.00	0.00	0.00	0.00

TOTAL FEES DRAWN TO DATE

16,205.00