

In accordance with Rule 6.28 of the Insolvency (England & Wales) Rules 2016 and Section 106(3) of the Insolvency Act 1986.

LIQ14

Notice of final account prior to dissolution in CVL



Companies House

MONDAY



A9ØYRMN4

A08

16/03/2020

#45

COMPANIES HOUSE

1 Company details

Company number	0 4 4 0 8 7 5 5	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	MERIT MERRELL TECHNOLOGY LIMITED	

2 Liquidator's name

Full forename(s)	NEIL MATTHEWS
Surname	

3 Liquidator's address

Building name/number	4
Street	ALLENHEADS
Post town	WASHINGTON
County/Region	TYNE AND WEAR
Postcode	N E 3 8 8 P D
Country	

4 Liquidator's name

Full forename(s)		❶ Other liquidator Use this section to tell us about another liquidator.
Surname		

5 Liquidator's address

Building name/number		❷ Other liquidator Use this section to tell us about another liquidator.
Street		
Post town		
County/Region		
Postcode		
Country		

LIQ14

Notice of final account prior to dissolution in CVL

6

Liquidator's release

Tick if one or more creditors objected to liquidator's release.

:

7

Final account

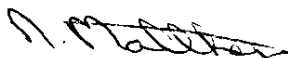
I attach a copy of the final account.

8

Sign and date

Liquidator's signature

Signature

X  X

Signature date

d 1 d 3 m 0 m 3 y 2 y 0 y 2 y 0

MERIT MERRELL TECHNOLOGY LIMITED (IN LIQUIDATION)
(“the Company”)

**FINAL ACCOUNT TO CREDITORS PURSUANT TO RULES 6.28 AND 18.14 OF THE
INSOLVENCY (ENGLAND AND WALES) RULES 2016**

17 January 2020

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
4 Allenheds
Washington
Tyne and Wear
NE38 8PD

INTRODUCTION

Introduction

This Final Account has been prepared in accordance with Rules 6.28 and 18.14 of the Insolvency (England and Wales) Rules 2016 ("the Rules") and is to provide the Member and Creditors with a final report of the liquidation of the Company.

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 17 January 2020.

In this section, I have summarised the progress made during the period since my last report.

STEPS TAKEN DURING THE PERIOD

Realisation of assets

Book debts and work in progress

At the time of my last report to creditors there remained a debt due from Bouygues UK Limited of £68,125.24 which was being pursued by the Liquidator's lawyer. Bouygues UK Limited claimed that there were defects associated with the contract involved although they had not provided any substantiation of their counterclaim until just prior to my last report. The Liquidator's lawyer continued to pursue the debt and eventually a meeting was held in late October 2019 with representatives of Bouygues UK Limited and a settlement agreed of £31,131.77. This payment has now been received.

Liquidator's Payments

The major item of expenditure during the period was £193,253.56 in relation to Corporation Tax. This was high due to the level of settlement on the ICI debt referred to in previous reports. The other payments are self-explanatory and are set out in the Liquidator's receipts and payments account attached at Appendix 2.

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 were 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 increased to £4,412,739.60 as a result of further sums due to MHL for pre-liquidation costs incurred by MHL not previously recharged to the Company.

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, following the conclusion of the litigation referred to in previous reports, this claim was reduced to zero.

Distributions totalling £1,257,405.66 have been paid to the unsecured creditor. No further sums will be paid prior to conclusion of the liquidation.

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 has subsequently requested and obtained agreement from the unsecured creditors to an increase in the fixed fee to £45,000 plus expenses plus VAT. Agreement was given on 19 October 2018.

The Liquidator's total time costs to date are £57,387.50 consisting of 201.1 hours at an average hourly rate of £285.37; time is charged at six minute increments. Fees of £45,000 have been drawn. Of this sum, £40,000 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 period to 3 March 2019 to 17 January 2020 totalled £6,870.00 consisting of 27.1 hours at an average hourly rate of £253.51.

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 as set out below:-

	03/03/2017 to 2/3/2019 £	03/03/2019 to 17/1/2020 £	Total £
Mileage	6.85	0.00	6.85
Postage	4.41	9.30	13.71
Train fare	287.30	0.00	287.30
Insurance	0.00	1,618.00	1,618.00
Licence	0.00	928.90	928.90
Parking	11.25	0.00	11.25
Subsistence	2.04	0.00	2.04
	<u>311.85</u>	<u>2,556.20</u>	<u>2,868.05</u>

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:

Grade	£
Partners	125 to 300
Managers	125 to 200
Assistants and Support Staff	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

The Liquidator has paid £2,400,889.65 to Mills & Co, the lawyers who dealt with the legal action against ICI and these payments were used by Mills & Co to pay the numerous expert witnesses and professional advisers involved in the case. Additional costs have been incurred by Mills & Co and these have been paid directly by Merit Holdings Limited.

Deloitte LLP dealt with the preparation of tax computations on behalf of the Liquidator and their costs of £12,500.00 have been paid.

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.

APPENDIX 1

MERIT MERRELL TECHNOLOGY LIMITED – IN LIQUIDATION

SCHEDULE OF STATUTORY INFORMATION

Registered Number:	4408755	
Date of Incorporation:	8 September 2004	
Registered Office:	First Floor 2 Collingwood Street Newcastle upon Tyne NE1 1JF	
Trading Address:	3 Silvertown 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				Total £
	Statement of Affairs £	03-Mar-17 to 2 Mar 18 £	03-Mar-18 to 2 Mar 19 £	03-Mar-19 to 17 Jan 20	
Receipts					
Book debts	488,109	0.00	266,924.78	31,131.77	298,056.55
Contract Counterclaim		0.00	2,047,170.00	0.00	2,047,170.00
Costs awarded by Court		0.00	1,400,000.00	0.00	1,400,000.00
Contribution to costs		0.00	5,000.00	0.00	5,000.00
Work in progress	213,799	0.00	0.00	0.00	0.00
Cash at Bank	19,763	19,770.64	0.00	0.00	19,770.64
VAT refund		0.00	0.00	2,074.27	2,074.27
Bank interest		0.00	140,046.99	0.00	140,046.99
		<u>19,770.64</u>	<u>3,859,141.77</u>	<u>33,206.04</u>	<u>3,912,118.45</u>
Payments					
Preparation of Statement of Affairs		1,300.00	0.00	0.00	1,300.00
Pre-appointment Liquidator's Fees		1,700.00	0.00	0.00	1,700.00
Pre-appointment Liquidator's Expenses		79.50	0.00	0.00	79.50
Liquidator's Fees		11,205.00	23,795.00	5,000.00	40,000.00
Liquidator's Expenses		6.85	305.00	2,556.20	2,868.05
Legal fees		0.00	2,400,889.65	0.00	2,400,889.65
Accountancy and tax fees		0.00	0.00	12,500.00	12,500.00
Statutory advertising		159.00	81.45	0.00	240.45
Specific Bond		70.00	1,770.00	0.00	1,840.00
Bank charges		2.58	6.30	32.70	41.58
Unsecured creditors		0.00	878,813.05	378,592.61	1,257,405.66
Corporation Tax		0.00	0.00	193,253.56	193,253.56
VAT Receivable		2,890.07	2,718.20	(5,608.27)	0.00
		<u>17,413.00</u>	<u>3,308,378.65</u>	<u>586,326.80</u>	<u>3,912,118.45</u>
Cash in Bank		<u>2,357.64</u>	<u>550,763.12</u>	<u>(553,120.76)</u>	<u>0.00</u>

MERIT MERRELL TECHNOLOGY LIMITED

LIQUIDATOR'S TOTAL TIME COSTS FOR THE PERIOD FROM 3 MARCH 2017 TO 17 JANUARY 2020

Administration and Planning						
Initial actions (notification of appointment, securing assets)	7.60	2,280.00	0.00	0.00	0.00	300.00
Cashiering and Statutory Filing	16.30	2,247.50				137.88
Case supervision, management and closure	6.90	2,070.00				300.00
Meetings with Directors	4.30	1,290.00				300.00
Fee preparation	6.60	1,980.00				300.00
Shareholders - communication	23.60	7,080.00				300.00
	65.30	16,947.50	0.00	0.00	0.00	259.53
Realisation of Assets						
Identifying, securing and insuring	0.20	60.00				300.00
Cash at bank or in hand	0.40	120.00				300.00
Other assets	0.80	240.00				300.00
Book debts	6.80	1,740.00				255.88
	8.20	2,160.00	0.00	0.00	0.00	263.41
Creditors						
Unsecured creditors	83.30	24,990.00				300.00
Statutory reporting to creditors	16.80	5,040.00				300.00
	100.10	30,030.00	0.00	0.00	0.00	300.00
Investigations						
Investigations	12.40	3,720.00				300.00
CDDA reports	3.80	1,140.00				300.00
	16.20	4,860.00	0.00	0.00	0.00	300.00
Other Matters						
Litigation	0.80	240.00				300.00
Tax & VAT	10.50	3,150.00				300.00
	11.30	3,390.00	0.00	0.00	0.00	300.00
TOTAL HOURS & COST	201.10	57,387.50	0.00	0.00	0.00	285.37
TOTAL FEES DRAWN TO DATE						45,000.00

LIQUIDATOR'S TIME COSTS FOR THE PERIOD FROM 3 MARCH 2019 TO 17 JANUARY 2020

Administration and Planning							
Cashing and Statutory Filing	7.20	900.00				7.20	900.00
Case supervision, management and closure	1.20	360.00				1.20	360.00
Fee preparation	0.40	120.00				0.40	120.00
Shareholders - communication	1.00	300.00				1.00	300.00
	9.80	1,680.00	0.00	0.00	0.00	9.80	1,680.00
Realisation of Assets							
Book debts	2.40	720.00				2.40	720.00
	2.40	720.00	0.00	0.00	0.00	2.40	720.00
Creditors							
Unsecured creditors	5.40	1,620.00				5.40	1,620.00
Statutory reporting to creditors	6.40	1,920.00				6.40	1,920.00
	11.80	3,540.00	0.00	0.00	0.00	11.80	3,540.00
Other Matters							
Tax & VAT	3.10	930.00				3.10	930.00
	3.10	930.00	0.00	0.00	0.00	3.10	930.00
TOTAL HOURS & COST	27.10	6,870.00	0.00	0.00	0.00	27.10	6,870.00
TOTAL FEES DRAWN IN THE PERIOD							5,000.00

LIQ14

Notice of final account prior to dissolution in CVL

 **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 **NEIL MATTHEWS**

Company name **LEATHER MATTHEWS**

RESTRUCTURING LLP

Address **4 ALLENHEADS**

Post town **WASHINGTON**

County/Region **TYNE AND WEAR**


Postcode

	N	E	3	8		8	P	D
--	---	---	---	---	--	---	---	---

Country **ENGLAND**

DX


Telephone **07879667592**

 **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