

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

02913997

Name of Company

Hammastow Limited T/A Tile World

+/ We

David Hill, 1st Floor North, Anchor Court, Keen Road, Cardiff, CF24 5JW

Peter Richard Dewey, 1st Floor North, Anchor Court, Keen Road, Cardiff, CF24 5JW

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

The Progress Report covers the period from 14/06/2014 to 13/06/2015

Signed



Date

14. 8. 15

Begbies Traynor (Central) LLP
1st Floor North
Anchor Court
Keen Road
Cardiff
CF24 5JW

Ref HA090CVL/DH/PRD/NA/SW/AIW/AR

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COMPANIES HOUSE

Hammastow Limited T/A Tile World (In Creditors' Voluntary Liquidation)

Progress report pursuant to Section 104A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986

Period: 14 June 2014 to 13 June 2015

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. 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 and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Hammastow Limited T/A Tile World (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Act on 14 June 2011
"the liquidators", "we", "our" and "us"	David Hill of Begbies Traynor (Central) LLP, 1st Floor North, Anchor Court, Keen Road, Cardiff, CF24 5JW and Peter Richard Dewey of Begbies Traynor (Central) LLP, 1st Floor North, Anchor Court, Keen Road, Cardiff, CF24 5JW
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s)	Hammastow Limited T/A Tile World
Company registered number	02913997
Company registered office	1st Floor North, Anchor Court, Keen Road, Cardiff, CF24 5JW
Former trading address	Unit 2&3 Ryan Buildings, Cardiff Road, Taffs Well, CF15 7SR

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	14 June 2011
Date of liquidators' appointment	14 June 2011
Changes in liquidator (if any)	None

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 14 June 2014 to 13 June 2015

Receipts

Director's Loan Account

The Company's financial statements indicated an outstanding director's loan account of £55,266. We have been notified that the director has entered into insolvency proceedings and we are awaiting further information regarding the dividend prospects for creditors.

Sundry Income

Other than the sum of £73.09 received in respect of gross bank interest there have been no realisations during the period of this report.

Payments

The sum of £16.10 was paid to HM Revenue & Customs in respect of corporation tax payable.

All other payments made out of liquidation funds are listed in appendix 3.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the director's statement of affairs included within the report sent to creditors further to our appointment as liquidators.

Secured creditor

There are no known secured creditors in this matter

Preferential creditors

A dividend of 100 pence in the £1 was paid to the preferential creditors on 27 July 2012

Unsecured creditors

We consider that there may likely be sufficient funds for a dividend to be paid to unsecured creditors and we are awaiting the completion of the assets realisations to confirm the dividend prospects

6. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report

Our time costs for the period from 14 June 2014 to 13 June 2015 amount to £3,426 which represents 21 hours at an average rate of £163 12 per hour

The following further information in relation to our time costs and disbursements is set out at Appendix 2

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 14 June 2014 to 13 June 2015
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

To 13 June 2015, we have drawn the total sum of £15,000 on account of our remuneration, against total time costs of £31,642 incurred since the date of our appointment. In addition to the time costs information disclosed at Appendix 2 for the period of this report, our previous progress reports contained details of the time costs we had incurred as at the date of each report

To 13 June 2015, we have also drawn disbursements in the sum of £651 35

In addition to the table of time spent by us and our staff in attending to matters arising in the liquidation for the period covered by this progress report, a cumulative table of time spent and charge out value for the period from 14 June 2011 to 13 June 2015 and a description of the work undertaken by us and our staff since our appointment (contained in the narrative summary of time costs incurred) are also attached at Appendix 2

A copy of 'A Creditors' Guide to Liquidators' Fees (E&W) 2010' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3

8. ASSETS THAT REMAIN TO BE REALISED

As detailed above the director's loan account is still outstanding and we are awaiting further information on recoverability of funds in this regard

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, as explained in the report circulated at the meeting of creditors convened pursuant to Section 98 of the Act, such report having also been sent to creditors following the meeting, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills. We can confirm that we have discharged our duties in these respects.

Investigations carried out to date

We have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect.

Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been detailed in this progress report.

Right to make an application to court

Pursuant to Rule 4.131 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner



David Hill
Joint Liquidator

Dated 4 August 2015

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 14 June 2014 to 13 June 2015

Hammastow Limited T/A Tile World
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 14/06/2014 To 13/06/2015	From 14/06/2011 To 13/06/2015
ASSET REALISATIONS			
3,000 00	Furniture & Equipment	NIL	NIL
50,000 00	Stock	NIL	63,042 45
10,292 00	Book Debts	NIL	2,195 21
55,266 00	Director's Loan Account	NIL	NIL
NIL	Property Improvements	NIL	NIL
	Bank Interest Gross	73 09	144 45
	Bank Interest Net of Tax	NIL	126 91
		<u>73 09</u>	<u>65,509 02</u>
COST OF REALISATIONS			
	Statement of Affairs Fee	NIL	5,000 00
	Office Holders Fees	NIL	15,000 00
	Office Holders Expenses	NIL	651 35
	Agents/Valuers Fees (1)	NIL	8,237 55
	Corporation Tax	16 10	19 04
	Accountants Fees	NIL	243 25
	Court Application Fees	NIL	35 00
	General Contractor Costs	NIL	399 20
	Statutory Advertising	NIL	279 00
	Insurance of Assets	NIL	753 20
		<u>(16 10)</u>	<u>(30,617 59)</u>
PREFERENTIAL CREDITORS			
	HMRC	NIL	17 38
	RPO re Arrears/Holiday Pay	NIL	3,803 95
(5,237 00)	Employees re Arrears/Hol Pay	NIL	36 93
		<u>NIL</u>	<u>(3,858 26)</u>
UNSECURED CREDITORS			
(159,086 00)	Trade Creditors	NIL	NIL
(24,588 00)	Employees	NIL	NIL
(7,189 00)	HMRC (non VAT)	NIL	NIL
(21,076 00)	HMRC (VAT)	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
DISTRIBUTIONS			
(2 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(98,620.00)</u>		<u><u>56.99</u></u>	<u><u>31,033 17</u></u>
REPRESENTED BY			
	Vat Receivable		2,818 65
	Bank 2 Current		31,033 17
	Vat Payable		(2,818 65)
			<u><u>31,033 17</u></u>

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred,
- d Table of time spent and charge-out value for the period from 14 June 2014 to 13 June 2015, and
- e Cumulative table of time spent and charge-out value for the period from 14 June 2011 to 13 June 2015

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 per meeting,
- Car mileage is charged at the rate of 40 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

- Telephone and facsimile
- Printing and photocopying
- Stationery

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Cardiff office as at the date of this report are as follows

	Charge-out Rate (£ per hour)
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Junior Administrator	110
Cashier	110
Secretarial	110

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in units 6 minute units

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	HAMMASTOW LIMITED T/A TILE WORLD
CASE TYPE	CREDITORS' VOLUNTARY LIQUIDATION
OFFICE HOLDERS	DAVID HILL AND PETER RICHARD DEWEY
DATE OF APPOINTMENT	14 JUNE 2011

1 CASE OVERVIEW

1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

1.2 Complexity of the case

The time spent on this case has principally involved the sale of the Company's stock and equipment, realisation of the book debts and the completion of the liquidators' investigative, statutory and administrative duties

1.3 Exceptional responsibilities

None

1.4 The office holders effectiveness

The liquidators' main objectives were the sale of the stock & equipment, collecting the book debts and realising the outstanding director's loan account, all of which have been dealt with accordingly

1.5 Nature and value of property dealt with by the office holders

Please refer to details set out in the report

1.6 Anticipated return to creditors

The director's estimated statement of affairs indicated that the preferential creditors would be paid in full and that unsecured creditors may expect only a modest dividend. On 27 July 2012, a dividend of 100p in the £ was paid to the preferential creditors. We are awaiting the completion of the asset realisation to determine the dividend prospect for the unsecured creditors

1.7 Time costs analysis

An analysis of time costs incurred between 14 June 2014 and 13 June 2015 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type

The time costs analysis provides details of work undertaken by the Liquidators and their staff following their appointment only

1.8 Work undertaken prior to appointment

In addition to the post appointment time costs detailed in the Time Costs Analysis, the costs relating to work undertaken prior to the Liquidators' appointment in summoning, advertising and holding the creditors' meeting and assisting the directors in preparing the statement of affairs were approved by the creditors at the Section 98 meeting on 14 June 2011

1 9 The views of the creditors

Creditors were advised of our involvement immediately following our appointment, and will receive annual reports during the course of the liquidation

1 10 Approval of fees

Our fees are being charged on a time cost basis, as agreed by a resolution of the creditors as at the date of the initial creditors meeting held on 14 June 2011

1 11 Approval of Expenses and Disbursements

In respect of expenses necessarily incurred, the joint liquidators are authorised to make a separate charge in accordance with their firm's policy note which accompanied the information presented to the creditors at the Section 98 meeting on 14 June 2011

1 12 Other professionals employed & their costs

Independent valuation agents were appointed to assist with the sale of the Company's stock. The appointed agents have experience in dealing with insolvency matters and are accustomed to the urgency usually associated with such situations. Fees have been calculated with reference to the complexity and nature of the assets, together with any additional time spent in dealing with their disposal.

2 SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

2 1 Since the date of our last report, the following work has been carried out

- Submission of returns to HM Revenue & Customs as necessary,
- Completing the liquidators' administrative duties and
- Statutory reporting to members and creditors

[illegible]

[illegible]

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Agent's fees	Edward Symmons LLP	8,237 55	8,237 55	Nil
Insurance fees	AUA Insolvency Risk Services Limited	753 20	753 20	Nil
Storage costs	Begbies Traynor (Central)LLP	430 00	430 00	Nil
General contractor fees	P A Miller	399 20	399 20	Nil
Statutory advertising	TMP (UK) Limited	279 00	279 00	Nil
Accountants fees	Clifton House Partnership	243 25	243 25	Nil
Insolvency bond	AUA Insolvency Risk Services Limited	234 70	234 70	Nil
Court fees	Her Majesty's Court Services	35 00	35 00	Nil
Companies House searches	Companies House	8 00	8 00	Nil