

Section 106

**Return of Final Meeting in a
Creditors' Voluntary Winding Up****Pursuant to Section 106 of the
Insolvency Act 1986**

To the Registrar of Companies

S.106

Company Number

03040288

Name of Company

Welco Foods Limited

We

Robert Harry Pick, Lynton House, 7-12 Tavistock Square, London, WC1H 9LT

Simon James Underwood, Lynton House, 7-12 Tavistock Square, London, WC1H 9LT

Note: The copy account must be
authenticated by the written
signature(s) of the Liquidator(s)

1 We give notice that a general meeting of the company was duly summoned for 12 January 2016 pursuant to section 106 of the Insolvency Act 1986, for the purpose of having an account (of which a copy is attached) laid before it showing how the winding up of the company has been conducted, and the property of the company has been disposed of, and no quorum was present at the meeting.

2 We give notice that a meeting of the creditors of the company was duly summoned for 12 January 2016 pursuant to Section 106 of the Insolvency Act 1986, for the purpose of having the said account laid before it showing how the winding up the company has been conducted and the property of the company has been disposed of and no quorum was present at the meeting

The meeting was held at Lynton House, 7-12 Tavistock Square, London, WC1H 9LT

The winding up covers the period from 7 November 2013 (opening of winding up) to the final meeting (close of winding up)

The outcome of any meeting (including any resolutions passed) was as follows

No quorum was present

Signed

Date 12 January 2016

Menzies LLP
Lynton House
7-12 Tavistock Square
London
WC1H 9LT

Ref W058/RHP/RHP/lxc/KS

WEDNESDAY



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COMPANIES HOUSE

WELCO FOODS LIMITED (IN CREDITORS' VOLUNTARY LIQUIDATION)
("the Company")

JOINT LIQUIDATORS' FINAL REPORT PURSUANT TO
RULE 4.49D OF THE INSOLVENCY RULES 1986

FROM 7 NOVEMBER 2013 TO 12 JANUARY 2016

DATED: 12 JANUARY 2016

SUMMARY INFORMATION

Type of insolvency procedure	Creditors' Voluntary Liquidation	
Registered office	Lynton House 7-12 Tavistock Square London WC1H 9LT	
Registered number	03040288	
Former trading name	N/A	
Former trading address	Unit 23 Hewitts Industrial Estate Elmbridge Road Cranleigh Surrey GU6 8LW	
Principal activity	Sells snacks to wholesalers & licensed premises	
Liquidator's name and address	Robert Harry Pick Menzies LLP* Lynton House 7-12 Tavistock Square London WC1H 9LT	
Date of liquidation	7 November 2013	
Date of Liquidator's appointment	7 November 2013	
Details of any changes in Office holder	None	
Contact details	020 7387 5868 cokeefe@menzies co uk	
Dividends	Amount	
For unsecured preferential creditors	100p in £	
For unsecured non-preferential creditors	Nil	

*At the outset of this case, the Liquidators' firm was Menzies Business Recovery LLP With effect from 1 July 2015 Menzies Business Recovery LLP was acquired by Menzies LLP

1 INTRODUCTION

- 1 01 I was appointed Joint Liquidator of the Company on 7 November 2013. I now present my final report to creditors pursuant to The Insolvency Rules 1986.
- 1 02 At the date of my appointment the Company had ceased trading and accordingly I took steps to realise the remaining assets with a view to distributing the funds to creditors, after costs, in the prescribed order of priority. As Joint Liquidator, I was also obliged to investigate the Company's affairs.
- 1 03 I attach at Appendix I a receipts and payments account for the period 7 November 2013 to date. Details of progress during the period are set out in sections 2 to 4 below.

2 ASSET REALISATIONS

Cash at Bank

- 2 01 The Statement of Affairs ("S of A") detailed cash at bank in the sum of £24,878 held in an account with HSBC Bank plc ("HSBC").
- 2 02 Following my appointment, I contacted HSBC requesting that the balance on the account be transferred and the account closed.
- 2 03 The sum of £24,878 was received in this regard.

Stock

- 2 04 The S of A showed an uncertain estimated to realise figure in respect of the Company's remaining stock situated in a warehouse in Cranleigh.
- 2 05 The stock had already been pre-packaged with 'Trigon' branding and could not be removed from its packaging without the products perishing. Therefore, I had limited options by which to realise the stock. Accordingly, an agreement was reached with the Company's parent, Trigon Snacks Trading Limited, for the sale of the stock. The sum of £10,600 was received in this regard.

Book Debts

- 2 06 It was estimated in the S of A that £22,591 would be recoverable from the Company's book debts.
- 2 07 Following my appointment I corresponded with the Company's book-keeper, Ms T Osborne to assist with the reconciliation of the Company's outstanding book debts. The book-keeper provided me with a full reconciliation and copies of the corresponding outstanding invoices in order for me to pursue the debtors for the amounts due.
- 2 08 I issued letters to all of the debtors requesting the amounts due. However, it transpired that some of the debts had been paid pre-appointment. In addition, some debts were small and it was not commercial to pursue these.

- 2 09 The sum of £16,322 was realised during my appointment. All remaining debts were written off.

Intellectual Property

- 2 10 The Company owned intellectual property relating to brands owned by the Company. These brands were difficult to realise due to their specific nature. Accordingly, an offer of £1,000 was made by an entity controlled by the Company's parent. Given there were no other offers, I duly accepted the offer. I also received the sum of £750 in respect of the costs involved in the assignment of Trade Marks to the purchaser.

Furniture & Equipment

- 2 11 It was estimated in the S of A that there would be a nil realisation in respect of furniture and equipment as it would not be economical to market and sell these assets given their minimal value. I confirm that this was the case.

Directors' Loan Account

- 2 12 The S of A detailed an uncertain value in respect of Directors' Loan Accounts. Following my appointment, I reviewed the Company's accounting and statutory records to ascertain whether a balance was due.
- 2 13 Having reviewed the Company's records, it appeared that a combined total balance of £34,595 was outstanding under 2 directors' loans. Accordingly, I contacted the respective directors and requested their payment terms. However, the directors disputed any balance being due. Accordingly, I instructed legal professionals to assist with the matter, which ultimately resulted in legal proceedings being issued to recover the amounts due to the Company.
- 2 14 Following extensive negotiations with the directors' solicitors, a settlement offer of £20,000 was made before the matter went to trial. Having discussed the merits of the case with my solicitors, together with the risk of incurring further non-recoverable legal costs, I was advised to accept the offer. Accordingly, the settlement offer was accepted.

Other assets

- 2 15 There were no other known assets.

3 CREDITORS' CLAIMS

- 3 01 I will deal with these in order of priority prescribed by legislation.

Unsecured preferential creditors

- 3 02 At the outset it was anticipated that former employees would have preferential claims for pay arrears, up to a maximum of £800, and accrued holiday pay.

3 03 These claims were received and were met by the Secretary of State ('SofS') to the extent required by the Employment Rights Act 1996. The SofS submitted a claim to me of £4,325 for the amount paid, which was reviewed and agreed. Employees balancing preferential claims of £336 (including Tax and NI) were also calculated and agreed.

3 04 A dividend of 100p in the £ was paid to preferential creditors.

Section 176A of the Insolvency Act 1986

3 05 Under Section 176A of the Insolvency Act 1986, when a company has granted a floating charge to a creditor after 15 September 2003, a prescribed part of the company's net property, which would otherwise be available to the floating charge creditor, is set aside for the benefit of unsecured non-preferential creditors. In this particular case no floating charge was outstanding at the date of liquidation and accordingly Section 176A does not apply.

Unsecured non-preferential creditors

3 06 Claims were received from approximately 25 unsecured creditors, including the SofS and former employees in relation to pay arrears over £800, redundancy and pay in lieu of notice. Work was carried out in calculating the latter claims and where appropriate further information was requested to confirm the amount sought.

3 07 Information was prepared prior to my appointment and provided to the Collector of Taxes at HM Revenue & Customs ("HMRC") to enable them to formulate their claim in the liquidation. I received a claim from the Collector of Taxes in this regard. The VAT office submitted a claim which was, in part, based on assessments in respect of the final VAT quarter.

3 08 Claims totalling £375,749 were received from unsecured non-preferential creditors. However, these were not agreed based on the statement in 3 09 below.

Dividend prospects

3 09 As stated in 3 04 above, a dividend of 100p in the £ was paid to preferential creditors.

3 10 I am unable to declare a dividend to unsecured non-preferential creditors as the funds realised were only sufficient to defray the expenses of the liquidation and pay a dividend to preferential creditors.

4 INVESTIGATIONS

4 01 The company's affairs have been investigated and I have complied with my obligations under Section 7(3) of the Company Directors Disqualification Act 1986.

4 02 Other than the outstanding Directors' loans referred to in Section 2 above, no other matters were identified which could be pursued with a view to increasing the funds available to creditors.

5 JOINT LIQUIDATORS' REMUNERATION AND DISBURSEMENTS

Statement of Affairs fee

- 5 01 At the meeting of creditors held on 7 November 2013 it was resolved that my firm be paid £10,000 plus VAT as an expense of the liquidation under Rule 4 62 of the Insolvency Rules 1986 in relation to

- (i) Convening the meetings of members and creditors, and
- (ii) Assistance in preparing the report and Statement of Affairs

Joint Liquidators' remuneration

- 5 02 At the meeting of creditors held on 7 November 2013 it was also resolved that my remuneration be fixed by reference to the time properly given by me and my staff in attending to matters arising in the winding up
- 5 03 Given the size and technical nature of the liquidation, much of the work described in the sections above was undertaken by me, and a senior administrator. Additional assistance was provided by cashiers dealing with banking and statutory duties, and administrators offering various support services. All time spent on administering various duties was charged directly to the case in 6 minute units
- 5 04 In addition to the work described in sections 2 to 4 above, the following was also undertaken
- i Preparation and circulation of a report to creditors
 - ii Filing of forms and returns with the Registrar of Companies.
 - iii Maintenance of bank accounts, sundry administrative matters and compliance generally with the insolvency legislation/guidance.
 - iv Preparation and submission of tax returns
- 5 05 I attach at Appendix II a breakdown of my time costs by work category. The remuneration charged and paid during the period was £36,571 (plus VAT)
- 5 06 An explanatory note "A Creditors' Guide to Liquidators' Fees" can be found on the following link - http://www.menzies.co.uk/docs/Fee_Guide_-_liquidation_-_liquidators_fees.pdf. Alternatively, it is available free of charge by contacting Menzies Business Recovery LLP
- 5 07 Full details of Menzies Business Recovery LLP's charge out rates are as follows

	<i>From 01.10.15 Rate per hour £</i>	<i>From 01.10.14 Up to 30.09.15 Rate per hour £</i>	<i>From 1.9.12 Up to 30.09.14 Rate per hour £</i>
Partner/Director	375-445	350-395	315-370
Manager	250	250	200
Administrator	125	100-150	85-125
Assistant & support	80	75	50-85

Joint Liquidators' disbursements

- 5 08 In relation to disbursements, where my firm incurred a cost that was directly referable to this matter and the payment was made to a third party, these costs were reimbursed. These disbursements are shown at Appendix II.
- 5 09 No disbursements have or will be claimed which, while costs referable to this matter, did not involve a payment to a third party. Neither will any cost be reimbursed which included an element of shared or allocated cost (eg photocopying).

Professionals, sub-contractors and other expenses

- 5 10 Where appropriate, I have employed professionals to advise me in relation to certain specialist matters. In particular, I engaged Fletcher Day LLP (formerly Oliver Bebb Solicitors) and Burges Salmon LLP to assist with legal matters relating to the realisation of the Company's assets, and Ms T Osborne to assist with the Company's outstanding book debts.
- 5 11 The firms engaged to provide this professional advice were chosen on the basis of their experience and knowledge of the areas on which they were advising, taking into account the complexity of the assignment. They were contracted to be paid as set out in paragraph 5 12. The fees charged have been reviewed for reasonableness, given the amount and level of work undertaken.
- 5 12 The following have been incurred and paid:

Basis of fees	Incurred £	Paid £
Burges Salmon LLP	800	800
Fletcher Day LLP (formerly Oliver Bebb Solicitors)	13,146	13,146
Teresa Osborne (Book-Keeper)	1,096	1,096

Creditors' right to request information


- 5 13 Any secured creditor, or an unsecured creditor with the support of at least 5% in value of unsecured creditors or with the leave of court, may (in writing) request me to provide additional information regarding remuneration or expenses already supplied within this report. In accordance with Rule 4 49E of The Insolvency Rules 1986, such a request or application for leave must be made within 21 days of receipt of this report.

Creditors' right to challenge remuneration and/or expenses

- 5 14 Any secured creditor, or an unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the court, may apply to court for one or more orders under Rule 4 131(4) of The Insolvency Rules 1986. In accordance with Rule 4 131, such applications must be made within eight weeks of receipt of this report.

6 CONCLUDING REMARKS

6 01 Should you require further information, please do not hesitate to contact me



Rober Pick
Joint Liquidator

WELCO FOODS LIMITED (IN CREDITORS' VOLUNTARY LIQUIDATION)
JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT
FROM 7 NOVEMBER 2013 TO 12 JANUARY 2016

	Statement of Affairs as at 7 November 2013 £	1st Year 07 November 2013 to 06 November 2014 £	2nd Year 07 November 2014 to 12 January 2016	Total 7 November 2013 to 12 January 2016 £
RECEIPTS				
Cash at Bank	24,878 00	24,878 32	-	24,878 32
Stock	Uncertain	10,600 00	-	10,600 00
Book Debts	22,591 00	16,322 00	-	16,322 00
Intellectual Property	-	1,000 00	750 00	1,750 00
Furniture & Equipment	-	-	-	-
Directors' Loan Account	Uncertain	-	20,000 00	20,000 00
	<u>47,469 00</u>	<u>52,800 32</u>	<u>20,750 00</u>	<u>73,550 32</u>
PAYMENTS				
Preparation of Statement of Affairs		10,000 00	-	10,000 00
Companies House Fees		29 00	1 00	30 00
Statutory Advertising		338 40	84 60	423 00
Insolvency Bond		160 00	-	160 00
Land Registry Fees		9 00	-	9 00
Liquidators' Remuneration		18,800 00	17,770 81	36,570 81
Storage Costs		3,153 01	2,744 00	5,897 01
Re-Direction of Mail		120 00	-	120 00
Legal Fees & disbursements		3,410 00	11,145 63	14,555 63
Wages & Salaries - Ms T Osborne		1,095 53	-	1,095 53
Courier Costs		-	27 35	27 35
				-
Preferential Creditors - 100p in the £				
OE Arrears & Holiday Pay		-	4,325 36	4,325 36
Employee Balancing Claims		-	269 43	269 43
Tax on Preferential Claim		-	67 20	67 20
		<u>37,114 94</u>	<u>36,435 38</u>	<u>73,550 32</u>
		<u>15,685 38</u>	<u>-15,685 38</u>	<u>0 00</u>

Welco Foods Limited (In Creditors' Voluntary Liquidation)
7 November 2013 to 12 January 2016

Category	Partner	Director	Manager	Senior	Cashier	Administrator	Total Hours	Charge £	Average Rate £
Administration and Planning	1 50	24 60	1 00	31 80	13 57	54 10	126 57	19,878 34	157 05
Creditors	0 00	4 20	0 10	15 70	2 20	10 70	32 90	5,323 50	161 81
Investigations	0 00	0 70	0 00	7 30	0 00	21 00	29 00	2,322 00	80 07
Realisation of Assets	0 00	20 30	0 00	26 50	0 00	0 00	46 80	9,797 50	209 35
Hours	1 50	49 80	1 10	81 30	15 77	85 80	235 27		
Charge (£)	567 50	16,258 50	306 00	12,288 50	1,724 34	6,176 50		37,321 34	

Disbursements Incurred and charged in the period			
Disbursement	Incurred £	Charged £	Outstanding £
Companies House fees	30 00	30 00	-
Land Registry fees	9 00	9 00	-
Insolvency bond	160 00	160 00	-
Statutory advertising	423 00	423 00	-
Re-direction of mail	120 00	120 00	-
Storage	5,897 01	5,897 01	-
Total	6,639 01	6,639 01	-