

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

7496560

Name of Company

Aire Management LS1 Limited

~~++~~We

Julian Pitts
9th Floor
Bond Court
Leeds
LS1 2JZ

Gerald Krasner
9th Floor
Bond Court
Leeds
LS1 2JZ

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

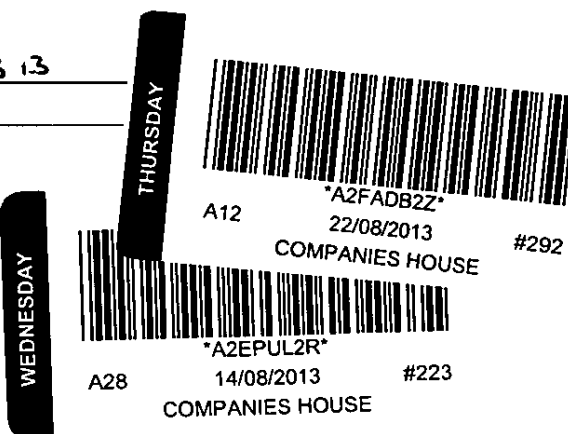
The Progress Report covers the period from 11/12/2012 to 02/07/2013

Signed

Date 13 13

Begbies Traynor (Central) LLP
9th Floor
Bond Court
Leeds
LS1 2JZ

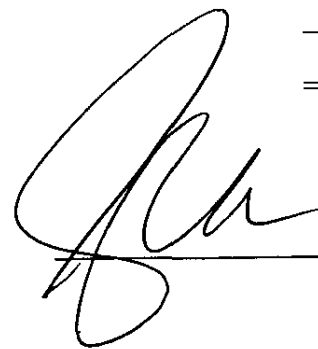
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Aire Management LS1 Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments
To 02/07/2013

S of A £	£	£
ASSET REALISATIONS		
Contribution to Costs	4,000 00	
Bank Interest Net of Tax	0 04	
		4,000 04
COST OF REALISATIONS		
Specific Bond	20 00	
Statement of Affairs Fee	3,000 00	
Office Holders Fees	116 16	
Irrecoverable VAT	600 00	
Irrecoverable VAT	63 34	
Storage Costs	39 44	
Statutory Advertising	161 10	
		(4,000 04)
UNSECURED CREDITORS		
(9,932 00) Trade Creditors	NIL	
(1 00) HMRC (VAT)	NIL	
		NIL
DISTRIBUTIONS		
(1 00) Ordinary Shareholders	NIL	
		NIL
(9,934.00)		NIL
REPRESENTED BY		NIL

Note



Gerald Krasner
Joint Liquidator

Aire Management LS1 Limited (In Creditors' Voluntary Liquidation)

Draft final report and account of the liquidation
pursuant to Section 106 of the Insolvency Act 1986
and Rule 4.126 of the Insolvency Rules 1986

Period: 11 December 2012 to 3 July 2013

Important Notice

This report has been produced solely to comply with our statutory duty to report to creditors and members of the Company pursuant to Section 106 of the Insolvency Act 1986. This 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"	Aire Management LS1 Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Insolvency Act 1986 on 11 December 2012
"the liquidators", "we", "our" and "us"	Julian NR Pitts of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ and Gerald M Krasner of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ
"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

This is our final report and account of the liquidation and should be read in conjunction with the report to creditors dated 11 December 2012

2. COMPANY INFORMATION

Trading names	The Prince of Wales The Streets of Leeds The Red Lion
Company registered number	7496560
Company registered office	c/o Begbies Traynor, 9th Floor, Bond Court, Leeds, LS1 2JZ
Former trading address	11 Mill Hill, Leeds, LS1 5DQ Sutherland Avenue, Roundhay, Leeds, LS8 1BZ 47 Kirkgate, Otley, West Yorkshire, LS21 3HN

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	11 December 2012
Date of liquidators' appointment	11 December 2012

4. PROGRESS SINCE APPOINTMENT

Attached at Appendix 1 is our abstract of receipts and payments for the period from 11 December 2012 to 3 July 2013

Receipts

Contribution to costs

We received £4,000 from the former director upon our appointment as a contribution towards our costs. A sum of £3,000 plus VAT was utilised from these funds to discharge fees in relation to the preparation of the Statement of Affairs and convening the Section 98 meeting. The remaining £1,000 has been used to defray the expenses of the liquidation.

Payments

Bordereau

The sum of £20 has been paid in respect of the liquidators' statutory bordereau payment.

Statement of Affairs fee

As referred to above, a sum of £3,000 plus VAT has been paid in relation to the preparation of the Statement of Affairs and convening the Section 98 meeting.

Storage costs

Our archiving company, Archive Solutions, have been paid £39 44 plus VAT in relation to the storage of records

Statutory advertising

We have paid Courts Advertising the total sum of £161 10 plus VAT in relation to statutory advertising during the liquidation

5. OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment based upon the information detailed in the director's statement of affairs and the work we have undertaken in the course of the liquidation, are as follows

Secured and preferential creditors

There are no known secured or preferential creditors

Unsecured creditors

Unsecured creditors were estimated at £9,933

On the basis of realisations, the outcome for each class of the Company's creditors is as follows

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows

- ☐ 50% of the first £10,000 of net property,
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors

Unsecured creditors

We confirm that there are insufficient funds to enable a dividend to be distributed to unsecured creditors. Consequently we have not taken steps to formally agree the claims of unsecured creditors.

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 post-appointment time costs for the period from 11 December 2012 to 3 July 2013 amount to £2,120.50 which represents 14.3 hours at an average rate of £148.29 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 11 December 2012 to 3 July 2013,
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements,
- ☐ Begbies Traynor (Central) LLP's charge-out rates.

We have drawn the total sum of £116.13 plus VAT on account in accordance with the approval obtained, leaving unbilled time costs of £2,004.37 which have been written off as irrecoverable.

Details of the Category 2 disbursements that have been taken in accordance with the approval obtained are provided in the narrative summary of time costs incurred which is at Appendix 2.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2011' 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 since our last progress report is attached at Appendix 3.

8. UNREALISABLE ASSETS

There are no assets that have proved to be unrealisable.

9. OTHER RELEVANT INFORMATION

Investigations and reporting on director's 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 completed

We have been investigating 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.

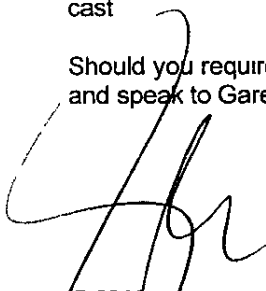
10. CONCLUSION

This report and account of receipts and payments will be laid before final meetings of the Company and the creditors to be held on 3 July 2013 in accordance with Section 106 of the Act. Formal notice of the meetings and a proxy form are enclosed with the covering letter accompanying this report.

The meetings are a formal requirement of liquidation procedure and are a prelude to the formal dissolution of the Company, which will occur automatically, approximately three months later. Unless creditors otherwise resolve, pursuant to Section 173(2) of the Act we will be released from liability at the time that we vacate office.

Although the meetings are rarely attended, if any creditor wishes to attend the meeting, it would assist us in making the necessary administrative arrangements if you would inform the case manager by telephone. This is particularly important for any creditor wishing to attend who considers that the proposed venue is inconvenient. In that event we will consider reconvening the meetings at an alternative venue to be agreed. Any such request should be made within the next seven days so that we may inform all creditors of the revised arrangements. Alternatively, if you wish a proxy to attend on your behalf, the proxy form should be returned to our office by 12 noon on the business day before the meeting. Please note that we will not accept receipt of completed proxy forms by email. Submission of proxy forms by email will lead to the proxy being held invalid and the vote not cast.

Should you require further explanation of any matters contained within this report, you should contact our office and speak to Gareth Williams in the first instance, who will be pleased to assist.



G M Krasner
Joint Liquidator

Dated 8 May 2013

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 11 December 2012 to 3 July 2013

Estimated to realise per Statement of Affairs £		Total (£)
	RECEIPTS	
-	Contribution to costs	4,000 00
-		<u>4,000 00</u>
	PAYMENTS	
	Bordereau	20 00
	Statement of Affairs Fee	3,000 00
	Statutory Advertising	161 10
	Storage costs	39 44
	Office Holders' Fees	116 13
	Irrecoverable VAT	663 33
		<u>(4,000 00)</u>
		<u>-</u>
	REPRESENTED BY -	
	Balance at the Bank	<u>-</u>
		<u>-</u>

* Receipts and payments are shown net of VAT

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, and
- d Table of time spent and charge-out value for the period from 11 December 2012 to 3 July 2013

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SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	Aire Management LS1 Limited
CASE TYPE	Creditors' Voluntary Liquidation
OFFICE HOLDERS	Gerald Krasner and Julian Pitts
DATE OF APPOINTMENT	11 December 2012

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**
There have been no complexities in this matter

1 3 **The office holders effectiveness**
No assets remain unrealised

1 4 **Nature and value of property dealt with by the office holders**
No realisable assets were identified upon our appointment and following the joint liquidators' investigations, no further assets have come to light subsequently

1 5 **Anticipated return to creditors**
There are insufficient funds available to distribute to unsecured creditors

1 6 **Time costs analysis**
An analysis of time costs incurred between 11 December 2012 and 3 July 2013 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 office holders and their staff following their appointment only

1 7 **The views of the creditors**
Creditors are invited to contact the joint liquidators with any queries they may have following this report

1 8 **Approval of fees**
The joint liquidators obtained approval of creditors in respect of their fees at the Section 98 meeting on 11 December 2012

1 9 **Approval of Expenses and Disbursements**
The joint liquidators obtained approval of creditors in respect of their expenses and disbursements at the Section 98 meeting on 11 December 2012

1 10 **Category 2 Disbursements**
There have been no Category 2 disbursements incurred

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

- 2.1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 2
- 2.2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 2

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 in Appendix 3.

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 in Appendix 3.

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

Best practice guidance classifies expenses into two broad categories:

- *Category 1 expenses (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 expenses (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 (London £150) 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 expense*) is charged on the basis that the number of standard archive boxes held in storage

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)

² Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)

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 expense*

- Telephone and facsimile
- Printing and photocopying
- Stationery

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 Leeds office as at the date of this report are as follows

Grade of staff	Charge-out Rate (£ per hour)
Partner 1	395
Partner 2	350
Director	325
Senior Manager	295
Manager	250
Assistant Manager	195
Senior Administrator	160
Administrator	130
Junior Administrator	100
Support	100

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 of 0.10 of an hour (i.e. 6 minute units)

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Bordereau	Marsh Limited	20	20	Nil
Storage costs	Archive Solutions	39 44	39 44	Nil
Statutory advertising	Courts Advertising	161 10	161 10	Nil