

## 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

03968375

Name of Company

Farmright Limited

I / We

Nigel Morrison, 30 Finsbury Square, London, EC2P 2YU

Alistair Wardell, 11/13 Penhill Road, Cardiff, South Glamorgan, CF11 9UP

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 02/07/2015 to 01/07/2016

Signed



Date

20/7/16

Grant Thornton UK LLP  
Hartwell House  
55-61 Victoria Street  
Bristol  
BS1 6FT

Ref F00664/NZM/PAM/BLA/JET

SATURDAY



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23/07/2016

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COMPANIES HOUSE



Our Ref NZM/PAM/BLA/JET/F00664/  
Your Ref

To the creditors and members

21 July 2016

Dear Sus

**Recovery and Reorganisation**

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**Farmright Limited - In Liquidation (the Company)**

**1 Introduction**

1 1 Following my appointment as joint liquidator of the above Company with Alistair Wardell on 2 July 2013, in accordance with section 104A of the Insolvency Act 1986 I now report on the progress of the liquidation for the year ended 1 July 2016 and attach

- Appendix A, an account of our receipts and payments for the year ended 1 July 2016 and also for the whole liquidation to date
- Appendix B, a statement of the remuneration charged by the joint liquidators in the period 2 July 2015 to 1 July 2016 and a statement of expenses incurred in the period
- Appendix C, an analysis of time costs as required by Statement of Insolvency Practice 9
- Appendix D, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator (rule 4 49E)
- Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive (rule 4 131)

1 2 Please note that we are both authorised by the Insolvency Practitioners Association to act as insolvency practitioners

**2 Statutory information**

2 1 The Company's statutory details are as follows

Registered number 03968375

Registered office c/o Grant Thornton UK LLP,  
4 Hardman Square, Spinningfields,  
Manchester, M3 3EB

**3 Progress report**

**Assets**

3 1 As previously advised, all asset realisations have been finalised

**Chartered Accountants**

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### **Court proceedings**

- 3 2 As previously reported, the Company's director is involved in litigation proceedings and made an application to join the Company into those proceedings. Please note that litigation is still on-going. The funds held will continue to be used to pay any legal fees that may arise relating to the proceedings.

### **Liabilities**

#### **Secured creditor**

- 3 3 The secured creditor, Barclays Bank plc (Barclays) (which has multi-lateral cross guarantees against all members of the Farmright Group) submitted a claim for £3.3 million in the liquidation of Dairystrix Limited, and has been paid £209,068 from the liquidation.

- 3 4 I continue to estimate that Barclays will make a small recovery from the Company however, the quantum and timing is dependent on the litigation proceedings.

#### **Preferential creditors**

- 3 5 Preferential creditors totalling £15,614 were paid in full on 26 March 2014.

#### **Unsecured creditors**

- 3 6 Due to the costs incurred to date, there are now insufficient funds available to allow a distribution to be made to the unsecured creditors.

### **4 Joint liquidators' remuneration and expenses**

- 4 1 Our fees for acting as joint administrators were fixed by reference to our time costs. Pursuant to rule 4.127(5A) of the Insolvency Rules 1986, this basis applies also in the liquidation. You will note from the SIP 9 table attached at Appendix C that our time costs in the liquidation to date are £65,205 and from the receipts and payments account attached at Appendix A, that we have drawn £55,000 in respect of administration fees and £20,000 in respect of liquidation fees.

- 4 2 Time is charged in units of 6 minutes. Background information regarding the fees of liquidators can be found at [https://www.r3.org.uk/media/documents/publications/professional/Guide\\_to\\_Liquidators\\_Fees\\_Oct\\_2015.pdf](https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Liquidators_Fees_Oct_2015.pdf). Alternatively I will supply this information by post on request.

### **5 Other expenses incurred by the joint liquidators**

- 5 1 During the period, £10,108 has been paid to Osborne Clarke for legal advice obtained in respect of the on-going litigation.

- 5 2 No further costs have been incurred in the period.

Yours faithfully  
for and on behalf of Farmright Limited



Nigel Morrison  
Joint Liquidator

Enc

Farmright Limited - in liquidation  
Summary of receipts and payments  
from 2 July 2013 to 1 July 2016

Statement of Affairs £	From 02/07/2013 to 01/07/2015 £	From 02/07/2015 to 01/07/2016 £	Total £
<b>Receipts</b>			
Admin/Receivers Surplus	2,219 05	0 00	2,219 05
Interest rec'd in respect of VAT refund	44 11	0 00	44 11
Book Debts	42,792 70	0 00	42,792 70
VAT Refund	84,112 41	0 00	84,112 41
Bank/ISA InterestGross	67 08	0 00	67 08
Misc Refunds	372 46	0 00	372 46
HMRC - VAT received/paid	15,340 36	2,623 98	17,964 34
	<b>144,948 17</b>	<b>2,623 98</b>	<b>147,572 15</b>
<b>Payments</b>			
Administrators Fees	55,000 00	0 00	55,000 00
Liquidators Fees	20,000 00	0 00	20,000 00
VAT irrecoverable	15 30	0 00	15 30
Legal Fees (1)	12,982 64	10,108 41	23,091 05
Storage Costs	316 23	0 00	316 23
Statutory Advertising	245 70	0 00	245 70
Bank Charges	224 06	112 66	336 72
Preferential Creditors (All)	15,613 64	0 00	15,613 64
Vat on Purchases	17,964 34	2,021 68	19,986 02
	<b>122,361 91</b>	<b>12,242 75</b>	<b>134,604 66</b>
<b>Net Receipts/(Payments)</b>	<b>22,586 26</b>	<b>(9,618.77)</b>	<b>12,967 49</b>
<b>Made up as follows</b>			
Floating Current Account NIB 06 11 13	22,586 26	(9,618 77)	12,967 49
	<b>22,586.26</b>	<b>(9,618 77)</b>	<b>12,967 49</b>

**B Remuneration charged and expenses incurred by the joint liquidators in the period**

	Charged/incurred in period 02/07/2015 to 01/07/2016	Cumulative charged/incurred to 01/07/2016	Of which paid to 01/07/2016
	£	£	£
<b>Joint liquidators' fees</b>			
Time costs	11,069	65,205	20,000
Expenses	0	139	139
<b>Legal fees</b>			
Osborne Clarke	8,854	23,091	23,091

## C SIP 9 information

### Introduction

The following information is provided in connection with the liquidators' remuneration and disbursements in accordance with SIP 9

Explanation of Grant Thornton UK LLP charging and disbursement recovery policies

### Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown on the attached schedule. Details of the hourly charge-out rates are made available to creditors or committees at the time of fixing the basis of our fees. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it.

	From 01/07/12	From 01/07/13	From 01/07/14 to date
	£	£	£
Partners up to	580	600	740
Managers up to	440	455	470
Administrators up to	310	320	345
Assistants and support staff up to	210	220	230

### Disbursements

Out of pocket expenses are charged at cost and mileage is charged at standard rates. VAT is added to disbursement charges as necessary.

# Farmright Limited - In Liquidation - F30200664 - SIP 9 TIME COST ANALYSIS

Transaction period 02/07/2013 to 01/07/2016

	Partner		Manager		Executive		Administrator		Total		Avg Hrlly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning	8 54	4,223 55	23 85	8,475 50	21 02	4,767 20	33 67	5,330 15	87 08	22,796 40	261 79
Creditors			14 65	4,964 50	25 75	6,070 00	86 43	13,402 10	126 83	24,436 60	192 67
Hiatus period											
Investigations			6 40	1,879 00	2 90	812 00	1 50	232 50	10 80	2,923 50	270 69
Pensions			20	100 00					20	100 00	500 00
Realisation of Assets			27 10	8,911 00	2 90	812 00			30 00	9,723 00	324 10
Taxation			4 25	1,695 50	9 95	2,917 00	4 30	410 75	18 50	5,023 25	271 53
Trading					88	202 40			88	202 40	230 00
Total	8 54	4,223 55	76 45	26,025 50	63 40	15,580 60	125 90	19,375 50	274 29	65,205 15	237 72

Total fees billed to date (Time) : £ 20,000

**Farmright Limited - In Liquidation - F30200664 - SIP 9 TIME COST ANALYSIS**

Transaction period 02/07/2015 to 01/07/2016

	Partner		Manager		Executive		Administrator		Total	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£
Administration and Planning (incl statutory reporting)	3 25	1 608 75	9 00	2,970 00	2 46	570 90	5 85	873 00	20 56	6,022 65
Chargeholders (incl bank reporting)			3 00	990 00	75	180 00			3 76	1,170 00
Corporation Tax			40	146 00					40	146 00
Hiatus period									00	
Investigations and reports on directors			4 50	1,240 00					4 50	1,240 00
Legal					5 00	1 200 00	25	40 00	5 25	1,240 00
PAYE and VAT					40	96 00	1 05	104 00	1 45	200 00
Pensions									00	
Preferential creditors					25	60 00			25	60 00
Realisation of Assets Debtors			2 50	825 00					2 50	825 00
Realisation of Assets Other assets									00	
Realisation of Assets Property plant vehicles etc (incl HP leasing and third party)									00	
Realisation of Assets Stock and WIP (incl ROT)									00	
Sale of business									00	
Trading									00	
Unsecured creditors			50	165 00					50	165 00
Total	3 25	1,608 75	19 90	6,336 00	8 86	2,106 90	7 15	1,017 00	39 16	11,068 65
										282 65

**Total fees billed to date (Time) . £ 20,000**



TASKS	Incurred to date		
	Av Hrlly Rate	Hrs	£
<b>STATUTORY AND ADMINISTRATIVE TASKS</b>	<b>284</b>	<b>26.16</b>	<b>7,439</b>
File reviews Bank account administration and transactions Statutory reports to creditors Tax, VAT and PAYE compliance Preparation of estimated outcome statements			
<b>INVESTIGATIONS</b>	<b>276</b>	<b>4.50</b>	<b>1,240</b>
Reviewing case files for information on directors			
<b>LEGAL</b>	<b>266</b>	<b>7.75</b>	<b>2,065</b>
Liaising with solicitors regarding on-going litigation			
<b>CREDITORS</b>	<b>433</b>	<b>0.75</b>	<b>325</b>
Creditor correspondence Dealing with unclaimed dividends			
<b>Total costs</b>	<b>283</b>	<b>39.16</b>	<b>11,069</b>

**D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator**

Rule 4 49E edited for application to a progress report in a creditors' voluntary liquidation

- (1) If
  - (a) within the period mentioned in paragraph (2)
    - (i) a secured creditor, or
    - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
  - (b) with the permission of the court upon an application made within the period mentioned in paragraph (2), any unsecured creditor makes a request in writing to the liquidator for further information about remuneration or expenses set out in the progress report, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of a matter which was previously included in a progress report
- (2) The period referred to in paragraph (1)(a) is 21 days of receipt of the progress report
- (3) The liquidator complies with this paragraph by either -
  - (a) providing all of the information asked for, or
  - (b) so far as the liquidator considers that
    - (i) the time or cost of preparation of the information would be excessive, or
    - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
    - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,giving reasons for not providing all of the information
- (4) Any creditor, who need not be the same as the creditor who requested further information, may apply to the court within 21 days of -
  - (a) the giving by the liquidator of reasons for not providing all of the information asked for, or
  - (b) the expiry of the 14 days provided for in paragraph (1),and the court may make such order as it thinks just
- (5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 4 131(1B) by such further period as the court thinks just

**E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive**

Rule 4 131

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application by a creditor may be made on the grounds that -
  - (a) the remuneration charged by the liquidator,
  - (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
  - (c) expenses incurred by the liquidator,
 is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice, but which is without notice to any other party  
If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders -
  - (a) an order reducing the amount of remuneration which the liquidator was entitled to charge
  - (b) an order fixing the basis of remuneration at a reduced rate or amount
  - (c) an order changing the basis of remuneration
  - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation
  - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify
 and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation