

**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

00480610

Name of Company

John Cheadle Limited

We

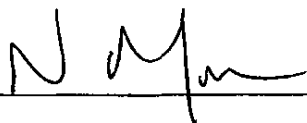
Nigel Morrison, Grant Thornton UK LLP, Hartwell House, 55-61 Victoria Street, Bristol, BS1 6FT

David J Dunckley, Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU

the liquidators of the company attach a copy of our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 15 April 2015 to 14 April 2016

Signed



Date

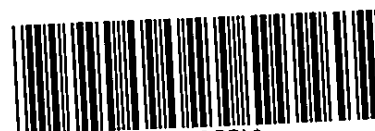
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Our Ref NZM/ZLC/RJJ/EZF/J97006/

To the creditors and members

Recovery and Reorganisation

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13 June 2016

Dear Sirs

John Cheadle Limited - In Liquidation

1 Introduction

1.1 Following my appointment as joint liquidator of the above company with David Dunckley on 15 April 2015, in accordance with section 104A of the Insolvency Act 1986 I now report on the progress of the liquidation for the year ended 14 April 2016 and attach

- Appendix A, an account of our receipts and payments for the year ended 14 April 2016
- Appendix B, a statement of the remuneration charged by the joint liquidators in the period 15 April 2015 to 14 April 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	00480610
Registered office	c/o Grant Thornton UK LLP 4 Hardman Square Spinningfields Manchester M3 3EB

Chartered Accountants

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales. No OC307742. Registered office: Grant Thornton House, Melton Street, Euston Square, London NW1 2EP. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. A list of personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address. Please see grantthornton.co.uk for further details.

3 Progress report

Assets

Administration Surplus

- 3 1 The only asset is the balance transferred from the administration of £346,234
- 3 2 The remaining balance per the final administration report was £300,875. The outstanding VAT from the administration totalled £46,506 and has been reclaimed from HM Revenue and Customs. Bank charges were deducted totalling £1,147.
- 3 3 No statement of affairs has been prepared for the liquidation.

Other realisations

- 3 4 We have received a VAT late repayment supplement of £3,221 and a rates refund of £3,948 in the period.
- 3 5 No further realisations are anticipated.

Liabilities

Secured creditors

- 3 6 As previously reported, HSBC Bank plc (the Bank) was owed an estimated £4.8 million at the date of administration appointment.
- 3 7 Distributions totalling £585,000 were made to the Bank under both the fixed and floating charges during the administration.
- 3 8 A further distribution has been paid during the liquidation of £45,000.
- 3 9 A final distribution will be paid to the Bank following the payment of the prescribed part dividend to unsecured creditors.

Preferential creditors

- 3 10 During the administration, we settled employees' arrears of wages totalling £47,386 in respect of the retained employees. Such arrears would have represented a preferential claim.
- 3 11 The employee claims for arrears of wages, accrued holiday pay and pensions to the date of appointment also rank as preferential claims and have been agreed and settled totalling £49,027.
- 3 12 The Bank's subrogated preferential claim in respect of monies advanced to pay wages in the administration was agreed at £95,759. We distributed £70,000 to the Bank on account during the administration and the remaining balance of £23,187 has now been paid.
- 3 13 All preferential claims have now been settled in full.

Unsecured creditors

- 3 14 According to the directors' statement of affairs total unsecured creditors were estimated to be in excess of £5.9 million
- 3 15 Unsecured claims totalling £1,912,821 have been received and agreed to date
- 3 16 In accordance with Section 176A of the Insolvency Act 1986, certain funds which would otherwise be payable to the secured creditor, will be made available instead to the unsecured creditors via the prescribed part
- 3 17 The prescribed part is currently calculated at c£60,500 and a first and final dividend will be paid to the unsecured creditors shortly

4 Joint liquidators' remuneration and expenses

- 4 1 The administrators requested that their remuneration be calculated according to the time properly given by the administrators and their staff in attending to matters arising in the administration. Time is charged in 6 minute units
- 4 2 The Bank has restricted the hourly charges out rates per staff category and a schedule of the restricted rates is included in Appendix C
- 4 3 Pursuant to rule 4.127(5A) of the Insolvency Rules 1986, this basis applies also in the liquidation
- 4 4 Administrators' fees of £140,000 have been paid during the liquidation as indicated in Appendix A
- 4 5 You will note from the SIP 9 table attached at Appendix C that our time costs during the liquidation to 14 April 2016 are £67,118 and from the receipts and payments account attached at Appendix A, that we have drawn £7,500
- 4 6 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. Alternatively I will supply this information by post on request
- 4 7 In addition, we have drawn administrators' expenses of £97 and liquidators' expenses of £205 as indicated in Appendix A

5 Other expenses incurred by the joint liquidators

- 5 1 No other expenses have been incurred in the period

6 Outcome of the liquidation

- 6 1 I am currently awaiting tax clearance from HM Revenue & Customs
- 6 2 Once obtained, I will be in a position to distribute the prescribed part dividend to the unsecured creditors and settle all final costs of the liquidation

- 6 3 The final meetings of the company will then be convened and the company will be progressed to dissolution

Yours faithfully
for and on behalf of John Cheadle Limited

A handwritten signature in black ink, appearing to read 'N M' followed by a stylized flourish.

Nigel Morrison
Joint Liquidator

Enc

John Cheadle Limited - in liquidation
 Joint Liquidators' receipts and payments account
 from 15 April 2015 to 14 April 2016

Receipts	Statement of Affairs (£)	Total (£)
VAT Refunds		3,221 32
Admin/Receivers Surplus		346,234 11
Bank/ISA InterestGross		50 70
Rates Refund		3,948 05
HMRC - VAT received/paid		28,585 78
		<u>382,039 96</u>
Payments		
Rents		4,746 72
Administrators Fees		140,000 00
Administrators Expenses		96 92
Liquidators Fees		7,500 00
Liquidators Expenses		205 00
Misc Float Payments		54 29
Storage Costs		222 33
Statutory Advertising		84 60
Bank Charges		143 14
Preferential Creditors (All)		72,214 49
Floating Charge Creditor		45,000 00
Vat on Purchases		29,630 25
		<u>299,897 74</u>
Balance - 14 April 2016		<u><u>82,142 22</u></u>
Made up as follows		
Floating Current Account NIB 09 07 15		82,142 22
		<u><u>82,142 22</u></u>

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

	Charged/incurred in period 15/03/2015 to 14/03/2016	Cumulative charged/incurred to 14/03/2016	Of which paid to 14/03/2016
	£	£	£
Joint liquidators' fees			
Time costs	67,118	67,118	7,500
Expenses	205	205	205

C SIP 9 information

Introduction

The following information is provided in connection with the administrators' 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
	£	£	£
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

HSBC Bank plc Restricted Charge Out Rates Per Hour:

	£
Partner	350
Director	350
Senior Manager	265
Manager	265
Administrator	190
Support staff	120

Disbursements

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

John Cheate Limited - In Liquidation - J20597006 - SIP 9 TIME COST ANALYSIS

Transaction period 15/04/2015 to 14/04/2016

	Partner		Manager		Executive		Administrator		Total	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	Avg Hry Rate
Administration and Planning	1 50	742 50	19 50	8,035 00	10 76	2,412 65	28 70	4,394 75	60 46	15,584 90
Creditors			5 50	1,815 00	89 24	21,829 10	84 95	8,536 00	179 69	32,180 10
Hiatus period										
Investigations					25	62 50	1 25	160 00	1 50	222 50
Pensions			20	100 00			50	77 50	70	177 50
Realisation of Assets					6 00	1,500 00	20 75	2,640 00	26 75	4,140 00
Taxation	40	296 00	14 90	7,498 50	17 35	4,662 50	13 60	2,168 00	46 25	14,625 00
Trading					75	187 50			75	187 50
Total	1 90	1,038 60	40 10	17,448 50	124 35	30,664 25	149 75	17,976 25	316 10	67,117 50

Total fees billed to date (Time) : £ 7,500

John Cheadle Limited - In Liquidation - J20597006 - SIP 9 TIME COST ANALYSIS

Transaction period 15/04/2015 to 14/04/2016

	Partner		Manager		Executive		Administrator		Total	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£
Administration and Planning (incl statutory reporting)	1 50	742 50	19 50	8,035 00	10 76	2,412 65	28 70	4,394 75	60 46	15,684 90
Chargeholders (incl bank reporting)					17 50	4,375 00	2 75	440 00	20 25	4,815 00
Corporation Tax	40	296 00	12 65	6,556 00	11 10	3,100 00			24 15	9,952 00
Hiatus period									00	
Investigations and reports on directors					25	62 50	1 25	160 00	1 50	222 50
Legal									00	
PAYE and VAT			2 25	942 50	6 25	1,562 50	13 60	2,168 00	22 10	4,673 00
Pensions			20	100 00			50	77 50	70	177 50
Preferential creditors					31 48	7,587 70	3 95	536 00	35 43	8,123 70
Realisation of Assets Debtors							75	120 00	75	120 00
Realisation of Assets Other assets									00	
Realisation of Assets Property plant vehicles etc (incl HP leasing and third party)					6 00	1,500 00	18 75	2,320 00	24 75	3,820 00
Realisation of Assets Stock and WIP (incl ROT)							1 25	200 00	1 25	200 00
Sale of business									00	
Trading					75	187 50			75	187 50
Unsecured creditors			5 50	1,815 00	40 26	9 666 40	78 25	7 560 00	124 01	19,241 40
Total	1 90	1,038 50	40 10	17,448 50	124 35	30,664 25	149 75	17,976 25	316 10	67,117 50

Total fees billed to date (Time) . £ 7,500

Costs incurred in the period 15 April 2015 to 14 April 2016

TASKS	Incurred in the period		
	Av Hrlly Rate	Hrs	£
STATUTORY AND ADMINISTRATIVE TASKS	258	60	15,585
Case planning			
Case set up and acceptance compliance			
Appointment notification			
Statutory advertising			
File reviews			
Bank account administration (treasury)			
Report to creditors on appointment			
CREDITORS	179	180	32,180
Creditor correspondence			
Reviewing and logging proof of debts			
Correspondence with secured creditor and distributions			
Preferential creditors and distribution of funds			
INVESTIGATION	148	2	223
Prepare D Returns and attachments			
PENSIONS	254	1	178
Statutory reporting			
REALISATION OF ASSETS	155	27	4,140
Property disclaiming			
Letter to landlords			
Review of leases			
Liaising with council re rates refund			
Liaising with JLT re insurance			
TAXATION	316	46	14,625
Tax compliance			
TRADING	250	1	188
Liaising with British Gas re outstanding invoices			
Total costs	212	316	67,118

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