

Rule 4 49C The Insolvency Act 1986

**Liquidators' Progress  
Report****S.192****Pursuant to Sections 92A, 104A and 192 of the  
Insolvency Act 1986**

To the Registrar of Companies

Company Number

01364854

Name of Company

(a) Insert full  
name of  
company

(a) S J STODDART LIMITED

(b) Insert full  
name(s) and  
addresses(s)I/We (b)  
Paul Anthony Saxton  
Elwell Watchorn & Saxton LLP  
109 Swan Street,  
Sileby  
Leicestershire LE12 7NNDavid John Watchorn  
Elwell Watchorn & Saxton LLP  
109 Swan Street,  
Sileby  
Leicestershire LE12 7NNthe 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 24 August 2015 to 23 August 2016

Signed



Date 19 October 2016

David John Watchorn

Presenter's  
name,  
address and  
reference  
(if any)David John Watchorn  
Elwell Watchorn & Saxton LLP  
109 Swan Street,  
Sileby  
Leicestershire LE12 7NN

For Official Use

Liquidator  
Section

FRIDAY



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\*A5I24JNC\*

21/10/2016

#168

COMPANIES HOUSE

**ELWELLWATCHORNSAXTON**

Collaborative Business Recovery

PAS DJW JRS SJS02

20 October 2016

**TO ALL MEMBERS & CREDITORS**

Dear Sirs

**S J STODDART LIMITED****IN CREDITORS VOLUNTARY LIQUIDATION**

Company number: 01364854

Office holder(s) Paul Anthony Saxton and David John Watchorn

Date of appointment: 24 August 2015

Previous Registered Office: 13 High Street, Hemel Hempstead, Hertfordshire HP1 3AA

Registered Office: 109 Swan Street, Sileby, Leicestershire LE12 7NN

In accordance with Rule 4 49C of the Insolvency Rules 1986 (as amended), I write to provide all members and creditors of the company with an account of my acts and dealings and of the conduct of the winding-up for the period 24 August 2015 to 23 August 2016

I enclose the following documentation for your information -

- a) Liquidator's receipts and payments account
- b) Schedule of liquidator's remuneration and disbursements

**Cash at Bank**

Upon closure of the company's various bank accounts the following credit balances were realised

Bank	£
Barclays Bank Plc	53,369 65
Close Brothers	57,301 68
Santander UK Plc	10 07
<b>Total</b>	<b>110,681.40</b>

**Investment**

The estimated statement of affairs included an investment of £19,000 that was believed to be in national savings certificates held in the company's name

National Savings and Investments have confirmed that they are unable to trace any account in the company name. Enquiries were made of the company's external accountants, who confirmed that they held no further information other than that each year they obtained confirmation from Mr SJ Stoddart that the investment was still held by the company

Documentation filed at Companies House has been checked and it has been established that the balance sheet as at 31 December 1994 (the first accounts freely available) shows Investments of £15,000 which are described in the notes as Government Securities. The balance sheet as at 31 December 2001 indicates that an additional £4,000 was invested during the year. The total investment of £19,000 is included on the company balance sheet in all subsequent financial statements up to the date of liquidation

There is no additional information in the company records and further enquiries of the remaining directors did not assist. Our enquiries are ongoing

Tel 01509 815150 / Fax 01509 815121 / Email [leicester@ewslip.co.uk](mailto:leicester@ewslip.co.uk) / Web [ewslip.co.uk](http://ewslip.co.uk)  
 Elwell Watchorn & Saxton LLP 109 Swan Street Sileby Loughborough Leicestershire LE12 7NN

Elwell Watchorn & Saxton LLP is a limited liability partnership registered in England number OC311000  
 VAT registration number 655 0983 15  
 Registered office 109 Swan Street Sileby Loughborough Leicestershire LE12 7NN  
 Members David Watchorn Limited Graham Wolloff Limited Joe Sadler Limited Nigel Price Limited



***Furniture and equipment***

The office furniture and computer equipment had no commercial value and no realisations were possible

***Claim against former director***

As disclosed in the report to creditors immediately following my appointment, Mr Fox, the former executive director of the company, had admitted to misappropriating substantial sums in the period leading up to liquidation. I can confirm that this was reported to the Police, Financial Conduct Authority and Insolvency Service and that assistance has been provided with their investigations.

In September 2016, Mr Fox pleaded guilty to the theft of approximately £273,000 and was sentenced to 4 years in prison.

Freeths LLP have been instructed to pursue a civil action for the recovery of the stolen funds. As the funds were gambled and lost, Mr Fox has insufficient personal assets to deal with our claim and, in the absence of an offer of settlement, will likely be made bankrupt. With the assistance of Freeths, we are investigating the possibility of pursuing a claim against third parties.

***Other receipts***

Insurance commissions arising from the pre-appointment period have been received in the sum of £65.71 during the period along with bank interest of £58.93.

***Preferential creditors***

The only preferential creditors on the estimated statement of affairs were in respect of employees' wages and holiday pay in the sum of £500. The only employee was Mr Fox and, in light of the actions against him, no claim is anticipated.

***Non-preferential creditors***

The total value of non-preferential creditors on the estimated statement of affairs is £203,120 and I confirm that claims have been received totalling the sum of £150,941. A number of creditors are yet to submit their claims.

***Further work undertaken***

In accordance with Statement of Insolvency Practice 2, we have made an initial assessment of whether there could be any matters that may lead to recoveries for the estate and what further investigations may be appropriate.

We have investigated the transactions between the company and Mr Fox, preparing financial statements to this effect. We have also consulted with the Police, Financial Conduct Authority and Insolvency Service over actions against Mr Fox and provided evidence to this end.

I can also confirm that any relevant report has been submitted to the appropriate Government department or authority, including the report under the requirements of the Company Directors Disqualification Act 1986.

We have liaised with affected insurance companies and customers over the impact of the liquidation on the policies concerned.

Additionally, I have discharged my statutory duties as Liquidator in the day to day matters associated with the case. The appointee is bound by the Insolvency Code of Ethics when carrying out work relating to the insolvency appointment.

***Outstanding matters***

In summary, the following key matters remain outstanding -

- to petition for the bankruptcy of Mr Fox and await any resulting realisations into the liquidation
- to investigate any potential claims against other parties
- to agree the claims of the non-preferential creditors and subsequently declare a first dividend to the non-preferential creditors

**Liquidators' remuneration**

The creditors previously approved a statement of affairs fee of £5,000 plus VAT. The initial creditors' meeting passed a resolution that the liquidators' remuneration be fixed on the basis of time costs properly incurred in attending to matters arising in the liquidation. I enclose a schedule which provides details of the time costs incurred and the liquidators' disbursements. To date, the liquidators have drawn £20,000 plus VAT on account and details are provided on the attached schedule.

A guide to help creditors understand the law and their rights in relation to an insolvency process can be found at -

<http://www.creditorinsolvencyguide.co.uk>

Additional information regarding how the liquidator will be paid can be downloaded at -

[http://www.r3.org.uk/media/documents/publications/professional/Guide\\_to\\_Liquidators\\_Fees.pdf](http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Liquidators_Fees.pdf)

<https://www.r3.org.uk/what-we-do/publications/professional/fees>

Alternatively, a Creditor may obtain a printed copy by contacting this office directly.

**Professional advisers engaged by the liquidators**

I have instructed the following professional advisers to assist with the administration and progression of the case. The choice of adviser is based on their relevant experience and ability to perform this type of work, the nature and complexity of the specific assignment and the basis of the fee arrangement negotiated.

Adviser/Organisation	Service provided	Reason selected	Basis of fees	Fees paid this reporting period
Freeths LLP	Legal advice regarding action against former director	Sector knowledge and experience	Time costs	£4,527

- \* Messrs Freeths LLP were engaged to advise on the claim against Mr Fox and initiate civil proceedings against him. The fees were agreed on a time cost basis and £4,527.00 has been paid in the period.

The liquidators are satisfied that fees charged are considered reasonable in the circumstances of the case.


**Declaration regarding treatment of VAT and accruals**

In accordance with Statement of Insolvency Practice 7, all entries are shown net of VAT, with VAT recorded on a separate line. The receipts and payments account discloses all receipts and payments in the reporting period. However, there may be additional accrued expenditure due in respect of storage of company records and postage, stationery, telephone, mileage and external disbursements. These charges will be drawn upon case closure in accordance with the resolution already approved by creditors.

**Disclaimer**

This report has been circulated for the sole purpose of providing creditors with an update for information purposes only to fulfil the necessary statutory requirement. The contents are private and confidential and may not be relied upon, referred to, reproduced in whole or in part or otherwise used by creditors for any purpose other than providing an update for them for information purposes, or by any other person for any purpose whatsoever.

Yours faithfully



D J Watchorn  
Joint Liquidator  
Licensed in the United Kingdom to act as an insolvency practitioner  
by the Association of Chartered Certified Accountants

# **S J STODDART LIMITED IN CREDITORS VOLUNTARY LIQUIDATION**

Receipts and Payments from 24/08/2015 to 23/08/2016

SOA Value £		24/08/2015 to 23/08/2016		Total to 23/08/2016	
		£	£	£	£
	<b>ASSET REALISATIONS</b>				
0 00	Bank Interest Gross	58 93		58 93	
45,983 00	Barclays Bank Accounts	53,369 65		53,369 65	
57,090 00	Close Brothers Account	57,310 68		57,310 68	
0 00	Santander Account	10 07		10 07	
0 00	Claim Against Former Director	0 00		0 00	
0 00	Furniture and Equipment	0 00		0 00	
0 00	Insurance Commissions	65 71		65 71	
19,000 00	Shares and Investments	0 00		0 00	
			110,815 04		110,815 04
	<b>COST OF REALISATIONS</b>				
0 00	Appointee Disbursements	(58 50)		(58 50)	
0 00	Pre-appointment Disbursements	(177 10)		(177 10)	
0 00	Appointee Fees	(20,000 00)		(20,000 00)	
0 00	IT Services	(308 85)		(308 85)	
0 00	Land Registry Fees	(6 00)		(6 00)	
0 00	Legal Fees	(4,527 00)		(4,527 00)	
0 00	Mail Redirection	(240 00)		(240 00)	
0 00	Postage	(14 52)		(14 52)	
0 00	Preparation of Statement of Affairs	(5,000 00)		(5,000 00)	
0 00	Specific Bond	(460 00)		(460 00)	
0 00	Statutory Advertising	(338 40)		(338 40)	
0 00	Tax on Interest	(7 99)		(7 99)	
	VAT Irrecoverable	(6,172 17)		(6,172 17)	
			(37,310 53)		(37,310 53)
	<b>PREFERENTIAL CREDITORS</b>				
(500 00)	Wages	0 00		0 00	
			0 00		0 00
	<b>UNSECURED CREDITORS</b>				
(1,000 00)	Employees	0 00		0 00	
(4,326 00)	HM Revenue & Customs				
(197,794 00)	Trade and Expense Creditors	0 00		0 00	
			0 00		0 00
	<b>EQUITY</b>				
(1,000 00)	Ordinary shares	0 00		0 00	
			0 00		0 00
(82,547 00)			<u>73,504.51</u>		<u>73,504.51</u>
	<b>REPRESENTED BY</b>				
	Current Account			73,504 51	
					73,504 51
					<u>73,504.51</u>

**S J STODDART LIMITED**  
**IN CREDITORS VOLUNTARY LIQUIDATION**

**SCHEDULE OF LIQUIDATOR'S REMUNERATION AND DISBURSEMENTS**

***Firm's charging policy***

It is the firm's policy that all staff involved on an assignment will record all time spent on dealing with matters arising on that client and that the time will be categorised to show the type of activity carried out. The charge out rates of licensed insolvency practitioners, directors and managers do not therefore include provisions for time spent by secretaries, cashiers and support staff. From 1 October 2015, additional categories of staff activity have been introduced to facilitate more detailed reporting where it is appropriate to do so.

The time cost to the estate is calculated by multiplying the time spent by the individual by their charge-out rate. Time is recorded in units of 6 minutes, with 10 units making up each hour of time spent. Charge-out rates are reviewed annually and are subject to change without prior notice. Full details of the rates applied to a specific case are available on application.

The charge-out rates of the persons involved in this case from commencement to the current time are as follows -

	<b><i>Charge-out rate at commencement (up to £ per hour)</i></b>	<b><i>Increase October 2016 (up to £ per hour)</i></b>
Licensed Insolvency Practitioner	195 00	225 00
Director / Senior Manager	165 00	175 00
Manager	135 00	150 00
Other professionals	105 00	135 00
Administrative staff	45 00	65 00

\* In October 2016, the Firm increased the charge out rates of all grades of staff as detailed in the above table. In addition, specific individual staff members who may have duties associated with this case, moved charging grade.

A guide to help creditors understand the law and their rights in relation to an insolvency process can be found at -

<http://www.creditorinsolvencyguide.co.uk>

Additional information regarding how the Insolvency Practitioner will be paid can be downloaded under "Fees" at -

<https://www.r3.org.uk/what-we-do/publications/professional/fees>

Alternatively, a creditor may obtain a printed copy by contacting this office directly.

***Liquidator's remuneration***

The fee agreed and paid for the preparation of the statement of affairs and convening the meetings of members and creditors was £5,000.

In relation to the liquidator's remuneration, the first meeting of creditors resolved that the liquidator's fees be fixed by reference to the time properly spent by the liquidator and his staff in attending to matters arising in the winding-up. The liquidator has ensured that case assignments have been carried out by appropriate grades of staff.

The total time costs during the course of my administration to the end of the current reporting period are summarised below -

<b>Work category</b>	<b>Licensed Insolvency Practitioner hours</b>	<b>Director/ Senior Manager hours</b>	<b>Manager hours</b>	<b>Professional staff hours</b>	<b>Admin staff hours</b>	<b>Total hours</b>	<b>Time cost £</b>	<b>Average hourly rate £</b>
Administration (inc statutory reporting)	71 70	2 00	0 00	28 50	13 20	115 40	17,606 00	152 56
Investigations	86 60	0 00	0 00	8 30	0 00	94 90	17,758 50	187 13
Realisation of assets	4 20	0 00	0 00	0 20	0 00	4 40	840 00	190 91
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors (claims and distribution)	7 40	0 00	0 00	1 10	0 00	8 50	1,558 50	183 35
<b>Totals</b>	<b>169 90</b>	<b>2 00</b>	<b>0 00</b>	<b>38 10</b>	<b>13 20</b>	<b>223 20</b>	<b>37,763 00</b>	<b>169 19</b>

Liquidator's remuneration in the sum of £20,000 has been drawn on account in accordance with a resolution passed at the first meeting of creditors

#### **Liquidator's disbursements**

The disbursements drawn to date can be summarised as follows -

Category 1, disbursements not requiring approval represent a re-charge to the estate for direct costs, payable to independent third parties, specifically incurred in the administration of the estate. In certain instances these costs were initially met from the firm's resources due to the lack of funds available at the time that payment was due.

Category 2, disbursements requiring approval, represent a charge to the estate for the costs incurred by the firm specifically in relation to the estate. The first meeting of creditors resolved that payment shall be made in respect of Category 2 disbursements as follows -

- External disbursements will be recharged at cost
- The in house storage of books and records will be charged at the rate of £1 per archive box per month for the duration of the liquidation period plus fifteen months in addition to the cost of boxes and ultimate confidential destruction
- Mileage will be charged at up to 45p per mile
- Postage, stationery and telephone are recharged at the rate of £2 per letter and £3 per copy of report in addition to the cost of postage

The Category 2 disbursements to date are as follows -

<b>Nature of Disbursement</b>	<b>Paid in current period £</b>	<b>Total paid to period end £</b>	<b>Specific Accruals £ *</b>
Vehicle mileage up to 45p per mile	58 50	58 50	0 00
Postage, stationery and telephone	0 00	0 00	103 00
Storage (and confidential destruction) of company records	0 00	0 00	228 00
<b>TOTAL</b>	<b>58 50</b>	<b>58 50</b>	<b>331 00</b>

\* I can confirm that the disbursements due under specific accruals above have not been drawn to date

**Statement of creditors rights to receive further information**

Within 21 days of receipt of this progress report, a creditor may request the office holder to provide further information about the remuneration and expenses set out in this report. A request must be in writing, and may be made by

- A secured creditor
- A non-preferential creditor with the concurrence of at least 5% in value of the creditors (including that creditor)
- Any non-preferential creditor with the permission of the court

The office holder must provide the requested information within 14 days, unless he considers that

- the time or cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the proceedings or might be expected to lead to violence against any person, or
- the office holder is subject to an obligation of confidentiality in relation to the information requested, in which case he must give the reasons for not providing the information

Any creditor may apply to the court within 21 days of the office holder's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information

**Statement of creditors rights to challenge remuneration and/or expenses**

Under Rule 4.131 of the Insolvency Rules 1986 (as amended), 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 remuneration is inappropriate

A copy of our Standard Terms of Business may be downloaded from -  
<http://www.ewslip.co.uk/downloads>

Alternatively, a Creditor may obtain a printed copy by contacting this office directly