

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

02232943

Name of Company

D & K Quality Butchers (Leeds) Limited

I/We

Julian Nigel Richard Pitts, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ

Nicholas Edward Reed, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ

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 25/02/2015 to 24/02/2016

Signed



Date

24/04/2016

Begbies Traynor (Central) LLP
Fourth Floor
Toronto Square
Toronto Street
Leeds
LS1 2HJ

Ref DK008CVL/JNRP/NER/LL/AJB

WEDNESDAY



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COMPANIES HOUSE



D & K Quality Butchers (Leeds) Limited (In Creditors' Voluntary Liquidation)

Progress report

Period: 25 February 2015 to 24 February 2016

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Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The 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"	D & K Quality Butchers (Leeds) Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Act on 25 February 2015
"the liquidators", "we", "our" and "us"	Julian Nigel Richard Pitts of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ and Nicholas Edward Reed of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ
"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

2. COMPANY INFORMATION

Company registered number	02232943
Company registered office	4th Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ
Former trading address	316 Harehills Lane, LS9 7BG

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	25 February 2015
Date of liquidators' appointment	25 February 2015
Changes in liquidator (if any)	Not applicable

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 25 February 2015 to 24 February 2016

RECEIPTS

Directors' Loan Account

The outstanding directors' loan account as at the date of the liquidation was approximately £203,880. This was following the amounts owed to M Barton and J Barton being off set against the amounts due. This off set was applied prior to our appointment as agreed by the directors and shareholders. The loan accounts were routinely off set against each other in the Company's statutory accounts.

We are continuing to liaise with the directors and their appointed advisors in respect of the outstanding loan accounts. We understand that the directors are preparing sworn statements of assets and liabilities with a view to putting forward proposals in full and final settlement.

Book Debts

As stated in our report presented to the creditors' meeting on 25 February 2015 and sent to all creditors on 3 March 2015, the Company's assets were sold for £6,000 to D & K Quality Butchers Limited on 2 February 2015. At the date of appointment, this sum remained outstanding.

Upon our appointment we entered into correspondence with D & K Quality Butchers Limited requesting payment and this has now been received in full.

Cash at Bank

At the date of the joint liquidators' appointment the Company's business bank account held credit funds of £14,24, which were transferred to the joint liquidators' bank account.

PAYMENTS

Statement of Affairs Fees

Begbies Traynor (Central) LLP assisted with the formalities of convening the meeting of members and creditors and have drawn the sum of £2,500 in accordance with the fee approval obtained.

Specific Bond

It is a statutory obligation that the duly appointed Insolvency Practitioner take out a bond in order to protect the interests of unsecured creditors in the potential realisations on a case. This is known as the bordereau premium and is detailed on the attached receipts and payments account. It is an unavoidable expense of the proceedings. The sum of £20 has been paid to Marsh Limited in this respect.

Accountant's Fees

We have paid the sum of £1,000 plus VAT to Montpellier Professional (Leeds) Limited in respect of finalising the Company's accounts and providing their assistance in preparing the Company's statement of affairs.

Agent's Fees

The sum of £750 plus VAT has been paid to agents, Eddisons Commercial Limited, in respect of their fees incurred in providing a valuation of the Company's stock and assets.

Statutory Advertising

Courts Advertising Limited has been paid the sum of £254 in relation to the statutory advertising. This relates to the notice of the members' and creditors' meetings, notice of the joint liquidators' appointment and winding up resolutions, all of which are a legal requirement in the liquidation.

5 ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the directors' statement of affairs included within the report sent to creditors further to our appointment as liquidators

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows

Secured creditors

There are no secured creditors

Preferential creditors

The directors' statement of affairs stated that there were preferential claims for wages and holiday arrears in the sum of £4,400. To date we have not received any preferential claims in the liquidation

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

Details of how the prescribed part for unsecured creditors is calculated were provided in our report to creditors presented at the initial meeting held on 25 February 2015

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

Based on realisations to date and estimated future realisations, it is difficult to determine whether there will be a dividend distribution to unsecured creditors. This is dependant upon realisations made from the amounts due from the directors' loan account and the ability of the parties from which it is owed to pay the amounts due and owing

6. REMUNERATION & DISBURSEMENTS

Remuneration

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 winding up 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 time costs for the period from 25 February 2015 to 24 February 2016 amount to £23,944 which represents 110 hours at an average rate of £218 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 from 25 February 2015 to 24 February 2016

- Begbies Traynor (Central) LLP's charging policy

To date, we have drawn the total sum of £2,500 plus VAT on account of our remuneration, against total time costs of £23,944 incurred since the date of our appointment

Disbursements

To date, we have also drawn disbursements in the sum of £29

Details of the Category 2 disbursements and also disbursements that should be treated as 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) 2015' 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 during the period of this progress report is attached at Appendix 3

8. ASSETS THAT REMAIN TO BE REALISED

As reported above, we are continuing to liaise with the directors and their appointed advisors in order to realise the amounts outstanding in respect of the directors' loan account

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors 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

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been detailed in this progress report

Right to make an application to court

Pursuant to Rule 4.131 of the Rules, 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 our remuneration is inappropriate

11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner



J M R Pitts
Joint Liquidator

Dated 24 April 2016

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 25 February 2015 to 24 February 2016

D & K Quality Butchers (Leeds) Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments
To 24/02/2016

S of A £		£	£
	ASSET REALISATIONS		
Uncertain	Directors' Loan Account	NIL	
6,000 00	Book Debts	6,000 00	
	Cash at Bank	14 24	
			6,014 24
	COST OF REALISATIONS		
	Liquidators' Fees	2,500 00	
	Liquidators' Expenses	29 50	
	Accountant's fees	1,000 00	
	Agents/Valuers Fees (1)	750 00	
			(4,279 50)
	PREFERENTIAL CREDITORS		
(3,200 00)	RPO re Arrears/Holiday Pay	NIL	
(1,200 00)	Employees re Arrears/Hol Pay	NIL	
			NIL
	UNSECURED CREDITORS		
(208,400 32)	Trade Creditors	NIL	
(24,000 00)	RPO	NIL	
(15,000 00)	Banks - Natwest Bank plc	NIL	
(115,633 00)	HMRC (non VAT)	NIL	
			NIL
	DISTRIBUTIONS		
(4 00)	Ordinary Shareholders	NIL	
			NIL
(361,437.32)			1,734.74
	REPRESENTED BY		
	Vat Receivable		200 00
	Bank 1 Current		878 84
	Vat Control Account		655 90
			1,734 74

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's charging policy,
- b Narrative summary of time costs incurred, and
- c Table of time spent and charge-out value for the period from 25 February 2015 to 24 February 2016

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. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates 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 below.

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 below.

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

Best practice guidance classifies expenses into two broad categories.

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(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 45 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage 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,

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

² Ibid 1

Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements

Services provided by other entities within the Begbies Traynor group

The following items of expenditure which relate to services provided by entities within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval)

Instruction of Eddisons Commercial Limited to provide valuation advice Their charges will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

(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 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

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) 1 May 2011 – until further notice
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Time is recorded in 6 minute units

D & K Quality Butchers (Leeds) Limited

SUMMARY OF TIME COSTS AND EXPENSES

This summary, which should be read in conjunction with the Time Costs Analysis for the period of the report attached, is intended to provide sufficient information to enable the body responsible for the approval of our fees to consider the level of our fees and expenses in the context of the case

What work has been done in the period of the report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorsgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached

General case administration and planning

As the liquidation progresses, updates have been made to the strategy dependant upon the outcome of investigations and book debt realisations. This has included meetings between members of staff to formulate a revised strategy going forward. We are also required to maintain records to demonstrate how the case is being administered and to document the reasons for any decisions that materially affect the case on an ongoing basis.

Compliance with the Insolvency Act, Rules and best practice

During the period covered by the progress report the joint liquidators have complied with their statutory duties such as notifying all relevant parties of their appointment, advertisement of their appointment, filing directors' conduct reports and conducting case reviews. Notification was also filed with the Registrar of Companies in accordance with the liquidators' statutory duties.

The joint liquidators will also monitor realisations and compare to the statutory bond level to ensure that sufficient cover is in place at all times in order to protect the interests of the Company's creditors.

Investigations

The liquidators have carried out their duties in respect of the investigations into the affairs of the Company and the directors' conduct prior to the insolvency. The investigations into the Company's directors' loan account has been the most time consuming. The only remaining matter of investigation is the overdrawn directors' loan account and the recovery of the same.

Realisation of assets

As detailed in the main body of this report, the joint liquidators have realised the sum of £6,000 in respect of the outstanding book debt at the date of our appointment.

We are continuing to deal with the realisation of the directors' loan account.

Time Costs Analysis

An analysis of time costs for the period of the report is attached showing the time spent by each grade of staff on the different types of work involved in the case, and giving the total costs and average hourly rate charged for each work type

Please note that each analysis provides details of the work undertaken by us and our staff following our appointment only

Work undertaken prior to appointment

In addition to the post appointment time costs detailed in the Time Costs Analysis, the costs relating to work undertaken prior to our appointment in summoning, advertising and holding the creditors' meeting and assisting the directors in preparing the statement of affairs were approved by the creditors at the Section 98 meeting

Expenses

Details of all of the expenses incurred in the period of this report and also since the date of our appointment are attached at Appendix 3

Category 2 Disbursements

In accordance with the resolution obtained in relation to disbursements, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case since the date of our appointment

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
No Category 2 disbursements	Nil

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

We are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case on an ongoing basis. This also includes compliance reviews and six monthly reviews required to be carried out in accordance with our best practice

Compliance with the Insolvency Act, Rules and best practice

There are certain tasks which the joint liquidators have a statutory obligation to undertake during the liquidation. This includes preparing and sending out annual progress reports to creditors and the Registrar of Companies

Realisation of assets

As mentioned above the directors' loan account remains to be realised. We will continue to liaise with the directors and their appointed advisors in this respect in order to obtain a sworn statement of assets and liabilities together with the directors' proposals for payment

Dealing with all creditors' claims (including employees), correspondence and distributions

The joint liquidators will deal with creditor queries during the entire duration of the liquidation, especially following the issue of an annual progress report. We will continue to deal with correspondence and provide information when requested.

It may also be necessary to agree unsecured creditor claims if it is determined that a dividend distribution will become payable. The joint liquidators and their staff will deal with any dividend distribution in accordance with the Insolvency Act and Rules.

Other matters which includes meetings, tax, litigation, pensions and travel

We are required to submit tax returns and deal with the tax calculations and issues.

How much will this further work cost?

The joint liquidators' fees 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.

We would estimate further fees for carrying out the above work to be approximately £15,000.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as follows:

Statutory Advertising - £85
Storage - £24

Staff Grade	Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	24			11			10			45	1,374 50	303 44
	01			28 9			27 5		11	57 6	11,531 50	200 20
Total for General Case Administration and Planning	25			30 0			28 5		11	82 1	12,908 00	207 83
Compliance with the Insolvency Act, Rules and best practice	05							18		23	395 50	171 96
									06	06	66 00	110 00
Banking and Bonding												0 00
Case Closure												0 00
Statutory reporting and statement of affairs	05			53			97			155	2,911 50	187 84
Total for Compliance with the Insolvency Act, Rules and best practice, CODA and investigations	10			53			97	18	06	184	3,373 00	183 32
Investigations	10			88						98	2,727 00	278 27
Total for Investigations	10			88						98	2,727 00	278 27
Realisation of assets				20			07			27	624 50	231 30
Debt collection				46						66	2,009 00	304 39
Property business and asset sales	20											0 00
Retention of Titled/Third party assets				66			07			93	2,633 50	283 17
Total for Realisation of assets	20			66			07					0 00
Trading												0 00
Total for Trading												0 00
Dealing with all creditors claims (including employees), correspondence and distributions				15			35			50	870 00	174 00
Secured												0 00
Others												0 00
Creditors committee												0 00
Total for Dealing with all creditors claims (including employees), correspondence and distributions				15			35			50	870 00	174 00
Other matters which includes meetings, tax, litigation, pensions and travel	10			19						29	898 50	309 83
Meetings				17						17	450 50	265 00
Other				02					03	05	96 00	172 00
Tax												0 00
Litigation												0 00
Total for Other matters	10			38					03	51	1,435 00	281 37
Total hours by staff grade	75			56 0			42 4	18	20	109 7		
Total time cost by staff grade	2,962 50			14,840 00			5,724 00	198 00	220 00		23,944 50	
Average hourly rate £	395 00	0 00	0 00	265 00	0 00	0 00	135 00	110 00	110 00			218 27
Total fees drawn to date £											2,500 00	

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Agent's fees	Eddisons	750 00	750 00	Nil
Accountants Fees	Montpelier Professional (Leeds) Limited	1,000 00	1,000 00	Nil
Statutory advertising	Courts Advertising Limited	253 80	253 80	Nil