

LIQ14

Notice of final account prior to dissolution in CVL



Companies House

THURSDAY



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18/07/2019
COMPANIES HOUSE

ease

use

1 Company details

Company number 0 9 4 3 2 3 1 8

Company name in full Mexicanchillies Ltd TA Charles Cotton Hotel

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Ian

Surname McCulloch

3 Liquidator's address

Building name/number 2 - 3 Winckley Court

Street Chapel Street

Post town Preston

County/Region

Postcode P R 1 8 B U

Country

4 Liquidator's name ①

Full forename(s) Dean

Surname Watson

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 2 - 3 Winckley Court

Street Chapel Street

Post town Preston

County/Region

Postcode P R 1 8 B U

Country

② Other liquidator
Use this section to tell us about
another liquidator.

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6 Liquidator's release

☐ Tick if one or more creditors objected to liquidator's release.

:

7 Final account

☒ I attach a copy of the final account.

8 Sign and date

Liquidator's signature

Signature

X 

X

Signature date

^d1 ^d5 ^m0 ^m7 ^y2 ^y0 ^y1 ^y9

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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Keeley Lord**

Company name **Begbies Traynor (Central) LLP**

Address **2 - 3 Winckley Court**

Chapel Street

Post town **Preston**

County/Region

Postcode **P R 1 8 B U**

Country

DX **preston@begbies-traynor.com**

Telephone **01772 202000**

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

Important information

All information on this form will appear on the public record.

Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Mexicanchillies Ltd TA Charles Cotton Hotel (In Creditors' Voluntary Liquidation)

Final report and account of the liquidation

Period: 17 May 2018 to 15 July 2019

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.

Contents

- ☐ Interpretation
- ☐ Company information
- ☐ Details of appointment of liquidators
- ☐ Progress since appointment
- ☐ Outcome for creditors
- ☐ Remuneration and disbursements
- ☐ Liquidators' expenses
- ☐ Unrealisable assets
- ☐ Other relevant information
- ☐ Conclusion
- ☐ Appendices
 - 1. Liquidators' account of receipts and payments
 - 2. Liquidators' time costs and disbursements
 - 3. Statement of Liquidators' expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Mexicanhillies Ltd TA Charles Cotton Hotel (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 17 May 2018.
"the liquidators", "we", "our" and "us"	Ian McCulloch and Dean Watson of Begbies Traynor (Central) LLP, 2 - 3 Winckley Court, Chapel Street, Preston, PR1 8BU
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England & Wales) Rules 2016
"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

Trading name(s):	Charles Cotton Hotel
Company registered number:	09432318
Company registered office:	2 - 3 Winckley Court, Chapel Street, Preston, PR1 8BU
Former trading address:	Charles Cotton Hotel, Market Place, Hartington, SK17 0AL

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	17 May 2018
Date of liquidators' appointment:	17 May 2018
Changes in liquidator (if any):	None

4. PROGRESS SINCE APPOINTMENT

This is our final report and account of the liquidation and should be read in conjunction with the initial report issued to creditors following appointment.

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 17 May 2018 to 15 July 2019.

RECEIPTS

Creditors will recall that a sale of the Company's stock, goodwill and WIP was agreed to Mexicanchillies Private Limited, a company associated by common director and shareholding. A sales price of £11,500 was agreed on a going concern basis and included the adoption of all employee contracts. Initial consideration of £2,500 was paid on appointment and the remainder was to be made in six monthly instalments of £1,250 and a final payment of £1,500.

To date the sum of £7,379.50 has been received. The purchaser has since defaulted on the remainder of the deferred consideration and Forbes Solicitors have been instructed to recover the remaining balance of £4,120.05. As it is not economical to continue the liquidation for a further period, and any future recoveries will be used to defray outstanding costs, the balance will be assigned to Begbies Traynor and pursued accordingly.

An insurance refund of £271.46 was received and nominal bank interest of £9.19 was received.

PAYMENTS

To date payments have been limited to disbursements and remuneration that are detailed further below. Forbes Solicitors have also been instructed to pursue the outstanding balance owed to the Company. Fees are dependent on the recoveries made and will be 25% of the amount recovered plus VAT.

What work has been done in the period of this 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-traynorgroup.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 at Appendix 2.

General case administration and planning / Compliance with the Insolvency Act, Rules and best practice

The majority of time costs incurred following appointment relates to these classifications. The work included within them is generally a statutory or compliance requirement and provides no financial benefit to creditors.

Insolvency Practitioners are required to comply with the provisions of The Insolvency Act 1986 (as amended) and The Insolvency Rules 1986 (as amended), together with best practice guidelines laid down within the profession (for instance the Statements of Insolvency Practice set out by the R3 body which represents business recovery professionals). This includes post-appointment notifications, the undertaking of periodic reviews of case progression, ensuring that a specific bond is in place at the correct value to insure the sums realised and the issuing of periodic reports on the progress of the insolvency to creditors.

Investigations

As detailed below a submission was made to the Department of Business Energy and Industrial Strategy ("DBEIS") and investigations were completed accordingly. The contents of this report are confidential as between the joint liquidators and the DBEIS and may not be disclosed to third parties

In addition the Company's books and records were reviewed and we have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect. There were no matters that required further investigation or would give rise to realisations for the benefit of creditors

Realisation of assets

Time costs have been incurred completing the initial sale to the Company and monitoring the receipt of deferred consideration. Following default on the payment terms costs have also been incurred instructing solicitors to recover the outstanding balance.

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedures), tax, litigation, pensions and travel

Time costs were incurred completing final tax returns, updating the Company's records and seeking creditor approval for post-appointment remuneration. These are mandatory or statutory requirements and provide no direct financial benefit to creditors.

5. OUTCOME FOR CREDITORS

Secured & Preferential Creditors

As anticipated no claims were received from these classes of creditor.

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

Details of how the prescribed part is calculated have previously been provided in our initial notification to creditors. 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

Unsecured creditors were estimated at £116,837.63. Claims of £134,686 have been received during the liquidation. As we have advised by correspondence dated 15 July 2019, we confirm that no dividend is available for unsecured creditors as the funds realised have already been distributed or used or allocated for defraying the expenses of the liquidation. Consequently no claims have been subject to formal admittance procedure.

6. REMUNERATION & DISBURSEMENTS

Remuneration

Our remuneration has been fixed by a decision of the creditors by way of correspondence on 22 June 2018 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 as set out in the fees estimate dated 1 June 2018 in the sum of £12,522. In addition, 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 and which is attached at Appendix 2 of this report.

Our time costs for the period from 17 May 2018 to 15 July 2019, excluding preparation of this report and associated tasks, amount to £8,210 which represents 42 hours at an average rate of £195.48 per hour. Creditors will note that this remains within the estimated provided to creditors on 1 June 2018. The sum of £2,435.42 has been drawn in accordance with the above approval. The remaining time costs will be written off however as detailed above the balance outstanding for deferred consideration will be assigned to Begbies Traynor and we reserve the right to discharge final fees, to the limit previously approved, in the event that future recoveries are made.

The following further information in relation to our time costs and disbursements is set out at Appendix 2:

- ☐ Begbies Traynor (Central) LLP's charging policy
- ☐ Time Costs Analysis for the period 17 May 2018 to 15 July 2019

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 assisting with the preparation of the statement of affairs and seeking the decisions of creditors on the nomination of liquidators were approved by the creditors on 17 May 2018 via a decision by correspondence. Costs of £5,000 plus VAT were approved and have been drawn in full.

Disbursements

To 15 July 2019, we have also drawn disbursements in the sum of £224.73. Category 2 disbursements have been incurred with Eddisons Commercial Limited, part of the Begbies Traynor Group, in the sum of £1,000 plus VAT and as disclosed in the estimate of expenses issued on 1 June 2018. These costs have not yet been drawn and will be discharged in the event that future realisations are made.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2017' 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 appointment is attached at Appendix 3.

8. UNREALISABLE ASSETS

As detailed above the purchaser has defaulted on the deferred consideration for the sale of goodwill, WIP and stock.

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, 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, Energy and Industrial Strategy. 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. There were no matters arising from the investigations which required further action or which would provide additional funds for the creditors.

Connected party transactions

In accordance with Statement of Insolvency Practice 13, we are obliged to inform creditors of any sale of the Company's business or assets which involves a party connected to the Company. We confirm that the following assets were sold:

Date of sale	Asset sold and nature of transaction	Consideration paid and date	Name of Purchaser	Relationship with the Company
17 May 2018	Goodwill, WIP and stock	£11,500 £2,500 on completion Six monthly instalments of £1,250 and a final instalment of £1,500	Mexicanhillies Private Limited	Company associated by common director and shareholder.

Use of personal information

Please note that although it is our intention to conclude the liquidation, in the course of us continuing to discharge our statutory duties as liquidators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

10. CONCLUSION

This report and account of receipts and payments is our final account of the winding-up, showing how the liquidation has been conducted and details of how the Company's property has been disposed of.

Unless creditors object, by giving notice in writing within 8 weeks of the delivery of the notice of our final account, we will have our release from liability at the same time as vacating office. We will vacate office upon our delivering to the Registrar of Companies our final account.

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



Ian McCulloch
Joint Liquidator

Dated: 15 July 2019

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 17 May 2018 to 15 July 2019

Mexicanchillies Ltd TA Charles Cotton Hotel
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments
From 17 May 2018 To 15 July 2019

Statement of Affairs		ALL	ALL
ALL			
	ASSET REALISATIONS		
3,500 00	Stock	NIL	
	Insurance Refund	271.46	
8,000.00	Goodwill	7,379.50	
	Bank Interest Gross	9 19	
			7,660.15
	COST OF REALISATIONS		
	Specific Bond	18.00	
	Statement of Affairs Fee	5,000.00	
	Liquidators' Fees	2,435.42	
	Stationery & Postage	20.53	
	Storage Costs	17.00	
	Statutory Advertising	169.20	
			(7,660.15)
	UNSECURED CREDITORS		
(14,948.50)	Trade Creditors	NIL	
(60,000.00)	Directors	NIL	
(41,889 13)	HMRC (VAT)	NIL	
			NIL
	DISTRIBUTIONS		
(1.00)	Ordinary Shareholders	NIL	
			NIL
(105,338.63)			(0.00)

REPRESENTED BY

NIL



Ian McCulloch
Joint Liquidator

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy; and
- b. Time Costs Analysis for the period from 17 May 2018 to 15 July 2019.

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.

(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 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 Manchester Manchester office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour)
	1 December 2018 – until further notice
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

Staff Grade	Consultant/Partner	Director	Sr Mgr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning		0.3								4.6	989.50	215.11
	Administration				4.3							
	Total for General Case Administration and Planning:	0.3			2.0			1.0		3.0	551.50	183.83
Compliance with the Insolvency Act, Rules and best practice	Appointment				6.3			1.0		7.6	1,541.00	202.76
	Banking and Bonding	2.0						0.4		2.4	734.00	305.83
	Case Closure								14.3	14.3	1,735.00	121.33
	Statutory reporting and statement of affairs				0.3			1.9		2.2	341.00	155.00
	Total for Compliance with the Insolvency Act, Rules and best practice:	5.3			0.3			2.3	14.3	22.2	4,278.50	192.73
Investigations	GDCA and investigations											
	Total for Investigations:	1.0			1.5			3.4		5.9	1,026.50	173.98
Realisation of assets	Debt collection				1.5			3.4		5.9	1,026.50	173.98
	Property, business and asset sales	0.5								0.5	222.50	445.00
	Retention of Title/Third party assets				1.5					1.5	307.50	205.00
	Total for Realisation of assets:	0.5			1.5					2.0	530.00	265.00
Trading	Trading											0.00
	Total for Trading:											0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured											0.00
	Others											0.00
	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:											0.00
Other matters which includes seeking decisions of creditors, meetings, tax, litigation, pensions and travel	Seeking decisions of creditors				3.5					3.5	717.50	205.00
	Meetings											0.00
	Other											0.00
	Tax				0.3				0.5	0.8	116.50	145.63
	Litigation											0.00
	Total for Other matters:				3.8				0.5	4.3	834.00	193.95
	Total hours by staff grade	7.1			13.4			6.7	14.8	42.0		
	Total time cost by staff grade:	2,829.50			2,796.50			794.00	1,790.00		8,210.00	
	Average hourly rate £:	398.52		0.00	208.69	0.00	0.00	118.51	120.95			195.48
	Total fees drawn to date £:										0.00	

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Storage Costs	Restore PLC	17.00	(17.00)	-
Specific Bond	AUA Insolvency Risk Services Limited	18.00	(18.00)	-
Statutory Advertising	Courts Advertising Services Limited	169.20	(169.20)	-
Stationery & Postage	Royal Mail	20.53	(20.53)	-
Legal Fees	Forbes Solicitors	TBC	TBC	TBC
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Charging Policy</i>)				
Agent's Fees	Eddisons Commercial Limited	1,000.00	-	(1,000.00)