

LIQ03

Notice of progress report in voluntary winding up



Companies House

SATURDAY



A91T93XC

A06

28/03/2020

#277

COMPANIES HOUSE

1 Company details

Company number 0 9 7 0 3 6 7 5

Company name in full Sharps Media Group Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Ian

Surname Williamson

3 Liquidator's address

Building name/number Campbell Crossley & Davis

Street Seneca House/Links Point

Amy Johnson Way

Post town Blackpool

County/Region Lancashire

Postcode F Y 4 2 F F

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

From date	^d 0	^d 5	^m 0	^m 2	^y 2	^y 0	^y 1	^y 9
To date	^d 0	^d 4	^m 0	^m 2	^y 2	^y 0	^y 2	^y 0

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 2	^d 7	^m 0	^m 3	^y 2	^y 0	^y 2	^y 0
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

LIQ03

Notice of progress report in voluntary winding up

**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 **Chris Brindle**

Company name **Campbell Crossley & Davis**

Address **Seneca House/Links Point**

Amy Johnson Way**Blackpool**

Post town **Lancashire**

County/Region

Postcode **F Y 4 2 F F**

Country

DX

Telephone **01253 349331**

**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

Our reference: S0645/D/RIW/CWB/MEM
27 March 2020

LIQUIDATOR'S ANNUAL PROGRESS REPORT TO CREDITORS AND MEMBERS

Dear Sirs,

Sharps Media Group Limited ('the Company') – In Liquidation

1 Introduction and Statutory Information

- 1.1 I was appointed as Liquidator of the Company on 5 February 2019. This progress report covers the period from 5 February 2019 to 4 February 2020 ('the Period'). I am bound by the Insolvency Code of Ethics when carrying out all professional work in relation to an insolvency appointment.
- 1.2 The principal trading address was 111 Duke Street, Barrow in Furness, Cumbria, LA14 1XA. The registered office was changed to Ground Floor, Seneca House, Links Point, Amy Johnson Way, Blackpool, Lancashire, FY4 2FF on liquidation and its registered number is 09703675. The business carried out digital marketing solutions and web design services.
- 1.3 Information about the way that we will use and store personal data on insolvency appointments can be found at www.campbell-crossley-davis.co.uk/free-resources. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.4 We do not anticipate paying a dividend to any class of creditor. No return was expected when the case started.

2 Progress of the Liquidation

- 2.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period and an explanation of the work done by the Liquidator and his staff.
- 2.2 At Appendix A, I have provided an account of my receipts and payments. This provides details of the remuneration charged and expenses incurred and paid by the Liquidator.
- 2.3 During the Period we have dealt with the initial appointment formalities including sending notice of our appointment to all known creditors, filing the relevant appointment documentation at Companies House and advertising our appointment and the resolutions passed in the London Gazette. We have corresponded with the directors and creditors, carried out our initial SIP2 investigations and submitted our directors' conduct report to the Department for Business, Energy & Industrial Strategy within 3 months of our appointment. We have carried out various work which is statutory in nature and whilst this will not bring any financial benefit to creditors, it is required on every case.



ICAEW
LICENSED INSOLVENCY
PRACTITIONERS (UK)

Northwich Office
83 London Road
Northwich
Cheshire
CW9 5HQ

t: 01606 45591

3 Administration (including statutory compliance & reporting)

- 3.1 As you may be aware, the Liquidator must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated would need to be done in this area were outlined to creditors in my initial fees estimate/information.
- 3.2 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidator.
- 3.3 As noted in my initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

4 Realisation of Assets

Balance at bank

- 4.1 Prior to liquidation the balance of the Company's bank account (£7,000) was transferred to a designated client account under our control. Once our appointment was confirmed, we transferred these funds into an estate account for the Company. A further credit of £138 was received from the bank when the account was closed.

Overdrawn directors' loan accounts ('DLA's')

- 4.2 The overdrawn DLA's in the statement of affairs had a combined book value of £100,722 between the four directors. The estimated to realise values of these were shown as uncertain in the statement of affairs as it was not known if any recoveries would be received. During the Period we reconciled the DLA's and established that they had increased to a combined £175,784.83. The amounts owed individually are shown below:

	£
M Sharp	49,126.67
A Sharp	60,412.48
S Caine	33,530.36
T Sharp	<u>32,715.83</u>
Total	<u>175,785.34</u>

- 4.3 The directors did not dispute the amounts owed but did not have the resources to repay their DLA's. We were advised by the directors that Thomas Sharp had experienced health difficulties over recent years and they were no longer aware of his whereabouts. The other three directors provided evidence that they had no surplus income to enter into a repayment plan in respect of the monies owed. Their new company (Macello Media Limited) under performed and subsequently also entered liquidation, on 16 October 2019. We are not liquidators of that company.
- 4.4 We asked the directors for details of their assets and carried out Land Registry searches to identify any properties they may own. We confirmed that Andrew Sharp owned a property but both Michael Sharp and Steffan Caine rented. We carried out further investigations into the property owned by Mr Sharp and it was established that he was the sole owner of this property but it was in significant negative equity.
- 4.5 Andrew Sharp made an offer of £3,500 in settlement of his overdrawn DLA. Due to the low prospect of any recoveries under the DLA's and there being insufficient funds in the estate to commence bankruptcy proceedings against the directors, we made the commercial decision to accept Andrew Sharp's offer. We have effectively had to write off the debts owed by the other directors.

Goodwill and intellectual property

- 4.6 Prior to Macello Media Limited entering liquidation the directors made an offer of £300 to acquire the Company's goodwill and intellectual property. As we had received no other interest in this, we decided to accept the directors' offer. Payment was received in full on 27 July 2019.

4.7 The work the Liquidator and his staff have undertaken to date will not bring any financial benefit to creditors.

4.8 I have not identified any other assets and I do not expect any further realisations.

5 Investigations

5.1 Some of the work the Liquidator is required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administrations and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential assets that the Liquidator can pursue for the benefit of creditors.

5.2 I can confirm that I have submitted a report on the conduct of the directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.

5.3 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account any information provided by creditors. Other than the increase to the amounts owed under the DLA's, my investigations have not revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors.

6 Creditors

6.1 A Liquidator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.

6.2 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.

6.3 The above work will not necessarily bring any financial benefit to creditors generally, however a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims.

Secured Creditors

6.4 The Company did not grant any floating charge to a secured creditor. There is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors (known as the Prescribed Part), which only applies to charges created after 15 September 2003.

Preferential Creditors

6.5 There were no preferential creditors.

Unsecured Creditors

6.6 There were unsecured creditor claims totalling £109,523.10 on the Statement of Affairs. To date, I have received claims totalling £9,622.52 from seven unsecured creditors. Claims have been acknowledged rather than agreed.

Dividend Prospects

- 6.7 There will not be a dividend to any class of creditor.

7 Liquidator's Expenses and Disbursements

- 7.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the liquidation was provided to creditors when the basis of my fees was approved, details are below:

Expense	Estimated (net) £	Actual (net) £
Insurance bond	30.00	58.00
Software licence fee	125.00	125.00
Statutory advertising	169.20	174.96
Total	324.20	357.96

- 7.2 In addition to these we have drawn a combined fee of £3,000 for our work immediately prior to liquidation. £1,000 was also paid to Winders, Chartered Accountants, for assistance with the Statement of Affairs. This was agreed by correspondence when seeking a decision of creditors on the nomination of a liquidator. Liquidator's fees are covered in more detail below.
- 7.3 As the Company was registered for VAT, expenses are shown net where applicable. Aside from Liquidator's fees, there are no other expenses outstanding.

8 Liquidator's Remuneration

- 8.1 The Creditors approved that the basis of the Liquidator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the liquidation. My fees estimate was originally provided to creditors when the basis of my remuneration was approved and was based on information available to me at that time.
- 8.2 A copy of that estimate is provided below:

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Administration (inc statutory compliance & reporting)	20		2,800
Realisation of assets	15		2,100
Creditors (claims & distributions)	10		1,400
Investigations	5		700
Total estimated fees	50	140.00	7,000

- 8.3 My time cost for the period from 5 February 2019 to 4 February 2020 is £5,467 (excluding VAT). This represents 38.5 hours at an average rate of £142 per hour. Fees are capped at £7,000.
- 8.4 A narrative explanation of the work undertaken by the Liquidator during the Period can be found at section 2 of this report.
- 8.5 I anticipate completing an additional 13 hours work on this case, totalling £1,820. This will include time spent drafting this annual progress report to creditors, attending to my statutory duties, and drafting the final report to creditors with a view to completing the liquidation. Whilst this work will not bring any financial benefit generally, I am required by statute to undertake it.
- 8.6 Appendix B provides additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade. This firm records its time in minimum units of six minutes.

- 8.7 Campbell Crossley & Davis does not charge Category 2 disbursements to the case.
- 8.8 A copy of 'A Creditors Guide to Liquidator's Fees' can be downloaded from our website at www.campbell-crossley-davis.co.uk/free-resources or a hard copy can be supplied upon request.

9 Creditors' Rights

- 9.1 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) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report.
- 9.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

10 Next Report

- 10.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final account.
- 10.2 If you have any queries in relation to the contents of this report, Chris Brindle can be contacted by telephone on 01253 349331 or by email at chris.brindle@crossleyd.co.uk.

Yours faithfully,



Ian Williamson
Liquidator

SHARPS MEDIA GROUP LIMITED
IN LIQUIDATION

LIQUIDATOR'S ANNUAL RECEIPTS
AND PAYMENTS ACCOUNT

FOR THE PERIOD 5 FEBRUARY 2019
TO 4 FEBRUARY 2020

	Per Statement of Affairs £	05.02.2019- 04.02.2020 £
RECEIPTS		
Balance at Bank	7,000.00	7,138.00
Overdrawn Directors' Loan Accounts	Uncertain	3,500.00
Goodwill & Intellectual Property	0.00	<u>300.00</u>
	<u>7,000.00</u>	10,938.00
PAYMENTS		
Statement of Affairs Fee		(3,000.00)
Accountant's fee		(1,000.00)
Software Licence Fee		(125.00)
Statutory Advertising		(174.96)
Insurance Bond		(58.00)
Bank Fees		<u>(58.38)</u>
CASH AT BANK		<u>6,521.66</u>

NOTES:

1. The Company was registered for VAT and so expenses are shown net, where applicable.
2. Cash at Bank is held in a non-interest bearing current account.

ADDITIONAL INFORMATION IN RELATION TO LIQUIDATOR'S FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)

Policy

Detailed below is Campbell Crossley & Davis policy in relation to:

Staff allocation and the use of subcontractors
Professional advisors
Disbursements

Staff Allocation and the use of subcontractors

Our general approach to resourcing assignments is to allocate staff with the skills and experience to meet the specific requirement of the case.

The constitution of the case team will usually consist of a Partner, Manager, Senior Administrator, Cashier and/or Junior Administrator. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment.

Winders, Chartered Accountants, assisted with preparing the Statement of Affairs and they received £1,000 for this work. The fee was agreed by creditors.

We are not proposing to utilise the services of any other sub-contractors in this case.

Professional Advisors

No other professional advisors have been instructed on this case.

Disbursements

Category 1 disbursements do not require approval by creditors and generally comprise incidental services specifically identifiable to the case, such as postage, advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by staff.

Campbell Crossley & Davis does not charge Category 2 disbursements to the case.

Charge-out rates

A schedule of Campbell Crossley & Davis charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved. Below are details of this firm's charge out rates which have been applied with effect from 1 July 2017.

	From 01.07.2019 (Per hour) £	From 01.07.2017 (Per hour) £
Partner	280	265
Manager	160	145
Senior Administrator	115	105
Cashier	115	105
Junior Administrator	50	50