

Peter Hall

Independent Business and Insolvency Advice

**First progress report to members & creditors
Pursuant to Section 92A of the Insolvency Act 1986**

01 August 2014

**B.J. Mailing Services Limited in
Creditors' Voluntary Liquidation**

Statutory Information

Company B.J. Mailing Services Limited in Creditors' Voluntary Liquidation

Registered Office 2 Venture Road
Science Park
Chilworth
Southampton
SO16 7NP

Trading Address 25-27 Whittle Road
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7SF

Company Number 03640823

Date of Appointment 4 June 2013

Liquidator Peter Hall (IP No. 3966)

Address Peter Hall Limited
2 Venture Road
Science Park
Chilworth
Southampton
SO16 7NP

Introduction

1. I refer to my appointment as Liquidator of the above named company on 4 June 2013 and hereby submit my report regarding the conduct of the liquidation for the period from the date of my appointment on 4 June 2013 to the 3 June 2014, in accordance with the Insolvency Act 1986 and the Insolvency Rules.

Assets of the Company

Receipts and Payments Account

2. A receipts and payments account for the period and in total is attached at Appendix A

Cash at Bank

3. Cash at bank was estimated at £34,801 in the statement of affairs. The sum of £40,674 has been received in the liquidation which related to £36,622 held in the client account of Peter Hall and a further £4,052 held in the Company's bank account with HSBC Bank plc.
4. The reason for the difference is due to a number of debtors paying their outstanding debt before the liquidation. No further realisations are expected in this regard.

Plant & Machinery

5. A valuation of the plant and machinery ("P&M") was carried out by Simon Woodhams of Asset Recovery & Insolvency Limited ("the Agents") in accordance with the Royal Institution of Chartered Surveyors valuation procedures. The P&M had a book value of £42,907 and was estimated to realise £16,750 on a forced sale basis in the director's statement of affairs.
6. The Agents found it difficult to sell the P&M due to potential buyers not being able to meet the required timescales for the sales. In addition, a further inspection of the P&M found some of the items to be faulty thereby reducing the realisable value.
7. A sale of the P&M achieved realisations of £8,250. No further realisations are expected in this regard.

Motor Vehicles

8. The Company owned a VW Caddy Maxi Van which had a book value of £4,248 and was valued by the Agents at £5,500 on a forced sale basis.
9. The Agents struggled to find a buyer for the vehicle, resulting in the Agent having to collect and store the vehicle for some time. The sale of the motor vehicle was completed two months after my appointment realising £5,000. No further realisations are expected in this regard.

Book Debts

10. The director's statement of affairs said that the Company records showed book debts totalling £22,564.42. A general provision for bad and doubtful debts has been estimated at £5,641.10, giving an estimated to realise value of £16,923.32.

11. The sum of £3,665.90 was received before my appointment so is included within the cash at bank realisations.
12. Book debts totalling £5,748.29 have been received in the liquidation. The records show that there is approximately £8,392 of outstanding book debts. We continue to pursue these book debts though it is unclear how much of these book debts will be realisable. For further significant book debts to be collected, stronger action appears to be necessary.
13. The liquidation shall remain open to collect the remaining book debts.

Computer Equipment

14. The director's statement of affairs stated that the Company had computer equipment with a book value of £1,169. The Agents valued the equipment at nil as it was not expected to have any realisable value.
15. Unfortunately no realisations have been made in this regard.

Stock

16. The director's statement of affairs stated that the Company had stock with a book value of £2,335. The Agents valued the stock at nil as it was not expected to have any realisable value.
17. Unfortunately no realisations have been made in this regard.

Goodwill

18. The Company's draft accounts for the year ended 31 March 2013 valued the goodwill at £75,625. The Agents valued the goodwill at nil on a forced sale basis.
19. Unfortunately no realisations have been made in this regard.

Rent Deposit

20. The rent deposit figure was taken from the Company's records. The rent deposit is not recoverable as the Sabre Group Limited ("the Landlord") has a claim in the liquidation of £94,130.

Corporation Tax

21. The Company's draft accounts show a Corporation Tax repayment of £4,50 due to the Company. No realisations have been made to date in that regard. It is likely that HM Revenue & Customs ("HMRC") will apply crown set off if a refund is due. The refund will be considered when calculating HMRC's claim in the liquidation.

Prepayments

22. The Company's draft accounts for year ended 31 March 2013 showed that prepayments of £20,021 had been made by the Company. No realisations have been made in this regard.

Rate Refund

23. A refund of £221.82 from East Dorset District Council was received in this period. No further realisations are expected in this regard.

Insurance Refund

24. A refund of £155.14 from Swinton Group Limited was received in this period. No further realisations are expected in this regard.

Bank Interest

25. Interest of £180.24 has been received during the period of this report.

Investigations

26. In accordance with the Company Directors Disqualification Act 1986, a report on the conduct of the director(s) has been submitted to the Insolvency Service. As this is a confidential report I am unable to disclose its content.
27. I can confirm I have not undertaken any investigation outside the scope of that ordinarily required during liquidation proceedings.

Creditors Claims

Secured Creditors

28. I am not aware of any secured claims in this liquidation.

Preferential Creditors

29. Preferential creditors were estimated at £3,190 in the statement of affairs.
30. We have received a preferential claim of £2,750.30 from the Redundancy Payments Office ("RPO") in respect of arrears of wages and holiday pay (subject to certain limitations) that have been paid to the employees of the Company.
31. A first and final dividend was made to the RPO since the period covered by this report, on 28 July 2014 of 100p in the £.
32. Additional preferential claims in respect of employees preferential claims over and above that paid by the RPO have been calculated at £21.80.
33. A first and final dividend was made to the employees in respect of additional preferential claims on 28 July 2014 representing 100p in the £.

Unsecured Creditors

34. Unsecured creditors' claims were estimated in the statement of affairs in the sum of £290,786. Unsecured claims of £202,145.02 have been received to date.

35. I am now in a position to make a distribution to unsecured creditors in this liquidation. However there are still a large number of creditors who have not submitted their claims.
36. Please find enclosed a proof of debt for you to complete and return to me so that I can lodge your claim if you have not already done so.
37. If you do not have a claim in this liquidation I should appreciate it if you would return the proof of debt form to me stating that you have a nil claim.

Liquidator's Disbursements

Category 1 Disbursements

38. The liquidator has incurred Category 1 expenses in respect of direct postage during the period of £21.00. This sum has been drawn in full. These are shown on the attached receipts and payments account within Office Holder Expenses.

Category 2 Disbursements

39. The Liquidator's current disbursement policy is as follows:
 - 39.1. Mileage – this is reimbursed at 45p per mile.
 - 39.2. All other disbursements are reimbursed at cost.
40. At a meeting of creditors held on 4 June 2013 the creditors resolved that the liquidator be authorised to draw on account without further reference to creditors his firm's internal expenses, including photocopying, printing, facsimile, document storage and internal meeting room charge.
41. There have not been any Category 2 disbursements incurred or paid from the liquidation during the period.

Costs and Expenses

42. The following expenses have been incurred during the period of the report; all expenses incurred in the period have been paid for by the Company.

Category	Amount
	£
Specific Bond	553.00
Agents/Valuers Fees	2,875.00
Accountancy Fees	1,130.00
Room Hire	44.00
Re-direction of Mail	120.00
Statutory Advertising	338.40
Other Property Expenses	208.33
	<u>5,268.73</u>

43. Should you require any further explanation about these expenses please contact my colleague Adam McSweeney in the first instance.

Liquidator's Remuneration

Basis of Remuneration

44. At a meeting of creditors held on 4 June 2013, a resolution was passed to agree that my remuneration, as liquidator, be fixed by reference to the time spent by me and my staff in attending to matters arising in the liquidation plus disbursements and VAT.

Remuneration

45. Attached at Appendix B is a breakdown of the time costs incurred during the period of this report. You will note that my firm has spent 102.50 hours dealing with matters arising during this period, incurring total chargeable costs of £15,397.00 which provides an average hourly charge out rate of £150.21. I have drawn on account of this sum £15,300 during the period.

Work Undertaken

46. These costs have been incurred in asset realisations, correspondence with shareholders, directors and creditors, liaison with agents and solicitors, cashiering duties, and general administration including compliance with statutory matters.
47. A substantial amount of time has been spent in liaising with creditors and employees regarding their respective claims in the liquidation.
48. A lot of time was spent liaising with the Agent in order to realise the maximum amount from the sale of the assets.
49. Additionally, time was necessarily spent in liaising with the Landlord in regard to the lease on the trading premises and the rightful ownership of assets.
50. A substantial amount of time has been incurred in collecting the book debts, resulting in realisations of £5,748.29.
51. It is the Liquidator's policy to delegate the routine administration of the Liquidation to junior staff in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff of the firm and the Liquidator. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the Liquidator.
52. In common with all professional firms, scale rates increase from time to time over the period of the administration of each insolvency case. Peter Hall Limited reserves the right to change the rates and grade structure. Following the passing of the fee resolution on 4 June 2013 the charge out rates were increased on 1 December 2013. Full details of the charge out rates charged to this case from this date are included at Appendix C.
53. Examples of work done by my firm are attached as Appendix D.

Creditors' Rights to Request Further Information

54. Creditors and members have a right to request further information in respect of the Liquidator's remuneration and expenses in accordance with Rule 4.49E of the Insolvency Rules 1986.
55. Should any secured creditor or unsecured creditor with the agreement of at least 5% in value of unsecured creditors require any further information about the Liquidator's remuneration or expenses please write to me within 21 days of receipt of this report stating the information required.

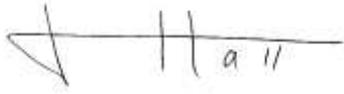
Creditors' Rights to Challenge Remuneration and/or Expenses

56. Creditors have the right to challenge the amounts drawn under Rule 4.131.
57. If a creditor believes that the remuneration charged by the liquidator is too high, the basis of his remuneration is inappropriate, or the expenses incurred by the liquidator are in all the circumstances excessive he may, provided certain conditions are met, apply to court.
58. Application may be made to the court by any secured creditor or unsecured creditor with the agreement of at least 10% in value of the creditors (including that creditor) or with permission of the court.
59. Any such application must be made within 8 weeks of the applicant receiving the liquidator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported.
60. A Creditors' Guide to Liquidators fees may be found on the website <http://peterhall.org.uk/pdfs/CVLFeeGuide.pdf> .
61. Should you require a hard copy please do not hesitate to contact my colleague Adam McSweeney at this office.

Conclusion

62. The matters remaining in the liquidation are:
 - 62.1. Continue to collect in the outstanding book debts.
 - 62.2. To agree unsecured creditor claims and make a first and final distribution to unsecured creditors.
 - 62.3. Submit the final corporation tax returns and VAT returns to HM Revenue & Customs and obtain tax clearance.
 - 62.4. Submit a final report and then hold a final meeting of creditors to approve the final report and seek my release as Liquidator.
63. Should you have any queries regarding this report please do not hesitate to contact my colleague Adam McSweeney at this office.

Dated this day: Friday, 1 August 2014

A handwritten signature in black ink, appearing to read 'Peter Hall', written over a horizontal line.

Peter Hall
Liquidator

Quality of Service

My firm places a high priority on client service and is keen to ensure that the quality of this is maintained. If at any time you would like to discuss with me how my firm's service to you could be improved, or if you are dissatisfied with the service you are receiving, please let me know by telephoning me. I undertake to look into any complaint carefully and promptly and to do all I can to explain the position to you. If I do not answer your complaint to your satisfaction, you may of course take up the matter with my regulatory body.

My Insolvency Practitioner Number is 3966. I am licensed by The Institute of Chartered Accountants in England and Wales. Complaints can be made to my regulatory body through the Insolvency Practitioner Complaints Gateway by visiting the website <http://www.bis.gov.uk/insolvency/contact-us/IP-Complaints-Gateway> or by email, telephone or post using the contact details below:

Email: ip.complaints@insolvency.gsi.gov.uk

Telephone Number: 0845 6029848

Address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA.