

Peter Hall

Independent Business and Insolvency Advice

**Draft Final Report of the Liquidator to Members & Creditors
Pursuant to Section 106 of the Insolvency Act 1986**

31 May 2016

**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 4 June 2015 to 31 May 2016, in accordance with the Insolvency Act 1986 and the Insolvency Rules.
2. This report should be read in conjunction with my previous reports and correspondence to creditors.

Assets of the Company

Receipts and Payments Account

3. A receipts and payments account for the period and in total is attached at Appendix A.
4. There have been no further realisations during the period 4 June 2015 to 31 May 2016, so I have taken the opportunity to summarise under each heading below, the realisations that have been achieved during the course of the liquidation.

Cash at Bank

5. 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.
6. The difference is due to a number of debtors paying their outstanding debt before the liquidation commenced.

Plant & Machinery

7. 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 as detailed in the director's statement of affairs.
8. 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.
9. A sale of the P&M achieved realisations of £8,250.

Motor Vehicles

10. 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.
11. The Agents struggled to find a buyer for the vehicle, resulting in the Agents 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.

Book Debts

12. Creditors will recall that the director's statement of affairs indicated that there were book debts outstanding totalling £22,564. A general provision for bad and doubtful debts was estimated at £5,641, leaving an estimated to realise value of £16,923.
13. Book debt realisations totalling £7,977 have been achieved. £5,748 was received in the first year of liquidation and the remaining £2,229 in the second year.
14. My previous report advised that I was continuing to pursue one debtor who owed £5,412, although it was unclear whether any realisation would be achieved. The mentioned debtor has itself entered liquidation and the liquidators have reported that there will not be sufficient assets available to allow a distribution to unsecured creditors. As a result, recovery attempts have been abandoned.
15. A number of debtors had settled their outstanding debts before the liquidation began and those funds are included within the Cash at Bank realisations as previously reported.
16. The other outstanding debts were small and disputed, as such, it was not considered cost effective to pursue those debts further.

Computer Equipment

17. 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. This has proven to be the case.

Stock

18. 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.
19. Unfortunately, no realisations have been made in this regard.

Goodwill

20. 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.
21. Unfortunately, no realisations have been made in this regard.

Rent Deposit

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

Corporation Tax

23. The Company's draft accounts showed a Corporation Tax repayment of £4,530 due to the Company. No realisation was made in that regard, however, the refund was considered when calculating HMRC's claim in the liquidation.

Prepayments

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

Rate Refund

25. A refund of £221.82 from East Dorset District Council was received in the first year of the liquidation. No further refund was expected or received.

Insurance Refund

26. A refund of £155.14 from Swinton Group Limited was received during the first year of the liquidation. No further refund was expected or received.

Bank Interest

27. Gross interest of £230 has been received during the liquidation. £180 of which was received in the first year and £50 in the second year of liquidation. Since then, all funds have been kept in a non-interest bearing current account and no further interest has been received.

Investigations

28. 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.
29. I can confirm I have not undertaken any investigation outside the scope of that ordinarily required during liquidation proceedings.

Creditors Claims

Secured Creditors

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

Preferential Creditors

31. Preferential creditors were estimated at £3,190 in the statement of affairs.
32. 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.

33. Additional preferential claims in respect of employees preferential claims over and above that paid by the RPO were calculated at £21.80.

Unsecured Creditors

34. Unsecured creditors' claims were estimated in the statement of affairs in the sum of £290,786. Unsecured claims of £162,958.04 have been received and agreed.

Distributions

35. A first and final dividend was paid to the RPO on 28 July 2014 of 100p in the £.
36. A first and final dividend was made to the employees in respect of additional preferential claims on 28 July 2014 representing 100p in the £.
37. A dividend of £16,000 representing a return of 9.82p in the £ was distributed to unsecured creditors on 15 May 2015.
38. In accordance with Rule 11.7(b) of the Insolvency Rules 1986, I attach as Appendix B a formal notice confirming that there will be no further dividend in this liquidation.

Liquidator's Disbursements

Category 1 Disbursements

39. The liquidator has incurred Category 1 disbursements detailed below during the liquidation. These disbursements are charged at cost and have been paid in full. These are shown on the enclosed receipts and payments account with postage and storage costs reflected within Office Holders Expenses. The breakdown is as follows:

Category	Amount
	£
Postage	21.00
Storage Costs	523.19
Specific Bond	553.00
Statutory Advertising	338.40
Room Hire	44.00
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	1,479.59

40. In addition to the above, I will incur a statutory advertising fee of £84.60 + VAT relating to the final meetings of members and creditors. As there are no funds in the case to cover this expense, it will be settled by my firm.

Category 2 Disbursements

41. The Liquidator's current disbursement policy is as follows:
- 41.1. Mileage – this is reimbursed at 45p per mile, plus 5p per additional passenger per mile.
- 41.2. All other disbursements are reimbursed at cost.
42. 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.
43. There have not been any Category 2 disbursements incurred or paid from the liquidation during the liquidation.

Costs and Expenses

44. The following expenses have been incurred during the liquidation; all expenses incurred in the liquidation have been paid for by the Company.

Category	Amount £
Agents/Valuers Fees	2,875.00
Accountancy Fees	1,130.00
Re-direction of Mail	120.00
Other Property Expenses	208.33
Corporation Tax	36.00
	<hr/> <hr/> 4,369.33

45. Should you require any further explanation about these expenses please contact my colleague Kevin Beech in the first instance.

Professional Advisers/Agents

46. On this assignment, the liquidator has used the professional advisers/agents listed below:

Name of Professional Adviser/Agent	Nature of Work	Basis of Fee Arrangement	Fee paid £
Asset Recovery & Insolvency Limited	To provide an inventory & valuation, sell the Company's assets and deal with Xerox.	Time Costs, Sales Commission & Expenses	2,875
Grant Sellers Chartered Accountants	Preparation of Financial Statements, completion of 2013 Corporation Tax return and preparation of P45's	Fixed Fees	1,130

Liquidator's Remuneration

Basis of Remuneration

47. 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

48. Attached at Appendix C(i) is a breakdown of the time costs incurred during the period of this report. You will note that my firm has spent 32.10 hours dealing with matters arising during this period, incurring total chargeable costs of £5,546 which provides an average hourly charge out rate of £172.77.

49. Attached at Appendix C(ii) is a breakdown of my firm's time costs incurred in total since my appointment as liquidator. You will note that my firm has spent 232.45 hours dealing with matters arising during the liquidation, incurring total chargeable costs of £39,762 which provides an average hourly charge out rate of £171.06.

50. I have drawn fees of £4,936.71 during the period of this report and £37,886.71 during the course of the liquidation.

51. The balance of my firm's time costs will be written off as there are insufficient funds in the liquidation to meet those costs.

Work Undertaken

52. These costs have been incurred in asset realisations, correspondence with shareholders, directors and creditors, liaising with agents and solicitors, cashiering duties and general administration including compliance with statutory matters.

53. A substantial amount of time has been spent in liaising with creditors and employees regarding their respective claims in the liquidation.

54. A lot of time was spent liaising with the agent in order to realise the maximum amount from the sale of the assets.

55. Additionally, time was necessarily spent liaising with the landlord in relation to the lease on the trading premises and the rightful ownership of assets.

56. Time has been spent in relation to collecting book debts which has resulted in realisations of £7,976 being achieved.

57. A substantial amount of time has been spent agreeing both the preferential and unsecured creditor claims and distributing a dividend to them.

58. 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.
59. 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. Full details of the charge out rates charged to this case are included at Appendix D.
60. Examples of work done by my firm are attached as Appendix E.

Creditors' Rights to Request Further Information

61. 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.
62. 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

63. Creditors have the right to challenge the amounts drawn under Rule 4.131.
64. 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.
65. 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.
66. 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.
67. A Creditors' Guide to Liquidators fees may be found on the website <http://www.peterhall.org.uk/notices>.
68. Should you require a hard copy please do not hesitate to contact my colleague Kevin Beech at this office.

Final Meetings

69. I enclose formal notice convening the final meetings of members and creditors pursuant to Section 106 of the Insolvency Act 1986.
70. The final meetings of members and creditors are intended to be held at Peter Hall Limited, 2 Venture Road, Science Park, Chilworth, Southampton, SO16 7NP on Thursday 28 July 2016 at 11.00am and 11.30am respectively.
71. The purpose of the meetings is to present this report and to seek my release as liquidator. These meetings are purely a formality and therefore there is no necessity to attend.
72. Should you wish to attend by proxy please complete the attached proxy form. Proxies must be lodged at my office by 12 noon on Wednesday 27 July 2016.
73. Should you have any queries regarding this report please do not hesitate to contact my colleague Kevin Beech at this office.

Dated this day: 31 May 2016

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.