

TELA PROCESSING LIMITED IN CREDITORS VOLUNTARY LIQUIDATION

ANNUAL PROGRESS REPORT - for the period 15 September 2016 to 14 September 2017

This report should be read in conjunction with previous reports to creditors

6 November 2017

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1. INTRODUCTION

The purpose of this report is to detail my acts and dealing as Liquidator and it should be read in conjunction with my previous correspondence to Creditors.

2. BACKGROUND

REGISTERED NAME, ADDRESS AND NUMBER

Tela Processing Limited (In Liquidation), ("the Company")

Registered office: Suites 101 & 102, Empire Business Park, Liverpool Road, Burnley, BB12 6HH

Registered Number: 05842745

APPOINTMENT DETAILS

Jonathan Mark Taylor was appointed Liquidator of Tela Processing Limited on the 15 September 2015.

Liquidator's address: Suites 101 & 102, Empire Business Park, Liverpool Road, Burnley, BB12 6HH.

The members' and creditors' meetings were held on 15 September 2015, when I was appointed Liquidator of the company.

The company's principal activity was Business Support Services.

3. ASSET REALISATIONS

The Liquidator's Receipts and Payment account for the period from 15 September 2016 to 14 September 2017 is attached at appendix 1.

Plant & Machinery

Certain items of Plant & Machinery, comprising Fibre Blowing Machines, were subject to a fixed charge by James Robinson Fibres Limited. The balance sheet value of these assets is estimated to be £20,848 and the valuation prepared by JPS Surveyors shows an estimated to realise figure of £10,500. The amount outstanding to James Robinson Fibres Limited was far in excess of the machine value and the machines were therefore repossessed by the charge holder.

The remaining items of the physical assets were valued by JPS Chartered Surveyors with a forced sale value of £14,350. N B Cushions Limited, a connected company by virtue of mutual director, Mr Brew, purchased these assets for £22,000 plus VAT on 2nd September 2015. Agents were holding £10,000 at the date of the Liquidation and the balance was paid over three months commencing end of September 2015. The assets have been paid for in full.

Book Debts

Certain invoices were purchased by Creative Capital Limited and as expected, these were collected in full and no liability arose.

The company previously factored invoices through Bibby Financial Services and the director believed that a further £14,000 relating to retentions would be received. The sum of £11,729.57 has been received and no further realisations are expected.

Directors Loan Account

As previously reported filed accounts showed a director's loan in an overdrawn position, the amount being £221,819. However, it was later established that the director's loan was in fact £139,753. I wrote to creditors on 24 June 2016 to advise that the director had offered the sum of £11,000 in settlement of the overdrawn loan account, with £5,000 to be paid immediately and a further £6,000 by way of 12 monthly payments of £500. On the basis of information available it appeared appropriate to put this offer to creditors and as they did not object to this course of action, the offer was accepted. I confirm that this has now been paid in full.

4. INVESTIGATION

The directors conduct report was submitted to the Insolvency Service on 8 March 2016. The contents of this report are confidential. There are no matters which have been brought to my attention by creditors.

5. CREDITORS CLAIMS AND DIVIDEND PROSPECTS

Secured Creditor

James Robinson Fibres possessed a legal charge over certain assets as described in section three. Following repossession, James Robinson Fibres confirm that their account has been settled.

The Company granted to Bibby Financial Services Limited a debenture dated 16 March 2009 giving a fixed and floating charge over the assets of the company. However, this was cleared shortly prior to liquidation.

Preferential creditors

There are no preferential creditors.

Unsecured creditors

Creditors claims, as per the statement of affairs totalled £264,516. Total claims received to date amount to £217,692.16. Despite issuing a Notice of Intended Dividend on 20 June 2017, several claims were not submitted.

Dividend

The first distribution of £13,000 (rounded), equal to 5.97 pence in the £ was paid to proved creditors on 8 September 2017. It is unlikely that another distribution will be paid to creditors.

6. COSTS AND EXPENSES

The payments shown on the summary of the Receipts and Payments at Appendix I are in the main self-explanatory.

Pre-Appointment Remuneration

The members and creditors authorised the payment of a fee of £6,000.00 plus VAT for assistance with the statement of affairs and producing and circulating the notices for the meetings of members and creditors prior to my appointment at a meeting held on 15 September 2015.

This was paid from first realisations on appointment and is shown in the enclosed receipts and payments account.

Liquidator's Remuneration

The Liquidator's remuneration is drawn in accordance with Insolvency Rules 1986 S4.127(2)(b) on a time cost basis in relation to this assignment, as authorised by creditors at the S98 Meeting on the 15 September 2015 in accordance with the following resolution:

"That the Liquidator is authorised to draw his remuneration on the basis of time properly spent by him and his staff, such time costs to be drawn on account from time to time as funds permit."

Summary of Costs

The Liquidator's time costs for the period 15 September 2016 to 14 September 2017 totals £4,664.00 representing 29.6 hours at an average hourly rate of £157.57. The sum of £3,600.00 has been drawn during this reporting period. The total time costs to date amount to £17,027.00, equal to 99.6 hours at an average rate of £170.95 and a total of £15,500.00 has been drawn to date. The time costs are detailed at appendix 2.

Administration & Planning

A total of 7.9 hours, equal to £1,219.00, has been spent during this period on administration and planning which includes preparation of reports and general case administration.

Investigations & Realisation of Assets

The sum of £104.00, 0.8 hours, and 4.3 hours has been charged respectively. This relates to time spent liaising with the Director regarding repayment of the overdrawn director's loan account, telephone calls and correspondence with debtors and arranging and monitoring repayment agreements regarding the director's loan account settlement.

Creditors

To date 16.6 hours, totalling £2,526.00, has been listed for work including liaising with creditors, circulating reports, obtaining claims and payment of the distribution.

Liquidator's Disbursements

The Liquidators category 1 disbursements paid for the period 15 September 2016 to 14 September 2017 total £77.50 and represent the simple reimbursement of actual out of pocket payments made on behalf of the assignment. Disbursements previously incurred by the Liquidator which have not to date been recovered are as follows:

- Mileage £28.80
- Room Hire £80.00

In accordance with the resolution passed at the meeting of creditors, the only category 2 disbursements drawn are those in respect of mileage costs, directly attributable to the case. The basis of calculation of this category of disbursement was disclosed to creditors prior to the resolution being passed on 15 September 2015.

Other professional Costs

Accountants

As previously advised Finton Doyle Chartered Accountants were instructed to analyse the company's accounting records to establish the amount due in respect of the director's loan. Their fee for undertaking this work was £300.00 plus VAT and this has been paid in full.

Agents & Valuers

JPS Chartered Surveyors were instructed as agents and valuers in relation to the assets of the company. Their costs have been agreed on the basis of their standard sales commission rate, plus disbursements and VAT. The agents fees for the period 15 September 2015 to 14 September 2016 amounted to £5,420.40 including VAT and they have been paid in full.

7. FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

8. CONCLUSION

I hope to close my administration of the case shortly. Should any creditor object to this course of action, written confirmation of the same must be received at this office within the next 28 days.

If you require any further information please contact Nicola Roberts on 01282 332222.



Jonathan Mark Taylor
Liquidator

APPENDIX 1 –
RECEIPTS AND PAYMENTS ACCOUNT

Tela Processing Limited - In Creditors Voluntary Liquidation
Liquidator's Abstract of Receipts & Payments

From 15 September 2016 To 14 September 2017

S of A £	As Previously Reported	15/09/16 to 14/09/17	Total £
RECEIPTS			
10,500 Plant & Machinery	NIL	NIL	NIL
75,011 Book Debts	11,729.57	NIL	11,729.57
30,400 Book Debts	10,979.60	NIL	10,979.60
NIL Bank Interest Net of Tax	12.49	8.20	20.69
10,000 Cash Balances	10,000.00	NIL	10,000.00
NIL Directors Loans	5,500.00	5,500.00	11,000.00
125,911	38,221.66	5,508.20	43,729.86
PAYMENTS			
NIL Statement of Affairs Fee	(6,000.00)	NIL	(6,000.00)
NIL Statutory Advertising	(253.80)	(77.50)	(331.30)
NIL Accountancy Fees	(300.00)	NIL	(300.00)
NIL Liquidator's remuneration	(11,900.00)	(3,600.00)	(15,500.00)
NIL Vat Receivable	(3,690.76)	(735.50)	(4,426.26)
NIL Unsecured Creditors	NIL	(12,999.99)	(12,999.99)
NIL Specific Bond	(288.00)	NIL	(288.00)
NIL Case Management Fee	(110.00)	NIL	(110.00)
0	(22,542.56)	(17,412.99)	(39,955.55)
125,911 CASH IN HAND	15,679.10	(11,904.79)	3,774.31

APPENDIX 2 –
ANALYSIS OF TIME COSTS

Liquidator's Remuneration Schedule
Tela Processing Limited
Between 15 September 2016 and 14 September 2017

Classification of work function	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	1.60	1.20	5.10	0.00	7.90	1,219.00	154.30
Investigations	0.00	0.00	0.80	0.00	0.80	104.00	130.00
Realisation of Assets	1.30	2.50	0.50	0.00	4.30	815.00	189.53
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	3.00	0.20	13.40	0.00	16.60	2,526.00	152.17
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prescribed Part	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total hours	5.90	3.90	19.80	0.00	29.60		
Time costs	1,427.00	663.00	2,574.00	0.00		4,664.00	
Average hourly rate	241.86	170.00	130.00	0.00			157.57

Description	Total Incurred £	Total Recovered £
	0.00	0.00
Totals	0.00	0.00

Summary of Fees

Time spent in administering the Assignment	Hours	29.60
Total value of time spent to 14 September 2017	£	4,664.00
Total Liquidator's fees charged to 14 September 2017	£	15,500.00

Liquidator's Remuneration Schedule
Tela Processing Limited
Between 15 September 2015 and 14 September 2017

Classification of work function	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	3.50	7.00	8.50	0.00	19.00	2,789.00	146.79
Investigations	7.20	11.00	3.70	0.00	21.90	3,923.00	179.13
Realisation of Assets	19.20	11.10	0.50	0.00	30.80	6,197.00	201.20
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	6.40	2.00	19.50	0.00	27.90	4,118.00	147.60
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prescribed Part	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total hours	36.30	31.10	32.20	0.00	99.60		
Time costs	7,857.00	5,134.00	4,036.00	0.00		17,027.00	
Average hourly rate	216.45	165.08	125.34	0.00			170.95

Description	Total Incurred £	Total Recovered £
	0.00	0.00
Totals	0.00	0.00

Summary of Fees

Time spent in administering the Assignment	Hours	99.60
Total value of time spent to 14 September 2017	£	17,027.00
Total Liquidator's fees charged to 14 September 2017	£	15,500.00