

**IN THE MATTER OF PERRINGS HOME FURNISHINGS LIMITED
(HIGH COURT OF JUSTICE No. 6431 of 2002)**

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

**REPORT OF THE LIQUIDATOR TO BE PRESENTED AT A FINAL MEETING OF CREDITORS
CONVENED TO BE HELD ON 14 SEPTEMBER 2011 AT DEVONSHIRE HOUSE, 1 DEVONSHIRE
STREET, LONDON W1W 5DR**

STATUTORY & LEGAL INFORMATION

Company Number:	0323847
Date of Incorporation:	3 February 1937
Date of appointment of Administrative Receivers:	8 June 1994
Date of cessation of Administrative Receivership:	6 June 2003
Former Administrative Receivers	T C Carter & N J Hamilton - Ernst & Young LLP
Date of Presentation of Winding Up petition;	27 September 2002
Date of Winding Up Order:	13 November 2002
Date of appointment of Liquidator:	6 January 2003
Former Registered Office:	c/o Ernst & Young LLP, Becket House, 1 Lambeth Palace Road, London SE1 7EU

I was appointed liquidator by way of a Secretary of State appointment on 6 January 2003. Prior to my appointment Messrs Carter and Hamilton of Ernst & Young LLP were in office as Administrative Receivers appointed as such by the debenture holder National Westminster Bank plc who held a fixed and floating charge dated 19 October 1988 over the company's assets and undertaking.

From the date of incorporation to the date of appointment of administrative receivers the company traded as retailer of Furniture from 76 outlets nationwide.

Its trading history and causes of failure have been well documented in the reports provided by the Joint Administrative Receivers.

The receivership was formally concluded on 6 June 2003 and amounts due to secured and preferential creditors were discharged in full.

A copy of my receipts and payments account is attached at Appendix 1. I confirm that this account has been reconciled with the account held by the Secretary of State.

The following notes are provided to give a better understanding of matters dealt with, realizations achieved and costs and expenses of the liquidation.

ASSET REALISATIONS

As at the date of my appointment the only asset was a surplus from the receivership estimated at £26,492 from which the receivers deducting costs and expenses (including VAT) of £23,858 and the balance of £2,678 including nominal interest was received by me.

I have also recovered VAT of £3,455.85, suffered on receivership costs and expenses.

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On taking appointment I also became aware of the fact that in respect of some of the former stores the company was entitled to a refund of the National Business Rates as a result of incorrect rating valuations and incorrect calculation of transitional relief. I retained the services of Goodman Nash, Chartered Surveyors of Devizes, Wiltshire to assist me in negotiations with the Local Authorities concerned.

The amount recovered was £5,194.59. Given the nature of the claim Goodman Nash were retained on a success fee basis at the rate of 25% of recoveries obtained.

The company operated a Retirement Pension Scheme for all of its employees and the assets of the scheme were held separately under the control of independent trustees. At the date of my appointment there was an estimated surplus of scheme assets over pension liabilities of £421,000.

Since August 1996 arrangements had been made with Legal & General Life Assurance Society to secure pension benefits for the members of the scheme and from that date the trustees have been engaged in the process of winding up the scheme. During this time several issues arose such as the issue of the equalization of the Guaranteed Minimum Pension (GMP) and to what extent there was a need to equalize certain Scheme benefits.

The winding up of the scheme became protracted due to the trustees seeking to ensure that members' rights to GMP had been properly secured. The Eastleigh office of Blake Lapthorn, Solicitors was retained to assist me in dealing with the trustees of the scheme. In choosing this firm I was influenced by their expertise in dealing with pension scheme related issues and their lower charge rates compared to similar London firms.

The trustees advise that all of these matters have now been resolved. As a result the surplus available to the company was £44,264 the difference of some £377,000 being consumed by the annual costs of administration and a substantial premium having been paid by the trustees to secure members' rights to GMP.

Under Inland Revenue rules the trustees are obliged to deduct tax at 35% from the surplus and I have received the net amount due of £28,665.

All realizations in this estate have been deposited with the Insolvency Service Account and the estate has received interest of £363 net of tax.

COSTS OF REALISATION AND MAINTENANCE OF ESTATE

These are as shown on the receipts and payments account and include:

- a) Official Receiver disbursements – being expenses and disbursements charged by the Official Receiver in the matter.
- b) Secretary of State Fees – being fees levied by the Insolvency Service under the Insolvency Fees Order and based as a percentage of realizations. As from April 2007, no realization fee is charged where the insolvency proceeding commenced before 1 April 2007.
- c) Agents and Valuers fees – being fees paid to Goodman Nash for assistance provided in recovering business rates overpaid.
- d) Bank charges – being the quarterly banking fee levied on the Insolvency Service Account.

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- e) Liquidator's remuneration. On 2 May 2003 following an application to the High Court, an order was made to allow the liquidator's remuneration to be fixed by reference to the time properly given by the liquidator and his staff in attending to matters arising in the winding up.

This firm's time costs over the 8 years of my administration to date amount to £18,326.25 represented by 86.20 hours across all grades of fee earners at an overall average rate of £212.60 per hour.

I estimate a further time costs of £2,100 will be incurred up to final closure of the case.

A schedule summarizing our time costs is attached. Creditors may download a copy of Statement of Insolvency Practice No 9 (as amended) from <https://www.r3.org.uk/uploads/sip/INTERIM>.

CREDITORS

Preferential creditors

The joint administrative receivers have confirmed that they have discharged in full the claims of all preferential creditors.

Trade and sundry creditors

In view of the circumstances of this case and the fact that at the date of appointment of the Administrative Receivers in 1994 there were over 5,000 trade and sundry creditors many of whom cannot now be traced, I made an application to the High Court and obtained an Order that I be relieved of my duty to notify creditors on an individual basis and that notification be communicated by way of public advertisement and by posting a copy of the notice on the UK Legal Notices Website,

The estimated aggregate value of unsecured claims at the date of my appointment was £7,964,000 and of this, formal claims received and agreed amount in aggregate to £38,287.

Dividends to creditors

Based on funds in hand and after making provision for further costs to closure I am able to pay a first and final dividend of 0.23p in respect of those creditors who have claimed in these proceedings. Any creditor who did not claim by the date specified in my Notice of Intended dividend is now not able to disturb this dividend.

FINAL MEETING

The final general meeting of the company's creditors under Section 146 of the Insolvency Act 1986 is to be held at my offices on 14 September 2011 in accordance with the attached notice. Once again, in the circumstances of this case I made an application to the High Court who has granted an Order that I be relieved of my duty to notify creditors of the final meeting on an individual basis and that notification be communicated by way of public advertisement and by posting a copy of the notice on the UK Legal Notices Website.

This report, notice of final meeting and form of proxy can be downloaded from <https://www.uklegalnotices.co.uk> and <http://www.cwbusinessrecovery.co.uk/reports.html>

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Forms of proxy for your use are enclosed and to enable you to vote at the final meeting they must be lodged no later than mid-day on the day preceding the meeting.

The final meeting is a statutory formality at which this report and the attachments will be presented. At this meeting I will seek a release from my office as liquidator.

A handwritten signature in black ink, appearing to read 'm k mehta', with a long horizontal stroke underneath.

**M K Mehta
Liquidator**

Dated 3 August 2011

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**LIQUIDATOR'S ABSTRACT OF RECEIPTS AND PAYMENTS
TO 03 AUGUST 2011**

	Total to date £	Costs to Closure £	Final Outcome £
RECEIPTS			
VAT Refunds	3,455.85		3,455.85
Receivership surplus	2,678.93		2,678.93
Rates Refunds	5,194.59		5,194.59
Bank Interest Gross	318.89		318.89
Bank Interest Net of Tax	322.31		322.31
Pension fund surplus (net)	<u>28,665.00</u>		<u>28,665.00</u>
	<u>40,635.57</u>		<u>40,635.57</u>
PAYMENTS			
COSTS OF REALISATIONS			
Bank Interest Net of Tax	213.02		213.02
Official Receiver's Disbursements	368.02		368.02
DTI Cheque Fees	5.25		5.25
Secretary of State Fees	1,921.83		1,921.83
Liquidation disbursements	646.45	75.00	721.45
Agents & Valuers Fees	1,243.50		1,243.50
Legal Fees	6,352.50		6,352.50
Tax on Bank Interest	63.78		63.78
DTI Quarterly banking fees	477.00		477.00
Liquidator's remuneration	<u>18,326.25</u>	<u>2,100.00</u>	<u>20,426.25</u>
	<u>29,617.60</u>	<u>2,175.00</u>	<u>31,792.60</u>
DIVIDENDS TO CREDITORS			
Unsecured claims	-	8,842.97	8,842.97
TOTAL PAYMENTS	<u>29,617.60</u>	<u>11,017.97</u>	<u>41,635.57</u>
BALANCES IN HAND	<u>11,017.97</u>	<u>NIL</u>	<u>NIL</u>

The above account has been reconciled with the account held by the Secretary of State

APPENDIX 2

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SIP 9 TIME COSTS SUMMARY

	Partner		Associate Director		Administrator		Total		Average rate/hr £
	Hrs	Cost £	Hrs	Cost £	Hrs	Cost £	Hrs	Cost £	
Employee matters	1.15	275.00					1.15	275.00	239.13
Investigation - insolvency					1.50	135.00	1.50	135.00	90.00
Pension scheme and legal	29.35	6,631.25	10.90	2,280.00			40.25	8,911.25	218.78
Property	12.00	2,796.25			0.40	36.00	12.40	2,832.25	228.41
Planning, Administration, Statutory Case management and compliance	8.10	1,815.75	5.45	1,086.50			13.55	2,902.25	220.07
Treasury and banking					4.70	444.50	4.70	444.50	94.57
Creditors			3.00	645.00			3.00	645.00	215.00
Taxation and VAT			2.25	450.00			2.25	450.00	200.00
Reporting	<u>2.00</u>	<u>570.00</u>	<u>5.40</u>	<u>1,161.00</u>			<u>7.40</u>	<u>1,731.00</u>	<u>233.92</u>
Case closure									
Total time and costs	<u>52.60</u>	<u>12,088.25</u>	<u>27.00</u>	<u>5,622.50</u>	<u>6.60</u>	<u>615.50</u>	<u>86.20</u>	<u>18,326.25</u>	<u>212.60</u>

Further explanation of work:

- a) Employee matters - dealing with correspondence from employees.
- b) Investigation - Basic compliance with SIP 2 requirements. In compulsory liquidations it is the duty of the official receiver to investigate the conduct of directors, but a liquidator is required to bring to the Official Receiver's attention any matters which may have a bearing on his investigations
- c) Property matters, including reviewing leases where appropriate, considering claims for overpayment of business rates,

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Instructing agents, dealing with Notices of disclaimers of leasehold properties.

- d) Planning etc: Work includes the planning of the assignment, routine administration matters, regular case management and compliance reviews.
- e) Pension and Legal: Reviewing the Pension Trust Deed, corresponding on a regular basis with the Trustees of the scheme, instructing lawyers to advise on various aspects and in particular the liquidator's right to recovery of scheme surpluses.
- f) Statutory: Dealing with Companies Act matters, attending on the Official Receiver as required, reviewing the company's Statement of Affairs and noting that there were in excess of 5,000 creditors. Discussing these issues with lawyers and in particular the method of notifying creditors, making application to the High Court for directions. Attendance at Court Hearings and obtaining orders from the Court in accordance with the applications.
- g) Creditors: Reviewing and agreeing claims and paying dividends.
- h) Reporting: Preparation of reports to creditors
- h) Case closure: Ensuring completion of all case related matters, convening and attending at final meeting, completing. Court Notifications etc

The firms charging policies and current costs rates for staff time and disbursements is provided at Appendix 3

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OFFICE HOLDER'S CHARGING AND DISBURSEMENTS POLICY EFFECTIVE FROM 1 OCTOBER 2010

Remuneration

The Office Holder's remuneration is charged by reference to the time properly given by the Office holder and his staff in attending to matters arising.

It is the Office Holder's policy to delegate tasks to appropriate members of staff having regard to their level of experience and any specialist knowledge, supervised accordingly, so as to maximize the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or the Office Holder himself.

Set out below are the hourly charge out rates applicable. Time is charged in 6 minute units by reference to actual work carried out on the assignment. There is no allocation of any general or overhead costs.

Grade	£ per hour
Partner	285
Associate Director	260
Manager	215
Administrators	90 – 160
Secretarial support	60-95

In common with all professional firms, scale rates used by Office Holders may periodically increase (for example to cover inflationary cost increases) over the period of the assignment. Any material amendments to these rates will be advised to the creditors and creditors' committee in the next statutory report.

Disbursements

Category 1 disbursements such as advertising and liquidator's bond, external storage of records is charged at cost.

Category 2 disbursements

Postage	At cost – only charged for circulars or exceptional packages
Mileage	At a maximum of 50 pence per mile (up to 2000 cc) or 70 pence per mile (over 2000 cc)
Photocopying	5 p per side copied only charged for circulars to creditors or exceptional amounts of copying
Staff expenses	Charged at costs where they specifically relate to the assignment

Further information concerning fees charged by office holders can be obtained from the R3 website:
<https://www.r3.org.uk/uploads/sip/INTERIM%20SIP9%20April%202010.pdf>