

**Netpaper Limited – in Creditors' Voluntary Liquidation
Liquidator's Progress Report to Creditors and Members
For the period ending 10/02/2016**

STATUTORY INFORMATION

Company name:	Netpaper Limited
Registered office:	1349/1353 London Road Leigh-on-Sea Essex SS9 2AB
Former registered office:	3 Belton Corner, Marine Parade, Leigh on Sea, Essex, SS9 2HP
Registered number:	05951335
Liquidator's name:	Deborah Ann Cockerton
Liquidator's address:	2 Nelson Street, Southend-on-Sea, Essex, SS1 1EF, United Kingdom
Liquidator's date of appointment:	14/01/2016

LIQUIDATOR'S ACTIONS SINCE APPOINTMENT

Since my appointment as Liquidator, I have been in correspondence with the creditors of the Company and have admitted claims when received.

I have carried out my statutory duties and have provided written confirmation to Companies House of my appointment and have also advertised in the London Gazette.

I was appointed by the members of Netpaper Limited following the creditors meeting held on the 14th January 2016 however my appointment was not ratified by the creditors. Notice was sent to all creditors for an adjourned meeting of creditors to be held on the 21st January 2016 however I have since sought further advice from my compliance providers and legal advice wherein I was advised that the meeting could not be adjourned.

I have therefore scheduled a general meeting of creditors to be held on the 10th February 2016 and notices were sent to the members, creditors and all interested parties of the Company despatched on the 21st January 2016, the meeting was also advertised in the London Gazette.

The meeting was held for creditors to vote on behalf of two resolutions, the first resolution being for my removal and release as Liquidator and the second resolution to appoint an alternative insolvency practitioner to be appointed Liquidator of the Company. I can confirm that I have reviewed all of the voting papers submitted to me and would advise creditors that I have been removed as Liquidator following the proxy form submitted by a majority creditor. I would refer creditors to Section 173(2) of the Insolvency Act 1986 wherein I will now seek my release upon this report being submitted to the Registrar of Companies that I have ceased to act.

I can confirm that Dean Nelson of Smith Cooper and Nick Lee of Smith Cooper have been appointed as joint Liquidators of the Company. Creditors should refer any queries they may have to Smith Cooper.

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 14th January 2016 to 10th February 2016 is attached at Appendix 1.

No funds are currently being held and no bank account has been opened.

ASSETS

Assets remaining to be realised are as follows:-

Trade Debtors

The director advised that all the debts outstanding in respect of trade debtors will fall under the debenture held with Lloyds Commercial Finance. The statement of affairs expected that there will be a surplus of £27,946 after paying Lloyds Commercial Finance and this balance was estimated to be realised in Liquidation. Upon the appointment of an alternative Liquidator, trade debtors will need to be investigated to ascertain if any balance is due.

Directors Loan Account

The statement of affairs estimated that the balance of £91,103.42 will be realised in Liquidation in respect of an outstanding director's loan account.

Other Assets

There has been no other realisation of assets in this period.

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has granted the following charges a charge to Lloyds TSB Commercial Finance Limited on the 25 February 2009.

The first meeting of creditors report and statement of affairs showed that trade debtors would fall under the debenture held with Lloyds TSB Commercial Finance. The statement of affairs estimated that there would be a surplus in respect of trade debtors after paying the secured creditor in full and that the prescribed part provisions shall not apply in this case. This will need to be investigated upon the appointment of the alternative liquidators.

Preferential Creditors

The statement of affairs anticipated that no claims would arise in respect of preferential creditors. I have not received any claims since my appointment as Liquidator and the director advised that no claims shall arise in respect of employee's claims.

Crown Creditors

The statement of affairs included £49,400 owed to HMRC in respect of Corporation Tax. The director advised that he does not believe there to be a liability to HMRC in respect of VAT or PAYE and the statement of affairs showed no liability to either. No claims have been received from the Revenue as at this date.

Non-preferential unsecured Creditors

The statement of affairs included 61 non-preferential unsecured creditors with an estimated total liability of £343,912.53. I have received claims from 31 creditors at a total of £228,433.30. I have not received claims from 30 creditors with original estimated claims in the statement of affairs of £115,479.23

DIVIDEND PROSPECTS

Secured creditors

It is anticipated that secured creditors will be paid in full however this will need to be fully investigated.

Preferential creditors

It is expected that there are no preferential creditors.

Floating charge creditors

It is anticipated that floating charge creditors will be paid in full from trade debtor realisations however this will need to be investigated.

Non-preferential unsecured creditors

I am unable to advise if a dividend will be paid in this Liquidation.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I have been unable to conduct any investigations into the affairs of the Company as at this time and this will need to be dealt with upon the appointment of the alternative Liquidators.

PRE-APPOINTMENT REMUNERATION

The Board previously authorised the payment of a fee of £2,000 plus VAT for my assistance with preparing the statement of affairs and a further £2,000 plus VAT for convening and holding the meeting of creditors. The fee for preparing the statement of affairs and convening and holding the meeting of creditors was paid prior to my appointment as Liquidator.

LIQUIDATOR'S REMUNERATION

No steps have been taken in regards to fixing remuneration to myself as Liquidator.

A description of the routine work undertaken since my appointment as Liquidator is as follows:

1. Administration and Planning
 - Preparing the documentation and dealing with the formalities of appointment.
 - Statutory notifications and advertising.
 - Preparing documentation required.
 - Dealing with all routine correspondence.
 - Maintaining physical case files and electronic case details on Vision Blue Solutions.
 - Review and storage.
 - Case bordereau.
 - Case planning and administration.
 - Preparing reports to members and creditors.
 - Convening and holding meetings of members and creditors.
2. Creditors
 - Dealing with creditor correspondence and telephone conversations.
 - Preparing reports to creditors.
 - Maintaining creditor information on Vision Blue Solutions.
 - Reviewing and adjudicating on proofs of debt received from creditors.

A copy of 'A Creditors Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals and 'A Statement of Insolvency Practice 9 (Revised)' is available at the link <http://www.dcabr.co.uk/business-advice-guides>. A hard copy of the Creditors Guide can be obtained on request from the address below. A copy of this firm's fee and disbursement policy is attached.

LIQUIDATOR'S EXPENSES

I have incurred expenses to 10th February 2016 of £322.36 and I have not drawn any expenses in respect of this matter.

I have incurred the following expenses in the period since my appointment as Liquidator.

Type of expense	Amount incurred/ accrued in the reporting period
Statutory Advertising	£112.42
Postage	£81.12

I have incurred the following category 2 disbursements in the period since my appointment as Liquidator.

Type of category 2 disbursement	Amount incurred/ accrued in the reporting period
Stationery	£128.80

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.

SUMMARY

The appointed Liquidators of Smith Cooper at the General Meeting of creditors held on the 10th February 2016 at 11:00 am will continue with the administration of Netpaper Limited.


I would refer creditors to Section 173(2) of the Insolvency Act 1986 wherein I will now seek my release upon this report being submitted to the Registrar of Companies that I have ceased to act.

Should you have any queries regarding this report, or the Liquidation in general, please contact Toni James on 01702 344558.

At DCA Business Recovery LLP we always strive to provide a professional and efficient service. However, we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of this case, then in the first instance you should contact me at the address given in this letter

If you consider that I have not dealt with your comments or complaint appropriately you, then put details of your concerns in writing to our complaints officer Luke Cockerton at 2 Nelson Street, Southend on Sea, Essex SS1 1EF. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at www.gov.uk/complain-about-insolvency-practitioner; or you can email insolvency.enquiryline@insolvency.gsi.gov.uk; or you may phone 0300 678 0015 - calls are charged at up to 9p per minute from a land line, or for mobiles, between 8p and 40p per minute if you're calling from the UK.

A handwritten signature in black ink, appearing to read 'D.A. Cockerton', written in a cursive style.

Deborah Ann Cockerton MABRP MIPA
Liquidator

Re: Netpaper Limited
CREDITORS VOLUNTARY LIQUIDATION

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD 14/01/2016 - 10/02/2016

**Estimated
Realisations
per SOA**

**First
Year Ended
10/02/2016**

RECEIPTS

-	Balance Held	-
27,946.00	Trade Debtors	-
91,103.00	Directors Loan Account	-
-	Net Bank Interest	-
<u>119,049.00</u>		<u>-</u>

PAYMENTS

Balance Held in a Lloyds Bank plc interest bearing account	-
	<u>-</u>

All figures are shown net of VAT

Analysis of Liquidator's Time Costs

In accordance with the Statement of Insolvency Practice No.9, creditors are advised that:-

1. The basis of the fees to be taken by the Liquidator was approved at the Meeting of Creditors held on 14th January 2016. It was resolved that such fees be paid on a time cost basis. This firm's standard insolvency rates with effect from 15th October 2015 are as stated below. For periods prior to this date lower rates will have applied. All rates are exclusive of valued added tax.

GRADE	Current charge-out rate per hour, effective from 15 October 2015
	£
Partner	350
Senior Manager	275
Manager	250
Senior Administrator (Grade 1)	225
Senior Administrator (Grade 2)	-
Administrator (Grade 1)	175
Administrator (Grade 2)	-
Administrator (Grade 3)	-
Cashier	150
Support Staff	130

2. The total hours expended by the Liquidator and all staff involved with the case during the period 14th January 2016 to 10th February 2016 is 34.1 hours. The Liquidator has ensured that during each period the appropriate member of staff has undertaken the different tasks involved taking into account the complexity of the task and the qualifications and experience of the person involved.
3. The charge out value of the period 14th January 2016 to 10th February 2016 is £7,048.50 plus VAT which amounts to an average hourly rate of £206.70 plus VAT. I have not drawn any remuneration in respect of this matter.
4. A general analysis of the time incurred during the period 14th January 2016 to 10th February 2016 confirms that work has been undertaken in the following areas:-

HOURS						Time Costs Incurred	Average Hourly Rate
Classification of Work	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration and Planning	5.8		25.70	0.6	32.1	£6,593.50	£205.40
Investigations							
Realisation of Assets							
Trading							
Creditors	0.6		1.4		2	£455.00	£227.50
Case Specific Matters							
Total	6.4		27.1	0.6	34.1	£7,048.50	£206.70