

LIQ03

Notice of progress report in voluntary winding up



Companies House

THURSDAY



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27/07/2023

#63

COMPANIES HOUSE

1 Company details

Company number 0 4 0 3 8 6 3 6

Company name in full Clarity Distribution Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Ryan

Surname Holdsworth

3 Liquidator's address

Building name/number 4th Floor, Fountain Precinct

Street Leopold Street

Post town Sheffield

County/Region

Postcode S 1 2 J A

Country

4 Liquidator's name ①

Full forename(s) Adrian

Surname Graham

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 4th Floor, Fountain Precinct

Street Leopold Street

Post town Sheffield

County/Region

Postcode S 1 2 J A

Country

② Other liquidator

Use this section to tell us about
another liquidator.

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6 Period of progress report

From date	^d 0	^d 5	^m 0	^m 7	^y 2	^y 0	^y 2	^y 2
To date	^d 0	^d 4	^m 0	^m 7	^y 2	^y 0	^y 2	^y 3

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 2	^d 4	^m 0	^m 7	^y 2	^y 0	^y 2	^y 3
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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Michael Woodward**

Company name **Graywoods**

Address
**4th Floor, Fountain Precinct
Leopold Street**

Post town **Sheffield**

County/Region

Postcode **S 1 2 J A**

Country

DX

Telephone
0114 285 9500



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Joint Liquidators' Annual Progress Report to Creditors and Members

**Clarity Distribution Ltd t/a Matrix IT Computers - In
Creditors' Voluntary Liquidation**

Reporting period from 05 July 2022 to 04 July 2023

CLARITY DISTRIBUTION LTD T/A MATRIX IT COMPUTERS - IN LIQUIDATION

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- B** Estimated Outcome Statement
- C** Additional Information in Relation to the Joint Liquidators' Fees, Expenses & the use of Subcontractors

CLARITY DISTRIBUTION LTD T/A MATRIX IT COMPUTERS - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 I, Ryan Holdsworth, together with Adrian Graham, of Graywoods, 4th Floor, Fountain Precinct, Leopold Street, Sheffield, S1 2JA was appointed as Joint Liquidator of Clarity Distribution Ltd t/a Matrix IT Computers (the **Company**) on 05 July 2022. We are authorised to act as insolvency practitioners in the UK by the Insolvency Practitioners Association and are bound by the Insolvency Code of Ethics when carrying out all professional work in relation to an insolvency appointment. In the event of case related queries, the Liquidators can be contacted on telephone number 0114 285 9500 or by email via michael.woodward@graywoods.co.uk.
- 1.2 This progress report provides an update on the conduct of the Liquidation for the period from 05 July 2022 to 04 July 2023 (**the Period**).
- 1.3 Information about the way that this firm will use, and store personal data on insolvency appointments can be found at www.graywoods.co.uk/privacy-notice. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.4 The principal trading address of the Company was Unit 2 Parkview Court, St Pauls Road, Shipley, BD18 3DZ. The business traded under the name Matrix IT Computers.
- 1.5 The registered office of the Company was changed from Unit 2 Parkview Court, St Pauls Road, Shipley, BD18 3DZ to 4th Floor, Fountain Precinct, Leopold Street, Sheffield, S1 2JA and its registered number is 04038636.
- 1.6 I can confirm that no potential threats to any of the five Fundamental Principles under the Insolvency Code of Ethics have been identified during the period.

2 Receipts and Payments

- 2.1 At Appendix A is my Receipts and Payments Account covering the Period of this report.
- 2.2 In Section 3 below, you will find an update on the progress made during the Period in realising the Company's assets and dealing with its affairs.

3 Progress of the Liquidation

- 3.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period and an explanation of the work done by the Liquidator and his staff.

Administration (including statutory compliance & reporting)

- 3.2 As you may be aware, the Liquidators must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated undertaking in this regard was outlined my initial fees estimate/information which was previously agreed by creditors and I would confirm that during the Period the following has been undertaken:
 - Notifying creditors of the liquidator's appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House
 - Complying with statutory duties in respect of the liquidator's specific penalty bond
 - Creation and update of case files on the firm's insolvency software
 - Securing the Company's books and records
 - Periodic case progression reviews (typically at the end of Month 1, Month 3 and every 6 months thereafter)
 - Opening, maintaining and managing the liquidation estate cashbook and bank account
 - Completion and filing of the notice of the Company's insolvency to HMRC
 - Maintaining physical case files and electronic case details on our case management system
 - Dealing with all routine correspondence
 - Case planning and administration

CLARITY DISTRIBUTION LTD T/A MATRIX IT COMPUTERS - IN LIQUIDATION

Realisation of Assets

Cash in Client Account

- 3.3 Director's statement of affairs indicated that there was the sum of £3,000.00 due to be realised from funds held in the Graywoods client account. I can confirm that the full sum has been realised during the Period.

Unknown

- 3.4 During the Period an unknown payment of £20.00 was received into the account from an unknown source.

Bank Interest

- 3.5 Bank interest of £5.51 was received during the Period.

Payments

Statement of Affairs Fee

- 3.6 At the virtual meeting of creditors on 05 July 2022, creditors passed the resolution to pay Graywoods the sum of £3,000.00. This fee is yet to be discharged.

Specific Bond

- 3.7 Bonding expenses of £20.00 were incurred during the Period in accordance with our statutory duties.

Statutory Advertising

- 3.8 A total of £163.80 has been paid in accordance with the advertising for our statutory duties.
- 3.9 It is not anticipated that the work the Liquidator has carried out to deal with the Company's assets will provide a financial benefit to creditors. This is because either the value of the assets was insufficient to produce a financial benefit after the associated costs of realisation were taken into consideration, or because there were no assets owned by the Company in accordance with the Company's statement of affairs that could be realised for the benefit of creditors.

Creditors (claims and distributions)

- 3.10 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. The Liquidators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 3.11 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal. Further details can be found at section 3 below.
- 3.12 Since 1 December 2020, claims from preferential creditors now fall into one of two categories, either ordinary (typically involving employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal, which rank equally among themselves), or secondary (which are claims by HMRC for VAT or other relevant tax deductions such as PAYE and employee NIC deductions, together with student loans and CIS deductions, which also rank equally among themselves). Ordinary preferential claims rank ahead of secondary preferential claims and all preferential creditors must be paid in full before any distribution can be made to the unsecured creditors of a company.

CLARITY DISTRIBUTION LTD T/A MATRIX IT COMPUTERS - IN LIQUIDATION

3.13 The following duties have been undertaken during the Period:

- Dealing with creditor queries
- Review creditor claims received and maintain creditor information on the case management system
- Obtaining creditors views by decision procedure
- Convening meetings of creditors (if requested by the appropriate proportion or number of creditors)

3.14 Work undertaken by the Liquidators in dealing with a company's creditors may only therefore bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, however the Liquidators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidators in dealing with those claims.

3.15 More information on the anticipated outcome for all classes of creditor in this case can be found in Section 4 below.

3.16 At this stage, I consider the following matters worth bringing to the attention of creditors:

- There are approximately 7 unsecured creditor claims in this case with a value per the director(s) statement of affairs of £60,725.21.

Investigations

3.17 Some of the work the Liquidators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidators can pursue for the benefit of creditors.

3.18 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.

3.19 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account any information provided by creditors. My investigations are currently ongoing.

3.20 The following duties have been undertaken during the Period:

- Initial assessment required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 (CDDA) including the review of the Company's books and records and the identification of potential further asset realisations which may be pursued in the liquidation
- Submitting a statutory report to the Insolvency Service under the CDDA
- Correspondence with director and banks
- Analysing the Company's bank statements
- Making enquiries with the Company's creditors
- Following up creditor queries
- Instruction and correspondence with solicitors

Other/Case Specific Matters

3.21 The following duties have been undertaken during the Period:

- Dealing with all post-appointment corporation tax and VAT compliance

CLARITY DISTRIBUTION LTD T/A MATRIX IT COMPUTERS - IN LIQUIDATION

- Inspecting the Company records and relevant databases to determine whether the Company has a pension scheme
- Pension regulatory reporting and auto-enrolment cancellation
- Attendance at meetings
- Travel to meetings

3.22 These tasks do not necessarily produce any direct financial benefit for creditors, but nonetheless still have to be undertaken.

Matters still to be dealt with

3.23 Investigations are still ongoing.

4 Creditors

Secured Creditors

4.1 Lombard Natwest Factors Limited and Lloyds TSB Commercial Finance Limited hold fixed and floating charges over the Company's assets. At the date of the liquidation the indebtedness to the secured creditor was Nil for both.

Preferential Creditors

4.2 A summary of the preferential claims in the liquidation and details of any distributions paid to date can be found below:

Secondary preferential claims	Agreed Claim £	Statement of Affairs Claim £	Dividend paid p in the £1	Date dividend paid
VAT (HMRC)	N/A	22,664.88	N/A	N/A

4.3 No dividend to any class of preferential creditor is anticipated.

Unsecured Creditors

4.4 The Company's statement of affairs indicated there were 7 creditors whose debts totalled £60,725.21. To date, I have received claims totalling £60,043.48 from 3 creditors. No claims have been agreed.

4.5 The Company granted floating charges to Lombard Natwest Factors Limited on 22 August 2000. Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors (known as the Prescribed Part), which only applies to charges created after 15 September 2003.

4.6 The Company also granted a floating charge to Lloyds TSB Commercial Finance Limited on 28 April 2011. Accordingly, I am required to create a fund out of the Company's net floating charge property for unsecured creditors (known as the Prescribed Part).

4.7 Based on present information, I estimate the value of the Company's net floating charge property to be Nil. Arising from this, the value of the unsecured creditors' fund is presently estimated to be Nil. Please note that this estimate is subject to fluctuation and the final outcome can only be determined once all asset realisations have been made.

4.8 Attached at Appendix B is an updated Estimated Outcome Statement for the liquidation. This represents my estimate of the outcome of the liquidation as at the end of the Period covered by this report. Further updates on the anticipated outcome to creditors will be provided in subsequent reports, however you will note that it is currently anticipated there will be insufficient funds realised after defraying the expenses of the liquidation to pay a dividend to unsecured creditors.

5 Joint Liquidators' Remuneration

- 5.1 Creditors approved that my unpaid pre-liquidation fees totalling £3,000.00 plus VAT and expenses be paid from the estate. These fees have yet to be paid.
- 5.2 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from www.graywoods.co.uk/creditor-portal/.
- 5.3 Attached as Appendix C is additional information in relation to the Liquidators' fees and expenses including where relevant, information on the use of subcontractors and professional advisers.

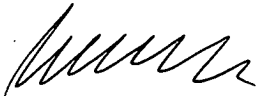
6 Creditors' Rights

- 6.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report.
- 6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidators, as set out in this progress report, are excessive.

7 Next Report

- 7.1 As noted at 3.23 above, investigations are still ongoing in this case. An update will be provided on this together with the progress of the liquidation with my next report to creditors which I am required to deliver within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final account.
- 7.2 If you have any queries in relation to the contents of this report, I can be contacted by telephone on 0114 285 9500 or by fax at 0114 285 9501. Alternatively, please contact Michael Woodward on 0114 285 9506 or by email on michael.woodward@graywoods.co.uk.

Yours faithfully



Ryan Holdsworth
Joint Liquidator

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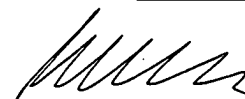
CLARITY DISTRIBUTION LTD T/A MATRIX IT COMPUTERS - IN LIQUIDATION

Appendix A

Receipts and Payments Account for the Period from 05 July 2022 to 04 July 2023

Clarity Distribution Ltd t/a Matrix IT Computers
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments
To 04/07/2023

S of A £		£	£
	ASSET REALISATIONS		
3,000.00	Cash in Client Account	3,000.00	
	Bank Interest Gross	5.51	
	Unknown	20.00	
			3,025.51
	COST OF REALISATIONS		
	Statutory Advertising	163.80	
			(163.80)
	SECONDARY PREFERENTIAL CREDITORS		
(22,664.88)	HM Revenue & Customs (VAT)	NIL	
			NIL
	UNSECURED CREDITORS		
(6,072.30)	Trade & Expense Creditors	NIL	
(54,652.91)	Banks/Institutions	NIL	
			NIL
(80,390.09)			2,861.71
	REPRESENTED BY		
	Vat Receivable		32.76
	Bank 1 Current		2,828.95
			2,861.71



Ryan Holdsworth
Joint Liquidator

CLARITY DISTRIBUTION LTD T/A MATRIX IT COMPUTERS - IN LIQUIDATION

Appendix B

Estimate Outcome Statement as at 04 July 2023

Clarity Distribution Ltd - In Liquidation

Estimated Outcome Statement as at 04 July 2023

	£	£
Assets		
Cash in Client Account	3,000	
Unknown Payment	20	
Bank Interest Gross	<u>6</u>	<u>3,026</u>
Estimated Funds Available for Costs		3,026
Less Estimated Costs		
Statement of Affairs Fee	(3,000)	
Liquidators Fees	0	
Specific Penalty	(20)	
Statutory Advertising	(164)	
Postage Costs	(30)	
Storage Costs	<u>(68)</u>	<u>(3,281)</u>
Estimated Funds Available for Secondary Preferential Creditors		(256)
Estimated Secondary Preferential Creditors Claims		
HM Revenue & Customs (VAT)		(22,665)
Funds available to Unsecured Creditors		(22,921)
Unsecured Creditor Claims		
Trade Creditors	(6,072)	
BANK	(54,653)	(60,725)
Total Deficit to unsecured creditors		<u><u>(83,646)</u></u>
 Dividend to Secondary Preferential Creditors	 0.00 p/£	
Dividend to Unsecured Creditors	0.00 p/£	

CLARITY DISTRIBUTION LTD T/A MATRIX IT COMPUTERS - IN LIQUIDATION

Appendix C

Additional Information in Relation to the Joint Liquidators' Fees, Expenses & the use of Subcontractors

Staff Allocation and the use of Subcontractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.

We have not utilised the services of any subcontractors on this case.

Professional Advisors

We have not utilised the services of any professional advisors on this case.

Joint Liquidators' Expenses

The estimate of expenses which were anticipated at the outset of the liquidation was provided to creditors when the basis of my fees was approved. The table below compares the anticipated costs against those incurred to date.

Category 1 expenses

These expenses do not require prior approval by creditors. The type of expenses that may be charged to a case as a Category 1 expense generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, external room hire and external storage costs. Also chargeable, will be any properly reimbursed expenses incurred by personnel in connection with the case. These expenses may include disbursements which are payments first met by an office holder and then reimbursed from the estate.

Expense	Estimated overall cost £	Paid in the period covered by this report £	Incurred but not paid to date £
Statutory advertising	163.80	163.80	-
Specific Penalty Bond	20.00	-	20.00
External storage costs	67.50	-	20.00
Postage	30.00	-	12.48

Category 2 expenses

These expenses do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may therefore include payments to associates of the office holder or shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. Details of Category 2 expenses charged by this firm (where appropriate) were provided at the time the Liquidators' fees were approved by creditors.