

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

00483718

Name of Company

Buckfast Spinning Company Limited

I / We

Benjamin John Wiles, Level 14, The Shard, 32 London Bridge Street, London, SE1 9SG

Geoffrey Wayne Bouchier, Level 14, The Shard, 32 London Bridge Street, London, SE1 9SG

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 09/12/2014 to 08/12/2015

Signed

Date 2.2.16

Duff & Phelps Ltd
The Shard
32 London Bridge Street
London, SE1 9SG

Ref 45615A/BOW/GWB/PXC/LQE

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Progress Report to Creditors

2 February 2016

**Buckfast Spinning Company Limited
(In Creditors' Voluntary Liquidation)**

**Joint Liquidators' Progress Report to Creditors
For the period from 9 December 2014 to 8 December 2015
Pursuant to Section 104A of the Insolvency Act 1986 (as amended)
and Rule 4.49C of the Insolvency Rules 1986 (as amended)**

**Duff & Phelps Ltd
The Shard
32 London Bridge Street
London
SE1 9SG**

Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
ACL	ACL 123 Limited (In Creditors' Voluntary Liquidation) (Formerly Axminster Carpets Limited)
the Appointment Date	22 May 2013, being the date of appointment of the Joint Liquidators
Category 1 Disbursements	The Joint Liquidators' external and incidental costs and expenses in dealing with the Liquidation
Category 2 Disbursements	The Joint Liquidators' internal costs and expenses in dealing with the Liquidation
the Company	Buckfast Spinning Company Limited (In Creditors' Voluntary Liquidation) (Company Number 00483718)
the Cumulative Period	The cumulative period from 22 May 2013 to 8 December 2015
DBIS	The Department for Business, Innovation and Skills
the Directors	Joshua Duffield, Simon Duffield, David Jeffery, Leslie Tonkin and Simon Wright, the directors of the Company at the Appointment Date
Duff & Phelps	Duff & Phelps Ltd , The Shard, 32 London Bridge Street, London, SE1 9SG
Filefigure	Filefigure 30 Limited
Form MR04	Statement of Satisfaction of Charge form which is filed with the Registrar of Companies
HMRC	Her Majesty's Revenue and Customs
HSBC	HSBC Asset Finance (UK) Limited and HSBC Equipment Finance (UK) Limited
the Joint Liquidators*	Benjamin John Wiles and Geoffrey Wayne Bouchier of Duff & Phelps and David John Whitehouse of Duff & Phelps Ltd , The Chancery, 58 Spring Gardens, Manchester, M2 1EW However, in accordance with the Order, David John Whitehouse was removed as Joint Liquidator, with effect from 8 December 2014
LTSB	Lloyds Bank plc
the Order*	A Block Transfer Order (High Court of Justice, Manchester District Registry, No 3401 of 2014)
PNC	PNC Financial Services UK Ltd

Prescribed Part	Pursuant to Section 176A of the Act, where a floating charge is created after 15 September 2003, a designated amount of a company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential unsecured creditors
Previous Reports	The Joint Liquidators' Progress Reports to Creditors, dated 10 July 2014 and 14 January 2015
the Reporting Period	9 December 2014 to 8 December 2015
the Rules	The Insolvency Rules 1986 (as amended)
SOA	Statement of Affairs, documentation supplied by the Directors outlining the Company's financial position as at the Appointment Date

*the Order was obtained on 8 December 2014. The Order provided for the formal removal of David John Whitehouse from office.

David John Whitehouse received his release from office from the Secretary of State on 20 April 2015.

Benjamin John Wiles and Geoffrey Wayne Bouchier remain in office.

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1 Introduction

- 1 1 The Joint Liquidators refer to the Previous Reports and to the creditors' meeting held on 22 May 2013
- 1 2 The purpose of this progress report is to detail the Joint Liquidators' acts and dealings together with the conduct of the Liquidation during the Reporting Period

2. Background

- 2 1 The Joint Liquidators were appointed on the Appointment Date
- 2 2 The Order was obtained on 8 December 2014 and provided for formal removal of David John Whitehouse from office and appointed a replacement office holder, Geoffrey Bouchier, a licensed Insolvency Practitioner of Duff & Phelps, as Joint Liquidator
- 2 3 The Company's registered office is The Shard, 32 London Bridge Street, London, SE1 9SG
The Company's registration number is 00483718
- 2 4 The Company's former registered office was Lower Mills, Buckfast, Devon, TQ11 0EB This was also the former trading address
- 2 5 The Company's principal activity was the preparation and spinning of textile fibres for the manufacturing of carpets In 2010, the Company's business was hived up into ACL and the Company ceased to trade
- 2 6 Please refer to Previous Reports and the Directors' report dated 22 May 2013 for further background information

3. Joint Liquidators Receipts and Payments Accounts

- 3 1 A receipts and payments account for the Reporting Period, together with the Cumulative Period, is shown at Appendix 1
- 3 2 As at the end of the Cumulative Period there was a balance of £28,870 (including VAT receivable of £10,819)

4. Progress of the Liquidation

- 4 1 The manner in which the affairs and business of the Company have been managed in this Reporting Period are set out below

Debtors

- 4 2 As per the SOA, the Company had an inter-company debt of £2,645,000 in relation to the hive up of the Company's business to ACL in 2010
- 4 3 The Company received funds totalling £79,350 on 22 September 2015 in respect of its non-preferential unsecured claim in the Liquidation of ACL The Joint Liquidators of ACL have advised that there is likely to be a second distribution to non-preferential unsecured creditors of ACL, and while the quantum of the distribution will be less than the first distribution, the exact quantum and timing of the dividend is currently uncertain

5 Investigations

- 5 1 The Joint Liquidators have a statutory obligation to file a report with DBIS concerning the conduct of all directors of the Company that served in the three years prior to the Appointment Date. The content of this report is confidential and was submitted to the Insolvency Practitioners Compliance Unit on 20 November 2013. The Joint Liquidators' investigations are complete.

6. Dividend Prospects / Prescribed Part

Secured Creditors

LTSB

- 6 1 The Company granted a debenture in favour of LTSB, created on 4 August 2006, which conferred fixed and floating charges over all of the assets of the Company.
- 6 2 As at the Appointment Date, LTSB confirmed that there was no outstanding liability. Accordingly, Form MR04 was filed at Companies House on 26 July 2013.

PNC

- 6 3 The Company also granted PNC fixed and floating charges over all of the Company's property and assets, present and future, by way of a composite guarantee and debenture, created on 23 December 2011.
- 6 4 As at the Appointment Date, PNC confirmed that there was no outstanding liability. Accordingly, Form MR04 was filed at Companies House on 26 July 2013.

Filefigure

- 6 5 Filefigure was also granted fixed and floating charges by way of a guarantee and debenture, created on 14 December 2012.
- 6 6 As at the Appointment Date, the indebtedness to Filefigure was £1,200,000 as per the SOA, subject to accruing interest and charges. The indebtedness was discharged by ACL on 31 July 2013 and the charges satisfied as part of the cross-corporate guarantees of the wider group. Form MR04 was filed at Companies House on 8 August 2013.

HSBC

- 6 7 The Company granted HSBC two chattel mortgages, created on 29 April 2005 and 11 October 2005, respectively.
- 6 8 As at the Appointment Date, HSBC confirmed that there was no outstanding liability. Accordingly, Forms MR04 were filed at Companies House on 17 October 2013.

Preferential Creditors

- 6 9 The Company ceased trading in 2010 when the Company's business was hived-up into ACL and therefore did not have any employees as at the Appointment Date.
- 6 10 No preferential claims have been received in the Liquidation to date.

Prescribed Part

- 6 11 There are no outstanding floating charges and therefore, the Prescribed Part does not apply

Non-Preferential Unsecured Creditors

- 6 12 According to the SOA, non-preferential unsecured creditors total £16,207,983 and claims totalling £16,731,452 have been received to date. The non-preferential unsecured creditors can be summarised as follows

	SOA	Claims Received
	£	£
Trade & Expense Creditors	600	63,950
Axminster Group Retirement Plan	15,100,000	15,100,000
HM Revenue & Customs	1,107,383	1,567,502
Total	16,207,983	16,731,452

- 6 13 Based upon the current information available, there will be sufficient funds available to enable a distribution to the non-preferential unsecured creditors of the Company. The claim of the Axminster Group Retirement Plan is still to be agreed.
- 6 14 Following agreement of the Axminster Group Retirement Plan claim and receipt of funds from ACL in respect of the second dividend to non-preferential unsecured creditors, the Joint Liquidators will then issue a notice of intended dividend to non-preferential unsecured creditors for a first and final dividend. It is not possible to estimate the quantum of the dividend until the Axminster Group Retirement Plan claim has been agreed and the quantum of the second dividend from ACL has been confirmed.
- 6 15 Any creditors yet to submit a claim against the Company may do so by completing and returning the Proof of Debt Form enclosed at Appendix 3.

7 Costs and Expenses

- 7 1 The basis of the Joint Liquidators' remuneration was fixed by reference to the time properly given by them and their staff in attending to matters arising in the Liquidation, at the meeting held on 22 May 2013.
- 7 2 The time costs incurred by the Joint Liquidators in the Reporting Period are £9,642 and are analysed at Appendix 2. These time costs have been largely incurred in preparing reports to creditors, assisting with the preparation of tax returns, liaising with creditors and conducting internal reviews. Remuneration of £40,348 has been paid to date and this was drawn during the Reporting Period. The Joint Liquidators' incurred Category 1 Disbursements of £31 in the Reporting Period. Part of the Joint Liquidators' Remuneration paid during the Reporting Period relates to time costs incurred by the Joint Liquidators in previous reporting periods.
- 7 3 It is anticipated that a further £10,000 of time costs will be incurred in bringing the Liquidation to a conclusion. These time costs will be paid from funds held in the estate once the dividend has been received from ACL.
- 7 4 The only expenses incurred by the Joint Liquidators in the Reporting Period relate to bank charges totalling £4 and storage costs for the Company's books and records totalling £646 paid to Total Data Management.

- 7 5 The Joint Liquidators' choice of those instructed was based on their perception of the ability and experience to perform this type of work, the complexity and nature of the assignment and the basis of the Joint Liquidators' fee arrangement with them
- 7 6 Information regarding the fees and disbursements of Liquidators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Liquidators' Fees" This can be viewed and downloaded from the Joint Liquidators' website at <http://www.duffandphelps.com/services/restructuring/corporate-restructuring-and-debt-advisory/Creditor-Guides-and-Employee-Fact-Sheets> Should you require a copy, please contact this office
- 7 7 Any secured creditor, or any unsecured creditor (with the support of at least 10% in value of the unsecured creditors), or the permission of the Court, may apply to Court on the grounds that the remuneration or basis fixed for the Joint Liquidators' remuneration or the expenses incurred by the Joint Liquidators are considered to be excessive This application must be made no later than eight weeks after receipt of the progress report, where the charging of the remuneration or the incurring of expenses in question occurs

8. Further Information

- 8 1 In accordance with Rule 4 49E of the Rules, secured creditors and unsecured creditors (with the concurrence of at least 5% in value of total unsecured claims) may make a request in writing to the Liquidator for further information about the remuneration or expenses set out in this progress report This should be done within 21 days of receipt of this report

9. Conclusion

- 9 1 The Joint Liquidators shall be continuing the Liquidation of the Company and have a duty to provide creditors with a progress report on an annual basis
- 9 2 In the meantime, if you require any further information please contact Olivia Shields of this office

Yours faithfully
For and on behalf of
Buckfast Spinning Company Limited



Benjamin Wiles
Joint Liquidator

Appendix 1

Joint Liquidators' Receipts and Payments Accounts

Buckfast Spinning Company Limited (In Creditors' Voluntary Liquidation)
Joint Liquidators' Receipts & Payments Accounts for the Cumulative and Reporting Periods

Statement of Affairs £	The Reporting Period £	The Cumulative Period £
	Asset Realisations	
Uncertain Debtors	79,350 00	79,350 00
Uncertain Terminal Loss Relief	Nil	NIL
Sundry Refunds	Nil	0 05
Bank Interest Gross	2 83	3 25
Water Refund	Nil	3,612 04
Electricity Refund	5 59	11 13
	<u>79,358 42</u>	<u>82,976.47</u>
	Cost of Realisations	
Tax Adviser's Fees	Nil	(620 00)
Pre Insolvency Remuneration	(10,000 00)	(10,000 00)
Pre Insolvency Disbursements	(148 33)	(148 33)
Joint Liquidators' Remuneration	(40,348 57)	(40,348 57)
Joint Liquidators' Disbursements	(1,813 31)	(1,813 31)
Storage Costs	(646 00)	(1,166 00)
Bank Charges	(3 88)	(10 25)
	<u>(52,960 09)</u>	<u>(54,106 46)</u>
	Floating Charge Creditors	
(1,200,000 00) Filefigure 30 Limited	Nil	Nil
Nil Lloyds Bank plc	Nil	Nil
Nil PNC Financial Services Limited	Nil	Nil
	<u>Nil</u>	<u>Nil</u>
	Unsecured Creditors	
(600 00) Trade & Expense Creditors	Nil	Nil
(15,100,000 00) Axminster Group Retirement Plan	Nil	Nil
(1,107,383 00) HM Revenue & Customs	Nil	Nil
	<u>Nil</u>	<u>Nil</u>
	Distributions	
(237,322 00) Ordinary Shareholders	Nil	Nil
	<u>Nil</u>	<u>Nil</u>
<u>(17,645,305 00)</u>	<u>26,398.33</u>	<u>28,870 01</u>
	Represented By	
VAT Receivable		10,819 25
Floating Charge Account		18,050 76
		<u>28,870.01</u>

Appendix 2

Analysis of Time Charged and Expenses Incurred

Buckfast Spinning Company Limited (In Creditors' Voluntary Liquidation)**Analysis of the Joint Liquidators' Time Costs for the Reporting Period**

Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration and Planning								
Case Review and Case Diary Management	0 00	1 40	2 80	2 95	0 00	7 15	2,023 00	282 94
Cashiering and Accounting	0 00	0 40	2 25	4 70	0 00	7 35	1 855 50	252 45
IPS Set Up and Maintenance	0 00	0 00	0 50	0 20	0 00	0 70	194 00	277 14
Statutory Matters (Meetings and Reports and Notices)	0 00	0 80	5 90	4 80	0 00	11 50	2,942 00	255 83
Strategy Planning and Control	0 00	0 20	1 15	0 40	0 00	1 75	545 00	311 43
Tax Compliance / Planning	0 00	0 00	0 30	0 30	0 00	0 60	138 00	230 00
Creditors								
Communications with Creditors / Employees	0 00	0 20	1 60	0 00	0 00	1 80	640 00	355 56
Non Pref Creditor Claims Adjudication and Distribution	0 00	0 00	0 15	0 00	0 00	0 15	51 00	340 00
Non Pref Creditors / Employee Claims Handling	0 00	0 30	2 25	0 40	0 00	2 95	957 00	324 41
Pref Claims Adjudication and Distribution	0 00	0 00	0 50	0 00	0 00	0 50	170 00	340 00
Realisation of Assets								
Other Intangible Assets	0 00	0 00	0 20	0 00	0 00	0 20	78 00	390 00
Other Tangible Assets	0 00	0 10	0 00	0 00	0 00	0 10	48 00	480 00
Total Hours	0 00	3 40	17 60	13 75	0 00	34 75		277 45
Total Fees Claimed (£)	0 00	1,632 00	6,039 50	1,970 00	0 00		9,641 50	

Category 1 Disbursements

Classification of Work	£
Storage Costs	31 00
Total	31 00

Category 2 Disbursements No category 2 Disbursements were incurred in the Reporting Period

Buckfast Spinning Company Limited (In Creditors' Voluntary Liquidation)

Analysis of the Joint Liquidators' Time Costs for the Cumulative Period

Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration and Planning								
Case Review and Case Diary Management	1 00	5 20	8 10	15 15	1 40	30 85	8 460 00	274 23
Cashiering and Accounting	0 00	1 70	3 85	10 00	0 10	15 65	3 858 00	246 52
Dealings with Directors and Management	0 00	0 50	0 50	1 60	0 10	2 70	683 50	253 15
IPS Set Up and Maintenance	0 00	0 00	0 60	2 40	0 00	3 00	593 50	197 83
Statement of Affairs	0 00	0 00	0 00	0 40	0 00	0 40	94 00	235 00
Statutory Matters (Meetings and Reports and Notices)	5 00	2 60	9 40	22 50	0 20	39 70	11 531 50	290 47
Strategy Planning and Control	0 00	0 30	5 85	3 50	0 00	9 65	2 672 50	276 94
Tax Compliance / Planning	0 00	0 60	2 20	7 30	0 00	10 10	2,368 00	234 46
Creditors								
Communications with Creditors / Employees	0 00	0 30	2 85	9 00	0 00	12 15	2 296 25	188 99
Non Pref Creditor Claims Adjudication and Distribution	0 00	0 00	0 15	0 00	0 00	0 15	51 00	340 00
Non Pref Creditors / Employee Claims Handling	0 00	0 50	2 25	0 90	0 00	3 65	1 130 50	309 73
Pref Claims Adjudication and Distribution	0 00	0 00	0 50	0 00	0 00	0 50	170 00	340 00
Secured Creditors	0 00	0 60	0 00	2 30	0 00	2 90	669 50	230 86
Investigations								
CDDA and Reports and Communication	3 00	3 40	10 80	1 50	0 00	18 70	6,926 00	370 37
Financial Review and Investigations (S238/239 etc)	0 00	0 30	0 20	17 80	3 70	22 00	3 854 50	175 20
Realisation of Assets								
Book Debts	0 00	0 20	0 20	0 00	0 00	0 40	160 00	400 00
Other Intangible Assets	0 00	0 00	1 50	0 00	0 00	1 50	520 00	346 67
Other Tangible Assets	0 00	0 10	0 00	0 00	0 00	0 10	48 00	480 00
Pre-Appointment Tax Reclaims	0 00	0 00	0 00	1 10	0 00	1 10	242 00	220 00
Total Hours	9 00	16 30	48 95	95 45	5 50	175.20		264 43
Total Fees Claimed (£)	5,130 00	7,338 00	16,159 75	17,068 50	632 50		46,328 75	

Appendix 3

Proof of Debt Form

Proof of Debt – General Form

Buckfast Spinning Company Limited (In Creditors' Voluntary Liquidation)		
Date of resolution for voluntary winding-up 22 May 2013		
1	Name of creditor (If a company please also give company registration number)	
2	For correspondence Address of creditor	
	Contact telephone number of creditor	
	Email address of creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation	
4	Details of any documents by reference to which the debt can be substantiated (Note There is no need to attach them now but the liquidator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting)	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7	Particulars of any security held, the value of the security, and the date it was given	
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or in relation to creditor	
	Address of person signing (if different from 2 above)	
For Liquidators' Use only		
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Liquidator		Liquidator