

The Insolvency Act 1986

Liquidator's Progress Report
Pursuant to Section 192 of
The Insolvency Act 1986**S.192**

To the Registrar of Companies

For Official Use

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Company Number

00576124

Name of Company

A Houghton & Co Limited

I / We

Lloyd Biscoe
The Old Exchange
234 Southchurch Road
Southend on Sea
SS1 2EGJamie Taylor
The Old Exchange
234 Southchurch Road
Southend on Sea
SS1 2EGthe liquidator(s) of the company attach a copy of my/our progress report
under section 192 of the Insolvency Act 1986

Signed

Date

31/05/2011

Begbies Traynor (Central) LLP
The Old Exchange
234 Southchurch Road
Southend on Sea
SS1 2EG

Ref AH001CVL/LCB/JT/CFB/JDC/PRT

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Insolvency

THURSDAY

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COMPANIES HOUSE

A Houghton & Co Limited (In Creditors' Voluntary Liquidation)

Progress report pursuant to Section 104A of the
Insolvency Act 1986 and Rule 4.49C of the
Insolvency Rules 1986

Period: 16 April 2010 to 15 April 2011

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	A Houghton & Co Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Act on 16 April 2010
"the liquidators", "we", "our" and "us"	Lloyd Biscoe of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG and Jamie Taylor of Begbies Traynor LLP is, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s)	N/A
Company registered number	00576124
Company registered office	The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG
Former trading address	630 Cranbrook Road, Ilford, Essex, IG6 1HJ

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	16 April 2010
Date of liquidators' appointment	16 April 2010
Changes in liquidator (if any)	None

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 16 April 2010 to 15 April 2011

Assets

Cash at Bank

The sum of £8,096 58 was recovered from the Company's bank account

Sundry Refund

A refund in the sum of £46 81 was received in respect of the Company's telephone contract

Payments

Pension Scheme Advice Fees

Subsequent to the Company being placed into liquidation, the liquidators became aware of a pension scheme operated in the Company's name. The sum of £587 was paid to Alexander Forbes Trustee Services Ltd, an independent firm of pension scheme advisors, in respect of their assistance in advising on and winding up the Company's scheme.

Bank Charges

Bank charges are self-explanatory

Details of the office holders' fees and disbursements can be viewed in section number 6 of this report

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the director's statement of affairs included within the report sent to creditors following our appointment as liquidators

Unsecured creditors

There are no known secured or preferential creditors in this case

Unsecured creditors were estimated at approximately £68,000

Based upon realisations to date and estimated future realisations it is anticipated there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors

6. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act by reference to the time properly given by us as liquidators and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report

Our time costs for the period from 16 April 2010 to 15 April 2011 amount to £15,146 50 which represents 62 80 hours at an average rate of £241 19 per hour

The following further information in relation to our time costs and disbursements is set out at Appendix 2

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 16 April 2010 to 15 April 2011
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

To date, we have drawn the total sum of £5,000

7. LIQUIDATORS' EXPENSES

A statement of the Category 2 expenses incurred during the period of this progress report is attached at Appendix 3. No Category 2 expenses have been drawn during this period and therefore they remain outstanding in their entirety.

8. ASSETS THAT REMAIN TO BE REALISED

We are currently investigating the possibility of a small realisation in respect of an uncompleted contract with the assistance of a quantity surveyor.

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, as explained in the report circulated prior to the meeting of creditors convened pursuant to Section 98 of the Act, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills. We can confirm that we have discharged our duties in these respects.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 4.49E of the Rules, 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, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been detailed in this progress report.

Right to make an application to court

Pursuant to Rule 4.131 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate.

11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner

Lloyd Biscoe
Joint Liquidator

Dated 27 May 2011

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 16 April 2010 to 15 April 2011

**A Houghton & Co Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments
To 15/04/2011**

S of A £		£	£
	ASSET REALISATIONS		
8,086 00	Cash at Bank	8,096 58	
	Sundry Refund	46 81	
			8,143 39
	COST OF REALISATIONS		
	Office Holders Fees	5,000 00	
	Pension Scheme Advice Fees	587 00	
	Storage Costs	316 80	
	Bank Charges	11 60	
			(5,915 40)
	UNSECURED CREDITORS		
(68,148 00)	Trade & Expense Creditors	NIL	
			NIL
	DISTRIBUTIONS		
(8,200 00)	Ordinary Shareholders	NIL	
			NIL
(68,262.00)			2,227.99
	REPRESENTED BY		
	Vat Receivable		1,044 82
	Bank 1 Current		1,183 17
			2,227.99

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred, and
- d Table of time spent and charge-out value for the period from 16 April 2010 to 15 April 2011

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories.

- *Category 1 expenses (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 expenses (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval)

- Internal meeting room usage for the purpose of statutory meetings of creditors may be charged by some offices and is charged at the rate of £100 (London £150) per meeting. External meeting room usage is charged at cost.
- Car mileage is charged at the rate of 40 pence per mile.

Expenses which should be treated as Category 2 expenses (approval required) – in addition to the 2 categories referred to above, best practice guidance indicates that where payments are made to outside parties in which the office holder or his firm or any associate has an interest these should be treated as Category 2 expenses. The following items of expenditure which

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)

² Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)

relate to services provided by an entity within the Begbies Traynor Group are to be charged to the case (subject to approval)

- Storage of books and records (when not rechargeable as a *Category 1 expense*) is charged by Archive Facilities (Southend) Limited, an associated company. The rates applying as at the date of this report are

Minimum charge of £33 per quarter for up to three boxes. Four to Two Hundred Boxes charged at £9.90 per quarter per box. Over two hundred boxes are charged at half the aforementioned price, presently £4.95 per box per quarter. Mileage for collection of books and records is charged at 55p per mile. Provision of cardboard box charged at £2.75 per box. Where Archive Facilities (Southend) Limited are required to physically pack the books and records, there is a minimum charge of 2 hours at £15 per hour per person required, and at £15 per hour for each hour thereafter. All figures stated are net.

- BTG Asset Consulting may be engaged to undertake valuations and/or disposal of the assets in this case. BTG Asset Consulting are a part of BGN and therefore an associated company. Their charges are based on a percentage of realisations or time costs. Disbursements are charged at cost and mileage is recovered at 40p per mile.

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 expense*.

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Southend-on-Sea office as at the date of this report are as follows:

Grade of staff	Charge-out Rate (£ per hour)
Partner	495
Director	395
Senior Manager	365
Manager	315
Assistant Manager	270
Senior Administrator	235
Administrator	185
Junior Administrator	160
Support	160

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units).

A Houghton & Co Limited
Time costs analysis for the period from 16/04/10 to 15/04/11

5,000

STATEMENT OF CATEGORY 2 EXPENSES

Cat. / Expenses	Amount	Narrative
	84.00	Photocopying
	10.00	Postage
	125.00	Statutory Advertising
	12.50	Specific Penalty Bond
	12.50	Specific Penalty Bond
	34.50	Faxes
Total	278.50	