

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

01658989

Name of Company

Centerpac Limited

I / We

Francis Graham Newton, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU

Edward T Kerr, Pannell House, 159 Charles Street, Leicester, LE1 1LD

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 21/12/2014 to 20/12/2015

Signed



Date

11 / 2 / 16

BDO LLP
1 Bridgewater Place
Leeds
LS11 5RU

Ref 00183002/FGN/ETK/AR/JK/SBU/DEW

THURSDAY



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COMPANIES HOUSE

To all members and creditors

11 February 2016

Our Ref 009310/JK/FGN/PH/JK/A6

Please ask for James Kershaw
Tel 0113 290 6162
Email james.kershaw@bdo.co.uk

Dear Sirs

Centerpac Limited - In Creditors' Voluntary Liquidation ("the Company")
Registered Address: c/o BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU
Registered number: 01658989
Joint Liquidators: Francis Graham Newton and Edward Terence Kerr
Former Joint Liquidator: Paul James Bates
Joint Liquidators' Addresses: 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU and Pannell House, 159 Charles Street, Leicester, LE1 1LD
Date of Appointment: 21 December 2012

In accordance with Section 104A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986, we provide our annual progress report for the period 21 December 2014 to 20 December 2015 ("the Reporting Period")

On 17 December 2015, an order was made by the High Court of Justice, Chancery Division, Companies Court in London with court reference number CR - 2015 - 8661 removing Paul James Bates as Joint Liquidator of the Company following his resignation from BDO LLP

The court order also provided for Edward Terence Kerr to be appointed as Joint Liquidator of the Company in place of Mr Bates. Mr Kerr is authorised and licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales

Please note that we do not intend to report in detail on matters previously disclosed. This report should therefore be read in conjunction with our previous progress reports.

Joint Liquidators' receipts and payments account

Please find enclosed the Joint Liquidators' receipts and payments account for the Reporting Period and the cumulative position as at 20 December 2015

Further comments are summarised below

Receipts

The only receipt in the Reporting Period is bank interest in the sum of £37.88

Payments

Payments in the Reporting Period total £204 in respect of corporation tax liabilities and stationery and postage costs

Progress of the Liquidation

As previously reported, we identified a number of potential antecedent transactions that may require further investigations. However, there are insufficient funds in the Liquidation to meet the anticipated professional costs that may be incurred in pursuing this claim further

We are therefore liaising with Close Invoice Finance Limited ("Close") and National Westminster Bank Plc ("the Bank"), as the ultimate beneficiaries to any potential recovery, to ascertain whether they would be prepared to provide sufficient funds to meet these costs

In the event that Close or the Bank do not want to provide any funds to pursue the claim, it is our intention to pay a first and final dividend to the Company's unsecured creditors, by virtue of the Prescribed Part, and progress to close the Liquidation.

Assets

Subject to the above, there are no other assets to be realised

Future Prospects

Secured creditors

Close Invoice Finance Limited ("Close")

As previously reported, Close were owed £836,000 at the date of Administration and have a fixed charge over the Company's book debts and a floating charge over all other assets

Close have been repaid £850,743 in respect of their security. However, as a result of interest and termination charges due under the terms of the security, Close will suffer a shortfall in respect of its lending

National Westminster Bank plc ("the Bank")

The Bank were owed £175,000 at the date of the Administration and have a floating charge security that ranks in priority to the floating charge security of Close

A distribution in the sum of £90,000 was paid to the Bank in the Administration

Based on current information, it is anticipated that a further distribution will be paid to the Bank in the region of £19,000. The Bank will however suffer a shortfall in respect of its lending to the Company

Preferential creditors

Preferential creditor claims totalling £672 have been agreed and paid in the Liquidation

Unsecured creditors

We have received claims from unsecured creditors totalling £478,797. These have however yet to be verified and agreed for dividend purposes.

On current information, it is anticipated that there will be sufficient funds available to pay a small dividend to the unsecured creditors by virtue of the Prescribed Part. The amount available is estimated to be in the region of £17,500. The dividend payable is however subject to the level of claims ultimately agreed and the deduction of specific professional costs incurred in agreeing creditor claims and paying the dividend. At this stage, the quantum and timing of any proposed dividend is uncertain.

There will be no funds available to unsecured creditors other than by virtue of the Prescribed Part.

Joint Liquidators' Remuneration

Following the meeting of creditors held on 13 March 2015, the Joint Liquidators remuneration was agreed by reference to the time properly given by them and their staff in attending to matters arising in the Liquidation pursuant to Rule 4.127(2) of the Insolvency Rules 1986.

Please find enclosed schedules analysing the time costs incurred for the following periods:

- 15 December 2012 to 25 December 2015, and
- 20 December 2014 to 25 December 2015

Creditors may access information setting out creditors' rights in respect of the approval of Joint Liquidators' remuneration at

<https://www.r3.org.uk/what-we-do/publications/professional/fees>

We also enclose a document that outlines the policy of BDO LLP in respect of fees and disbursements.

To date, no remuneration has been drawn in respect of our time costs.

Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements.

Liquidators often charge expenses for example postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of a specific case. Such expenses, which are apportioned to cases, require the approval of the creditors, before they can be drawn and these are known as category 2 disbursements. The policy of BDO LLP is not to charge any category 2 disbursements in this matter.

Category 1 disbursements in the sum of £151 plus VAT have been incurred in respect of statutory advertising costs.

Creditors' rights

We provide at the end of this report an extract from the Insolvency Rules 1986 setting out the rights of creditors to request further information and/or challenge the remuneration or expenses within the liquidation.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency practitioners. In the event that you make a complaint to us but are not satisfied with the response then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

Should you require any further information please do not hesitate to contact James Kershaw on 0113 290 6162

Yours faithfully
For and on behalf of
Centerpac Limited



F G Newton
Joint Liquidator

F G Newton is authorised by the Insolvency Practitioners Association in the UK
E T Kerr is authorised by the Institute of Chartered Accountants in England and Wales in the UK

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Centerpac Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs	From 21/12/2014 To 20/12/2015	From 21/12/2012 To 20/12/2015
ASSET REALISATIONS		
Admin VAT Refund	NIL	14,227.57
Transfer from Administration	NIL	25,577.67
Bank Interest Gross	37 88	115.30
	<u>37.88</u>	<u>39,920.54</u>
COST OF REALISATIONS		
Broadstone Fees	NIL	819.00
Corporation Tax	17.92	26 90
Stationery & Postage	186 14	530 26
Statutory Advertising	NIL	422 16
	<u>(204.06)</u>	<u>(1,798 32)</u>
PREFERENTIAL CREDITORS		
Preferential Creditor Distribution	671 57	671 57
	<u>(671.57)</u>	<u>(671 57)</u>
	<u>(837.75)</u>	<u>37,450.65</u>
REPRESENTED BY		
VAT Receivable		73 16
Current Account		37,377 49
		<u>37,450.65</u>

Centerpac Limited - In Creditors Voluntary Liquidation
Joint Liquidators' detailed time costs summary for the period 15 December 2012 to 25 December 2015

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AVERAGE HOURLY RATE £
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
B Steps on Appointment			1 25	290 00	3 00	555 00							4 25	845 00	198 82
C Planning and Strategy			6 30	1,333 90	8 95	1 637 85							15 25	2,971 75	194 87
D General Administration	3 25	1,430 75	4 40	924 20	29 70	5,466 50	2 30	395 80	16 15	2,333 55	0 40	21 90	56 20	10 572 70	188 13
E Assets Realisation/Dealing	1 25	576 25	14 65	3 659 45	4 10	762 30							20 00	4 998 00	249 90
G Employee Matters					0 30	55 50							0 30	55 50	185 00
H Creditor Claims			0 70	142 10	2 40	440 50	1 25	212 50					4 35	795 10	182 78
I Reporting	1 25	531 25	10 70	2,310 10	19 25	3 528 45	1 75	297 50					32 95	6,667 30	202 35
J Distribution and Closure			0 30	60 90	0 80	146 40							1 10	207 30	188 45
Total	5 75	2,538 25	38 30	8,720 65	68 50	12,592 50	5 30	905 80	16 15	2,333 55	0 40	21 90	134 40	27,112 65	201 73

Centerpac Limited - In Creditors Voluntary Liquidation
Joint Liquidators' detailed time costs summary for the period 20 December 2014 to 25 December 2015

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AVERAGE HOURLY RATE £
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
C. Planning and Strategy			4.50	934.50	1.60	292.80							6.10	1,227.30	201.20
D. General Administration	1.25	576.25	0.80	185.40	6.55	1,203.15	0.30	55.80	1.85	142.25	0.40	21.90	11.15	2,184.75	195.94
E. Assets Realisation/Dealing	1.25	576.25	1.10	279.80	1.95	359.55							4.30	1,215.60	282.70
H. Creditor Claims					0.80	147.30							0.80	147.30	184.13
I. Reporting	0.75	345.75	3.20	787.60	13.95	2,557.35							17.90	3,690.70	206.18
J. Distribution and Closure					0.80	146.40							0.80	146.40	183.00
Total	3.25	1,498.25	9.60	2,187.30	25.65	4,706.55	0.30	55.80	1.85	142.25	0.40	21.90	41.05	8,612.05	209.79



Centerpac Limited - In Creditors' Voluntary Liquidation

In accordance with best practice we provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency

The current charge out rates per hour of staff within our firm who may be involved in working on the insolvency, follows. This in no way implies that staff at all such grades will work on the case.

GRADE £

Partner	484
Director	335
Senior Manager	285-310
Manager	213-242
Executive	119-181
Junior Executive	66-82
Cashier	181-192
Support Staff	66

The rates charged by BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU are reviewed in December and July each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories -

- Pre Appointment
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management
- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

1) Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.

2) Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred.

3) Category 2

Insolvency practice additionally provides for the recharge of expenses such as postage, stationery, photocopying charges, telephone, fax and other electronic communications, which cannot be economically recorded in respect of each specific case. Such expenses, which are apportioned to cases, must be approved by the creditors in accordance with the Insolvency Rules 1986, before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP, in respect of this appointment is not to recharge any expense which is not a specific cost to the case, therefore there will be no category 2 disbursements charged.

A further disbursement under this heading is the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the Inland Revenue Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency Rules 1986 to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.

Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Liquidators' fees and expenses:

Rule 4.49E Creditors' and members' request for further information

(1) If-

- (a) within the period mentioned in paragraph (2)-
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (iii) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (b) with the permission of the court upon an application made within the period mentioned in paragraph (2)-
 - (i) any unsecured creditor, or
 - (ii) any member of the company in a members' voluntary winding up,
- makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4.49B(1)(e) or (f) (including by virtue of Rule 4.49C(5)) or in a draft report under Rule 4.49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter[s] in a draft report under Rule 4.49D or a progress report required by Rule 4.108 which (in either case) was previously included in a progress report not required by Rule 4.108

(2) The period referred to in paragraph (1)(a) and (b) is-

- (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4.108, and
- (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case

(3) The liquidator complies with this paragraph by either-

- (a) providing all of the information asked for, or
- (b) so far as the liquidator considers that-
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
 - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information

Rule 4.131 Creditors' claim that remuneration is or other expenses are excessive

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that-
- (a) the remuneration charged by the liquidator,
 - (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
 - (c) expenses incurred by the liquidator,
- is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party
- If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders-
- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
 - (b) an order fixing the basis of remuneration at a reduced rate or amount,
 - (c) an order changing the basis of remuneration,
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
 - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,
- and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation