

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

02496182

Name of Company

21st Century Logistics Limited

I / We

Jason James Godefroy, Level 14, The Shard, 32 London Bridge Street, London, SE1 9SG

Paul David Williams, 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 03/08/2013 to 02/08/2014

Signed

Date

29/01/14

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

Ref 40273C/JJG/PDW/jwl/RBM/mef/

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Progress Report to Creditors

29 September 2014

**21st Century Logistics Limited
(In Creditors' Voluntary Liquidation)**

Annual Report of the Joint Liquidators
For the period from 3 August 2013 to 2 August 2014
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)
the Appointment Date	3 August 2012 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	21st Century Logistics Limited (In Creditors' Voluntary Liquidation) (Company Number 02496182)
DBIS	The Department for Business Innovation & Skills
the Director	Fredrik Helander, the sole director of the Company
The Former Joint Administrators	Jason James Godefroy and Paul David Williams of Duff & Phelps Ltd, The Shard, 32 London Bridge Street, London, SE1 9SG
HMRC	HM Revenue & Customs
Leumi	Leumi ABL Limited, the holder of fixed and floating charges over the assets of the Company
the Joint Liquidators	Jason James Godefroy and Paul David Williams of Duff & Phelps Ltd, The Shard, 32 London Bridge Street, London, SE1 9SG
Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential unsecured creditors
the Previous Report	The Joint Liquidators' annual progress report dated 27 September 2013
RPS	Redundancy Payments Service
the Reporting Period	3 August 2013 to 2 August 2014
the Rules	The Insolvency Rules 1986 (as amended)

DUFF & PHELPS

SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
S of A	Statement of Affairs, documentation supplied by the Director outlining the Company's financial position as at the Appointment Date

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- 1 Joint Liquidators' Receipts and Payments Account
- 2 Analysis of Joint Liquidators' Time Charged and Expenses Incurred

1 Introduction

- 1.1 The purpose of this annual progress report is to detail the Joint Liquidators' acts and dealings, together with the conduct of the Liquidation during the Reporting Period
- 1.2 This report should be read in conjunction with the Previous Report, which is available to view and download on the Duff & Phelps website. A hard copy of the report can be made available upon request

2 Background

- 2.1 The Company's registered office is c/o Duff & Phelps, The Shard, 32 London Bridge Street, London, SE1 9SG
- 2.2 The Company's former registered office was Diana House, Eurolink Commercial Park, Sittingbourne, Kent, ME10 3RR. This was also the former trading address
- 2.3 The Company was placed into Administration on 25 August 2011. During the Administration, the book debts were collected and the Company's vehicles were sold. The Company was placed into Liquidation to enable the remaining assets to be realised. The Joint Liquidators of the Company were appointed on the Appointment Date
- 2.4 For further details of the background leading up to the Liquidation of the Company, please refer to the Former Joint Administrators' progress reports dated 11 October 2011, 23 March 2012, 28 August 2012, together with the Previous Report. These reports are available to view and download on the Duff & Phelps website, or alternatively a hard copy of the reports can be made available upon request.

3 Joint Liquidators Receipts and Payments Account

- 3.1 A detailed receipts and payments account for the period from 3 August 2013 to 2 August 2014 is shown in Appendix 1. As at the period end date there was a cash balance of £115,844

4 Asset Realisations

- 4.1 Details of assets realised by the Joint Liquidators during the Reporting Period are set out below

VAT Bad Debt Relief

- 4.2 As previously reported, the Joint Liquidators submitted a claim of £47,807 to HMRC, in respect of VAT Bad Debt Relief, on 8 July 2013
- 4.3 The Joint Liquidators received £47,807 from HMRC in full and final settlement of their VAT Bad Debt Relief claim during the Reporting Period

Business Rates Refunds

- 4 4 During the Reporting Period, the Joint Liquidators corresponded with the rating authority for the Company's former trading premises at Sittingbourne, Kent in order to establish whether any refunds were due to the Company following an audit of the property's historic rateable value
- 4 5 As a result, business rates refunds totalling £27,053 have been negotiated by the Joint Liquidators and these funds were received during the Reporting Period. No further realisations from this source are anticipated

Bank Interest

- 4 6 During the Reporting Period, bank interest totalling £327 has been received into the Liquidation estate
- 4 7 The Joint Liquidators do not anticipate any further asset realisations in the Liquidation estate

5 Investigations

- 5 1 As previously reported, the Directors' conduct report was submitted to DBIS on 3 February 2013. The content of this report remains confidential
- 5 2 During the Reporting Period, the Joint Liquidators have continued to investigate the potential existence of the antecedent transactions below
- Section 238 of the Act – transactions at undervalue
 - Section 239 of the Act – preference
 - Section 423 of the Act – transactions to defraud creditors
- 5 3 The Joint Liquidators' investigations into the Company's affairs are now complete. The Joint Liquidators have been unable to identify sufficient evidence to enable a successful claim to be brought in respect of the above antecedent transactions and no further action will be taken in respect of the potential claims outlined above

6 Dividend Prospects / Prescribed Part

Secured Creditors

- 6 1 In consideration for the monies advanced under a receivables finance agreement, the Company granted Leumi a full form debenture created on 21 April 2011 and registered on 27 April 2011 which confers fixed and floating charges over all of the assets of the Company
- 6 2 As at the date of the Former Joint Administrators' appointment, the Company's indebtedness to Leumi was £787,038, subject to accruing interest and charges
- 6 3 As previously reported, Leumi was repaid in full from book debt realisations during the Administration of the Company

Preferential Creditors

- 6 4 Based on the current information, and following the successful recovery of the business rates refunds and VAT Bad Debt Relief as outlined at section 4 of this report, the Joint Liquidators anticipate that a first and final dividend of between 60p and 65p in the £ will be paid to the Company's preferential creditors within the next four to six weeks following this report
- 6 5 The Joint Liquidators have received preferential claims in the Liquidation totalling £168,612
- 6 6 The preferential claims are made up of employees' claims for arrears of wages and unpaid holiday pay, which are mostly subrogated to the Secretary of State, following payment by the RPS

Prescribed Part

- 6 7 Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a Prescribed Part of the Company's net property shall be made available to unsecured creditors
- 6 8 The Prescribed Part is calculated as a percentage of net property, as follows -
- | | |
|------------------------------------|--|
| Net property less than £10,000 | 50%, unless the Joint Liquidators consider that the costs of making a distribution to the non-preferential unsecured creditors would be disproportionate to the benefits |
| Net property greater than £10,000. | 50% up to £10,000, plus 20% thereafter to a maximum of £600,000 |
- 6 9 As previously reported, Leumi have been repaid in full and therefore the provisions of the Prescribed Part will not apply

Non-Preferential Unsecured Creditors

- 6 10 According to information contained within the Company's books and records, non-preferential unsecured creditors totalled £923,893 as at the date of the Administration. The non-preferential unsecured creditors' claims received to date can be summarised as follows

	£
Trade & Expense Creditors	667,915
Employees & RPS	635,042
HMRC	<u>351,582</u>
Total	<u>1,654,539</u>

- 6 11 The level of claims received in respect of the Company's employees and the RPS has increased since the Previous Report, following the Joint Liquidators' reconciliation of a revised claim from the RPS
- 6 12 Based upon the current information available, there are insufficient funds available to enable a distribution to be made to non-preferential unsecured creditors of the Company

7 Costs and Expenses

- 7.1 The basis of remuneration fixed in the Administration under Rule 2.106 of the Rules is treated as having been fixed in the Liquidation under Rule 4.127(5A) of the Rules. The Joint Administrators' remuneration was fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration, and therefore, the Joint Liquidators' remuneration is fixed in the same manner.
- 7.2 The time costs charged by the Joint Liquidators during the Reporting Period are analysed at Appendix 2, in accordance with SIP 9.
- 7.3 During the Reporting Period the Joint Liquidators have drawn remuneration of £30,000.
- 7.4 The Joint Liquidators have incurred the following expenses in dealing with the administration of the Company during the Reporting Period:

Edwin Coe LLP	Solicitors - Assist with investigations into the Company's affairs on a Conditional Fee Basis	£5,300
Menzies LLP	Accountants - Assisting with post appointment corporation tax returns	£275
Total Data Management Limited	Storage - Providing off-site archiving facilities for Company books and records	£860
Accurate Mailing Services Limited	Stationary & Postage - Mailing agent - Mailout of statutory reports to all known creditors	£220

- 7.5 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/uk-restructuring/creditor-guides>. Should you require a copy, please contact this office.
- 7.6 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 Liquidator's remuneration or the expenses incurred by the Joint Liquidators are considered to be excessive. This application must be made no later than 8 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, or with the permission of the Court) may make a request in writing to the Joint Liquidators for further information about the remuneration or expenses set out in this progress report. This should be done within 21 days receipt of this report.

9 Conclusion

- 9.1 The Joint Liquidators shall be continuing their Liquidation of the Company and have a duty to provide creditors with a progress report on an annual basis
- 9.2 It is anticipated that the Liquidation will be brought to a close following payment of the proposed dividend to preferential creditors, as outlined at section 6.4 of this report. Accordingly, it is anticipated that the next report to creditors will be the Joint Liquidators' final progress report
- 9.3 If you require any further information, please contact Robert Mitchell of this office

Yours faithfully
For and on behalf of
21st Century Logistics Limited



Jason Godefroy
Joint Liquidator

APPENDIX 1

Joint Liquidators' Receipts and Payments Account

Joint Liquidators' Receipts and Payments Account
21st Century Logistics Limited
(In Creditors' Voluntary Liquidation)

	From 3 August 2013 To 2 August 2014 £	From 3 August 2012 To 2 August 2014 £
Receipts		
ASSET REALISATIONS		
Shares & Investments	NIL	200 00
Pre Appointment Insurance Claim	NIL	3,282 19
Transfer from Admin	NIL	107 982 97
Bank Interest Gross	327 35	502 77
Business Rates Refunds	27 053 48	27 053 48
VAT Bad Debt Relief	47 807 34	47 807 34
Treasured Number Plates	NIL	3 040 00
Book Debt Surplus	NIL	18 559 76
Transport Refunds	NIL	346 52
	75,188 17	208,775 03
Payments		
COST OF REALISATIONS		
Joint Administrators' Remuneration	NIL	50 000 00
Joint Liquidators' Remuneration	30 000 00	30 000 00
Joint Liquidators' Disbursements	159 00	159 00
Accountants Fees	275 00	1 275 00
Agents'/Valuers' Fees	NIL	100 00
Legal Fees	NIL	2 000 00
Corporation Tax Charges	547 20	547 20
Stationery & Postage	220 35	496 95
Storage Costs	860 00	1 720 00
Statutory Advertising	NIL	76 50
Insurance of Assets	NIL	265 00
Bank Charges	15 00	32 40
	(32,076 55)	(86,672 05)
Balance	43,111 62	122,102 98
Made Up As Follows		
VAT Receivable		6,258 80
Floating Account		42 575 35
Time Deposit Account		73 268 83
		122,102 98

Note: No Statement of Affairs was provided by the Director of the Company

APPENDIX 2

Analysis of Joint Liquidators' Time Charged and Expenses Incurred

21st Century Logistics Limited (in Creditors' Voluntary Liquidation)
Analysis of the Joint Liquidators' Time Costs for the Reporting Period

	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration & Planning								
Case Review & Case Diary Management	0 00	10 20	5 80	0 10	0 00	16 10	5 881 50	365 31
Cashiering & Accounting	0 10	2 40	2 90	5 70	0 30	11 40	2 883 00	251 14
Dealings with Directors & Management	0 00	0 00	1 40	0 00	0 00	1 40	371 00	265 00
IPS Set Up & Maintenance	0 00	2 70	1 25	0 00	0 00	3 95	1 587 25	396 77
Statutory Matters (Meetings Reports & Notices)	1 00	3 30	20 10	0 00	0 00	24 40	7 435 00	304 71
Strategy Planning & Control	0 00	5 60	6 55	0 70	0 00	12 85	4 234 25	329 51
Tax Compliance/Planning	0 00	0 70	4 10	0 00	0 00	4 80	1 385 50	288 65
Creditors								
Communications with Creditors/Employees	0 00	1 50	1 20	0 00	0 00	2 70	912 00	337 78
Non Pref Creditors/Employee Claims Handling	0 00	1 10	2 60	0 00	0 00	3 70	1 162 00	314 05
Pref Claims Adjudication & Distribution	0 00	10 90	37 00	6 05	0 00	62 95	17 868 00	283 81
Investigations								
Financial Review & Investigations (S238/239 etc)	0 00	2 60	0 80	0 00	0 00	3 40	1 316 00	387 06
Forensic Sales Ledger Investigation	0 00	5 30	0 00	0 00	0 00	5 30	2 173 00	410 00
Realisation of Assets								
Freehold & Leasehold Property	0 00	2 60	5 60	0 00	0 00	8 60	2 741 00	318 72
Other Tangible Assets	0 00	0 00	0 80	0 00	0 00	0 80	200 00	250 00
Pre-Appointment Tax Reclaims	0 00	0 00	1 90	0 00	0 00	1 90	493 00	259 47
Total Hours	1 10	58 10	92 20	12 55	0 30	164 25		308 07
Total Fees Claimed (£)	630 00	22,959 00	24 882 00	2 094 80	33 50		50,600 50	

Joint Liquidators' Disbursements

Category 1	£
Storage Costs (Total Data Management Limited)	41 00
Total	41 00

The above costs exclude VAT

Category 2

No Category 2 disbursements have been charged to this matter

21st Century Logistics Limited (in Creditors' Voluntary Liquidation)

Analysis of the Joint Liquidators' Time Costs for the period from 3 August 2012 to 2 August 2014

	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration and Planning								
Case Review & Case Diary management	1 40	14 50	13 25	15 90	3 15	48 20	12 468 75	258 69
Cashiering & Accounting	0 20	7 30	4 80	18 50	0 30	28 90	7 196 00	249 00
Dealings with Directors & Management	0 00	0 00	12 75	0 00	0 00	12 75	3 313 25	259 86
IPS Set Up & Maintenance	0 00	3 00	1 90	0 00	0 00	4 90	1 892 50	386 22
Insurance	0 00	0 00	3 10	0 00	0 00	3 10	782 50	252 42
Statutory matters (Meetings Reports & Notices)	1 00	3 30	22 10	11 50	0 00	38 00	9 361 00	246 34
Strategy Planning & Control	0 50	7 20	30 05	0 90	0 00	38 65	11 854 25	306 71
Tax Compliance/Planning	0 00	1 10	8 00	11 50	0 00	20 60	3 869 00	187 82
Creditors								
Communications with Creditors/Employees	0 00	1 80	1 90	0 00	0 00	3 70	1 210 00	327 03
Non Pref Creditors/Employees Claims Handling	0 00	1 10	2 80	0 00	0 00	3 90	1 224 00	313 85
Pref Claims Adjudication & Distribution	0 00	19 90	37 00	6 05	0 00	62 95	17 886 00	283 81
Secured Creditors	0 00	0 00	0 20	0 00	0 00	0 20	65 00	325 00
Investigations								
CDDA Reports & Communication	0 00	0 30	5 50	1 10	0 00	6 90	1 610 50	233 41
Financial Review & Investigations (S238/239 etc)	3 00	25 80	6 00	5 50	0 00	40 30	13 530 00	335 73
Forensic Sales Ledger Investigation	0 00	5 30	2 80	0 00	0 00	8 10	2 873 00	354 69
Realisation of Assets								
Book Debts	0 00	0 80	2 80	0 00	0 00	3 60	996 00	276 67
Freehold & Leasehold Property	0 00	2 80	8 60	0 00	0 00	11 40	3 448 50	302 50
Other Tangible Assets	0 00	1 50	1 70	0 00	0 00	3 20	975 00	304 69
Pre-Appointment Tax Reclaims	0 00	0 00	4 40	0 00	0 00	4 40	1 118 00	254 09
Trading								
Trading - Accounting	0 00	0 00	0 00	5 00	0 00	5 00	573 50	114 70
Trading - Insurance	0 00	0 00	0 00	0 30	0 00	0 30	33 00	110 00
Trading - Operations	0 00	0 00	0 00	2 70	0 00	2 70	299 50	110 93
Total Hours	6 10	95 70	169 45	77 05	3 45	351 75		274 51
Total Fees Claimed. (£)	3 442.50	38 985 00	45,687 00	10 047 00	397 75		98 559 25	

Joint Liquidators Disbursements

Category 1	£
Storage Costs (Total Data Management Limited)	159 00
Total	159 00

The above costs exclude VAT

Category 2

No Category 2 disbursements have been charged to this matter