

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

02514004

Name of Company

Brencom Information Technology Ltd

I / ~~We~~

David Adam Broadbent, 17/25 Scarborough Street, Hartlepool, TS24 7DA

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 28/03/2013 to 27/03/2014

Signed



Date

6 MAY 2014

Broadbents Business Recovery Services Limited
17/25 Scarborough Street
Hartlepool
TS24 7DA

Ref B020/DB/MR/SA/LT

THURSDAY



A19 *A37FW829* 08/05/2014 #139
COMPANIES HOUSE

Brencom Information Technology Ltd
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 28/03/2013 To 27/03/2014
	ASSET REALISATIONS	
Uncertain	Directors Overdrawn Loan Account	45,000 00
150 00	Furniture & Equipment	125 00
	Bank Interest Net of Tax	0 29
		<u>45,125 29</u>
	COST OF REALISATIONS	
	Preparation of Statement of Affairs	5,000 00
	Liquidators Fee	3,000 00
	Liquidators Disbursements	503 17
	Legal Fees	250 00
		<u>(8,753 17)</u>
	UNSECURED CREDITORS	
(3,600 00)	Trade & Expense Creditors	NIL
(9,800 00)	Banks/Institutions	NIL
(166,739 00)	HM Revenue & Customs (PAYE/NIC/C	NIL
(836 00)	HM Revenue & Customs (VAT)	NIL
		<u>NIL</u>
	DISTRIBUTIONS	
(100 00)	Ordinary Shareholders	NIL
		<u>NIL</u>
<u>(180,925.00)</u>		<u><u>36,372.12</u></u>
	REPRESENTED BY	
	Bank 1 Current	34,646 49
	Vat Control Account	1,725 63
		<u><u>36,372.12</u></u>



David Adam Broadbent
Liquidator

LIQUIDATOR'S ANNUAL REPORT
FOR THE MEMBERS AND CREDITORS OF
BRENCOM INFORMATION TECHNOLOGY LIMITED

*Broadbents Business Recovery Services Limited
York Eco Business Centre
Amy Johnson Way
Clifton Moor
York
YO30 4AG*

Tel No – (01904) 691 553

Email – michael.royce@broadbentsbrs.com

**ANNUAL REPORT FOR THE MEMBERS AND CREDITORS OF
BRENCOM INFORMATION TECHNOLOGY LIMITED**

- 1 Introduction
- 2 Statutory Information
- 3 Asset Realisations
- 4 Payments
- 5 Prescribed Part
- 6 Investigations
- 7 Creditor Claims & Dividend Prospects
- 8 Conclusion

Appendices

- Liquidator's account of receipts and payments,
- Liquidator's time costs and disbursements
- Statement of Liquidator's expenses

1. INTRODUCTION

Meeting of Shareholders

An Extraordinary Meeting of Shareholders was held at 12 00 Noon on 28 March 2013, and the following resolutions were proposed and passed -

- a) That Brencom Information Technology Limited be wound up voluntarily, and
- b) That David Adam Broadbent of Broadbents Business Recovery Services Limited, 17/25 Scarborough Street, Hartlepool be appointed as Liquidator

Meeting of Creditors

A Meeting of Creditors was subsequently held at 12 30pm on 28 March 2013, and the following resolutions were proposed and passed -

- a) That David Adam Broadbent of Broadbents Business Recovery Services Limited, 17/25 Scarborough Street, Hartlepool be and is hereby appointed Liquidator for the purpose of such winding up
- b) That Broadbents Business Recovery Services Limited be remunerated in the sum of £4,000 plus VAT and disbursements and Tenable Solutions be paid the sum of £1,000 plus VAT, in settlement of their fees for services rendered to the directors in relation to the preparation of the statement of affairs and associated documentation and for convening the general meeting of the company and the meeting of creditors, pursuant to rules 4 38 and 4 62 of the Insolvency Rules 1986 The payment of these fees to be made from the realisation of the company's assets and to be paid in due course
- c) That the Liquidator's remuneration for dealing with matters arising in the liquidation should be calculated by reference to the time costs properly incurred by the Liquidator and his staff and authority is hereby given for the Liquidator to draw the remuneration on this basis

2. STATUTORY INFORMATION

<i>Company Name</i>	Brencom Information Technology Limited	
<i>Company Number</i>	0251 4004	
<i>Trading Name</i>	As above	
<i>Former Names</i>	N/A	
<i>Date of Incorporation</i>	21 June 1990	
<i>Nature of Business</i>	IT consultants / analysts	
<i>Authorised Share Capital</i>	1,000 Ordinary 'A' Shares of £1 each	
<i>Issued and fully paid</i>	100 Ordinary 'A' Shares of £1 each	
<i>Shareholders</i>	George Brennan Dorothy Janet Brennan	(51 Ordinary 'A' Share of £1) (49 Ordinary 'A' Share of £1)
<i>Directors</i>	George Brennan Dorothy Janet Brennan	(from June 1990 to present) (from 27 September 1993 to present)
<i>Company Secretaries</i>	George Brennan Dorothy Janet Brennan	
<i>Registered Office</i>	17-25 Scarborough Street Hartlepool TS24 7DA	
<i>Formerly</i>	Horsey Grange Whittlesey Road Peterborough PE7 2PP	
<i>Trading Address</i>	Horsey Grange Whittlesey Road Peterborough PE7 2PP	
<i>Debenture</i>	N/A	

3. ASSET REALISATIONS

Directors Overdrawn Loan Account

According to the last set of accounts produced, the company was owed the total sum of £109,282 (as at 30 June 2010) from its directors – the directors were, however, uncertain as to the quantum of the loan account (as at the date of the Meeting of Creditors) nor the prospects of its recovery

After several months of negotiations with the directors, I received an offer from them in the sum of £45,000 (by way of third party introduction) in full and final satisfaction of the loan account – having considered same, my solicitors advised me that the offer should be accepted – the funds were received shortly after acceptance

Office Furniture & Computer Equipment

As outlined in the Directors' Report, the company owned Office Furniture & Computer Equipment, which independent agents considered to have an "ex-situ" (i.e. forced sale) basis valuation of £150

An offer was received from the directors to purchase the assets for the sum of £125 plus VAT – having discussed the matter with my agents, I was advised to accept same, given that the costs of recovery and sale (by auction) would outweigh any potential realisations

The realisation made was therefore slightly lower than the directors' estimate

Bank Interest (Net of tax)

Bank interest in the sum of 29p has accrued on funds invested over the duration of the case

4. PAYMENTS

Statement of Affairs

As outlined earlier in this report, a resolution was passed at the Meeting of Creditors, in relation to the pre-appointment costs, as follows -

"That Broadbents Business Recovery Services Limited be remunerated in the sum of £4,000 plus VAT and disbursements and Tenable Solutions be paid the sum of £1,000 plus VAT, in settlement of their fees for services rendered to the directors in relation to the preparation of the statement of affairs and associated documentation and for convening the general meeting of the company and the meeting of creditors, pursuant to rules 4.38 and 4.62 of the Insolvency Rules 1986 "

These costs have both been paid in full

Liquidator's Remuneration

A further resolution (outlined earlier in this report) was also passed at the Meeting of Creditors, in relation to the post-appointment costs, as follows -

"That the Liquidator's remuneration for dealing with matters arising in the liquidation should be calculated by reference to the time costs properly incurred by the Liquidator and his staff and authority is hereby given for the Liquidator to draw the remuneration on this basis "

A copy of the original charge-out rates is appended to this report

As required by Statement of Insolvency Practice 9 ("SIP 9"), I attach a schedule detailing my costs incurred on this case, which you will note total £5,320 over 54.2 hours, at an average hourly charge-out rate of £98.15 per hour

I have drawn the sum of £3,000 against these costs

Pursuant to Rule 4 49E of the Insolvency Rules 1986 (as amended), 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 the I provide further information about my remuneration or expenses which have been detailed in this progress report

Pursuant to Rule 4 131 of the Insolvency Rules 1986 (as amended), 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 eight weeks of receipt of this report, make an Application to Court on the grounds that the remuneration charged or the expenses incurred as set out in this report are excessive or that the basis fixed for our remuneration is inappropriate

Category One Disbursements

As outlined on the attached schedule, SIP 9 defines "Category One Disbursements" as being expenses directly attributable to the insolvent estate, paid to an independent third party, which are recoverable from the insolvent estate (without further creditor approval)

The following disbursements have been incurred and drawn from the case -

	£
Bordereau	30 00
Statutory Advertising	253 80
Travel & Parking Costs	115 20
Room Hire	<u>104 17</u>
	<u>£ 503.17</u>

Other Professionals

Michael Steel & Co (Agents)

As detailed earlier, independent agents have assisted with the valuation and sale of the company's assets

Their costs in this matter total £100 plus VAT, which will be paid shortly from funds held

Parisi Solicitors (Legal)

As detailed earlier, solicitors have provided advice on the offer regarding the overdrawn directors loan account

Their costs in this matter total £250 plus VAT, and have been paid in full

Pursuant to R4 49C(5) and R4 49B(1)(f) a statement of the expenses incurred during the period of this progress report is attached

5. PRESCRIBED PART

Section 176A of the Insolvency Act 1986 relates to companies in Liquidation, where the business has created a Floating Charge after 15 September 2003

No Floating Charge has been granted by the company, and section 176A does not therefore apply in this instance

6 INVESTIGATIONS

A final return has been submitted on the directors' conduct and actions prior to my appointment as Liquidator

I am, however, precluded from divulging the contents of the report to creditors, as it is a confidential document between an office-holder and the Department for Business, Innovation and Skills

7 CREDITORS

Preferential Creditors

As outlined in the Directors' Report, the company had no preferential creditors, and I can confirm I have received no claims from any preferential creditors

Secured Creditors

As outlined in the Directors' Report, the company had no secured creditors, and I can confirm I have received no claims from any secured creditors

Non-Preferential Creditors

As outlined in the Directors' Report, the company had unsecured creditors totalling £180,975

Since the date of my appointment, I have received a number of claims from unsecured creditors, as outlined below (shown against the directors' original estimates) -

	<i>Estimate</i> £	<i>Claim</i> £
Trade (claim received) (x1)	3,600	3,600
National Westminster Bank PLC	9,800	9,998
Employees / Redundancy Payments Office	-	12,972
H M Revenue & Customs (PAYE/NIC)	166,739	185,585
H M Revenue & Customs (VAT)	<u>836</u>	<u>Agreed Nil</u>
	<u>£180,975</u>	<u>£212,155</u>

You will note from the above that the claims received from the trade creditor and former bank, are both in line with (or not materially higher than) the directors' estimates

H M Revenue & Customs have, however, submitted a claim for unpaid PAYE/NIC that is materially higher than the directors' estimate – having reviewed the claim, it would appear the difference relates to interest charged on the debt, which the directors were unaware of when preparing their Statement of Affairs – no further investigation is therefore required

I have also received an additional claim from the Redundancy Payments Office (in relation to payments made to former employees), which was not included in the directors' original listing – the amount relates to claims against the company by the directors (as former employees), which they were unaware they were entitled to (at the date of production of their Statement of Affairs) – no further investigation is therefore required

I am in the process of agreeing creditor claims with a view to issuing a first and final dividend – I am currently, however, uncertain as to the quantum of same

8. CONCLUSION

Once the distribution to unsecured creditors has been issued, I will be in a position to conclude this matter, and obtain my release as Liquidator

As required under the new regulations, I will circulate a draft Final Report to Creditors (not too dissimilar to this one), and allow a period of eight weeks' time to see whether creditors or shareholders have any objection to the level of remuneration drawn

If any party has a current objection to the level of fees drawn, however, please would they kindly contact me as soon as possible

In the meantime, if any creditor has a query with regard the content of this report they should contact the case manager (Michael Royce) on (01904) 691 553 – please note that, in accordance with the new regulations, there is no longer any requirement to hold an Annual Meeting of Members or Creditors

Signed  _____

David Adam Broadbent
Liquidator

Dated 6 May 2014

**Brencom Information Technology Ltd
(In Liquidation)**

**Income and Expenditure Account
28 March 2013 to 27 March 2014**

INCOME	Total (£)
Directors Overdrawn Loan Account	45,000 00
Furniture & Equipment	125 00
Bank Interest Net of Tax	0 29
	<hr/>
	45,125 29
	<hr/>
EXPENDITURE	
Preparation of Statement of Affairs	5,000 00
Liquidators Fee	3,000 00
Liquidators Disbursements	503 17
Legal Fees	250 00
	<hr/>
	8,753.17
	<hr/>
Balance	36,372.12
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MADE UP AS FOLLOWS	
Bank 1 Current	34,646 49
Vat Control Account	1,725 63
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	36,372.12
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Brencom Information Technology Limited (In liquidation)

Schedule of Time Costs (as per SIP 9)

	Partner	Manager	Other Senior Professional	Assistance & Support Staff	Other	Total Hours	Total Cost	Total Cost Average
Administration & Planning	3 00	8 10	-	31 20	-	42 30	3,525 00	83 33
Investigations	1 30	1 20	-	-	-	2 50	505 00	202 00
Realisation of Assets	-	8 20	-	-	-	8 20	1,230 00	150 00
Trading	-	-	-	-	-	-	-	-
Creditors	-	-	-	1 20	-	1 20	60 00	50 00
Total Hours	4 30	17 50	-	32 40	-	54 20	5,320 00	98 15

Examples of Work

Administration and Planning

Case Planning
Administrative set-up
Appointment notification
Maintenance of Records
Statutory Reporting

Investigations

SIP2 Review
CDDA Reports
Investigating Antecedant Transactions

Realisation of Assets

Identifying, Securing and Insuring Assets
Retention of Title
Debt Collection
Property, Business and Asset Sales

Trading

Management of Operations
Accounting for Trading
On-Going employee issues

Creditors

Communication with Creditors
Creditors' Claims (including Employees and other Preferential Creditors)

STATEMENT OF EXPENSES

Type of Expense	Name of party with whom expense incurred	Amount incurred £	Amount paid £	Balance (to be paid) £
Agent Fees	Michael Steel & Co	100 00	Nil	100 00
Legal Fees	Parisi Solicitors	250 00	250 00	Nil