

# 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

02632082

Name of Company

AC (UK) Limited

*/s/* We

Dermot Justin Power, 3 Hardman Street, Manchester, M3 3AT

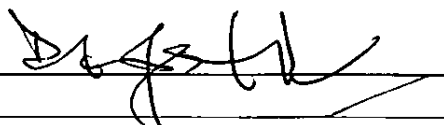
Shay Bannon, 55 Baker Street, London, W1U 7EU

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

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 21/01/2014 to 20/01/2015

Signed



Date

12.02.2015

BDO LLP  
3 Hardman Street  
Spinningfields  
Manchester  
M3 3AT

Ref 00157031/DJP/JJB/FGN/HLO/CXS/

FRIDAY



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13/02/2015

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COMPANIES HOUSE



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3 Hardman Street  
Spinningfields  
Manchester  
M3 3AT

12 February 2015

Our Ref DJP/CS/3059/A6

Please ask for: Carole Speakman  
Direct dial 0161 817 7547

TO ALL KNOWN CREDITORS AND MEMBERS

Dear Sirs

**AC (UK) Limited and Allied Carpets Properties Limited - Both in Creditors' Voluntary Liquidation**

**Registered addresses: 3 Hardman Street, Spinningfields, Manchester, M3 3AT**

**Registered numbers: 02632082 and 02597105**

**Joint Liquidators: Dermot Justin Power, Francis Graham Newton and Shay Bannon**

**Joint Liquidator Addresses: 3 Hardman Street, Spinningfields, Manchester, M3 3AT;**

**1 Bridgewater Place, Water Lane, Leeds, LS11 5RU; 55 Baker Street, London, W1U 7EU**

**Date of appointment in respect of both companies: 21 January 2011**

I enclose for your information an annual progress report in accordance with Section 104A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986

I also enclose a summary of my receipts and payments for both AC (UK) Limited ("AC") and Allied Carpets Properties Limited ("ACP"), showing funds in hand of £224,820.81 and £352,533.87 respectively at the end of the period.

#### **Receipts**

##### **AC (UK) Limited**

###### *ISA Interest Gross*

The sum of £3,907.05 interest has accrued on the funds held in the Insolvency Service Account ("ISA"). Tax of £781.41 has been deducted at source by the ISA in respect of this interest.

###### *TSA Payments Account*

The sum of £25,637.59 has now been refunded to the Company under the terms of the Transactional Services Agreement ("TSA").

##### **Allied Carpets Properties Limited**

###### *Bank Interest*

A total of £236.50 bank interest has accrued across the accounts held with Barclays Bank Plc.



**Payments****AC (UK) Limited***Secretary of State Remittance & Ad Valorem Fees*

The sums of £455.35 and £100 have been charged by the Insolvency Service on receipts remitted to the ISA

*Professional Fees*

The sum of £300 has been paid to Lewis Dyson LLP representing their professional fees in respect of tax advice during this reporting period.

*Legal Fees & Disbursements*

The costs and disbursements previously paid have been refunded to the Company under the terms of the Transactional Services Agreement ("TSA") in the sums of £120,856.86 and £19,103.05 respectively

*Corporation Tax*

In addition to the tax deducted at source by the ISA a further liability of £122.92 has been accounted to HM Revenue & Customs.

*Stationery & Postage*

The costs of stationery, postage and printing in the sum of £3,588.56 has been paid to PPS Print Communications Limited during this reporting period.

**Allied Carpets Properties Limited***Professional Fees*

The sum of £300 has been paid to Lewis Dyson LLP representing their professional fees in respect of tax advice during this reporting period

*Corporation Tax*

A corporation tax liability of £6.11 has been accounted to HM Revenue & Customs calculated on the interest received at Barclays Bank Plc

*Stationery & Postage*

The costs of stationery, postage and printing in the sum of £901.21 has been paid to PPS Print Communications Limited during this reporting period

*Bank Charges*

The sum of £3.88 has been deducted by Barclays Bank Plc in respect of bank charges.

**Progress of the Liquidation**

As you may recall and reported previously the progress of both Liquidations was delayed by the BGT claim as it had the potential to have a significant impact on the quantum of BGT's unsecured claim. This would in turn have affected the quantum of the dividend payment received by ACP and thus the level of funds available for distribution to ACP's unsecured creditors.

Now that the BGT claim has been resolved, and a dividend declared by AC the Joint Liquidators can continue the process of agreeing unsecured claims in respect of ACP.

**Prospects for creditors****AC (UK) Limited***Secured & Preferential Creditors*

Filefigure 10 Limited ("Filefigure") holds a fixed and floating charge over AC, registered on 20 March 2009. As previously reported, a distribution totalling £2,853,087 was paid during the Administration to Filefigure under their floating charge.

An amount of £1,192,939 has also been paid to Filefigure in respect of preferential claims arising as a result of Filefigure meeting payments to employees in respect of arrears of wages and outstanding holiday pay.

*Unsecured Creditors & the Prescribed Part*

Where a company has granted a floating charge after 15 September 2003, a proportion of the funds realised under the floating charge must be set aside for the unsecured creditors. Under the provisions of the Insolvency Act 1986, the prescribed part shall not exceed £600,000.

AC has granted a floating charge after 15 September 2003 and the maximum level of £600,000 has now been paid to unsecured creditors. These are the only funds available for distribution to unsecured creditors in this matter.

I can confirm that 411 creditor claims have been admitted in the sum of £108,804,052 on which a dividend of 55p in the pound has been paid. There will be no further dividend paid in the matter of AC.

**Allied Carpets Properties Limited***Secured & Preferential Creditors*

Filefigure holds a fixed and floating charge over ACP, registered on 20 March 2009.

As has previously been reported, the Administrators distributed £15,430,000 (representing fixed charge realisations) to Filefigure from the proceeds of sales of the freehold properties. There will be no further distributions under the fixed charge.

ACP did not have any employees therefore there are no preferential creditor claims in respect of this company.

*Unsecured Creditors & the Prescribed Part*

Where a company has granted a floating charge after 15 September 2003, a proportion of the funds realised under the floating charge must be set aside for the unsecured creditors.

ACP has granted a floating charge after 15 September 2003. There will be a distribution under the prescribed part only. Accordingly a "Notice to Creditors of Intended Dividend" together with a proof of debt form to be completed and returned to this office will be issued under separate cover.

ACP held all the Companies' leases, therefore, the claims received predominantly relate to unpaid rent and dilapidations.

I summarise below the unsecured creditor claims received to date albeit not yet admitted:

	£m
Trade & expense (incl. landlords)	32.7
HM Revenue & Customs	5.0
	<u>37.7</u>

**Future Prospects***AC (UK) Limited*

All assets of AC have been realised and a dividend to unsecured creditors by way of the prescribed part has been made. Once all cheques have been cashed the liquidation will proceed to close.

*Allied Carpets Properties Limited*

The first and final dividend has now been received from AC in the sum of £82,717.51. As there are no further assets to realise the creditor claims will be reviewed and those not yet proved will be invited to do so shortly.

**Liquidators' Remuneration**

In respect of these Liquidations and in accordance with Rule 4.127(2) of the Insolvency Rules 1986, creditors have previously approved our remuneration on a time costs basis.

In my last report, I sought creditors' approval to draw fees. I can confirm that consent was obtained from creditors and fees of £97,000 plus VAT and £17,000 plus VAT have been drawn in respect of AC and ACP respectively.

Attached are schedules that summarise the time that has been spent in administering these Liquidations up to the date of this report. For AC, a total of 1,307 hours have been spent dealing with this Liquidation at an average charge out rate of £234. I can confirm that the balance in hand will be utilised in the final costs of winding up including remuneration and disbursements details of which will be advised in the final report. For ACP, a total of 622 hours have been spent dealing with this Liquidation at an average charge out rate of £196. Note a 15% reduction on fees has been applied in accordance with PPF rates.

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 recharge any expense which is not a specific cost to the case, with the exception of 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. There have been no category 2 disbursements paid since my last report.

The table below provides a summary of the disbursements incurred since the date of my last report:

Company	Type of expense	Category 1 (£)
AC	Box-it (NW) Ltd - Storage	276.88
AC	Restore Plc - Storage	29.70
ACP	Restore Plc - Storage	250.22
		<hr/> 556.80 <hr/>

Copies of a "Creditors' Guide to Liquidators' Fees" and BDO LLP's policies on fees have previously been issued but should you require further copies, please contact this office.

#### Creditors' rights

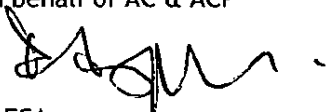
I provide at the end of this report an extract from the Insolvency Rules 1986 setting out the rights of creditors to request further information and/or challenge the remuneration or expenses within the liquidation.

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 me but are not satisfied with the response from me then you should visit <http://www.bis.gov.uk/insolvency/contact-us/IP-Complaints-Gateway> where you will find further information on how you may pursue the complaint.

I trust the information included within this report is sufficient, however, if you require any further information, please do not hesitate to contact my office.

Yours faithfully

For and on behalf of AC & ACP



D J Power FCA  
Joint Liquidator

Authorised in the UK by the Institute of Chartered Accountants in England & Wales

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**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



**AC (UK) Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs	From 21/01/2014 To 20/01/2015	From 21/01/2011 To 20/01/2015
<b>ASSET REALISATIONS</b>		
Funds from Administration	NIL	1,818,946 71
Book Debts	NIL	300 00
ISA Interest Gross	3,907 05	14,678 02
Tax on ISA Interest	(781 41)	(2,935 61)
Bank Interest Gross	NIL	381 30
TSA Payments Account	25,637 59	NIL
Sundry Refunds	NIL	14,370 04
	<u>28,763 23</u>	<u>1,845,740 46</u>
<b>COST OF REALISATIONS</b>		
Administrators Fees	NIL	632,117 65
Administrators Disbursements	NIL	4,289 96
Sec of State Remittance Fees	455 35	498 80
Sec of State Ad Valorem Fees	100 00	387 00
Professional Fees	300 00	1,100 00
Liquidator's Fees	NIL	109,798 33
Liquidators Disbursements	NIL	194 97
Broadstone Pensions & Investments Lt	NIL	6,354 00
Contribution to ACP	NIL	234,462 60
Legal Fees	(120,856 86)	17,264 25
Legal Disbursements	(19,103 05)	78 00
Corporation Tax	122 92	426 04
Stationery & Postage	3,588 56	12,148 37
Pension Scheme Costs	NIL	1,218 00
Statutory Advertising	NIL	198 86
Sundry Expenses	NIL	179 96
Bank Charges	NIL	97 76
Debt Collectors Fees	NIL	105 00
	<u>135,393 08</u>	<u>(1,020,919 55)</u>
<b>UNSECURED CREDITORS</b>		
Trade & Expense Creditors	<u>600,000 00</u>	<u>600,000 00</u>
	<u>(600,000 00)</u>	<u>(600,000 00)</u>
	<u><b>(435,843.69)</b></u>	<u><b>224,820.91</b></u>
<b>REPRESENTED BY</b>		
ISA		224,820 91
		<u><b>224,820.91</b></u>

**Note**

The statement of affairs figures were stated in the prior Administration and the surplus sum of £1,818,946 71 transferred into the liquidation bank account.

**Allied Carpets Properties Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs	From 21/01/2014 To 20/01/2015	From 21/01/2011 To 20/01/2015
<b>FIXED CHARGE ASSETS</b>		
Bank Interest	61 21	61 21
	<u>61 21</u>	<u>61 21</u>
<b>FIXED CHARGE COSTS</b>		
Liquidator's Fees	NIL	62,509 50
Liquidators Disbursements	NIL	174 09
	<u>NIL</u>	<u>(62,683 59)</u>
<b>ASSET REALISATIONS</b>		
Funds from Administration	NIL	141,338 44
Licence - Rent	NIL	86,747 57
Licence - Service Charge	NIL	594 60
Licence - Insurance	NIL	103 94
Rates Refund	NIL	5,929 43
Dividend from AC UK	82,717 51	82,717 51
Rates Appeal Refund	NIL	75,931 36
Administrators' Rent	NIL	86,232 49
Bank Interest Gross	114 36	1,400 51
Bank Interest Net of Tax	60 93	60 93
Sundry Refunds	NIL	43 75
Contribution from AC (UK) Ltd	NIL	234,462 60
	<u>82,892 80</u>	<u>715,563 13</u>
<b>COST OF REALISATIONS</b>		
Administrators Fees	NIL	195,354 95
Administrators Disbursements	NIL	30 55
Professional Fees	300 00	1,300 00
Rates Appeal Fees	NIL	14,119 51
Agents' Fees (1)	NIL	8,676 28
Legal Fees (1)	NIL	78,501 60
Corporation Tax	6 11	6 11
Stationery & Postage	901 21	2,058 65
Statutory Advertising	NIL	198 86
Insurance of Assets	NIL	57 61
Bank Charges	3 88	102 76
	<u>(1,211 20)</u>	<u>(300,406 88)</u>
	<u><b>81,742.81</b></u>	<u><b>352,533 87</b></u>
<b>REPRESENTED BY</b>		
Vat Input		50,999 41
Fixed Account		118,238 02
Licence Fee Account		105,897 35
Floating Account		128,398 50
Vat Output		(22,004 35)
Vat Control Account		(28,995 06)
		<u><b>352,533 87</b></u>

**Note**

The statement of affairs figures were stated in the prior Administration and the surplus sum of £141,338.44 transferred into the liquidation bank account.

## Summary of Time Charged and Rates Applicable for the Period From 15/01/2011 to 13/02/2015

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AV RT
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
B. Steps on Appointment	23 50	10,498.50	4 50	1,435 50					9 00	1,161 00			4.50	1,435.50	319 00
C Planning and Strategy	111 00	51,154 00	240 85	71,389 00	31 15	5,687 05	31.15	5,355 95	259 95	35,213 65	40 65	2,537.35	36 50	12,743.50	349 14
D General Administration	5 00	2,300 00	20 00	5,900 00					43.25	7,306.50			714 75	171,337 00	239 72
E Assets Realisation/Dealing			1.25	253 75					3 00	372 00			68.25	15,506 50	227.20
F Trading Related Matters			1 00	230 00									4.25	625 75	147.24
G Employee Matters			188 45	53,869 75	2 50	462.50	34 50	5,865 00	142 00	18,200 50			1 00	230 00	230 00
H Creditor Claims			56 15	15,126.50					30 75	4,390 50			367 45	78,397 75	213.36
I Reporting													86 90	19,517 00	224 59
J Distribution and Closure	5 00	2,035 00	18.50	4,931 50									23 50	6,966 50	296 45
	144.50	65,987 50	534 70	154,220 00	33 65	6,149 55	65 65	11,220 95	487 95	66,644 15	40 65	2,537.35			
Net Total														1,307 10	306,759 50

## Summary of Time Charged and Rates Applicable for the Period From 15/01/2011 to 13/02/2015

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AV RT
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
C Planning and Strategy	23.50	10,793 00	1.00	271 00					1 75	243.25			2 75	514.25	187 00
D General Administration			72 50	20,882.50	15 60	2,844.30	37 65	6,484 45	103 45	13,680 40	33 15	2,066.35	285 85	56,750 80	198 53
E Assets Realisation/Dealing	7 00	3,220 00	14 00	4,373 50					178 00	22,117 00			199 00	29,710 50	149.30
F Trading Related Matters			4 75	1,491.25									4 75	1,491 25	313 95
H Creditor Claims			58 75	17,068 75	2 00	370 00			4 50	558.00			65.25	17,996 75	275 81
L Reporting	9 00	4,147 00	27 50	7,299.50					26 25	3,765 00			62 75	15,211.50	242 41
J Distribution and Closure			2 00	460 00									2 00	460 00	230 00
	39 50	18,160 00	180 50	51,846.30	17 60	3,214.30	37 65	6,484 45	313 95	40,363 65	33 15	2,066.35	622.35	122,135 05	
Net Total															