

## 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

02745098

Name of Company

Abercrombie Interpretation Services Limited

I / ~~We~~

Michael Durkan  
17 Berkeley Mews  
29 High Street  
Cheltenham  
GL50 1DY

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 20/09/2012 to 19/09/2013

Signed



Date

16/10/13

Durkan Cahill  
17 Berkeley Mews  
29 High Street  
Cheltenham  
GL50 1DY

Ref ABERC01/MPD/GT/RS

FRIDAY



\*A2J7ZJCQ\*

A23

18/10/2013

#136

COMPANIES HOUSE

**Abercrombie Interpretation Services Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**

| Statement<br>of Affairs                | From 20/09/2012<br>To 19/09/2013 | From 20/09/2011<br>To 19/09/2013 |
|--|----------------------------------|----------------------------------|
| <b>ASSET REALISATIONS</b>              |                                  |                                  |
| Deposit for costs                      | NIL                              | 4,200 00                         |
| Bank Interest Net of Tax               | 3 01                             | 5 73                             |
|  | <u>3 01</u>                      | <u>4,205 73</u>                  |
| <b>COST OF REALISATIONS</b>            |                                  |                                  |
| Specific Bond                          | NIL                              | 60 00                            |
| Liquidator's Expenses                  | NIL                              | 201 62                           |
| Statutory Advertising                  | NIL                              | 180 00                           |
|  | <u>NIL</u>                       | <u>(441 62)</u>                  |
| <b>FLOATING CHARGE CREDITORS</b>       |                                  |                                  |
| (117,580 56) HSBC Bank plc             | NIL                              | NIL                              |
|  | <u>NIL</u>                       | <u>NIL</u>                       |
| <b>UNSECURED CREDITORS</b>             |                                  |                                  |
| (27,915 86) Trade & Expense Creditors  | NIL                              | NIL                              |
| (24,000 00) Director                   | NIL                              | NIL                              |
| (41,676 93) HM Revenue & Customs - VAT | NIL                              | NIL                              |
|  | <u>NIL</u>                       | <u>NIL</u>                       |
| <b>DISTRIBUTIONS</b>                   |                                  |                                  |
| (1,000 00) Ordinary Shareholders       | NIL                              | NIL                              |
|  | <u>NIL</u>                       | <u>NIL</u>                       |
| <b>(212,173.35)</b>                    | <u><u>3.01</u></u>               | <u><u>3,764.11</u></u>           |
| <b>REPRESENTED BY</b>                  |                                  |                                  |
| Bank 1 Current                         |                                  | 3,764 11                         |
|  |                                  | <u><u>3,764.11</u></u>           |



Michael Durkan  
Liquidator

**Abercrombie Interpretation Services Limited in Creditor's Voluntary Liquidation**

**2<sup>nd</sup> Annual Progress Report**

**16 October 2013**

**CONTENTS**

- 1 Introduction
- 2 Background
- 3 Asset realisations
- 4 Investigations
- 5 Creditors' claims
- 6 Dividend prospects
- 7 Costs and expenses
- 8 Conclusion

**APPENDICES**

- 1 Liquidator's receipts and payments account
- 2 Analysis of time costs and Disbursement Recovery Policy

## **1. INTRODUCTION**

- 1 1 I write further to the creditors' meeting held on 20 September 2011 and my report of 21 September 2012
- 1 2 The purpose of this report is to detail my acts and dealings together with the conduct of the liquidation since that meeting and report

## **2 BACKGROUND**

- 2 1 The members' and creditors' meetings were held on 20 September 2011, when I was appointed liquidator of the company
- 2 2 The company's registered office is 17 Berkeley Mews, 29 High Street, Cheltenham, GL50 1DY. The registered number is 02745098
- 2 3 The company's former registered office was previously at Unit 5 Forest Hill Industrial Estate, London, SE23 2LX. The company's trading address was situated at Unit 4, Forest Hill Industrial Estate, London, SE23 2LX
- 2 4 The company's principal activity was the supply of interpretation services and equipment for conferences, etc
- 2 5 The main cause of failure was stated to be the impact of the recession. A number of bad debts were suffered as a result of company's clients entering into formal insolvency proceedings. The cash flow position worsened as the demand for conference equipment declined as a direct result of cost cutting measures taken by the company's remaining client base
- 2 6 The company sold its business and assets to a connected company, Audio & Interpretation Services Limited ("the purchaser") on 15 January 2010 in an effort to raise funds. The purchase price was £2,500 (including VAT). The position did not improve and the decision was made to eventually cease trading in 2011. Steps were then taken to voluntarily liquidate the company

## **3. ASSET REALISATIONS**

- 3 1 As previously reported, the company did not own any assets at the time of my appointment. This was reflected on the Statement of Affairs
- 3 2 However the company was found to have held a factoring agreement with HSBC Invoice Finance Limited ('HSBCIF'). Following my appointment I made enquiries of HSBCIF as to the current position on the ledger and was advised that the facility was closed prior to liquidation and that HSBCIF had collected their position. There were two remaining debts totalling £4,216.00, which were reassigned to the company in liquidation. I made attempts to collect in these debts however my efforts have been hindered by a lack of supporting documentation
- 3 3 One of the debts which totalled £3,276 was stated by the debtor to have been paid to an account at the director's request just prior to liquidation. The account details provided did not appear to relate to any belonging to the company, therefore I passed the matter onto my solicitors, Harris Cooper Brownings ('HCB') for further investigation
- 3 4 It appears as though the debt was paid to the director's new company, therefore the sum of £3,276 was included in the claim for misfeasance. This matter is referred to in more detail in Section 4 of this report

#### **Miscellaneous Receipts**

- 3 3 As previously reported, the sum of £4,200 was received in full from the director as a deposit to cover the costs of the liquidation
- 3 4 Bank interest of £3 01 (net of tax) has been received in twelve month period covered by this report, bringing the total interest received to date on funds held in the liquidation account to £5 73 (net of tax)

#### **4. INVESTIGATIONS**

- 4 1 I have completed my investigations into the affairs of the company in accordance with Statement of Insolvency Practice 2 Tasks undertaken in respect of my investigations include
- Analysis of bank accounts
  - Examining validity of any security granted by the company
  - Examining balance sheets and profit & loss accounts
  - Review of company books and records to include review of sales and purchase invoices
  - Receiving enquiries from and dealing with matters brought to my attention by creditors or other third parties
  - Making enquiries of and obtaining information from officers of the company
- 4 2 My report on the conduct of the directors was submitted to the Insolvency Service on 23 February 2012 The content of the report is confidential and details will not be disclosed
- 4 3 As previously reported, my investigations led to the discovery of three potential actions that may lead to recoveries being made into the liquidation The actions included a Transaction at Undervalue claim in respect of the pre-appointment sale of the company's assets in 2010, a claim for Wrongful Trading by virtue of the fact that the company could not reasonably have avoided insolvency after the sale but continued to trade on regardless, and a claim for Misfeasance against the director for allowing the aforementioned transactions to take place
- 4 4 The value of the Transaction at Undervalue and Misfeasance claims were estimated to be £128,256, which represented the value of the company's assets as recorded in the accounts for the year ended 31 March 2010, or alternatively any other such sum as the court saw fit The value of the Wrongful Trading claim would have equalled the level of debts that were incurred during the continuation period and this was subject to investigation and review
- 4 5 A creditors' meeting was duly held on 2 August 2012, at which a resolution to provide sanction for the liquidator to commence these actions against the director and/or purchaser was considered and duly passed Accordingly, I instructed HCB to proceed with an application to court
- 4 6 A final hearing was recently held on 14 October 2013 at which the court ordered that the director and the purchaser are to be jointly and severally liable to pay the sum of £102,861 00 plus interest of £15,420 70 and costs, which are estimated at £9,000, to the liquidation by 28 October 2013 The judgement awarded was in respect of the Misfeasance and Transaction at Undervalue claims and excluded the value of the book debts as listed in the 2010 accounts, as it was unclear whether this figure was accurate
- 4 7 HCB are awaiting a sealed copy of the order from the court in order to arrange for service on the director and the purchaser The prospects of recovering the judgement debt are therefore yet to be established

- 4 8 The court order also provides for the adjournment of the Wrongful Trading claim with liberty to restore until 14 October 2014. This claim will be reviewed once the matter of the judgement debt has been resolved.

## 5. CREDITORS' CLAIMS

### Secured Creditors

- 5 1 HSBC Bank plc ("HSBC") hold a debenture created on 8 December 2004 and registered on 10 December 2004. HSBC also hold a legal assignment created on 2 April 2009 and registered on 3 April 2009. HSBC were stated to be owed £117,580.56 at the time of my appointment, as per the Statement of Affairs.
- 5 2 No claim has been submitted by HSBC to date.

### Preferential Creditors

- 5 3 There are no preferential creditors in this matter.

### Unsecured Creditors

- 5 4 Unsecured creditors, as per the Statement of Affairs totalled £93,592.79.
- 5 5 A total of eight creditors have submitted claims to date with an aggregate value of £133,335.66. The total claims received to date are significantly higher than anticipated due to the omission of the PAYE liability from the Statement of Affairs.
- 5 6 Please be advised that no work has been undertaken by me to date in respect of agreeing creditors' claims as the prospects of a dividend becoming payable are dependent on the recovery of the judgement debt.

## 6. DIVIDEND PROSPECTS

- 6 1 Pursuant to section 176A of the Insolvency Act 1986 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 2 The prescribed part is calculated as a percentage of net property, as follows:

|                                |  |
|--------------------------------|--|
| Net property less than £10,000 | Nil  |
| Net property under £600,000    | 50% up to £10,000 plus 20% thereafter to a maximum of £600,000 |

- 6 3 As previously advised, the Company gave a floating charge to HSBC on 8 December 2004 and the prescribed part provisions will apply. On the basis of realisations to date and after taking into account the costs of the liquidation to date, the net property of the Company is less than £10,000.
- 6 4 The prescribed part of the net property for unsecured creditors will depend on the recovery of funds from the director and/or purchaser.

## 7. COSTS AND EXPENSES

- 7 1 Details of payments are shown on the receipts and payments account at Appendix 1.

- 7 2 In accordance with Statement of Insolvency Practice 9 the Liquidator must disclose the time spent and charge out value, together with, where appropriate, such additional information sufficient to provide an explanation of the time spent and fees drawn
- 7 3 A schedule of my firm's disbursement recovery policy and list of typical charge out rates for each level of staff employed in the administration of this matter is attached at Appendix 2
- 7 4 At the meeting of creditors held on 20 September 2011 it was resolved that the Liquidator's remuneration be fixed in accordance with time charges incurred together with authorisation to re-charge category 2 disbursements
- 7 5 My expenses to date amount to £233 30, of which £11 80 was incurred in the twelve month period covered by this report No further expenses have been recovered in this period Details of the expenses incurred and recovered from the funds held are as follows,

| <b>Category 1</b>         | <b>Incurred</b> | <b>Recovered</b> | <b>Not yet recovered</b> |
|---------------------------|-----------------|------------------|--------------------------|
| Postage                   | £21 49          | £7 56            | £13 93                   |
| Land Registry Search fees | £16 00          | £16 00           | £0 00                    |
| Courier fees              | £56 16          | £56 16           | £0 00                    |
| <b>Category 2</b>         |                 |                  |                          |
| Photocopying              | £31 65          | £18 90           | £12 75                   |
| Mileage                   | £68 00          | £68 00           | £0 00                    |
| Facsimile                 | £10 00          | £10 00           | £0 00                    |
| Stationery                | £20 00          | £20 00           | £0 00                    |
| Storage                   | £10 00          | £5 00            | £5 00                    |
|                           | <u>£233.30</u>  | <u>£201.62</u>   | <u>£31.68</u>            |

- 7 6 At a meeting of creditors held on 20 September 2011 it was resolved that payment shall be made out of the company's assets of the necessary expense of preparing the Statement of Affairs in the sum of £3,500 plus VAT No funds have been drawn in respect of the Statement of Affairs fee
- 7 7 Attached to this report at Appendix 2 are a time and charge out summary covering the twelve month period to 19 September 2013, and a time and charge out summary for the whole of the liquidation The hours charged to this case are in respect of the performance of the statutory duties of the Liquidator and attending to the matters detailed in this report and his previous progress reports
- 7 8 Time costs incurred in the twelve month period covered by this report amount to £2,244 00 This equates to 13 30 hours at an average hourly rate of £168 72 This brings the total time costs incurred to date to £9,888 00, which equates to 61 60 hours at an average hourly rate of £160 52 No remuneration has been paid to date, therefore time costs of £9,888 00 are currently outstanding
- 7 9 An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report Any secured creditor may request the same details in the same time limit
- 7 10 An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report Any secured creditor may make a similar application to court within the same time limit

**8 CONCLUSION**

- 8 1 I shall be continuing my administration of the liquidation in order to pursue the recovery of funds from the director and/or purchaser
- 8 2 When I have concluded all of the outstanding matters I will take steps to draw the liquidation to a close and a further report will be issued to you at that time
- 8 3 I shall be pleased to provide any additional information that you may reasonably require

A handwritten signature in black ink, appearing to read 'Michael Durkan', written in a cursive style.

Michael Durkan  
Liquidator



**APPENDIX 1**

**Liquidators' Receipts and Payments Account**

**Abercrombie Interpretation Services Limited  
(In Liquidation)  
Liquidator's Abstract of Receipts & Payments**

| Statement<br>of Affairs                | From 20/09/2012<br>To 19/09/2013 | From 20/09/2011<br>To 19/09/2013 |
|--|----------------------------------|----------------------------------|
| ASSET REALISATIONS                     |                                  |                                  |
| Deposit for costs                      | NIL                              | 4,200 00                         |
| Bank Interest Net of Tax               | 3 01                             | 5 73                             |
|  | <u>3 01</u>                      | <u>4,205 73</u>                  |
| COST OF REALISATIONS                   |                                  |                                  |
| Specific Bond                          | NIL                              | 60 00                            |
| Liquidator's Expenses                  | NIL                              | 201 62                           |
| Statutory Advertising                  | NIL                              | 180 00                           |
|  | <u>NIL</u>                       | <u>(441 62)</u>                  |
| FLOATING CHARGE CREDITORS              |                                  |                                  |
| (117 580 56) HSBC Bank plc             | NIL                              | NIL                              |
|  | <u>NIL</u>                       | <u>NIL</u>                       |
| UNSECURED CREDITORS                    |                                  |                                  |
| (27,915 86) Trade & Expense Creditors  | NIL                              | NIL                              |
| (24,000 00) Director                   | NIL                              | NIL                              |
| (41,676 93) HM Revenue & Customs - VAT | NIL                              | NIL                              |
|  | <u>NIL</u>                       | <u>NIL</u>                       |
| DISTRIBUTIONS                          |                                  |                                  |
| (1,000 00) Ordinary Shareholders       | NIL                              | NIL                              |
|  | <u>NIL</u>                       | <u>NIL</u>                       |
| <b>(212,173.35)</b>                    | <b><u>3.01</u></b>               | <b><u>3,764.11</u></b>           |
| REPRESENTED BY                         |                                  |                                  |
| Bank 1 Current                         |                                  | 3,764 11                         |
|  |                                  | <u>3,764.11</u>                  |



Michael Durkan  
Liquidator

**APPENDIX 2**

**Analysis of time costs &  
Disbursement Recovery Policy**

# Time Entry - SIP9 Time & Cost Summary

ABERC01 - Abercrombie Interpretation Services Limited  
Project Code POST  
From 20/09/2011 To 19/09/2013

| Classification of Work Function    | Partner     | Manager      | Other Senior Professionals | Assistants & Support Staff | Total Hours  | Time Cost (£)   | Average Hourly Rate (£) |
|------------------------------------|-------------|--------------|----------------------------|----------------------------|--------------|-----------------|-------------------------|
| Admin & Planning                   | 1.00        | 12.30        | 0.00                       | 18.50                      | 31.80        | 4,758.00        | 149.62                  |
| Case Specific Matters              | 0.00        | 0.00         | 0.00                       | 0.00                       | 0.00         | 0.00            | 0.00                    |
| Creditors                          | 0.00        | 4.40         | 0.00                       | 1.00                       | 5.40         | 912.00          | 168.89                  |
| Investigations                     | 0.00        | 10.80        | 0.00                       | 5.20                       | 16.00        | 2,568.00        | 160.50                  |
| Marketing                          | 0.00        | 0.00         | 0.00                       | 0.00                       | 0.00         | 0.00            | 0.00                    |
| Non Chargeable                     | 0.00        | 0.00         | 0.00                       | 0.00                       | 0.00         | 0.00            | 0.00                    |
| Realisation of Assets              | 1.00        | 7.10         | 0.00                       | 0.30                       | 8.40         | 1,650.00        | 196.43                  |
| Trading                            | 0.00        | 0.00         | 0.00                       | 0.00                       | 0.00         | 0.00            | 0.00                    |
| <b>Total Hours</b>                 | <b>2.00</b> | <b>34.60</b> | <b>0.00</b>                | <b>25.00</b>               | <b>61.60</b> | <b>9,888.00</b> | <b>160.52</b>           |
| <b>Total Fees Claimed</b>          |             |              |                            |                            |              |                 |                         |
| <b>Total Disbursements Claimed</b> |             |              |                            |                            |              | <b>0.00</b>     |                         |

# Time Entry - SIP9 Time & Cost Summary

ABERC01 - Abercrombie Interpretation Services Limited  
 Project Code POST  
 From 20/09/2012 To 19/09/2013

| Classification of Work Function    | Partner     | Manager     | Other Senior Professionals | Assistants & Support Staff | Total Hours  | Time Cost (£)   | Average Hourly Rate (£) |
|------------------------------------|-------------|-------------|----------------------------|----------------------------|--------------|-----------------|-------------------------|
| Admin & Planning                   | 0.00        | 2.90        | 0.00                       | 5.20                       | 8.10         | 1 152.00        | 142.22                  |
| Case Specific Matters              | 0.00        | 0.00        | 0.00                       | 0.00                       | 0.00         | 0.00            | 0.00                    |
| Creditors                          | 0.00        | 0.80        | 0.00                       | 0.00                       | 0.80         | 144.00          | 180.00                  |
| Investigations                     | 0.00        | 0.00        | 0.00                       | 0.00                       | 0.00         | 0.00            | 0.00                    |
| Marketing                          | 0.00        | 0.00        | 0.00                       | 0.00                       | 0.00         | 0.00            | 0.00                    |
| Non Chargeable                     | 0.00        | 0.00        | 0.00                       | 0.00                       | 0.00         | 0.00            | 0.00                    |
| Realisation of Assets              | 1.00        | 3.40        | 0.00                       | 0.00                       | 4.40         | 948.00          | 215.45                  |
| Trading                            | 0.00        | 0.00        | 0.00                       | 0.00                       | 0.00         | 0.00            | 0.00                    |
| <b>Total Hours</b>                 | <b>1.00</b> | <b>7.10</b> | <b>0.00</b>                | <b>5.20</b>                | <b>13.30</b> | <b>2,244.00</b> | <b>168.72</b>           |
| <b>Total Fees Claimed</b>          |             |             |                            |                            |              | <b>0.00</b>     |                         |
| <b>Total Disbursements Claimed</b> |             |             |                            |                            |              |                 |                         |

## **Durkan Cahill Disbursements Recovery Policy**

### **Category 1 Disbursements**

|                             |  |
|-----------------------------|--|
| Bordereau/Insurance         | Charged at cost                                |
| Case Advertising            | Charged at cost                                |
| Courier                     | Charged at cost                                |
| DTI IVA Registration Fee    | Charged at cost                                |
| Subsistence                 | Charged at cost                                |
| Land Registry/ Co Searches  | Charged at cost                                |
| Postage                     | Charged at cost                                |
| Post re-direction           | Charged at cost                                |
| Travel                      | Charged at cost for public transport and taxis |
| Creditor Gateway Filing Fee | Charged at cost                                |

### **Category 2 Disbursements**

|              |   |
|--------------|---|
| Fax          | £1 00 per page sent, based on the average cost of consumables, maintenance, line rental and call charges  |
| Telephone    | Record of outgoing calls to be made, calls charged at £1 00 per call made, based on estimated average cost of calls to land lines and mobile networks   |
| Photocopying | 15 pence per copy irrespective of size, based on the average cost of consumables and maintenance  |
| Room Hire    | £70 for room hire made available in house for creditors meetings, based on the cheapest external rate for room-hire used by the firm in the last 4 years<br>External room hire charged at cost    |
| Storage      | £5 00 per box per annum, boxes are currently stored on the firms premises at 17 Berkeley Mews, 29 High Street, Cheltenham, GL50 1DY   |
| Mileage      | Car travel charged at 40 pence per mile   |
| Stationery   | Initial case set up fee of £20 per case<br>Annual case/file maintenance charge of £10<br>These charges are based on the average costs involved in the purchase of files and associated stationery |

### **Durkan Cahill Staff Charge Out Rates**

|                   |               |
|-------------------|---------------|
| Principal         | £300 per hour |
| Senior Manager    | £240 per hour |
| Manager           | £180 per hour |
| Assistant Manager | £150 per hour |
| Administrator     | £120 per hour |
| Clerical          | £60 per hour  |