

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 20/09/2013 to 19/09/2014

Signed



Date

10 November 2014.

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

Ref ABERC01/MPD/GT/RS

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COMPANIES HOUSE

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

Statement of Affairs	From 20/09/2013 To 19/09/2014	From 20/09/2011 To 19/09/2014
ASSET REALISATIONS		
Recovery of antecedent transaction	95,461 28	95,461 28
Deposit for costs	NIL	4,200 00
Bank Interest Net of Tax	9 04	14 77
	<u>95,470 32</u>	<u>99,676 05</u>
COST OF REALISATIONS		
Specific Bond	436 00	496 00
Liquidator's Expenses	NIL	201 62
Legal Fees	35,250 00	35,250 00
Statutory Advertising	NIL	180 00
	<u>(35,686 00)</u>	<u>(36,127 62)</u>
FLOATING CHARGE CREDITORS		
(117,580 56) HSBC Bank plc	<u>NIL</u>	<u>NIL</u>
	NIL	NIL
UNSECURED CREDITORS		
(27,915 86) Trade & Expense Creditors	NIL	NIL
(24,000 00) Director	NIL	NIL
(41,676 93) HM Revenue & Customs - VAT	<u>NIL</u>	<u>NIL</u>
	NIL	NIL
DISTRIBUTIONS		
(1,000 00) Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
	NIL	NIL
(212,173 35)	<u>59,784 32</u>	<u>63,548.43</u>
REPRESENTED BY		
Vat Receivable		6,379 00
Bank 1 Current		57,169 43
		<u>63,548.43</u>



Michael Durkan
Liquidator

Abercrombie Interpretation Services Limited in Creditor's Voluntary Liquidation

3rd Annual Progress Report

10 November 2014

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 previous reports of 21 September 2012 and 16 October 2013
- 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 those reports

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 and other events
- 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 because 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, as stated in my previous reports, 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 what they were owed. 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 As previously reported it appeared 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 Sections 3 and 4 of this report

Recovery of Antecedent Transactions

- 3 5 As previously reported, my statutory investigations into the affairs of the company led to the discovery of three potential actions against the director of the company and/or the purchaser. 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
- 3 6 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
- 3 7 As previously reported, 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
- 3 8 A final hearing was held on 14 October 2013 at which the court ordered that the director and the purchaser were to be jointly and severally liable to pay the sum of £102,861.00 plus interest of £15,420.70 and costs, which were 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
- 3 9 Sealed orders were received late from Court and were therefore served on the director and purchaser on 17 December 2013. A provisional settlement offer of £50,000 was received from director on 27 January 2014 but this was not supported by evidence of his financial position and was therefore rejected. HCB proceeded with an application for an Interim Charging Order over the director's property
- 3 10 This was granted by the Court in February 2014. Whilst awaiting a hearing date for the final charging order, the director made a second offer of 50% of judgement sum in full and final settlement. This offer was also rejected however a counteroffer of 75% of the judgement sum was proposed on the condition that the full amount would be payable within 3 months i.e. by 8 July 2014. The settlement avoided the need to enforce the judgement by way of a sale of the director's property, which would have taken much longer and incurred further costs. The director consented to the arrangement and the agreed funds totalling £95,461.28 were paid to HCB in full on 30 June 2014

Miscellaneous Receipts

- 3 11 As previously reported, the sum of £4,200 was received in full from the director following my appointment as a deposit to cover the costs of the liquidation
- 3 12 Bank interest of £9.04 (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 £14.77 (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, and as stated in Section 3 of this report, my investigations led to the discovery of three potential actions that have led to significant further recoveries being made into the liquidation Creditors will recall that, as previously reported, the Court Order in October 2013 provided for the adjournment of the Wrongful Trading claim with liberty to restore until 14 October 2014 This claim was reviewed prior to this date and it was deemed that it would not be worthwhile to pursue given the lack of information available to finalise a claim My investigations are now deemed to be concluded

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 HSBC have since confirmed that in 2012 they enforced their security over the company's former trading premises, which was solely owned by the director As a result HSBC are no longer owed any sums from the company, albeit their charges have yet to be listed as satisfied at Companies House
- 5 3 According to HCB, the director is deemed to have a subrogated secured claim in the liquidation However a proof of debt has yet to be received

Preferential Creditors

- 5 4 There are no preferential creditors in this matter

Unsecured Creditors

- 5 5 Unsecured creditors, as per the Statement of Affairs totalled £93,592 79
- 5 6 A total of eight creditors have submitted claims to date with an aggregate value of £135,143 22 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 7 Of the amount claimed to date, the sum of £66,089 04 has been agreed and admitted to rank for dividend purposes, and claims totalling £24,000 have been formally rejected I await a final adjusted claim from HM Revenue & Customs following the submission of the company's

outstanding pre-liquidation VAT returns. Creditors with estimated claims totalling £3,497.88 have yet to prove in the liquidation.

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, which, as stated earlier in this report has been subrogated to the director, and the prescribed part provisions will apply.
- 6.4 I sought advice from HCB as to whether the recovery of antecedent transactions would be caught under the director's subrogated floating charge. HCB advised that recoveries by office holders of statutory causes of action do not become part of the general assets of the company, and instead are impressed with a special statutory trust in favour of unsecured creditors. This view has been endorsed in the Court of Appeal decision in *Re Oasis* [1998] Ch 170. The effect of this is that there will be no distribution to the floating charge holder, as there have been no floating charge asset realisations in this matter. As such there will be no prescribed part funds available.
- 6.5 However by virtue of the statutory trust created there will be a dividend to unsecured creditors in this matter. After allowing for the costs and expenses of the liquidation it is anticipated that there will be a distribution amounting to approximately £30,000 to unsecured creditors. The precise quantum of dividend becoming payable will depend on the final level of agreed unsecured claims. This is expected to be established shortly, and a first and final dividend is expected to be paid within the next two to four months after a notice of intended dividend has been advertised.

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 £298.35, of which £70.05 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:

Category 1	Incurred	Recovered	Not yet recovered
Postage	£28.79	£7.56	£21.23
Land Registry Search fees	£16.00	£16.00	£0.00
Courier fees	£56.16	£56.16	£0.00

Parking	£5 80	£0 00	£5 80
Category 2			
Photocopying	£33 60	£18 90	£14 70
Mileage	£113 00	£68 00	£45 00
Facsimile	£10 00	£10 00	£0 00
Stationery	£20 00	£20 00	£0 00
Storage	<u>£15 00</u>	<u>£5 00</u>	<u>£10 00</u>
	<u>£298.35</u>	<u>£201.62</u>	<u>£96.73</u>

7 6 The following agents and professional advisors have been utilised in this matter

Professional Advisor	Nature of Work	Fee Arrangement
MGR Appraisals Limited	Valuer	Fixed fee
HCB Solicitors	Solicitors	Conditional Fee Arrangement

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

7 7 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 8 Attached to this report at Appendix 2 are a time and charge out summary covering the twelve month period to 19 September 2014, 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 9 Time costs incurred in the twelve month period covered by this report amount to £6,138 00. This equates to 28 40 hours at an average hourly rate of £216 13. This brings the total time costs incurred to date to £22,026 00, which equates to 110 00 hours at an average hourly rate of £200 24. No remuneration has been paid in the period covered by this report.

7 10 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 11 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 finish agreeing creditors' claims and distribute a first and final dividend to unsecured creditors.

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.

- 8 4 At Durkan Cahill we always strive to provide a professional and efficient service, however we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. If you should have cause to complain about the way that we are acting, you should, in the first instance, put details of your complaint in writing to Michael Durkan. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint expediently.
- 8 5 Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to my regulatory body. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at www.gov.uk/complain-about-insolvency-practitioner; or you can email ip.complaints@insolvency.gov.uk, or you may phone 0845 602 9848 - calls are charged at between 1p and 10 5p per minute from a land line, or for mobiles, between 12p and 41p per minute if you're calling from the UK.



Michael Durkan
Liquidator

APPENDIX 1

Liquidators' Receipts and Payments Account

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

Statement of Affairs	From 20/09/2013 To 19/09/2014	From 20/09/2011 To 19/09/2014
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Statutory Advertising	NIL	180 00
	<u>(35,686 00)</u>	<u>(36,127 62)</u>
FLOATING CHARGE CREDITORS		
(117,580 56) HSBC Bank plc	<u>NIL</u>	<u>NIL</u>
	NIL	NIL
UNSECURED CREDITORS		
(27,915 86) Trade & Expense Creditors	NIL	NIL
(24,000 00) Director	NIL	NIL
(41,676 93) HM Revenue & Customs - VAT	<u>NIL</u>	<u>NIL</u>
	NIL	NIL
DISTRIBUTIONS		
(1,000 00) Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
	NIL	NIL
<u>(212,173.35)</u>	<u>59,784 32</u>	<u>63,548.43</u>
REPRESENTED BY		
Vat Receivable		6,379 00
Bank 1 Current		57,169 43
		<u>63,548.43</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 20/09/2013 To 19/09/2014

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	2.80	4.00	0.00	7.20	14.00	2,454.00	175.29
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.20	0.00	0.20	0.40	60.00	150.00
Investigations	0.00	0.50	0.00	0.00	0.50	90.00	180.00
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	7.80	5.70	0.00	0.00	13.50	3,534.00	261.78
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	10.80	10.40	0.00	7.40	28.40	6,138.00	216.13
Total Fees Claimed							
Total Disbursements Claimed						0.00	

Time Entry - SIP9 Time & Cost Summary

ABERC01 - Abercrombie Interpretation Services Limited
Project Code POST
From 20/09/2011 To 19/09/2014

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	8.30	16.30	0.00	25.70	50.30	8,562.00	170.22
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.50	4.60	0.00	1.20	6.30	1,122.00	178.10
Investigations	4.00	11.30	0.00	5.20	20.50	3,658.00	188.20
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	19.80	12.80	0.00	0.30	32.90	8,484.00	257.87
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	32.60	45.00	0.00	32.40	110.00	22,026.00	200.24
Total Fees Claimed							
Total Disbursements Claimed						0.00	

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 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 45 pence per mile
Stationery	Initial case set up fee of £20 per case Annual case/file maintenance charge of £10 These charges are based on the average costs involved in the purchase of files and associated stationary

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