

**Liquidator's Progress  
Report****S. 192****Pursuant to section 192 of the  
Insolvency Act 1986****To the Registrar of Companies****Company Number**

03015033

**Name of Company**(a) Insert full  
name of  
company

(a) FRC Packaging Limited

(b) Insert full  
name(s) and  
address(es)We (b) Mark Terence Getliffe and Diane Elizabeth Hill  
Of CLB Coopers, Ship Canal House, 98 King Street,  
Manchester, M2 4WUthe liquidators of the company attach a copy of our Progress Report  
under section 192 of the Insolvency Act 1986The Progress Report covers the period from 5 August 2013  
to 4 August 2014Signed Mark Getliffe Date 5 September 2014Presenter's  
name, address  
and reference  
(if any)CLB Coopers, Ship Canal House, 98 King Street, Manchester, M2  
4WU

SATURDAY



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COMPANIES HOUSE

**Joint Liquidators' Annual to  
Creditors and Members**

**FRC Packaging Limited  
- In Liquidation**

**5 August 2013 to 4 August 2014**

## **CONTENTS**

- 1** Background and Statutory Information
- 2** Realisation of Assets
- 3** Investigations
- 4** Office Holders' Remuneration
- 5** Joint Liquidators' Expenses
- 6** Outcome for Creditors
- 7** Creditors' Rights
- 8** Conclusion

## **APPENDICES**

- A** Receipts and Payments Account from 5 August 2013 to 4 August 2014, 5 August 2014 to 5 September 2014 and cumulatively for the whole liquidation period
- B** Time Analysis for the period from 5 August 2013 to 4 August 2014
- C** Time Analysis for the period from 5 August 2014 to 5 September 2014
- D** Cumulative Time Analysis for the Period from 5 August 2013 to 5 September 2014
- E** Additional Information in relation to Joint Liquidators' fees pursuant to Statement of Insolvency Practice No 9 (SIP9)

## **1 Introduction**

- 1 1 I was appointed as Joint Liquidator of FRC Packaging Limited ("the Company"), together with my partner Diane Hill, following the Company's exit from Administration on 5 August 2013. The Company was placed into Administration on 23 August 2012 by the Director and the Administration was registered in the High Court of Justice, Chancery Division, Manchester District Registry under reference number 3001 of 2012. The Joint Administrators filed notice at Companies House on 5 August 2013 to place the Company into Liquidation in accordance with the Joint Administrator's Proposals which were agreed by the creditors on 24 September 2012.
- 1 2 This liquidation is being handled by CLB Coopers at Ship Canal House, 98 King Street, Manchester M2 4WU.
- 1 3 The Company manufactured bespoke wooden pallets and traded from Paradise Mill, Bell Street, Oldham, OL1 3PY. This address was previously the Registered Office which has been changed for the purposes of the Liquidation to c/o CLB Coopers, Ship Canal House, 98 King Street, Manchester M2 4WU. The Company's number is 03015033.
- 1 4 In the Administration period, the Joint Administrators sold the Company's business and assets to an associated company, Factory Pallets & Cases Limited ("FPC Ltd"), for £80,000 due to be paid over a 12 month period and facilitated the collection of £298,292.56 in respect of the Company's Trade Debts. Bibby Financial Services Limited ("Bibby") held a fixed charge over the Trade debts and recovered their liability in full.
- 1 5 The surplus of recoveries, after the costs of the Administration, were paid into the Liquidation.
- 1 6 It was anticipated by the Joint Administrators that a distribution could be made to the creditors; however, asset realisations have not been sufficient to allow a return for the reasons set out in this report.

## **2 Realisation of Assets**

- 2 1 Full information in respect of the assets realised during the course of the Administration was provided in the Joint Administrators' Final Report dated 4 August 2013. This report is a matter of public record at Companies House and further copies are available on request from Jason Evans at [jevans@clbcoopers.co.uk](mailto:jevans@clbcoopers.co.uk).

- 2 2 Attached at **Appendix A** are my Receipts and Payments Accounts for the period from 5 August 2013 to 4 August 2014, 5 August 2014 to 5 September 2014 and cumulatively for the whole liquidation period
- 2 3 The Receipts and Payments Account provides details of the amounts realised for the Company's assets and the cost of those realisations together with remuneration charged and expenses incurred and paid by the Joint Liquidators during the course of the Liquidation

**Surplus funds from Administration**

- 2 4 A transfer of surplus funds from the Administration of £570 13 was recovered into the Liquidation estate, together with a VAT reclaim of £465 70 in respect of expenses incurred in the Administration period

**Claims against the Director**

- 2 5 The Company's business and assets were sold to an associated company, Factory Pallets & Cases Limited ("FPC Ltd") on 23 August 2012 for £80,000. The sale was subject to an asset sale agreement ("the Agreement") and the consideration was due in staged payments over a 12 month period
- 2 6 FPC Ltd was placed into Creditors Voluntary Liquidation on 31 January 2013 with £54,450 outstanding to the Company, under the terms of the Agreement
- 2 7 The Joint Administrators had obtained a personal guarantee from the Director of the Company, Mr Timothy Daffurn, for the entire balance due to the Company from FRC Ltd under the Asset Sale Agreement that facilitated the sale of the Company's business, this was to protect the creditor's interests in the event that FPC Ltd was unable to discharge its obligations in full. As at the date of liquidation, £54,450 was outstanding in respect of the Agreement and we pursued payment from Mr Daffurn for the full balance
- 2 8 In addition, we identified antecedent transactions totalling £22,000 relating to Mr Daffurn's dealings with the Company which he disputed
- 2 9 We sought payment from Mr Daffurn however he failed to make any payment towards the sums due. As a result, we instructed Turner Parkinson LLP to assist in recovery of the sums due from Mr Daffurn, on a fixed fee basis, which led us to serve a Statutory Demand

- 2 10 Mr Daffurn provided a sworn affidavit stating that he was not in a financial position to make a payment to the Company on account of the debts due, however a 3rd party was willing to make an offer to settle the Company's claims on his behalf
- 2 11 We received an offer from a 3<sup>rd</sup> party to settle Mr Daffurn's liability to the Company for £10,000 which we rejected. We were able to negotiate an improved settlement of £20,000, which we chose to accept as a commercial settlement in the circumstances
- 2 12 The only alternative available to us was to pursue this debt into Bankruptcy, however there was a substantial risk as to the return to the Company and it could not be justified given the costs of the process and the length of time it may have taken to realise funds (if any)

### **Leasehold Property**

- 2 13 During our enquiries into the Company's affairs we discovered that the Company owned the long leasehold interest in respect of 2 small pieces of land, Title Numbers MAN11161 and LA131580 off Bell Street, Oldham ("the Land")
- 2 14 We appointed Wignall Brownlow LLP, independent Chartered Surveyors and Valuers to conduct a marketing exercise and negotiate the assignment of the leases with Oldham Council ("the Council"). There were rent arrears in excess of £4,500 in respect of the Land and we negotiated a settlement with the Council to pay £2,550 in respect of the arrears and the costs associated with the assignment of the leases, on sale of the Land
- 2 15 We received one offer for the Land from an unconnected 3<sup>rd</sup> party, for £10,500 which we accepted, following our agents' recommendation
- 2 16 AFG Law Ltd was appointed to oversee the sale which was completed on 6 June 2014 and net proceeds, after the costs associated with the sale, of £5,032.00 were recovered into the Estate

### **3 Investigations**

3 1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS) As this is a confidential report, I am not able to disclose the contents

3 2 The report required the following as a minimum standard

- A full review of the Company's books, records and other accounting information
- Examining the Company's financial records to ensure that changes in the financial position of the Company, for example movements of assets and any unusual payments, can be satisfactorily accounted for
- Considering the trading position where there is a material deficiency since the last financial statement
- Reviewing transactions with associated companies or connected persons to ensure transactions are at arm's length
- Checking movements on Directors' loan accounts or other accounts where they have given a guarantee
- Reviewing all information supplied by creditors who have expressed particular concern over the company's dealings or Directors' conduct
- Considering whether the initial investigation and assessment reveals any matters that suggest there are grounds for a more detailed investigation or any rights of action against third parties

3 3 In accordance with the Company Directors Disqualification Act 1986 I would confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills As this is a confidential report, I am not able to disclose the contents

3 4 The Joint Administrators identified transactions totalling £22,000 which we pursued against the Director of the Company, Mr Timothy Daffurn, these were settled per Section 2

## **4 Office Holders' Remuneration**

### **Joint Liquidators' Remuneration**

- 4 1 Pursuant to Insolvency Rule 1986 (Rule 2.106) the basis of the Joint Liquidator's remuneration was approved by the creditors during the Administration period on 24 September 2012. Creditors approved that remuneration be calculated on the basis of time costs. My time costs for the liquidation period from 5 August 2013 to 4 August 2014 are £12,436.40 and from 5 August 2014 to 5 September 2014 are £1,988.00 and are shown at **Appendix B & C**.
- 4 2 Attached as **Appendix D** is a Time Analysis which provides details of the activity costs incurred by staff grade during the whole liquidation period from 5 August 2013 to 5 September 2014 in respect of the costs fixed by reference to time properly spent by the Joint Liquidators and their staff in managing the Liquidation. Time costs for the period from 5 August 2013 to 5 September 2014 total £14,424.40. This represents 88.30 hours at an average rate of £163.36 per hour. A total £6,199.12 has been drawn on account of time costs incurred in the Liquidation period, and we have not been able to recover our costs in full.

### **Joint Administrators' Remuneration**

- 4 3 The Joint Administrator's Remuneration was authorised on a time costs basis at a meeting of the Company's creditors held on 24 September 2012. Pursuant to paragraph 99(3) of Schedule B1 of the Insolvency Act 1986 any of the Joint Administrators' outstanding remuneration and expenses are payable as an expense of the liquidation.
- 4 4 The Joint Administrators time costs totalled £34,668.60, of which £14,383.05 was paid in the Administration period as funds allowed. The Joint Liquidators have paid a further £18,638.15 in respect of the Joint Administrators costs during the liquidation period, there are insufficient funds to pay costs in full.
- 4 5 Attached as **Appendix E** is additional information in relation to CLB Coopers policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade. A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from [clbcoopers.co.uk](http://clbcoopers.co.uk) by following the "Business Restructuring & Insolvency" link.



- 4 6 A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from [www.clbcoopers.co.uk](http://www.clbcoopers.co.uk) by following the link to 'Business Restructuring and Insolvency' and clicking on Creditors' Guides to Fees'

## 5 Joint Liquidators' Expenses

- 5 1 The expenses incurred by the Joint Administrators in the period from 5 August 2013 to 5 September 2014 are as follows

Supplier / Service Provider	Nature of expense incurred	Amount incurred to date (£)	Paid to date (£)	Amount Outstanding (£)
Wignall Brownlow LLP	Professional Advice and Marketing	2,000 00	2,000 00	Nil
Turner Parkinson LLP	Legal advice and debt recovery assistance	35 00	35 00	Nil
AFG Law Limited	Professional assistance in relation to the conveyance of the Land	500 00	500 00	Nil
Legal & Public Notices Advertising Agency Ltd	Statutory Advertising	155 00	155 00	Nil
AFG Law Limited	Legal Disbursements re sale of Land	189 00	189 00	Nil
HMRC	Capital Gains Tax re sale of Land	169 56	169 56	Nil

## 6 Outcome for Creditors

### Secured Creditors

- 6 1 Bibby Financial Services Limited ("Bibby") have the benefit of a debenture incorporating a fixed and floating charge over the Company's assets. This debenture was created on 15 August 2012 and registered at Companies House on 16 August 2012.
- 6 2 Bibby held a valid fixed charge over the Company's Trade Debts and as at the date of Administration the indebtedness to Bibby was £274,525.50 plus costs and charges were accruing. The balance of the Trade Debt Ledger they collected was £298,292.56 and

Bibby made sufficient realisations to recover their indebtedness in full however following costs and interest there was no surplus available for the Administration or Liquidation

**Preferential Creditors**

- 6 3 Following the sale of the Company's business and assets all 24 of the Company's employees were transferred to FPC Ltd. The payroll and holiday entitlements were paid by FPC Ltd and there is therefore no preferential claim in the Liquidation

**Unsecured Creditors**

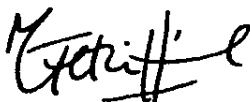
- 6 4 I have received claims from five creditors totalling £262,255.29 to date, a further 38 creditors have not submitted details of their claim against the Company. There are insufficient funds available to facilitate a distribution to unsecured creditors

**7 Creditors' rights**

- 7 1 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) may request in writing that the Joint Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report
- 7 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to Court on the grounds that in all the circumstances, the basis fixed for the Joint Liquidators' remuneration is inappropriate and/or, the remuneration charged or the expenses incurred by the Joint Liquidators as set out in this progress report are excessive

**8 Conclusion**

- 8 1 This report together with final meetings of members and creditors will conclude my administration. Details of the final meetings and resolutions to be considered have been circulated with this report



**Mark Getliffe**  
Joint Liquidator

**FRC Packaging Limited  
(In Liquidation)**

**Appendix A**

**Summary of Receipts & Payments**

RECEIPTS	Statement of Affairs (£)	From 05/08/2013 To 04/08/2014 (£)	From 05/08/2014 To 05/09/2014 (£)	Total (£)
Leasehold Property (1)		10,500 00	0 00	10,500 00
VAT Refund		465 70	0 00	465 70
Administration Surplus		570 13	0 00	570 13
Claims against the Director	76,450 00	20,000 00	0 00	20,000 00
		<b>31,535.83</b>	<b>0 00</b>	<b>31,535.83</b>
<b>PAYMENTS</b>				
Joint Administrators' Remuneration		18,638 15	0 00	18,638 15
Joint Liquidators' Remuneration		1,123 40	5,075 72	6,199 12
Agents/Valuers Fees		2,000 00	0 00	2,000 00
Legal Fees		1,635 00	0 00	1,635 00
Legal Disbursements		18 00	171 00	189 00
Corporation Tax		0 00	169 56	169 56
Statutory Advertising		77 50	77 50	155 00
Oldham Council Costs		2,550 00	0 00	2,550 00
		<b>26,042 05</b>	<b>5,493 78</b>	<b>31,535 83</b>
<b>Net Receipts/(Payments)</b>		<b>5,493 78</b>	<b>(5,493 78)</b>	<b>0 00</b>
<b>MADE UP AS FOLLOWS</b>				
VAT Receivable		774 68	1,098 76	1,873 44
CLB Coopers Creditor		0 00	(1,873 44)	(1,873 44)
		<b>774 68</b>	<b>(774 68)</b>	<b>0 00</b>

**CLB Coopers****TIME & CHARGEOUT SUMMARIES**

FRC Packaging Limited CVL

**Appendix B**

From 05/08/2013 to 04/08/2014

**HOURS**

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	0 30	3 20	11 80	0 10	15 40	2,486 50	161 46
Investigations	0 00	0 50	5 20	0 00	5 70	822 20	144 25
Realisation of Assets	3 60	10 80	33 00	0 00	47 40	8,376 30	176 72
Creditors	0 00	0 50	1 10	1 50	3 10	393 60	126 97
Shareholder Issues	0 00	0 00	0 30	0 00	0 30	40 80	136 00
VAT / Tax Compliance	0 00	0 00	2 30	0 00	2 30	317 00	137 83
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	1,432 50	3,501 00	7,363 40	139 50		12,436 40	
Total Hours	3 90	15 00	53 70	1 60	74 20		
Average Rate	367 31	233 40	137 12	87 19			

From 05/08/2014 to 05/09/2014

## HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	0 00	0 10	0 80	0 00	0 90	146 00	162 22
Creditors	0 00	0 00	7 10	0 00	7 10	1,065 00	150 00
VAT / Tax Compliance	0 00	0 00	6 10	0 00	6 10	777 00	127 38
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of Assets	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	0 00	26 00	1,962 00	0 00		1,988 00	
Total Hours	0 00	0 10	14 00	0 00	14 10		
Average Rate	0 00	260 00	140 14	0 00			

**CLB Coopers****TIME & CHARGEOUT SUMMARIES**

FRC Packaging Limited CVL

**Appendix D**

From 05/08/2013 to 05/09/2014

**HOURS**

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	0 30	3 30	12 60	0 10	16 30	2,632 50	161 50
Investigations	0 00	0 50	5 20	0 00	5 70	822 20	144 25
Realisation of Assets	3 60	10 80	33 00	0 00	47 40	8,376 30	176 72
Creditors	0 00	0 50	8 20	1 50	10 20	1,458 60	143 00
Shareholder Issues	0 00	0 00	0 30	0 00	0 30	40 80	136 00
VAT / Tax Compliance	0 00	0 00	8 40	0 00	8 40	1,094 00	130 24
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	1,432 50	3,527 00	9,325 40	139 50		14,424 40	
Total Hours	3 90	15 10	67 70	1 60	88 30		
Average Rate	367 31	233 58	137 75	87 19			

**Appendix E**

**ADDITIONAL INFORMATION IN RELATION TO LIQUIDATOR'S FEES  
PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)**

**Policy**

Detailed below is CLB Coopers policy in relation to

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

**Staff allocation and the use of subcontractors**

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We operate a time recording system which allows staff working on the case along with the Office Holder to allocate their time to the case in 6 minute units. Time costs are recorded at the individual's hourly rate in force at that time which is detailed below.

The rates shown are exclusive of VAT.

We have not utilised the services of any sub-contractors in this case.

**Professional advisors**

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

<b>Name of Professional Advisor</b>	<b>Basis of Fee Arrangement</b>
AFG Law Ltd (property conveyance)	Fixed Fee and disbursements
Turner Parkinson LLP (legal advice)	Fixed Fee and disbursements
Wignall Brownlow (valuation and disposal advice)	Hourly rate and disbursements

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them

### **Disbursements**

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by CLB Coopers for the provision of services which include an element of recharged overhead, for example, room hire or document storage.

No Category 2 disbursements have been recharged in this matter.

### **Charge-out rates**

Charge out rates of the partners and staff of CLB Coopers effective from 6 June 2011 are shown below,

<b>Grade of Staff</b>	<b>Rate per hour £</b>
Partner	320 -375 00
Associate/ Manager	230 00
Administrator	136 00
Assistants and Support Staff	95 00



Charge out rates of the partners and staff of CLB Coopers effective from 12 May 2014 are shown below

Grade of Staff	Rate per hour £
Partner	350 -395 00
Manager	260 00
Administrator	150 00
Assistants and Support Staff	105 00

A copy of the guide to fees is available on request from CLB Coopers or can be downloaded from our website [www.clbcoopers.co.uk](http://www.clbcoopers.co.uk) Follow the link to Business Restructuring & Insolvency and click on 'View our Creditors' Guides to Fees'