

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

03404585

Name of Company

Zert Distribution Limited

I / ~~We~~

Alan Simon AFA MIPA FABRP, Langley House, Park Road, London, N2 8EY

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 03/09/2015 to 02/09/2016

Signed



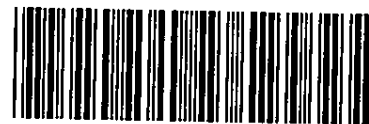
Date

16/9/2016

AABRS Limited
Langley House
Park Road
London
N2 8EY

Ref Z1002/AS/HS/SR/NR/MA/NS

TUESDAY



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COMPANIES HOUSE

Liquidator's Annual Progress Report to Creditors & Members

**Zeit Distribution Limited
- In Liquidation**

16 September 2016

ZEIT DISTRIBUTION LIMITED - IN LIQUIDATION

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ZEIT DISTRIBUTION LIMITED - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 I, Alan Simon AFA MIPA FABRP of AABRS Limited, Langley House, Park Road, London, N2 8EY, was appointed as Liquidator of Zeit Distribution Limited (the **Company**) on 3 September 2010. This progress report covers the period from 03 September 2015 to 02 September 2016 (**the Period**) and should be read in conjunction with any previous progress reports which have been issued.
- 1.2 The principal trading address of the Company was Sunrise House, Sunrise Lane, Houghton-Le-Spring, Tyne & Wear, DH4 5AL.
- 1.3 The registered office of the Company has been changed to Langley House, Park Road, East Finchley, London, N2 8EY and its registered number is 03404585.

2 Progress of the Liquidation

- 2.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period.
- 2.2 At Appendix A is my Receipts and Payments Account for the Period together with a cumulative Receipts and Payments Account for the period from the date of my appointment as Liquidator to the end of the Period
- 2.3 Below are details of the work I have undertaken during the reporting period:-
 - (i) Preparing and issuing annual progress reports to members and creditors
 - (ii) Lodging periodic returns with the Registrar of Companies for the liquidation
 - (iii) Complying with statutory duties in respect of the liquidator's specific penalty bond
 - (iv) Update of case files on my firm's insolvency software
 - (v) Periodic case progression reviews
 - (vi) Maintaining and managing the liquidation estate cashbook and bank account
 - (vii) Dealing with all post-appointment VAT and corporation tax compliance
 - (viii) Liaison with the PPL UK Ltd regarding collection and sale of Company's intellectual property ("Royalties")
 - (ix) Co-ordinate valuation, marketing and sale of Royalties with Proudley Associates Ltd, valuers/agents
 - (x) Co-ordinate with the third party in respect of offer and sale of royalties
- 2.4 Based on the current position of the case, the remaining work which remains to be completed is the following:-
 - (i) As reported above at 2.3, to conclude sale of Royalties

ZEIT DISTRIBUTION LIMITED - IN LIQUIDATION

- 2.5 Attached at Appendix B is a time analysis outlining the time spent by the Liquidator and his staff during the period of this report together with a cumulative time analysis covering the period since my appointment as Liquidator
- 2.6 Further information about the basis of remuneration agreed in this case and the Liquidator's fees can be found in section 4 of this report.

Realisation of Assets

2.7 Royalties

- (i) The Director's Statement of Affairs ("SoA") did not indicate that Royalties would be realised. During the reporting period £6,090.76 has been realised, bringing total realisations to £18,616.43.
- (ii) As reported in my previous report to creditors, I had been contacted by a third party who showed an interest in buying the Company's intellectual property ("Royalties") and accordingly I had instructed Proudley Associates Ltd, valuers/agents to assist me in marketing and selling Royalties.
- (iii) Subsequent to the above, few offers were received in the reporting period. I am currently co-ordinating with the PPL UK Ltd and agents to conclude the sale of Royalties
- (iv) I will report any updates to creditors in my next report.

Unrealised Assets

- 2.8 Based on the current position of the case, the remaining unrealised assets include the following:-
- (i) As reported above at 2.7, conclude sale of Royalties
- 2.9 Based on the above, I currently anticipate the total expenses that may be incurred in dealing with the remainder of the Company's asset realisations to be £5,000.

Creditors (claims and distributions)

- 2.10 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. A Liquidator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 2.11 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 2.12 The above work will not necessarily bring any financial benefit to creditors generally, however a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each

ZEIT DISTRIBUTION LIMITED - IN LIQUIDATION

relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims.

Investigations

- 2.13 You may recall from my first progress report to creditors that some of the work the Liquidator is required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidator can pursue for the benefit of creditors.
- 2.14 My report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills under the CDDA 1986 was submitted during the first year of the liquidation and is confidential.
- 2.15 Since my last progress report I would advise that no further asset realisations have come to light that may be pursued by me for the benefit of creditors

3 Creditors

Secured Creditors

- 3.1 There is no secured creditor registered at Companies House.

Preferential Creditors

- 3.2 No claims were anticipated and none have been received.

Unsecured Creditors

- 3.3 I have received claims totalling £265,766.60 from 17 creditors. I have yet to receive claims from 40 creditors whose debts are estimated to total £77,438.65 as per Director's SoA.

Qualifying Floating Charge Holder (QFC)

- 3.4 The Company did not granted any floating charge to a secured creditor

4 Liquidator's Remuneration

- 4.1 The Creditors approved that the basis of the Liquidator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the Liquidation.
- 4.2 My time costs for the Period are £8,934. This represents 41.60 hours at an average rate of £214.76 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent by me in managing the liquidation. During the period, £4,500 plus VAT has been drawn on account.

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- 4.3 Also included within as Appendix B is a cumulative Time Analysis for the period from 3 September 2010 to 02 September 2016 which provides details of my time costs since my appointment. The cumulative time costs incurred to date are £91,515.50. This represents 358 hours at an average rate of £255.63 per hour. During the liquidation, a total of £39,000 plus VAT has been drawn on account.
- 4.4 With reference to Appendix B, included within the work performed under 'Administration and Planning' are various statutory filing duties and obligations; case planning and strategy; and certain cashing. Work contained within 'Investigations' include the time spent on CDDA and SIP 2 reporting. Included within the category of 'Realisation of Assets' is work performed in recovering tangible and intangible assets; payment of costs; banking of all realisations; and insurance and bonding. Finally, included within 'Creditors' has been time spent in dealing with creditors, including preparation of progress reports, dealing with creditors' claims and liaising with preferential and unsecured creditors.
- 4.5 In considering the remaining work to be done in this liquidation, I currently anticipate that my time costs to complete the liquidation will be approximately £8,000. I will update creditors on this in my next progress report
- 4.6 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from www.aabrs.com/resources/creditors-guides
- 4.7 Attached as Appendix C is additional information in relation to the Liquidator's fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

5 Creditors' Rights

- 5.1 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 Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report.
- 5.2 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 Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

6 Next Report

- 6.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors

Yours faithfully


Alan Simon
Liquidator

Zeit Distribution Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 03/09/2015 To 02/09/2016 £	From 03/09/2010 To 02/09/2016 £
	ASSET REALISATIONS		
Uncertain	Goodwill	NIL	NIL
1,735 00	Plant, Furniture & Equipment	NIL	1,735 00
	Stock - Note 5	NIL	8,000 00
80,000 00	Book Debts	NIL	10,013 74
Uncertain	VAT Refund - Note 5	NIL	NIL
12,142 66	Cash at Bank	NIL	20,649 04
	Royalties	6,090 76	18,616 43
	Bank Interest Gross	14 86	339 38
		<u>6,105 62</u>	<u>59,353 59</u>
	COST OF REALISATIONS		
	Specific Bond	NIL	376 00
	R4 62 - Expenses of Creditors Meeting	NIL	62 50
	Liquidators Fees	4,500 00	39,000 00
	Book Debt Collection Fees	NIL	6,573 88
	Agents/Valuers Fees	NIL	210 00
	Legal Fees	NIL	8,150 00
	Corporation Tax	11 40	127 00
	Travel expenses	NIL	19 00
	Statutory Advertising	NIL	125 00
		<u>(4,511 40)</u>	<u>(54,643 38)</u>
	UNSECURED CREDITORS		
(145,873 34)	Trade & Expense Creditors	NIL	NIL
(121,104 82)	Director - R M Ayling	NIL	NIL
(7,244 41)	HM Revenue & Customs (PAYE)	NIL	NIL
(3,467 94)	HM Revenue & Customs (Corporation)	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
100 00	Ordinary Shares	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(183,712.85)</u>		<u>1,594 22</u>	<u>4,710.21</u>
	REPRESENTED BY		
	Natwest		4,410 21
	Vat Control Account		300 00
			<u>4,710.21</u>

Alan Simon AFA MIPA FABRP
Liquidator

Time Entry - SIP9 Time & Cost Summary + Cumulative

Z1002 - Zeit Distribution Limited
Project Code POST
From 03/09/2015 To 02/09/2016

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)	Total Hours Cum (POST Only)	Total Time Costs Cum (POST Only)
Administration & Planning	3 00	3 60	0 00	11 70	18 30	3 874 50	211 72	76 00	17,151 50
Case Specific Matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00	5 20	750 00
Creditors	0 30	0 40	0 00	10 60	11 30	1,835 00	162 39	71 80	17 752 00
Investigations	0 00	0 00	0 00	2 50	2 50	375 00	150 00	91 10	21 111 50
Realisations of Assets	4 50	0 70	0 00	4 30	9 50	2,849 50	299 95	113 90	34,750 50
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours / Costs	7 80	4 70	0 00	29 10	41 60	8,934 00	214.78	358 00	91,515 50
Total Fees Claimed						39,000 00			
Total Disbursements Claimed						0 00			

ZEIT DISTRIBUTION LIMITED - IN LIQUIDATION**Appendix C****Additional Information in Relation to the Liquidator's Fees, Expenses & Disbursements****7 Staff Allocation and the Use of Sub-Contractors**

- 7.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 7.2 The constitution of the case team will usually consist of a Director, 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.
- 7.3 On this case we are proposing to use the services of the following sub-contractors

Service (s)	Provider	Basis of fee arrangement	Cost to date
Book debt collection	Moreton Smith Limited	% of realisations	£6,573 88

8 Professional Advisors

- 8.1 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.

Name of Professional Advisor	Basis of Fee Arrangement
Matthew Arnold Baldwin LLP (legal advice)	Hourly rate and disbursements
The Warren Partnership Ltd (valuation and disposal advice)	Hourly rate and disbursements
Quickbyte Ltd (IT Consultancy)	Hourly rate
Proudley Associates Ltd (valuation and disposal advice)	Hourly rate and disbursements

- 8.2 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.

9 Liquidator's Expenses & Disbursements

- 9.1 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

	Paid in prior period £	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Agents' costs	210	-	-	210
R4 62 - Expenses of Creditors Meeting	62 50	-	-	62 50
Legal Fees	8,150	-	-	8,150
Statutory advertising	125	-	-	202
Specific penalty bond	376	-	-	376
Co-corporation Tax	115 60	11 40	-	127
Travel Expenses	19	-	-	19

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- 9.2 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. These disbursements are included in the tables of expenses above.
- 9.3 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidator's fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

10 Charge-Out Rates

- 10.1 AABRS Limited's current charge-out rates effective from 1 April 2016 are detailed below. Please note this firm records its time in minimum units of 6 minutes.
- 10.2 There have been no material increases in charge-out rates since the commencement of the liquidation.
- 10.3 A schedule of charge out rates are shown below

	(Per hour) £
Director	450
Manager	190-275
Other Senior Professional	170-190
Assistants & Support Staff	60-170