

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


Zeit 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 03/09/2013 to 02/09/2014

Signed 

Date 22/10/14

Accura Accountants Business Recovery Turnaround Ltd
Langley House
Park Road
London
N2 8EY

Ref Z1002/AS/SR/NC/NS

FRIDAY



A28

A3J6DJTU

24/10/2014

#221

COMPANIES HOUSE

Liquidator's Annual Progress Report to Members & Creditors

**Zeit Distribution Limited
In Liquidation
21 October 2014**

CONTENTS

- 1** Introduction and Statutory Information
- 2** Realisation of Assets
- 3** Unrealised Assets
- 4** Duty as Liquidator
- 5** Investigations
- 6** Creditors
- 7** Liquidator's Remuneration
- 8** Liquidator's Expenses
- 9** Creditors' Rights
- 10** Next Report

APPENDICES

- A** Receipts and Payments Account from 3 September 2013 to 2 September 2014 and Cumulative Receipts and Payments Account for Period from 3 September 2010 to 2 September 2014
- B** Time Analysis for the period 3 September 2013 to 2 September 2014 and Cumulative Time Analysis for the Period from 3 September 2010 to 2 September 2014
- C** Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9 (SIP9)

1 Introduction and Statutory Information

- 1.1 I, Alan Simon of Accura Accountants Business Recovery Turnaround Ltd, Langley House, Park Road, London, N2 8EY, was appointed as Liquidator of Zeit Distribution Limited (the Company) on 03 September 2010. This report provides an update on the progress in the liquidation for the year ended 2 September 2014.
- 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 Realisation of Assets

- 2.1 At Appendix A, I have provided an account of my Receipts and Payments for the period 3 September 2013 to 2 September 2014 with a comparison to the Directors' Statement of Affairs values, together with a cumulative account since my appointment, which provides details of the remuneration charged and expenses incurred and paid by the Liquidator during the period of this report.
- 2.2 Further information on the Liquidator's remuneration can be found in section 7 below.
- 2.3 The company's assets have been realised as follows:-
- 2.4 **Royalties**
- 2.4.1 The director's statement of affairs did not indicate that Royalties would be realised. During the reporting period £314.18 has been realised bringing total realisations to £11,917.55

3 Unrealised Assets

- 3.1 As Liquidator, I am continuing investigations into various transactions which occurred prior to the liquidation. As previously reported, I have instructed solicitors Matthew Arnold Baldwin LLP to assist me in this matter. Further information is in section 5 below.
- 3.2 There is a potential debtor in America. I will provide further information to creditors in due course in relation to any likely recoveries.

4 Duty as Liquidator

I have carried out the following duties in my capacity as liquidator:-

- 4.1.1. Co-ordinated the collection of book debt process.
- 4.1.2. Performed monthly bank reconciliations on the designated liquidation account.
- 4.1.3. Instructed agents to deal with the sale of assets.
- 4.1.4. Dealt with the investigation as detailed below.
- 4.1.5. Circulated annual progress reports to creditors'.

5 Investigations

5.1.1 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.

5.2 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting or as a response to my request to complete an investigation questionnaire.

My investigations revealed the following issues:

- In my previous annual report dated 28 October 2013, I advised creditors that there was the potential of a claim against third parties including Gonzo Multimedia Limited which may result in recoveries into the liquidation estate.
- On the 30 April 2014, I wrote to creditors with an update on the investigations and advising that further to a meeting with Mark Tempest of Matthew Arnold Baldwin LLP, there were insufficient funds to continue the investigation. Creditors were asked whether they would contribute towards the funding of any action or purchase the rights to pursue to claim. To date no funding has been agreed and therefore investigations into the actions of Gonzo Multimedia Limited will cease.

6 Creditors

Secured Creditors

6.1 The Company did not grant any fixed and floating charges to a secured creditor. Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors.

Preferential Creditors

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

Unsecured Creditors

- 6.3 I have received claims totalling £222,674.89 from 14 creditors. I have yet to receive claims from 41 creditors whose debts total £77,438.65 as per the directors' statement of affairs.
- 6.4 Based on current figures, I estimate that unsecured creditors will not receive a dividend.

7 Liquidator's Remuneration

- 7.1 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.
- 7.2 My time costs for the period from 3 September 2013 to 2 September 2014 are £7,318.50. This represents 36.3 hours at an average rate of £201.61 per hour. Attached as Appendix B is a Time Analysis, which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the Liquidation.
- 7.3 Also attached as Appendix B is a cumulative Time Analysis for the period from 3 September 2010 to 2 September 2014, which provides details of my total time costs since the date of my appointment.
- 7.4 I can advise that since my last progress report on the liquidation dated 28 October 2013, I have drawn £1,000 for the period to the date of this report.
- 7.5 I would confirm that the amount of £23,000 has been drawn since the date of my appointment.
- 7.6 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 SIP2 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; liaising with preferential creditors; secured creditors; landlords and agreeing and payment of dividends.
- 7.7 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from www.aabrs.com/resources/creditor-guides.
- 7.8 Attached as Appendix C is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade.

8 Liquidator's Expenses

- 8.1 A statement of the expenses incurred by the Liquidator during the period of the report is as follows:

Charged By	Brief Description of Services Provided	Total amount charged	Amount paid
Solicitors Name	Matthew Arnold Baldwin LLP	£1,300	£1,300

9 Creditors' rights

- 9.1 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.
- 9.2 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 the circumstances, the basis fixed for the Liquidator's remuneration, the remuneration charged or the expenses incurred by the Liquidator as set out in this progress report are excessive.

10 Next Report

- 10.1 I am required to provide a further report on the progress of the liquidation within two months of the end 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

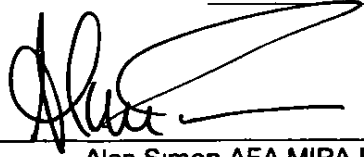
Yours faithfully


Alan Simon
Liquidator

Enc

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

Statement of Affairs		From 03/09/2013 To 02/09/2014	From 03/09/2010 To 02/09/2014
ASSET REALISATIONS			
	Freehold Land & Property	NIL	NIL
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	314 18	11,917 55
	Bank Interest Gross	39 18	268 92
		<u>353 36</u>	<u>52,584 25</u>
COST OF REALISATIONS			
	Specific Bond	46 00	376 00
	R4 62 - Expenses of Creditors Meeting	NIL	62 50
	Liquidators Fees	1,000 00	23,000 00
	Book Debt Collection Fees	NIL	6,573 88
	Agents/Valuers Fees	NIL	210 00
	Legal Fees	1,300 00	8,150 00
	Corporation Tax	20 76	54 19
	Travel expenses	NIL	19 00
	Statutory Advertising	NIL	125 00
		<u>(2,366 76)</u>	<u>(38,570 57)</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>(2,013.40)</u>	<u>14,013.68</u>
REPRESENTED BY			
Natwest			14,013 68
			<u>14,013.68</u>



Alan Simon AFA MIPA FABRP
Liquidator

Time Entry - SIP9 Time & Cost Summary + Cumulative

Z1002 - Zeit Distribution Limited
 Project Code POST
 From 03/09/2013 To 02/09/2014

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	2 20	3 70	0 50	6 30	12 70	2 474 00	194 80	45 70	10 804 00
Case Specific Matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00	5 20	750 00
Creditors	3 40	0 00	0 00	9 90	13 30	2 683 50	201 77	56 30	15 017 00
Investigations	0 10	0 00	0 00	1 20	1 30	192 00	147 69	88 60	20 736 50
Realisations of Assets	2 60	0 80	0 00	5 60	9 00	1 969 00	218 78	97 50	30 352 50
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours / Costs	8 30	4 50	0 50	23 00	36 30	7 316 50	201 61	203 30	77 660 00
Total Fees Claimed						23 000 00			
Total Disbursements Claimed						0 00			

Appendix C

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

1 Policy

Detailed below is Accura Accountants Business Recovery Turnaround Ltd policy in relation to:

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

1.1 *Staff allocation and the use of subcontractors*

Our 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, Manager, Administrator and/or an Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

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

1.2 *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.

Name of Professional Advisor	Basis of Fee Arrangement
Matthew Arnold Baldwin LLP (legal 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.

1.3 *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 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.

We would confirm that this firm does not seek to charge any Category 2 disbursements.

2 Charge-out rates

A schedule of Accura Accountants Business Recovery Turnaround Ltd charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved and at that time of subsequent reports. A schedule of current rates is shown below.

A schedule of Accura Accountants Business Recovery Turnaround Ltd charge-out rates effective from 1 April 2014 is as follows

Role	(per hour)
Director	£450
Manager	£190 - £275
Other Senior Professionals	£170 - £190
Assistants & Support Staff	£60 - £170

There have been no material increases in charge-out rates since the commencement of the liquidation.

Please note that this firm records its time in minimum units of 6 minutes.