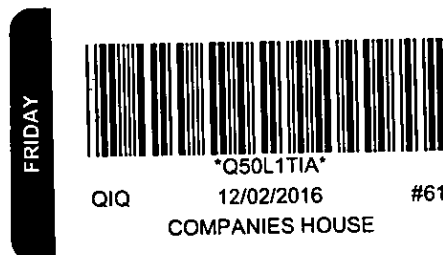


3555684

Our ref FXX/RHL/B3383
Date 11 February 2016

Please ask for
Rachel Lai
T +44 (0)29 2044 7513
ral@menzies.co.uk

TO ALL MEMBERS AND CREDITORS



Dear Sirs

BISHOPSGATE IRON & STEEL CO. LIMITED - IN LIQUIDATION

IN THE MATTER OF THE HIGH COURT OF JUSTICE NO. 007947 OF 2012

This is the Liquidator's annual progress report ("the report") for the year ended 12 December 2015

This report should be read in conjunction with my previous reports

1. Statutory information

The company was wound-up in the High Court of Justice on 10 December 2012 following a petition presented to the Court on 14 October 2012

The company's registered name is Bishopsgate Iron & Steel Co Limited and traded as a wholesaler of waste and scrap

The company was incorporated on 30 April 1998 under company number 03555684

The registered office of the company was formerly Unit 9A Thames Industrial Estate, Thames Road, London, E16 2EZ and was changed on 16 January 2013 to 2 Mountview Court, 310 Friern Barnet Lane, Whetstone, London, N20 0YZ for the purposes of the Liquidation. It was changed again on 11 November 2015 to Lynton House, 7-12 Tavistock Square, London, WC1H 9LT following my office relocation

I, Freddy Khalastchi FCA FABRP MIPA of Menzies LLP, 2 Sovereign Quay, Havannah Street, Cardiff, CF10 5SF was appointed Liquidator of the above-named company by the Secretary of State on 13 December 2012. Harris Lipman LLP merged with Menzies LLP on 1 July 2015

There have been no changes of Liquidator in the period to which this report relates

2. Liquidator's progress during the period of this report

Asset related matters

Plant and machinery

I previously advised that the landlord had issued notice to remove the items at the company's former trading premises should I wish to claim them. I was unable to lay claim to the assets because I was not able to prove ownership of them due to the company's lack of sufficient records, a claim to the assets by Independent Scrap Limited ("Independent") and a lack of funds to meet the landlord's costs of delivery

However, I have since been advised that the landlord's position changed and it was not in a position to remove all of the items on site at the stage at which the notice was issued. The landlord does now intend to remove the goods and I have been advised that a further notice will be issued under the Torts (Interference with Goods) Act 1977. Once this notice is issued I will consider again whether it may be

possible to reach agreement with Independent regarding claiming and selling the chattel assets, and splitting the proceeds

Claims relating to scrap and machinery

I was contacted by solicitors acting for the directors, and also directly by the directors, regarding potential claims relating to scrap metal which may be made by Independent and the company, and later in relation to a machine on finance which was personally guaranteed by the directors. It was intimated that I might provide an assignment of the company's claims. I requested further information regarding these issues, however, none has been provided to date. I have therefore been unable to take any further action.

Other assets

Please advise me as soon as possible if you are aware of any other assets of the company that have not been referred to above or previously.

Investigative matters

My investigation remains open, however, my present focus is on finalising the position as regards the company's tangible assets. The outcome of this may affect the direction of my investigations. I am sure you will appreciate that I am unable to provide any specific information with regard to these matters, as to do so may prejudice a successful outcome.

If you are aware of any matters which you believe require my investigation, please advise me accordingly, in writing, providing as much detail as possible with regard to those matters. Any such contact will, of course, be kept confidential.

General matters

As previously advised, in addition to the work undertaken to result in the asset realisations referred to above, throughout the period of my administration I have responded to the queries of creditors and noted creditor claims.

I have yet to agree the costs of the petition of £1,995 as there are insufficient funds to settle these costs. These costs will be agreed and paid once there have been sufficient realisations to enable me to do so, and which are paid in priority to my own costs and expenses.

Specific tasks such as VAT and tax issues, cashiering and statutory returns have been allocated to team members who have specialist knowledge in the relevant areas.

Additionally, I have continued to comply with obligations imposed by statute and my regulatory body which include, but are not limited to, the submission of returns to Companies House, HM Revenue and Customs and specific penalty bonding.

3. Abstract of the Liquidator's receipts and payments

I attach at Appendix 3 a summary of my receipts and payments for the period of this report.

All disbursements are shown as net of VAT. As the company was registered for VAT purposes VAT can be recovered for the benefit of the insolvent estate.

There have been no transactions during the period other than the payment of bank charges for the Insolvency Services Account which I am required to maintain.

4. Assets which remain to be realised

I have been unable to realise the plant and machinery, mound of scrap, environmental permits and bond. It is possible that the plant and machinery may be realisable, although the other assets are unlikely to be. My investigations in this matter are ongoing.

5. Liquidator's remuneration

As advised previously, my remuneration has been fixed by reference to time properly spent by myself and my staff in attending to matters arising in the Liquidation.

For creditor's information, the charge out value of time costs incurred during the period to which this report relates presently amounts to £2,971 50 made up of 11 hours at an average charge out rate of £270 14 per hour

The greatest proportion of time has been spent on creditor issues, primarily reporting to creditors. Time has also been expended on asset-related matters as referred to above, and on administrative matters including periodic file reviews and cashiering

I attach at Appendix 1 a breakdown of the time costs between the grades of staff allocated to the case, which includes details of the current charge out rates of myself and my team who have been and will be dealing with the Liquidation

The charge out value of time costs to the end of the period to which this report relates amounts to £66,726 50 made up of 271 67 hours at an average charge out rate of £245 62 per hour

A copy of "A Creditors' Guide to Liquidator's Fees", issued by the Association of Business Recovery Professionals, which sets out the basis of fixing the Liquidator's Remuneration, is available on our website at

<http://www.menzies.co.uk/helping-you/business-recovery/fees-guide/>

You should then choose the appropriate creditor guide for the type of appointment between November 2011 and September 2015

Please let me know if you do not have access to the internet and would prefer a hard-copy of this guide

6. Liquidator's expenses

The payments made from the estate during the period of this progress report are largely self-explanatory

The following agents or professional advisors have been utilised in this matter

Professional Advisor	Nature of Work	Fee Arrangement
Lambert Smith Hampton (previously Edward Symmons)	Valuer	Time costs subject to realisations
Clarke Willmott	Solicitors	Dependent upon realisations

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

No disbursements have been incurred during the period under review

My advisors remain unpaid due to a lack of realisations

A statement with regard to my disbursements recovery policy is attached at Appendix 2

7. Return to creditors pursuant to Section 176A

The provisions of Section 176A of the Act require a calculation to be made of the prescribed part of the company's net property for distribution to unsecured creditors. The prescribed part must be calculated and provided for where debentures of the company have been created after 15th September 2003

In dealing with realisations under the prescribed part, I am entitled to take into account the claims of the preferential creditors and the costs and expenses associated in dealing with the prescribed part

The company's net property comprises floating charge realisations less preferential claims and the costs of dealing with the prescribed part

The prescribed part is calculated as 50% of the first £10,000 of floating charge realisations plus 20% of all other floating charge realisations, subject to a maximum prescribed part of £600,000

There have been no floating charge realisations to date. Therefore there is no net property and the prescribed part is nil. I am currently unable to provide an estimate of what the prescribed part may eventually be as future realisations are uncertain. I will be in a position to provide an estimate once the situation is clearer.

8. Outcome for creditors

I have received claims in respect of PAYE, NI, Corporation Tax and VAT totalling £854,335.90.

Trade and Expense creditor claims received to date total £602,946.60, which includes the Bank's secured claim of £298,427.97.

There are presently insufficient funds in hand to declare a dividend to the unsecured creditors in this matter.

The amount and timing of any dividend will ultimately depend on the outcome of our investigation into the affairs of the company and any realisations that we are able to make. As such I am unable at present to provide an estimate of any dividend the unsecured creditors may receive.

9. Creditors' right to information

A creditor may make a request for further information regarding my remuneration and expenses. Any such request must be in writing and should be made within 21 days of receipt of this report. Where the request is made by an unsecured creditor, it must be supported by at least 5% in value of the unsecured creditors, or with the permission of the Court.

If the information requested is either prejudicial to my conduct of this case, might lead to violence against any person, may be confidential or the costs of preparing the requested information would be excessive, I may not be obliged to provide it.

Any unsecured creditor may make an application to the Court in respect of any information provided following such a request, or my failure to provide same, after 14 days of my receipt of that request.

Additionally, creditors may make an application to Court to challenge the amount or basis of my remuneration and expenses, which must be supported by at least 10% in value of the creditors, including the applicant's claim. The application must be made within 8 weeks of receipt of this report. The costs of the application must also be paid by the creditors making the application.

Further details with regard to these provisions form part of the guidance notes relating to fees referred to previously.

10. Next report

I am required to provide a further progress report within two months of the end of the next anniversary of the Liquidation.

I regret that, in the present circumstances, I am still unable to provide an indication as to when I expect to conclude the liquidation. I hope to be able to give a better indication in my next report.

Should you have any further queries in relation to the contents of this report, or with regard to other matters arising, please do not hesitate to contact me.

Yours faithfully



Freddy Khalastchi FCA FABRP MIPA

**Licensed as an Insolvency Practitioner in the UK by the Insolvency Practitioners Association
Liquidator**

BISHOPSGATE IRON & STEEL CO LIMITED

APPENDIX I

TIME CHARGE OUT SUMMARY FOR THE PERIOD FROM 13 DECEMBER 2014 TO 12 DECEMBER 2015

Classification of work function	HOURS				Total Hours	Time Costs £	Average Hourly Rate £
	Partner/Director	Manager	Senior	Administrator			
Admin and Planning							
Data entry	0 00	0 00	0 00	0 00	0 00	0 00	0 00
File reviews	0 00	0 00	0 00	1 50	1 50	172 50	115 00
General correspondence & calls	0 00	0 10	0 00	0 00	0 10	33 00	330 00
General administration	0 00	0 50	0 00	1 10	1 60	321 00	200 63
Total	0 00	0 60	0 00	2 60	3 20	526 50	164 53
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of Assets	0 60	2 40	0 00	0 00	3 00	1,050 00	350 00
Creditors							
Landlord	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Reporting to creditors	0 00	4 20	0 00	0 00	4 20	1,197 00	285 00
Correspondence & calls	0 00	0 60	0 00	0 00	0 60	198 00	330 00
Total	0 00	4 80	0 00	0 00	4 80	1,395 00	290 63
Support	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	0 60	7 80	0 00	2 60	11 00		
Total Costs	303 00	2,330 00	0 00	338 50		2,971 50	
Total Fees claimed (£)	0 00	0 00	0 00	0 00		0 00	

CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS

	From 1 October 2015	1 Jan 2015 to 31 Sept 2015	1 Jan 2014 to 31 Dec 2014
	£ per hour	£ per hour	£ per hour
Partner/Director	350-560	395-560	380-545
Manager	210-400	285-400	275-385
Senior	175-230	230	220
Administrator	100-170	115-170	110-165
Support Staff	54-80	54	52

- Note 1** There may have been a number of promotions through the various grades during the period of the administration
- Note 2** It is the policy of this firm to account for secretarial staff as an overhead cost Overhead costs are reflected in the charge out rates detailed
- Note 3** The charge-out rate of the Insolvency Practitioner for this assignment is currently £545 per hour, and the administrator is £330 per hour
- Note 4** Time is recorded in minimum units of 6 minutes

APPENDIX 2

DISBURSEMENTS RECOVERY POLICY

Professional advisors have been selected on the basis that they have the appropriate experience and qualifications to effectively deal with the issues arising in a case of this nature. The agents have been instructed on a time costs basis, subject to realisations. The solicitors' fees will also be dependent upon realisations and it is envisaged that a conditional fee arrangement will be entered into with solicitors.

All disbursements are shown as net of VAT. As the company was registered for VAT purposes VAT can be recovered for the benefit of the insolvent estate.

Category 1 Disbursements

Specific expenditure relating to the administration of the insolvent estate and payable to an independent third party is recoverable without creditor approval. Such expenditure is made if funds are available from the insolvent estate. If funds are not available then payment is made from this firm's office account and reimbursed from the estate should funds become available.

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Typical items include legal fees, agents' fees, statutory advertising, insurance of assets, search fees, specific penalty bonding, telephone calls, postage, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case.

As there have been no realisations in this matter to date, all such disbursements such as statutory advertising, search fees and specific penalty bonding have been paid by my firm and will be recharged through the estate as and when funds are available.

Category 2 Disbursements

Expenditure incidental to the administration of the insolvent estate, which by its nature includes an element of shared or allocated cost is recoverable with creditor approval.

Payments in respect of the above are defined as 'Category 2 Disbursements'. They are as follows:

Storage at £40 per box per annum or part thereof plus VAT

Destruction at £3.50 per box plus VAT,

being the current rates applicable.

There have been no Category 2 disbursements made from the estate.

Appendix 3
Bishopsgate Iron & Steel Co. Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs	From 13/12/2014 To 12/12/2015	From 13/12/2012 To 12/12/2015
ASSET REALISATIONS		
Petitioner's Deposit	NIL	1,165 00
	NIL	1,165 00
COST OF REALISATIONS		
O R Remuneration	NIL	2,235 00
Bank Charges	88 00	264 00
	(88 00)	(2,499 00)
	(88 00)	(1,334 00)
REPRESENTED BY		
ISA main account - IB		(1,334 00)
		(1,334 00)