

## The Insolvency Act 1986

Liquidator's Progress  
Report**S.192**Pursuant to Sections 92A, 104A and  
192 of the Insolvency Act 1986

To the Registrar of Companies

For official use

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Company Number

03558023

Name of Company

(a) Insert full name  
of company(a) **Abacus Electrical Supplies Limited**(b) Insert full  
name(s) and  
address(es)I/We (b) **J Walters and J J Beard, both of Begbies Traynor (Central) LLP, 2/3  
Pavilion Buildings, Brighton, BN1 1EE**The liquidator(s) of the company attach a copy of my/our Progress Report  
Under section 192 of the Insolvency Act 1986The Progress Report covers the period from 18 August 2011 to 17 August 2012

Signed

Date 23/8/12Presenter's name,  
address and  
reference (if any)J Walters  
Begbies Traynor (Central) LLP  
2/3 Pavilion Buildings  
Brighton  
BN1 1EETel 01273 322960  
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Liquidation

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COMPANIES HOUSE

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## **Abacus Electrical Supplies Limited (In Creditors' Voluntary Liquidation)**

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Progress report pursuant to Section 104A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986

Period: 18 August 2011 to 17 August 2012

### **Important Notice**

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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## **Contents**

- ☐ Interpretation
- ☐ Company information
- ☐ Details of appointment of liquidators
- ☐ Progress during the period
- ☐ Estimated outcome for creditors
- ☐ Remuneration and disbursements
- ☐ Liquidators' expenses
- ☐ Assets that remain to be realised
- ☐ Other relevant information
- ☐ Creditors' rights
- ☐ Conclusion
- ☐ Appendices
  - 1 Liquidators' account of receipts and payments
  - 2 Liquidators' time costs and disbursements
  - 3. Statement of Liquidators' expenses

# 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Abacus Electrical Supplies Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Act on 18 August 2011
"the liquidators", "we", "our" and "us"	J Walters and J J Beard, both of Begbies Traynor (Central) LLP, 2/3 Pavilion Buildings, Brighton, BN1 1EE
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	<ul style="list-style-type: none"><li>(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and</li><li>(ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)</li></ul>
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

## 2. COMPANY INFORMATION

Trading name(s)	None
Company registered number	03558023
Company's former registered office	Abacus House, Unit 3 Rochester Court, Anthony's Way, Medway City Estate, Kent, ME2 4NW
Company's current registered office	2/3 Pavilion Buildings, Brighton, BN1 1EE
Former trading address	Abacus House, Unit 3 Rochester Court, Anthony's Way, Medway City Estate, KENT ME2 4

## 3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	18 August 2011
Date of liquidators' appointment	18 August 2011
Changes in liquidator (if any)	None

## 4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 18 August 2011 to 17 August 2012

In the statement of affairs, the director estimated that book debts would realise £54,271 To date, with the assistance of the director and PDT Solicitors, the sum of £30,432 81 has been received Investigations into the company's books and records showed that £912 of the book debts had been paid prior to our appointment £1,963 68 of the debts are subject to valid counter claims

PDT Solicitors continue to chase a debtor who owes in the region of £19,852 However, it would appear that this company has now ceased to trade and therefore a realisation is unlikely The smaller book debts are still being pursued with the assistance of the director

The director estimated that the Company's electrical stocks would realise £10,200 An offer of £2,100 was made for the stocks and no other offers were received Following the advice of our independent agents, John M Peyto & Co Limited ("our agents"), the offer of £2,100 was accepted

The director estimated that the Company's motor vehicle would realise £1,200 The vehicle was sold by our agents and realised the anticipated amount

Office furniture and equipment were estimated to realise £665 00 £700 was realised by our agents

Cash in hand of £1,013 was received in line with the figure provided in the director's statement of affairs

Deposit interest of £8 44 has accrued since our appointment

## 5. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the directors' statement of affairs) are as follows

### **Secured creditor**

HSBC Bank plc ("the Bank") has a fixed and floating charge over the company assets dated 4 June 1998. The statement of affairs detailed that the Bank were owed £6,512.

### **Preferential creditors**

Preferential claims of employees for arrears of wages, salary and holiday pay were estimated at £3,836 and we have admitted claims in the total sum of £2,509.94.

### **Unsecured creditors**

Unsecured creditors were estimated at £182,214.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

### **Secured creditor**

The Bank has provided their final claim in the sum of £6,646.70 which will be paid in full.

### **Preferential creditors**

A dividend of 100 pence in the pound was paid to the preferential creditors on 29 June 2012.

### **Prescribed Part for unsecured creditors pursuant to Section 176A of the Act**

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property,
- ☐ 20% of net property thereafter,
- ☐ Up to a maximum amount to be made available of £600,000.

A liquidator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors

#### **Unsecured creditors**

We consider that there are likely to be sufficient funds for a dividend to be paid to unsecured creditors, however we are unable to confirm the timing or quantum of such a dividend at this time

## **6. REMUNERATION & DISBURSEMENTS**

Our remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation and we are authorised to draw disbursements in accordance with our firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report

Our time costs for the period from 18 August 2011 to 17 August 2012 amount to £26,612 00 which represents 131 4 hours at an average rate of £202 53 per hour

The following further information in relation to our time costs and disbursements is set out at Appendix 2

- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Narrative Summary of Time Costs Incurred
- ☐ Table of time spent and charge-out value for the period 18 August 2011 to 17 August 2012

To date, no remuneration has been taken Disbursements of £464 35 have been drawn

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been taken in accordance with the approval obtained are provided in the narrative summary of time costs incurred which is at Appendix 2

In addition to the table of time spent by us and our staff in attending to matters arising in the liquidation for the period covered by this progress report, a cumulative table of time spent and charge out value for the period from 18 August 2011 to 17 August 2012 and a description of the work undertaken by us and our staff since our appointment (contained in the narrative summary of time costs incurred) are also attached at Appendix 2

## **7. LIQUIDATORS' EXPENSES**

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3

## **8. ASSETS THAT REMAIN TO BE REALISED**

The book debt collection exercise will continue until we are certain there are no further realisations to be made

## 9. OTHER RELEVANT INFORMATION

### **Investigations and reporting on directors conduct**

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, as explained in the report circulated prior to the meeting of creditors convened pursuant to Section 98 of the Act, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills. We can confirm that we have discharged our duties in these respects.

### **Connected party transactions**

We have not been made aware of any sales of the Company's assets to connected parties.

## 10. CREDITORS' RIGHTS

### **Right to request further information**

Pursuant to Rule 4.49E of the Rules, 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, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been detailed in this progress report.

### **Right to make an application to court**

Pursuant to Rule 4.131 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate.

## 11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner.



**J WALTERS**  
Joint Liquidator of  
Abacus Electrical Supplies Limited

Dated 23 August 2012



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# ACCOUNT OF RECEIPTS AND PAYMENTS

Period 18 August 2011 to 17 August 2012

**Abacus Electrical Supplies Limited**  
**In Creditors Voluntary Liquidation**

**Liquidator's account of Receipts and Payments for**  
**the period 18 August 2011 to 17 August 2012**

	Estimated to realise as per Statement of Affairs £	Transactions in current period 18.08.11 to 17.08.12 £	Total Receipts & Payments £
<b><u>RECEIPTS</u></b>			
Debtors	54,271 00	30,432 81	30,432 81
Electrical Stocks	10,200 00	2,100 00	2,100 00
Motor Vehicle	1,200 00	1,200 00	1,200 00
Cash in Hand	1,013 00	1,013 32	1,013 32
Office furniture & equipment	665 00	700 00	700 00
Deposit Interest	-	8 44	8 44
	<u>67,349 00</u>	<u>35,454 57</u>	<u>35,454 57</u>
<b><u>PAYMENTS</u></b>			
Legal Fees		3,306 14	3,306 14
Preferential Creditors		2,509 94	2,509 94
Agents' Fee and Expenses		1,690 08	1,690 08
Sundry Expenses / Disbursements		464 35	464 35
Statutory Advertising		244 80	244 80
Other Professional Fees		125 00	125 00
Liquidators' Bond		120 00	120 00
		<u>8,460 31</u>	<u>8,460 31</u>
<b><u>Balance in hand</u></b>			<u>26,994 26</u>
			£ -
		Bank Account	138 36
		Deposit Account	26,608 44
		VAT to reclaim	247 46
			<u>26,994 26</u>

## TIME COSTS AND DISBURSEMENTS

SECTION A	Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements
SECTION B	Begbies Traynor (Central) LLP's charge-out rates
SECTION C	Narrative summary of time costs incurred
SECTION D	Table of time spent and charge-out value for the period from 18 August 2011 to 17 August 2012

## BEGBIES TRAYNOR CHARGING POLICY

### INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance<sup>2</sup> requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

### EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting,
- Car mileage is charged at the rate of 40 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,

<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 6 April 2010)

<sup>2</sup> Ibid 1

2/3 Pavilion Buildings, Brighton, BN1 1EE

\*\* Please note new phone and fax numbers \*\*

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Beggies Traynor (Central) LLP a limited liability partnership registered in England No OC306540 registered office 340 Deansgate Manchester M3 4LY

Any reference to a partner is to a member of the limited liability partnership. A list of partners is available for inspection at the registered office. A member of the Beggies Traynor Group Specialist Professional Services [www.begbies-traynorgroup.com](http://www.begbies-traynorgroup.com)

J J Beard and J Walters are licensed in the United Kingdom to act as insolvency practitioners by the Insolvency Practitioners Association. G W Rhodes is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

Partners, Directors and Consultants acting as administrators or administrative receivers contract as agents and without personal liability.

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

#### BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Brighton office as at the date of this report are as follows

Grade of Staff	Charge-out Rate 1 May 2011 until further notice (£ per hour)	Charge-out Rate 1 July 2008 to 30 April 2011 (£ per hour)
Partner	395	350
Director	345	325/295
Senior Manager	310	295
Manager	265	250
Asst Manager	205	195
Senior Administrator	175	160
Administrator	135	130
Junior Administrator	110	100
Cashier	110	100
Secretarial	110	100

Time is recorded in 6 minute units

# TIME COSTS AND DISBURSEMENTS

## SECTION C

### SUMMARY OF OFFICE HOLDERS' TIME COSTS

#### 1. CASE OVERVIEW

##### 1 1 Summary

This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of our fees to consider the level of those fees in the context of the case

##### 1 2 Complexity of the case

The majority of our time cost in this case has been incurred in dealing with our statutory duties as liquidators

##### 1 3 Exceptional responsibilities

No exceptional responsibilities have been encountered in this case

##### 1 4 The office holders effectiveness

We believe that we have dealt with all matters arising in this liquidation to date appropriately and at least cost to the liquidation estate

##### 1 5 Nature and value of property dealt with by the office holders

Nature of Property	Value (£)
Book Debts	30,432 81
Electrical Stocks	2,100 00
Motor Vehicle	1,200 00
Cash in Hand	1,013 32
Office Furniture & Equipment	700 00

##### 1 6 Anticipated return to creditors

The statement of affairs detailed a secured creditor of £6,512 The final claim of £6,646 70 will be paid in full

The statement of affairs showed preferential claims of £3,836 A dividend of 100p in the £ was paid on admitted claims in the sum of £2,509 94

The statement of affairs detailed unsecured creditors of £182,214 We consider that there are likely to be insufficient funds for a dividend to be paid to unsecured creditors

##### 1 7 Time costs analysis

An analysis of time costs incurred between 18 August 2011 and 17 August 2012 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type

Appropriately experienced staff undertook the various tasks arising in the liquidation to ensure matters were properly dealt with at the least cost to the liquidation estate

The time costs analysis provides details of work undertaken by us and our staff following our appointment only

**1 8 Work undertaken prior to appointment**

It was resolved at the Section 98 meeting that Begbies Traynor (Central) LLP be paid the sum of £5,000 plus disbursements plus VAT in relation to work undertaken prior to our appointment in summoning, advertising and holding the creditors' meeting and assisting the directors in preparing the statement of affairs

**1 9 The views of the creditors**

Creditors were invited to attend a meeting of creditors pursuant to Section 98 of Act which was duly held on 18 August 2011. At the meeting, creditors were presented with the directors company history and the Statement of Affairs. Creditors were invited to ask questions in relation to the Company's trading and financial position and the liquidation process. Shortly following the meeting a report was issued to all known creditors inviting them to contact us with any questions or concerns in relation to the Company, the conduct of the directors, the liquidation process, or any other matters that they felt should be brought to our attention. Section 10 of this report details creditors' rights to request further information in relation to our remuneration and expenses

**1 10 Approval of fees**

Our remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation

**1 11 Approval of Expenses and Disbursements**

We are authorised to draw disbursements in accordance with our firm's policy as agreed by creditors at the meeting held pursuant to Section 98 of the Act

**1 12 Category 2 Disbursements**

The following Category 2 disbursement has been drawn

Mileage £60 90

**1 13 Other professionals employed & their costs**

Professionals employed	Purpose	Cost (£)
PDT Solicitors	To assist in collection of the Company's sales ledger, applications and retentions	3,306 14
John M Peyto & Co Ltd	To value and dispose of the Company's assets	1,690 08
Pelstar Computing Limited	Software Licence fee	125 00

**2. EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES**

**2 1** Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 2

**2 2** The rates charged by the various grades of staff who may work on a case are attached at Appendix 2

### **3. SUMMARY OF WORK CARRIED OUT SINCE OUR APPOINTMENT**

**3.1** Since the date of our appointment, the following work has been carried out

- Dealing with our statutory duties as liquidators
- Providing creditors with notice of our appointment
- Preparing and submitting statutory information to the Redundancy Payments Office in relation to employee claims
- Reviewing the Company's books and records and preparing a submission to the Department for Business, Innovation and Skills on the conduct of the directors during the period prior to our appointment
- Collecting the Company's sales ledger
- Realising the Company's assets
- Dealing with creditors' telephone calls and correspondence
- Agreeing preferential claims and paying a dividend
- Dealing with VAT issues
- Preparing this report





## STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Agent's Fees	John M Peyto & Co Ltd	1,690 08	1,690 08	
Professional Fees	PDT Solicitors	3,306 14	3,306 14	
Professional Fees	Pelstar	125 00	125 00	
Specific Bond	Willis Limited	120 00	120 00	
Statutory Advertising	Courts Advertising	244 80	244 80	