

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

03558023

Name of Company

Abacus Electrical Supplies Limited

I / We

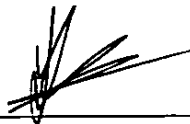
J Walters, 2/3 Pavillion Buildings, Brighton, East Sussex, BN1 1EE

Jonathan James Beard, 2/3 Pavillion Buildings, Brighton, East Sussex, BN1 1EE

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 18/08/2014 to 17/08/2015

Signed



Date

26/8/15

Begbies Traynor (Central) LLP
2/3 Pavilion Buildings
Brighton
East Sussex
BN1 1EE

Ref AB043/JW/JJB/SJW/MK

THURSDAY



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COMPANIES HOUSE

#234

Abacus Electrical Supplies Limited (In Creditors' Voluntary Liquidation)

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

Period: 18 August 2014 to 17 August 2015

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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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">(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and(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)
"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 2014 to 17 August 2015

In the statement of affairs, the director estimated that book debts would realise £54,271 00. With the assistance of the director and PDT Solicitors, the sum of £43,226 01 was received prior to this period. Investigations into the Company's books and records showed that £912 00 of the book debts had been paid prior to our appointment and £1,964 00 of the debts are subject to valid counter claims.

The smaller book debts have been pursued with the assistance of the director. I am pleased to report that the sum of £1,100 00 has been received during the period.

A decision has been made to write off the remaining debts due to some of the debts being disputed and it no longer being economical to keep the liquidation open.

Deposit interest of £2 36 has accrued during the period.

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 00

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 00

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 was discharged on 28 August 2012

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

Due to insufficient asset realisations, unsecured creditors will not receive a dividend

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 2014 to 17 August 2015 amount to £5,777 00 which represents 26 90 hours at an average rate of £214 76 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 2014 to 17 August 2015

To date, the sum of £25,000 00 has been drawn, along with disbursements of £543 94

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 2015 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. Our time costs in the liquidation amount to £51,757 50 which represents 251 20 hours at an average rate of £206 04 per hour

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

A decision has been made to write off the remaining debts due to some of the debts being disputed and it no longer being economical to keep the liquidation open

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

It is intended that the liquidation will be closed within the next two months.



J WALTERS
Joint Liquidator of
Abacus Electrical Supplies Limited

Dated 21 August 2015

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 18 August 2014 to 17 August 2015

RECEIPTS	Statement of Affairs (£)	From 18/08/2011 To 17/08/2014 (£)	From 18/08/2014 To 17/08/2015 (£)	Total (£)
Book Debts	54,271 00	43,226 01	1,100 00	44,326 01
Electrical Stocks	10,200 00	2,100 00	-	2,100 00
Motor Vehicles	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
Bank Interest Gross		24 96	2 36	27 32
Refund of Search Fees		5 75	-	5 75
	<u>67,349 00</u>	<u>48,270.04</u>	<u>1,102.36</u>	<u>49,372 40</u>

PAYMENTS

Preparation of S of A	5,000 00	-	5,000 00
Office Holders Fees	20,000 00	5,000 00	25,000 00
Preferential Creditors - 100p in the pound	2,509 94	-	2,509 94
Secured Creditor - HSBC Bank 100p in the pound	6,646 70	-	6,646 70
Legal Fees	4,520 60	-	4,520 60
Agents/Valuers Fees	1,690 08	-	1,690 08
Sundry Expenses/Disbursements	501 31	42 63	543 94
Statutory Advertising	244 80	-	244 80
Bank Charges	108 64	65 87	174 51
Other Professional Fees	125 00	-	125 00
Specific Bond	120 00	-	120 00
Storage Costs	61 92	39 20	101 12
Corporation Tax	4 87	0 88	5 75
	<u>41,533.86</u>	<u>5,148.58</u>	<u>46,682.44</u>
Net Receipts/(Payments)	<u>6,736.18</u>	<u>(4,046.22)</u>	<u>2,689.96</u>

MADE UP AS FOLLOWS

Vat Receivable/Payable	5,221.96	1,016.41	6,238.37
Bank 1 Current	267.98	1,399.33	1,667.31
Fixed Ch Vat Receivable	20.40	-	20.40
Vat Control Account	(5,236.12)	-	(5,236.12)
	<u>274 22</u>	<u>2,415.74</u>	<u>2,689.96</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 2014 to 17 August 2015, and
SECTION E	Table of time spent and charge-out value for the period from 18 August 2011 to 17 August 2015

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 guidance¹ 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 guidance² 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 45 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,
- Displaying properties for sale on the 'Accelerated Property Sales from Begbies Traynor' section of the Begbies Traynor website is charged at the rate of £75.00 per property,

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

(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

	Standard 1 May 2011 – until further notice Regional
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in units 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	44,326 01
Electrical Stocks	2,100 00
Motor Vehicle	1,200 00
Cash in Hand	1,013 32
Office Furniture & Equipment	700 00
Deposit Interest	27 32
Refund of Search Fees	5 75

1.6 Anticipated return to creditors

The statement of affairs detailed a secured creditor of £6,512 00 The final claim of £6,646 70 was paid on 28 August 2012

The statement of affairs showed preferential claims of £3,836 00 A dividend of 100p in the £ was paid on admitted claims in the sum of £2,509 94 on 29 June 2012

The statement of affairs detailed unsecured creditors of £182,214 00 There will 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 2014 and 17 August 2015 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 00 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. This has been paid in full from the liquidation estate

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	4,520 60
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
Restore plc (formerly Archive Solutions Ltd)	Storage Costs	101 12

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
- Arranging payment to the Bank under its floating charge
- Dealing with VAT issues
- Preparing this, and previous reports

[illegible]

Staff Grade	Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time cost £	Average hourly rate £
Administration and Planning	17						16.4			18.10	2,885.50	159.42
	55.2						32.3		12.7	100.20	26,926.50	268.73
							11.8			11.80	1,593.00	135.00
Investigations							3.0			3.00	405.00	135.00
Realisation of assets							81.6			81.60	11,016.00	135.00
	13.5						0.6			14.10	5,413.50	383.94
Trading												
Creditors							0.7			0.70	94.50	135.00
	1.9						13.5			15.40	2,573.00	167.08
Other matters												
							6.3			6.30	850.50	135.00
Total hours by staff grade										251.2		
Total time cost by staff grade £										762.00	51,757.50	
Average hourly rate £										60.00		206.04
Total fees drawn to date £											25,000.00	

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Storage Costs	Restore plc (formerly Archive Solutions Ltd)	39 20	39 20	Nil
Postage	Royal Mail	42 63	42 63	Nil