

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

03612336

Name of Company

Creation 1998 Limited

+/ We

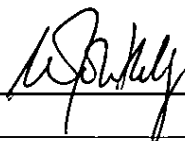
W John Kelly, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG

Gareth Prince, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG

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 08/09/2015 to 07/09/2016

Signed



Date

17/10/16

Begbies Traynor (Central) LLP
3rd Floor
Temple Point
1 Temple Row
Birmingham
B2 5LG

Ref CR013CVL/WJK/GAP/LAC/PC

TUESDAY



A24 18/10/2016 #27
COMPANIES HOUSE



Creation 1998 Limited (In Creditors' Voluntary Liquidation)

Progress report

Period: 8 September 2015 to 7 September 2016

TUESDAY

A24 *A5HUFU1K* #28
 18/10/2016
 COMPANIES HOUSE

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"	Creation 1998 Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The Company moving into creditors' voluntary liquidation from administration pursuant to Paragraph 83 of Schedule B1 to the Act
"the liquidators", "we", "our" and "us"	W John Kelly of Begbies Traynor (Central) LLP, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG and Gareth Prince of Begbies Traynor (Central) LLP, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG
"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"	(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)	Creation 1998 Limited
Company registered number	03612336
Company registered office	3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG
Former trading address	5 New Star Road, Thurmaston, Leicester, LE4 9JD

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	8 September 2010
Date of liquidators' appointment	8 September 2010
Changes in liquidator (if any)	By order of the Court, John Lowe resigned as Joint Liquidator and Gareth Prince was appointed as Joint Liquidator on 23 September 2015

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 8 September 2015 to 7 September 2016

RECEIPTS

Bank Interest

Funds held in the liquidation estate are held in an interest bearing account. During the period, interest amounting to £0.49 has been earned on the account.

PAYMENTS

Storage Costs

The sum of £8.30 (plus VAT) has been paid to L&R Storage Limited for storage of the Company's books and records.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

General case administration and planning

General case administration incorporates different categories such as cashiering, general case administration (filing, creditor correspondence) and dealing with sundry issues as and when they arise. Furthermore, this time cost comprises the maintenance of case files, undertaking case reviews incorporating compliance checks and dealing with general queries. Whilst this is not of direct financial benefit to creditors it is a statutory requirement.

Compliance with the Insolvency Act, Rules and best practice

During the period we have undertaken the preparation of a progress report and the corresponding documentation for the fifth year of the Liquidation. We have also undertaken periodic bond reviews. Whilst this is not of direct benefit to creditors it is a legal and professional requirement to undertake this process.

Realisation of assets

We have continued to liaise with the Trustee of Mr Hollick's bankruptcy. The outcome of the bankruptcy will affect how much of the director's loan account is recoverable and ultimately, the level of dividend available to creditors, if any.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the director's statement of affairs included in the statement of proposals of the former administrators. 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

As previously reported, the debt due to HSBC Bank plc was repaid in full during the Administration under the security that they held over the Company's assets

Preferential creditors

There are no known preferential claims

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

Details of how the prescribed part for unsecured creditors is calculated were in our progress report for the period 8 September 2013 to 7 September 2014

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

Any return to the unsecured creditors is wholly dependent upon the receipt of a dividend from Mr Hollick's bankruptcy proceedings

6. REMUNERATION & DISBURSEMENTS

Pursuant to Rule 4 127(5A)(a) of the Rules, our remuneration is treated as having been fixed on the same basis as the former administrators, 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

Pursuant to Statement of Insolvency Practice 9, we are also authorised to draw disbursements, including disbursements for services provided by our firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9) on the same basis as the former administrators, namely, in accordance with our firm's policy, a copy of which is attached at Appendix 2 of this report

Our time costs for the period from 8 September 2015 to 7 September 2016 amount to £2,801 which represents 13 hours at an average rate of £215 46 per hour

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

- ☐ Time Costs Analysis for the period 8 September 2015 to 7 September 2016
- ☐ Begbies Traynor (Central) LLP's charging policy

To 7 September 2015, we have drawn the total sum of £10,800 on account of our remuneration, against total time costs of £28,665 50 incurred since the date of our appointment as liquidators. In addition to the time costs information disclosed at Appendix 2 for the period of this report, our previous progress reports contained details of the time costs we had incurred as at the date of each report

Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type. An additional analysis is also attached which details the time costs for the entire period for which we have administered the liquidation. Please note that each

analysis provides details of the work undertaken by us and our staff following our appointment only. The costs that were incurred from the date of our appointment to 8 September 2016 amount to £28,665.50. Details of the costs incurred during the period of this report are stated above.

Disbursements

A resolution was approved at a creditors meeting held on 24 March 2011 for expenses and disbursements to be drawn.

To 7 September 2016, we have also drawn disbursements in the sum of £42.00.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2010' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

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 AND WORK THAT REMAINS TO BE DONE

The following asset is yet to be realised:

- Repayment of director's loan account of £30,243.

The sole director, Mr Hollick, was made bankrupt in April 2015. The outcome of the bankruptcy is not yet known as the Trustee is currently dealing with the director's assets.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

In order to properly administer the case the liquidators will be required to maintain records as follows:

- Diary line completion,
- Working paper filing,
- Case reviews,
- Banking (payments/bank reconciliations),
- Cashiering tasks,

The above are not directly financially beneficial to any class of creditor; however, the liquidators are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Act and Rules require IPs (among other things) to prepare annual and, eventually, final reports, convene and hold final meetings, ensure cases are adequately bonded and file information with the Registrar of Companies. While not necessarily of direct financial benefit to creditors, the update reports should assist creditors in assessing the progress of the case.

Realisation of assets

We shall continue to liaise with the Trustee of Mr Hollick's bankruptcy regarding the outcome of the proceedings. The return to the unsecured creditors is wholly dependent upon the level of dividend, if any, from Mr Hollick's bankruptcy.

Dealing with all creditors' claims (including employees), correspondence and distributions

We shall continue to update creditors of progress via the annual report and detail with any queries as and when they arise. Any return to the unsecured creditors is wholly dependent upon the level of dividend from Mr Hollick's bankruptcy, if any.

Other matters which includes meetings, tax, litigation, pensions and travel

Other matters which will require completing are the completion of Corporation Tax returns, VAT returns and gaining final tax clearance to enable closure of the case when applicable.

The above are not necessarily financially beneficial to any class of creditor, but are requirements of the Statutory Regulations / The Insolvency Act and Rules.

How much will this further work cost?

As matters are still being dealt with, namely the outcome of Mr Hollick's bankruptcy proceedings in respect of his outstanding director's loan account, the exact cost of the ongoing work will be determined by the level of work involved. We estimate that the cost of the additional work will be in the region of £2,000 - 5,000 which is based on matters being relatively straightforward.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as follows:

Expense category	Amount
Statutory Advertising	£84 60 (plus VAT)
Books and Record Storage	£100 (plus VAT)

9. OTHER RELEVANT INFORMATION

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, the basis fixed for our remuneration is inappropriate

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 incurred during the period of 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 during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate

11. CONCLUSION

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



W John Kelly
Joint Liquidator

Dated 14 October 2016

APPENDIX 1

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 8 September 2015 to 7 September 2016

Creation 1998 Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 08/09/2015 To 07/09/2016 £	From 08/09/2010 To 07/09/2016 £
ASSET REALISATIONS		
Funds from the Administration	NIL	11,471 41
Bank Interest Gross	0 49	14 83
Sundry Refunds	NIL	1,806 71
	<u>0 49</u>	<u>13,292 95</u>
COST OF REALISATIONS		
Administrators' Fees	NIL	1,500 00
Liquidators' Fees	NIL	10,800 00
Liquidators' Expenses	NIL	42 00
Legal Disbursements	NIL	136 00
Corporation Tax	NIL	2 02
Tax Deducted at Source	NIL	0 61
Storage Costs	8 30	83 01
Statutory Advertising	NIL	226 80
	<u>(8 30)</u>	<u>(12,790 44)</u>
	<u><u>(7.81)</u></u>	<u><u>502.51</u></u>
REPRESENTED BY		
Vat Receivable		3 32
Bank 1 Current		499 19
		<u><u>502.51</u></u>

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's charging policy,
- b Time Costs Analysis for the period from 8 September 2015 to 7 September 2016
- c Cumulative Time Costs Analysis for the period from 8 September 2010 to 7 September 2016

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 and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. 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 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.

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 Birmingham office as at the date of this report are as follows

Grade of staff	Charge-out Rate (£ per hour)
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Junior Administrator	110
Support	110

Prior to 1 May 2011, the following rates applied

Grade of staff	Charge-out Rate (£ per hour)
Partner 1	395
Partner 2	350
Director	325
Senior Manager	295
Manager	250
Assistant Manager	195
Senior Administrator	160
Administrator	130
Junior Administrator	100
Support	100

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in 6 minute units

Staff Grade	Consultant/Partner	Director	Snr Mgr	Mngr	Asst Mgr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning			2.7						2.7	715.50	265.00
	Administration			0.2					1.8	2.0	251.00	125.50
	Total for General Case Administration and Planning			2.9					1.8	4.7	966.50	205.84
Compliance with the Insolvency Act, Rules and best practice	Appointment											0.00
	Banking and Bonding								1.4	1.4	154.00	110.00
	Case Closure											0.00
Investigations	Statutory reporting and statement of affairs		0.5	4.3					1.1	5.9	1,415.50	239.92
	Total for Compliance with the Insolvency Act, Rules and best practice		0.5	4.3					2.5	7.3	1,568.50	215.00
	CDDA and Investigations											0.00
Realisation of assets	Total for Investigations											0.00
	Debt collection			1.0						1.0	285.00	285.00
	Property business and asset sales											0.00
Trading	Retention of Title/Third party assets											0.00
	Total for Realisation of assets			1.0						1.0	285.00	285.00
	Trading											0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Total for Trading											0.00
	Secured											0.00
	Others											0.00
Other matters which includes meetings, litigation, pensions and travel	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions											0.00
	Meetings											0.00
Total for Other matters	Other											0.00
	Tax											0.00
	Litigation											0.00
Total hours by staff grade	Total for Other matters											0.00
	Total hours by staff grade		0.5	8.2					4.3	13.0		
	Total time cost by staff grade		185.00	2,173.00					473.00		2,801.00	
Total fees drawn to date £	Average hourly rate £	0.00	310.00	285.00	0.00	0.00	0.00	0.00	110.00			215.48
	Total fees drawn to date £										10,800.00	

SIP9 Creation (1998) Limited - Creditors Voluntary Liquidation - 60CR013.CVL : Time Costs Analysis From 08/09/2010 To 07/09/2016

Staff Grade	Consultant/Partner	Director	Snr Mgr	Jr Mgr	Asst Mgr	Snr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning				5.5		1.0				6.5	1,632.50	251.15
	2.6	3.4	0.1	2.2	17.9				9.1	35.3	7,391.50	209.36
Administration												
Total for General Case Administration and Planning	2.6	3.4	0.1	7.7	17.9	1.0			9.1	41.8	9,024.00	215.89
Compliance with the Insolvency Act, Rules and best practice												0.00
		0.2			1.2				11.7	13.1	1,569.00	119.77
Appointment												0.00
Banking and Bonding												0.00
Case Closure												0.00
Statutory reporting and statement of affairs	2.6		0.5	4.3	25.0	2.5			2.5	37.4	7,982.00	213.42
Total for Compliance with the Insolvency Act, Rules and best practice	2.6	0.2	0.5	4.3	26.2	2.5			14.2	50.5	9,591.00	189.13
Investigations	2.0				2.5					4.5	1,192.50	265.00
					2.5					4.5	1,192.50	265.00
Total for Investigations	2.0				2.5					4.5	1,192.50	265.00
Realisation of assets	2.0			1.0						3.0	985.00	321.67
	11.9				3.0					14.9	5,295.50	355.40
Debt collection												
Property business and asset sales												
Retention of Title/Third party assets												0.00
Total for Realisation of assets	13.9			1.0	3.0					17.9	6,290.50	349.75
Trading												0.00
												0.00
Total for Trading												0.00
Dealing with all creditors claims (including employees), correspondence and distributions												0.00
					1.0					1.0	205.00	205.00
Secured												0.00
Others												0.00
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions					1.0					1.0	205.00	205.00
Other matters which includes meetings, tax, litigation, pensions and travel					6.5					6.5	1,332.50	205.00
Meetings												0.00
Other												0.00
Tax					1.5				1.8	3.3	490.50	148.64
Litigation				2.3						2.3	609.50	265.00
Total for Other matters				2.3	8.0				1.8	12.1	2,432.50	201.63
Total hours by staff grade	21.1	3.6	0.6	15.3	58.6	3.5			25.1	127.8		
Total time cost by staff grade	8,037.50	1,222.00	186.00	4,094.50	11,351.00	612.50			2,702.00		26,645.50	
Average hourly rate £	380.92	339.44	310.00	265.00	202.24	175.00	0.00	0.00	107.65			224.30
Total fees drawn to date £											10,600.00	

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Postage	Royal Mail	19 62	0 00	19 62
Bordereau	AUA Insolvency Risk Services	13 50	0 00	13 50
Storage	L & R Storage Limited	8 30	8 30	Ongoing

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Bordereau	AUA Insolvency Risk Services	54 50
Company Searches	Companies House	3 00
Postage	Royal Mail	34 72
Parking	NCP Parking	16 72
Corporation Tax / Tax deducted at source	H M Revenue & Customs	2 63
Legal Disbursements	Shakespeare Martineau	136 00
Storage	C & V Data	83 01
Statutory Advertising	Courts Advertising Limited	226 80