

Liquidator's Progress Report

S.192

Pursuant to Sections 92A, 104A and 192 of the Insolvency Act 1986

To the Registrar of Companies

Company Number

03612336

Name of Company

(a) Insert full name of company

(a) **Creation 1998 Limited**

(b) Insert name(s) and address(es) of liquidator(s)

I/We (b) **W John Kelly**
Begbies Traynor (Central) LLP
3rd Floor, Temple Point
1 Temple Row
Birmingham, B2 5LG

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

the Liquidator(s) of the company attach a copy of my/our ~~Progress Report~~ statement of receipts and payments under Section 192 of the Insolvency Act 1986

The ~~Progress Report~~ statement of receipts and payments covers the period from 8 September 2014 to 7 September 2015

Dated 20 October 2015

Signed

Joint Liquidator

Name in
BLOCK LETTERS

W JOHN KELLY

Presenter's name,
address and reference
(if any)

CR013CVL
Creation 1998 Limited
W John Kelly
Begbies Traynor (Central) LLP
3rd Floor,
Temple Point
1 Temple Row
Birmingham, B2 5LG

For Official Use	
Liquidation Section	Post Room
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	COMPANIES HOUSE

Creation 1998 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: 8 September 2014 to 7 September 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"	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"	John A Lowe of Begbies Traynor (Central) LLP, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG and W John Kelly 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	1st Floor, Unit 2, Merus Court, Menden Business Park, Leicester, Leicestershire, LE19 1RJ
Former trading address	5 New Star Road, Thurmaston, Leicester, LE4 9JD

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	8 September 2010 (previously in Administration – 18 February 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

The Liquidators have continued to pursue the director for the repayment of his overdrawn director's loan account of £30,243

Although a statutory demand was served on Mr Hollick, he failed to provide an acceptable proposal or response to the claim

On 20 April 2015, Mr Hollick was made bankrupt by a third party, with the support of the Company. The outcome of those proceedings is not yet known as there are a number of properties to be realised

Attached at Appendix 1 is our account of receipts and payments from the commencement of the Liquidation to the end of the third anniversary, incorporating a period account summarising transactions in the fifth year only. Our comments on items appearing in the account are as follows

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 £10.34 (plus VAT) has been paid to L&R Storage Limited for storage of the Company's books and records

5. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment based upon the information detailed in the director's statement of affairs submitted to 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

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

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 2014 to 7 September 2015 amount to £2,290 50 which represents 11 70 hours at an average rate of £195 77 per hour

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

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 8 September 2014 to 7 September 2015
- ☐ Table of time spent and charge-out value for the period 8 September 2010 to 7 September 2015
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

To 7 September 2015, we have drawn the total sum of £10,800 on account of our remuneration, against total time costs of £25,864.50 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.

To 7 September 2015, we have also drawn disbursements in the sum of £42.00.

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.

A copy of 'A Creditors' Guide to Liquidators' Fees (E&W)' 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

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.

9. 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, the basis fixed for our remuneration is inappropriate.

10. CONCLUSION

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

A handwritten signature in black ink, appearing to read 'W John Kelly', written in a cursive style.

W John Kelly
Joint Liquidator

Dated 20 October 2015

ACCOUNT OF RECEIPTS AND PAYMENTS

Period. 8 September 2014 to 7 September 2015

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

	From 08/09/2014 To 07/09/2015	From 08/09/2010 To 07/09/2015
ASSET REALISATIONS		
Funds from the Administration	NIL	11,471 41
Bank Interest Gross	0 49	14 34
Sundry Refunds	NIL	1,806 71
	0 49	13,292 46
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	10 34	74 71
Statutory Advertising	NIL	226 80
	(10 34)	(12,782 14)
	(9.85)	510.32
REPRESENTED BY		
Vat Receivable		1 66
Bank 1 Current		508 66
		510.32

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred,
- d Table of time spent and charge-out value for the period from 8 September 2014 to 7 September 2015 and
- e Cumulative table of time spent and charge-out value for the period from 8 September 2010 to 7 September 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 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

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	Creation 1998 Limited
CASE TYPE	CREDITORS' VOLUNTARY LIQUIDATION
OFFICE HOLDERS	John A Lowe AND W John Kelly
DATE OF APPOINTMENT	8 September 2010

1 CASE OVERVIEW

- 1 1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case
- 1 2 **Complexity of the case**
The Company was previously in Administration but exited via a Creditors Voluntary Liquidation in order to pursue the recovery of the outstanding director's loan account
- 1 3 **Exceptional responsibilities**
There have not been any exceptional responsibilities undertaken during this period
- 1 4 **The office holders' effectiveness**
The Liquidators issued a Statutory Demand against the director, however, he failed to repay the debt. On 20 April 2015, Mr Hollick was made bankrupt by a third party. The outcome of the proceedings is not yet known as the Trustee is still dealing with the director's assets
- 1 5 **Nature and value of property dealt with by the office holders**
The principle asset is the director's loan account of £30,243
- 1 6 **Anticipated return to creditors**
The secured creditor was repaid in full during the Administration period. There are no known preferential creditors. Any return to the unsecured creditors is wholly dependent upon the level of dividend, if any, from the bankruptcy proceedings
- 1 7 **Time costs analysis**
An analysis of time costs incurred between 8 September 2014 and 7 September 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

The time costs analysis provides details of work undertaken by the Liquidators and their staff following their appointment only
- 1 8 **The views of the creditors**
We have reported to the creditors on an annual basis and have responded to any queries received in a timely manner. Should any creditors have any queries or concerns they should contact us either in writing or by telephone
- 1 9 **Approval of fees**
A resolution was approved at a creditors meeting held on 24 March 2011, approving fees on a time cost basis

1 10 Approval of Expenses and Disbursements

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

1 11 Other professionals employed & their costs

Shakespears Solicitors have been instructed to assist with the collection of the funds due from the overdrawn director's loan account. To date they have received £136 (plus VAT) in respect of the disbursements that they have incurred

2. SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

Since the date of our last report, the following work has been carried out

- All statutory duties and tasks of the Joint Liquidators,
- Preparation and submit corporation tax return for the fourth year of the Liquidation,
- Issue a Statutory Demand against the directors for the full amount,
- Liaise with the Trustee about Mr Hollick's bankruptcy,
- Deal with the creditors correspondence, emails and phone calls,
- Preparation of the fourth annual report to the creditors and members

SIP9 Creation (1998) Limited - Creditors Voluntary Liquidation - 60CR013.CVL : Time Costs Analysis From 08/09/2014 To 07/09/2015

Staff Grade	Partner	Director	Snr Mgr	Mngr	Asst Mgr	Snr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning				2.8		1.0				3.8	917.00	241.32
									1.5	1.5	165.00	110.00
				2.8		1.0			1.5	5.3	1,082.00	204.15
												0.00
Compliance with the Insolvency Act, Rules and best practice									1.8	1.8	198.00	110.00
												0.00
												0.00
												0.00
Investigations									0.4	2.9	481.50	168.03
						2.5						0.00
						2.5			2.2	4.7	878.50	144.57
												0.00
Realisation of assets												0.00
												0.00
												0.00
												0.00
Trading												0.00
												0.00
												0.00
												0.00
Dealing with all creditors claims (including employees), correspondence and distributions												0.00
												0.00
												0.00
												0.00
Other matters which includes meetings, tax, litigation, pensions and travel												0.00
												0.00
												0.00
												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions												0.00
												0.00
												0.00
												0.00
Total for Other matters									0.5	0.5	55.00	110.00
												0.00
												0.00
												0.00
Total time cost by staff grade												0.00
												0.00
												0.00
												0.00
Average hourly rate £												185.77
												185.77
												185.77
												185.77
Total fees drawn to date £												10,800.00
												10,800.00
												10,800.00
												10,800.00

SIP9 Creation (1998) Limited - Creditors Voluntary Liquidation - 60CR013.CVL : Time Costs Analysis From 08/09/2010 To 07/09/2015

Staff Grade	Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning				2.8		1.0				3.8	917.00	241.32
	Case planning											
	Administration	2.6	3.4	0.1	17.9				7.3	33.3	7,140.50	214.43
	Total for General Case Administration and Planning	2.6	3.4	0.1	17.9	1.0			7.3	37.1	8,037.50	217.18
Compliance with the Insolvency Act, Rules and best practice	Appointment											0.00
	Banking and Bonding		0.2		1.2				10.3	11.7	1,415.00	120.94
	Case Closures											0.00
	Statutory reporting and statement of affairs	2.6			25.0	2.5			1.4	31.5	6,566.50	208.46
Investigations	Total for Statutory compliance	2.6	0.2		25.2	2.5			11.7	43.2	7,981.50	184.76
	CDDA and investigations	2.0			2.5					4.5	1,182.50	265.00
	Total for investigations	2.0			2.5					4.5	1,182.50	265.00
	Debt collection	2.0								2.0	700.00	350.00
Realisation of assets	Property business and asset sales	11.9			3.0					14.9	5,295.50	355.40
	Retention of Third/Third party assets											0.00
	Total for Realisation of assets	13.9			3.0					16.9	5,995.50	354.76
	Trading											0.00
Dealing with all creditors claims (including employees) correspondence and distributions	Total for Trading											0.00
	Secured											0.00
	Others				1.0					1.0	205.00	205.00
	Creditors committee											0.00
Other matters which includes meetings, tax, litigation, pensions and travel	Total for Dealing with all creditors claims (including employees), correspondence and distributions				1.0					1.0	205.00	205.00
	Meetings				6.5					6.5	1,332.50	205.00
	Other											0.00
	Tax				1.5				1.8	3.3	480.50	148.64
Total for Other matters	Litigation			2.3						2.3	609.50	265.00
	Total for Other matters			2.3	8.0				1.8	12.1	2,432.50	201.03
	Total hours by staff grade	21.1	3.6	0.1	7.1	58.6	3.5		20.8	114.8		
	Total time cost by staff grade	8,037.50	1,222.00	31.00	1,881.50	11,851.00	612.50		2,229.00		25,864.50	
Average hourly rate £		339.44	310.00	265.00	203.24	175.00	0.00	0.00	107.16			225.30
	Total fees drawn to date £										10,800.00	

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Storage	L&R Storage Limited	10 34	10 34	Ongoing