

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

To the Registrar of Companies

Company Number

03721294

Name of Company

(a) Insert full name  
of company

(a) Chertsey Tool Hire Limited

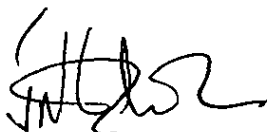
(b) Insert full  
name(s) and  
address(es)

I/We (b)

Matthew John Waghorn and John Arthur Kirkpatrick of Wilkins Kennedy LLP, 92 London  
Street, Reading, Berkshire, RG1 4SJthe 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 7 October 2012 to 6 October 2013

Signed



Date 6 December 2013

Presenter's name,  
address and  
reference  
(if any)Matthew John Waghorn  
Wilkins Kennedy LLP  
92 London Street  
Reading  
Berkshire  
RG1 4SJ

TUESDAY



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10/12/2013

#276

COMPANIES HOUSE

**Chertsey Tool Hire Limited  
In Liquidation  
("the Company")**

**Annual Progress Report to the Members and Creditors  
Pursuant to Section 104A of the Insolvency Act 1986  
for the year ending 6 October 2013**

**Wilkins Kennedy LLP  
92 London Street  
Reading  
Berkshire  
RG1 4SJ**

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- I Receipts and payments account
- II Analysis of time costs, explanation of time charging and disbursements recovery policy and complaints procedure

## **1. INTRODUCTION**

The anniversary of my appointment as joint liquidator has passed and I am required to send you a report on what has happened in the liquidation since my last progress report

The detailed report is provided below, but in summary the sale of the assets and attempts to recover debts due to the Company have been completed. I have been seeking to realise some value from a Bartercard account used by the Company but it has been discovered that there was an outstanding balance due to the account provider from the Company and after settling the balance there would be little benefit to creditors in continuing this action.

I have also been attempting to resolve an issue relating to retention of title ("ROT") claims made by suppliers against stock which was included in the sale of the assets. The purchaser, CTH Hire Centres Limited ("CTH"), has not responded to my attempts at contacting them and I have therefore passed this matter to a solicitor to pursue.

The only other matter outstanding is my pursuit of the Company's directors in the attempt at recovering payments made to them against their directors' loan accounts, which I consider to have been preferences. I have also passed this matter to my solicitor for their consideration.

It appears unlikely that there will be sufficient funds to make a distribution to the unsecured creditors.

## **2. BACKGROUND**

The members' and creditors' meetings were held on 7 October 2011, when my partner Matthew John Waghorn and I were appointed joint liquidators of the Company.

The Company's registration number is 03721294 and its current registered office is 92 London Street, Reading, Berkshire, RG1 4SJ.

The Company's former registered office was 149 Upper Weybourne Lane, Farnham, Surrey, GU9 9DD. This was also the former trading address.

## **3. RECEIPTS AND PAYMENTS ACCOUNT**

Appendix I is a summary of receipts and payments from the date of liquidation on 7 October 2011 to 6 October 2013. As at 6 October 2013 a total of £670.34 was held in the liquidation account. This account is held at Royal Bank of Scotland. It is interest bearing and I confirm that it has been reconciled to the bank statements.

## **4. ASSET REALISATIONS**

### **4.1 Stock & Hire Equipment**

Details of the sale of the stock and hire equipment to CTH on 10 October 2011 were included in my first annual progress report to creditors. The sale included stock items which were subject to potential ROT claims which the purchaser agreed to deal with.

Following completion of the sale, I was informed by two suppliers with potential ROT claims that CTH had refused to settle the amounts due. I have made attempts to recover the relevant funds from CTH in order to settle the claims but have had no success and I have now passed the matter to a solicitor to pursue on my behalf.

### **4.2 Book Debts**

I have received a small balance from the Company's former bank account in respect of debts paid directly into the account immediately after liquidation.

It had previously been determined that the remaining debts had already been pursued unsuccessfully by debt collectors and solicitors who had exhausted all attempts at collection. As a result the debts have been abandoned.

**4.3 Preference claim**

I have written to the Company's directors regarding the payments made to them in respect of their loan accounts which are deemed preferences, but I have yet to receive a response. I have now passed the matter to a solicitor to pursue, however, at present I am not aware of their personal financial position and as such, it is unclear whether a recovery will be made.

**4.4 Bartercard**

I wrote to Bartercard regarding the balance of trade pounds on account with a view to allowing my agents, Thimbleby & Shorland, to acquire assets using the Bartercard account and subsequently sell them on for the benefit of the Company. However, Bartercard have since advised me that they are due £500 from the Company and they were unwilling to allow access to the account until this balance had been paid. There was some uncertainty over whether anything could be purchased through the Bartercard account that would benefit the creditors and in light of the amount due to Bartercard the trade pounds have been abandoned.

**5. EXPENDITURE**

**5.1 Pre appointment remuneration**

At a meeting held on 7 October 2011 the creditors authorised the payment of a fee of £5,000 plus VAT and disbursements for assisting in the preparation of the statement of affairs and producing and circulating the notices for the meetings of members and creditors prior to my appointment.

The fee for the statement of affairs and meetings was paid from first realisations on appointment and is shown on the attached receipts and payments account.

**5.2 Joint liquidators' remuneration**

My remuneration was authorised by creditors at a meeting held on 7 October 2011 to be drawn on a time costs basis. My total time costs to 6 October 2013 amount to £20,142.00, which have been charged at an average hourly charge out rate of £171.86. Of this balance £2,473.50 was charged between 7 October 2012 and 6 October 2013 at an average hourly charge out rate of £152.22.

I have drawn £2,925.00 to date. No fees have been drawn since my last report.

A description of the routine work undertaken in the liquidation is set out at Appendix II. In addition to the routine work, I have spent a large amount of time investigating the potential preference payments detailed in section 4.3 and liaising with the ROT creditors.

A creditors' guide to liquidators' fees is available at the following internet link, [www.r3.org.uk/index.cfm?page=1210](http://www.r3.org.uk/index.cfm?page=1210). A hard copy of this document is available free of charge upon request to my office.

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the joint liquidators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the joint liquidators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

### 5.3 Joint liquidators' expenses

My expenses to 6 October 2013 amount to £626.75 of which £109.38 was incurred in the period from 7 October 2012 to 6 October 2013.

I have drawn expenses totalling £414.42 to date, none of which has been drawn in the period between 7 October 2012 and 6 October 2013.

The following expenses have been incurred but have not yet been paid:

<u>Particulars of expense</u>	<u>Type of expense (category 1 or 2)</u>	<u>Amount incurred/ accrued to date</u>	<u>Amount outstanding</u>
Courier	Category 1	£23.63	£23.63
Storage Costs	Category 1	£188.70	£188.70

The following agents and professional advisors have been used in the liquidation:

<u>Agent/professional advisor</u>	<u>Nature of work</u>	<u>Fee arrangement</u>
Griffins	Assisting with preparation of the Statement of Affairs and updating the directors' loan accounts	Fixed fee of £500 plus VAT
Thimbleby & Shorland	Valuation and subsequent sale of the Company's assets as detailed in section 4.2	10% commission on sale plus expenses
Clifton Ingram LLP	Assistance with the pursuit of CTH and the Company's directors in respect of the ROT claims and preference payments respectively	Fees will be on a time cost basis subject to realisations available

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

## 6. INVESTIGATION

- 6.1 I undertook an initial investigation into the company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. I considered in particular transactions which took place at the time of and immediately prior to the Company ceasing to trade.

As set out in section 4.3, I am considering claims against the directors under the preference provisions of the Insolvency Act 1986.

- 6.2 Within six months of my appointment, I was required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make them unfit to be concerned.

with the management of the Company I confirm that my report has been submitted

## **7. CREDITORS' CLAIMS**

### **7.1 Secured creditors**

A first legal charge was granted to HSBC Bank Plc on 24 February 2005 which was registered on 2 March 2005 and provided fixed and floating charges over all tangible and intangible assets of the Company

At the date of appointment a total of £28,995 was due under the terms of this debenture. I will obtain confirmation of the validity of the debenture prior to any distribution to HSBC Bank Plc

Section 176A(1)(a) of the Insolvency Act 1986 requires that, where the Company has created a floating charge after 15 September 2003, the liquidator(s) 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 claims. "Net property" means the amount which would, were it not for this provision, be available to floating charge holders (i.e. after accounting for preferential debts and the costs of the liquidation)

The prescribed part is calculated as 50% of the first £10,000 of net property and 20% of the balancing net property (up to a maximum amount to be made available of £600,000). A liquidator will not be required to set aside the prescribed part if

- the net property is less than £10,000 and he thinks the cost of distributing the prescribed part would be disproportionate to the benefit (Section 176A(3)), or
- he 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))

The net property is estimated to be below the prescribed minimum of £10,000 and I consider that the cost of distribution would be disproportionate to the benefit and so there will be no prescribed part pursuant to Section 176A of the Insolvency Act 1986 available to unsecured creditors. However, I reserve my position generally in this regard should circumstances materially change

### **7.2 Preferential creditors**

The statement of affairs showed that CTH were due a total of £32,207 in respect of payments made to the employees for wages due to them from May 2011 through to the Company's cessation at the end of August 2011. Preferential claims for employees are restricted to arrears of wages (limited to £800 or 4 months, whichever is the lesser of the two amounts) and accrued holiday pay (unlimited). Based upon their claim, these provisions result in CTH having a preferential claim for wages advanced of £4,800

However, CTH have continued to employ the employees and I consider that their contracts have therefore transferred to CTH under TUPE regulations. As a result I propose rejecting any such claim submitted by CTH

### **7.3 Unsecured creditors**

To date I have received 38 unsecured claims totalling £137,998 compared to £257,848 estimated in the statement of affairs. The reason for the discrepancy is that a number of creditors have yet to submit their claims

Claims have not yet been agreed or admitted for dividend purposes

**8. DIVIDEND PROSPECTS**

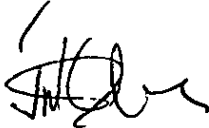
Based on current information there is unlikely to be sufficient funds available to make a distribution to any class of creditor

**9. CONCLUSION**

The liquidation will remain open to allow my solicitor to pursue both CTH and the Company's directors in respect of the ROT claims and preference payments respectively. Once these issues have been dealt with the liquidation will be finalised and my files will be closed.

The next formal report will be following the next anniversary of the liquidation, or the conclusion of the liquidation, whichever is sooner. However, I will be happy to respond to any specific request for further information submitted in the meantime.

When contacting this office about the liquidation, please ask for Adam Seymour.



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**John Arthur Kirkpatrick**  
Joint Liquidator

**Chertsey Tool Hire Limited - In Creditors Voluntary Liquidation  
Joint Liquidators' Abstract of Receipts & Payments**

**From 7 October 2011 To 6 October 2013**

<b>Statement of Affairs £</b>	<b>As Previously Reported £</b>	<b>07/10/2012 to 06/10/2013 £</b>	<b>Total £</b>
<b>RECEIPTS</b>			
12,208 Stock & Hire Equipment	10,000 00	NIL	10,000 00
7,000 Book Debts	546 96	NIL	546 96
NIL Bank Interest Gross	0 19	1 61	1 80
<u>19,208</u>	<u>10,547 15</u>	<u>1 61</u>	<u>10,548 76</u>
<b>PAYMENTS</b>			
Statement of Affairs Fee	5,000 00	NIL	5,000 00
Office Holders Fees	2,925 00	NIL	2,925 00
Accountancy Fees	500 00	NIL	500 00
Agents/Valuers Fees (1)	1,039 00	NIL	1,039 00
Statutory Advertising	183 00	NIL	183 00
Postage and Stationery	101 42	NIL	101 42
IT Administration Fee	110 00	NIL	110 00
Specific Bond	20 00	NIL	20 00
	<u>9,878 42</u>	<u>NIL</u>	<u>9,878 42</u>
<b>CASH IN HAND</b>	<u>668 73</u>	<u>1 61</u>	<u>670 34</u>

# WILKINS KENNEDY LLP

Schedule of joint liquidators' remuneration and disbursements for

## CHERTSEY TOOL HIRE LIMITED

as at 6 October 2013

### JOINT LIQUIDATORS' FEES

Classification Of Work Function	HOURS					Time Cost £	Average Hourly Rate £
	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & Planning	1 70	0 60	12 95	14 15	29 40	3,761 50	127 94
Investigations	8 10	0 80	34 20	0 00	43 10	8,244 00	191 28
Realisation of Assets	4 60	0 00	11 50	0 00	16 10	3,350 00	208 07
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	1 30	0 00	12 40	1 90	15 60	2,406 00	154 23
Case Specific Matters.							
Statutory Meetings & Reports	2 30	0 00	10 70	0 00	13 00	2,380 50	183 12
Total Hours	18 00	1 40	81 75	16 05	117 20	20,142 00	171 86
Total Fees Claimed (£)						2,925 00	

### Wilkins Kennedy LLP Charge-Out Rates

1 February 2012 to 31 July 2013

£

1 August 2013 to date

£

Partners/Directors	400 00 – 450 00	Partners/Directors	400 00 – 450 00
Senior Managers/Managers	270 00 – 300 00	Senior Managers/Managers	270 00 – 300 00
Supervisors	205 00	Supervisors	205 00
Case Managers/Senior Administrators	195 00	Case Managers/Senior Administrators	145 00 – 195 00
Administrators/Investigators	100 00 – 145 00	Administrators/Investigators	100 00 – 160 00
Junior/Trainee Administrators	65 00 – 100 00	Junior/Trainee Administrators	65 00 – 100 00
Cashiers/Secretaries	75 00 – 90 00	Cashiers/Secretaries	75 00 – 90 00

## **Explanation of officeholders time charging policy**

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the charge out rates detailed on the previous page are applicable to this appointment exclusive of VAT. Rates are normally reviewed on an annual basis and adjustments made accordingly where deemed appropriate.

Time is recorded in 6 minute units by each staff member working on the case. A description of the routine work undertaken which time will be recorded for is detailed as follows:

### **1 Administration and planning**

- Preparing documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details
- Reviewing the ongoing progression of case files
- Arranging the collection and storage of company records
- Ensuring an appropriate case bordereau is in place
- Case planning and administration

### **2 Investigations**

- Review and storage of the Company's books and records
- Preparation of returns / reports pursuant to the Company's Directors Disqualification Act 1986
- Conduct investigations into any suspicious transactions
- Reviewing the books and records to identify any transactions or actions that the officeholder may take in order to recover funds for the benefit of creditors

### **3 Realisation of assets**

- Identifying, securing and obtaining sufficient insurance in respect of company assets
- Dealing with any retention of title or other third party claims
- Debt collection functions
- Negotiating and completing property, business and asset sales

### **4 Trading**

- Management of trading operations
- Maintaining and preparing accounting records for the period of trade
- Dealing with ongoing employee issues

### **5 Creditors**

- Dealing with creditor correspondence and telephone conversations
- Maintaining creditor information and claims (including those submitted by secured creditors, employees and other preferential creditors)

### **6 Statutory meetings and reports**

- Preparing reports to members and creditors
- Convening and holding meetings of members and creditors where appropriate

### **Explanation of officeholders disbursement recovery policy**

SIP 9 also requires that the office holder provide a statement of the officeholder's policy in relation to the recharging of disbursements SIP 9 defines disbursements as either Category 1 or Category 2 disbursements, further details of which are below

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage

Category 2 disbursements will generally comprise costs which, whilst being in the nature of expenses or disbursements, include elements of shared or allocated costs

### **Charging and disbursement recovery policy**

Category 1 disbursements are recoverable without approval, and will be recovered by the officeholder as they are incurred

Category 2 disbursements do require approval, and should be identified and subject to approval by those responsible for approving remuneration SIP 9 provides that the officeholder may make a separate charge for expenses in this category, provided that

- such expenses are of an incidental nature and are directly incurred on the case, and there is a reasonable method of calculation and allocation, it will be persuasive evidence of reasonableness, if the resultant charge to creditors is in line with the cost of external provision, and
- the basis of the proposed charge is disclosed and is authorised by those responsible for approving his remuneration

Payments to outside parties in which the officeholder or his firm or any associate (as defined by Section 435 of the Insolvency Act 1986) has an interest should be treated as category 2 disbursements

The following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision

Photocopying	5p per sheet
Mileage	45p per mile (40p per mile prior to 6 April 2011)
Meeting Room	£50

### **Complaints procedure**

Details of our complaints procedure are available on our website using the following link <http://www.wilkinskennedy.com/services/wk-restructuring-recovery/insolvency/complaints-procedure>