

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 4SJ

The Liquidators of the company attach a copy of our Progress Report under
section 192 of the Insolvency Act 1986

The Progress Report covers the period from 7 October 2015 to 6 October 2016

Signed

Date 5/12/16.

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

Matthew John Waghorn
Wilkins Kennedy LLP
92 London Street
Reading
Berkshire
RG1 4SJ



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

Annual Progress Report to the Members and Creditors

5 December 2016

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

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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 former directors are due to meet with their former accountant to discuss the directors loan account position and subsequently propose a formal repayment plan to me as liquidator. If the directors' proposal is acceptable then I will ensure that the directors begin making repayments immediately in order to settle the overdrawn directors' loan account as soon as possible.

Dividend prospects are entirely dependent on recoveries from the former directors.

2. BACKGROUND

The members' and creditors' meetings were held on 7 October 2011, when my partner John Arthur Kirkpatrick 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

Enclosed at Appendix I is a summary of receipts and payments from 7 October 2015 to 6 October 2016 and cumulatively from the date of commencement on 7 October 2011 to 6 October 2016. As at 6 October 2016 a total of £644.06 was held in the liquidation account. This account is held at The Royal Bank of Scotland. It is interest bearing and I confirm that it has been reconciled to the bank statements.

4. ASSET REALISATIONS

Preference claim

As above, the directors are scheduled to meet with his accountant in order to discuss the director's loan account position. Following this meeting, I expect the directors to propose a formal repayment plan. Once the directors' proposals have been considered then I will ensure that the repayment plan begins immediately and I will monitor the collection of the instalments closely.

Stock & Hire Equipment

As previously advised a total of £10,000 has been realised in respect of this asset.

Book Debts

As previously advised a total of £546.96 has been realised in respect of the outstanding book debts of the Company.

No further realisations are expected in this regard.

Other Assets

A small amount has been realised in respect of bank interest.

5 EXPENDITURE

5.1 Pre appointment remuneration

At a meeting held on 7 October 2011, the creditors authorised the payment of a fee £5,000 plus VAT and disbursements for my assistance with preparing the statement of affairs and convening and holding the meeting of creditors prior to my appointment

The fee for preparing the statement of affairs and convening and holding the meeting of creditors 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 2016 amount to £32,285.75 representing 179.05 hours which have been charged at an average hourly charge out rate of £180.32. Of this balance, £5,580.00 was charged between 7 October 2015 and 6 October 2016 representing 24.20 hours at an average hourly charge out rate of £230.58.

I have drawn £2,925.00 to date and have been unable to draw any fees in the period 7 October 2015 to 6 October 2016.

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 additional time investigating the potential preference payments detailed earlier in this report.

A creditors' guide to liquidators' fees is available at the following internet link, 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 2016 amount to £1,097.49 of which £148.67 was incurred in the period from 7 October 2015 to 6 October 2016.

I have drawn expenses totalling £445.36 to date of which, NIL was drawn in the period between 7 October 2015 and 6 October 2016.

The following expenses have been incurred but 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>
Postage	Category 1	£185 54	124 51
Stationery	Category 2	£53 24	12 85
Specific Bond	Category 1	£40 00	20 00
Courier	Category 1	£23 63	23 63
IT Admin Fee	Category 1	£110 00	-
Statutory Advertising	Category 1	£183 00	-
Storage Costs	Category 1	£502 08	471 14
Total		1,097 49	652 13

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	10% commission on sale plus expenses
Clifton Ingram LLP	Assistance with the pursuit of the Company's directors in respect of preference payments	Fee will be agreed on a time costs basis once realisations are complete

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

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 4.1, I am currently considering issuing claims against the directors under the preference provisions of the Insolvency Act 1986.

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 creditor

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

As previously reported, CTH Hire Centres Limited ("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.

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 39 unsecured claims totalling £166,993.02 compared to £291,809.56 estimated in the statement of affairs. The reason for this discrepancy is that not all of the creditors listed on the statement of affairs have submitted a claim.

Claims have not yet been agreed or admitted for dividend purposes.

8. DIVIDEND PROSPECTS

Based on the current information, any distribution will depend on the realisation of funds from any preference claim against the directors of the Company

9. CONCLUSION

The liquidation will remain open until my investigations have been concluded and the directors have settled their outstanding debt to the Company. Once this issue has 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 Jack Darby.


Matthew John Waghorn
Joint Liquidator

WILKINS KENNEDY LLP

Schedule of joint liquidators' remuneration and disbursements

for

Chertsey Tool Hire Limited

For the period 7 October 2015 to 6 October 2016

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 95	2 00	1 70	6 35	1,320 00	207 87
Cashiering & Accounting	0 20	-	1 60	0 30	2 10	259 50	123 57
Investigations	1 80	1 05	-	0 50	3 35	1,095 50	327 01
Realisation of assets	3 50	0 90	-	1 30	5 70	1,809 00	317 37
Trading	-	-	-	0 60	0 60	60 00	100 00
Creditors	-	-	-	0 50	0 50	50 00	100 00
Statutory	1 20	-	1 10	3 30	5 60	986 00	176 07
Total hours	8 40	2 90	4 70	8 20	24 20	5,580 00	230 58
Total fees claimed (£)						NIL	

Wilkins Kennedy LLP Charge-Out Rates

28 April 2014 to 28 February 2015

£

1 March 2015 to date

£

Partners/Directors	400 00 - 450 00
Senior Managers/Managers	270 00 - 300 00
Supervisors	205 00
Case Managers/Senior Administrators	145 00 - 195 00
Administrators/Investigators	100 00 - 160 00
Junior/Trainee Administrators	25 00 - 100 00
Cashiers/Secretaries	75 00 - 90 00

Partners	400 00 - 450 00
Directors/Managers	250 00 - 350 00
Senior Administrators	145 00 - 195 00
Administrators	100 00 - 160 00
Junior/Trainee Administrators	50 00 - 110 00
Cashiers/Secretaries	75 00 - 90 00

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

From 07 October 2015 To 06 October 2016

S of A £		As Previously Reported	07/10/15 to 06/10/16	Total £
RECEIPTS				
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	5 08	1 38	6 46
19,208		10,552 04	1 38	10,553 42
PAYMENTS				
	Statement of Affairs Fee	5,000 00	NIL	5,000 00
	Office Holders Fees	2,925 00	NIL	2,925 00
	Agents/Valuers Fees (1)	1,039 00	NIL	1,039 00
	Storage Costs	30 94	NIL	30 94
	Statutory Advertising	183 00	NIL	183 00
	Accountancy Fees	500 00	NIL	500 00
	Postage and Stationery	101 42	NIL	101 42
	IT Administration Fee	110 00	NIL	110 00
	Specific Bond	20 00	NIL	20 00
		9,909 36	NIL	9,909 36
CASH IN HAND		642 68	1 38	644 06

WILKINS KENNEDY LLP

Schedule of joint liquidators' remuneration and disbursements

for

Chertsey Tool Hire Limited

as at 06 October 2016

JOINT LIQUIDATORS' FEES

HOURS						Time Cost £	Average hourly rate £
Classification Of work function	Partner	Manager	Other senior Professionals	Assistants & support staff	Total Hours		
Administration & planning	5 50	2 75	8 85	28 40	45 50	6,929 50	152 30
Cashiering & Accounting	0 50	-	5 75	5 25	11 50	1,226 25	106 63
Investigations	11 20	3 65	-	34 70	49 55	10,345 50	208 79
Realisation of assets	8 70	0 90	4 50	12 80	26 90	6,119 00	227 47
Trading	-	-	-	0 60	0 60	60 00	100 00
Creditors	1 30	-	2 00	13 00	16 30	2,541 00	155 89
Statutory	4 60	0 80	7 30	16 00	28 70	5,064 50	176 46
Total hours	31 80	8 10	28 40	110 75	179 05	32,285 75	180 32
Total fees claimed (£)						2,925 00	

Wilkins Kennedy LLP Charge-Out Rates

28 April 2014 to 28 February 2015

£

1 March 2015 to date

£

Partners/Directors 400 00 - 450 00
 Senior Managers/Managers 270 00 - 300 00
 Supervisors 205 00
 Case Managers/Senior Administrators 145 00 - 195 00
 Administrators/Investigators 100 00 - 160 00
 Junior/Trainee Administrators 25 00 - 100 00
 Cashiers/Secretaries 75 00 - 90 00

Partners 400 00 - 450 00
 Directors/Managers 250 00 - 350 00
 Senior Administrators 145 00 - 195 00
 Administrators 100 00 - 160 00
 Junior/Trainee Administrators 50 00 - 110 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
- 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 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 Cashiering

- Managing case bank accounts
- Maintaining case cash books

5 Trading

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

6 Creditors

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

7 Statutory

- Statutory notifications and advertising
- Convening and holding meetings of members and creditors where appropriate
- Preparing reports to members and creditors
- Filing of statutory documents with the Registrar of Companies and/or the court

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

Insolvency Code of Ethics

Insolvency Practitioners are bound by the Insolvency Code of Ethics issued by their recognised professional body when carrying out all professional work relating to an insolvency appointment Full details of the code are available at the following internet link <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/ethics-code>

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>