

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 2013 to 6 October 2014

Signed



Date 10 December 2014

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

THURSDAY



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11/12/2014

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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 2014**

**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 last progress report

The detailed report is provided below, but in summary the only matter that remains outstanding is the action to be taken against the directors for payments made against their loan accounts. Before any action can be taken against the directors, I have requested that the accountant confirm the amounts paid. As soon as this has been confirmed my solicitor is instructed to issue letters before action to the directors.

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 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

Appendix 1 is a summary of receipts and payments from the date of liquidation on 7 October 2011 to 6 October 2014. As at 6 October 2014 a total of £661.80 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 Preference claim

In my previous update I advised that payments made to the directors prior to the liquidation, in respect of their overdrawn loan account, were potential preferences. This matter has been passed to my solicitor, Clifton Ingram, to review. Letters before action were prepared to be issued to the directors, however further information regarding the split of the amounts paid to the directors was required before these letters can be issued. As this information was not in the books and records of the Company a letter was sent to the former accountant to confirm the amounts. As at 6 October 2014 no response had been received. Once a response has been received from the accountant the letters will be issued to the directors.

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 2014 amount to £23,415.50, representing 134.55 hours which have been charged at an average hourly charge out rate of £174.02. Of this balance, £3,273.50 was charged between 7 October 2013 and 6 October 2014 representing 17.35 hours at an average hourly charge out rate of £188.67.

I have drawn £2,925.00 to date, none of these fees were drawn in the period 7 October 2013 to 6 October 2014.

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 2014 amount to £745.93 of which £119.18 was incurred in the period from 7 October 2013 to 6 October 2014.

I have drawn expenses totalling £424.62 to date of which, £10.20 was drawn in the period between 7 October 2013 and 6 October 2014.

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>
Storage Costs	Category 1	£274.28	£264.08
Courier	Category 1	£23.63	£23.63
Postage & Stationery	Category 2	£135.02	£33.60

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 CTH and Fees will be on a time the Company's directors in respect of cost basis subject to the ROT claims and preference realisations available payments respectively

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 4.1, I am currently issuing 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 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

The statement of affairs showed that 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. 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 39 unsecured claims totalling £166,993 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 the Company's directors in respect of the preference payments. 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 its conclusion, 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 Jodie Gilbert.



Matthew John Waghorn
Joint Liquidator

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

From 07 October 2013 To 06 October 2014

S of A £	As Previously Reported	07/10/13 to 06/10/14	Total £
RECEIPTS			
12,208 Stock & Hire Equipment	10,000 00	NIL	10,000 00
NIL Book Debts	546 96	NIL	546 96
NIL Bank Interest Gross	1 80	1 66	3 46
<u>12,208</u>	<u>10,548 76</u>	<u>1 66</u>	<u>10,550 42</u>
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	NIL	10 20	10 20
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
	<u>9,878 42</u>	<u>10 20</u>	<u>9,888 62</u>
CASH IN HAND	<u>670 34</u>	<u>(8 54)</u>	<u>661 80</u>

WILKINS KENNEDY LLP

Schedule of joint liquidators' remuneration and disbursements

for

Chertsey Tool Hire Limited

For the period 7 October 2013 at 6 October 2014

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	0 60	1 20	1 65	1 10	4 55	900 50	197 91
Cashiering			0 10	1 50	1 60	151 00	94 38
Investigations		1 80			1 80	486 00	270 00
Realisation of assets	0 60		3 40		4 00	784 00	196 00
Statutory		0 80	3 60		4 40	792 00	180 00
Creditors			1 00		1 00	160 00	160 00
Case Specific matters (specify)	-	-	-	-	-	-	-
Total hours	1 20	3 80	9 75	2 60	17 35	3,273 50	188 67
Total fees claimed (£)							

Wilkins Kennedy LLP Charge-Out Rates

1 February 2012 to 31 July 2013

£

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

1 August 2013 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

* - Lowest rate adjusted from 28 April 2014 from £65

WILKINS KENNEDY LLP

Schedule of joint liquidators' remuneration and disbursements

for

Chertsey Tool Hire Limited

as at 6 October 2014

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	2 30	1 80	14 60	15 25	33 95	4,662 00	137 31
Cashiering	-	-	0 10	1 50	1 60	151 00	94 38
Investigations	8 10	2 60	34 20	-	44 90	8,730 00	194 43
Realisation of assets	5 20	-	14 90	-	20 10	4,134 00	205 67
Statutory	2 30	0 80	14 30	-	17 40	3,172 50	182 32
Creditors	1 30	-	13 40	1 90	16 60	2,566 00	154 57
Case Specific matters (specify)	-	-	-	-	-	-	-
Total hours	19 20	5 20	91 50	18 65	134 55	23,415 50	174 02
Total fees claimed (£)							

Wilkins Kennedy LLP Charge-Out Rates

1 February 2012 to 31 July 2013

£

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

1 August 2013 to date

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Administrators/Investigators	100 00 – 160 00
Junior/Trainee Administrators	25 00 – 100 00
Cashiers/Secretaries	75 00 – 90 00

* - Lowest rate adjusted from 28 April 2014 from £65

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

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)

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>