

## The Insolvency Act 1986

Liquidator's Progress  
Report

S.192

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

To the Registrar of Companies

For Official Use

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Company Number

03934698

Name of Company

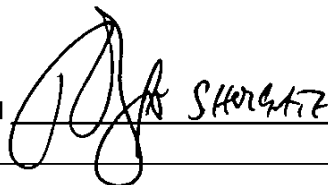
ABS London Limited

↓ / We  
Stephen P Holgate  
Farringdon Place  
20 Farringdon Road  
London  
EC1M 3AP

Philip J Long  
Farringdon Place  
20 Farringdon Road  
London  
EC1M 3AP

the liquidator(s) of the company attach a copy of ~~my~~ our progress report  
under section 192 of the Insolvency Act 1986

Signed



Date

16.4.12

PKF (UK) LLP  
Farringdon Place  
20 Farringdon Road  
London  
EC1M 3AP

Ref 4018978/SPH/PJL/EJK

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WEDNESDAY



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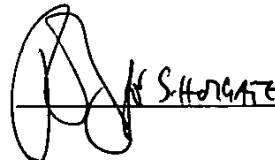
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COMPANIES HOUSE

#289

**ABS London Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

<b>Statement of Affairs</b>	<b>From 24/02/2011 To 23/02/2012</b>
ASSET REALISATIONS	
Book Debts	45,171 17
Cash at Bank	15,704 38
	<u>60,875 55</u>
COST OF REALISATIONS	
Agents/Valuers Fees	3,934 21
Bank Charges	4 14
	<u>(3,938 35)</u>
	<u><b>56,937.20</b></u>
REPRESENTED BY	
VAT Receivable	786 85
Bank 1 - Current	69,054 56
VAT Payable	(8,600 80)
Vat Control Account	7,813 95
Unreconciled debtor receipts	(12,117 36)
	<u><b>56,937.20</b></u>



Stephen P Holgate  
Joint Liquidator



Accountants &  
business advisers

## TO ALL KNOWN CREDITORS

Our Ref     SPH/PJL/LRJ/4018978/3800

16 April 2012

Dear Sirs

### **ABS London Limited - In Liquidation ("the Company")**

#### **Report to creditors on the progress of the liquidation pursuant to Rule 4.49C of the Insolvency Rules 1986**

I write to provide a report on the progress and conduct of the liquidation for the period from 24 February 2011 to 23 February 2012

The following schedules are attached to this report

- Statutory information
- An abstract of the joint liquidators' receipts and payments account for the period of the report
- An analysis of the time charged to the liquidation estate in the period and to date

#### **1 General overview**

- 1 2 This report has been produced in order to detail the progress of the liquidation over the past twelve months in accordance with the joint liquidators' statutory duty pursuant to Rule 4.49C of the Insolvency Rules 1986 and should be read in conjunction with our previous reports

#### **2 Progress of the liquidation**

- 2 1 Following the conclusion of the administration of the Company, pursuant to the joint administrators' proposals accepted by creditors at the meeting of creditors held on 23 June 2010, Stephen Holgate and Philip Long were appointed as joint liquidators on 24 February 2011

#### **3 Realisations**

##### **Cash at Bank and third party funds**

- 3 1 At the date of liquidation, a sum of £3,068 cash at bank was transferred from the administration, together with a recoverable VAT reclaim of £12,636 which was paid in June 2011 and £12,117, representing debtor receipts relating to third party maintenance debtors

##### **Book Debts**

- 3 2 As mentioned in previous reports in the administration, our agents, Naismiths Quantity Surveyors ("Naismiths") continue to collect the book debts and contracts in progress for the Company. During the administration, £35,027 had been collected and during the period of this liquidation report, a further £45,171 has been recovered. Naismith's initial estimates of the final recovery from book debts were between £99k to £257k and we can report that in March 2012 a further £115k has now been received, bringing total debtor receipts to £195,198 to date, compared to an initial Directors Statement of Affairs estimate of £275k

Naismiths are continuing to pursue several remaining accounts, however, to be prudent, we estimate that further realisations are unlikely

#### **4 Payments**

##### **Agent's Fees**

- 4 1 Further sums totalling £3,934 have been paid to Naismiths, in respect of work in relation to the debt collection

#### **5 Other Matters and Future Realisations**

- 5 1 Correspondence with Haslers concerning the Company's Share Incentive Plan and tax planning are still ongoing. To date, they haven't provided details of the test case that was due to be heard in late 2011 and we now understand that this is scheduled for later this year
- 5 2 We continue to pursue associated debts of £300k from Norton Heights Limited and £17k from Messrs Smith and Selvester
- 5 3 It will be necessary for the joint liquidators to appoint representatives from creditors to stand on a creditors committee, in order to sanction various matters relating to the future conduct of the liquidation. The committee should consist of a minimum of 3 creditors' representatives and a maximum of 5. A creditors' meeting to appoint a committee will be called in due course

#### **6 Distribution Prospects**

##### **Secured creditors**

- 6 1 HSBC Bank plc ("the Bank") hold a fixed and floating charge over the Company's assets. At the date of the administration, they were owed £586k, excluding post demand entries and accruing interest and charges. Under the administration, £555k was distributed to the Bank in relation to their fixed charge over the Company's commercial property which was sold in January 2011. On current estimates, there is a shortfall of approximately £11k

##### **Preferential creditors**

- 6 2 The preferential creditors consist of the employee claims for arrears of wages, subject to statutory limits, and unpaid holiday pay, and are expected to be in the region of c£21k. We currently hold sufficient funds to repay the preferential creditors in full and claims are being agreed, in order that a distribution can be made

##### **Prescribed part**

- 6 3 Section 176A of the Insolvency Act 1986 requires the joint liquidators to set aside a prescribed amount of the Company's 'net property' towards satisfaction of non-preferential claims. Net property is the amount of property that would otherwise be available for satisfaction of debentures secured by, or holders of, any floating charge created by the Company after 15 September 2003

The Bank's charge was created prior to 15 September 2003 and therefore the prescribed part provisions do not apply

##### **Unsecured creditors**

- 6 4 A return for the unsecured creditors is dependent on the outcome of ongoing investigations

## **Remuneration and disbursements**

- 7.1 The time costs incurred in the period 24 February 2011 to 23 February 2012 amount to £33,110 and represent 114.78 hours at an average hourly rate of £288.47 per hour. Sanction to draw fees on a time-cost basis was obtained from creditors at the meeting held on 23 June 2010. To date, no remuneration has been drawn by the joint liquidators.
- 7.2 A detailed analysis of the time costs incurred to 23 February 2012 is attached and the charge-out rates for the period are summarised as follows:

<b>Staff grade</b>	<b>Average charge-out rate (£ per hour)</b>
Partner	234-508
Senior Manager/Manager	150-356
Supervisor/Senior administrator	117-215
Administrator/Support staff	<180

- 7.3 These amounts are derived from PKF (UK) LLP's normal rates for time properly spent by the joint liquidators and their staff in attending to matters arising in the liquidation. Where members of staff have been employed on this case they have been so based on their experience and abilities in dealing with a case of this nature. Where appropriate, certain staff have dealt with a specific area of the liquidation due to their specialist skills in that area. PKF (UK) LLP's scale rates may increase from time to time over the period of an assignment.
- 7.4 All staff who have worked on this matter, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the enclosed analysis. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.
- 7.5 The joint liquidators and their staff have spent time on matters arising in the normal course of the liquidation. The main areas dealt with include:
- Preparation of statutory documents following the conversion from administration to liquidation
  - Review of the reasons for the failure of the business
  - Corresponding with HM Revenue & Customs and advisers in relation to the Share Incentive Plan and other taxation issues
  - Monitoring the debt collection
  - Preparing and submitting post appointment corporation tax returns
  - Statutory reporting requirements to members and the Registrar of Companies

7.6 The joint liquidators' disbursements to date total £326.35 and comprise

	Category 1 £	Category 2 £
Postage	147.60	
Statutory Advertising	69.75	
Land Registry Fees	32.00	
Company Search Fees	1.00	
Room Hire		76.00
Total	250.35	76.00

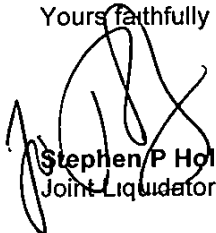
Please note that these disbursements have not yet been paid

- 7.7 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, 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. All category 1 disbursements are charged at the actual cost incurred.
- 7.8 Category 2 disbursements will comprise cost allocations which may arise on some of the category 1 expenses where supplied internally. Typically, items such as room hire and document storage. Also included will be routine or more specialist copying and printing, and allocated communication costs.
- 7.9 A creditors guide to fees, which provides information regarding creditors' rights in relation to insolvency practitioners' fees can be obtained by visiting our website at [www.pkf.co.uk/cgtf](http://www.pkf.co.uk/cgtf). Alternatively a copy can be sent upon request.
- 7.10 In accordance with Rule 4.49E of the Insolvency Rules 1986 any unsecured creditor with the concurrence of at least 5% in value of the total unsecured creditors (including the value of their own claim) or with the permission of the Court, or any secured creditor may make a formal request in writing to the joint liquidators for further information about the remuneration or expenses (other than pre-liquidation costs) set out in this report. Such a request must be made within 21 days from the date of receipt of this progress report.
- 7.11 Additionally, creditors who believe that the liquidators remuneration is, in the circumstances, excessive or inappropriate may apply to the Court under the provisions of Rule 4.131 of the Insolvency Rules 1986. Such application may be made by a secured creditor or any unsecured creditor, the latter requiring the concurrence of 10% of the total unsecured creditors (including their own claim) or the permission of the court.

### **Concluding Comments**

8.1 I trust the above provides you with sufficient information, but if you require more or have any questions please contact Louisa Johnstone on 02070650261

Yours faithfully



**Stephen P Holgate**  
Joint Liquidator

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## **APPENDIX A**

### **STATUTORY INFORMATION**

<b>Company name</b>	ABS London Limited
<b>Registration number</b>	03934698
<b>Registered office address</b>	Farringdon Place, 20 Farringdon Road, London, EC1M 3AP
<b>Liquidator(s) details</b>	<p>Stephen P Holgate PKF (UK) LLP Farringdon Place, 20 Farringdon Road, London, EC1M 3AP Appointed 24/02/2011</p> <p>Philip J Long PKF (UK) LLP Farringdon Place, 20 Farringdon Road, London, EC1M 3AP Appointed 24/02/2011</p>



## **APPENDIX B**

**ABS London Limited  
(In Liquidation)  
Joint Liquidators' Receipts and Payments Account  
24 February 2011 to 23 February 2012**

<b>RECEIPTS</b>	<b>Total (£)</b>
Book Debts	45,171 17
Cash at Bank	15,704 38
Third Party Debtor Receipts	12,117 36
	<u><b>72,992 91</b></u>
<b>PAYMENTS</b>	
Agents/Valuers Fees	3,934 21
Bank Charges	<u>4 14</u>
	<b>3,938 35</b>
<b>Balance In Hand</b>	<b>69,054 56</b>
	<u><b>72,992 91</b></u>

### **Notes**

- 1) No Statement of Affairs was completed for the Liquidation
- 2) The principal asset remaining in the Liquidation is the book debts which had an estimated realisable value of £275,000 in the Directors' Estimated Statement of Affairs prepared for the Administration
- 3) All items are shown net of VAT

Tasks	Partner / Director		Manager		Supervisor / Senior Administrator		Administrator / Assistant		Total	
	Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours
Partner/Senior Manager Review	3,038.25	6.00	0.00	0.00	0.00	0.00	0.00	0.00	3,038.25	6.00
Case Completion	0.00	0.00	0.00	0.00	20.90	0.10	0.00	0.00	20.90	0.10
Planning & Monitoring	1,579.40	3.30	322.35	1.05	677.00	3.20	64.95	0.75	2,643.70	8.30
Time Summaries & Billing	0.00	0.00	76.75	0.25	73.15	0.35	0.00	0.00	149.90	0.60
Cashiering Function Generally	129.40	0.30	331.30	1.10	496.85	2.35	1,184.13	9.78	2,141.68	13.53
Office Holders Tax Liabilities	195.50	0.50	1,726.60	4.85	1,484.85	7.35	0.00	0.00	3,406.75	12.70
CDDA 1986 Work	457.60	0.95	0.00	0.00	62.70	0.30	0.00	0.00	520.30	1.25
Official Receiver/DTI/Court	2,975.80	7.60	0.00	0.00	73.15	0.35	0.00	0.00	3,048.95	7.95
Secured Creditors (reporting/accounting for funds, etc)	1,867.50	4.70	0.00	0.00	1,333.00	6.20	0.00	0.00	3,200.50	10.90
Non Preferential Creditors	255.45	0.65	122.80	0.40	160.65	0.75	78.80	0.80	617.70	2.60
Employee Claims	0.00	0.00	61.40	0.20	32.25	0.15	72.00	0.40	165.65	0.75
Fixed Asset Realisation	0.00	0.00	0.00	0.00	0.00	0.00	25.80	0.30	25.80	0.30
Book Debt Realisations	510.90	1.30	168.85	0.55	203.05	0.95	70.00	0.80	952.80	3.60
Other Asset Realisations	247.50	0.50	0.00	0.00	0.00	0.00	0.00	0.00	247.50	0.50
Legal Correspondence/Litigation	3,143.65	7.90	859.60	2.80	0.00	0.00	144.00	0.80	4,147.25	11.50
General Administration	0.00	0.00	0.00	0.00	0.00	0.00	8.60	0.10	8.60	0.10
Statutory Compliance (including CRO returns and lodgement of funds with ISA)	344.70	0.90	0.00	0.00	1,798.60	8.60	180.60	2.10	2,323.90	11.60
Investigations	4,218.70	10.90	0.00	0.00	126.30	0.60	0.00	0.00	4,345.00	11.50
Computersation/IPS	0.00	0.00	240.00	1.00	0.00	0.00	0.00	0.00	240.00	1.00
Liasing with Agents/Solicitors/Other Professionals	1,179.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00	1,179.00	3.00
Secretarial	0.00	0.00	0.00	0.00	0.00	0.00	686.20	7.00	686.20	7.00
	20,143.35	48.50	3,909.65	12.20	6,542.25	31.25	2,515.08	22.83	33,110.33	114.78

Average hourly rate

288.47