

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

To the Registrar of Companies

Company Number

03934698

Name of Company

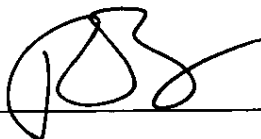
ABS London Limited

I / ~~We~~
James Money
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

the liquidator(s) of the company attach a copy of my ~~own~~ Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 24/02/2011 to 03/12/2012

Signed



Date

31.1.13

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

Ref 4018978/JM/EJK/SAH/AC

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COMPANIES HOUSE

ABS London Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs	From 24/02/2011 To 03/12/2012
ASSET REALISATIONS	
Book Debts	160,171 17
Cash at Bank	15,704 38
Released client account funds	267 79
	<u>176,143 34</u>
COST OF REALISATIONS	
Agents/Valuers Fees	20,319 86
Administrators Fees	46,896 00
Bank Charges	62 58
DTI Unclaimed Dividends	(1,177 90)
	<u>(66,100 54)</u>
PREFERENTIAL CREDITORS	
Department of Employment	9,403 38
Employees Wage Arrears	10,899 57
	<u>(20,302 95)</u>
FLOATING CHARGE CREDITORS	
Floating Charge Creditor	45,000 00
	<u>(45,000 00)</u>
	<u>44,739.85</u>
REPRESENTED BY	
Bank 1 - Current	56,857 21
Unreconciled debtor receipts	(12,117 36)
	<u>44,739.85</u>



James Money
Liquidator



Accountants &
business advisers

ABS London Limited (In Liquidation)

Liquidator's Progress Report

**Pursuant to Rule 4.49C(3) of the
Insolvency Rules 1986ABS
London Limited (In Liquidation)**

3 December 2012

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- A Statutory Information
- B Liquidator's Summary and Receipts and Payments Account from 24 February 2011 to 3 December 2012
- C Liquidator's detailed time cost summary from 24 February 2011 to 3 December 2012

1 Introduction and Background

- 1 1 In accordance with Rule 4 49C(3) of the Insolvency Rules 1986, I write to provide creditors with a progress report on the conduct of the Liquidation of ABS London Limited ("the Company") for the period 24 February 2012 to 3 December 2012
- 1 2 This report assumes that you have read our previous reports and, as such, information given in previous reports will not be repeated in this document

2 Progress of the Liquidation

- 2 1 Following the conclusion of the Company's Administration, pursuant to the Joint Administrators' Proposals, accepted by creditors on 23 June 2010, Stephen Holgate and Philip Long were appointed as Joint Liquidators of the Company on 24 February 2011
- 2 2 Mr Holgate resigned from his position as a partner of PKF (UK) LLP and, in accordance with an order of the Cardiff District Registry of the High Court of Justice, he ceased to act as Joint Liquidator with effect from 1 June 2012 and was released from office on 2 July 2012
- 2 3 James Money, a partner of PKF (UK) LLP, has replaced Stephen Holgate as Joint Liquidator and notice of his appointment is attached for your record The Company's updated statutory information is also attached
- 2 4 Mr Long has now retired from PKF (UK) LLP and, in accordance with an order made in the Cardiff District Registry of the High Court of Justice, he ceased to act as Joint Liquidator of the Company with effect from 3 December 2012 Notice of Mr Long's retirement was advertised in the London Gazette on 13 December 2012

3 Realisations

- 3 1 On 7 March 2012, £138,000 was received from Como Contracts by way of commercial settlement in respect of works carried out by the Company in relation to various contracts, as agreed by Stuart Heeks of Naismiths LLP and David Messer of Como Contracts Due to the nature of the contracts, £23,000 of this sum was Value Added Tax payable to HM Revenue & Customs
- 3 2 On 28 August 2012, £268 was received from Pollecoff Solicitors (In Liquidation) This sum relates to the distribution of client funds by the Liquidators of Pollecoff Solicitors, following their client accounts being unfrozen by the company's bankers
- 3 3 A further distribution of client funds was received from Pollecoff Solicitors (in Liquidation), outside of the period included in this progress report This distribution was received on 3 January 2013 and was for the sum of £52

4 Payments

- 4 1 The Company paid Naismiths LLP £16,386 plus VAT in March 2012 in respect of their time costs for book debt realisation
- 4 2 £45,000 was paid to HSBC plc in June 2012, in respect of the floating charge secured debt owed by the Company
- 4 3 Unsecured, preferential creditors of the Company were paid a dividend of 100p/£ in June 2012, the quantum of which was £20,745
- 4 4 A payment of £10,344 was made to HM Revenue & Customs in June 2012 in respect of VAT payable
- 4 5 On 23 June 2010 the creditors gave approval for the Joint administrators to be remunerated on a time cost basis, and as stated in their final report on the progress of the administration, Joint Administrators' time costs at the end of the administration totalled £142,468. Remuneration of £30,000 plus VAT was paid to the Joint Administrators during the administration. A further £46,896 plus VAT was paid in respect of Joint Administrators' fees during the period of this report

5 Other matters and future realisations

- 5 1 Correspondence with Haslers concerning the Company's Share Incentive Plan and tax planning is still ongoing. It was expected that the test case would be heard in the latter half of 2012 however Haslers confirmed, on 15 August 2012, that due to a backlog of tax cases and in the absence of a negotiated settlement, the test case will be heard at tribunal in February 2013
- 5 2 We continue to pursue associated debts of £300,000 from Norton Heights Limited and £17,000 from Messrs Smith and Selvester
- 5 3 As yet, no liquidation committee has been appointed. Depending on the strategy adopted by me, we may call a meeting of creditors to appoint members of a creditors' committee, in order to sanction various matters pertaining to the future conduct of the liquidation. This committee should consist of a minimum of 3 creditor representatives and a maximum of 5

6 Distribution Prospects

- 6 1 HSBC Bank Plc ("the Bank") hold a fixed and floating charge over the Company's assets. At the date of the appointment of Administrators, the Bank was owed £586,000, excluding post demand entries and accruing interest and charges. Under the administration £555,000 was distributed to the Bank in relation to their fixed charge over the Company's commercial

property which was sold in January 2011. A further £45,000 was paid to the Bank in June 2012 in respect of the floating charge held over the Company's assets. I anticipate making a final distribution to the bank shortly, which will result in the repayment in full of the secured lender.

6.2 A dividend of 100p/£ was distributed to all preferential creditors in June 2012, totalling £20,745. These claims consisted of employee claims for arrears of wages, subject to statutory limits, and unpaid holiday pay.

6.3 A return for the unsecured creditors is dependant on the outcome of ongoing investigations.

7 Remuneration and Disbursements

7.1 The time costs incurred in the period 24 February 2012 to 3 December 2012 amount to £36,213 and represent 160 hours at an average hourly cost of £225. Time costs for the full period of the liquidation amount to £69,323 and represent 276 hours at an average hourly cost of £251. To date no remuneration has been agreed by creditors and no remuneration has been drawn by the Liquidator.

7.2 As noted in paragraph 4.5, the time costs for the administration have yet to be paid in full. Once the secured creditor has been paid, it is anticipated that the remaining funds will be used to settle the administrators' time costs, to the extent that this is possible. Absent further realisations, no funds will be available for the Liquidator.


7.3 A detailed analysis of the time costs incurred to 3 December 2012 is attached with this report.

8 Concluding Comments

8.1 I trust that this report and its appendices are satisfactory however, should you have any queries or require any further information, please contact Annie Coulson on 020 7065 0336 or annie.coulson@uk.pkf.com.

Yours faithfully,

For and on behalf of ABS London Limited



James Money

Liquidator

Appendix A

Statutory Information

Company Name	ABS London Limited
Registration Number	03934698
Registered Office Address	Farringdon Place, 20 Farringdon Road, London, EC1M 3AP
Liquidator's Details	James Money PKF (UK) LLP Farringdon Place, 20 Farringdon Road, London, EC1M 3AP Appointed on 1 June 2012

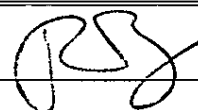
**ABS London Limited
(In Liquidation)**

Summary of Receipts & Payments

RECEIPTS	Statement of Affairs (£)	From 24/02/2011 To 23/02/2012 (£)	From 24/02/2012 To 03/12/2012 (£)	Total (£)
Book Debts		45,171 17	115,000 00	160,171 17
Cash at Bank		15,704 38	0 00	15,704 38
Released client account funds		0 00	267 79	267 79
DTI Unclaimed Dividends		0 00	1,177 90	1,177 90
Unreconciled debtor receipts		12,117 36	0 00	12,117 36
		72,992 91	116,445 69	189,438 60
PAYMENTS				
Agents/Valuers Fees		3,934 21	16,385 65	20,319 86
Administrators Fees		0 00	46,896 00	46,896 00
Bank Charges		4 14	58 44	62 58
Department of Employment		0 00	9,403 38	9,403 38
Employees Wage Arrears		0 00	10,899 57	10,899 57
Floating Charge Creditor		0 00	45,000 00	45,000 00
		3,938 35	128,643 04	132,581 39
Net Receipts/(Payments)		69,054 56	(12,197 35)	56,857 21

MADE UP AS FOLLOWS

VAT Receivable	786 85	12,656 33	13,443 18
Bank 1 - Current	69,054 56	(12,197 35)	56,857 21
VAT Payable	(8,600 80)	(23,000 00)	(31,600 80)
Vat Control Account	7,813 95	10,343 67	18,157 62
	69,054 56	(12,197 35)	56,857 21



James Money
Liquidator

SIP9 Analysis of OfficeHolders Timecosts as at 03/12/2012

Client: 4018978 ABS London Limited

Tasks	Grade	Partner / Director	Manager	Supervisor / Senior Administrator	Administrator / Assistant	Total
		Amount (£)	Hours	Amount (£)	Hours	Amount (£)
Average Cost per hour		£407.00	£316.00	£208.00	£108.00	£251.00
Partner/Senior Manager Review		4,610.25	10.00	0.00	0.00	4,610.25
Case Completion		0.00	0.00	20.90	0.10	20.90
Planning & Monitoring		1,579.40	3.30	3,092.45	9.85	5,449.80
Time Summaries & Billing		0.00	0.00	185.70	0.60	312.85
Cashiering Function Generally		231.00	0.50	848.35	2.75	4,349.58
Dividends & Distributions		298.10	0.70	71.20	0.20	1,518.00
Office Holders Tax Liabilities		398.70	0.90	3,021.30	8.50	5,244.15
Creditors/Liquidation Committee		393.00	1.00	0.00	0.00	393.00
CDDA 1986 Work		457.60	0.95	0.00	0.30	520.30
Official Receiver/DTI/Court		2,975.80	7.60	0.00	0.35	3,048.95
Secured Creditors (reporting/accounting for funds, etc		4,815.00	12.20	1,721.85	5.55	8,459.35
Preferential Creditors		0.00	0.00	0.00	0.00	126.00
Non Preferential Creditors		255.45	0.65	461.50	1.50	956.40
Employee Claims		0.00	0.00	138.15	0.45	985.90
Fixed Asset Realisation		0.00	0.00	0.00	0.00	25.80
Book Debt Realisations		510.90	1.30	245.60	0.80	1,029.55
Other Asset Realisations		247.50	0.50	0.00	0.00	247.50
Legal Correspondence/Litigation		4,322.65	10.90	1,078.50	3.50	5,851.15
General Administration		0.00	0.00	0.00	0.10	73.50
Statutory Compliance (including CRO returns and lod		737.70	1.90	0.00	8.60	2,716.90
Investigations		10,899.70	27.90	2,179.70	0.60	17,744.70
Computerisation/IPS		0.00	0.00	240.00	1.00	240.00
Liasing with Agents/Solicitors/Other Professionals		1,179.00	3.00	0.00	0.00	1,179.00
Annual/Periodic Reporting/Meeting (ie S48 or S105)		0.00	0.00	2,916.50	9.50	3,438.50
Secretarial		0.00	0.00	0.00	0.00	781.20
		33,911.75	83.30	16,200.80	51.30	69,323.23
				8,270.30	39.80	10,940.38
					101.33	275.73

Appendix C

(continued)

- PKF (UK) LLP scale rates may increase from time to time over the period of an assignment and were subject to an increase with effect from 1 July 2012. The charge-out rates, before and after this date, are included below

Grade	Average charge-out/hour pre-July 2012	Average charge-out rate post-July 2012
Partner/Director	234-508	242-524
Senior Manager/Manager	150-356	155-367
Supervisor/Senior Administrator	117-215	121-222
Administrator/ Support Staff	<180	<186

- These rates are derived from PKF (UK) LLP's normal rates for time properly spent by the 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.
- 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 this assignment but is reflected in the general level of charge-out rates.
- The liquidators and their staff have spent time on matters arising in the normal course of the liquidation. The main areas include
 - Statutory reporting requirements to members and the Registrar of Companies,
 - Review of the reasons for the failure of the Company,
 - Correspondence with HM Revenue & Customs and advisors regarding the investigations into the Share Incentive Plan and other taxation issues,
 - Monitoring the debt collection, and
 - Company tax returns for the end of the administration period and the period 24 February 2011 to 23 February 2012.

- The liquidator's disbursements to date total £555 78 and comprise

	Category 1	Category 2
	£	£
Postage	299 84	
Statutory Advertising	79 94	
Land Registry Fees	32	
Company Search Fees	1	
Room Hire		143
Total	412 78	143

Please note that these disbursements have not yet been paid

- Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case, typically for such items as identifiable phone 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 be provided internally such as printing, room hire and document storage. All category 1 disbursements are charged at the actual cost incurred.
- 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 or document storage. Also included will be routine or more specialist copying and printing, and allocated communication costs.
- 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. Alternatively a copy can be sent upon request.
- In accordance with Rule 4.49E of the Insolvency Rules 1986, an 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 liquidator 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 receipt of this progress report.

- Additionally, creditors who believe that the liquidator's remuneration is, in the circumstances, excessive or inappropriate, may apply to court under the provisions of Rule 4.131 of the Insolvency Rules 1986. Such an application may be made by a secured creditor or any unsecured creditor, the latter requiring 10% concurrence of the total unsecured creditors (including their own claim) of the permission of the court.