

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

03938185

Name of Company

Abbey Payroll Services Limited

I / We

Ian McCulloch, 1 Winckley Court, Chapel Street, Preston, PR1 8BU

Dean Watson, 1 Winckley Court, Chapel Street, Preston, PR1 8BU

the 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 25/09/2015 to 24/09/2016

Signed



Date

26/10/16

Begbies Traynor (Central) LLP
1 Winckley Court
Chapel Street
Preston
PR1 8BU

Ref AB087CVL/IMC/DW/PS/LB/PP

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COMPANIES HOUSE

Abbey Payroll Services Limited (In Creditors' Voluntary Liquidation)

Progress report pursuant to Section 104A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986

Period: 25 September 2015 to 24 September 2016

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Abbey Payroll Services Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Act on 25 September 2014
"the liquidators", "we", "our" and "us"	Ian McCulloch and Dean Watson of Begbies Traynor (Central) LLP, 1 Winckley Court, Chapel Street, Preston, PR1 8BU
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2 COMPANY INFORMATION

Trading name(s)	None
Company registered number	03938185
Company registered office	1 Winckley Court, Chapel Street, Preston, PR1 8BU
Former trading address	1 Calder Mews, Manorfields, Manor Road, Whalley, Clitheroe, BB7 9TE

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	25 September 2014
Date of liquidators' appointment	4 July 2016
Changes in liquidator (if any)	On 4 July 2016 a block transfer order was made in the Manchester District Registry of the High Court of Justice, number 2508 of 2016, replacing David Acland and Lila Thomas with Ian McCulloch and Dean Watson of this firm appointed as Joint Liquidators

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 25 September 2015 to 24 September 2016. This should be read in conjunction with our previous report issued to creditors on 4 November 2015.

RECEIPTS

Director's Loan Account

Creditors will recall the sole realisable asset of the Company was the outstanding director's loan account ("DLA") of £66,489 owed by Dawn Landles. (The fixtures & fittings of the Company were abandoned on site as the cost of collection and sale outweighed any realisable value). The estimated to realise value for the DLA was listed as uncertain subject to reconciliation and confirmation of the director's ability to repay these monies.

Demand for repayment was issued shortly after appointment; however, due to the director's financial position, she was unable to settle the amount due. Consequently, a statement of means questionnaire was issued to review the recoverability, and a repayment plan of £200 per month was agreed, representing 100% of the director's disposable income. The sum of £1,800 was received in the first period following appointment, and a further £2,400 has been collected during the current period, bringing total realisations to 24 September 2016 to £4,200.

The repayment plan has been reviewed periodically to assess the director's ability to pay, and if contributions can be increased. Following the anniversary of the case, a further review was completed, and it was determined that, due to a change of circumstances, the director was unable to make further payments towards the DLA. As the costs of continuing the liquidation would be disproportionate to the benefits of receiving nominal payment over a prolonged period, an offer of full and final settlement was requested from the director.

An offer of £1,000, to be raised from third parties, was received from the director, and following consideration of her financial position, this was accepted and paid. Total realisations for the DLA are therefore £5,200, and the remaining balance will not be recoverable. Creditors should note that payment of £1,000 was received after the anniversary of the liquidation, and as such, the settlement payments are not detailed in the account of receipts and payments shown at Appendix 1.

PAYMENTS

There have been no payments during the current period. The sum of £50.76 has been transferred to irrecoverable VAT, as the Company was not VAT registered.

5. ESTIMATED OUTCOME FOR CREDITORS

Secured & Preferential Creditors

As anticipated, no claims were received from these classes of creditor.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of how the prescribed part for unsecured creditors is calculated were provided in the initial report presented to the meeting of creditors.

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003, and, consequently, there is no net property as defined in Section 176A(6) of the Act, and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.]

Unsecured Creditors

Unsecured creditor claims were estimated and received as outlined below. No dividend is available for unsecured creditors because the funds realised have been allocated for defraying the expenses of the liquidation. Consequently, no claims have been subject to formal admittance procedure.

Classification	Statement of Affairs	Received
	£	£
Trade & Expense	120	274
National Westminster Bank PLC	20,303	19,675
HM Revenue & Customs – VAT	4,314	4,314
HM Revenue & Customs – PAYE/NIC	5,321	5,813
HM Revenue & Customs – Corp Tax	15,215	15,392
Totals	<u>45,273</u>	<u>45,468</u>

6. REMUNERATION & DISBURSEMENTS

Remuneration

Our remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the winding up. In addition, we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report.

Our time costs for the period from 25 September 2015 to 24 September 2016 amount to £3,717.50 which represents 22.10 hours at an average rate of £168.21 per hour.

Total time costs since appointment amount to £9,131.50 which represents 52.40 hours at an average rate of £174.27 per hour. No fees have been drawn on account of our remuneration.

The following further information in relation to our time costs and disbursements is set out at Appendix 2:

- ☐ Begbies Traynor (Central) LLP's charging policy
- ☐ Time Costs Analysis for the period 25 September 2015 to 24 September 2016
- ☐ Cumulative time costs analysis for the period 25 September 2014 to 24 September 2016

Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type. An additional analysis is also attached which details the time costs for the entire period for which we have administered the liquidation.

Please note that each analysis provides details of the work undertaken by us and our staff following our appointment only.

Disbursements

To 24 September 2016, we have also incurred disbursements in the sum of £37.50. No disbursements have been drawn to date and no Category 2 disbursements have been incurred.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2011' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report and since appointment is attached at Appendix 3.

8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

As detailed above collection of the DLA has been completed following the anniversary of the case. There are no further realisable assets of the Company and the liquidation will shortly be passed to closure.

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, as explained in the report circulated at the meeting of creditors convened pursuant to Section 98 of the Act, such report having also been sent to creditors following the meeting, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Energy and Industrial Strategy. We can confirm that we have discharged our duties in these respects.

Investigations carried out to date

We have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect. There were no matters arising from the investigations which required further action or which would provide additional funds for the creditors.

Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 4.131 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the

expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate

11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner



Ian McCulloch
Joint Liquidator

Dated 26 October 2016

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 25 September 2015 to 24 September 2016

Abbey Payroll Services Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 25/09/2015 To 24/09/2016 £	From 25/09/2014 To 24/09/2016 £
	ASSET REALISATIONS		
NIL	Fixtures & Fittings	NIL	NIL
Uncertain	Director's Loan Account	2,400 00	4,200 00
	Bank Interest Gross	3 38	4 20
		<u>2,403 38</u>	<u>4,204 20</u>
	COST OF REALISATIONS		
	Irrecoverable VAT	50 76	50 76
	Statutory Advertising	NIL	253 80
		<u>(50 76)</u>	<u>(304 56)</u>
	UNSECURED CREDITORS		
(120 00)	Trade Creditors	NIL	NIL
(20,303 00)	National Westminster Bank Plc	NIL	NIL
(5,321 00)	HMRC (PAYE/NI)	NIL	NIL
(15,215 00)	HMRC (Corporation Tax)	NIL	NIL
(4,314 00)	HMRC (VAT)	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(200 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(45,473.00)		<u>2,352.62</u>	<u>3,899.64</u>
	REPRESENTED BY		
	Bank 2 Current		3,899 64
			<u>3,899.64</u>

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's charging policy,
- b Time Costs Analysis for the period from 25 September 2015 to 24 September 2016, and
- c Cumulative Time Costs Analysis for the period from 25 September 2014 to 24 September 2016

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed Insolvency Practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting,
- Car mileage is charged at the rate of 45 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made:

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Preston office as at the date of this report are as follows

	Standard 1 May 2011 – until further notice
	Regional
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in units 6 minute units

Staff Grade	Consultant/Partner	Director	Snr Mgr	Mngr	Asst Mgr	Snr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning											0.00
	Administration			0.2	0.3		0.2			0.7	141.50	202.14
	Total for General Case Administration and Planning			0.2	0.3		0.2			0.7	141.50	202.14
	Appointment											0.00
Compliance with the Insolvency Act, Rules and best practice	Banking and Bonding				0.5		8.3			8.8	1,223.00	138.98
	Case Closure											0.00
	Statutory reporting and statement of affairs	0.4		0.9	0.2		6.4			7.9	1,301.50	164.75
	Total for Compliance with the Insolvency Act, Rules and best practice	0.4		0.9	0.7		14.7			16.7	2,524.50	151.17
Investigations	GDPA and Investigations											0.00
	Total for Investigations											0.00
	Debt collection			0.2	1.5					1.7	380.50	212.06
	Property business and asset sales	0.1		2.0						2.1	569.50	271.19
Realisation of assets	Retention of Title/Third party assets											0.00
	Total for Realisation of assets	0.1		2.2	1.5					3.8	930.00	244.74
	Trading											0.00
	Total for Trading											0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured											0.00
	Others											0.00
	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees) correspondence and distributions											0.00
Other matters which includes meetings, tax litigation, pensions and travel	Meetings											0.00
	Other											0.00
	Tax						0.9			0.9	121.50	135.00
	Litigation											0.00
	Total for Other matters						0.9			0.9	121.50	135.00
	Total hours by staff grade	0.5		3.3	2.5		15.8			22.1		
	Total time cost by staff grade	197.50		874.50	512.50		2,133.00			3,717.50		
	Average hourly rate £	395.00	0.00	265.00	205.00	0.00	135.00	0.00	0.00			168.21
	Total fees drawn to date £									0.00		

Staff Grade	Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	0.4			1.7			3.6			5.7	1,094.50	192.02
Administration				0.2	0.3		0.4	0.1		1.0	179.50	179.50
Total for General Case Administration and Planning	0.4			1.9	0.3		4.0	0.1		6.7	1,274.00	190.15
Compliance with the Insolvency Act Rules and best practice				0.7			3.8			4.5	898.50	155.22
Appointment												
Banking and Bonding					0.5		15.6			16.3	2,235.50	137.15
Case Closure												0.00
Statutory reporting and statement of affairs	0.4			0.9	0.2		7.5			9.0	1,450.00	161.11
Total for Compliance with the Insolvency Act Rules and best practice	0.4			1.6	0.7		27.1			29.8	4,384.00	147.11
Investigations							2.0			2.0	270.00	135.00
CDDA and investigations							2.0			2.0	270.00	135.00
Total for Investigations												
Realisation of assets				0.9	1.5		0.6			3.0	627.00	209.00
Debt collection												
Property business and asset sales	0.1			5.1						5.2	1,391.00	267.50
Retention of Title/Third party assets				1.1						1.1	291.50	265.00
Total for Realisation of assets	0.1			7.1	1.5		0.6			9.3	2,309.50	248.33
Trading												0.00
Total for Trading												0.00
Dealing with all creditors claims (including employees) correspondence and distributions												0.00
Secured												
Others				0.6			1.5			2.1	381.50	172.14
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions				0.6			1.5			2.1	361.50	172.14
Meetings				1.0						1.0	265.00	265.00
Other				0.5						0.5	132.50	265.00
Tax							1.0			1.0	135.00	135.00
Litigation												0.00
Total for Other matters				1.5			1.0			2.5	532.50	213.00
Total hours by staff grade	0.9			12.7	2.5		36.2	0.1		57.4		
Total time cost by staff grade	355.50			3,365.50	512.50		4,887.00	11.00		9,131.50		
Average hourly rate £	395.00	0.00	0.00	265.00	205.00	0.00	135.00	110.00	0.00			174.27
Total fees drawn to date £										0.00		

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred during current period £	Total Amount incurred £	Amount discharged £	Balance (to be discharged) £
Bond	AUA Insolvency Risk Services	7 20	25 20	-	25 20
Postage	Royal Mail	3 50	11 30	-	11 30
Company Searches	Companies House	-	1 00	-	1 00
Statutory Advertising	Courts Advertising Limited	-	253 80	(253 80)	-
Irrecoverable VAT	N/A	50 76	50 76	(50 76)	-
Total		61 46	342 06	(304 56)	37 50