

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

Company Number

04209634

Name of Company


(a) Insert full
name of company

(a) AABRO OFFICE SUPPLIES

Limited

(b) Insert full
name(s) and
address(es)I/We (b) MICHAEL LESLIE REEVES OF 49 DUKE STREET,
DARLINGTON, DL3 7SDthe liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

Signed



Date 16/02/2012

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

For Official Use

Liquidation

TUESDAY



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A38

21/02/2012

#24

COMPANIES HOUSE

AABRO OFFICE SUPPLIES LIMITED – IN LIQUIDATION

COMPANY NUMBER: 04209634

REGISTERED ADDRESS: 2 MILLENNIUM COURT, STOKESLEY BUSINESS PARK, STOKESLEY, MIDDLESBROUGH, TS9 5JZ

LIQUIDATOR'S FIRST ANNUAL REPORT TO CREDITORS

Arthur Custance, consultant of Robson Scott Associates Limited, 49 Duke Street, Darlington, DL3 7SD was appointed as Liquidator of the above company on 17 December 2010. In accordance with a court order made in the High Court, Manchester District Registry, case number 2297, and dated 20 December 2011, Mr Custance was removed from office with effect from 20 December 2011 and I was appointed as Liquidator in substitution with effect from the same date.

This report covers the 12 month period of the Liquidation from appointment to 16 December 2011 and a copy of my receipts and payments account for this period is attached as Appendix 1.

ASSET REALISATIONS AND ASSETS STILL TO BE REALISED

The Director's report presented at the meeting of creditors on 17 December 2010 advised that the Company's assets were as follows -

Prior to the company entering into Liquidation a number of offers were received to purchase the assets including the office equipment of the Company. The highest offer of £450 plus VAT was accepted, following advice received from two independent agents confirming that the offer represented market value, and funds of £528.75 have subsequently been received.

The Company's stock was claimed under a retention of title agreement held with the supplier prior to the meeting notices being sent.

Cash on hand balance was created from a number of the Company's debtors paying into my client account prior to the Company being placed into Liquidation. A total of £11,123.30 was received in this respect.

Upon appointment the company's Statement of Affairs scheduled debtors in the sum of £36,662 with an estimated to realise value of £18,331. A total of £14,789.81 was recovered from debtors during the course of the Liquidation.

INVESTIGATIONS

I have complied with my duties under the Company Directors Disqualification Act (CDDA) 1986.

I am currently carrying out further investigations against the previous Company Directors relating to a number of issues that were highlighted during the initial investigations into the affairs of the company and the conduct of the directors as a number of transactions had taken

place shortly before the commencement of the liquidation that required further scrutiny, details of which are as follows,

On writing to the Company debtors, a number professed to have already made payment, however in a number of cases, no corresponding payment could be traced in the Company's bank account or the Liquidation bank account. Thereafter, upon examining the Company's electronic records, it became apparent that the Directors had instructed some clients to pay outstanding balances into their personal bank accounts and, in addition, some cheques payable to the company had also been withheld and paid into the directors' personal bank accounts. It later transpired that the reason for doing this was to reimburse the directors for funds that they had expended personally for the purpose of fulfilling customer orders.

These transactions have been considered and under the provisions of the Insolvency Act 1986 it has been concluded that the payments constitute preferences according to S239 of the act.

It is also apparent that, shortly prior to Liquidation, a number of additional preferential payments had been made to the Directors. In addition, there are also discrepancies in relation to the drawings and salaries paid by the Company.

I am currently in negotiations with the Company Directors regarding a proposal to repay these funds to the Company.

PAYMENTS

The first Meeting of Creditors held on 17 December 2010 resolved that £4,000 plus VAT be paid to Robson Scott Associates in respect of convening the Liquidation meetings and preparing the company's Statement of Affairs.

Category 1 & Category 2 expenses in respect of publishing statutory notices were paid as incurred by Robson Scott Associates.

The cost of the time spent in dealing with matters arising in the Liquidation to date amounts to £29,917.70 plus VAT and an analysis of these time costs is attached as Appendix 2. The first meeting of creditors resolved that my fees as Liquidator should be based on a time cost basis and Liquidator's fees in the sum of £20,236.96 plus VAT have been drawn against outstanding time costs.

The cost of time spent by my solicitor in dealing with matters arising in the Liquidation to date amounts to £9,500 plus VAT, however no funds have yet been paid in this respect.

A creditors' guide to fees charged by Liquidators has not been enclosed but is available from www.r3.org.uk. If however you do not have access to the internet and require a hard copy to be posted to you, please contact my office.

A copy of this firm's policy for charging disbursements is enclosed for your information. Robson Scott Associates Limited or any successor firm reserves the right to change the scale rates and grade structure of staff as and when appropriate.

Creditors are also advised that, pursuant to Rules 4.49E and 4.131, further information may be requested by at least 5% in value of unsecured creditors and the remuneration of the Liquidator may be challenged by at least 10% in value of all creditors

PRESCRIBED PART

As the company has an outstanding liability to its debenture holder, Section 176(A) of the Insolvency Act 1986, as amended, does apply in this matter

CREDITORS' CLAIMS AND DIVIDEND PROSPECTS

SECURED CREDITORS

The secured creditor in this case holds a fixed and floating charge secured over the assets of the company. The amount outstanding to the chargeholder is £26,193.29 however sufficient funds are not available to allow a distribution to be made.

PREFERENTIAL CREDITORS

It is estimated that preferential creditors, comprising of employee claims for unpaid wages and holiday pay paid by the Redundancy Payments Service in Edinburgh totaling £3,836.55, will not receive a dividend.

UNSECURED CREDITORS

The company's Statement of Affairs listed some 39 unsecured creditors with claims totalling £298,800.07 which includes some employee claims. Those employees' claims for wage arrears, holiday pay, pay in lieu of notice and redundancy pay were initially settled by the Redundancy Payments Office who subsequently made a subrogated claim in the Liquidation.

Using the current balance it is estimated that unsecured creditors will not receive a distribution.

In view of the lack of dividend prospects to any class of creditor in this case claims received have not been formally agreed.

TRANSFER OF LIQUIDATOR

Pursuant to a court order made in the High Court, Manchester District Registry, case number 2296, and dated 20 December 2011, Arthur Charles Custance was replaced by Michael Leslie Reeves as Liquidator with effect from 20 December 2011.

The transfer of the Liquidator has taken place due to an internal restructuring of Robson Scott Associates' operations however the ongoing day to day operation of the above case will continue as it previously has done.

The Liquidation accounts have been fully reconciled up to the date of the transfer, however, it should be noted that the Receipts and Payments Account at Appendix 1 of this report only covers the period up to 16 December 2011 and therefore does not incorporate any of the period following the transfer of the Administrator on 20 December 2011. However, for information I can confirm that no payments have been made in the period from 20 December 2011 to date.

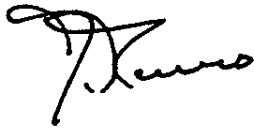
In accordance with the terms of the order, any creditor or member of the company may make an application to court to vary or discharge the order within 28 days from receipt of notice that the order has been made.

The sealed order has not been appended to this report, however, if you require a copy or the order or have a request for any further information please contact my office in the first instance.

Please note, however, that the costs of complying with any requests for further information, unless good reasons to the contrary are stated, will be paid as a cost of the Liquidation.

NEXT REPORT

In accordance with Rule 4.49C of the Insolvency Rules 1986, I am required to submit a progress report following the expiry of a further 12 month period of the Liquidation.

A handwritten signature in black ink, appearing to read 'M. Reeves', with a stylized flourish at the end.

Michael Leslie Reeves
Liquidator

Receipts and Payments Abstract: A2098 - Aabro Office Supplies Limited In Liquidation

Bank, Cash and Cash Investment Accounts. To 16/12/2011

SOA Value £		£	£
	ASSET REALISATIONS		
0 00	Bank Interest Gross	0 32	
0 00	Cash on Hand	11,652 05	
0 00	Debtors (Pre-Appointment)	14,789 81	26,442 18
	COST OF REALISATIONS		
0 00	Accounting Fees	(100 00)	
0 00	Advertisements	(244 92)	
0 00	Agents / Valuers Fees	(120 00)	
0 00	Bank Charges	(30 00)	
0 00	Companies House Searches	(5 00)	
0 00	Computer Support	(85 00)	
0 00	ID Checks	(8 00)	
0 00	Liquidators Fees	(20,236 96)	
0 00	Mail Redirection	(66 37)	
0 00	Meeting Room	(50 00)	
0 00	Mileage	(125 00)	
0 00	Postage	(93 67)	
0 00	Set Up Fee	(18 00)	
0 00	Specific Bond	(236 00)	
0 00	Statement of Affairs Fees	(4,000 00)	
0 00	Storage Costs	(554 00)	(25,972 92)
0 00			469 26
	REPRESENTED BY		
	Bank 1 Current	4 54	
	Unpaid Disbursements	(142 88)	
	VAT Receivable (Payable)	607 60	469 26
			469 26

A2098 - Aabro Office Supplies Ltd (A2098)

Details of the basis of the Liquidator's remuneration and disbursements charged in accordance with SIP 9

Classification Of Work Function	Other Director	Insol. Practit.	Senior Manager	Manager	Admin	Junior Admin	Cashier	Hours	Average Hourly Rate £	Total Cost £
Administration/ Planning	6.2	3.8	1.1	0.0	46.0	0.2	0.3	57.6	£134.74	£7,761.10
Investigations	8.7	3.7	6.6	0.0	49.8	0.0	0.0	68.8	£142.61	£9,811.50
Realisations/ Contributions	7.0	3.9	0.7	0.0	35.6	0.0	1.0	48.2	£141.49	£6,819.80
Statutory	9.2	3.1	0.0	0.3	7.3	6.3	0.0	26.2	£168.70	£4,419.90
Creditors	0.0	0.0	0.1	0.0	10.5	0.0	0.0	10.6	£108.87	£1,154.00
Total	31.1	14.5	8.5	0.3	149.2	6.5	1.3	211.4	£141.75	£29,966.30

ROBSON SCOTT ASSOCIATES LIMITED – FEES AND DISBURSEMENTS POLICY

This policy applies where a licensed Insolvency Practitioner in this firm is seeking appointment, or is currently acting, as an office holder of an insolvent estate and a resolution will be proposed or has been approved authorising fees to be drawn from the estate

Chargeout Rates		Robson Scott Associates Limited 47-49 Duke Street Darlington County Durham DL3 7SD
Grade	(£ per hour)	
Insolvency Practitioner	280	Time costs are calculated using 6 minute units In the event that the fee agreement does not provide for fees on a time cost basis, this information is produced for information only and fees will be drawn on the basis agreed
Director	250	
Senior Manager	207	
Supervisor/Senior Administrator	168	
Case Administrator	112	
Cashier	84	
Junior Administrator	84	

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 disbursements These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements can be drawn without prior approval although an office holder should be prepared to disclose information about them in the same way as any other expenses.

Category 2 disbursements These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration. When seeking approval, an office holder should explain, for each category of expense, the basis on which the charge is being made. If an office holder has obtained approval for the basis of category 2 disbursements, that basis may continue to be used in a sequential appointment where further approval on the basis of remuneration is not required, or where the office holder is replaced.

Category 2 disbursements are proposed to be recovered as follows

Mileage	55 pence per mile
Photocopying	15 pence per sheet
File set up	£15 per file
Meeting room hire (when not rechargeable at Cat 1)	£50 per statutory meeting
Compulsory Winding Up/ Bankruptcy Petition drafting	£1,250 plus VAT per petition drafted
Storage of books and records	£10 per box per month

For further information, the publication, A Creditors' Guide to fees is available to view via the following website, www.r3.org.uk. If, however, you do not have access to the internet and require a hard copy, please contact the office and one will be posted to you.

Please note that chargeout rates and disbursements are reviewed annually and may be subject to change.