

# 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

04630542

Name of Company

Absolute Design (Cornwall) Limited

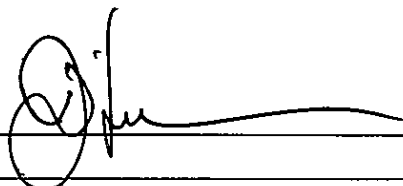
I / We

Jeremiah Anthony O'Sullivan, 2nd Floor Stratus House, Emperor Way, Exeter Business Park, Exeter, EX1 3QS

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 02/02/2016 to 01/02/2017

Signed



Date 30.3.17

Bishop Fleming LLP  
2nd Floor Stratus House  
Emperor Way  
Exeter Business Park  
Exeter  
EX1 3QS

Ref: AB9955/GJS

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COMPANIES HOUSE

# **Liquidator's Annual Progress Report to Creditors & Members**

**Absolute Design (Cornwall) Limited  
- In Liquidation**

**1 February 2017**

## **ABSOLUTE DESIGN (CORNWALL) LIMITED - IN LIQUIDATION**

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# **ABSOLUTE DESIGN (CORNWALL) LIMITED - IN LIQUIDATION**

## **1 Introduction and Statutory Information**

- 1.1 I, Jeremiah Anthony O'Sullivan of Bishop Fleming LLP, 2nd Floor Stratus House, Emperor Way, Exeter Business Park, Exeter, EX1 3QS, was appointed as Liquidator of Absolute Design (Cornwall) Limited (the **Company**) on 2 February 2011. This progress report covers the period from 2 February 2016 to 1 February 2017 (**the Period**) and should be read in conjunction with any previous progress reports which have been issued.
- 1.2 The principal trading address of the Company was First Floor, The Post Office, The Moor, Falmouth, Cornwall, TR11 3RB.
- 1.3 The registered office of the Company has been changed to Bishop Fleming, 2nd Floor Stratus House, Emperor Way, Exeter Business Park, Exeter EX1 3QS and its registered number is 04630542.

## **2 Progress of the Liquidation**

- 2.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period.
- 2.2 At Appendix A is my Receipts and Payments Account for the period of this report and a cumulative Receipts and Payments Account for the period from the date of my appointment as Liquidator to 1 February 2017.

### **Administration**

- 2.3 A liquidator must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. This work includes dealing with the Company's creditors and employees together with administrative tasks associated the appointment, such as agreeing the strategy for the liquidation, filing notices of appointment, statutory advertising, opening and maintaining the estate cash book and bank accounts and reporting periodically to creditors, HMRC and the Registrar of Companies.
- 2.4 During the period I have obliged with my statutory obligations to report on the progress of the liquidation to the Registrar of Companies
- 2.5 Creditors should note that this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

### **Realisation of Assets**

- 2.6 It is anticipated that the work the Liquidator and his staff have undertaken to date will bring a financial benefit to creditors. This may be a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on realisations and the extent of any 3<sup>rd</sup> party security, result in a distribution to the preferential and/or unsecured creditors of the Company.
- 2.7 My previous report confirmed that I had taken steps to present the position with regard to the erroneous pre-liquidation loan account postings to both the Company's director and her legal advisor for redress.
- 2.8 As previously noted any recoveries made will be absorbed by the substantial unpaid liquidation costs. In light of this and the time that has passed since liquidation I have determined not to pursue this matter further.
- 2.9 As there remains no further realisations in this matter once I have dealt with the tax affairs of the liquidation I will be issuing my final report to creditors.

## **ABSOLUTE DESIGN (CORNWALL) LIMITED - IN LIQUIDATION**

- 2.10 Details of realisations have been provided in previous annual reports.

### ***Creditors (claims and distributions)***

- 2.11 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. A Liquidator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 2.12 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 2.13 The above work will not necessarily bring any financial benefit to creditors generally, however a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims.

### ***Investigations***

- 2.14 You may recall from my first progress report to creditors that some of the work the Liquidator is required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidator can pursue for the benefit of creditors.
- 2.15 My report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the first year of the liquidation and is confidential.
- 2.16 The County Court at Truro made an Order on 29 August 2013 disqualifying Helen Blake from acting as a Director for a period of 4 years.
- 2.17 Since my last progress report I would advise that no further asset realisations have come to light that may be pursued by me for the benefit of creditors.

## **3 Creditors**

### ***Secured Creditors***

- 3.1 Clydesdale Bank Plc holds a fixed and floating charge over the Company's assets. At the date of the liquidation the indebtedness to the secured creditor was estimated at £31,657. No claim was received.

### ***Preferential Creditors***

- 3.2 The Redundancy Payments Service have submitted a preferential claim in the sum of £7,291.72.

### ***Unsecured Creditors***

- 3.3 I have received claims totalling £135,852 from 18 creditors.
- 3.4 The Company granted a floating charge to Clydesdale Bank Plc on 28 January 2009. As no payment will be made to the secured lender there is no requirement to create a fund out of the

## **ABSOLUTE DESIGN (CORNWALL) LIMITED - IN LIQUIDATION**

Company's net floating charge property for unsecured creditors (known as the **Prescribed Part**), which only applies to charges created after 15 September 2003.

### **4 Liquidator's Remuneration**

- 4.1 The creditors approved that the basis of the Liquidator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the Liquidation.
- 4.2 My time costs for the Period are £1,353.50. This represents 7.95 hours at an average rate of £170.25 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent by me in managing the liquidation. To date, £5,730.25 plus disbursements of £304.15 has been drawn on account.
- 4.3 Also attached as Appendix C is a cumulative Time Analysis for the period from 2 February 2011 to 1 February 2017 which provides details of my time costs since my appointment. The cumulative time costs incurred to date are £37,865.75. This represents 257.85 hours at an average rate of £146.85 per hour.
- 4.4 I will have substantial time costs that need to be written off in this matter.
- 4.5 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from [www.bishopfleminginsolvency.co.uk/r3](http://www.bishopfleminginsolvency.co.uk/r3), selecting the guide applicable to the insolvency commencement date in this case - 2 February 2011.
- 4.6 Attached as Appendix D is additional information in relation to the Liquidator's fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

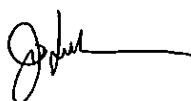
### **5 Creditors' Rights**

- 5.1 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) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report.
- 5.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

### **6 Next Report**

- 6.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors.

Yours faithfully



**J A O'sullivan**  
Liquidator

## ABSOLUTE DESIGN (CORNWALL) LIMITED - IN LIQUIDATION

### Appendix D

#### Additional Information in Relation to the Liquidator's Fees, Expenses & Disbursements

##### 1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 We are not proposing to utilise the services of any sub-contractors in this case.

##### 2 Professional Advisors

- 2.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Michelmores LLP (legal advice)	Hourly rate and disbursements
AUA Insolvency Risk Services (insurance)	Insurance Premium Rates
Stratton Creber (valuation and disposal advice)	Hourly rate and disbursements

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

##### 3 Liquidator's Expenses & Disbursements

- 3.1 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

	Paid in prior periods £	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated costs £
Postage	12.00	Nil	Nil	12.00
Land Registry / Companies House Search	10.00	Nil	Nil	10.00
Statutory advertising	302.40	Nil	Nil	302.40
Specific penalty bond	80.00	Nil	8.00	88.00
Agents	571.20	Nil	Nil	571.20
Car Parking	4.00	Nil	Nil	4.00
<b>Category 2 disbursements</b>				
Business mileage	187.20	94.95	Nil	Nil
Computer Software	Nil	10.00	Nil	Nil

- 3.2 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.

## **ABSOLUTE DESIGN (CORNWALL) LIMITED - IN LIQUIDATION**

- 3.3 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidator's fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

### **4 Charge-Out Rates**

- 4.1 A schedule of Bishop Fleming LLP's charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved. There have been no material increases in charge-out rates since that date, although rates have been reviewed annually on 1 July each year. A schedule of our current rates is attached, together with a summary of our charge out rates in the past 5 years.



**Absolute Design (Cornwall) Limited  
(In Liquidation)**

**LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT**

	Statement of affairs £	From 02/02/2016 To 01/02/2017 £	From 02/02/2011 To 01/02/2017 £
<b>RECEIPTS</b>			
Goodwill	1,500.00	0.00	1,250.00
Leasehold Property improvements	1.00	0.00	0.00
Fixtures & Fittings	1,500.00	0.00	1,250.00
Office Equipment	3,500.00	0.00	2,916.67
WIP	1.00	0.00	0.00
Stock	1,000.00	0.00	833.33
Book Debts	14,117.52	0.00	5,266.04
Director's Loan Account	1,201.67	0.00	0.00
Bank Interest Gross		5.75	67.59
		<u>5.75</u>	<u>11,583.63</u>
<b>PAYMENTS</b>			
Legal Fees		0.00	150.00
Clydesdale Bank plc	(31,657.00)	0.00	0.00
Specific Bond		0.00	80.00
Preparation of S. of A.		0.00	2,760.09
Office Holders Fees		1,897.05	5,730.25
Office Holders Expenses		102.95	304.15
Agents/Valuers Fees		0.00	571.20
Legal Fees - asset sale agreement		0.00	601.00
Legal fees - debt collection		0.00	100.00
Corporation Tax / Income Tax		2.82	5.60
Stationery & Postage		0.00	12.00
Records removal/storage/destruction		0.00	255.60
Statutory Advertising		0.00	302.40
Bank Charges		20.37	30.58
Employee Arrears/Hol Pay	(9,279.66)	0.00	0.00
Trade & Expense Creditors	(25,510.22)	0.00	0.00
Employees	(29,006.46)	0.00	0.00
Mr A J Coyle - Guarantor deposit	(80,000.00)	0.00	0.00
Banks/Institutions	(15,189.90)	0.00	0.00
HM Revenue & Customs (Corp Tax/PAYE)	(78,755.77)	0.00	0.00
HM Revenue & Customs (VAT)	(104,905.94)	0.00	0.00
Loan from Director's parents	(20,070.00)	0.00	0.00
Loan from Paul Stephens	(6,000.00)	0.00	0.00
Ordinary Shareholders	(1.00)	0.00	0.00
		<u>2,023.19</u>	<u>10,902.87</u>
Net Receipts/(Payments)		<u>(2,017.44)</u>	<u>680.76</u>

**MADE UP AS FOLLOWS**

Bank 1 Money Market	(2,417.44)	280.76
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**Absolute Design (Cornwall) Limited  
(In Liquidation)**

**LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT**

Statement of affairs £	From 02/02/2016 To 01/02/2017 £	From 02/02/2011 To 01/02/2017 £
VAT Receivable / (Payable)	400.00	400.00
	<u>(2,017.44)</u>	<u>680.76</u>

**Absolute Design (Cornwall) Limited**  
**Summary of Liquidator's Time Costs**  
**for the period from 2 February 2016 to 1 February 2017**

Classification of work function	Hours				Total Hours	Time Costs £	Average Hourly rate £
	Partner	Manager	Other Senior Professionals	Assistants & Support Staff			
Administration & Planning	-	0.95	-	-	0.95	210.75	221.84
Investigations	0.40	-	-	-	0.40	130.00	325.00
Realisation of Assets	-	-	-	-	-	-	-
Trading / Monitoring VA	-	-	-	-	-	-	-
Creditors & Employees	-	-	-	0.70	0.70	84.00	120.00
Tax & VAT	-	0.35	-	0.90	1.25	182.75	146.20
Case Specific Matters	-	-	-	-	-	-	-
Cashiering	-	1.05	-	0.95	2.00	382.00	191.00
Statutory Reporting	-	-	-	2.25	2.25	270.00	120.00
Statutory Duty & Compliance	-	0.40	-	-	0.40	94.00	235.00
Closure	-	-	-	-	-	-	-
Total hours and time costs from 2 Feb 2016 to 1 Feb 2017, and average rate.					7.95	1,353.50	170.25

**Absolute Design (Cornwall) Limited**  
**Summary of Liquidator's Time Costs**  
**for the period from 2 February 2011 to 1 February 2017**

Classification of work function	Hours				Total Hours	Time Costs £	Average Hourly rate £
	Partner	Manager	Other Senior Professionals	Assistants & Support Staff			
Administration & Planning	1.00	15.85	15.30	1.25	33.40	5,090.25	152.40
Investigations	2.50	43.45	41.10	1.50	88.55	13,807.75	155.93
Realisation of Assets	5.30	17.60	34.55	-	57.45	8,458.75	147.24
Trading / Monitoring VA	-	-	-	-	-	-	-
Creditors & Employees	1.30	4.25	11.70	2.10	19.35	2,551.00	131.83
Tax & VAT	-	1.45	1.65	4.00	7.10	804.50	113.31
Case Specific Matters	-	-	-	-	-	-	-
Cashiering	-	2.95	-	8.90	11.85	1,672.75	141.16
Statutory Reporting	-	1.40	5.50	3.25	10.15	1,403.50	138.28
Statutory Duty & Compliance	-	6.60	17.05	6.35	30.00	4,077.25	135.91
Closure	-	-	-	-	-	-	-
Total hours and time costs from 2 Feb 2011 to 1 Feb 2017, and average rate.					257.85	37,865.75	146.85

## **Bishop Fleming LLP Business Recovery & Insolvency**

### **Information to Creditors**

#### **Charge out rates and policy regarding the recharge of Disbursements**

<b>Charge out Rates ( £ per hour)</b>	<b>Business Recovery &amp; Insolvency Staff</b>	<b>Other Staff</b>
Insolvency Practitioner / Partner	£325	£220 - £245
Senior Manager	£240	£135 - £225
Manager	£185 - £200	£85 - £130
Other Senior Professionals	-	£90 - £130
Support Staff	£120 - £140	£40 - £95

Most of the work on the assignment will be undertaken by specialist staff in the Business Recovery & Insolvency department, but some tasks will be performed by other staff in the General Practice, Corporate Finance, Taxation, Payroll and Administration departments where appropriate, which will be charged out at their normal rates.

Time is usually charged in units of 0.1 hour (i.e. 6 minutes) but the minimum unit of time that may be recorded is 0.017 of an hour (1 minute).

#### **Disbursements**

In accordance with Statement of Insolvency Practice 9 (SIP9) 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.

#### **Bishop Fleming LLP proposes to recover category 2 disbursements as follows:**

- Insolvency Practitioner and staff mileage re-imbursement at HMRC approved 'AMAP' rates – currently 45p / mile plus 5p / mile for each additional Bishop Fleming LLP passenger
- Faxes at 40p per sheet and Photocopying at 10p per sheet, based on comparative commercial rates.

All costs are subject to VAT, where applicable.

# **Bishop Fleming LLP Business Recovery & Insolvency**

## **Information to Creditors**

### **Summary of Charge Out Rates in the past 5 years**

#### **Charge Out Rates ( £ per hour)      9 July 2012      1 July 2013      7 July 2014      6 July 2015      11 July 2016**

##### Business Recovery & Insolvency Staff

Insolvency Practitioner / Partner	£275	£285	£295	£295	£325
Senior Manager	£205	£215	£225	£235	£240
Manager	£150 - £170	£160 - £180	£165 - £190	£195	£185 - £200
Other Senior Professionals	£135 - £140	£145	£150	£160	-
Support Staff	£95 - £110	£95 - £120	£110 - £125	£120 - £135	£120 - £140

##### Other Staff

Partner	£180 - £300	£180 - £300	£180 - £300	£180 - £300	£220 - £245
Senior Manager	£110 - £225	£110 - £225	£110 - £225	£110 - £225	£135 - £225
Manager	£85 - £170	£85 - £170	£85 - £170	£85 - £170	£85 - £130
Other Senior Professionals	£45 - £150	£45 - £150	£45 - £150	£45 - £150	£90 - £130
Support Staff	£20 - £110	£20 - £110	£20 - £110	£20 - £110	£40 - £95

Charge out rates were reviewed annually in early July. The new charge out rates were effective from the dates shown

For periods prior to 1 June 2014 charge out rates refer to Bishop Fleming, from 1 June 2014 they refer to Bishop Fleming LLP