

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 ✓

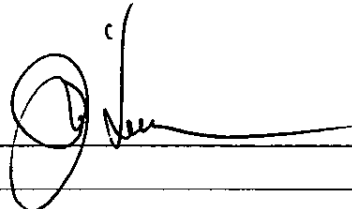
I / ~~We~~

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 02/02/2014 to 01/02/2015

Signed



Date 1 April 2015

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

Ref AB9955/GJS

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COMPANIES HOUSE

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Absolute Design (Cornwall) Limited - in Liquidation

**Liquidator's Annual Progress Report
to the Members and Creditors**

Dated 1 April 2015

**Period from 2 February 2014
to 1 February 2015**

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APPENDICES

- A Receipts and Payments Account 2 February 2014 to 1 February 2015 and cumulatively from 2 February 2011 to 1 February 2015
 - B Time Analysis for the period from 2 February 2014 to 1 February 2015 (B1) and a Cumulative Time Analysis for the Period from 2 February 2011 to 1 February 2015 (B2)
 - C Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9
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1 Introduction

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

1 2 I set out below my annual report on the progress of the liquidation for the year ended 1 February 2015

1 3 The company traded as graphics and interior designer and its principal trading address was First Floor, The Post Office, The Moor, Falmouth, Cornwall, TR11 3RB It traded under the styles of Absolute Design

1 4 The company's registered number is 04630542 and its current registered office is Bishop Fleming, 2nd Floor Stratus House, Emperor Way, Exeter Business Park, Exeter EX1 3QS

1 5 The business of Bishop Fleming was transferred to Bishop Fleming LLP on 1 June 2014 as part of an internal re-organisation For work up to 1 June 2014 references in the report are to Bishop Fleming Any reference to work undertaken or firm policies on and after that date refers to Bishop Fleming LLP

2 Receipts and Payments

2 1 At Appendix A, I have provided details of my Receipts and Payments for the year ended 1 February 2015 with a comparison to the estimates given in the Directors' Statement of Affairs together with a cumulative account since my appointment

2 2 In addition to asset realisations, £50 47 has been received in respect of interest earned on the liquidation funds

3 Realisation of Assets

Assets Specifically Pledged

3 1 Comment has been provided in earlier reports regarding the Company's goodwill and vehicles subject to contract hire agreements There are no additional Company assets which have been specifically pledged to another party

Assets Not Specifically Pledged

Director's Loan Account - £1,201.67

3 2 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 adviser for redress

- 3 3 I have received an offer in full and final settlement in respect of this and other elements I am pursuing, and I am currently seeking legal advice on this

Book Debts - £14,117 52

- 3 4 Previous reports have detailed the book debts position. In the period no further realisations have been made in respect of this, I continue to seek recovery of the other debts

4 Investigations

- 4 1 In accordance with the Company Directors Disqualification Act 1986, I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS). As this is a confidential report, I am not able to disclose its contents
- 4 2 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting or as a response to my request to complete an investigation questionnaire
- 4 3 As previously reported a Disqualification Order was granted against the Company's director, Helen Blake, for a period of 4 years from 29 August 2013

5 Liquidator's Remuneration and Disbursements

Remuneration

- 5 1 On 2 February 2011 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
- 5 2 My time costs for the period from the 2 February 2014 to 1 February 2015 are £1,542 00. This represents 9 25 hours at an average rate of £166 70 per hour. Attached as Appendix B1 is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the time properly spent by me in managing the Liquidation
- 5 3 Also attached as Appendix B2 is a cumulative Time Analysis for the whole period from 2 February 2011 to 1 February 2015 which provides details of my total time costs since appointment
- 5 4 In the period from date of 2 February 2014 to 1 February 2015 I have not drawn fees or expenses. In the whole period from 2 February 2011 to 1 February 2015 I have drawn total fees of £3,833 20 plus disbursements of £201 20 on account

- 5 5 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from www.bishopfleminginsolvency.co.uk/r3
- 5 6 Attached as Appendix C is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade

Disbursements

- 5 7 An explanation of the meaning of category 1 and category 2 disbursements is given at Appendix C
- 5 8 At the meeting of creditors held on 2 February 2011 I was approved to draw category 2 disbursements in accordance with my firm's standard tariff
- 5 9 In this case the following disbursements have been incurred and met by Bishop Fleming LLP, and have been reimbursed to Bishop Fleming LLP where indicated

Nature of disbursement	Amount incurred this period £	Total amount incurred to date £	Amount reimbursed £	Amount still to be reimbursed £
<u>Category 1</u>				
Specific Bond	8 00	88 00	80 00	8 00
Property Inspection Fee	Nil	571 20	571 20	Nil
Land Registry Fee	Nil	8 00	8 00	Nil
Statutory Advertising	Nil	302 40	302 40	Nil
Postage and Carriage	Nil	12 00	12 00	Nil
Companies House Fee	Nil	2 00	2 00	Nil
<u>Category 2</u>				
Mileage at HMRC approved rates	Nil	286 15	191 20	94 95
Total	8 00	1,269 75	1,166 80	102 95

6 Liquidator's Expenses

- 6 1 The amounts paid directly from the liquidation funds for the costs of employing auctioneers and valuers, solicitors, other legal costs, advertising in the Gazette & other newspapers and for incidental outlays are shown separately in the receipts and payments account

7 Creditors and Dividend Prospects

Secured Creditors

- 7 1 The Company granted a fixed and floating charge to Clydesdale Bank plc on 28 January 2009. At the date of the liquidation the indebtedness was estimated at £31,657. The bank has yet to submit a claim.

Preferential Creditors

- 7 2 A summary of the position regarding preferential claims is detailed below

	<u>Statement of Affairs £</u>	<u>Received Claim £</u>
Redundancy Payments Office	9,279 66	7,291 72
Employees' Excess Claims	Nil	Nil
Total	<u>9,279 66</u>	<u>7,291 72</u>

- 7 3 I have not sought to agree this claim as there are insufficient funds to permit a distribution to any class of creditor.

Unsecured Creditors

- 7 4 Ordinary unsecured claims were estimated in the Statement of Affairs to total £359,438 29.

- 7 5 I have received claims totalling £135,851 74 from 18 creditors.

- 7 6 I have not yet formally agreed any claims.

- 7 7 The Company granted a floating charge to Clydesdale Bank plc on 28 January 2009. Accordingly, under the provisions of Section 176A Insolvency Act 1986 I am required to create a fund out of the Company's net floating charge property for unsecured creditors.

Based on present information, I estimate the value of the Company's net floating charge property to be £nil. Arising from this, the value of the unsecured creditors' fund is estimated to be £nil.

Dividend Prospects

- 7 8 Unfortunately there are insufficient funds available to enable a distribution to be made to any class of creditor and therefore no dividend will be declared in this case.

8 Creditors' Rights

- 8 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

- 8 2 In addition, 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

9 Next Report

- 9 1 I am required to provide a further report on the progress of the liquidation within two months of the end 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 meetings of members and creditors

Should you have any queries in relation to this report or the liquidation in general please contact Graham Shillabeer of this office

Yours faithfully



J A O'Sullivan
Liquidator

Enc

Absolute Design (Cornwall) Limited
(In Liquidation)

Liquidator's Abstract Of Receipts And Payments

	Statement of affairs £	From 02/02/2014 To 01/02/2015 £	From 02/02/2011 To 01/02/2015 £
RECEIPTS			
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		13 40	48 30
		<u>13 40</u>	<u>11,564 34</u>
PAYMENTS			
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		0 00	3,833 20
Office Holders Expenses		0 00	201 20
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 78	2 78
Stationery & Postage		0 00	12 00
Records removal/storage/destruction		0 00	255 60
Statutory Advertising		0 00	302 40
Bank Charges		0 62	10 21
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>3 40</u>	<u>8,879 68</u>
BALANCE - 01 February 2015		<u><u>10 00</u></u>	<u><u>2,684.66</u></u>

MADE UP AS FOLLOWS

Absolute Design (Cornwall) Limited
(In Liquidation)

Liquidator's Abstract Of Receipts And Payments

	Statement of affairs £	From 02/02/2014 To 01/02/2015 £	From 02/02/2011 To 01/02/2015 £
Bank 1 Money Market		10 00	2,684 66
		<u>10 00</u>	<u>2,684 66</u>

APPENDIX B1

Absolute Design (Cornwall) Limited
Summary of Liquidator's Time Costs
for the period from 2 February 2014 to 1 February 2015

Classification of work function	Hours				Total Hours	Time Costs £	Average Hourly rate £
	Partner	Manager	Other Senior Professionals	Assistants & Support Staff			
Administration & Planning	-	1 05	-	-	1 05	234 25	223 10
Investigations	-	-	-	-	-	-	-
Realisation of Assets	0 20	1 30	-	-	1 50	345 50	230 33
Trading / Monitoring VA	-	-	-	-	-	-	-
Creditors & Employees	-	0 10	0 10	-	0 20	36 00	180 00
Tax & VAT	-	0 10	0 25	0 75	1 10	133 50	121 36
Case Specific Matters	-	-	-	-	-	-	-
Cashiering	-	0 20	-	0 95	1 15	161 50	140 43
Statutory Reporting	-	0 30	3 25	-	3 55	535 75	150 92
Statutory Duty & Compliance	-	0 20	-	0 50	0 70	95 50	136 43
Closure	-	-	-	-	-	-	-
Total hours and time costs from 10 Feb 2009 to 14 Jan 2014, and average rate					9 25	1,542 00	166 70

APPENDIX B2

Absolute Design (Cornwall) Limited
Summary of Liquidator's Time Costs
for the cumulative period from 2 February 2011 to 1 February 2015

Hours

Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Costs £	Average Hourly rate £
Administration & Planning	1 00	14 25	15 30	1 00	31 55	4,701 25	149 01
Investigations	2 10	43 45	41 10	1 50	88 15	13,677 75	155 16
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	0 95	18 20	2,417 50	132 83
Tax & VAT	-	1 00	1 65	2 50	5 15	536 25	104 13
Case Specific Matters	-	-	-	-	-	-	-
Cashiering	-	1 20	-	6 85	8 05	982 75	122 08
Statutory Reporting	-	1 10	5 50	1 00	7 60	1,066 00	140 26
Statutory Duty & Compliance	-	6 20	17 05	0 70	23 95	3,361 75	140 37
Closure	-	-	-	-	-	-	-
Total hours and time costs from 2 Feb 2011 to 1 Feb 2015, and average rate					240 10	35,202 00	146 61

**Additional information in relation to Liquidator's fees pursuant to
Statement of Insolvency Practice 9 (SIP9)**

Appendix C

1. Policy

Detailed below is Bishop Fleming LLP's policy in relation to

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

1 1 Staff allocation and the use of subcontractors

Bishop Fleming LLP's general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Partner, Manager, Administrator and/or an Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case

We are not proposing to utilise the services of any sub-contractors in this case

1 2 Professional advisors

On this assignment I have used the professional advisors listed below and have indicated the basis of the fee arrangement with them, which is subject to review on a regular basis

Name of Professional Advisor	Basis of Fee Arrangement
<i>Michelmores (legal advice)</i>	<i>Hourly rate & disbursements</i>
<i>Stratton Creber (Property advice)</i>	<i>Hourly rate & disbursements</i>
<i>AUA Insolvency Risk Services (Bonding)</i>	<i>Insurance Premium Rates</i>

The 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

1 3 Disbursements

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

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 the cost of sending faxes, photocopying or business mileage at HMRC approved rates

Details of category 2 disbursements charged are set out in the body of the report

2. Charge-out rates

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

Bishop Fleming LLP Business Recovery & Insolvency

Information to Creditors

Charge out rates and policy regarding the recharge of Disbursements

Charge out Rates (£ per hour)	Business Recovery & Insolvency Staff	Other Staff
Insolvency Practitioner / Partner	£295	£180 – £300
Senior Manager	£225	£110 - £225
Manager	£165 - £190	£85 - £170
Other Senior Professionals	£150	£45 - £150
Support Staff	£110 - £125	£20 - £110

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-imbursment 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) 1 July 2010 11 July 2011 9 July 2012 1 July 2013 7 July 2014

Business Recovery & Insolvency Staff

Insolvency Practitioner / Partner

Director

£235
£205

£265
N/A

£275
N/A

£285
N/A

£295
N/A

Senior Manager

£170 - £190
£150

£180 - £195
£140 - £160

£205
£150 - £170

£215
£160 - £180

£225
£165 - £190

Other Senior Professionals

£85 - £130

£85 - £140

£135 - £140

£145

£150

Support Staff

£33 - £90

£33 - £100

£95 - £110

£95 - £120

£110 - £125

Other Staff

included above

included above

Partner

£180 - £300

£180 - £300

£180 - £300

Senior Manager

£110 - £225

£110 - £225

£110 - £225

£110 - £225

£110 - £225

Manager

£85 - £170

£85 - £170

£85 - £170

£85 - £170

£85 - £170

Other Senior Professionals

£45 - £150

£45 - £150

£45 - £150

£45 - £150

£45 - £150

Support Staff

£20 - £110

£20 - £110

£20 - £110

£20 - £110

£20 - £110

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