

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

4770723

Name of Company

Country Garden Ltd

I / We

Kevin J Hellard, 30 Finsbury Square, London, EC2P 2YU

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 06/12/2014 to 05/12/2015

Signed



Date

01/2/16

Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

Ref C01703/KJH/JMR/HEC/LKM

SATURDAY



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06/02/2016

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COMPANIES HOUSE

Our Ref KJH/JMR/SLB/CES/C01703/7

To the creditors and members

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3 February 2016

Dear Sirs

Country Garden Limited - In Liquidation (the Company)

1 Introduction

- 1.1 I refer to the liquidation of the Company which commenced on 6 December 2012 with the appointment of the former administrator, Mr Costas Morfakis of Axiom Recovery LLP as liquidator (Morfakis). This followed a move from administration to creditors voluntary liquidation as approved by a creditors meeting held on 26 October 2012.
- 1.2 On the application of The Association of Chartered Certified Accountants, a Court Order was granted at the High Court of Justice Chancery Division, for a block transfer of all of the insolvency appointments held by Morfakis to myself and Stephen Hunt of Griffins, Tavistock House South, Tavistock Square, London, WC1H 9LG.
- 1.3 I now remain in office as sole liquidator following Mr Hunt's resignation as liquidator on 27 November 2013. Please note that I am authorised by the Insolvency Practitioners Association to act as an insolvency practitioner.
- 1.4 Pursuant to section 104A of the Insolvency Act 1986, I now report on the progress of the liquidation for the period from 6 December 2014 to 5 December 2015 and attach
 - Appendix A, an account of my receipts and payments from 6 December 2014 to 5 December 2015 and the whole period to date,
 - Appendix B, an account of the former liquidator's receipts and payments from 6 December 2012 to 7 March 2013,
 - Appendix C, a statement of the remuneration charged by the liquidators in the period 6 December 2014 to 5 December 2015 and a statement of expenses incurred in the period,
 - Appendix D, an analysis of time costs as required by Statement of Insolvency Practice 9,
 - Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator (rule 4.49E) and
 - Appendix F, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive (rule 4.131)

2 Statutory information

2 1 The company's statutory details are as follows

Registered number 4770723

Registered office 30 Finsbury Square, London EC2P 2YU

3 Progress report

Company assets

Equipment, vehicles and goodwill

3 1 I have previously reported that Morfakis, as administrator, sold the Company's equipment, vehicles and goodwill for £26,000 to a connected company, Thurston's UK Limited (Thurstons). At the date of my appointment £12,000 remained outstanding and Thurstons subsequently entered into liquidation with no dividend to creditors. I am pleased to report however that this sum has now been recovered in full, from Mr Thurston under his personal guarantee, together with a contribution to the associated legal costs necessarily incurred.

Work in Progress

3 2 As part of the sale agreement, the Company's work in progress was also sold to Thurstons at 1% of all sales to a former customer. Sums totalling approximately £1,000 were recovered by Morfakis but as previously reported there will be no further recovery from this source.

Book debts

3 3 I have discontinued attempts to recover the balance of approximately £1,200 on commercial grounds.

Company Voluntary Arrangement (CVA)

3 4 The sum of £10,149.07 was received in respect of unclaimed dividends from the Company's previous Company Voluntary Arrangement.

Investigations

3 5 I have investigated the Company's affairs and dealings to identify any matters which could lead to recoveries, since to the extent that creditors' prospects may have been jeopardised by the actions (or omissions to act) of any party, a claim may be made against them.

3 6 As previously reported I have identified certain transactions through the Company's bank account in respect of which I am in dialogue with the director and his solicitors. I am unable to go into further detail at this stage.

3 7 It is a statutory duty that all practising licensed insolvency practitioners have suitable insurance in place to protect the creditors in the event of fraud and dishonesty by the practitioner. This is commonly known as a bond. It is a requirement that there should be both a specific bond, in relation to the specific assets of each individual case and a general bond in relation to a practitioner's whole portfolio of cases. I advised previously that I had submitted a protective notification of a claim against Morfakis' bond in this case. After further investigation however this claim has been withdrawn since the matters of potential concern are now not considered to have jeopardised creditors' interests.

Preferential and unsecured creditors

- 3 7 There are no preferential creditors of which I am aware
- 3 8 I have received 27 unsecured claims totalling £262,102 83
- 3 9 There are presently insufficient funds to enable a dividend to be paid to the Company's creditors. I am unable to confirm if this position may change as a result of the on-going investigations and enquiries referred to above. Dividend prospects remain substantially dependent upon these investigations, and the extent of the current and future costs of the liquidation.

4 Liquidators' remuneration and expenses

- 4 1 In accordance with Statement of Insolvency Practice 9 (SIP9), office holders are obliged to provide creditors with certain information regarding their fees and disbursements accrued/drawn

Axiom Recovery LLP (Axiom)

- 4 2 I have previously advised that Morfakis drew administrator's fees of £10,650 00 and liquidator's fees of £3,376 18 though at the date of my appointment further time costs were outstanding. Since my previous report to creditors a settlement has been reached in the sum of £4,800 and paid to Axiom accordingly.

Grant Thornton UK LLP

- 4 3 At a creditors meeting held on 26 February 2014, creditors resolved that the basis of the liquidator's remuneration be agreed by reference to the time properly given by the liquidator and his staff in attending to matters arising in the liquidation and that the liquidator be authorised to draw such remuneration on account from time to time.
- 4 4 In accordance with Statement of Insolvency Practice (SIP 9), I attach at Appendix D, a summary of my time costs, by grade of staff and the type of work. This shows total time costs to 5 December 2015 of £84,783 60 represented by 328 18 hours at an average charge out rate of £258 34 per hour. To date, I have drawn fees totalling £7,000, as indicated in Appendix A.
- 4 5 Time is charged in units of 6 minutes. Background information regarding the fees of liquidators can be found at <http://www.insolvency-practitioners.org.uk> (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees'). Alternatively I will supply this information by post on request.

4.6 My firm's charge out rates are as follows

	2014/2015/2016	2013/2014	2012/2013
	£	£	£
Partner/Director	515 - 615	500 - 600	480 - 580
Associate Director/Manager	330 - 470	320 - 455	270 - 440
Executives/Administrators	165 - 305	160 - 295	150 - 285
Assistants and support staff	155 - 175	150 - 170	140 - 165

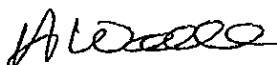
4.7 In addition, expenses of £752.03 have been incurred to date as detailed in Appendix C, however, no expenses have been incurred during the period of this report.

4.8 Legal fees and disbursements have been incurred and paid of £6,341.45, of which £3,591.45 were incurred during the period of this report.

4.9 Should you wish to discuss the contents of this report please contact my colleague Mts Sián Barraclough on 0113 200 2629.

Yours faithfully

For and on behalf of Country Garden Limited



DP Kevin J Hellard

Liquidator: _____

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APPENDIX A**COUNTRY GARDEN LIMITED – IN LIQUIDATION****SUMMARY OF THE LIQUIDATOR'S RECEIPTS AND PAYMENTS COVERING
THE PERIOD FROM 6 DECEMBER 2014 TO 5 DECEMBER 2015**

	Statement of Affairs*	08/03/13 to 05/12/14	06/12/14 to 05/12/15	Total to 05/12/15
	Estimated to Realise			
	£	£	£	£
RECEIPTS				
Balance from CVA	N/A	10,149 07	Nil	10,149 07
Sale agreement	N/A	Nil	12,000 00	12,000 00
Director's contributions to legal costs	N/A	Nil	1,755 60	1,755 60
Refund of OR deposit	N/A	Nil	750 00	750 00
Bank/ISA Interest Gross	N/A	31 43	Nil	31 43
VAT refund	N/A	5,213 76	Nil	5,213 46
VAT receivable	N/A	Nil	1,138 92	1,138 92
	N/A	15,394.26	15,644.52	31,038.78
PAYMENTS				
Advertising	N/A	84 60	Nil	84 60
Liquidator's fees	N/A	7,000 00	Nil	7,000 00
Former office holder's fees	N/A	Nil	4,000 00	4,000 00
Agents/valuers fees	N/A	40 00	Nil	40 00
Legal fees	N/A	2,570 00	2,500 00	5,070 00
Legal disbursements	N/A	Nil	1,271 45	1,271 45
Corporation Tax	N/A	Nil	3,697 76	3,697 76
VAT refund	N/A	Nil	1,400 00	1,400 00
VAT payable	N/A	1,938.92	1 89	1,940 81
	N/A	11,633.52	12,871.10	24,504.62
Balance of funds in hand as at 5 December 2015				6,534 16

*No Statement of Affairs is available as at the date of liquidation

APPENDIX B**COUNTRY GARDEN LIMITED – IN LIQUIDATION****SUMMARY OF THE FORMER LIQUIDATOR'S RECEIPTS AND PAYMENTS
COVERING THE PERIOD FROM 6 DECEMBER 2012 TO 7 MARCH 2013**

	Statement of Affairs*	Statement of Affairs*	Total
	Book Values	Estimated to Realise	
	£	£	£
RECEIPTS			
Equipment	N/A	N/A	1,078 00
Vehicles	N/A	N/A	7,000 00
Goodwill	N/A	N/A	5,922 00
Book debts	N/A	N/A	184 43
WIP – 1% Brookwood	N/A	N/A	974 48
Monies from Administrations	N/A	N/A	4,453 32
Bank Interest Gross	N/A	N/A	0 39
			19,612.62
PAYMENTS			
Outstanding Administrator's Fees	N/A	N/A	10,650 00
Liquidator's Fees	N/A	N/A	3,376 18
Agents/Valuers Fees	N/A	N/A	500 00
Statutory Advertising	N/A	N/A	1,755 00
VAT Receivable	N/A	N/A	63 50
Description	N/A	N/A	3,267 94
			19,612.62
Balance of funds in hand as at 7 March 2013			Nil

*No Statement of Affairs is available as at the date of liquidation

APPENDIX C

COUNTRY GARDEN LIMITED – IN LIQUIDATION

**REMUNERATION CHARGED AND EXPENSES INCURRED BY THE
LIQUIDATOR IN THE PERIOD 6 DECEMBER 2014 TO 5 DECEMBER 2015**

	Charged/ incurred in period 06/12/14 to 05/12/15	Cumulative charged/ incurred to 05/12/15	Of which paid to 05/12/15
	£	£	£
Former administrator's fees	0	10,650 00	10,650 00
Former liquidators' fees	0	3,376 18	3,376 18
Time costs			
Former office holder's fees	4,000 00	4,000 00	4,000 00
Liquidators' fees	30,962 10	84,783 60	7,000 00
Time costs			
Expenses			
Agent/Valuers Fees	0	40 00	40 00
Legal Fees	2,500 00	5,070 00	5,070 00
Legal Disbursements	1,091 45	1,271 45	1,271 45
Statutory Advertising	0	84 60	84 60
Courier	0	55 68	0
Storage	0	32 25	0
JLT	0	5 00	0
Property Searches	0	77 00	0
Travel Expenses	0	457 50	0
Total	38,553.55	109,903.26	31,492.23

Country Garden Ltd - In Liquidation - SIP 9 TIME COST ANALYSIS

For the period covering 8 March 2013 to 5 December 2015

Appendix D

Standard	Partner			Manager			Executive			Administrator			Total		
	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate
Administration and Planning	4.45	2,404.75	540.39	84.68	23,548.10	384.07	7.52	1,852.85	246.39	112.28	16,166.40	143.98	188.93	43,972.10	232.74
Creditors	0.00	0.00		7.40	2,365.00	319.59	0.10	27.00	270.00	2.40	372.00	155.00	9.80	2,784.00	278.19
Investigations	0.00	0.00		60.05	18,853.00	330.61	3.90	1,054.00	270.26	22.30	3,457.50	155.04	36.25	24,364.50	282.49
Realisation of Assets	0.00	0.00		42.30	13,557.50	320.51	0.00	0.00		0.80	125.50	156.88	43.10	13,683.00	317.47
Total	4.45	2,404.75	540.39	174.43	59,323.60	340.10	11.52	2,933.85	254.67	137.78	20,121.40	146.04	328.18	84,783.60	258.34

Total fees billed to date (Time) - £ 7,000

Activity	Examples of work
Administration and planning	Case review, administrative set up, dealing with practitioners' bank account Liaising with solicitors in respect of appointment Copy and filing previous office holder's papers for review Dealing with company tax position Treasury statutory work Reporting
Investigations	Reviewing previous office holders records and preparing strategy note Sending enquiry letters to various parties to establish company's trading position. Reviewing position regarding company's business and assets
Realisations of assets	Dealing with potential Company assets
Creditors	Dealing with creditor correspondence, updating creditor details

E An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator

Rule 4 49E edited for application to a progress report in a creditors' voluntary liquidation

- (1) If
 - (a) within the period mentioned in paragraph (2)
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (b) with the permission of the court upon an application made within the period mentioned in paragraph (2), any unsecured creditor makes a request in writing to the liquidator for further information about remuneration or expenses set out in the progress report, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of a matter which was previously included in a progress report.
- (2) The period referred to in paragraph (1)(a) is 21 days of receipt of the progress report.
- (3) The liquidator complies with this paragraph by either -
 - (a) providing all of the information asked for, or
 - (b) so far as the liquidator considers that
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
 - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,giving reasons for not providing all of the information
- (4) Any creditor, who need not be the same as the creditor who requested further information, may apply to the court within 21 days of -
 - (a) the giving by the liquidator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),and the court may make such order as it thinks just.
- (5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 4 131(1B) by such further period as the court thinks just

F An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive

Rule 4 131

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application by a creditor may be made on the grounds that -
 - (a) the remuneration charged by the liquidator,
 - (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
 - (c) expenses incurred by the liquidator,is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice, but which is without notice to any other party
If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders -
 - (a) an order reducing the amount of remuneration which the liquidator was entitled to charge
 - (b) an order fixing the basis of remuneration at a reduced rate or amount
 - (c) an order changing the basis of remuneration
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation
 - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specifyand may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation