

A1 RETAIL LIMITED – IN COMPULSORY LIQUIDATION

HIGH COURT OF JUSTICE NO 844 OF 2014 JOINT LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS FOR THE YEAR ENDING 20 MAY2016

STATUTORY INFORMATION

Company name	A1 RETAIL LIMITED
Registered office	Haslers Old Station Road Loughton IG10 4PL
Former registered office	c/o Henry Jarvis Fleming Chartered Accountants 74 Chancery Lane London WC2A 1AD
Registered number	04879264
Liquidators' names	Stratford Hamilton Nicholas W Nicholson
Liquidators' address	Haslers Old Station Road Loughton IG10 4PL
Liquidators' date of appointment	21 May 2014

FRIDAY



JOINT LIQUIDATORS' ACTIONS SINCE APPOINTMENT/LAST REPORT

There is certain work that I am required by the insolvency legislation to undertake work in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my last progress report is as follows:

Administration

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case
- Setting up electronic case files
- Setting up the case on the practice's electronic case management system and entering data
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment
- Obtaining a specific penalty bond
- Convening and holding a general meetings of creditors
- Dealing with all routine correspondence and emails relating to the case
- Creating, maintaining and managing the office holder's cashbook
- Undertaking regular bank reconciliations of the bank account containing estate

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funds

- Reviewing the adequacy of the specific penalty bond on a quarterly basis
- Undertaking periodic reviews of the progress of the case
- Overseeing and controlling the work done on the case by case administrators
- Preparing, reviewing and issuing annual progress reports to creditors and members
- Filing returns at Companies House and Court
- Preparing and filing VAT returns
- Preparing and filing Corporation Tax returns

Creditors

- Obtaining information from the case records about employee claims
- Completing documentation for submission to the Redundancy Payments Office
- Corresponding with employees regarding their claims
- Liaising with the Redundancy Payments Office regarding employee claims
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims
- Maintaining up to date creditor information on the case management system
- Issuing a notice of intended dividend and placing an appropriate gazette notice
- Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims
- Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend
- Paying tax deducted from the dividends paid to employees

RECEIPTS AND PAYMENTS

My Receipts & Payments Account for the period from 21 May 2015 to 20 May 2016 is attached

The balance of funds are held in the Insolvency Services Account operated by The Insolvency Service

ASSETS

Directors Loan Account

After several reviews of Mr Lowes income and expenditure it become apparent that he would not be able to pay it back his director's loan for the amount of £265,704

This loan has now been written off as a bad debt

Refund of bank charges

A refund for the amount of £375 was received from

Bank Interest

I have received £10,272 99 in respect of bank interest on the funds in the estate account

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LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies showed that the Company has granted the following charges

- 1 National Westminster Bank created on 14 January 2010
- 2 West One Loan Limited created on 18 November 2009
- 3 Clydesdale Bank created on 25 March 2008
- 4 National Westminster Bank created on 2 March 2007
- 5 National Westminster Bank created on 29 January 2007
- 6 Mrs Judith Anne Pascoe created on 29 December 2006
- 7 National Westminster Bank created on 15 November 2006
- 8 National Westminster Bank created on 2 November 2006
- 9 National Westminster Bank created on 1 November 2006
- 10 National Westminster Bank created on 3 November 2005
- 11 Abbey National created on 19 May 2004

Legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. On current information, it seems that one of the above charges is such a floating charge and the prescribed part would therefore apply.

Preferential Creditors

Based on information I have received to date there are no preferential claims.

Crown Creditors

The handover papers included £60,432.07 owed to HMRC. HMRC's final claim of £60,632.07 has been received.

Non-preferential unsecured Creditors

The Official Receiver has informed me of six unsecured creditors with an estimated total liability of £257,930.87. I have received claims from two creditors totalling £97,446.50.

DIVIDEND PROSPECTS

I am unable to confirm the prospects of a second dividend to any class of creditor until I have identified and realised any assets in the estate.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. Other than the collection of the Director's loan.

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account, there were no matters that justified further investigation in the circumstances of this appointment

JOINT LIQUIDATORS' REMUNERATION

My remuneration was previously authorised by creditors at a meeting held on 21 October 2010 to be drawn on a time cost basis. My total time costs to date amount to £33,099, representing 117.85 hours at an average charge out rate of £280.86 per hour, of which £3,946.50, representing 18.30 hours work, was charged in the period between 21 May 2015 and 20 May 2016, at an average charge out rate of £215.66 per hour.

I have drawn £17,500 to date, none of which has been drawn in the current period. A schedule of my time costs incurred to date is attached.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3, is available at the link <http://www.haslers.com/services/insolvency/>.

JOINT LIQUIDATORS' EXPENSES

My expenses that have been drawn to date are shown in the attached receipts and payments account.

The following expenses have been incurred but have not yet been paid:

Type of expense	Amount incurred to date £	Amount still to be paid £
Personal expenses	269.00	269.00

The following agents or professional advisors have been utilised in this matter:

Professional Advisor	Nature of Work	Fee Arrangement
Moon Beaver	Solicitors	Conditional fee arrangement
Quo Vadis	Investigator	Fixed fee

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Joint Liquidators' remuneration and expenses within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the

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amount and/or basis of the Joint Liquidators' fees and the amount of any proposed expenses or expenses already incurred within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Haslers can be found at <http://www.haslers.com/provision-of-services-regulations/>

SUMMARY

The Liquidation will remain open until the investigations and claims highlighted above have been concluded and there are no further avenues to pursue. I am unable at this stage to provide estimate how long this might take.

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Glenn Adams on 020 8418 3432, or by email at glenn.adams@haslers.com



STRATFORD HAMILTON
JOINT LIQUIDATOR

A1 RETAIL LIMITED
(In Liquidation)

Joint Liquidators' Abstract Of Receipts And Payments

RECEIPTS	Statement of Affairs (£)	From 21/05/2014 To 20/05/2015 (£)	From 21/05/2015 To 20/05/2016 (£)	Total (£)
Book Debts	66,000 00	0 00	0 00	0 00
Bank Settlement re interest rate swap		41,209 16	0 00	41,209 16
Refund of bank charges		0 00	375 00	375 00
Cash at Bank		46 70	0 00	46 70
DLA	265,000 00	0 00	0 00	0 00
Bank Interest Gross		54 64	10,272 99	10,327 63
Vat Control Account		3,771 32	0 00	3,771 32
		45,081 82	10,647 99	55,729 81
PAYMENTS				
Bank Settlement re interest rate swap		0 00	10,647 99	10,647 99
O R Debit Balance		1,070 00	0 00	1,070 00
DTI Cheque Fees		1 40	2 35	3 75
Sec of State Fees		8,730 64	0 00	8,730 64
Specific Bond		480 00	0 00	480 00
Office Holders Fees		14,500 00	3,000 00	17,500 00
Land Registry/Searches		65 00	0 00	65 00
Courier Charges		103 50	0 00	103 50
Agents/Valuers Fees (1)		350 00	0 00	350 00
Legal Fees (1)		3,171 75	0 00	3,171 75
Legal Disbursements		93 75	0 00	93 75
Tax on ISA Interest		10 92	0 00	10 92
Travel		8 00	0 00	8 00
Statutory Advertising		84 60	0 00	84 60
Bank Charges		88 00	88 00	176 00
Trade & Expense Creditors		0 00	8,900 00	8,900 00
Vat Receivable		3,771 32	600 00	4,371 32
		32,528 88	23,238 34	55,767 22
Net Receipts/(Payments)		12,552 94	(12,590 35)	(37 41)

MADE UP AS FOLLOWS

ISA NIB	12,552 94	(12,590 35)	(37 41)
	12,552 94	(12,590 35)	(37 41)

Stratford Hamilton
Joint Liquidator

A1 Retail Limited

Analysis of time costs from 21/05/15 to 20/05/16

Categories	Time recorded (Hours)						Total Sum of Charge	Average Hourly Rate
	Partner	Manager	Senior Administrator	Administrator	Junior	Total Time		
Case Planning	0 20	3 30	2 30	0 10		5 90	1,346.50	228.22
Maintenance of Records	0 20	0 30	2 40			2 90	649.00	223.79
Statutory Reporting	3 00			1 00	0 60	4 60	957.00	208.04
Investigating Antecedent Transactions	0 30					0 30	120.00	400.00
Creditors' Claims (inc Employees and Preferential	0 20					0 20	102.00	510.00
Case Specific Matters		0 70				0 70	199.50	285.00
	3 90	4 70	5 30	3 80	0 60	18 30	3,946.50	215.66

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Analysis of time costs from 21/05/14 to 20/05/16

Categories	Time recorded (Hours)						
	Partner	Manager	Senior Administrator	Administrator	Junior	Total Time	Total Sum of Charge
Case Planning Adminstrative Set-up Appointment Notification Maintenance of Records Statutory Reporting Investigating Antecedent Transactions Identifying, Securing, insuring Assets Debt Collection Property Business and Asset Sales Communications With Creditors Creditors' Claims (inc. Employees and Preferential Case Specific Matters INS Cashiering	3 80	5 20	2 30	0 10	1 20	12 60	3,711 00
		1 20				1 20	330 00
		0 10			4 25	4 35	413 00
	1 70	13 20	2 50	0 60	1 60	19 60	5,181 00
	3 00	3 00	0 10	1 00	0 60	7 70	1,801 50
	17 60					17 60	6,700 50
		14 10	0 20			14 30	3,921 50
	0 30					0 30	88 50
	0 80					0 80	380 00
		1 70	0 60	1 40		3 70	819 00
	4 10	6 60			0 50	11 20	4,005 50
	1 60	16 60	1 10	5 20		18 20	5,024 60
						6 30	723 00
	32 90	61 70	6 80	8 30	8 15	117 85	33,099 10
							280 86

PRACTICE FEE RECOVERY POLICY FOR HASLERS

Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://www.haslers.com/services/insolvency/>. Alternatively a hard copy may be requested from Haslers, Old Station Road, Loughton, Essex IG10 4PL. Please note that we have provided further details in this policy document.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee (if applicable) and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Chargeout Rates

Grade of staff	Current charge-out rate per hour, effective from 1 January 2015 £	Previous charge-out rate per hour, effective from 1 January 2014 £
Partner – appointment taker	375-510	375-450
Manager	285-320	275-310
Senior Administrator	195-250	195-250
Case Administrator	95-165	130-160
Cashier	100	95

These charge-out rates charged are reviewed on 1 January each year and are adjusted to take account of inflation and the firm's overheads

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories

- Administration and Planning
- Maintenance of records
- Investigations
- Realisation of Assets
- Creditors
- Case specific matters
- Statutory reporting

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and on new appointments we seek time cost resolutions for all categories of work

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate, any additional work undertaken, or proposed to be undertaken, the hourly rates proposed for each part of the work, and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Members' voluntary liquidations and Voluntary Arrangements

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

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

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Disbursements

In accordance with SIP 9 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 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Haslers, in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

Category 2 expenses are costs which include elements of shared or allocated costs. It is not Haslers' policy to charge for such costs.