

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

05011480

Name of Company

Westoak Construction Limited

I / We

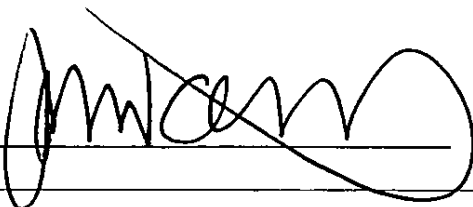
David R Acland, 1 Winckley Court, Chapel Street, Preston, PR1 8BU

Lila Thomas, 1 Winckley Court, Chapel Street, Preston, PR1 8BU

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 08/05/2014 to 07/05/2015

Signed



Date

03 JULY 2015

Begbies Traynor (Central) LLP
1 Winckley Court
Chapel Street
Preston
PR1 8BU

Ref WE128CVL/DRA/LTT/IMC/JZA/LB/P

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COMPANIES HOUSE

Westoak Construction Limited (In Creditors' Voluntary Liquidation)

Progress report pursuant to Section 104A of the
Insolvency Act 1986 and Rule 4.49C of the
Insolvency Rules 1986

Period: 08 May 2014 to 07 May 2015

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

Contents

- ❑ Interpretation
- ❑ Company information
- ❑ Details of appointment of liquidators
- ❑ Progress during the period
- ❑ Estimated outcome for creditors
- ❑ Remuneration and disbursements
- ❑ Liquidators' expenses
- ❑ Assets that remain to be realised
- ❑ Other relevant information
- ❑ Creditors' rights
- ❑ Conclusion
- ❑ Appendices
 - 1 Liquidators' account of receipts and payments
 - 2 Liquidators' time costs and disbursements
 - 3 Statement of Liquidators' expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Westoak Construction Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Act on 8 May 2014
"the liquidators", "we", "our" and "us"	David Robert Acland and Lila Thomas of Begbies Traynor (Central) LLP, 1 Winckley Court, Chapel
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s)	None
Company registered number	05011480
Company registered office	1 Winckley Court, Chapel Street, Preston, PR1 8BU
Former trading address	2 St Georges Court, Altrincham Business Park, Altrincham, WA14 5UA

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	08 May 2014
Date of liquidators' appointment	08 May 2014
Changes in liquidator (if any)	None

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 08 May 2014 to 07 May 2015. We would comment as follows:

As creditors will recall, the only assets deemed to hold realisable values in the liquidation were debtors and retentions, however, as these were contractual in nature, the anticipated realisations were uncertain and values of £50,000 were included for illustrative purposes only. Following appointment, Karen Assiak of the Vinden Partnership ("Vindens") was instructed to assess the recoverability of these assets. This matter is ongoing and Vindens have been liaising with the contractors, however, to date, no realisations have been made.

As anticipated, the tangible assets, being leasehold improvements to a third party property and basic office equipment, held no realisable value. During the current period, the sole realisation was a sundry insurance refund of £20.

Due to the paucity of asset realisations, no payments have been made during the period and disbursement costs have been met from our firm's office account.

5. ESTIMATED OUTCOME FOR CREDITORS

Secured creditor

National Westminster Bank PLC ("the Bank") by way of security holds a fixed and floating charge debenture dated 04 March 2006. Additional security is held by way of an Enterprise Finance Agreement Loan and personal guarantees, limited to £200,000, granted jointly and severally by the directors, Alexander Smith and Stephen John Martin.

We are yet to receive a formal statement of claim from the Bank, however, the indebtedness is estimated to be at £457,764. The prospect of a distribution to the Bank is purely dependant on realisations from the debtors and retentions. We anticipate that the Bank will have to rely on collateral security for any shortfall incurred.

Preferential creditors

Preferential claims of employees for arrears of wages, salary and holiday pay were estimated at £83,785 and we have received claims in the total sum of £86,107. Based upon realisations to date and estimated future realisations, it is anticipated that there will be insufficient funds available to enable a dividend to be paid to the preferential creditors.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property,
- ☐ 20% of net property thereafter,

- ☐ Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

The directors' statement of affairs estimated the net property to be £16,215 and the prescribed part of the Company's net property to be £6,243. However, after taking into account the costs of realisation it is anticipated these balances will be £NIL and £NIL.

On present information we do not intend to make an application to court under Section 176A(5) of the Act for an order not to distribute the prescribed part of net property to the unsecured creditors. However, we reserve our position generally in this regard should circumstances materially change.

Unsecured creditors

Unsecured creditors were estimated at £1,955,572. The following claims have been received to date:

Classification	Statement of Affairs £	Received £
Trade & Expense	653,599	183,827
Director's Loan Account	26,000	0
Shareholders' Loan Accounts	62,000	0
A Castle Loan Account	45,264	45,264
RPO/Employees (Redundancy & Notice Pay)	457,115	499,650
HM Revenue & Customs – VAT	145,690	184,852
HM Revenue & Customs – PAYE / NIC	565,904	643,632
Totals	<u>1,955,572</u>	<u>1,557,225</u>

Based upon realisations to date and estimated future realisations it is anticipated there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

6. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report.

Our time costs for the period from 08 May 2014 to 07 May 2015 amount to £17,238 which represents 77 hours at an average rate of £223.87 per hour.

The following further information in relation to our time costs and disbursements is set out at Appendix 2:

- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

To 07 May 2015 we have incurred category 2 disbursements representing mileage costs of £255.05. No fees nor disbursements have been drawn to date.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2011' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3.

Professional Fees

Begbies Traynor's professional fees for assisting the Company and its Directors in fulfilling the statutory requirements for placing the Company into Creditors Voluntary Liquidation were fixed at a maximum of £7,500 plus VAT and disbursements. Total pre appointment time spent on this assignment amounted to 87.20 hours at an average composite rate of £233.22 per hour resulting in total time costs of £20,337. No fees or disbursements have been drawn in respect of this.

Furthermore, as detailed above Vindens have been instructed to assist with the debt collection process and it is anticipated that fees will be incurred on fixed cost basis and a percentage of recoveries made.

8. ASSETS THAT REMAIN TO BE REALISED

As detailed above the collection exercise for the debtors and retentions is ongoing.

9. OTHER RELEVANT INFORMATION

Report on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, as explained in the report circulated at the meeting of creditors convened pursuant to Section 98 of the Act, such report having also been sent to creditors following the meeting, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills. We can confirm that we have discharged our duties in these respects.

Investigations

We have undertaken investigations into the conduct of the directors prior to the liquidation of the Company, including specific matters raised at the meeting of creditors, in order to assess potential recoveries for the liquidation estate. These matters are ongoing and further information will be provided in subsequent reports as applicable.

10. CREDITORS' RIGHTS

10. CREDITORS' RIGHTS

Right to request further information

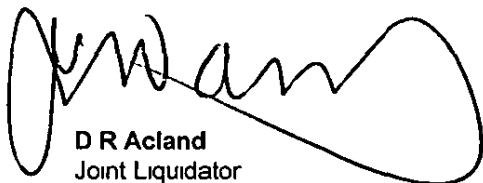
Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been detailed in this progress report

Right to make an application to court

Pursuant to Rule 4.131 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate

11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner

A handwritten signature in black ink, appearing to read 'D R Acland', with a large, sweeping loop at the end.

D R Acland
Joint Liquidator

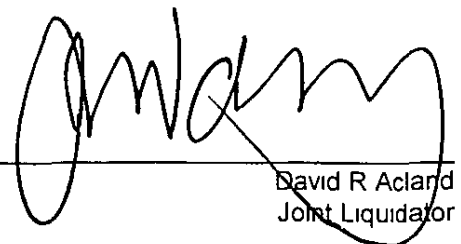
Dated 03 July 2015

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 08 May 2014 to 07 May 2015

Westoak Construction Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 08/05/2014 To 07/05/2015
	ASSET REALISATIONS	
Uncertain	Tangible Assets	NIL
50,000 00	Debtors	NIL
50,000 00	Retentions	NIL
	Sundry Refund	20 00
	Bank Interest Gross	0 05
		<u>20 05</u>
	COST OF REALISATIONS	
	Statutory Advertising	253 80
		<u>(253 80)</u>
	PREFERENTIAL CREDITORS	
(83,785 00)	RPO/Employees (Arrears & Hol Pay)	NIL
		<u>NIL</u>
	FLOATING CHARGE CREDITORS	
(453,764 00)	National Westminster Bank PLC	NIL
		<u>NIL</u>
	UNSECURED CREDITORS	
(653,598 82)	Trade Creditors	NIL
(45,264 00)	A Castle Loan Account	NIL
(457,115 00)	RPO/Employees (Redundancy & Notic	NIL
(26,000 00)	Director's Loan Account	NIL
(565,904 00)	HMRC - PAYE & NIC	NIL
(145,690 00)	HMRC - VAT	NIL
(62,000 00)	Shareholders' Loan Accounts	NIL
		<u>NIL</u>
	DISTRIBUTIONS	
(60 00)	Ordinary A Shareholders	NIL
(20 00)	Ordinary B Shareholders	NIL
(20 00)	Ordinary C Shareholders	NIL
		<u>NIL</u>
<u>(2,393,220.82)</u>		<u>(233 75)</u>
	REPRESENTED BY	
	Bank 2 Current	70 81
	Office	(304 56)
		<u>(233 75)</u>


 David R Acland
 Joint Liquidator

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates, and
- c Table of time spent and charge-out value for the period from 08 May 2014 to 07 May 2015

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance² indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting,
- Car mileage is charged at the rate of 45 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² *Ibid* 1

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Preston office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour) 1 May 2011 – until further notice
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

Total fees drawn to date £

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Statutory Advertising	Courts Advertising Limited	253 80	-	253 80
Bordereau	AUA Insolvency Risk Services	67 50	-	67 50
Company Searches	Companies House	16 00	-	16
Postage	Royal Mail Group PLC	82 60	-	82 60
Total		419 90		419 90