

SATURDAY



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10/08/2013

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COMPANIES HOUSE

Abbey Brokers Limited
Croydon County Court 1560 of 2010
formerly High Court of Justice No 5934 of 2010

Liquidator's Annual Progress Report to Creditors
for the second year of the administration of the liquidation, to 13 June 2013

Statutory Information

Company Name	Abbey Brokers Limited
Registered Office	First Floor 56-57 High Street Stourbridge West Midlands DY8 1DE
Former Registered Office	339 Lower Addiscombe Road Croydon Surrey CR0 6RG
Company Number	05035621
Liquidator's Name	Barry John Ward
Liquidator's Address	Ward Sheldrake Consultancy Lower Barrow Kiln Acton Mill Lane Suckley Worcs WR6 5EJ
Liquidator's Date of Appointment	14 June 2011

Receipts & Payments Account

My Receipts & Payments Account for the period from 14 June 2011 to 13 June 2013 is attached at Appendix 2

Background

The principal activity of the company was insurance and mortgage broking

A Winding-Up Order was made on 22 September 2010 on a petition presented by Mr Adbul Sattar Muhi Al Khudairi and Mrs Fathia Dalwood Salman in respect of an unpaid judgment

The Official Receiver became the first Liquidator and I was appointed as Liquidator in place of the Official Receiver with effect from 14 June 2011

Assets

The bank accounts in the name of the company have been realised and the relevant realisation is shown on the attached receipts and payments account

Liabilities

Secured Liabilities

An examination of the company's mortgage register held by the Registrar of Companies reveals that no charges were registered against the company

Crown Creditors

The Statement of Affairs did not include any Crown Creditors. However, claims have been received as follows

- The Insolvency Service re The Redundancy Payments Service for employees' claims in the sum of £3,471 01 Preferential and £8,810 12 Non Preferential
- H M Revenue & Customs in respect of PAYE & NI in the sum of £16,001 11, Non Preferential

Unsecured Creditors

The Statement of Affairs included £1,475,260 in respect of Unpaid Judgments and £2,657,948 in respect of Other Creditors. The schedule of creditors notified to me by the Official Receiver included 35 creditors in the total sum of £6,132,513 46. I have received claims from 26 creditors in a total amount of £5,554,563 30. Some of these claims will be rejected as they relate to other companies or individuals.

Administration of the Liquidation

As will be seen from the receipts and payments account attached at Appendix 2, I have now recovered certain sums of money from Mrs Barbara Vyvette Silva in respect of the disposal of the joint marital property. These moneys have been used to fund litigation costs and further investigation.

Proceedings have been issued against Mr Jonathan Nigel Albert Silva which will be heard in November 2013 and asset tracings are being made in respect of sums paid to other family members.

It is understood that the criminal trial of Mr Rienzie Albert Joseph Silva has been postponed for twelve months due to him pleading not guilty to fraud charges. Again, his position, together with that of others, will be considered in due course.

This will be a long-drawn-out liquidation due to the tracing of funds and the jurisdiction to which they have been paid.

Liquidator's Remuneration

In accordance with the resolution passed at the Creditors' Meeting held on 21 May 2013 that I should be remunerated on a time cost basis, I intend to imminently draw fees of £30,000 + VAT on account of my time costs which are shown on the attached schedule at Appendix 1.

A description of the routine work undertaken in the liquidation to date is as follows.

Administration & Planning

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising and preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files
- Case bordereau
- Case planning and administration
- Preparing reports to creditors
- Correspondence with numerous insurance companies regarding agencies held by the company

Cashiering

- Maintaining and managing the liquidator's cash books and bank account
- Ensuring statutory lodgements and tax lodgement obligations are met

Creditors

- Dealing with creditor correspondence and telephone conversations

Realisation of Assets

- Liaising with the bankers of the company regarding the closure of the accounts

Investigations

- There is ongoing investigation into the affairs of the directors, in particular in respect of funds transferred through various bank accounts under their control, and it is expected that there will be a tracing in due course of assets held on Sri Lanka

For information on Liquidator's remuneration, a copy of the Creditors' Guide to Liquidator's Fees can be found at the following website address

www.R3.org.uk/media/documents/publications/professional/Guide_to_Liquidators_Fees.pdf

Liquidator's Expenses

My expenses incurred to date but not paid (exclusive of VAT) are as follows

Bonding premiums	£120 00
Postage costs	£18 64
Statutory notice	£137 81
Companies House searches	£132 00

Furthermore, my solicitors advise me that in addition to those fees which have been paid during the year and are shown on the receipts and payments account attached at Appendix 2, they have incurred the following costs

Legal costs £32,563 50 + VAT

My solicitors further advise me that in addition to those disbursements which have been paid during the year and are shown on the receipts and payments account attached at Appendix 2, they have incurred the following additional disbursements

Subject to VAT	
Mileage	£63 28
Not subject to VAT	
Postage	£2 46
Parking	£2 00

The following professional advisers have been utilised in the matter

<u>Professional Adviser</u>	<u>Nature of Work</u>	<u>Fee Arrangement</u>
K W Law LLP	Solicitors	Time costs & disbursements

The choice of solicitors 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 basis of fees chargeable has been reviewed and I am satisfied that they are reasonable in 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 liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit – Insolvency Rules 1986 (as amended) – rule 4.49E.

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 amount and/or basis of the liquidator's fees and the amount of any proposed 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 – Insolvency Rules 1986 (as amended) – rule 4.131.

A full text of the Insolvency Rules 1986 (as amended) can be found at <http://www.insolvency.gov.uk/insolvencyprofessionallegislation/legislation/uk/insolvencyrules.pdf>

Dividend Prospects

There are no prospects of a dividend at the present time.

Summary

This liquidation will remain open until all investigations and possible asset recovery situations have been dealt with.

Barry Ward
Liquidator

8 August 2013

Appendix 1

ABBEY BROKERS LIMITED - IN LIQUIDATION

Professional time expended by the Liquidator and his staff
for the period from the date of appointment on 14 June 2011
to the second anniversary of that appointment on 13 June 2013

Category of Staff	Hours Expended	Charge-out rate per hour £	Time Cost £
Principal	120 7	450 00	54315 00
Insolvency Practitioner	1 0	450 00	450 00
Senior Insolvency Administrator	13 1	225 00	2947 50
Insolvency Administrator	24 1	180 00	4338 00
Support Staff	0 3	150 00	45 00
Total	159 20		62095 50

Notes

- 1) Costs are subject to the addition of VAT
- 2) Time costs drawn to date Nil
- 3) Average charge out rate £390 05 per hour
- 4) Costs other than those of the Principal are in respect of the costs of Wright Associates

Classification of work function	Principal	Other Senior Professionals	Support Staff	Total Hours
Administration and planning	22 8	35 6	0 3	58 7
Realisation of assets	21 8	2 5	-	24 3
Creditors	19 9	0 1	-	20 0
Investigation	56 1	-	-	56 1
Other	0 1	-	-	0 1
Total hours	120 7	38 2	0.3	159 2

ABBEY BROKERS LIMITED
IN LIQUIDATION

Liquidator's Receipts & Payments Account
from the date of appointment of Liquidator on 14 June 2011
to the second anniversary of that appointment on 13 June 2013

<u>Official Receiver's</u> <u>Estimated Statement</u> <u>of Affairs</u>		<u>For the year</u> <u>ended 13 June 2013</u>	<u>Cumulative from</u> <u>from 14 June 2011</u>
<u>£</u>		<u>£</u>	<u>£</u>
<u>Receipts</u>			
33,000	Bank accounts – NatWest Bank	573 62	12,154 73
	Realisation from Mrs B V Silva £130,000 (less held by solicitors £37,175-see note*)	92,825 00	92,825 00
	Insurance commissions	213 87	256 50
	Net Interest	26 61	36 95
<u>33,000</u>		<u>93,639.10</u>	<u>105,273.18</u>
<u>Payments</u>			
	Official Receiver's debit balance		1,235 00
	Insolvency Service banking & cheque fees	87 30	159 30
	Official Receiver's shorthand writer's fee		53 40
	Secretary of State fees	7,622 11	11,337 22
	Legal fees (inc VAT)	36,000 00	36,000 00
	Legal disbursements (inc VAT)		
	Counsel's fees	7,620 00	7,620 00
	Travelling expenses	55 92	55 92
	Legal disbursements (not subject to VAT)		
	Court fees	405 00	405 00
	Postage charges	7 38	7 38
	Process Server's fees	420 00	420 00
	Car parking	8 00	8 00
	Petitioning creditor's costs	5,072 90	5,072 90
		<u>57,298.61</u>	<u>62,374.12</u>
	Balance of funds in hand at 13 June 2013		<u>£ 42,899.06</u>

The above balance of funds has been reconciled with the funds held in the Insolvency Service Account

***Note**

Moneys have been held back jointly with Braidwood Solicitors in the following amounts

- 1 £20,000 in respect of a tracing claim by solicitors of the Al Khudairi family
- 2 £17,175 pending resolution of the settlement of certain costs of those solicitors in respect of an interpleader claim.

It is anticipated that a substantial amount of the funds held will be paid into the estate in due course