

5035621

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 Third year of the administration of the liquidation, to 13 June 2014

Statutory Information

Company Name	Abbey Brokers Limited
Registered Office	Lower Barrow Kiln Acton Mill Lane Suckley Worcs WR6 5EJ
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

SATURDAY



Receipts & Payments Account

My Receipts & Payments Account for the period from 14 June 2011 to 13 June 2014 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

I have also received £130,000 from Mrs Silva subject to certain legal costs from her solicitors and solicitors for the Khudairi's

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.

Certain creditors have received settlement via an action against solicitors they appointed to deal with re-mortgages. Details of these settlements are awaited subject to any indemnity proofs. The level of creditors will therefore decrease.

Administration of the Liquidation

Judgement has been given against Mr Jonathan Nigel Albert Silva in excess of £400,000. Asset tracings are still being made in respect of sums paid to other family members.

Mr Rienzie Albert Joseph Silva has been imprisoned following a change of plea to guilty to fraud charges.

This will still be a long-drawn-out liquidation due to the tracing of funds and the jurisdiction to which they have been paid. I am working with the police and the trustees in bankruptcy of Mr Rienzie Silva in this regard.

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 have drawn fees of £36,000 + 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 in 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

Companies House £4 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 £66,275

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

£13,190 under CFA agreement

Courier £336 96 exc VAT

Rail fair £110 00 no VAT

Parking £30 40 no VAT

Oath fee £25 00 no VAT

Process Server £420 00 no VAT

Court Fees £405 00 no VAT

Postage £3 69 inc VAT

Mileage £75 12 inc VAT

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
Wright Associates	Administration Services	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

ABBEY BROKERS LIMITED
IN LIQUIDATION

Liquidator's Receipts & Payments Account
from the date of appointment of Liquidator on 14 June 2011
to the third anniversary of that appointment on 13 June 2014

Official Receiver's Estimated Statement of Affairs	<u>For the year ended 13 June 2014</u>	<u>Cumulative from from 14 June 2011</u>
<u>£</u>	<u>£</u>	<u>£</u>
	<u>Receipts</u>	
33,000	Bank accounts – NatWest Bank	12,154 73
	Realisation from Mrs Silva	130,000 00
	Insurance commissions	640 69
	J Silva	40 00
	Net Interest	51 04
<u>33,000</u>	<u>37,613 28</u>	<u>142,886 46</u>
	<u>Payments</u>	
	Official Receiver's debit balance	1,235 00
	Insolvency Service banking & cheque fees	250 60
	Official Receiver's shorthand writer's fee	53 40
	Secretary of State fees	11,847 00
	Trustee's fees	36,000 00
	VAT thereon	7,200 00
	Liquidator's disbursements (inc VAT)	
	Statutory notices	212 44
	Postage costs	209 44
	Company searches	19 00
	Bonding premiums	600 00
	Hotel account	69 42
	Subsistence	74 03
	VAT thereon	236 87
	Liquidator's disbursements (not subject to VAT)	
	Rail fares	92 40
	Corporation Tax	0 78
	Legal fees (inc VAT)	32,500 00
	Russell Cooke legal fees (inc VAT)	21,891 21
	Braid Wood	2,293 75
	VAT thereon	11,336 99
	Legal disbursements (inc VAT)	
	Counsel's fees	7,600 00
	Travelling expenses	46 60
	VAT thereon	1,529 32
	Legal disbursements (not subject to VAT)	
	Court fees & Process Server's Fees	825 00
	Postage charges	47 38
	Car parking	8 00
	Petitioning creditor's costs inc VAT	5,072 90
	<u>78,877.41</u>	<u>141,251 53</u>
Balance of funds in hand at 13 June 2014		£981 88
In hands of Solicitors		<u>£653 05</u>

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

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 30 April 2014**

Category of Staff	Hours Expended	Charge-out rate per hour £	Time Cost £
Principal	154.7	450.00	69,615.00
Insolvency Practitioner	1.0	450.00	450.00
Senior Insolvency Administrator	17.7	225.00	3,982.50
Insolvency Administrator	30.3	180.00	5,454.00
Support Staff	0.3	150.00	45.00
Total	204.0		79,546.50

Notes

- 1) Costs are subject to the addition of VAT
- 2) Time costs drawn to date £36,000 against the above

Classification of work function	Principal	Other Senior Professionals	Support Staff	Total Hours
Administration and planning	22.8	46.0	0.3	69.1
Realisation of assets	44.5	2.5	-	47.0
Creditors	23.6	0.5	-	24.1
Investigation	62.8	-	-	62.8
Other	1.0	-	-	1.0
Total hours	154.7	49.0	0.3	204.0