

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

05096734

Name of Company

ABC Risk Management Limited

~~I/We~~
Adrian Graham
Omega Court
368 Cemetery Road
Sheffield
S11 8FT

Julian Pitts
9th Floor
Bond Court
Leeds
LS1 2JZ

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 29/06/2011 to 28/06/2012

Signed

Date

11/7/12

Begbies Traynor (Central) LLP
Omega Court
368 Cemetery Road
Sheffield
S11 8FT

Ref AB041CVL/AACG/JNRP/ALD

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COMPANIES HOUSE

ABC Risk Management 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: 29 June 2011 to 28 June 2012

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.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	ABC Risk Management Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Act on 29 June 2011
"the liquidators", "we", "our" and "us"	Adnan Graham of Begbies Traynor (Central) LLP, Omega Court, 368 Cemetery Road, Sheffield, S11 8FT and Julian Pitts of Begbies Traynor (Central) LLP, Omega Court, 368 Cemetery Road, Sheffield, S11 8FT
"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

Company registered number	05096734
Company registered office	Omega Court, 368 Cemetery Road, Sheffield, S11 8FT
Former trading address	Unit 12A, Lancaster Business Park, Newborough Road, Burton on Trent, DE13 9PD

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	29 June 2011
Date of liquidators' appointment	29 June 2011
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 29 June 2011 to 28 June 2012

Receipts

- The director, Paul Sherry, had a loan account with the Company which was in debit by £15,000 00. After assessing the director's means, we agreed to accept an offer of £11,000 00 from him to discharge the loan account in full. These funds were received in a single transaction in December 2011.
- We received an offer of £200 00 from PB National Products Limited, the landlord of the Company's trading premises, to purchase the Company's office furniture and equipment which was in situ at the premises. We accepted this offer on the basis of our agents' advice as the costs of removal alone would have exceeded their market value.
- Book debt realisations totalled £16,120 80. This significantly exceeded the £2,818 00 which was anticipated to be received on the statement of affairs. To our knowledge there are no outstanding debts due to the Company.
- We received a business rates refund of £34 59 from East Staffordshire Borough Council.
- Bank interest of £4 80 was earned on the funds held.

Payments

- We discharged our fee of £5,000 00, and the fee of Sealy Shaw Accountants, which amounted to £1,000 00, in accordance with the resolution passed at the meeting of creditors held on 29 June 2011, for assisting the Company in convening the meetings of members and creditors and preparing the director's report and Statement of Affairs.
- We drew liquidators' fees totalling £5,000 00. Further details are provided in section 6 of this report.

- Room hire expenses to hold the meetings of members and creditors on 29 June 2011 amounted to £41 67
- Mileage expenses of £167 95 were incurred
- We paid fees of £250 00 to Taylor & Emmet LLP for legal assistance in relation to the recovery of funds in relation to the overdrawn director's loan account.
- Statutory advertising expenses amounted to £229 50

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the director's statement of affairs included within the report sent to creditors further to our appointment as liquidators

On the basis of realisations to date we estimate an outcome for each class of the Company's creditors as follows

Secured creditor

No dividend is available for Natwest Bank plc, who holds fixed and floating charges over the Company's assets, because the funds realised have already been distributed or used or allocated for defraying the expenses of the liquidation

Preferential creditors

There are no known preferential claims

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))

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in Section 176A(6) of the Act, to be nil and the prescribed part of the Company's net property to be nil

There will therefore be no distribution as there is no prescribed part available

Unsecured creditors

No dividend is to be available for unsecured creditors because the funds realised have already been distributed or used or allocated for defraying the expenses of the liquidation

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 29 June 2011 to 28 June 2012 amount to £16,150 50 which represents 65 9 hours at an average rate of £245 08 per hour

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

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 29 June 2011 to 28 June 2012
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

To 28 June 2012, we have drawn the total sum of £5,000 00 on account

7. LIQUIDATORS' EXPENSES

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

8. ASSETS THAT REMAIN TO BE REALISED

The only asset that remains to be realised is a final VAT reclaim which has recently been submitted to HM Revenue & Customs. Once this has been received I will be in a position to take steps to conclude the case

9. OTHER RELEVANT INFORMATION

Investigations and reporting on director's 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 prior to the meeting of creditors convened pursuant to Section 98 of the Act, 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 carried out to date

We have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect. No causes of action have been identified and no further investigations have been warranted.

Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties.

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.



Adrian Graham
Joint Liquidator

Dated 4 July 2012

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 29 June 2011 to 28 June 2012

ABC Risk Management Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments
To 28/06/2012

S of A £		£	£
	ASSET REALISATIONS		
Uncertain	Director's Loan Account	11,000 00	
Uncertain	Office Furniture & Equipment	200 00	
2,818 00	Book Debts	16,120 80	
	Rates Refund	34 59	
	Bank Interest	4 80	
			27,360 19
	COST OF REALISATIONS		
	Statement of Affairs Fee	6,000 00	
	Liquidators' Fees	5,000 00	
	Mileage	167 95	
	Room Hire	41 67	
	Legal Fees	250 00	
	VAT	2,337 82	
	Statutory Advertising	229 50	
			(14,026 94)
	FLOATING CHARGE CREDITORS		
(119,232 00)	Natwest Bank plc	NIL	
			NIL
	UNSECURED CREDITORS		
(170,757 00)	Trade Creditors	NIL	
(18,000 00)	HMRC (PAYE/NIC)	NIL	
(3,158 00)	HMRC (VAT)	NIL	
			NIL
	DISTRIBUTIONS		
(300 00)	Ordinary Shareholders	NIL	
			NIL
(308,629.00)			13,333.25
	REPRESENTED BY		
	Bank 1 Current		13,333 25
			13,333.25

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,
- c Narrative summary of time costs incurred,
- d Table of time spent and charge-out value for the period from 29 June 2011 to 28 June 2012

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 and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance² requires 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 usually 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 incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(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 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.

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

² Ibid 1

- In addition to the 2 categories referred to above, best practice guidance indicates that where payments are made to outside parties in which the office holder or his firm or any associate has an interest these should be treated as Category 2 disbursements
- (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*
- 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 Sheffield office as at the date of this report are as follows

	Standard 1 May 2011 – until further notice Regional
Partner 1	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 for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in 6 minute units

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	ABC Risk Management Limited
CASE TYPE	CREDITORS' VOLUNTARY LIQUIDATION
OFFICE HOLDERS	Adnan Graham and Julian Pitts
DATE OF APPOINTMENT	29 June 2011

1 CASE OVERVIEW

- 1 1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case
- 1 2 **Complexity of the case**
The case has been of a complexity to be expected in view of the assets and industry of the Company
- 1 3 **Exceptional responsibilities**
There have been no exceptional responsibilities
- 1 4 **The office holders' effectiveness**
Our strategy has been achieved and our statutory duties to date have been fulfilled (as detailed in this progress report)
- 1 5 **Nature and value of property dealt with by the office holders**
To date, £27,360 19 has been realised in relation to the Company's assets. The assets realised are an overdrawn director's loan account, office furniture and equipment, book debts, a business rates refund and bank interest earned on the funds held. We are awaiting funds from HM Revenue & Customs in respect of a final VAT reclaim.
- 1 6 **Anticipated return to creditors**
Based on current information there will be insufficient funds available to make a dividend distribution to unsecured creditors.
- 1 7 **Time costs analysis**
An analysis of time costs incurred between 29 June 2011 and 28 June 2012 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type.

The time costs analysis provides details of work undertaken by the Liquidators and their staff following their appointment only.
- 1 8 **The views of the creditors**
Creditors have been kept informed by this progress report. The views of creditors shall be sought if this is considered expedient to the winding-up of the Company.
- 1 9 **Approval of fees**
Our remuneration is based on hourly costs at scale rates calculated on the time properly given by us and our staff in attending to matters arising in the liquidation and was approved at the meeting of creditors pursuant to Section 98 of the Act held on 7 June 2011.

1 10 Approval of Expenses and Disbursements

The creditors at the Section 98 meeting provided approval for us 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, a copy of which is attached at Appendix 2 of this report

1 11 Other professionals employed & their costs

We instructed Taylor & Emmet LLP, a firm of local solicitors, to assist us with the recovery of funds in relation to an overdrawn director's loan account. There costs amounted to £250.00

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Legal Fees	Taylor & Emmet LLP	250 00	250 00	Nil
Room Hire	The Ramada Hotel	41 67	41 67	Nil
Statutory Advertising	Courts Advertising Limited	229 50	229 50	Nil
Bonding	AUA Insolvency Risk Services	22 50	Nil	22 50
	Marsh Limited	30 00	Nil	30 00