

SIS 3093

**A&S DRINKS SUPPLIES LIMITED
(IN LIQUIDATION)**

("the Company")

**FINAL REPORT TO CREDITORS PURSUANT TO SECTION 146 OF THE INSOLVENCY
ACT 1986 AND RULE 4.125 OF THE INSOLVENCY RULES 1986 (AS AMENDED)**

13 JUNE 2012



This report has been prepared for the sole purpose of updating the Creditors for information purposes. 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 for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

Louise Brittain was appointed as Liquidator of A&S Drinks Supplies Limited on 4 February 2009.

All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners.

Louise Brittain
Deloitte LLP
PO Box 810
66 Shoe Lane
London
EC4A 3WA

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Abbreviations

For the purpose of this report the following abbreviations shall be used

"Act"	The Insolvency Act 1986 (as amended)
"Baker Tilly"	Baker Tilly Restructuring and Recovery LLP, 25 Farringdon Street, London EC4A 4AB
"Company"	A&S Drinks Supplies Limited
"Director"	Ali Bedran
"Deloitte"	Deloitte LLP
"Estate"	The Liquidation Estate
"HMCE"	Her Majesty's Customs & Excise
"HMRC"	Her Majesty's Revenue & Customs
"Liquidator"	Louise Mary Brittain
"Moon Beaver"	Moon Beaver LLP, 24-25 Bloomsbury Square, London WC1A 2PL
"Provisional Liquidator"	Louise Mary Brittain Royal Bank of Scotland plc, 36 St Andrew Square, Edinburgh, EH2 2YB
"RBS"	
"Rules"	The Insolvency Rules 1986 (as amended)
"Shareholder"	Nassim Bedran
"SIA"	SIA Group UK Limited, Regal House, The Hyde Business Park, Brighton, Sussex BN2 4JE
"Trading Premises"	100 Church Street, Brighton, BN1 1UJ

1. INTRODUCTION

1.1 Purpose of report

This report has been prepared in accordance with Section 146 of the Act and Rule 4.125 of the Rules to provide creditors with a summary of the Liquidator's administration of the winding up of the Company

The Liquidator has concluded her administration of the Liquidation including the realisation of all available assets and completion of her investigations into the Company's affairs. Accordingly, a final meeting of creditors will be convened to be held on Thursday 2 August 2012 at 16.00pm at Deloitte LLP, Hill House, 1 Little New Street, London, EC4A 3TR for the purpose of passing a resolution for the Liquidator's release from office

Formal notice of the meeting of creditors is attached at Appendix 5 together with the Liquidator's Resolutions form at Appendix 6 and a proxy form at Appendix 7. A proof of debt form is also attached at Appendix 8

Your attendance at the meeting is not required unless you wish to be present. If you do not wish to attend, please complete and return the enclosed Liquidator's Resolutions form, proxy form and proof of debt form setting out your voting directions and claim by no later than 12 noon on Wednesday 1 August 2012 to ensure that your vote is accounted for at the meeting. Please note that you are only entitled to vote if you have submitted a proof of debt which has not been wholly rejected

A schedule of statutory information in respect of the Company is attached at Appendix 1

1.2 Details of the Liquidator's appointment

Louise Brittain was appointed as Provisional Liquidator of the Company on 4 February 2009 upon the application of HMRC. The Provisional Liquidation appointment followed the presentation, on the same date, of a petition for the winding up of the Company as a result of non payment of VAT, Excise and Duty totalling £448,127.00

Following the Provisional Liquidation of the Company, Louise Brittain was subsequently appointed as Liquidator of the Company by order of the Secretary of State with effect from 10 June 2009

At the date of appointment, the Liquidator was a partner at Baker Tilly but resigned from this position with effect from 31 July 2009 and became a partner at Deloitte on 1 August 2009. The Liquidator retained this case on the request of HMRC in their capacity as the principal creditor of the Company

1.3 Initial Creditors Meeting

The Liquidator did not convene an initial creditors' meeting for the purpose of appointing a liquidation committee and fixing the basis of her remuneration upon appointment due to the uncertainty concerning the value of recoverable assets

In accordance with Section 141 of the Act, in the circumstance where the Liquidator does not convene a meeting of creditors on appointment, the creditors may requisition a creditors meeting. No creditors' meeting was requisitioned by the creditors

1.4 EC Regulations

Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation

2 LIQUIDATOR'S FINAL RECEIPTS AND PAYMENTS ACCOUNT

2.1 Introduction

Attached at Appendix 2 is the Liquidator's final receipts and payments account for the period of 4 February 2009 to 31 May 2012

The receipts and payment account has been reconciled to the Insolvency Services bank account operated by the Liquidator on behalf of the Company

2.2 Receipts

A sum of £21,016 19 was remitted to the Estate comprising the balance of funds held on the Company's pre-appointment bank account

No further assets have been realised by the Estate

There are no further realisations foreseen

2.3 Payments

Payments issued from the Estate total £20,240 82

Moon Beaver incurred fees and disbursements of £22,537 24 plus VAT in assisting the Liquidator in the investigations conducted into the Company affairs, advising on the merit of any potential misfeasance claims against the Company director and shareholder as well as issuing legal proceedings in relation to these claims of which a sum of £22,531 24 has already been paid from the Estate. The remainder of £6 due to be paid from the balance held on account after payment of the final administrative costs and from any final VAT receivable in the Estate

The funds remitted to the Estate from the Company's pre-appointment bank account were subject to a Secretary of State fee deduction of 17% of gross realisations, as is a statutory requirement in the operation of Insolvency Service bank accounts. Accordingly, a total sum of £3,232 75 was deducted

The Official Receiver's remuneration of £1,470 00 has also been paid in full. All further payments issued by the Liquidator relate to administrative charges and statutory expenses which are self explanatory

The costs incurred by the petitioning creditor in applying for the winding up of the Company have been waived

The balance of funds held by the Liquidation Estate of £801 24 will be utilised in the settlement of the Liquidator's final administrative costs in finalising the Liquidation matters, including the storage of books, convening of a final meeting and bank charges

2.4 VAT Receivable

The net value of VAT paid in relation to the Liquidator's expenses totals £2,044 21 and the Liquidator will submit a VAT reclaim to HMRC in this amount prior to case closure. The funds will be utilised in the settlement of Moon Beaver fees and disbursements incurred but not yet paid as detailed above at 2.3

3. STEPS TAKEN DURING THE LIQUIDATION

3.1 Initial actions upon appointment

The Company traded as a purchaser and seller of alcohol from a bonded warehouse authorised by HMCE (the statutory predecessor to HMRC) to receive and despatch alcohol overseas under excise duty-suspended arrangements. The business traded from leased premises located at 100 Church Street, Brighton, BN1 1UJ.

Upon appointment as Provisional Liquidator, applications for Freezing Orders against the assets of the sole Company director, Mr Ali Bedran, and the Company shareholder Mr Nassim Bedran (who also acted in the capacity of shadow director), were brought to the High Court of Justice. The Freezing Orders were granted on 4 February 2009.

On 5 February 2009, the Provisional Liquidator attended the Company's trading premises, registered offices and a number of residential addresses found to be registered in Mr Ali's and Mr Nassim Bedran's names. The Provisional Liquidation Order and Freezing Orders were served upon both parties at the trading premises and the implications of both orders were clearly explained.

The Provisional Liquidator seized four boxes of Company books and records from the Company's trading premises and registered office which were reviewed by the Liquidator's staff in conjunction with the Liquidator's investigations into the Company's affairs.

The Liquidator immediately arranged interviews with Mr Ali Bedran and Mr Nassim Bedran in addition to the Company Secretary, Mr Mohammed Bedran, concerning the Company's historical and current business activities and the conduct of the directors, shadow directors and any person in a position to control the Company's affairs in order to identify initial areas for investigation and any potential claims available to the Estate.

3.2 Assets

The Liquidator's investigations concluded that the only known asset of the Company available for realisation by the Estate comprised cash held in the Company's pre-appointment bank account in the sum of £21,016.19.

On appointment, these monies were collected by Moon Beever, the solicitors instructed in this matter, and were held in a trust account to the Liquidator's order.

On 3 August 2011, the Liquidator wrote to Moon Beever requesting that the monies held on trust on her behalf be released in full to the Liquidation Estate. The funds were remitted to the liquidation bank account on 24 August 2011 and have been fully utilised in payment of the administration costs of the Liquidation.

No further realisations have been achieved given that the only other potential assets available to the Estate related to claims against the sole Company director and the shareholder, the pursuance of which was ceased when it became apparent that formal proceedings would not be commercial to the Estate. Further details of these claims and the reasons for which they were not brought are provided below at section 3.3.

3.3 Investigations and Legal Proceedings against Company Directors

The pre-appointment investigations conducted by HMRC in respect of the Company's trading activities, together with the Liquidator's initial investigations into the Company's affairs indicated that the Company may potentially have been involved alcohol diversion fraud and carousel fraud. This alleged fraudulent activity occurred to avoid payment of duty on consignments of alcohol by allegedly diverting shipments supposedly delivered to bonded warehouses in France to various UK locations in order as to avoid payment of duty and thereby defrauding the Crown.

HMRC were able to identify in excess of thirty consignments supposedly transported via a French bonded warehouse to French cash and carries by the Company which were not subsequently received at their stated destination. A thorough review of the Company's documentation by the Liquidator confirmed evidence of missing traders.

The VAT and duty assessments of HMRC arose as a direct result of the fraudulent activity of the Company.

Given the lack of funds available to the Estate on appointment, HMRC agreed to loan funds in the amount of £50,000.00 to the Liquidator, by way of formal loan agreement, to fund the Liquidator's investigations. The funds loaned were utilised in undertaking the investigational work and commencement of litigation proceedings.

Given the evidence gathered against the Company, its Director and its Shareholder following appointment on 4 February 2009, the Liquidator immediately instructed Moon Beever to commence legal proceedings against both Mr Ali Bedran and Mr Nassim Bedran for fraudulent breach of their statutory duties.

Freezing orders were granted by the High Court of Justice on 4 February 2009 to protect assets from dissipation or removal by either party prior to this matter proceeding to trial and judgement being issued.

However, the legal proceedings commenced by the Liquidator were stayed on 20 January 2011, for reason that neither of the Defendants, Mr Ali Bedran and Mr Nassim Bedran, possessed assets worth in excess of £1,000.00 and, as such, any further litigation against either party would be detrimental to the interests of the creditors as a whole.

Consequently, the Freezing Orders issued on 4 February 2009 were discharged on 24 January 2011. Since no assets were realised in relation to the claims, the Liquidator is not in a position to repay the loan provided by HMRC to the Liquidator.

4 CREDITORS AND DIVIDEND PROSPECTS

4.1 Secured Creditors

RBS held a charge of deposit over the Company's assets in the sum of £25,000 00, which was created on 11 April 2006 and registered on 13 April 2006

The charge of deposit held by RBS was discharged in full on 24 October 2009

4.2 Preferential Creditors

There are no preferential creditors in this matter

4.3 Unsecured Creditors

The unsecured creditors' claims total £386,384 00 of which the main creditor is HMRC with a total claim of £381,402 00

The funds available to the Estate upon realisation of the available assets were insufficient to pay a dividend to this class of creditor

4.3.1 Prescribed Part

There were insufficient funds available to make any payment to creditors pursuant to section 176A of the Act

5 LIQUIDATOR'S TIME COSTS AND EXPENSES

5.1 Basis of Remuneration

The basis of the Liquidator's Remuneration has not yet been fixed and given that no further recoveries are anticipated, I do not propose requesting the basis to be fixed. Accordingly, the Liquidator has not drawn any remuneration in this matter and her time costs and disbursements have been written off in full.

5.2 Time Costs and Remuneration

Appendices 3 and 4 show the time costs incurred during the periods of 4 February 2009 to 31 July 2009 (Baker Tilly) and 1 August 2009 to 31 May 2012 (Deloitte) of this report categorised into various tasks. The time attributed to each task can be explained as follows:

- **Administration and planning** includes case planning, case set-up, notification of appointment, maintenance of our case files and insolvency case record, statutory reporting, compliance, cashiering and accounting
- **Investigations** includes investigating the Company affairs
- **Creditors** includes set-up of creditor records, creditor communications with both secured and unsecured creditors and unsecured claims
- **Other matters** includes litigation

The Liquidator has incurred time costs to date of £77,889.05 in attending to the matters arising in the Liquidation since commencement of the appointment, in her role as partner at both Baker Tilly and Deloitte.

Of the total time costs incurred, Baker Tilly's time costs incurred by the Liquidator and her staff dealing with this matter in the period from 4 February 2009 to 31 July 2009 amount to £39,089.90 representing 195.1 hours at an average hourly rate of £200.35 which are set out in Appendix 3.

Time costs incurred by the Liquidator and her staff in dealing with this matter in the period from 1 August 2009 to 31 May 2012 amount to £41,276.65 representing 104.45 hours at an average charge out rate of £365.00, which are set out at Appendix 4.

The Liquidator has incurred disbursements of £7,537.36, none of which have been settled by the Estate.

A copy of the R3 Guide to Liquidator's Fees is available for download at http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP-9-EW-INTER.pdf. Should you require a paper copy, please send your request in writing to the Liquidator at the address on the front of this report and this will be provided to you at no cost.

5.4 Other Professional Costs

The Liquidator made payments from the Estate to Moon Beever of £22,537.24 plus VAT, in relation to the provision of legal services and advice. Of this £22,531.24 has already been settled from the limited asset realisations achieved, as per the attached Receipts and Payments account at Appendix 2.

No further professional firms were instructed by the Liquidator in this matter.

6 LIQUIDATOR'S RELEASE

I have now finalised the administration of the liquidation and as there are no further matters outstanding, I seek my release from office in accordance with section 174 of the Act

Attached at Appendix 6 is the Liquidator's Resolutions form for your completion, as detailed above in paragraph 1.1

7 DISCLAIMER

Any information relating to events prior to the Liquidator's appointment has been extracted from the books and records of the Company and from discussions with officers of the Company

Should you have any questions in connection with this report or any other matters please do not hesitate to contact Dana Sayer on 020 7007 3919

A&S DRINKS SUPPLIES LIMITED (IN LIQUIDATION)
STATUTORY INFORMATION

Company Name	A&S Drinks Supplies Limited
Previous Names	N/A
Proceedings	In Liquidation
Court No	10693 of 2009
Date of Appointment	4 February 2009
Liquidator	Louise Mary Brittain Deloitte LLP Athene Place 66 Shoe Lane EC4A 3WA
Registered office Address	c/o Deloitte LLP Hill House 1 Little New Street London EC4A 3TR
Company Number	05153093
Incorporation Date	14 June 2004
Company Secretary	Mohammed Bedran
Bankers	Royal Bank of Scotland plc
Auditors	Chambers & Co
Appointment by	Secretary of State
Directors at date of Appointment	Ali Bedram

A & S Drinks Supplies Limited**Liquidator's Receipts and Payments Account Summary for the period
of 4 February 2009 to 31 May 2012**

RECEIPTS	Total (£)
Cash at Bank	21,016 19
Legal Payments on Account	6,390 14
Bank Interest Gross	25 87
Vat on Receipts	958 52
	<hr/> 28,390.72
 PAYMENTS	
Official Receiver's Disbursements	1,470 00
DTI ISA Cheque Issue Fee	3 00
Secretary of State Fee	3,236 27
Legal Fees	12,667 76
Legal Expenses	9,863 48
Corporation Tax	5 17
Storage Costs	30 00
Statutory Advertising	76 50
Bank Charges	216 00
VAT on Payments	21 30
	<hr/> 27,589 48
 Balance in Hand	<hr/> 801.24 <hr/>

A&S Drinks Supplies Limited**Liquidator's Time Costs breakdown for the period of 4 February 2009 to 31 July 2009 as received from Baker Tilly**

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs
Administration and Planning	4 0	7 1	62 1	6 0	79 2	£5 933 50
Investigations	12 0	8 2	22 3	5 3	47 8	£783 00
Realisation of Assets	0 0	0 7	2 1	0 3	3 1	£244 00
Creditors	0 7	2 7	9 4	0 9	13 7	£985 00
Case Specific Matters	7 3	16 5	25 1	2 8	51 7	£3,040 50
TOTAL HOURS	24 0	35 2	120 6	15 3	195 1	£39,089 90
TOTAL TIME COST	£11,400 00	£8,272 50	£17,806 50	£1,610 90	£39,089 90	£39,089 90

A&S Drinks Supplies Limited (in liquidation)

Time Costs for the period of 1 August 2009 to 31 May 2012

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning									
Cashiering and Statutory Filing	0 90	733 50	4 70	2,147 00	2 60	636 50	8 20	3,517 00	428 90
Case Supervision, Management and Closure	3 50	2,657 50	9 60	3,677 00	9 40	2,173 50	22 50	8,508 00	378 13
Initial Actions (e.g. Notification of Appointment, Securing Assets)	-	-	3 20	1,090 65	1 00	222 50	4 20	1,313 15	312 65
General Reporting	-	-	7 70	2,888 50	3 25	731 25	10 95	3,619 75	330 57
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-
	4 40	3,391 00	25 20	9,803 15	16 25	3,763 75	45 85	16,957 90	369 86
Investigations									
Investigations	2 75	2 187 00	0 10	58 50	13 60	3,352 00	16 45	5,597 50	340 27
Reports on Directors' Conduct	-	-	-	-	-	-	-	-	-
	2 75	2,187 00	0 10	58 50	13 60	3,352 00	16 45	5,597 50	340 27
Realisation of Assets									
Book Debts	-	-	-	-	-	-	-	-	-
Other Assets (e.g. Stock)	-	-	0 60	219 00	0 20	51 00	0 80	270 00	337 50
Plant and Equipment, Fixtures and Fittings and Vehicles	-	-	-	-	-	-	-	-	-
Property - Freehold and Leasehold	-	-	-	-	-	-	-	-	-
Retention of Title	-	-	-	-	-	-	-	-	-
Sale of Business / Assets	-	-	-	-	-	-	-	-	-
Third Party Assets	-	-	0 60	219 00	0 20	51 00	0 80	270 00	337 50
Creditors									
Employees	-	-	-	-	-	-	-	-	-
Preferential	-	-	-	-	-	-	-	-	-
Secured	-	-	-	-	2 20	528 00	2 20	528 00	240 00
Shareholders	0 20	165 00	22 50	8,662 50	3 70	880 50	26 40	9,708 00	367 73
Unsecured	0 20	165 00	22 50	8,662 50	5 90	1,408 50	28 60	10,236 00	357 90
Other Matters Include									
Litigation	8 70	6,909 00	1 85	669 25	1 40	345 00	11 95	7,923 25	663 03
Pensions	-	-	-	-	-	-	-	-	-
Tax and VAT	-	-	0 80	292 00	-	-	0 80	292 00	365 00
	8 70	6,909 00	2 65	961 25	1 40	345 00	12 75	8,215 25	644 33
TOTAL HOURS & COST	16 05	12,652 00	51 05	19,704 40	37 35	8,920 25	104 45	41,276 65	395 18

TOTAL FEES DRAWN TO DATE

0 00

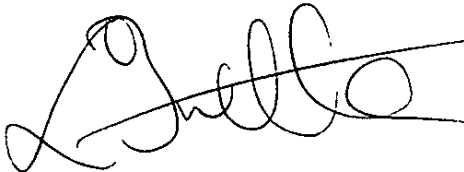
A & S Drinks Supplies Limited

(In Liquidation)

NOTICE IS HEREBY GIVEN, pursuant to Section 146 of the Insolvency Act 1986, that a final meeting of the creditors of the above named company will be held at Deloitte LLP, Hill House, London, EC4A 3WA on Thursday 2 August 2012 at 16 00pm, for the purpose of showing how the winding up has been conducted and how the property of the company was disposed of, and of hearing an explanation that may be given by the Liquidator, and for determining whether the Liquidator be released from office after the expiration of 21 days from the date of the final meeting

Proxies to be used at the meetings must be lodged with the Liquidator at Deloitte LLP, PO Box 810, 66 Shoe Lane, London, EC4A 3WA no later than 12 noon on the preceding day, Wednesday 1 August 2012

13 June 2012

A handwritten signature in black ink, appearing to read 'Louise Mary Brittain', written over a horizontal line.

Louise Mary Brittain
Liquidator

A&S DRINKS SUPPLIES LIMITED (IN LIQUIDATION)

Liquidator's Resolution

That the Liquidator be released from office after the expiration of 21 days from the date of the final meeting	Approve / Reject
--	-------------------------

Rule 8.1 Insolvency Act 1986
PROXY (Compulsory Winding Up)

Notes to help completion
of this form

A & S Drinks Supplies Limited

Please give full name and
address for communication

NAME OF CREDITOR _____

ADDRESS _____

Please insert name of person
(who must be 18 or over) or
the "Chairman of the
Meeting" (see note below)
If you wish to provide for
alternative proxy-holders in
the circumstances that your
first choice is unable to
attend please state the
name(s) of the
alternative(s)

NAME OF PROXY FOR CREDITOR

1 _____

2 _____

3 _____

Please delete words in
brackets if the proxy-holder
is only to vote as directed
i.e. if he/she has no
discretion

I appoint the above person to be my/the* creditor's proxy-holder at the meeting of
creditors to be held on Tuesday 10 July 2012 or at any adjournment of that meeting
The proxy-holder is to propose or vote as below (and in respect of any resolution for
which no specific instruction is given, may vote or abstain at his/her* discretion)

Please complete paragraph
1 if you wish to nominate
or vote for a specific
person as liquidator

1 That the Liquidator be released from office after the expiration of 21 days from the
date of the final meeting (accept/ reject)

Please delete words in
brackets if the proxy-holder
is only to vote as directed
i.e. if he/she has no
discretion

Any other resolutions
which the proxy-holder is
to propose or vote in
favour of or against should
be set out in numbered
paragraphs in the space
provided below paragraph
1. If more room is required
please use the other side of
this form

This form must
be signed

SIGNATURE _____

DATE _____

NAME IN CAPITAL LETTERS _____

Only to be completed if the
creditor has not signed in
person

POSITION WITH CREDITOR OR RELATIONSHIP TO CREDITOR OR OTHER
AUTHORITY FOR SIGNATURE

(* - Delete as applicable)

Remember there may be resolutions on the other side of this form

PROOF OF DEBT - GENERAL FORM

A & S Drinks Supplies Limited		
Date of Winding-Up Order / Resolution for voluntary winding up 4 February 2009		
1	Name of Creditor (If a company please also give company registration number)	
2	Address of Creditor for correspondence	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	
4	Details of any documents by reference to which the debt can be substantiated [Note there is no need to attach them now but the liquidator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting]	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7	Particulars of any security held, the value of the security, and the date it was given	
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or in relation to creditor	
	Address of person signing (if different from 2 above)	
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Liquidator		Liquidator