

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

05156319

Name of Company

A C Fashions Limited

I / We

Freddy Khalastchi FCA FABRP
2 Mountview Court
310 Friern Barnet Lane
Whetstone
London
N20 0YZ

Martin John Atkins FCA CTA FABRP
2 Mountview Court
310 Friern Barnet Lane
Whetstone
London
N20 0YZ

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 25/03/2013 to 24/03/2014

Signed



Date

23/5/14

Harris Lipman LLP
2 Mountview Court
310 Friern Barnet Lane
Whetstone
London
N20 0YZ

Ref A3400/FXK/MJA/AAD/SCC

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24/05/2014

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COMPANIES HOUSE

A.C Fashions Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 25/03/2013 To 24/03/2014
	ASSET REALISATIONS	
NIL	Stock	NIL
2,000 00	Book Debts	NIL
Uncertain	Amount owed by related company	NIL
	VAT bad debt relief refund	54,661 58
		<u>54,661 58</u>
	COST OF REALISATIONS	
	Preparation of S of A	3,000 00
	Liquidators Fees	39,995 07
	Debt Collection Costs	8,199 24
		<u>(51,194 31)</u>
	UNSECURED CREDITORS	
(247,454 31)	Trade & Expense Creditors	NIL
(617,433 67)	Directors' Loan	NIL
(181 07)	The Royal Bank of Scotland Plc	NIL
(36,725 26)	HM Revenue and Customs - PAYE &	NIL
		<u>NIL</u>
	DISTRIBUTIONS	
(2 00)	Ordinary Shareholders	NIL
		<u>NIL</u>
<u>(899,796 31)</u>		<u><u>3,467 27</u></u>
	REPRESENTED BY	
	Brown Shipley - Floating Account	3,467 27
		<u><u>3,467 27</u></u>

our ref
your ref
date
please reply to

FXK/MJA/AAD/SCC/A3400

23 May 2014
Amy Davies

**HARRIS
LIPMAN**

TO ALL MEMBERS AND CREDITORS

2 Mountview Court
310 Friern Barnet Lane
Whetstone London N20 0YZ
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DX 132890 Whetstone 2
e-mail mail@harris-lipman.co.uk
website www.harris-lipman.co.uk

Dear Sirs

A C FASHIONS LIMITED - IN LIQUIDATION

This is the Joint Liquidators' first annual progress report ("the report") for the year ended 24 March 2014

1. Statutory information

The company's registered name is A C Fashions Limited and it traded as a Wholesale of Clothing and Footwear company

The company was incorporated on 17 June 2004 under company number 05156319

The registered office of the company was formerly 54 Ormesby Way, Kenton, Harrow, Middlesex, HA3 9SF and was changed to 2 Mountview Court, 310 Friern Barnet Lane, Whetstone, London, N20 0YZ for the purposes of the Liquidation

Martin John Atkins FCA CTA FABRP and myself, of Harris Lipman LLP, 2 Mountview Court, 310 Friern Barnet Lane, Whetstone, London N20 0YZ were appointed Joint Liquidators of the above-named company by members and creditors on 25 March 2013

There have been no changes of Liquidator in the period to which this report relates

2 Joint Liquidators' progress during the period of this report

The Statement of Affairs provided by the directors detailed the company assets as stock estimated to realise nil, book debts of £2,000 and amounts owing by a related company estimated to realise nil

Administrative matters

I became aware that a significant bad debt had not been reclaimed by the company prior to Liquidation. I collated the relevant information and completed a return for submission to HM Revenue & Customs. A VAT bad debt relief refund of £54,661.58 has been received for the benefit of the Liquidation.

Please advise us as soon as possible if you are aware of any other assets of the company that have not been referred to above or previously.

Investigative matters

We undertook an initial investigation into the company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation.

The company's books and records have been recovered, listed and analysed, but no assets other than those listed above have been identified.

In accordance with my statutory duties, a conduct report on the directors has been submitted to the Insolvency Service pursuant to the Company Directors Disqualification Act 1986.

If you are aware of any matters which you believe require our investigation, please advise me accordingly, in writing, providing as much detail as possible with regard to those matters. Any such contact will, of course, be kept confidential.

General matters

In addition to the work undertaken to result in the asset realisations referred to above, throughout the period of my administration I have responded to the queries of creditors and noted creditor claims.

As appropriate, we have liaised with the employees, the Redundancy Payments office with regard to employee matters.

Specific tasks such as the agreement of creditor claims, VAT and tax issues, cashing and statutory returns have been allocated to team members who have specialist knowledge in the relevant areas.

Additionally, we have complied with obligations imposed by statute and our regulatory bodies which include, but are not limited to, the submission of returns to Companies House, HM Revenue and Customs and specific penalty bonding

3. Abstract of the Joint Liquidators' receipts and payments

I attach at Appendix 3 an abstract of our receipts and payments for the period of this report

Please note that all items detailed on the receipts and payments account are shown net of VAT as the company was registered for VAT and the VAT can therefore be recovered for the benefit of the insolvent estate

4. Assets which remain to be realised

Book debts of £2,000 have yet to be realised

5. Joint Liquidators' remuneration

At the first meeting of creditors held on 25 March 2013, the creditors authorised the payment of a fee of £8,000 plus VAT and disbursements for assistance with the statement of affairs and producing and circulating the notices for meetings of members and creditors prior to our appointment. This fee was partly paid from first realisations and is shown in the enclosed receipts and payments account

Our remuneration was fixed by reference to the time properly spent by ourselves and our staff in attending to matters arising in the Liquidation at a meeting of creditors on 25 March 2013

I attach at Appendix 1 a breakdown of the time costs between the grades of staff allocated to this case, which includes details of the current charge out rates of ourselves and our team who have been and will be dealing with the Liquidation

For creditor's information, the charge out value of time costs incurred during the period to which this report relates amounts to £40,893.91 made up of 167.40 hours at an average charge out rate of £244.29 per hour

This cost has primarily been incurred in the administration of the Liquidation, and investigating the causes of failure of the business

You will note from the attached breakdown of time costs that we have recovered £39,995 07 in respect of our time costs to date

A copy of "A Creditors' Guide to Liquidator's Fees", issued by the Association of Business Recovery Professionals, which sets out the basis of fixing the Liquidator's Remuneration, is available on our website at

<http://www.harris-lipman.co.uk/resources/r3-insolvency-guides/>

You should then choose the appropriate creditor guide for the type of appointment after 6 April 2010

Please let me know if you do not have access to the internet and would prefer a hard-copy of this guide

6. Joint Liquidators' expenses

The payments made from the estate during the period of this progress report are largely self-explanatory

The following agents or professional advisors have been utilised in this matter

Professional Advisor	Nature of Work	Fee Arrangement
Grace and Good Ltd	Debt collection	Fixed fee

The choice of professionals was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them. The fees charged have been reviewed and we are satisfied that they are reasonable in the circumstances of this case

Below is a table which details what disbursements have been incurred, paid and which remain outstanding in the Liquidation

Nature of Expense	Paid (£)	Remains Outstanding (£)	Total Paid by the Liquidation (£)
Debt Collection Costs	8,199 24	Nil	8,199 24

A statement with regard to our disbursements recovery policy is attached at Appendix 2

7. Return to creditors pursuant to Section 176A

The provisions of Section 176A of the Act require a calculation to be made of the prescribed part of the company's net property for distribution to unsecured creditors. The prescribed part must be calculated and provided for where debentures of the company have been created after 15th September 2003

In dealing with realisations under the prescribed part, we are entitled to take into account the claims of the preferential creditors and the costs and expenses associated in dealing with the prescribed part

The company's net property comprises floating charge realisations less preferential claims and the costs of dealing with the prescribed part

The prescribed part is calculated as 50% of the first £10,000 of floating charge realisations plus 20% of all other floating charge realisations, subject to a maximum prescribed part of £600,000

As there are no relevant floating charges, the provisions of Section 176A do not apply in this matter

8. Outcome for creditors

We have received a claim from the Redundancy Payments Service in respect of payments made to former employees of the company, in the sum of £962 16 preferential and £965 20 non-preferential

We have also received claims in respect of PAYE, NI, Corporation Tax and VAT totalling £38,376 74 to rank for dividend

Further creditor claims received to date total £371,357 04

A dividend to preferential creditors will be paid shortly

Unfortunately, there are currently insufficient funds to enable a dividend to be paid to unsecured creditors

9. Creditors' right to information

A creditor may make a request for further information regarding our remuneration and expenses. Any such request must be in writing and should be made within 21 days of receipt of this report. Where the request is made by an unsecured creditor, it must be supported by at least 5% in value of the unsecured creditors, or with the permission of the Court

If the information requested is either prejudicial to our conduct of this case, might lead to violence against any person, may be confidential or the costs of preparing the requested information would be excessive, we may not be obliged to provide it

Any unsecured creditor may make an application to the Court in respect of any information provided following such a request, or our failure to provide same, after 14 days of our receipt of that request

Additionally, creditors may make an application to Court to challenge the amount or basis of our remuneration and expenses, which must be supported by at least 10% in value of the creditors, including the applicant's claim. The application must be made within 8 weeks of receipt of this report. The costs of the application must also be paid by the creditors making the application

Further details with regard to these provisions form part of the guidance notes relating to fees referred to previously

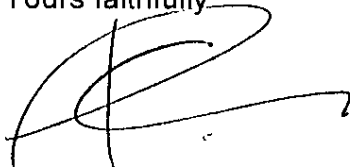
10. Next report

We are required to provide a further progress report within two months of the end of the next anniversary of the Liquidation

We regret that, in the present circumstances, We are unable to provide an indication as to when we expect to conclude the administration of this liquidation We hope to be able to give a better indication in our next report

Should you have any further queries in relation to the contents of this report, or with regard to other matters arising, please do not hesitate to contact us

Yours faithfully

A handwritten signature in black ink, appearing to be 'Freddy Khalastchi', written over a horizontal line.

Freddy Khalastchi FCA FABRP

Licensed as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

Joint Liquidator

A C Fashions Limited

APPENDIX I

TIME CHARGE OUT SUMMARY FOR THE PERIOD 25.03.14 to 24 03 14

Classification of work function	HOURS						Total Hours	Time Costs	Average Hourly Rate
	Partner	Senior Manager	Manager	Senior	Semi-Senior	Junior			
Admin and Planning	7 40	2 40	0 00	65 60	11 80	4 03	91 23	20,325 58	222 79
Investigations	9 50	3 30	20 70	2 70	0 30	0 00	36 50	11,636 00	318 79
Realisation of Assets	7 50	0 40	0 00	0 50	2 70	0 00	11 10	4,223 50	380 50
Creditors	0 60	1 20	0 00	8 20	17 10	0 00	27 10	4,542 50	167 62
Support	0 00	0 00	0 00	0 00	0 00	1 47	1 47	166 33	113 15
Total Hours	25 00	7 30	20 70	77 00	31 90	4 03	167 40		
Total Costs	11,876 50	2,264 00	5,485 50	16,176 00	4,498 50	427 08		40,893 91	
Total Fees claimed (£)	11,615 46	2,214 24	5,364 93	15,820 45	4,399 62	417 69		39,995 07	

CHARGE OUT RATE OF INSOLVENCY TEAM MEMBERS 2013

£ per hour

Partner	350-525
Senior Manager	310
Manager	265
Senior	210
Semi-Senior	160
Junior	105
Support Staff	50-100

CURRENT CHARGE OUT RATE OF INSOLVENCY TEAM MEMBERS

£ per hour

Partner	380-545
Senior Manager	320
Manager	275
Senior	220
Semi-Senior	165
Junior	110
Support Staff	52

Note 1

There may have been a number of promotions through the various grades during the period of the administration

Note 2

It is the policy of this firm to account for secretarial staff as an overhead cost Overhead costs are reflected in the charge out rates detailed

Note 3

The charge-out rate of the Insolvency Practitioners for this assignment is currently £490 per hour, and the administrator is £165 per hour

Note 4

Time is recorded in minimum units of 6 minutes

APPENDIX 2

DISBURSEMENTS RECOVERY POLICY

All disbursements are shown as net of VAT. As the company was registered for VAT purposes VAT can be recovered for the benefit of the insolvent estate.

Category 1 Disbursements

Specific expenditure relating to the administration of the insolvent estate and payable to an independent third party is recoverable without creditor approval. Such expenditure is made if funds are available from the insolvent estate. If funds are not available then payment is made from this firm's office account and reimbursed from the estate should funds become available.

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Typical items include legal fees, agents' fees, statutory advertising, insurance of assets, search fees, specific penalty bonding, telephone calls, postage, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 Disbursements

Expenditure incidental to the administration of the insolvent estate, which by its nature includes an element of shared or allocated cost, is recoverable with creditor approval.

Payments in respect of the above are defined as 'Category 2 Disbursements'. They are as follows:

- Storage at £40 per box per annum or part thereof plus VAT

- Destruction at £3.50 per box plus VAT,

being the current rates applicable.

Appendix 3
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(In Liquidation)
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