

**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

05571776

Name of Company

1st Serve Promotions Limited

/ We

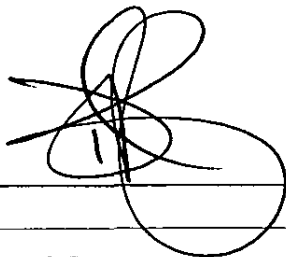
Gary John Corbett, The Old Bank, 187a Ashley Road, Hale, Cheshire, WA15 9SQ

Darren Terence Brookes, The Old Bank, 187a Ashley Road, Hale, Cheshire, WA15 9SQ

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 10/06/2014 to 09/06/2015

Signed



Date

1/7/15

Milner Boardman & Partners
The Old Bank
187a Ashley Road
Hale
Cheshire
WA15 9SQ

Ref 1S2203/GJC/DTB/AJ

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COMPANIES HOUSE

1st Serve Promotions Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs	From 10/06/2014 To 09/06/2015	From 10/06/2013 To 09/06/2015
ASSET REALISATIONS		
Stock	NIL	26,182 00
D Golding contribution	40,560 00	156,060 00
Overdrawn Director's loan - L McSorle	85,000 00	85,000 00
Bank Interest Gross	NIL	0 08
D Golding	(84,150 00)	(84,150 00)
	<u>41,410 00</u>	<u>183,092 08</u>
COST OF REALISATIONS		
Specific Bond	NIL	210 00
Reimburse Administrators re accounta	NIL	NIL
Reimburse Jnt Administrators pre appt	NIL	63,996 10
Reimburse Joint Administrators fees	NIL	20,000 00
Agents/Valuers Fees (1)	NIL	7,791 96
Legal Fees (1)	30,820 80	50,822 80
Irrecoverable VAT	NIL	6,300 61
Joint Liquidators' investigation fee	NIL	10,000 00
Statutory Advertising	NIL	196 20
	<u>(30,820 80)</u>	<u>(159,317 67)</u>
	<u>10,589.20</u>	<u>23,774.41</u>
REPRESENTED BY		
VAT Receivable		22,355 59
Freeths solicitors client account		850 00
Current Account		5,805 22
VAT Payable		(5,236 40)
		<u>23,774.41</u>

Gary John Corbett
Joint Liquidator



MILNER BOARDMAN
& PARTNERS
(Corporate Recovery)

1st SERVE PROMOTIONS LIMITED- IN LIQUIDATION

Joint Liquidators' Progress Report

Covering the Period
10 June 2014 to 9 June 2015

6 July 2015

Milner Boardman and Partners
The Old Bank
187A Ashley Road
Hale
Cheshire
WA15 9SQ

Our Ref DTB/AP/2203/24

(Joint) Liquidators'
Progress Report



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- 2 Milner Boardman and Partners' Time Analysis and Charge Out Rate Details
- 3 Creditor's Rights in Relation to Joint Liquidators' Remuneration

1. Statutory Information and Background

- 1 1 On 4 October 2012 Darren Brookes and Gary Corbett of Milner Boardman & Partners were appointed as Joint Administrators in The High Court of Justice, Manchester, the application being deemed by Rule 2 3(2) of the Insolvency Rules 1986 to have been made by the Company
- 1 2 On 10 June 2013 the Company exited Administration and was placed into Creditors Voluntary Liquidation appointing Darren Brookes and Gary Corbett as Joint Liquidators
- 1 3 The Liquidation is being handled by Milner Boardman & Partners, situated at The Old Bank, 187A Ashley Road, Hale, Cheshire, WA15 9SQ
- 1 4 The Company traded from the director's home address in Prestbury, Cheshire. However, the Company had previously operated from support offices in Hale, Cheshire. The former registered office of the Company was 16 Old Market Place, Altrincham, WA14 4DD
- 1 5 The registered office of the Company is c/o Milner Boardman & Partners, The Old Bank, 187A Ashley Road, Hale, Cheshire, WA15 9SQ and its registered number is 05571776
- 1 6 It is considered that the EC Regulation on Insolvency Proceedings applies to these proceedings, which are main proceedings as defined in Article 3 of the EC Regulations

2. Case Overview

- 2 1 The principal business activity of the Company was that of providing hospitality and promotion services. This included providing corporate entertainment packages and silent auction services
- 2 2 The Company was making trading losses, which the directors attributed to the Company seeking to establish itself and grow in its area of operations, however, the main reason for the failure of the Company was a disagreement concerning the operation and future of the business between the Company's investor and its directors. The disagreement caused the breakdown of a working relationship between the parties and the directors were excluded from the Hale premises. This made it very difficult for the Company to continue to trade normally, especially without access to stock held on the premises
- 2 3 On or around 11 July 2012, the investor demanded repayment of the monies invested in the business and, following non-repayment he issued a winding up petition against the Company dated 9 August 2012
- 2 4 The directors disputed that monies were due to the investor on the grounds that the funds invested were in return for shares in the Company and therefore sought to dismiss the petition. However, without the continued support of the investor, the directors were of the opinion that the Company would not be able to continue to trade and sought professional advice

3. Asset Realisation and Actions Since Last Report

3 1 **D Golding contribution** - As previously reported, Mr David Golding (the investor and a creditor of the Company) provided the necessary finances to cover the costs of the Administration's pre appointment costs, legal fees and some of the Joint Administrators' fees in this matter. Additionally, Mr Golding also provided the funds for an investigation to be carried out into certain matters relating to the operation of the Company which would be separate from the Joint Liquidators' confidential report submitted to the Insolvency Service. A total of £156,060 has been paid by Mr Golding, of which £40,560 has been received during the period of this report. An agreement was entered into between Mr Golding and the Joint Liquidators stating that Mr Golding shall be liable for all costs incurred in respect of bringing the action against the directors in respect of the directors' overdrawn loan account. In return, in the event that Company succeeds in the action, Mr Golding would be entitled to recover, as a first charge out of any proceeds recovered in cleared funds by the Company, such sum as represents 99% of any monies recovered, excluding any award made in respect of costs. Furthermore, following the action taken against the directors through the Courts, Mr Golding has been paid the sum of £84,150, which represents 99% of £85,000 recovered in respect of the overdrawn directors' loan account. Further information regarding the overdrawn directors' loan account is reported on below.

3 2 **Overdrawn Directors' loan account** - As previously reported, the Company's books and records contained details of monies paid to the directors, Mr Flanagan and Ms McSorley, and these are recorded as an overdrawn director's loan account. The Joint Liquidators have continued to pursue the debt following their appointment and have continued to liaise with all parties throughout the action taken against the directors. As a result of the non payment of the loan account, the Joint Liquidators received sanction from the creditors to commence Court proceedings against the directors.

I can report that, as a result of these proceedings, the director, Mr Ian Flanagan, declared himself bankrupt on 5 March 2015. A Tomlin Order dated 6 March 2015 was entered into with Ms McSorley which provided for her to pay the sum of £85,000 in full and final settlement of all claims the Company and/or the Joint Liquidators have against each other including but not limited to the overdrawn director's loan account claim. This amount was duly paid by Ms McSorley and, under the terms of the agreement with Mr Golding, the sum of £84,150 was paid to him accordingly.

As part of the Tomlin Order, it was agreed that both the Company's and the Joint Liquidator's costs of the action would be paid by Ms McSorley, to be assessed if not agreed. Having served a Bill of Costs on Ms McSorley's solicitors, it was subsequently agreed on 2 July 2015, that Ms McSorley would pay £20,000 towards the Company's and the Joint Liquidator's costs of the claim. This sum is to be paid by 14 July 2015.

It is for this reason that the Liquidation remains open and we will report on the outcome of this in our next report to creditors.

4 Receipts and Payments

- 4 1 A receipts and payments account for the year ended 10 June 2015 is enclosed with this report at appendix 1. The balance of funds is held in a non-interest bearing estate account, however, £850 is currently held in the client account of Freeths solicitors
- 4 2 Total receipts for the period are £125,560. Total receipts are therefore £267,242.08
- 4 3 Total payments for the period are £114,970.80. Total payments are £243,467.67 and relate to

Payment to D Golding	£84,150
Specific bond	£210
Reimburse Joint Administrators pre appointment costs	£63,996.10
Reimburse Joint Administrators fees	£20,000
Agent's/valuers fees	£7,791.96
Legal fees	£50,822.80
Irrecoverable VAT on legal fees	£6,300.61
Joint Liquidators' investigation fee	£10,000
Statutory advertising	£196.20

5. Investigation

- 5 1 As part of our duties as Joint Liquidators, we undertook enquiries into the Company's previous trading activities. The purpose of this aspect of the investigation was to ascertain the existence and whereabouts of any Company assets, whether disclosed on the director's sworn statement of affairs or not, taking into account public interest, potential recoveries, funds likely to be available to fund an investigation and the costs involved.
- 5 2 This investigation necessitated an examination of the books and records maintained by the Company, together with company correspondence either retained by the Company or provided to us subsequently by creditors.
- 5 3 We have also examined the conduct of the individuals concerned in the management of the Company and have, where necessary, interviewed the directors of the Company.
- 5 4 We have complied with our statutory duty under the Company Directors Disqualification Act 1986 by submitting an appropriate return to the Secretary of State.

6 Joint Liquidators' Remuneration

- 6 1 As previously advised, the Creditors Committee have approved the Joint Liquidators' fees in this case to date, however, the members of the Creditors Committee resigned their position on the Committee in April 2014 as there were insufficient members to continue with the Committee. Should there be any funds available for the Joint Liquidators to draw further fees in this case, the Joint Liquidators will seek creditor approval accordingly.

- 6.2 The policy of Milner Boardman & Partners is to charge the time, directly to each case, of all staff with the exception of secretarial staff. The attached summary is intended to provide a breakdown of time costs incurred to date. Please note that Milner Boardman & Partners record time in 6 minute units.
- 6.3 As you can see from the attached summary at appendix 2, the time costs to date are £72,485 which represents 324.20 hours at an average rate of £223.58 per hour. As is shown on the attached receipts and payments account, no Liquidators' fees have been drawn to date. £20,037 which represents 82.60 hours at an average rate of £242.58 per hour has been charged during this period. Please note that the charge-out rates of Milner Boardman & Partners changed on 1 April 2015. A copy of Milner Boardman & Partners' charge-out rates up to 31 March 2015 and the new rates from 1 April 2015 are attached at appendix 2. Please be advised that the two changes to the charge out rate relate to the introduction of a 'Senior Manager' rate and the consolidation of all 'Partner' time to the same rate of £370 per hour.
- 6.4 Attached at appendix 3 are details of creditor's rights in relation to the Liquidator's remuneration. A copy of "A Creditors' Guide to Liquidators' Fees" is available from www.insolvency-practitioners.org.uk by clicking on "Regulation and Guidance" and then "Creditors Guides" and then clicking on "Liquidators' Fees November 2011" or alternatively a hard copy may be requested from this office.
- 6.5 The main areas where time costs have been incurred are 'Administration and Planning', 'Investigations', 'Realisation of Assets' and 'Creditors'. These are discussed in more detail below.
- 6.6 Administration and Planning**
- 6.6.1 A total of £4,976 has been spent on administration and planning, of which £1,118 has been incurred during the period of this report, which includes complying with statutory duties, reporting to creditors, cashing and general administrative work including preparing documentation, file review and dealing with correspondence.
- 6.7 Investigations**
- 6.7.1 A total of £31,463.50 has been spent on dealing with investigations into the directors' conduct and Company assets, of which £1,075 has been incurred during the period of this report, which includes sourcing information for the solicitors to support the Court proceeding in pursuit of the directors' loan accounts.
- 6.8 Realisation of Assets**
- 6.8.1 A total of £31,494 has been spent on dealing with realisation of assets, of which £15,912.50 has been incurred during the period of this report, which relates to the pursuit of the directors' loan accounts and includes liaising and corresponding with solicitors and creditors regarding the Court action against the directors. This has also

included collating and providing information to support the Court application and holding meetings with all parties to progress the matter

6.9 Creditors

- 6.9.1 A total of £4,551.50 has been spent on dealing with creditors, of which £1,931.50 has been incurred during the period of this report. Work carried out in this period relates to creditor enquiries, providing updates to creditors regarding the Court action and maintaining creditor information on IPS case management software.

7 Joint Liquidators' Disbursements

- 7.1 With regard to disbursements, specific expenditure relating to the administration of the insolvent's estate and payable to an independent third party is recoverable without creditor approval. Payments made in respect of the above are defined as "Category 1 disbursements". Category 1 disbursements incurred in this case total £68,307.11 since appointment, of which £33,806.34 has been incurred in the period since 11 June 2014.

- 7.2 We have drawn £65,321.57 to date, of which £30,820.80 has been drawn during this period since 11 June 2014.

7.3

Type of expense	Amount incurred in reporting period (£)	Amount drawn in reporting period (£)
Legal fees	£32,545.20	£30,820.80
Legal disbursements	£1,260.54	0

- 7.4 Also attached at appendix 3 are details of creditors' rights in relation to the Liquidators' remuneration and also to request information on the Liquidators' remuneration and expenses.

- 7.5 Expenditure incidental to the administration of the insolvent's estate, which by its nature includes an element of shared or allocated costs, are recoverable with creditors' approval. Payments in respect of this type of expense are referred to as "Category 2 disbursements". Category 2 disbursements require creditor authorisation before they can be drawn. Category 2 disbursements include staff mileage costs. Milner Boardman & Partners have not charged Category 2 disbursements.

- 7.6 All disbursements are shown net of VAT and as the Company was registered for VAT purposes, VAT totalling £22,355.59 is recoverable for the benefit of the insolvent's estate and £5,236.40 is payable in respect of VAT due on the sale of the stock.

7.7 We have used the following agents or professional advisors in this reporting period

Agent/Professional Advisor	Nature of work	Basis of fees
Freeths Solicitors	Solicitor	Time costs
DLA	Solicitor	Fixed fee

7.8 The professional advisers were selected on a basis of our perception of their experience and ability to perform this type of work and nature and complexity of the assignment and the basis of our fee arrangement with them. The fees charged have been reviewed and we are satisfied they are reasonable in the circumstances.

7.9 Freeths Solicitors were instructed to pursue the directors for repayment of their overdrawn loan accounts. Following the non payment of the amounts outstanding, they were further instructed to bring an action against the directors through the Court. This has involved holding a number of meetings, dealing with correspondence, preparation of the application to Court including producing witness statements and attendance at the hearing. As detailed above, this has resulted in a repayment from one of the directors in the sum of £85,000.

8. Creditors

8.1 Secured Claims

8.1.1 According to Companies House, there were no secured creditors in this case.

8.2 Prescribed Part

8.2.1 Under Section 176A of the Insolvency Act 1986, where after 15th September 2003 a company has granted to a creditor a floating charge, a proportion of the net property realised must be made available exclusively for the unsecured creditors.

8.2.2 In this case, the provision will not apply as there are no relevant charges registered.

8.3 Preferential Creditors

8.3.1 No preferential creditor claims are expected in this case.

8.4 Unsecured Creditors

8.4.1 The statement of affairs included an amount of £106,000 owed to HMRC in respect of corporation tax and VAT. A claim totalling £6,000 has been received in respect of PAYE/NIC and it has been confirmed that there is no liability in respect of VAT. No claim has been received in respect of corporation tax to date.

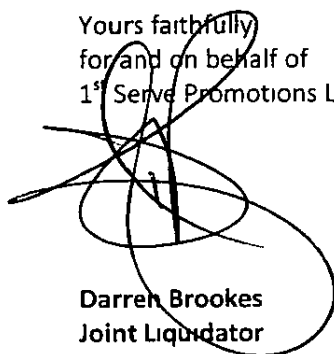
8.4.3 The statement of affairs included creditors totalling £155,000. Claims received to date total £237,029. Based on present information, it is unlikely that there will be any funds to distribute to unsecured creditors in this matter.

9. Conclusion

- 9.1 This concludes the Joint Liquidators' progress report for the year ended 10 June 2015. The Liquidation will remain open until the agreed costs have been received from the director. Once this matter has been resolved, the Liquidation will be finalised and the files closed. If the Liquidation has not been finalised, the next report is due within 2 months of the next year's anniversary, i.e. before 9 August 2016.

Should you require further information please contact this office on 0161 927 7788

Yours faithfully
for and on behalf of
1st Serve Promotions Limited



Darren Brookes
Joint Liquidator



MILNER BOARDMAN
& PARTNERS
Corporate Recovery

Appendix 1

Receipts and Payments Account

**1st Serve Promotions Limited
(In Liquidation)**

Summary of Receipts & Payments

RECEIPTS	Statement of Affairs (£)	From 10/06/2013 To 09/06/2014 (£)	From 10/06/2014 To 09/06/2015 (£)	Total (£)
Stock		26,182 00	0 00	26,182 00
D Golding contribution		115,500 00	40,560 00	156,060 00
Overdrawn Director's loan - L McSorley		0 00	85,000 00	85,000 00
Bank Interest Gross		0 08	0 00	0 08
		141,682 08	125,560 00	267,242 08

PAYMENTS

D Golding		0 00	84,150 00	84,150 00
Specific Bond		210 00	0 00	210 00
Reimburse Jnt Administrators pre appt co		63,996 10	0 00	63,996 10
Reimburse Joint Administrators fees		20,000 00	0 00	20,000 00
Agents/Valuers Fees (1)		7,791 96	0 00	7,791 96
Legal Fees (1)		20,002 00	30,820 80	50,822 80
Irrecoverable VAT		6,300 61	0 00	6,300 61
Joint Liquidators' investigation fee		10,000 00	0 00	10,000 00
Statutory Advertising		196 20	0 00	196 20
		128,496 87	114,970 80	243,467 67

Net Receipts/(Payments)		13,185 21	10,589 20	23,774 41
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MADE UP AS FOLLOWS

VAT Receivable		16,250 03	6,105 56	22,355 59
Freeths solicitors client account		0 00	850 00	850 00
Current Account		2,171.58	3,633 64	5,805 22
VAT Payable		(5,236 40)	0 00	(5,236 40)
		13,185.21	10,589 20	23,774 41



MILNER BOARDMAN
& PARTNERS
Corporate Recovery

Appendix 2

Milner Boardman & Partners' Time Analysis and Charge Out Rate Details

Milner Boardman & Partners**TIME & CHARGEOUT SUMMARIES**

1st Serve Promotions Limited CVL

From 10 Jun 2014 to 9 Jun 2015

HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	0 00	5 20	0 00	0 00	5 20	1,118 00	215 00
Investigations	0 00	5 00	0 00	0 00	5 00	1,075 00	215 00
Realisation of Assets	26 80	35 60	0 00	1 50	63 90	15,912 50	249 02
Creditors	1 30	7 20	0 00	0 00	8 50	1,931 50	227 24
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	8,379 50	11,395 00	0 00	262 50		20,037 00	
Total Hours	28 10	53 00	0 00	1 50	82 60		
Average Rate	298 20	215 00	0 00	175 00			

Milner Boardman & Partners**TIME & CHARGEOUT SUMMARIES**

1st Serve Promotions Limited CVL

To 9 Jun 2015

HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	0 00	15 90	0 00	8 90	24 80	4,976 00	200 65
Investigations	17 40	109 70	0 00	15 00	142 10	31,463 50	221 42
Realisation of Assets	26 80	106 20	0 00	3 80	136 80	31,494 00	230 22
Creditors	1 80	18 70	0 00	0 00	20 50	4,551 50	222 02
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	13,780 00	53,857 50	0 00	4,847 50		72,485 00	
Total Hours	46 00	250 50	0 00	27 70	324 20		
Average Rate	299 57	215 00	0 00	175 00			

1 April 2015

MILNER BOARDMAN & PARTNERS CURRENT CHARGE OUT RATES

PARTNER	£370
SENIOR MANAGER	£255
MANAGER	£215
SENIOR ADMINISTRATOR/ASSISTANT/SUPPORT	£175

1 November 2008

MILNER BOARDMAN & PARTNERS CURRENT CHARGE OUT RATES

PARTNER	From £295 to £370
MANAGER	£215
SENIOR ADMINISTRATOR/ASSISTANT/SUPPORT	£175

Basis of Charging Disbursements and Expenses

Certain costs may be incurred in relation to a case and in the first instance, paid by Milner Boardman and Partners and then recharged to the case. The amount recharged is the exact amount incurred. Examples are statutory bond, statutory advertising, land registry searches, insurance, travel and substances, archiving and storage costs.



MILNER BOARDMAN
& PARTNERS
Corporate Recovery

Appendix 3

Creditors' Rights in relation to Liquidator's Remuneration

Milner Boardman & Partners – Information Sheet for Creditors

What if a creditor is dissatisfied with liquidation remuneration?

If a creditor believes that the liquidator(s) remuneration is too high, the basis is inappropriate, or the expenses incurred by the liquidator(s) are in all the circumstances excessive he may, provided certain conditions are met, apply to the court

Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the liquidator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the liquidator a copy of the application and supporting evidence at least 14 days before the hearing.

If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not as an expense of the liquidation.

Creditor's rights to information on the liquidator's remuneration and expenses

Within 21 days of receipt of a progress report (or 7 business days where the report has been prepared for the purpose of a meeting to receive the office holder's resignation) a creditor, or in the case of an MVL a member, may request the office holder to provide further information about the remuneration and expenses set out in the report. A request must be in the writing, and may be made by

- A secured creditor, or
- An unsecured creditor with the concurrence of at least 5% in value of the creditors (including that creditor) of the permission of the court,
- In the case of an MVL, by members of the company with at least 5 % of the total voting rights of the all members having the right to vote at general meetings, or
- With the permission of the court –
 - Any unsecured creditor ,
 - In the case of an MVL, any member

The office holder must provide the requested information within 14 days, unless he considers that

- The time or cost involved in preparing the information would be excessive, or
- Disclosure would be prejudicial to the conduct of the proceedings or might be expected to lead to violence against any person, or
- The office holder is subject of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information

Any creditor may apply to the court within 21 days of the office holder's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information

If any creditors have any queries, please contact 0161 927 7788