

**The Insolvency Act 1986*****Liquidator's Progress Report*****S. 192****Pursuant to section 192 of the  
Insolvency Act 1986****To the Registrar of Companies**

For official use

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Company Number

05886777

Name of Company

(a)  
Insert full name of  
company

(a) A L SMITH DECORATORS LIMITED

Limited

(b)  
Insert full name(s)  
and address(es)

I  
Alex Kachani of Crawfords Accountants LLP, Stanton House, 41 Blackfriars Road,  
Salford, Manchester, M3 7DB

the liquidator of the company attach a copy of my Progress Report under section 192 of  
the Insolvency Act 1986 (as amended)

**Signed****Date 25 April 2013**Presenter's name,  
address and  
reference (if any)

Crawfords Accountants LLP  
Stanton House  
41 Blackfriars Road  
Salford  
Manchester  
M3 7DB

Ref C281/5/AK

For Official Use

Liquidator

TUESDAY



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30/04/2013

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COMPANIES HOUSE

**A L SMITH DECORATORS LIMITED  
IN CREDITORS' VOLUNTARY LIQUIDATION**

**LIQUIDATOR'S ANNUAL PROGRESS REPORT**

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**25 April 2013**

## **1. INTRODUCTION**

The purpose of this report is to detail my acts and dealing as Liquidator and it should be read in conjunction with my previous correspondence to creditors

## **2. BACKGROUND**

The members' and creditors' meetings were held on 1 April 2011, when I was appointed Liquidator of the company

The company's current registered office is at Stanton House, 41 Blackfriars Road, Salford, Manchester, M3 7DB

The company's former registered office was at 1 Winkley Court, Chapel Street, Preston PR1 8BU

The company's former trading address was at 1 Cartmell Avenue, Larkholme, Fleetwood, Lancashire, FY7 8NF

The company's principal activity was painting and glazing

The main causes of failure were due to the insolvency of a major customer coupled with slow payments from other customers, which placed significant cash flow pressure on the company. It became clear that the Company was unable to meet its liabilities as and when they fell due

## **3. ASSET REALISATIONS**

According to the Directors' Statement of Affairs verified by a Statement of Truth lodged in these proceedings, the assets of the company had an estimated value of £3,100, which comprised principally of the following assets -

### Motor Vehicles

As per the Statement of Affairs, the only assets of any realisable value held by the company at the date of liquidation were five motor vehicles, which were independently valued by JPS Chartered Surveyors via a desktop appraisal on a market value basis in the total sum of £3,100. These vehicles were subsequently sold for the sum of £3,000, to The Decorating Shop Limited, a company connected by common director, Ashley Smith.

### Plant, Machinery & Equipment

The company's other assets comprised plant, machinery and equipment but these were not anticipated to be realisable and can confirm that these were abandoned at the company's premises

The company held no other assets or any realisable value at the date of liquidation

### Deposit for Costs

A deposit for costs in the sum of £3,000 has been received in the liquidation from the director, Ashley Smith

## **4. INVESTIGATION**

The appropriate investigation into the company's affairs has been conducted and the relevant form submitted to the Department for Business, Innovation and Skills in accordance with the Company Directors Disqualification Act 1986. The contents of this report are confidential

The Department for Business, Innovation and Skills have recently confirmed that the director, Ashley Smith, has provided an undertaking not to act as a director of for 3 years and 6 months from the date of 26 March 2013

I am continuing my investigation into the affairs of the company but it is uncertain at this stage if this will result in any realisations into the estate I will report to creditors further once I have concluded my investigation in this matter

In accordance with Statement of Insolvency Practice 13, I can confirm that the company's assets were sold to The Decorating Shop Limited for £3,000 A desktop valuation of these vehicles confirmed that the sale was transacted at arm's length and not deemed to be a transaction at an undervalue

## **5. CREDITORS' CLAIMS**

The creditors, as per the statement of affairs totalled £182,263 Please be advised that there are insufficient realisations available to distribute to any class of creditor in this matter

## **6. DIVIDEND PROSPECTS**

Section 176A of the Insolvency Act 1986 (as amended) requires the Liquidator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the company gave a "qualifying floating charge" over its assets to a lender on or after 15 September 2003 This is known as the "prescribed part of the net property." A company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge

A Liquidator has to set aside -

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000

There is no qualifying floating charge in this case so the prescribed part provisions do not apply

Based on the present information available and assuming there is no further recovery in the liquidation, I can confirm that no distribution will be made to any class of creditor in accordance with Rule 4.186 and Rule 11.7 of the Insolvency Rules 1986, as there are insufficient funds to enable a distribution to creditors

## **7. COSTS AND EXPENSES**

The payments shown on the summary of the attached receipts and payments account are in the main self-explanatory

A resolution was passed at the meeting of creditors on 1 April 2011 fixing the Statement of Affairs fee in the sum of £4,000 plus VAT and fixing the Liquidator's remuneration in accordance with the time spent and authorising payments on account I have not drawn my Statement of Affairs fee to date in accordance with that resolution

### **Summary of Costs**

The total time spent on this case amounts to 25.70 hours reflected in a total time cost of £4,339 exclusive of VAT equating to an average hourly rate of £ 169 No fees have been drawn to date in accordance with that resolution

Crawfords rate of hourly charges are Partner £295, manager £185, assistant £115, cashier £95, junior assistant £80 exclusive of VAT

In common with all professional firms, charge out rates may increase from time to time over the period of the liquidation

A summary of time spent in accordance with Statement of Insolvency Practice No 9 (SIP 9) is attached

### **Disbursements**

Crawfords disbursement policy is as follows

### Category 1 Disbursements

- Category 1 expenses are expenses directly attributable to the insolvent case. These include insolvency bonds, advertising, company searches, post redirection orders, postages and travelling and accommodation costs incurred by staff whilst attending to the administration of the insolvent estate
- Postage will be charged at the first class postage rate prevailing
- The list as stated above is not exhaustive and any other external supplies and services, specifically identifiable to the case will also be recovered as a category 1 disbursement at cost

### Category 2 Disbursements

- Category 2 expenses are additional overheads that relate to the insolvent estate but are not directly attributable to it
- These expenses include, inter alia, stationery, photocopying, storage costs and travel which will be charged at up to 50p per mile.
- Crawfords Accountants LLP does not seek to recover Category 2 disbursements except for travel and business mileage directly attributable to the case

Within 21 days from receipt of this report creditors may request further information about the remuneration and expenses. The request must be made in writing and made either by a secured creditor or an unsecured creditor or creditors that total at least 5% in value of unsecured creditors or with the permission of the Court. Other than in specific circumstances, which if applicable I would explain, I will provide this within 14 days.

A copy of the creditors' guide to Liquidator's fees, Crawfords' disbursements policy, creditors' and members' rights to request further information, are available to download from <http://www.crawfordsinsolvency.co.uk/>. Alternatively you may request a copy from this office free of charge by post or e-mail.

### **Other professional Costs**

As sanctioned at the initial meeting of creditors, solicitors and agents of my choice may be appointed at my discretion. Agents and debt collectors have been paid on a combination of time spent and level of realisations, where appropriate.

I have engaged the services of the following firms -

JPS Chartered Surveyors- Agent and Valuer – Nominal fee plus disbursements

Having reviewed their charges, I am satisfied that the level of fees incurred is reasonable

### **8. Conclusion**

The following matters remain outstanding -

- Continuing investigation into the affairs of the company
- Finalising administrative matters

For and on behalf of  
A L Smith Decorators Limited



Alex Kachani  
Liquidator

**A L Smith Decorators Limited - In Creditors Voluntary Liquidation**  
**Liquidator's Abstract of Receipts & Payments**

**From 01 April 2012 To 31 March 2013**

<b>S of A £</b>		<b>From 01/04/12</b>	<b>From 01/04/11</b>
		<b>To 31/03/13</b>	<b>To 31/03/13</b>
<b>ASSET REALISATIONS</b>			
NIL	Plant & Machinery	NIL	NIL
3,100 00	Motor Vehicles	NIL	3,000 00
NIL	Bank Interest Gross	0 03	0 06
NIL	Equipment	NIL	NIL
NIL	Deposit for Costs	NIL	3,000 00
		0 03	6,000 06
<b>COST OF REALISATIONS</b>			
	Specific Bond	NIL	(30 00)
	Agents/Valuers Fees	NIL	(350 00)
	Statutory Advertising	NIL	(180 00)
	Case Management Fee	NIL	(110 00)
		NIL	(670 00)
<b>UNSECURED CREDITORS</b>			
(182,262 82)	Trade Creditor	NIL	NIL
		NIL	NIL
		<b>0.03</b>	<b>5,330.06</b>
<b>REPRESENTED BY</b>			
	VAT Recoverable		70 00
	Bank Balance		5,260 06
			<b>5,330.06</b>

**A L SMITH DECORATORS LIMITED - IN LIQUIDATION****LIQUIDATOR'S TIME AND CHARGEOUT SUMMARY**

Classification of Work Function	Partner	Manager	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	0 20	6 30	2 50	9 00	1,445 50	161
Investigations	1 30	9 10	-	10 40	2,067 00	199
Realisation of Assets	-	-	0 70	0 70	66 50	95
Creditors	0 60	-	1 20	1 80	399 00	222
Trading	-	-	-	-	-	-
Bank	-	-	2 60	2 60	247 00	95
Tax	-	-	1 20	1 20	114 00	95
	2 10	15 40	8 20	25 70	4,339 00	169

Current Individual Hourly Charge Out Rate £	295 00	185 00	115 00
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