

**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

05965661

Name of Company

Abbey Hey Developments Limited

I / ~~We~~

Michael Durkan, 17 Berkeley Mews, 29 High Street, Cheltenham, GL50 1DY

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 30/09/2015 to 29/09/2016

Signed



Date

28/11/16

Durkan Cahill  
17 Berkeley Mews  
29 High Street  
Cheltenham  
GL50 1DY

Ref ABBEY01/MPD/RS

WEDNESDAY

A16  
30/11/2016  
COMPANIES HOUSE  
#71

**Abbey Hey Developments Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**

<b>Statement of Affairs</b>		<b>From 30/09/2015 To 29/09/2016</b>
	<b>ASSET REALISATIONS</b>	
1,880,615 00	Freehold Land & Property	NIL
308,791 00	Cash at Bank	308,791 00
	Bank Interest Net of Tax	3 09
		<u>308,794 09</u>
	<b>COST OF REALISATIONS</b>	
	Specific Bond	1,550 00
	Liquidator's Fees	3,000 00
	Statutory Advertising	136 40
	Bank Charges	16 00
		<u>(4,702 40)</u>
	<b>UNSECURED CREDITORS</b>	
	HM Revenue & Customs - CT	2,390 80
		<u>(2,390 80)</u>
	<b>DISTRIBUTIONS</b>	
	Ordinary Shareholders	301,000 00
		<u>(301,000 00)</u>
<u>2,189,406.00</u>		<u><u>700.89</u></u>
	<b>REPRESENTED BY</b>	
	Bank 1 Current A/c	700 89
		<u><u>700.89</u></u>



Michael Durkan  
Liquidator

**Abbey Hey Developments Limited In Members' Voluntary Liquidation**

**1<sup>st</sup> Annual Progress Report**

**28 November 2016**

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## **1. INTRODUCTION**

- 1 1 I write further to my appointment as Liquidator at a meeting of members held on 30 September 2015
- 1 2 The purpose of this report is to detail my acts and dealings together with the conduct of the liquidation since that meeting

## **2. ASSET REALISATIONS**

### **Freehold Land & Property**

- 2 1 According to the director's Declaration of Solvency the company owned a commercial property at 95 High Street, Worcester, which was valued at £1,880,615 and was effectively unencumbered, with the only charge registered against it being that which was in favour of BW SIPP Trustees Limited. The loan relating to the charge was converted into shares prior to liquidation
- 2 2 Following my appointment I instructed solicitors, Harrison Clark Rickerbys Limited ('HCR') to transfer the property to the shareholder by way of a distribution in specie. The transfer took place on 12 October 2015 and the application was completed by Land Registry on 8 February 2016
- 2.3 As part of the conveyancing the charge registered in favour of BW SIPP Trustees Limited was to be lifted. I await confirmation from HCR that the charges have been removed

### **Cash at Bank**

- 2 4 According to the director's Declaration of Solvency, company funds totalling £308,791.00 were held in a client account. This sum was paid to this firm's client account pending my appointment as Liquidator and the funds were duly transferred to the liquidation account in full following my appointment

### **Miscellaneous Receipts**

- 2 5 The balance of funds is held in an interest bearing estate bank account. Bank interest of £3.09 (net of tax) has been received to date on funds held in the liquidation account

My Receipts & Payments Account is attached at Appendix 1

## **3. CREDITORS' CLAIMS**

### **Secured Creditors**

- 3 1 According to the company's Mortgage Index there were registered charges outstanding in favour of Norwich Union Legal Mortgage Finance Ltd ('Aviva'), which were stated to have been settled when the company was bought by the SIPP, albeit the relevant discharge documents had not been filed at Companies House
- 3 2 The legal charge subsequently created in favour of BW SIPP Trustees Ltd on 17 April 2008 was secured against the commercial property, and as stated above has been dealt with as part of the property transfer

### **Preferential Creditors**

- 3 3 There are no preferential creditors in this matter

### **Unsecured Creditors**

- 3 4 There were no unsecured creditors according to the Declaration of Solvency
- 3 5 Following my appointment a total of £2,390 80 has been paid to HM Revenue & Customs ('HMRC') in respect Corporation Tax for the final pre-liquidation period as well as a £100 penalty for the company's late submission of the 2014 return
- 3 6 Furthermore, following the distribution of the freehold property and an enquiry from HMRC I have been notified that there should have been an Option to Tax on the property. Due to the company's de-registration for VAT, HMRC have raised an assessment against the company in the sum of £333,333 plus interest and late payment penalties which are yet to be determined. This amount will need to be settled in the liquidation and it is expected that this liability will be met from the same amount of VAT that is in the process of being reclaimed from HMRC by the purchaser

## **4. RETURN TO SHAREHOLDER**

- 4 1 The following distributions have been made to the member:

Date	Amount distributed	Rate of distribution per share
12 October 2015	£301,000	£27,636 64 per share
12 October 2015	£1,880,615 (in specie)	£170,965 00 per share

Any surplus funds available following settlement of the tax liability will be distributed to the shareholder

## **5. COSTS AND EXPENSES**

Details of payments are shown on the receipts and payments account at Appendix 1

- 5 1 In accordance with Statement of Insolvency Practice 9 the Liquidator must disclose the time spent and charge out value, together with, where appropriate, such additional information sufficient to provide an explanation of the time spent and fees drawn
- 5 2 A schedule of my firm's disbursement recovery policy and list of typical charge out rates for each level of staff employed in the administration of this matter is attached at Appendix 2
- 5 3 In accordance with the written resolutions received on 30 September 2015 it was resolved that the Liquidator's remuneration is agreed to be paid in the sum of £3,000 plus VAT together with authorisation to re-charge category 2 disbursements. My remuneration of £3,000 plus VAT has been drawn in full
- 5 4 No expenses have been incurred to date
- 5 5 I have used the following agents or professional advisors in the reporting period

Professional Advisor	Nature of Work	Fee Arrangement
Harrison Clark Rickerbys Limited	Solicitors	N/A

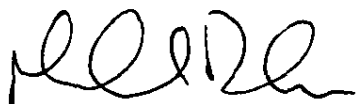
The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my

fee arrangement with them

- 5 6 A member may, with the permission of the court or with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report
- 5 7 A member may, with the permission of the court or with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report

## 6. CONCLUSION

- 6 1 I shall be continuing my administration of the liquidation in order to resolve the issue of the VAT liability
- 6 2 When I have concluded all of the outstanding matters I will take steps to draw the liquidation to a close and a further report will be issued to you at that time
- 6 3 I shall be pleased to provide any additional information that you may reasonably require in the meantime
- 6 4 At Durkan Cahill we always strive to provide a professional and efficient service, however we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. If you should have cause to complain about the way that we are acting, you should, in the first instance, put details of your complaint in writing to Michael Durkan. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint expediently.
- 6 5 Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at [www.gov.uk/complain-about-insolvency-practitioner](http://www.gov.uk/complain-about-insolvency-practitioner), or you can email [insolvency.enquiryline@insolvency.gsi.gov.uk](mailto:insolvency.enquiryline@insolvency.gsi.gov.uk), or you may phone 0300 678 0015 - calls are charged at up to 9p per minute from a land line, or for mobiles, between 8p and 40p per minute if you're calling from the UK.



Michael Durkan  
Liquidator

**APPENDIX 1**

**Liquidators' Receipts and Payments Account**

**Abbey Hey Developments Limited**  
**(In Liquidation)**  
**Liquidator's Summary of Receipts & Payments**

Declaration of Solvency £		From 30/09/2015 To 29/09/2016 £	From 30/09/2015 To 29/09/2016 £
	<b>ASSET REALISATIONS</b>		
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	<b>REPRESENTED BY</b>		
	Bank 1 Current A/c		700 89
			<u>700.89</u>



Michael Durkan  
Liquidator



**APPENDIX 2**

**Disbursement Recovery Policy**

## PRACTICE FEE RECOVERY POLICY FOR DURKAN CAHILL

### Introduction

The insolvency legislation was changed in April 2010 for insolvency appointments commenced from that time in order to allow more flexibility on how an office holder's fees are charged to a case. This sheet explains how we may apply the alternative fee bases. The legislation now allows different fee bases to be used for different tasks within the same appointment. The basis or combination of bases set for a particular appointment are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court. Further details about how an office holder's fees are approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at [http://www.durkancahill.com/index.php/free\\_information](http://www.durkancahill.com/index.php/free_information). The guides also contain information relating to the rights of creditors. Alternatively a hard copy may be requested from Durkan Cahill, 17 Berkeley Mews, 29 High Street, Cheltenham, GL50 1DY.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn and time costs incurred and will also enable the recipients to see the average rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under the old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

### Time cost basis

This is the basis that we use in the majority of cases and we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

### Chargeout Rates

Grade of staff	Current charge-out rate per hour, effective from 1 July 2008 £
Partner – appointment taker	300
Senior Manager/Director	240
Manager	180
Senior Administrator	150
Case Administrator	120
Cashier	120/150
Support Staff	120

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Each unit of time is 6 minutes. The work is recorded under the following categories:

- Administration and Planning – which includes work such as planning how the case will be administered and progressed, the administrative set up of the case, notifying creditors and others of the appointment, keeping the records relating to the case up to date, and reporting on progress of the case to creditors and others.
- Investigations – which includes work such as undertaking an initial review of the financial affairs of the Company or debtor, undertaking a detailed investigation with a view to making recoveries for the benefit of creditors where matters such as preferences or wrongful trading come to light as a result of the initial review, and reporting to the Insolvency Service on the conduct of the Directors.
- Realisation of Assets – which includes work such as identifying, securing and insuring assets, dealing with retention of title claims, collecting debts owed, and selling assets.
- Employee matters – which includes work such as dealing with employees, and liaising with the redundancy payments office.

- Creditors - which includes work such as communicating with creditors, dealing with creditors' claims, and where funds realised allow, paying dividends to creditors
- Trading – which includes work such as managing and controlling all aspects of the business, and preparing financial records and information relating to that trading

### Percentage basis

The legislation now allows fees to be charged on a percentage of the value of the property with which the office holder has to deal. Different percentages can be used for different assets or types of assets. Where we would like to realise any asset or type of assets on a percentage basis we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

### Fixed fee

The legislation now allows fees to be charged at a set amount. Different set amounts can be used for different tasks. Where we would like to charge a set amount for a task or different set amounts for different tasks we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

### All bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

### Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

### Disbursements

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Durkan Cahill, in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements are recovered

Room Hire	£70
Mileage	45p per mile
Storage	£5 per box per annum
Photocopying	15p per sheet
Stationery Charge	£20 per assignment
Facsimile	£1 per page