

Liquidator's Progress Report

S.192

Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986

To the Registrar of Companies

Company Number

06242386

Name of Company

LONDON COMMODITY MARKETS LIMITED

We Simon Harris, Mark Supperstone and Cameron Gunn of ReSolve Partners Limited, One America Square, Crosswall, London, EC3N 2LB the liquidators of the company attach a copy of our Progress Report under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 22 May 2015 to 21 May 2016

Signed



Date 19/07/16

Presenter's name,
address and reference
(if any)

Simon Harris
ReSolve Partners Limited
One America Square
Crosswall
London
EC3N 2LB

THURSDAY



A5BP4LJ7

A10

21/07/2016

#177

COMPANIES HOUSE

London Commodity Markets Limited

In Creditors' Voluntary Liquidation

**Liquidators' Annual Progress Report to Members and Creditors
For the period 22 May 2015 to 21 May 2016**

CONTENTS

- 1 Introduction
- 2 Background
- 3 Liquidators' actions since appointment
- 4 Receipts and payments account
- 5 Assets and future realisations
- 6 Outcome to creditors
- 7 Investigations
- 8 Remuneration
- 9 Liquidators' expenses
- 10 Further information

APPENDICES

- I Statutory information
- II Receipts and payments account
- III Former Liquidator's time cost summary
- IV Replacement Liquidators' charge out rates, fee estimate, disbursement policy and narrative

1 INTRODUCTION

I refer to the appointment of Cameron Gunn, Mark Supperstone and I as replacement Joint Liquidators of London Commodity Markets Limited (the Company) on 22 May 2014, following an application to Court by the Institute of Chartered Accountants in England and Wales (ICAEW). The former Liquidator, Duncan Morris of Redfern Partnership, was removed from office effective 22 May 2014. I can confirm that Mr Gunn, Mr Supperstone and I are licenced to act as Insolvency Practitioners in the United Kingdom by the ICAEW.

I write to members and creditors of the Company to provide a progress report on the liquidation of the Company. This report covers the period from 22 May 2015 to 21 May 2016 and should be read in conjunction with my previous report circulated to creditors on 20 July 2015 and the director's report and Statement of Affairs circulated to creditors by Mr Morris on 14 May 2013.

As Mr Morris has not made himself available to assist with any handover, my staff attended Mr Morris' office to recover whatever records that could be located. I have reviewed these records to determine the actions undertaken by the former Liquidator and to plan the future strategy of the Liquidation.

Unfortunately, the case files and electronic records recovered are largely incomplete and as a result, this report is based on information currently available.

2 BACKGROUND

Statutory information relating to the Company is included at **Appendix I**.

A full background of the Company was detailed in the director's report. Accordingly, I do not propose to repeat that information in this report and I have no further background information to add.

3. LIQUIDATORS' ACTIONS SINCE APPOINTMENT

The following matters have been dealt with in the reporting period:

- Addressed my statutory notifications, advertisements, bonding, banking, tax, reporting and Court / Companies House filing obligations
- Dealt with creditor enquiries, claims and individual update requests, and
- Dealt with the day-to-day administration of the case including dealing with my statutory duties under the Act and other associated legislations

4. RECEIPTS AND PAYMENTS ACCOUNT

Attached at **Appendix II** is the receipts and payments account for the period 22 May 2015 to 21 May 2016.

There were no receipts or payments in the period.

5. ASSETS AND FUTURE REALISATIONS

Book debts

As advised in my previous report, the former Liquidator's records indicate an amount of £141,227 is due from a company based in Switzerland, Denver Trading AG (DTA). DTA was subject to an investigation by the Insolvency Service and was subsequently wound up by the High Court on 27 August 2014. The records indicate that the amount owed was held by another company, Imperial Escrow Limited (Imperial). Imperial was subject to a restraint order forbidding the movement of any funds in its accounts. I can confirm that Imperial entered into Liquidation on 21 January 2015, following a petition to wind up on 18 December 2013.

Based on current information it is unlikely any sums will be recoverable from DTA or indeed that the Company should be entitled to claim for any amounts in respect of this alleged debt

I am not aware of any other outstanding assets to be realised

Should no further asset recoveries be anticipated the administration of this matter will be, for all practical purposes, complete and I will convene final meetings of the Company's members and creditors in due course

6 OUTCOME TO CREDITORS

Secured creditors

There are no known secured creditors with existing claims

Preferential creditors

The director's estimated statement of affairs indicated unsecured creditors totalling £1,142

Based on present information there is unlikely to be a return to the unsecured creditors of the Company

Unsecured creditors

The director's estimated statement of affairs indicated unsecured creditors totalling £35,594

Based on present information there is unlikely to be a return to the unsecured creditors of the Company

Prescribed Part

Where a floating charge is created after 15 September 2003, a Prescribed Part of the Company's net property shall be made available to unsecured creditors. The Prescribed Part is calculated at 50 per cent of net realisations up to £10,000 and 20 per cent of the net property that exceeds this amount up to a limit of £600,000

The Company has not granted a floating charge to any creditor after 15 September 2003 and consequently there will be no Prescribed Part in this Liquidation

7. INVESTIGATIONS

A return / report on the director's conduct was submitted to the Insolvency Practitioners Compliance Unit by the former Liquidator on 28 October 2013. This return / report is not on public record

I 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, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved

There were no matters that justified further investigation in the circumstances of this appointment

8 REMUNERATION

My remuneration was previously authorised by the creditors at a meeting held on 14 May 2013 to be drawn on a time cost basis

Mr Morris' trustee in Bankruptcy has confirmed there is no outstanding time cost claim in this Liquidation. A summary of the former Liquidator's charge out rates are attached at **Appendix III**

My total time costs to 21 May 2016 amount to £2,866, representing 15 hours' work at an average charge out rate of £190 per hour, of which £796, representing 4 hours' work at an average charge out rate of £185 per hour, was charged in the period since 22 May 2015

I have not been able to draw any remuneration in this matter

A schedule of my time costs incurred, including a narrative of time incurred to date and details of my firm's charging policy, is attached as **Appendix IV**

The relevant creditor's guide to Liquidators' Fees can be found under the heading Creditor Guides on my website at <http://www.resolvegroupuk.com/resources/> Please note there are different versions of the guides, and in this case you should refer to the version for insolvencies between 1 November 2011 and 30 September 2015 A hard copy can be obtained on request, free of charge, from this office

9. LIQUIDATORS' EXPENSES

I have incurred expenses to 21 May 2016 of £298 of which £28 was incurred in the period since 22 May 2015

I have not as yet been able to draw any expenses in this matter

I have incurred the following expenses in the period since my appointment as Liquidator

	CATEGORY ONE £	CATEGORY TWO £	TOTAL £
Bonding	30	-	30
Insolv Technologies	90	-	90
Management Fee	-	150	150
Postage	8	-	8
Printing and stationery	-	21	21
	128	171	298

10. FURTHER INFORMATION

I will now take the necessary steps to conclude the Liquidation and convene final meetings of the members and creditors of the Company

An unsecured creditor may, with the permission of the court or with the concurrence of five per cent in value of the unsecured creditors (including the creditor in question) request further details of the Liquidators' remuneration and disbursements, within 21 days of receipt of this report Any secured creditor may request the same details in the same time limit

An unsecured creditor may, with the permission of the court or with the concurrence of ten per cent in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidators' fees and the amount of any proposed expenses or expenses already incurred, within eight weeks of receipt of this report Any secured creditor may make a similar application to court within the same time limit

At ReSolve 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 As such, should you have any comments or complaints regarding the administration of this case then in the first instance you should contact me at the address given in this letter

If you consider that I have not dealt with your comments or complaint appropriately you should then put details of your concerns in writing to our complaints officer Cameron Gunn at this office's address. This will then formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior partner unconnected with the appointment.

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, or you can email insolvency.enquiryline@insolvency.gsi.gov.uk, or you may phone 0300 678 0015 - calls are charged at up to 12p per minute from a land line, or for mobiles, between 3p and 45p per minute if you're calling from the UK.

Should you have any queries regarding the conduct of the Liquidation or any other queries, please do not hesitate to contact James Thompson of this office.

Yours faithfully



Simon Harris
Joint Liquidator

For enquires regarding this correspondence please contact

Contact name James Reeves
Phone number 020 3372 2804
Email james.reeves@resolvegroupuk.com

Cameron Gunn, Simon Harris, Mark Supperstone and Ben Woodthorpe are licensed in the United Kingdom by the Institute of Chartered Accountants in England and Wales.
Cameron Gunn, Simon Harris, Mark Supperstone and Ben Woodthorpe act without personal liability at all times.

APPENDIX I

STATUTORY INFORMATION

Company name	London Commodity Markets Limited	
Registered number:	06242386	
Date of incorporation.	10 May 2007	
Trading address	25 Canada Square Canary Wharf London E14 5LQ	
Registered office.	C/o ReSolve Partners Limited One America Square Crosswall London EC3N 2LB	
Date of former Liquidator's appointment. (Duncan Morris)	14 May 2013	
Date of replacement Joint Liquidators' appointment: (Cameron Gunn, Mark Supperstone and Simon Harris)	22 May 2015	
Replacement Joint Liquidators appointed by	High Court of Justice, Chancery Division, Birmingham District Registry pursuant to Rule 7 10C of the Insolvency Rules 1986	
Replacement Joint Liquidators:	Cameron Gunn (IP No 9362) Mark Supperstone (IP No 9734) Simon Harris (IP No 11372) ReSolve Partners Limited One America Square Crosswall London EC3N 2LB	
EC Regulations of Insolvency Practitioners	The EC Regulations apply to the proceedings, which are categorised as main proceedings with the meaning of the Regulation	
Directors		
Name	Appointed	Resigned
Nicholas Matthew Start	14/08/12	-
Railcard Peter Jobling	20/08/10	14/09/2012
Shareholder		
Name	Number of shares	Type
Nicholas Matthew Start	1	Ordinary

APPENDIX II

RECEIPTS AND PAYMENTS ACCOUNT

FOR THE PERIOD 22 MAY 2015 TO 21 MAY 2016

	Statement of Affairs	Last known position*	22-May-14 to 21-May-15	22-May-15 to 21-May-16	Total Receipts / Payments
	£	£	£	£	£
RECEIPTS					
Book Debts	Uncertain	-	-	-	-
Furniture and equipment	2 400 00	-	-	-	-
Cash at bank	1 863 00	1 725 67	-	-	1 725 67
	<u>4 263 00</u>	<u>1 725 67</u>	<u>-</u>	<u>-</u>	<u>1 725 67</u>
PAYMENTS					
Specific bond	-	60 00	-	-	60 00
Office Holders Fees	-	1 000 00	-	-	1 000 00
Agents fees	-	300 00	-	-	300 00
Travel expenses	-	25 46	-	-	25 46
Statutory advertising	-	338 40	-	-	338 40
	<u>-</u>	<u>1 723 86</u>	<u>-</u>	<u>-</u>	<u>1 723 86</u>
Balance (receipts less payments)	<u>4,263 00</u>	<u>1 81</u>	<u>-</u>	<u>-</u>	<u>1 81</u>
Represented by **					
VAT Account					-
Insolvency current account - non-interest bearing					-
Reconciling amount					1 81
TOTAL CASH IN HAND					<u>1 81</u>

Simon Harris
Joint Liquidator
19 July 2016

*Last known position as per the former Liquidator's records

**My investigations into the affairs of the Company following my appointment suggest there is a reconciling difference between the last known position as per the former Liquidator's records and the funds held in the Company's bank accounts. My investigations led to my submitting a bond claim to the surety and negotiations with them are ongoing. I expect to be in a position to report to you more fully in the autumn.

APPENDIX III

FORMER LIQUIDATOR'S TIME COST SUMMARY

Please note the below is an extract from the former Liquidator's files. The replacement Joint Liquidators are unable to attest to their accuracy.

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to this assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged to this assignment. The work has been categorised into the following task headings and sub-categories:

- **Administration and Planning** includes case planning and set-up, appointment notification, statutory reporting, compliance, cashiering, accounting and administrative functions
- **Investigations** includes reporting on the Directors' conduct, investigating antecedent transactions and other investigations that may be deemed appropriate
- **Realisation of Assets** includes identifying and securing assets, sale of business, property issues, activities in relation to other fixed assets, stock, debtors, investments and related legal issues
- **Trading.** includes planning, strategy, preparing and monitoring cashflow and trading forecasts, management of operations, corresponding with suppliers and customers, landlord issues and employee matters including payroll and accounting for trading
- **Creditors.** includes creditor set up, communications and meetings, reviewing and agreeing preferential and unsecured claims, retention of title issues and recording and progressing employee related claims

The range of charge out rates for the separate categories of staff are based on our normal charge out rates. These are summarised below:

Grade	Rate per hour (£)
Partner	345
Manager	180-260
Administrators	75-130
Employment Rights Act Department	130
Cashier	130
Secretarial	65-80

APPENDIX IV

REPLACEMENT LIQUIDATORS' CHARGE OUT RATES, FEE ESTIMATE, DISBURSEMENT POLICY AND NARRATIVE

Joint Liquidators' charge out rates

The Joint Liquidators are remunerated on a time cost basis. Charge-out rates used are appropriate to the skills and experience of a member of staff and the work that they perform. Time is recorded in 6 minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work.

This document provides an estimate as to how much time the Liquidators and their staff will spend undertaking specific tasks, and the costs of undertaking such work. The estimated time that will be spent undertaking the work in each category of work has been multiplied by the applicable charge out rate for each member of staff that it is anticipated will undertake work in that category to arrive at the estimated total time costs attributable to that category of work.

The estimated costs have been divided by the estimated hours required to arrive at an average hourly charge out rate for that category of work. The hourly charge-out rates used on this case are as follows. Please note that the rates increased on 1 January 2016.

Staff grade	Rate per hour from 1 January 2016 (£)	Rate per hour to 31 December 2015 (£)
Principal	510	490
Director	415	400
Senior Manager	395	385
Manager	340	325
Assistant Manager	305	295
Senior Administrator	255	245
Administrator	195	185
Junior Administrator	145	125

Secretarial and support staff are not charged to the cases concerned, being accounted for as an overhead of ReSolve Partners Limited.

Disbursement policy

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling (non-mileage), postage, photocopying, statutory advertising and other expenses made on behalf of the assignment.

Indirect charges (Category 2 disbursements) require separate approval and the basis of charging these is as follows:

- Photocopying 20 pence per sheet
- Mileage 45 pence per mile

Narrative of work carried out.

Administration and planning

The following activities have been undertaken

- Setting up case files
- General administrative tasks
- Reviewing available information to determine appropriate strategies
- Setting up and maintaining bank accounts and other cashier activities
- Notification of the appointment to creditors and members, and
- Correspondence with Mr Morris' trustee in bankruptcy

Creditors

The time spent includes the following matters

- Recording and maintaining the lists of creditors
- Recording creditor claims, and
- Dealing with creditor queries

Investigations

Time spent in completing my statutory investigations into the Company and the affairs of its directors prior to the Liquidation, including investigation into the reconciling differences seen on the receipts and payments account

Realisation of assets

Please see the main body of the report and my previous reports for details of the assets realised

Statutory

Dealing with statutory issues required under the Insolvency Act 1986 and the Statements of Insolvency Practice, including statutory reporting to members and creditors and filing documents with the Registrar of Companies

Time and charge out summary

A total of 4 30 hours have been spent for the period 22 May 2015 to 21 May 2016 at an average charge out rate of £185 00 bringing the total cost since my previous report to £795 50

A summary table is shown below

	PARTNER/DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration & Planning	-	-	-	-	1 20	222 00	1 20	222 00	185 00
Creditors	-	-	-	-	0 50	92 50	0 50	92 50	185 00
Statutory	-	-	-	-	2 60	481 00	2 60	481 00	185 00
	-	-	-	-	4 30	795 50	4 30	795 50	185 00

The above costs exclude VAT

A total of 15 10 hours were spent for the period 22 May 2014 to 21 May 2016 at an average charge out rate of £189 77 bringing the total cost to £2,865 50

A summary table is shown below

	PARTNER/DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration & Planning	-	-	0 30	97 50	5 80	1 103 00	6 10	1 200 50	196 80
Creditors	-	-	-	-	0 70	129 50	0 70	129 50	185 00
Investigations	-	-	-	-	3 40	629 00	3 40	629 00	185 00
Statutory	-	-	-	-	4 90	906 50	4 90	906 50	185 00
	-	-	0 30	97 50	14 80	2 768 00	15 10	2,865 50	189 77

The above costs exclude VAT