

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

06336148

Name of Company

Alpha Drivers Limited

I / We

Alan Brian Coleman, The Copper Room, Deva Centre, Trinity Way, Manchester, M3 7BG

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 20/11/2015 to 19/11/2016

Signed

Date

Royce Peeling Green Limited
The Copper Room
Deva Centre
Trinity Way
Manchester
M3 7BG

Ref AL503/ABC/JW/mb/DAB

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COMPANIES HOUSE

Liquidator's Annual Progress Report to Creditors & Members

**Alpha Drivers Limited
- in Liquidation**

19 November 2016

ALPHA DRIVERS LIMITED - IN LIQUIDATION

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ALPHA DRIVERS LIMITED - IN LIQUIDATION

1 Introduction and Statutory Information

- 1 1 Alan Brian Coleman of Royce Peeling Green Limited, The Copper Room, Deva Centre, Trinity Way, Manchester, M3 7BG, was appointed as Liquidator of Alpha Drivers Limited (the Company) on 20 November 2015. This progress report covers the period from 20 November 2015 to 19 November 2016 (the Period).
- 1 2 The principal trading address of the Company was 52 Wagstaff Way, Olney, Buckinghamshire, MK46 5FB.
- 1 3 The registered office of the Company has been changed to The Copper Room, Deva Centre, Trinity Way, Manchester, M3 7BG and its registered number is 06336148.

2 Progress of the Liquidation

- 2 1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period.
- 2 2 At Appendix A is my Receipts and Payments Account for the Period.
- 2 3 Attached at Appendix B is a time analysis outlining the time spent by the Liquidator during the Period.

Administration (including statutory compliance & reporting)

- 2 4 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work the Liquidator anticipated would need to be done in this area were outlined to creditors in the initial fees estimate.
- 2 5 During the Period 23.22 hours at a cost of £2,791.88 has been spent on Administration matters compared to estimated hours of 24.00 at a cost of £3,000.00.
- 2 6 As noted in the initial fees estimate, this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

Realisation of Assets

Trade Debtors

- 2 7 In the director's Statement of Affairs it was estimated that the Company had trade debtors of £34,000 which were likely to be subject to contra. We have not been provided with a schedule of these debtors so there have not yet been any realisations made. We are continuing to investigate this matter.

DLA – Mr Colin Smith (Mr Smith)

- 2 8 As detailed in the director's Statement of Affairs a former director of the Company, Mr Smith, had an outstanding director's loan account of circa £170,000.
- 2 9 Mr Smith had resigned his directorship in May 2014 and the new management had been requesting repayment of the balance on the loan account for some time.
- 2 10 Following a review of the loan account the Liquidator instructed JMW Solicitors (JMW) to write to Mr Smith to request repayment of the sum of £166,590.42 due to the Company.
- 2 11 No repayment proposal was made by Mr Smith to settle the balance due as he disputed that he owed the monies to the Company. The Liquidator therefore instructed JMW to commence proceedings against Mr Smith.

ALPHA DRIVERS LIMITED - IN LIQUIDATION

- 2 12 The Liquidator signed and entered into a conditional fee agreement with JMW in respect of the claim
- 2 13 JMW have been in negotiations with Mr Smith to reach a settlement but no proposal for repayment has been received to date
- 2 14 The Liquidator intends to issue proceeding against Mr Smith in the New Year JMW are currently drafting the proceedings

Ocado Claim

- 2 15 As detailed in the director's report presented to creditors at the meeting pursuant to Section 98 of the Insolvency Act 1986 (IA86) the Company had a claim against Ocado for breach of contract The Liquidator sought advice from JMW into the merits of continuing the legal action
- 2 16 The claim for damages was estimated to be in excess of £370,000 However, in response to JMW, Ocado issued an application for security for costs in the sum of £75,000 The Liquidator would have been unable to satisfy any order made along these lines and therefore explored a number of funding options
- 2 17 Whilst exploring funding options the Liquidator's solicitors JMW continued to try and agree a commercial settlement agreement
- 2 18 In May 2016 the claim was settled at £20,000 JMW recommended acceptance of the offer, as it would have been unlikely that we would have been able to obtain funding to take the matter to trial
- 2 19 Payment of £20,000 was received on 3 June 2016

Cash at Bank

- 2 20 As detailed in the directors Statement of Affairs it was estimated that there was cash held at Barclays Bank plc (Barclays) totalling £150 00
- 2 21 No monies have been received from Barclays to date and we will continue to chase the bank for a closing statement

Contribution towards costs

- 2 22 The director of the Company, Mr Daniel Whittington, paid a contribution of £7,200 00 towards the costs of the Liquidation on the 20 November 2015

Settlement of Nationwide Claim

- 2 23 The Liquidator instructed Turner Parkinson LLP (TP) to review the terms of a Debenture dated 5 April 2013 between the Company and Nationwide Drivers Limited (Nationwide) which was settled by the Company in the month prior to the date of Liquidation
- 2 24 TP advised that the Company had preferred Nationwide However, any monetary claim would only be to the extent that unsecured creditors had been disadvantaged
- 2 25 As a result of the security held by Nationwide, unsecured creditors had only been disadvantaged to the value of the prescribed part, calculated at £28,764 TP wrote to Nationwide to demand repayment of this balance

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2 26 Nationwide argued that they had not disadvantaged unsecured creditors on the basis that they had waived their security in relation to the balance outstanding to them, estimated at £50,125 and that had they not done so they would be entitled to repayment of this sum from any recovery made from the directors' loan account

2 27 Nationwide offered £5,000 to settle the claim. Although the argument raised by Nationwide could have been disputed it could also possibly have been accepted by the court. The Liquidator accepted the offer of £5,000 upon legal advice from TP in order to avoid legal costs that would have been associated with litigation which may not have been recovered and the costs may have been prohibitive even if a claim was successful. Furthermore, we had insufficient funds to bring any action.

2 28 Payment of £5,000 was received on 21 October 2016

Investigations

2 29 Some of the work the Liquidator is required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations (SIP2) and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidator can pursue for the benefit of creditors.

2 30 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.

2 31 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the s98 meeting or as a response to my request to complete an investigation questionnaire.

2 32 My investigations have not revealed any issues requiring further reports or any further potential recoveries which could be pursued for the benefit of creditors other than those detailed above.

2 33 During the Period 47 70 hours at a cost of £5,084 30 have been spent on completing investigation work to comply with the CDDA 1986, SIP2 and case specific investigations. This was compared to estimated hours of 44 00 at a cost of £7,795 00 detailed in the Liquidator's fee estimate.

2 34 In the original fee estimate the Liquidator's investigation work was broken down into the following areas:

Category of Investigation	Investigation work to be undertaken	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Statutory Investigation	Statutory review of the Company affairs	7 00	125 00	875.00
Investigate Trade debtor/trade creditor position	Review of the Company books and records to verify trade debts owed to the Company can be offset by creditors of the Company	10.00	125 00	1,250 00
Special Investigation Work	Review of the funds received from various parties and how these have been used to fund litigation	20.00	210 00	4,200 00

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Investigate repayment of debenture holder	Liaise with debenture holder and solicitors to establish value of debenture repaid in November 2015 and remaining unsecured debt owed	7 00	210.00	1,470.00
Total estimated fees		44.00		7,795.00
Actual costs		47.70		5,084.30

3 Creditors

Secured Creditors

3 2 There are no secured creditors on this matter

Preferential Creditors

3 3 There are no preferential creditors on this matter

Unsecured Creditors

3 4 The Liquidator has received claims from 6 creditors totalling £664,732 48

3 5 A dividend to creditors is dependent upon realisations being made in relation to the outstanding DLA

4 Liquidator's Remuneration

4 1 The Liquidator's fees estimate was circulated to creditors on the 25 November 2015 and was approved at a meeting by correspondence held on 15 December 2015. The basis of the Liquidators remuneration was approved on a time cost basis in line with the fees estimate produced which was based on the information available to the Liquidator at that time

4 2 A copy of the fee estimate is reproduced below

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Administration (inc statutory compliance & reporting)	24 00	125 00	3,000 00
Asset Realisation	30 00	210 00	6,300 00
Creditors (claims & distributions)	14 00	125 00	1,750 00
Investigations	44 00	177 16	7,795.00
Total estimated fees	112.00		18,845.00

4 3 The Liquidators time costs for the Period are £9,819 88. This represents 80 62 hours at an average rate of £121 80 per hour. Fees totalling £9,640 32 have been drawn against these costs to date

4 4 Attached as Appendix B is a Time Analysis which shows the actual number of hours spent dealing with each category of work by grade of staff and a comparison between the actual costs and the fee estimate

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- 4 5 Creditors will note that total time costs have not exceeded the original estimate which was for the first year of liquidation. However time costs that will be incurred in completing matters will be *more than originally forecast and I have therefore set out a revised fee estimate at Appendix C of this report*
- 4 6 I am now seeking creditors agreement to my fee estimate for the second year of liquidation. The work to be undertaken is listed in Appendix C and is anticipated to cost £9,500.00. This will act as a cap on my remuneration. The cap will be on total costs and I do not propose to seek a cap on time to be spent on each category of work detailed in the fee estimate. The split of time between each category shown on the fee estimate is for guidance only.
- 4 7 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from www.rpg.co.uk
- 4 8 Attached as Appendix D is additional information in relation to the Liquidator's fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

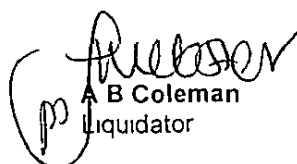
5 Creditors' Rights

- 5 1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provide further information about his remuneration or expenses *which have been itemised in this progress report*
- 5 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

6 Next Report

- 6 1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors.

Yours faithfully


A B Coleman
Liquidator

Alpha Drivers Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments
To 19/11/2016

S of A -		-	-
ASSET REALISATIONS			
NIL	Trade Debtors	NIL	
170,000 00	DLA - Mr Colin Smith	NIL	
Uncertain	Ocado - Pending Legal Action	20,000 00	
150 00	Cash at Bank	NIL	
7,200 00	Deposit for Costs	7,200 00	
	Bank Interest Gross	0 82	
	Settlement of Nationwide Claim	5,000 00	
			32,200 82
COST OF REALISATIONS			
	Specific Bond	240 00	
	Preparation of S of A	5,500 00	
	Pre Appointment Disbursements	125 60	
	Liquidator's Fees	9,640 32	
	Liquidator's Disbursements	24 08	
	Card Charge	140 40	
	Legal Fees	12,500 00	
	Legal Disbursements	20 00	
	Statutory Advertising	211 50	
	Bank Charges	75 00	
			(28,476 90)
UNSECURED CREDITORS			
(40,686 00)	Trade & Expense Creditors	NIL	
(538,000 00)	Associated Companies	NIL	
(607 00)	DLA - D Whittington	NIL	
(80,000 00)	Nationwide Drivers Limited	NIL	
(7,200 00)	HM Revenue & Customs	NIL	
			NIL
DISTRIBUTIONS			
(100 00)	Ordinary Shareholders	NIL	
			NIL
(489,243.00)			3,723 92
REPRESENTED BY			
	Bank 1 Current		3,013 92
	Vat Control Account		710 00
			3,723 92

Alan Brian Coleman
Liquidator

APPENDIX B

ALPHA DRIVERS LIMITED - IN LIQUIDATION

Time spent by grade in the period from 20 November 2015 to 19 November 2016

	Actual Fees Office Holder £	Manager £	Admin £	Cashier £	Total Hours	Total Cost £	Average Rate £	Fee Estimate		
								Total Hours	Total Costs £	Average Rate £
Statutory & Compliance	1 60	2 40	12 80	6 42	23 22	2,791 88	120 24	24 00	3,000 00	125 00
Asset Realisation	4 40	1 90	0 20	-	6 50	1,593 60	245 17	30 00	6,300 00	210 00
Creditor Communications	-	0 30	2 90	-	3 20	350 10	109 41	14 00	1,750 00	125 00
Investigations	0 80	5 10	41 80	-	47 70	5,084 30	106 59	44 00	7,795 00	177 16
Total hours/Cost	6 80	9 70	57 70	6 42	80 62	9,819 88	121 80	112 00	18,845 00	168 2589

Alpha Drivers Limited - In Creditors Voluntary Liquidation

Fee Estimate for Second Year of Liquidation (20 November 2016 to 19 November 2017) to be Considered by Creditors

	Anticipated Number of hours	Average charge out rate (£)	Anticipated Cost (£)	Work To Be Undertaken
Administration & Planning	20 0	125	2,500 00	Reporting to creditors (first progress report and second or final progress report), maintenance of physical case files and electronic case management system, attending to statutory matters including advertising, periodic reviews, VAT and corporation tax matters, reviewing, discussing and setting strategy, dealing with receipts and payments, bank reconciliations and other cashing matters
Creditors:				
How many? <u>14</u> Dividend Likely? <u>Y</u>				
General Creditor Dealing	7 0	125	875 00	Issuing documentation to creditors, dealing with creditor correspondence, dealing with incoming creditor telephone calls
Distributions to creditors	7 0	125	875 00	Review of all creditor claims received, adjudication of each claim, challenge / rejection where necessary, notice of intended dividend, issue of dividend cheques and issue of dividend to each creditor
Asset Realisation	25 0	210	5,250 00	Liaising with the Liquidators solicitors and the former director of the Company to reach a settlement in respect of the outstanding Directors Loan Account, ongoing review of the trade debtors
Total Estimated Cost			<u>9,500 00</u>	

* In calculating the anticipated number of hours that will be spent dealing with creditors and employees we have assumed that time of 30 minutes will be spent dealing with each party. It is possible that some creditors and employees will take up less time but some may take up more time.

** Where dividends are expected, we would expect to incur further time costs over and above those that would be incurred where there is no dividend. We have, again, allowed 30 minutes per creditor / employee to cover the costs of reviewing and agreeing claims and paying the dividend.

ALPHA DRIVERS LIMITED - IN LIQUIDATION

Appendix D

Additional Information in Relation to the Liquidator's Fees, Expenses & Disbursements

1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment
- 1.3 We are not proposing to utilise the services of any sub-contractors in this case

2 Professional Advisors

- 2.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis

Name of Professional Advisor	Basis of Fee Arrangement
JMW Solicitors (legal advice)	Hourly rate and disbursements
Turner Parkinson LLP (legal advice)	Hourly rate and disbursements

- 2.2 Our choice 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

3 Liquidator's Expenses & Disbursements

- 3.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the liquidation was provided to creditors when the basis of my fees were approved, a copy of which is set out below

Expense	Estimated cost £
Specific Bond	240 00
Statutory advertising	338 40
Bank Charge	75 00
Storage	85 00
Legal Fees	8,500 00

ALPHA DRIVERS LIMITED - IN LIQUIDATION

Current position of Liquidator's expenses

- 3.2 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below

	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Specific Bond	240 00	0	240 00
Statutory advertising	211 50	0	338 40
Bank Charge	75 00	0	75 00
Legal Fees & Disbursement	12,520	0	12,500
Card Charge	140 40	0	140 40
Category 2 disbursements			
Business Mileage	114 40		114 40
Postage	35 40		35 40

- 3.3 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.
- 3.4 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidator's fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

4 Charge-Out Rates

- 4.1 Royce Peeling Green Limited's current charge-out rates effective from 1 September 2016 are detailed below
- 4.2 Please note this firm records its time in minimum units of 6 minutes

	(Per hour) £
Insolvency Practitioner/Office Holder	250-275
Manager	170
Administrator/Support	102