

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

6456127

Name of Company

Abacus Wood Limited

I/ We

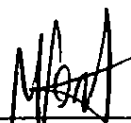
Henry Anthony Shinnars, 25 Moorgate, London, EC2R 6AY

Mark Christopher Ford, 25 Moorgate, London, EC2R 6AY

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 19/08/2015 to 18/08/2016

Signed



Date

13/10/2016

Smith & Williamson LLP
25 Moorgate
London
EC2R 6AY

Ref AB192/CL14/ML6/TRDF

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Abacus Wood Limited (in creditors' voluntary liquidation)

Joint liquidators' annual progress report for the period from 19
August 2015 to 18 August 2016

10 October 2016



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1. Glossary

Abbreviation	Description
the Company	Abacus Wood Limited
the joint liquidators	Henry Anthony Shinnars and Mark Christopher Ford
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
IR86	Insolvency Rules 1986 If preceded by R this denotes a rule number
SOA	Statement of Affairs
ETR	Estimated to realise
HMRC	HM Revenue & Customs
QFCH	Qualifying Floating Charge Holder - a secured creditor who has the power to appoint an administrator
RPS	Redundancy Payments Service

Note: The IA86 and IR86 have been subject to a number of significant amendments since their original issue, including a number of substantial and important changes in April 2010. References to IA86 and IR86 in this report are to the legislation as it applies to this case

2. Introduction and statutory information

This report provides an update on the progress in the liquidation of the Company for the year ended 18 August 2016. It should be read in conjunction with any previous reports. Anthony Spicer and Panos Papas, of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, were appointed liquidators of the Company on 17 May 2013.

A meeting of creditors was held on 18 August 2015 for the sole purpose to receive the resignation of the joint liquidator, Panos Papas. The resignation of Panos Papas is deemed to have been duly accepted by the creditors, effective 18 August 2015. Anthony Spicer continued as sole liquidator until Anthony Spicer ceased to act as office holder of this estate following an application for a block transfer Order on the grounds of his retirement. The Order was sealed on 15 February 2016 by District Judge Exton sitting in the Chancery Division of the High Court of Justice Bristol District Registry (Court No. 6 of 2016) and the effective date of Anthony Spicer's removal is 22nd February 2016. Anthony Spicer was replaced as liquidator by joint liquidators, Henry Shinnars and Mark Christopher Ford, effective 22nd February 2016.

The principal trading address of the Company was 32 Chilcott Avenue, Brynmenyn Industrial Estate, Bndgend, CF32 9RQ.

The Company's registered office is 25 Moorgate, London, EC2R 6AY and its registered number is 06456127.

3. Realisation of assets

Attached at Appendix I is our receipts and payments account for the period from 19 August 2015 to 18 August 2016. This account includes cumulative figures for the period from 17 May 2013 to 18 August 2016

The receipts and payments account also includes a comparison with the directors' SOA values.

3.1 Intercompany debt

The Company acted as a holding company for its subsidiaries and has no material assets other than an intercompany loan which has been formally adjudicated at £2,650,952, with Abacus Wood Bridgend Limited ("AWBL") AWBL was in creditors' voluntary liquidation. The liquidators of AWBL made a final distribution to its creditors. The sum realised for the outstanding loan balance from AWBL under the Prescribed Part was in the sum of £17,553.51

3.2 Cash at bank

The liquidators realised cash totalling £200.94 from the Company's old bank account, held with Barclays Bank plc.

3.3 Pre-appointment corporation tax refund

HMRC paid a refund of £1,656.69 to the Company in respect of corporation tax overpaid in the period prior to the appointment of the liquidators

3.4 VAT bad debt relief refund

The Company and AWBL were part of a VAT Group registration. AWBL submitted VAT bad debt relief claims in total sum of £81,924.18. HMRC remitted £71,428.06 to the Company, being the total of the VAT bad debt relief claim after deducting their preferential and unsecured claims against the Company. The sum of £71,428.06 was transferred to the liquidators of AWBL.

All the Company assets have been realised

4. Investigations

Under the Company Directors Disqualification Act 1986 we have a duty to make a submission to the Secretary of State for Business, Energy & Industrial Strategy on the conduct of all those persons who were directors at the date of liquidation or who held office at any time during the three years immediately preceding the liquidation.

We have complied with our duty in this regard. As all submissions are strictly confidential we are unable to disclose their content.

Shortly after appointment, we 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 initial meeting or as a response to our request to complete an investigation questionnaire. Our investigations have not revealed any issues requiring further report.

5. Creditors

5.1 Secured creditors

Foresight Group holds a fixed and floating charge over the Company's assets. At the date of the liquidation the indebtedness was as set out below.

Chargeholder	Type of charge	Date	Amount due £	Total amount due incl. accrued interest £
Foresight VCT plc	Debenture	20/03/2008	635,635	873,384
Foresight 2 VCT plc	Debenture	20/03/2008	1,917,287	2,890,285
Foresight 4 VCT plc	Debenture	20/03/2008	906,382	1,077,948
Total paid			3,459,304	4,841,617

5.2 Prescribed Part

On 20 March 2008, the Company granted a floating charge to Foresight Group over the undertaking and all property and assets present and future, including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant and machinery

Pursuant to Section 176A of the Insolvency Act 1986, where a floating charge is created after 15 September 2003, a prescribed part of a company's net property shall be made available to unsecured (non-preferential) creditors

The prescribed part is calculated as a percentage of net property, as follows

- Net property less than £10,000: 50% unless the cost of distributing exceeds the benefit
- Net property greater than £10,000 50% up to £10,000 plus 20% thereafter to a maximum of £600,000

Based upon present information, the estimated value of the Company's net floating charge property is nil. Arising from this, the value of funds available to unsecured creditors is estimated to be nil

5.3 Preferential creditors

We set out below a summary of preferential claims received

Preferential creditor	SOA claims £	Claims received £
Employee claims	4,215 00	2,725 66
Department for Business, Energy & Industrial Strategy	2,725 66	2,725 66

A dividend of £2,725.66 was paid to the Secretary of State on account of its preferential claims by virtue of HMRC's deduction of this amount from the VAT Bad Debt Relief claim described at section 3.4

5.4 Unsecured creditors

We have received claims from unsecured creditors totalling £236,503.68. Total claims as per the directors' SOA were £424,244.00

We confirm that no dividend to unsecured creditors will be made in this case

6. Liquidators' remuneration

It has been agreed that our fees, expenses, disbursements and VAT will be paid either from the Company's assets, or where these are insufficient from Foresight Group. If assets are subsequently realised in the liquidation, this will be reimbursed to the extent that funds are available.

Foresight Group has paid the costs of £12,000 plus VAT for the preparation of the SOA.

Attached as Appendix II, is a time analysis which provides details of the activity costs incurred by staff grade for the period from 18 August 2015 to 17 August 2016 in respect of the costs fixed by reference to time properly spent by the liquidators and their staff in attending to matters arising in the liquidation. Details of work carried out in the period are also included in the appendix.

Also attached as Appendix III, is a cumulative time analysis for the period from 17 May 2013 to 17 August 2016 which provides details of the liquidators' time costs since appointment. The liquidators' fees have been drawn in the sum of £18,728.29.

A copy of Statement of Insolvency Practice 9, 'Payments to Office Holders and Their Associates' is available on request or can be downloaded from the R3 website at the following address:

https://www.r3.org.uk/media/documents/technical_library/SIPS/SIP%209%20Dec%202015.pdf

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at Appendix IV.

7. Liquidation expenses

7.1 Subcontractors and professional advisers

We have not utilised the services of any subcontractors or/and professional advisers in this case.

7.2 Liquidators' disbursements

We have paid and/or incurred the following disbursements in the current period:

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Statutory advertising	*0.00	350.00	0.00

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Liquidators' bonds	*0 00	140 00	0 00
Company searches	*0.00	18 00	0.00
Total	0.00	508 00	0 00

Note Total costs outstanding may include costs incurred in prior periods, but not yet paid

*Costs shown as nil in relation to company searches and liquidators' bond were incurred in the previous periods, but paid in the current period as it can be seen on the receipts and payments account

7.3 Category 2 disbursements

No Category 2 disbursements have been incurred in the current period

7.4 Other expenses

Other expenses (i.e. those not detailed in the preceding sections) paid during the period covered by this report are shown in the receipts and payments summary at Appendix I. Detailed below are those expenses which we consider to be significant in the context of this case. Also detailed below are expenses incurred but not paid in the current period.

Supplier/service provider	Nature of expense incurred	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
JG Collection Services Ltd	Storage costs	53.92	53.92	0.00

7.5 Policies regarding use of third parties and disbursement recovery

Appendix IV provides details of Smith & Williamson LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of disbursements.

8. Outstanding matters

The remaining actions to be concluded in the liquidation are as follows:

- Closure of the liquidation, including preparing and issuing a draft final report, calling and holding final meetings, and issuing the final report.

9. Creditors' rights

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 or otherwise with the court's permission) may request in writing that the liquidators provide further information about their remuneration or expenses which have been itemised in this report

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for the liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the liquidators, as set out in this report, are excessive

These rights apply only to matters which have not been disclosed in previous reports

Further information regarding creditors' rights is available on application to the liquidators

10. Next report

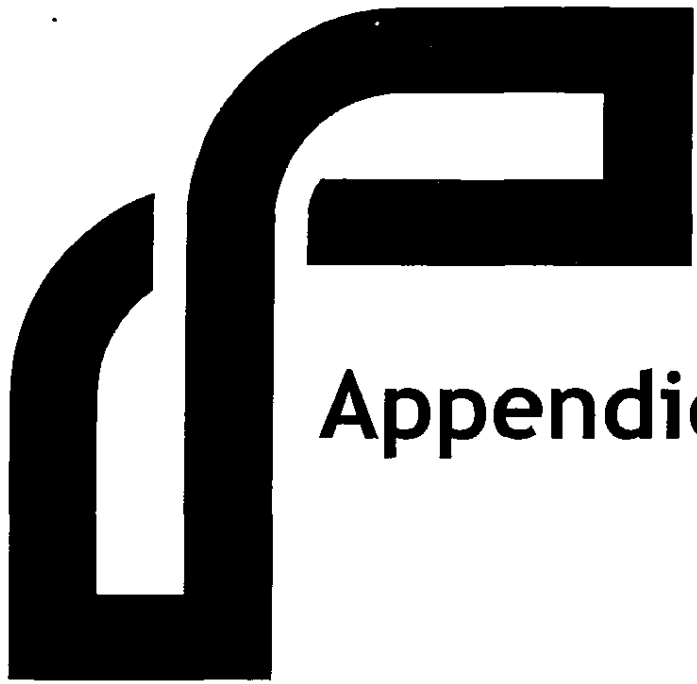
We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation unless we have concluded matters prior to this, in which case we will write to all creditors with our draft final progress report ahead of convening the final meetings of creditors and members



Henry Anthony Shinnars and Mark Christopher Ford

Joint Liquidators

Date. 10 October 2016



Appendices

I Receipts and payments account

Receipts and payments account to 18 August 2016

Receipts & Payments Account				
Statement of Affairs		From 17/05/2013 To 18/08/2015	From 19/08/2015 To 18/08/2016	Total
(£)		(£)	(£)	(£)
	ASSET REALISATIONS			
	VAT Bad Debt - Refund for AWBL	81,924 18	-	81,924 18
	Pre-app Corporation Tax Refund	1,656 69	-	1,656 69
	Cash at Bank	200 94	-	200 94
Uncertain	Abacus Wood Bridgend - Dividend	-	17,553 51	17,553 51
	Bank Interest Gross	10 79	45 25	56 04
		<u>83,792 60</u>	<u>17,598 76</u>	<u>101,391 36</u>
	COST OF REALISATIONS			
	Bank Charges	0.20	-	0 20
	VAT Refund to Subsidiary AWBL	71,428 06	-	71,428 06
	Specific Bond	-	140 00	140 00
	Liquidator's Fees	-	18,728 29	18,728 29
	Professional Services	-	1 00	1 00
	Company Search	-	18 00	18.00
	Storage Costs	-	53 92	53 92
	Statutory Advertising	75 00	350 00	425 00
	Bank Charges	-	75 19	75 19
	VAT Irrecoverable	15 00	10.78	25 78
		<u>71,518 26</u>	<u>19,377 18</u>	<u>90,895 44</u>
	FLOATING CHARGE HOLDER			
(4,867,996)	Floating charge Holder	-	-	-
(4,867,996)		<u>-</u>	<u>-</u>	<u>-</u>
	PREFERENTIAL CREDITORS			
(4,215)	Redundancy Payments Office	2,725 66	-	2,725 66
(4,215)		<u>2,725 66</u>	<u>-</u>	<u>2,725 66</u>
	UNSECURED CREDITORS			
(167,492)	Trade & Expense Creditors	-	-	-
(226,159)	Department of Employment	7,770 26	-	7,770 26
(393,651)		<u>7,770 26</u>	<u>-</u>	<u>7,770 26</u>
	SHAREHOLDERS			
(29,372)	Issued Capital	-	-	-
(29,372)		<u>-</u>	<u>-</u>	<u>-</u>
(5,295,234)	Balance	<u>1,778 42</u>	<u>(1,778.42)</u>	<u>(0.00)</u>

Notes and further information required by SIP 7

- No payments have been made to us from outside the estate
- Details of significant expenses paid are provided in the body of our report
- Details of payments made to sub-contractors are shown in the body of our report
- Information concerning the liquidators' remuneration and disbursements incurred is provided in the body of our report
- Information concerning the ability to challenge the liquidators' remuneration and expenses of the liquidation is provided in our report
- The bank account is non-interest bearing
- There are no foreign currency holdings
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT Where VAT is not recoverable it is shown as irrecoverable VAT

II Time analysis for the period

From 19 August 2015 to 18 August 2016

Classification of work function	Hours				Total hours	Time cost	Average hourly rate
	Partner / Director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Administration and planning						£	£
Statutory returns, reports & meetings	0 00	1 00	4 25	0 25	5 50	1,217 50	221 36
Cashiering general, including bonding	0 00	0 00	0 60	1 50	2 10	452 50	215 48
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	0 00	3 50	3 40	0 10	7 00	1,788 00	255 43
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0 00	0 00	1 75	0 00	1 75	357 75	204 43
Protection of company records (incl electronic)	0 00	0 00	0 15	0 00	0 15	30 00	200 00
Filing, file and information management	0 00	0 00	0 75	0 00	0 75	150 00	200 00
Agents and advisers, general	0 00	0 00	0 75	0 00	0 75	150 00	200 00
Director/manager review, approval and signing	0 60	1 00	0 00	0 00	1 60	598 75	374 22
Other	0 00	1 00	0 00	0 00	1 00	310 00	310 00
Realisation of assets							
Debtors not financed (includes reassigned debtors)	0 00	0 00	0 15	0 00	0 15	30 00	200 00
Creditors							
Unsecured creditors	0 00	1 00	0 30	0 00	1 30	370 00	284 62
Director/manager review, approval and signing	0 20	0 00	0 00	0 00	0 20	96 00	480 00
Total	0 80	7 50	12 10	1 85	22 25	£5,550 50	£249 46

Explanation of major work activities undertaken

Administration and Planning

This section of the analysis encompasses the cost of the liquidators and their staff in complying with their statutory obligations, and any tax matters. This work included the following:

- Statutory notifications and advertising
- Dealing with routine correspondence
- Maintaining physical case files and electronics case details on IPS (case management software)
- Case reviews (including 6 month reviews)
- Preparing reports to creditors (including this report)
- Maintaining and managing the liquidators' cash book and bank accounts

Realisation of assets

- Liaising with the liquidators of AWBL (in liquidation) and submitting our claim in respect of the intercompany loan account

Creditors

- Dealing with creditor correspondence via email and telephone

III Cumulative time analysis

From 17 May 2013 to 18 August 2016

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Administration and planning							£	£
Statutory returns, reports & meetings	0 00	5 00	4 00	65 20	0 65	74 85	16,092 50	215 00
Initial post-appointment notification letters, including creditors	0 00	9 75	0 00	0 60	0 00	10 35	3,383 75	326 93
Cashiering general, including bonding	0 00	0 00	0 00	1 00	5 20	6 20	1,254 50	202 34
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	0 50	0 75	8 80	30 15	0 20	40 40	9,108 50	225 46
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0 00	3 00	0 00	10 95	0 00	13 95	3,211 50	230 22
Protection of company records (incl electronic)	0 00	0 00	0 00	0 55	0 00	0 55	110 00	200 00
Filing, file and information management	0 00	0 00	0 10	2 45	0 00	2 55	501 00	196 47
Agents and advisers, general	0 00	0 00	0 00	2 85	0 00	2 85	570 00	200 00
Director/manager review, approval and signing	1 15	9 40	1 00	0 00	0 00	11 55	4,122 75	356 95
Other	0 00	3 65	7 85	2 10	0 50	14 10	4,029 00	285 74
Investigations								
Directors' correspondence & conduct questionnaires	0 00	0 00	0 00	4 25	0 00	4 25	850 00	200 00
Statutory books and accounting records review	0 00	0 00	0 00	0 75	0 00	0 75	150 00	200 00
SIP2 and SIP4 obligations (inc CDDA86 forms)	0 00	0 00	0 00	1 50	0 00	1 50	300 00	200 00
Realisation of assets								
Debtors not financed (includes reassigned debtors)	0 00	0 90	1 00	1 45	0 00	3 35	924 25	275 90
Other chattel assets	0 00	0 25	0 00	0 00	0 00	0 25	92 50	370 00
Cash at Bank	0 00	0 00	0 00	2 50	0 00	2 50	500 00	200 00
Other	0 00	0 00	0 00	0 25	0 00	0 25	50 00	200 00
Creditors								
HP & lease creditors	0 00	0 00	0 00	1 15	0 00	1 15	230 00	200 00
RPO and ERA claims & tribunals	0 00	0 00	0 00	1 00	0 00	1 00	200 00	200 00
Employees & pension (other) (incl Jobcentre/CSA etc)	0 00	0 00	0 00	8 85	0 00	8 85	1,770 00	200 00
Unsecured creditors	1 00	0 00	1 00	8 25	0 00	10 25	2,440 00	238 05
ROT Claims	0 00	0 00	0 00	0 25	0 00	0 25	50 00	200 00
Director/manager review, approval and signing	0 20	0 00	0 00	0 00	0 00	0 20	96 00	480 00
Other	1 00	0 00	0 00	0 00	0 00	1 00	480 00	480 00
Case-Specific 3, AML/Compliance								
AML - if done post appointment	0 00	0 00	0 00	0 00	1 25	1 25	250 00	200 00
Total	3 85	32 70	23 75	146 05	7 80	214 15	£50,766 25	£237 06

IV Staffing, charging, subcontractor and adviser policies and charge out rates

Introduction

Detailed below are

- Smith & Williamson LLP's policy in relation to
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Disbursement recovery
- Smith & Williamson LLP's current charge out rates

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a partner and a partner or director or associate director as joint office holders, 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. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work
- The complexity and nature of the assignment
- The availability of resources to meet the critical deadlines in the case
- The charge out rates or fee structures that would be applicable to the assignment
- The extent to which we believe that the advisers in question can add value to the assignment.

Disbursements

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 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.

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.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of Category 2 disbursement, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 disbursements

Details of any Category 2 disbursements incurred and/or recovered in the period covered by this report are set out in the body of this report.

Charge out rates

A schedule of Smith & Williamson LLP's charge out rates was issued to creditors at the time the basis of the liquidators' remuneration was approved

The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied as below

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates	London office £/hr		Regional offices £/hr	
	From 1/7/14	From 1/7/15	From 1/7/14	From 1/7/15
Partner / Director (from 1 January 2016)	480	425-480	350	350
Associate Director	370	370	295-325	295-300
Managers	235-310	235-310	190-290	190-290
Other professional staff	150-235	150-235	120-175	120-175
Support & secretarial staff	85	85	60-135	60-135

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2016	London office £/hr	Regional offices £/hr
Partner / Director	435-485	350-375
Associate Director	370-380	295-305
Managers	235-315	190-290
Other professional staff	150-235	120-175
Support & secretarial staff	85-90	60-135

Notes

- 1 Time is recorded in units representing 3 minutes or multiples thereof
- 2 It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases
- 3 The firm's cashiering function is centralised and London rates apply. The cashiering function time is incorporated within "Other professional staff" rates

www.smith.williamson.co.uk

Principal offices London, Belfast, Birmingham, Bristol, Dublin, Glasgow, Guildford, Manchester, Salisbury and Southampton

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