

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

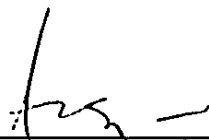
Anthony Cliff Spicer, 25 Moorgate, London, EC2R 6AY

Panos Papas, 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 17/05/2014 to 16/05/2015

Signed



Date 3 June 2015

Smith & Williamson LLP
25 Moorgate
London
EC2R 6AY

Ref AB192/CL14/ML6/TRDF

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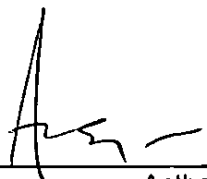
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Abacus Wood Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs	From 17/05/2014 To 16/05/2015	From 17/05/2013 To 16/05/2015
ASSET REALISATIONS		
VAT Bad Debt - Refund for AWBL	9,548 68	81,924 18
Pre-app Corporation Tax Refund	NIL	1,656 69
Cash at Bank	NIL	200 94
Bank Interest Gross	5 93	8 92
	<u>9,554 61</u>	<u>83,790 73</u>
COST OF REALISATIONS		
Bank Charges	NIL	0 20
VAT Refund to Subsidiary AWBL	9,548 68	71,428 06
	<u>(9,548 68)</u>	<u>(71,428 26)</u>
PREFERENTIAL CREDITORS		
Insolvency Service - RPO	NIL	2,725 66
	<u>NIL</u>	<u>(2,725 66)</u>
UNSECURED CREDITORS		
Department of Employment	NIL	7,770 26
	<u>NIL</u>	<u>(7,770 26)</u>
	<u>5.93</u>	<u>1,866.55</u>
REPRESENTED BY		
Clients Deposit (Interest Bearing)		1,866 55
		<u>1,866.55</u>

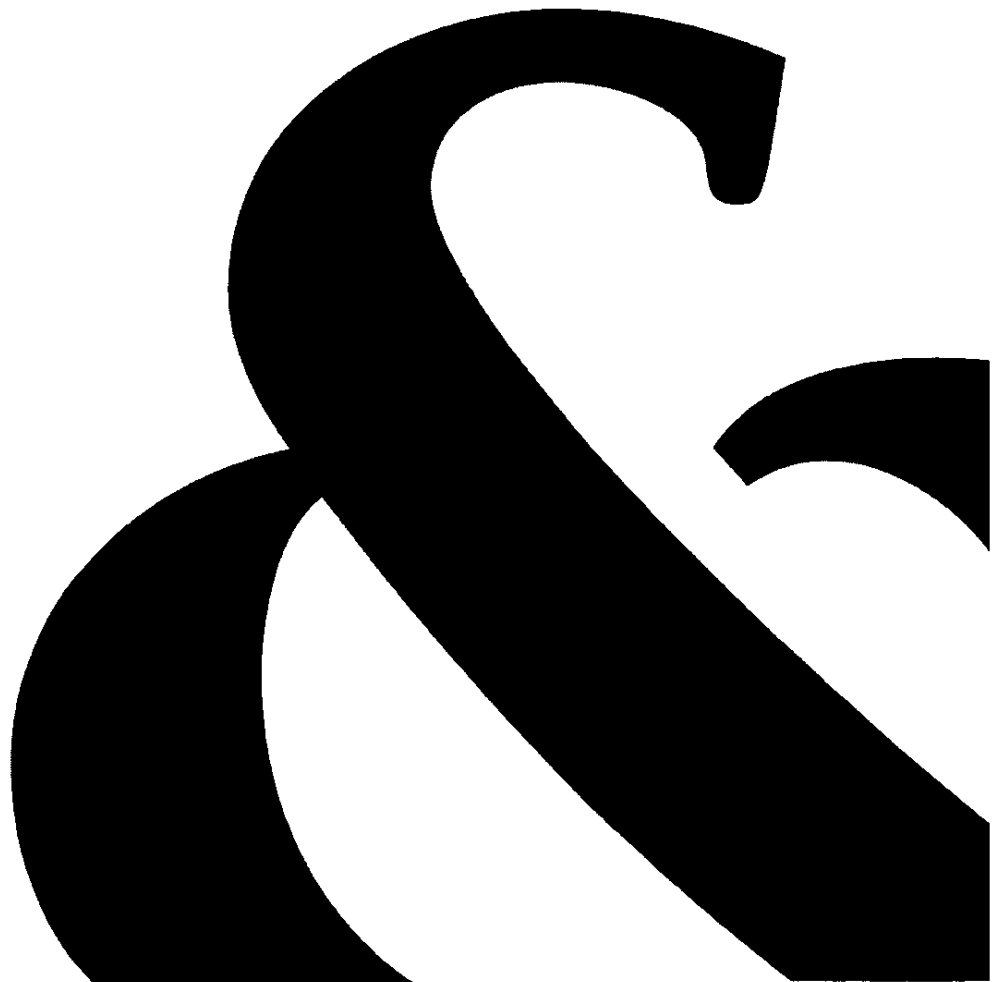


 Anthony Cliff Spicer
 Joint Liquidator

Abacus Wood Limited (in creditors' voluntary liquidation)

Joint liquidators' annual progress
report for the period from 17 May
2014 to 16 May 2015

13 July 2015



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1. Glossary

Abbreviation	Description
the Company	Abacus Wood Limited
the joint liquidators	Anthony Cliff Spicer and Panos Papas
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 16 May 2015. It should be read in conjunction with any previous reports. By way of reminder, we, Anthony Cliff Spicer and Panos Papas, of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, were appointed liquidators of the Company on 17 May 2013.

The principal trading address of the Company was 32 Chilcott Avenue, Brynmenyn Industrial Estate, Bridgend, 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 17 May 2014 to 16 May 2015. This account includes cumulative figures for the period from 17 May 2013 to 16 May 2015

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 is currently in creditors' voluntary liquidation. Consequently, the sum realised for the outstanding loan balance will depend on the quantum of distribution made to unsecured creditors by the liquidators of AWBL. It is anticipated that a dividend of circa £20,000, payable under the Prescribed Part will be made to the Company within 3 months. The Company's share of the dividend is likely to be in the region of £16,000.

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 a VAT bad debt relief claim in the sum of £72,375.50. HMRC remitted £61,879 38 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 £61,879 38 was transferred to the liquidators of AWBL.

4. Investigations

Under the Company Directors Disqualification Act 1986 we have a duty to make a submission to the Secretary of State for Business, Innovation and Skills 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

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	Loan amount £	Total amount due incl accrued interest £	Total paid at period end £
Foresight VCT plc	Debenture	20/03/2008	635,635	873,384	Nil
Foresight 2 VCT plc	Debenture	20/03/2008	1,917,287	2,890,285	Nil
Foresight 4 VCT plc	Debenture	20/03/2008	906,382	1,077,948	Nil
Total paid			3,459,304	4,841,617	Nil

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 Innovation & Skills	2,725 66	2,725 66

It is uncertain whether there will be sufficient realisations to enable a dividend to be made to preferential creditors.

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.

At present we anticipate that realisations will be insufficient to declare a dividend to unsecured creditors. Consequently, we have not taken steps to agree unsecured creditor claims.

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 and the liquidation of the Company.

Attached as Appendix II, is a time analysis which provides details of the activity costs incurred by staff grade for the period from 17 May 2014 to 16 May 2015 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 16 May 2015 which provides details of the liquidators' time costs since appointment. No liquidators' fees have been drawn to date.

A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from the R3 website at the following address:

http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Liquidators_Fees_Nov2011.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 and/or of any 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 £
Online reporting	50 00	Nil	50 00
Statutory advertising	300 00	Nil	300 00
Liquidators' bonds	140 00	Nil	140 00
Company searches	18 00	Nil	18 00
Total	508.00	Nil	508.00

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

7.3 Category 2 disbursements

The Category 2 disbursements have not been incurred in the current period

7.4. 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

Panos Papas wishes to resign as joint liquidator as he has left Smith & Williamson LLP some months ago. In accordance with R4 108 of the Insolvency Rules 1986, it is possible for his resignation to be effected further to calling a meeting of creditors specifically to receive his resignation. Formal notice of this meeting has been appended to this report.

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

- Receipt of a dividend in respect of intercompany loan from AWBL (in liquidation)
- Submitting corporation tax returns and obtaining tax clearance
- Closure of the liquidation, including preparing and issuing draft final report, calling and holding final meetings, and preparing and issuing 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.

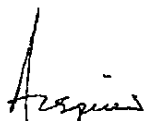
Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for 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



Anthony Cliff Spicer
Joint Liquidator

Date 13 July 2015

I Receipts and payments account from 17 May 2013 to 16 May 2015

Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs £	From 17/05/2014 To 16/05/2015 £	From 17/05/2013 To 16/05/2015 £
	ASSET REALISATIONS	
	VAT Bad Debt - Refund for AWBL	9,548 68
	Pre-app Corporation Tax Refund	0 00
Nil	Cash at Bank	0.00
	Bank Interest Gross	5.93
Uncertain	Intercompany debt	0 00
Uncertain		<u>9,554 61</u>
		<u>83,790 73</u>
	COST OF REALISATIONS	
	Bank Charges	0 00
	VAT Refund to Subsidiary AWBL	(9,548 68)
		<u>(9,548 68)</u>
		<u>(71,428 06)</u>
		<u>(71,428 26)</u>
	PREFERENTIAL CREDITORS	
	Insolvency Service - RPO	0 00
		<u>0 00</u>
		<u>(2,725 66)</u>
		<u>(2,725 66)</u>
	UNSECURED CREDITORS	
	Department of Employment	0 00
		<u>0 00</u>
		<u>(7,770 26)</u>
		<u>(7,770 26)</u>
	REPRESENTED BY	
	Clients Deposit Account	<u>5.93</u>
		<u>1,866.55</u>

Notes and further information required by SIP 7

- No payments have been made to us from outside the estate
- 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.
- All bank accounts are interest bearing.
- There are no foreign currency holdings
- All amounts in the receipts and payments account are shown exclusive of VAT VAT is expected to be payable / recoverable on all transactions in the estate subject to VAT. In the event of any variations to this, such amounts would be disclosed as irrecoverable VAT

II Time analysis for the period from 17 May 2014 to 16 May 2015

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner	Associate director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	0 00	0 00	0 25	9 35	0 00	9 60	1,920 00	200 00
Cashiering general, including bonding	0 00	0 00	1 35	0 25	0 00	1 60	310 00	193 75
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary	0 50	0 00	3 35	2 50	0 00	6 35	1,563 00	246 14
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0 00	0 00	0 00	6 20	0 00	6 20	1,240 00	200 00
Protection of company records (incl electronic)	0 00	0 00	0 00	0 15	0 00	0 15	30 00	200 00
Filing, file and information management	0 00	0 00	0 00	0 80	0 00	0 80	160 00	200 00
Agents and advisers, general	0 00	0 00	0 00	0 30	0 00	0 30	60 00	200 00
Director/manager review, approval and signing	0 15	0 00	0 00	0 00	0 00	0 15	72 00	480 00
Other	0 00	0 00	6 85	0 25	0 00	7 10	1,999 75	281 65
Realisation of assets								
Debtors not financed (includes reassigned debtors)	0 00	0 00	0 00	0 25	0 00	0 25	50 00	200 00
Cash at Bank	0 00	0 00	0 00	1 55	0 00	1 55	310 00	200 00
Creditors								
Unsecured creditors	1 00	0 00	0 00	0 20	0 00	1 20	520 00	433 33
Other	1 00	0 00	0 00	0 00	0 00	1 00	480 00	480 00
Total	2 65	0 00	11.80	21.80	0.00	36 25	8,714.75	240.41

III Cumulative time analysis from 17 May 2013 to 16 May 2015

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner	Associate director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	0 00	5 00	0 25	55 35	0 00	60 60	12,795 00	211 14
Initial post-appointment notification letters, including creditors	0 00	8 25	0 00	0 60	0 00	8 85	2,883 75	325 85
Cashiering general, including bonding	0 00	0 00	2 80	0 70	0 00	3 50	682 00	194 86
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary	0 50	0 75	3 40	22 90	0 00	27 55	5,926 50	215 12
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0 00	3 00	0 00	9 20	0 00	12 20	2,853 75	233 91
Protection of company records (incl electronic)	0 00	0 00	0 00	0 40	0 00	0 40	80 00	200 00
Filing, file and information management	0 00	0 00	0 00	1 00	0 00	1 00	191 00	191 00
Agents and advisers, general	0 00	0 00	0 00	2 10	0 00	2 10	420 00	200 00
Director/manager review, approval and signing	0 55	9 40	0 00	0 00	0 00	9 95	3,524 00	354 17
Other	0 00	3 65	6 85	2 10	0 50	13 10	3,719 00	283 89
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	0 00	1 30	0 00	2 20	584 25	265 57
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 25	0 00	1 25	250 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	0 00	7 95	0 00	8 95	2,070 00	231 28
ROT Claims	0 00	0 00	0 00	0 25	0 00	0 25	50 00	200 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	1 25	0 00	0 00	1 25	250 00	200 00
Total	3.05	31 20	14 55	124 35	0 50	173 65	40,701 75	234 39

Explanation of major work activities undertaken

We set out below some commentary that supplements the information contained in our time costs analysis

Administration and Planning

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

- Preparing the documentation and dealing with the formalities of appointment
- 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)
- Case bordereau and reviews
- Case planning and administration
- Preparing reports to creditors (including this report)
- Maintaining and managing the liquidators' cash book and bank accounts

Investigations

The work undertaken is that described in SIP2 and SIP4 which govern both the investigations of the Company's failure and also examine the conduct of the directors. This work included the following

- Investigate the Company's affairs
- Review and storage of books and records
- Preparing a return/report pursuant to the Company Directors' Disqualification Act
- Investigating the reasons for the failure of the Company
- Discussions and correspondence with relevant personnel

Realisation of assets

- Communications with Foresight Group to obtain the balances of intercompany loan accounts
- Liaising with the liquidators of AWBL (in liquidation) and submitting our claim in respect of the intercompany loan account

Creditors

Work under this section includes correspondence and contact with the creditors of the Company. The work includes the following

- Dealing with creditor correspondence via email and telephone, including in respect of the secured creditor (Foresight Group), the RPO, and former employees

AML / Compliance

- Completing Anti-Money Laundering forms and checklists for internal purposes
- Conducting a number of checks and Companies House searches

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 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.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates	London office £/hr		Regional offices £/hr	
	From 1/7/13	From 1/7/14	From 1/7/13	From 1/7/14
Partner	480	480	350	350
Associate Director	370	370	295-325	295-325
Managers	235-310	235-310	190-285	190-290
Other professional staff	150-235	150-235	110-170	120-175
Support & secretarial staff	85	85	28-75	60-135

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2014	London office £/hr	Regional offices £/hr
Partner	480	350
Associate Director	370	295-325
Managers	235-310	190-290
Other professional staff	150-235	120-175
Support & secretarial staff	85	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 cashing function is centralised and London rates apply

www.smith.williamson.co.uk

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

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