

The Insolvency Act 1986*Liquidator's Progress Report***S. 192****Pursuant to section 192 of the
Insolvency Act 1986**

To the Registrar of Companies

For official use

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Company Number

06526649

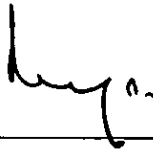
Name of Company

(a)
Insert full name of
company

(a) 121 ACCIDENT MANAGEMENT LIMITED

(b)
Insert full name(s)
and address(es)I,
David N Kaye of Crawfords Accountants LLP, Units 13-15 Brewery Yard, Deva City
Office Park, Trinity Way, Salford, Manchester, M3 7BBthe liquidator of the company attach a copy of my Progress Report under section 192 of
the Insolvency Act 1986 (as amended)

The Progress Report covers the period from 23 January 2016 to 22 January 2017.

Signed**Date 21 March 2017**Presenter's name,
address and
reference (if any)Crawfords Accountants LLP
Units 13-15 Brewery Yard
Deva City Office Park
Trinity Way
Salford
Manchester, M3 7BB*For Official Use*

Liquidation Section

FRIDAY



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24/03/2017

#192

COMPANIES HOUSE

**121 ACCIDENT MANAGEMENT LIMITED
IN CREDITORS' VOLUNTARY LIQUIDATION**

LIQUIDATOR'S ANNUAL PROGRESS REPORT

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21 March 2017

1. INTRODUCTION

The purpose of this report is to detail my acts and dealing as Liquidator and it should be read in conjunction with my previous correspondence to creditors.

2. BACKGROUND

The members' and creditors' meetings were held on 23 January 2014, when I was appointed Liquidator of the company.

The company's former registered office was 69 Windsor Road, Prestwich, Manchester, M25 0DB and this was changed to Stanton House, 41 Blackfriars Road, Salford, Manchester, M3 7DB and then to Units 13-15 Brewery Yard, Deva City Office Park, Trinity Way, Salford, M3 7BB.

The company's former trading address was at 198 Elliott Street, Tyldesley, Manchester, M29 8DS and lately to First Floor, 22 Exchange Quay, Salford Quays, Salford, Manchester, M5 3EQ.

The company operated as a claims management company regulated by the Ministry of Justice.

The main causes of failure were due to increased competition in the PPI industry which drove down commission rates, as well as resistance from banks and financial institutions in settlement of financial claims. However, the greatest contributory factor which affected the company's ability to trade was the change in the claims management industry in April 2013 when referral fees were banned in the personal injury market. This legislative change had a great impact on the sector as well as on the numerous small firms of solicitors who had relied on this source of work. It became clear that the company was unable to meet its liabilities as and when they fell due.

3. ASSET REALISATIONS

Fixtures & Fittings and Computer Equipment

The company's fixtures and fittings and computer equipment have been valued by Robson Kay & Company, independent agents and valueers, with an estimated realisable value of £1,000 and they have been realised in the sum of £1,425 plus VAT and £1,050 plus VAT, respectively.

Work-in-Progress and Book Debts

According to the Directors' Statement of Affairs verified by a Statement of Truth lodged in these proceedings, the company's most significant class of asset relates to work-in-progress which was made up of 470 live PPI claims of which 180 had been approved by the Financial Ombudsman Service ("FOS") and 290 cases were waiting for decision by the FOS. As sanctioned by creditors, I retained the use of the services of the former directors who have been assisting with the collection of the company's work-in-progress and book debts. A further sum of £1,020.73 has been collected in respect of the company's work-in-progress during the reporting period, totalling £66,366.52. No realisation has been achieved for book debts during the period and the sum realised from book debts remain at £15,888.22.

Cash at Bank

I can confirm that £836.84 was recovered from the company's former banker but this was not anticipated at the outset of the liquidation.

Bank Interest

Bank interest in the sum of £4.93 has been earned in the liquidation during the period under review, totalling £24.16.

Rates Refund and Sundry

A rates refund of £325.96 and a sundry receipt of £195.34 were received into the liquidation which came to light following my appointment as Liquidator of the company.

Cash Held by Accountants

Prior to liquidation, a cash balance of £6,000 was received from the company which was then transferred into the Liquidator's bank account upon appointment.

Third Party Funds

In one claim, I received £2,108.74 directly from the financial institution and deducted the agreed commission rate and returned the net balance of £1,729.17 to the claimant.

4. INVESTIGATION

The appropriate investigation into the company's affairs has been conducted and the relevant form submitted to the Department for Business, Innovation and Skills in accordance with the Company Directors Disqualification Act 1986. The contents of this report are confidential.

I previously reported that the Insolvency Service had issued disqualification proceedings against the directors of the company and all three directors, Glenn Paul Thwaites, Mark John Jenkins, and Constantine Nicholas, each accepted disqualification undertaking for a period of 5 years, which commenced on 12 January 2016 for Glenn Paul Thwaites and on 26 January 2016 for the other two directors, respectively.

I have concluded my investigation into the company's affairs and am satisfied that there are no matters justifying further investigation in the circumstances having taking into account of potential recoveries, the funds likely to be available to fund an investigation and the costs involved.

In accordance with Statement of Insolvency Practice 13, I can confirm that the company's residual assets were sold to Key Link Assured Limited, a connected company with common directors, in the sum of £2,472 plus VAT as defined by Section 435 of the Insolvency Act 1986. I am satisfied that the company assets were transacted at arm's length.

5. CREDITORS' CLAIMS

Preferential claims have been received in the sum of £2,870.10 in respect of subrogated claims from the Redundancy Payments Office. I am in the process of agreeing this preferential claim and will send a dividend to Redundancy Payments Office to discharge this debt in full shortly.

The non-preferential unsecured creditors, as per the Statement of Affairs totalled £724,301, which is made up by far the greatest is crown claims in the sum of approximately £623,598 followed by bank creditor of £46,808, trade creditors of £41,115 and finance creditors with a claim of £12,780. Claims will only be agreed if there is a prospect of a dividend to unsecured creditors.

6. DIVIDEND PROSPECTS

As advised above, the preferential claim will be discharged in full shortly. However, I am not in a position to advise on the timing or amount of dividends to unsecured creditors at this stage, if any, as this is dependent on whether any significant recoveries can be achieved from the company's work-in-progress and book debts.

Section 176A of the Insolvency Act 1986 (as amended) requires the Liquidator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the company gave a "qualifying floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property." A company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge.

A Liquidator has to set aside: -

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property up to a maximum of £600,000.

In this case, the register of mortgages and charges records a debenture created on 24 February 2010 in favour of National Westminster Bank Plc, being a fixed and floating charge over the assets of the company. Based on the current information available, the net property of the company is less than £10,000 and therefore, the prescribed part provisions do not apply in this case. Should this position change in the future due to further recoveries into the insolvent estate, I will advise creditors accordingly.

7. COSTS AND EXPENSES

A resolution was passed by creditors at the meeting of creditors on 23 January 2014 fixing the Statement of Affairs fee in the sum of £6,000 plus VAT and fixing the Liquidator's remuneration in accordance with the time spent and authorising payments on account.

The payments shown on the summary of the attached receipts and payments account are in the main self-explanatory.

Payments

Specific Bond

The sum of £180 was paid in respect of specific bonding for the insolvent estate.

Statement of Affairs

My firm was paid £5,000 plus VAT in respect of the Statement of Affairs fee and a payment of £1,000 plus VAT was paid to Millers Accountants for their assistance in the preparation of the Statement of Affairs.

Office Holder's Fees

I have drawn on account £10,000 plus VAT in respect of my Liquidator's remuneration during the reporting period, totalling £25,000 plus VAT.

Agents/Valuers Fees

The sum of £642.50 plus VAT was paid to Robson Kay and Company Limited for their valuation of the company's assets.

Third Party Funds

In one claim, I received the sum of £2,108.74 directly from the financial institution and deducted the agreed commission rate and returned the net balance of £1,729.17 to the claimant.

Statutory Advertising

The sum of £201 plus VAT was paid in respect of statutory advertising.

Software Subscription

I have made payments totalling £2,940 plus VAT to Bright Office Limited for using their software in collecting the company's work-in-progress and book debts during the period under review, totalling £9,210 plus VAT.

Debt Collection Fee

The sum of £86.96 plus VAT was paid to a debt collection agent in relation to a late payment from a debtor.

Case Management Fee

The sum of £110 was paid for the use of case management software provided by an independent external software provider.

Commission Payment

I have made a further payment on account of £397.44 in commission payment on the realisations of the company's work-in-progress, totalling £18,343.46.

Licence Fees

The sum of £4,124.75 was paid to the Ministry of Justice which is the regulatory body for claims management in order to continue with the debt collection of the company's work-in-progress and book debts.

Agent's Disbursements

The sum of £531.38 plus VAT was paid to Robson Kay and Company Limited in respect of their disbursements incurred in the liquidation.

Summary of Costs

The total time spent on this case amounts to 233.30 hours reflected in a total time cost of £44,201.50 plus VAT equating to an average hourly rate of £189. As at the date of my last report, my remuneration was £40,883 plus VAT. My remuneration charged during the period of the report is £3,318.50 plus VAT. My post-appointment remuneration to date is £25,000 plus VAT of which £10,000 has been drawn during the reporting period.

Crawfords rate of hourly charges are: Partner £295, manager £185, assistant £115, cashier £95, junior assistant £80 exclusive of VAT.

In common with all professional firms, charge out rates may increase from time to time over the period of the liquidation.

A summary of time spent in accordance with SIP 9 is attached.

I have set-out below a summary of the additional information which will provide creditors with some guidance in respect of work which is likely to be incurred during the remaining period of the liquidation until I am in a position to conclude the liquidation. I must emphasise that these guidance are based solely on present information available and are therefore estimates only. The final position of the liquidation and actual costs may well be different to the guidance provided below.

Anticipated Work

I can confirm that the collection of the company's work-in-progress and book debts are presently still on-going. Once the collection of the company's remaining work-in-progress and book debts have been completed, I will consider if there is a likelihood of a dividend to unsecured creditors. If there is no further substantial recovery of funds into the liquidation going forward, I do not anticipate that there will be a likelihood of a dividend to unsecured creditors in the liquidation.

Anticipated Costs of Work

My on-going costs will primarily relate to on-going collection of the company's remaining work-in-progress, as well as finalising administrative matters with a view to concluding the liquidation when I am in a position to do so.

Actual Work Done

I have set-out the assets realisations achieved in the liquidation in this report, as well as my other statutory and non-statutory work which I am required to undertake as Liquidator of the company. It should be noted that the work set-out in this report is intended to provide an overall summary of work carried out by my staff and myself as Liquidator of the company, and does not intend to provide a full and comprehensive coverage of all the work which has been undertaken as to do so would be too onerous and therefore give rise to unnecessary costs.

Actual Costs of Work and Expenses

Please refer to the attached receipts and payments account detailing all the receipts and payments incurred in the liquidation up to the period of reporting. These are all necessary costs which have been incurred during the costs of the liquidation.

Financial Benefit of Work to Creditors

I can confirm that preferential creditors will be paid in full in the liquidation. However, based on present information available and if there is no further significant recovery from the company's remaining work-in-progress and book debts, then there is no likelihood of a dividend to unsecured creditors in the liquidation. I can confirm that all the work which has been undertaken in the liquidation is necessary in order to wind-up the affairs of the company.

Disbursements

Crawfords disbursement policy is as follows:

Category 1 Disbursements:

- Category 1 expenses are expenses directly attributable to the insolvent case. These include insolvency bonds, advertising, company searches, post redirection orders, postages and travelling and accommodation costs incurred by staff whilst attending to the administration of the insolvent estate.
- Postage will be charged at the first class postage rate prevailing.
- The list as stated above is not exhaustive and any other external supplies and services, specifically identifiable to the case will also be recovered as a category 1 disbursement at cost.

Category 2 Disbursements:

- Category 2 expenses are additional overheads that relate to the insolvent estate but are not directly attributable to it.
- These expenses include, inter alia, stationery, photocopying, storage costs and travel which will be charged at up to 50p per mile.
- Crawfords Accountants LLP does not seek to recover Category 2 disbursements except for travel and business mileage directly attributable to the case.

In accordance with Statement of Insolvency Practice No.9 (SIP 9), creditors must be provided with a statement of all expenses incurred during the period irrespective of whether payment was made during the period.

The expenses incurred are itemised in the enclosed receipts and payments account and represent only those expenses properly chargeable and necessarily disbursed in the course of the Liquidation.

Within 21 days from receipt of this report creditors may request further information about the remuneration and expenses. The request must be made in writing and made either by a secured creditor or an unsecured creditor or creditors that total at least 5% in value of unsecured creditors or with the permission of the Court. Other than in specific circumstances, which if applicable I would explain, I will provide this within 14 days.

A copy of the creditors' guide to Liquidator's fees, Crawfords' disbursements policy, creditors' and members' rights to request further information, are available to download from <http://www.crawfordsinsolvency.co.uk/>. Alternatively you may request a copy from this office free of charge by post or e-mail.

Other professional Costs

As sanctioned at the initial meeting of creditors, solicitors and agents may be appointed at my discretion. Agents and debt collectors have been paid on a combination of time spent and level of realisations, where appropriate.

I have engaged the services of the following professional firms: -

- Robson Kay & Company – Agents and Valueers – Percentage Basis
- Key Link Assured Limited – Debt Collection Agent – Percentage Basis
- Bright Office Limited – Software Provider – Fixed Monthly Fee

8. CONCLUSION

The following matters remain outstanding: -

- Payment of preferential dividend to Redundancy Payments Office
- On-going realisation of company's work-in-progress and book debts
- Procurement and agreement of creditors' claims, where appropriate

For and on behalf of
121 Accident Management Limited



David N Kaye
Liquidator

**121 Accident Management Ltd - In Creditors Voluntary Liquidation
Liquidator's Abstract of Receipts & Payments**

From 23 January 2016 To 22 January 2017

S of A £	From 23/01/16	From 23/01/14
	To 22/01/17	To 22/01/17

ASSET REALISATIONS

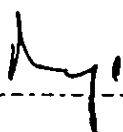
1,000.00(Fixtures & Fittings	NIL	1,425.00
(Computer Equipment	NIL	1,050.00
Uncertain	WIP/Book Debts	1,020.73	66,366.52
Uncertain	Book Debts	NIL	15,888.22
NIL	Cash at Bank	NIL	836.84
NIL	Bank Interest Gross	4.93	24.16
NIL	Rates Refund	NIL	325.96
NIL	Sundry	NIL	195.34
6,000.00	Cash Held by Accountants	NIL	6,000.00
NIL	Third Party Funds	NIL	2,108.74
		<u>1,025.66</u>	<u>94,220.78</u>

COST OF REALISATIONS

Specific Bond	NIL	(180.00)
Statement of Affairs Fee	NIL	(6,000.00)
Office Holders Fees	(10,000.00)	(25,000.00)
Agents/Valuers Fees	NIL	(642.50)
Third Party Funds	NIL	(1,729.17)
Statutory Advertising	NIL	(201.00)
Software Subscription	(2,940.00)	(9,210.00)
Debt Collection Fee	NIL	(86.96)
Case Management Fee	NIL	(110.00)
Commission Payment	(379.44)	(18,343.46)
Licence Fees	NIL	(4,124.75)
Royal Mail Service	NIL	(1,280.58)
Agents Disbursements	NIL	(531.38)
	<u>(13,319.44)</u>	<u>(67,439.80)</u>
	<u>(12,293.78)</u>	<u>26,780.98</u>

REPRESENTED BY

VAT Payable	(1,435.56)
VAT Recoverable	3,387.11
Balance at Bank	<u>24,829.43</u>
	<u>26,780.98</u>



David N Kaye
 Liquidator

121 ACCIDENT MANAGEMENT LIMITED - IN LIQUIDATION**LIQUIDATOR'S TIME AND CHARGEOUT SUMMARY**

Classification of Work Function	Partner	Manager	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	17.80	134.30	16.20	168.30	31,511.50	187
Investigations	3.00	10.50	-	13.50	2,827.50	209
Realisation of Assets	19.20	0.70	-	19.90	5,793.50	291
Creditors	0.70	2.10	9.90	12.70	1,733.50	136
Trading	-	-	-	-	-	-
Bank	-	5.80	12.70	18.50	2,279.50	123
Tax	-	0.20	0.20	0.40	56.00	140
	40.70	153.60	39.00	233.30	44,201.50	189

Current Individual Hourly Charge Out Rate £	295.00	185.00	115.00
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