

**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 Stanton House, 41 Blackfriars Road,  
Salford, Manchester, M3 7DBthe 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 2014 to 22 January 2015

Signed



Date 13 March 2015

Presenter's name,  
address and  
reference (if any)Crawfords Accountants LLP  
Stanton House  
41 Blackfriars Road  
Salford  
Manchester  
M3 7DB

For Official Use

Liquidation Section

SATURDAY



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14/03/2015  
COMPANIES HOUSE

#112

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

**LIQUIDATOR'S ANNUAL PROGRESS REPORT**

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**13 March 2015**

## **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 current registered office is at Stanton House, 41 Blackfriars Road, Salford, Manchester, M3 7DB

The company's former registered office was at 69 Windsor Road, Prestwich, Manchester, M25 0DB

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**

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 have retained the use of the services of the former directors via Key Link Assured Limited, a connected company, who have been assisting with the collection of the company's work-in-progress and have achieved realisations of £36,789.59 plus VAT recovered in the liquidation and a further £9,311.84 has been received which relates to pre-liquidation invoices raised by the company prior to liquidation but funds subsequently received during the liquidation. The latter receipts have been categorised as book debts on the attached receipts and payments account.

In one claim, I have received £2,108.74 directly from the financial institution and have deducted the agreed commission rate and returned the net balance of £1,729.17 to the claimant, which is shown as third party funds on the attached receipts and payments account.

The other notified classes of assets included fixtures and fittings and computer equipment which have since been realised by Robson Kay & Company, independent agents and valuers, in the sum of £1,425 plus VAT and £1,050 plus VAT, respectively.

I can confirm that £836.84 has been recovered from the company's former banker but this was not anticipated at the outset of the liquidation. Furthermore, a rates refund of £325.96 and a sundry receipt of £195.34 have been received into the liquidation which came to light following my appointment as Liquidator of the company.

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.

#### **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 am continuing my investigation into the affairs of the company and will report the outcome of my investigation to creditors when it is appropriate to do so

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**

The 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 have not been agreed at this stage and outstanding claims will not be chased until the collection of the company's outstanding work-in-progress has been substantially completed. This will then provide a clearer indication regarding the likelihood of a dividend to creditors

#### **6. DIVIDEND PROSPECTS**

As explained above, I am not in a position to advise on the timing or quantum of a dividend to any class of creditor at this stage

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 stands at approximately £15,310 and the value of the prescribed-part is estimated at circa £6,000. However, this amount does not take into account deduction of preferential claims, if any, and on-going costs of administering the liquidation. It is likely that the amount ring-fenced for prescribed part will be reduced further

#### **7. COSTS AND EXPENSES**

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

A resolution was passed 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. I confirm that I have drawn £5,000 plus VAT and a further £1,000 plus VAT have been paid to Millers Accountants for their assistance in the preparation of the Statement of Affairs in accordance with that resolution

## **Summary of Costs**

The total time spent on this case amounts to 177 85 hours reflected in a total time cost of £33,762 25 plus VAT equating to an average hourly rate of £190 I have drawn on account £15,000 plus VAT in respect of my post-appointment remuneration in accordance with that resolution

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

## **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/](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 -

- On-going investigation into the affairs of the company
- On-going realisation of work-in-progress
- 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 2014 To 22 January 2015**

<b>S of A £</b>		<b>£</b>	<b>£</b>
<b>ASSET REALISATIONS</b>			
1,000 00(	Fixtures & Fittings	1,425 00	
(	Computer Equipment	1,050 00	
Uncertain	WIP/Book Debts	36,789 59	
Uncertain	Book Debts	9,311 84	
NIL	Cash at Bank	836 84	
NIL	Bank Interest Gross	4 28	
NIL	Rates Refund	325 96	
	Sundry	195 34	
6,000 00	Cash Held by Accountants	6,000 00	
	Third Party Funds	2,108 74	
			<b>58,047 59</b>
<b>COST OF REALISATIONS</b>			
	Specific Bond	180 00	
	Statement of Affairs Fee	6,000 00	
	Office Holders Fees	15,000 00	
	Office Holders Expenses	470 00	
	Agents/Valuers Fees	642 50	
	Third Party Funds	1,729 17	
	Statutory Advertising	268 00	
	Software Subscription	3,330 00	
	Mail Redirection	120 00	
	Case Management Fee	110 00	
	Commission Payment	11,339 40	
	Licence Fees	3,016 85	
	Agents Disbursements	531 38	
			<b>(42,737 30)</b>
(700,091 66)			<b>15,310 29</b>
<b>REPRESENTED BY</b>			
	VAT Payable	(992 14)	
	VAT Recoverable	147 00	
	VAT Refund	165 57	
	Barclays	15,989 86	
			<b>15,310 29</b>

  
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	13 10	96 75	15 70	125 55	23,130 75	184
Investigations	3 00	10 20	-	13 20	2,772 00	210
Realisation of Assets	19 20	0 70	-	19 90	5,793 50	291
Creditors	-	1 30	4 90	6 20	804 00	130
Trading	-	-	-	-	-	-
Bank	-	0 30	12 70	13 00	1,262 00	97
Tax	-	-	-	-	-	-
	35 30	109 25	33 30	177 85	33,762 25	190

Current Individual Hourly Charge Out Rate £	295 00	185 00	115 00
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