

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

06707281

Name of Company

ABC Insolvency Services Limited

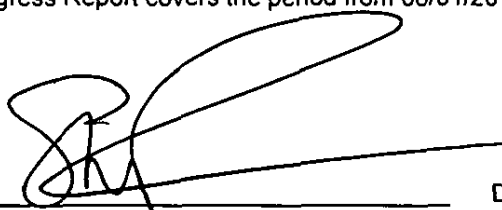
I / We

Stephen Penn, 1st Floor, Block A, Loversall Court, Clayfields, Tickhill Road, Doncaster, South Yorkshire, DN4 8QG

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 08/01/2016 to 07/01/2017

Signed



Date

6/2/17

Absolute Recovery Limited
1st Floor, Block A
Loversall Court
Clayfields
Tickhill Road
Doncaster
DN4 8QG
Ref ABC0382/SP/DH



ABC Insolvency Services Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

| Statement of Affairs | From 08/01/2016 To 07/01/2017 |
|-------------------------|----------------------------------|
| ASSET REALISATIONS | |
| Book Debts | 600 00 |
| Bank Interest Gross | 0 03 |
| | <u>600 03</u> |
| COST OF REALISATIONS | |
| Preparation of S of A | 500 00 |
| | <u>(500 00)</u> |
| | <u>100 03</u> |
| REPRESENTED BY | |
| Vat Receivable | 100 00 |
| Bank 1 Current | 0 03 |
| | <u>100 03</u> |

Liquidator's Annual Progress Report to Creditors & Members

ABC Insolvency Services Limited - In Liquidation

7 January 2017

ABC INSOLVENCY SERVICES LIMITED - IN LIQUIDATION

CONTENTS

- 1** Introduction and Statutory Information
- 2** Progress of the Liquidation
- 3** Creditors
- 4** Liquidator's Remuneration
- 5** Creditors' Rights
- 6** Next Report

APPENDICES

- A** Receipts and Payments Account for the Period from 8 January 2016 to 7 January 2017
- B** Time Analysis for the Period from the 8 January 2016 to 7 January 2017
- C** Additional information in relation to Liquidator's Fees, Expenses & Disbursements

ABC INSOLVENCY SERVICES LIMITED - IN LIQUIDATION

1 Introduction and Statutory Information

- 1 1 I, Stephen Penn of Absolute Recovery Limited, 1st Floor, Block A, Loversall Court, Clayfields, Tickhill Road, Doncaster, DN4 8QG, was appointed as Liquidator of ABC Insolvency Services Limited (the Company) on 8 January 2016. This progress report covers the period from 8 January 2016 to 7 January 2017 (the Period) and should be read in conjunction with any previous progress reports which have been issued.
- 1 2 The principal trading address of the Company was Unit 7, Meersbrook Centre, 19 Valley Road, Sheffield, S8 9FT.
- 1 3 The registered office of the Company has been changed to First Floor, Block A, Loversall Court, Clayfields, Tickhill Road, Doncaster, DN4 8QG and its registered number is 06707281.

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 My initial opinion of the assignment was that it should be of a straight forward nature with the majority of early administration focused upon statutory duties.
- 2 4 Based simply on the Statement of Affairs I considered that it was unlikely a dividend would be payable to creditors.
- 2 5 I considered that I had the staff and resources to properly administer the liquidation and appointed a case manager and a case administrator to deal with the day to day administration.
- 2 6 I did not believe it was necessary to consult creditors generally with regard to any strategy.
- 2 7 The company did not operate a pension scheme.
- 2 8 Shortly after appointment I created a new case at The Redundancy Payments Service and assisted several individuals with claims in respect of monies owed to them from their former employment at the company.
- 2 9 I implemented a redirection upon the company's mail for the first 3 months of the liquidation and whilst on this occasion it was unsuccessful, it is generally a useful tool to identify unknown assets. The redirection did uncover additional creditors.
- 2 10 During the first few weeks of the liquidation I became aware that the company was entitled to a payment in respect of a referral fee. The sum of £600 was realised in this regard.
- 2 11 I have entered into correspondence with several creditors regarding the affairs of the company, some of which were unaware of the liquidation and provided guidance where required.
- 2 12 The company bankers provided me with details of 10 accounts, some being client accounts and none of which had credit or debit balances as at the date of my appointment.
- 2 13 It should be noted that in the main this work has been performed to comply with statutory duties and generally this liquidation has progressed as anticipated.

Administration (including statutory compliance & reporting)

- 2 14 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated would need to be done in this area was outlined to creditors in my initial fee estimate.

ABC INSOLVENCY SERVICES LIMITED - IN LIQUIDATION

2 15 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidator

2 16 It should be noted that this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute

Realisation of Assets

Book Debts

2 17 The sum of £600 00 has been collected from a debtor. No further realisations are expected

Bank Interest Gross

2 18 I operate an interest bearing current account for the purpose of the liquidation and to date interest totalling £0 03 has accrued

Creditors (claims and distributions)

2 19 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. A Liquidator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture. On this occasion the company has no known secured creditors

2 20 Claims from preferential creditors typically involve employee claims and payments made on behalf of the company by the Redundancy Payments Service following dismissal. On this occasion the company has preferential creditors

2 21 The above work will not necessarily bring any financial benefit to creditors generally, however a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims

2 22 I consider the following matters worth noting in my report to creditors at this stage

- There were 23 unsecured creditors' claims in this case with a value per the director's statement of affairs of £132,042. No formal adjudication of creditor claims has taken place, I would only propose to do so in the event that a dividend was payable
- There were no secured creditors
- Preferential creditor claims were estimated to be £2,400 00
- It was not envisaged that a dividend would be payable to any class of creditor
- The director of the company has given personal guarantees in respect of some company debts in excess of £50,000

ABC INSOLVENCY SERVICES LIMITED - IN LIQUIDATION

Investigations

- 2 23 Some of the work the Liquidator is required to undertake is to comply with legislation such as the Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations 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 24 I can confirm that I have submitted a report on the conduct of the members of the company to the Department for Business Innovation & Skills (now known as the Department for Business, Energy & Industrial Strategy) under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents
- 2 25 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. I would comment as follows
- 3 individuals acted as a director of the company during the 3-year period leading up to liquidation however only 1 of these has completed and returned to me a questionnaire regarding their activities as a director of the company. I have not been provided with any company books and records
 - The last set of accounts filed at Companies House was for the period ending 31 December 2013, approximately 24 months prior to liquidation. I have been provided with draft accounts for the year ending 31 December 2014 however
 - I have received bank statements for the company business current account for the 12-month period leading up to liquidation which have been fully analysed
 - Having undertaken a review of all of these documents and various other papers concerning the company's financial affairs I identified several transactions that on face value and without the benefit of company books and records could be regarded as transactions at an undervalue or a general breach of fiduciary duty. The cumulative value of these transactions is in the region of £13,000
 - I have asked the director to provide me with his explanations for these transactions all of which occurred at a time when he was the sole director however I have received no reply
 - Creditors should note that I have no funds in hand to cover the costs of taking further action against the director of the company and the scope of the anticipated recovery at best falls below the minimum criteria of litigation funding agents in a best outcome scenario
 - Accordingly, if any creditor is willing to provide funding to enable me to pursue this further, I hereby invite them to contact me to discuss the matter

Connected Party Transactions

- 2 26 There have been no transactions with connected parties

3 Creditors

Secured Creditors

- 3 2 The company has no secured creditors

ABC INSOLVENCY SERVICES LIMITED - IN LIQUIDATION

Preferential Creditors

- 3 3 No preferential claim has been lodged by The Insolvency Service in respect of claims made through The Redundancy Payments Service by former employees of the company as at the date of this report

Unsecured Creditors

- 3 4 I have received claims totalling £85,596 70 from 12 creditors. I have become aware of 9 other creditors since the liquidation commenced and 20 creditors have yet to lodge claims in the liquidation
- 3 5 I would confirm that currently it is anticipated there will be insufficient funds realised after defraying the expenses of the liquidation to pay a dividend to unsecured creditors

4 Liquidator's Remuneration

- 4 1 Creditors approved that the basis of the Liquidator's remuneration be fixed at a set amount of £10,000 plus VAT. My fees estimate was originally provided to creditors when the basis of my remuneration was approved and was based on information available to me at that time
- 4 2 The Liquidator has drawn the sum of £Nil against the total set fee agreed of £10,000 approved by creditors
- 4 3 Although my remuneration is not based upon time costs, practice guidelines suggest that a summary of time costs should be disclosed to creditors to justify remuneration levels drawn. My time costs for the Period are £7,470 00. This represents 40 10 hours at an average rate of £186 28 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period
- 4 4 At the date of this report, I would confirm that my fees estimate for the liquidation remains unchanged. This is because I consider my estimate to be sufficient or because I intend restricting the Liquidator's time costs to be drawn from the estate to the level of my estimate and as a result, any time incurred in excess of this will not be borne by creditors
- 4 5 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from my firm's website
- 4 6 Attached as Appendix C 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

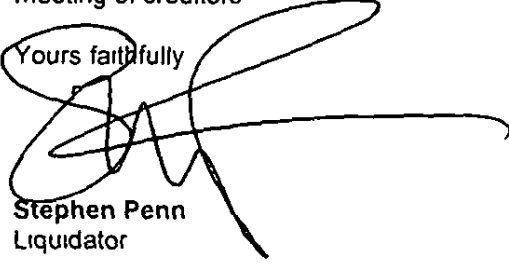
- 5 1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised 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

ABC INSOLVENCY SERVICES LIMITED - IN LIQUIDATION

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


Stephen Penn
Liquidator

ABC INSOLVENCY SERVICES LIMITED - IN LIQUIDATION

Appendix C

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

7 Staff Allocation and the Use of Sub-Contractors

- 7.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case
- 7.2 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
- 7.3 We are not proposing to utilise the services of any sub-contractors in this case

8 Professional Advisors

- 8.1 On this assignment, we have used no professional advisors
- 8.2 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

9 Liquidator's Expenses & Disbursements

- 9.1 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 was approved, a copy of which is set out below

| Expense | Estimated cost £ |
|----------------------------------------------|---------------------|
| Category 1 disbursements charged by the firm | |
| Statutory advertising | 88.00 per advert |
| Specific penalty bond | 48.00 |
| Re-direction of the company's mail | 160.00 |
| Postage | 41.60 |
| Computer Services - Insolv | 110.00 |
| Category 2 disbursements charged by the firm | |
| None | |

Current position of Liquidator's expenses

- 9.2 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

ABC INSOLVENCY SERVICES LIMITED - IN LIQUIDATION

| | Paid in prior period £ | Paid in the period covered by this report £ | Incurred but not paid to date £ | Total anticipated cost £ |
|------------------------------------|------------------------|---------------------------------------------|---------------------------------|--------------------------|
| Category 1 disbursements | | | | |
| Statutory advertising | | | 176 00 | 264 00 |
| Specific penalty bond | | | 72 00 | 72 00 |
| Re-direction of the company's mail | | | 160 00 | 160 00 |
| Postage | | | 26 16 | 107 56 |
| Computer Services - Insolv | | | 110 00 | 110 00 |
| Category 2 disbursements | | | | |
| None | | | | |

9 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.

9 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.

10 Charge-Out Rates

10 1 Absolute Recovery Limited's current charge-out rates effective from appointment are detailed below. Please note this firm records its time in minimum units of 6 minutes.

| Description | (Per hour) £ |
|----------------------------|-----------------|
| Partner | 350 |
| Manager | 225 - 275 |
| Other Senior Professional | 150 - 175 |
| Assistants & Support Staff | 100 |

New rates from 3 November 2016

| Description | (Per hour) £ |
|----------------------------|-----------------|
| Partner | 350 |
| Manager/Senior Manager | 225 - 275 |
| Other Senior Professional | 175 - 225 |
| Administrator/Cashier | 150 - 175 |
| Junior Administrator | 100 |
| Assistants & Support Staff | 100 |

**ABC Insolvency Services Limited
(In Liquidation)**

**Liquidator's Summary of Receipts and Payments
To 07 January 2017**

| RECEIPTS | Statement of Affairs (£) | Total (£) |
|-------------------------|-------------------------------------|------------------|
| Book Debts | | 600 00 |
| Bank Interest Gross | | 0 03 |
| | | <hr/> |
| | | 600 03 |
| | | <hr/> |
| PAYMENTS | | |
| Preparation of S of A | | 500 00 |
| | | <hr/> |
| | | 500 00 |
| | | <hr/> |
| Net Receipts/(Payments) | | 100 03 |
| | | <hr/> |

MADE UP AS FOLLOWS

| | |
|----------------------------|--------|
| Bank 1 Current | 0 03 |
| VAT Receivable / (Payable) | 100 00 |
| | <hr/> |
| | 100 03 |
| | <hr/> |

Time Entry - SIP9 Time & Cost Summary

ABC0382 - ABC Insolvency Services Limited
Project Code POST
From 08/01/2016 To 07/01/2017

| Classification of Work Function | Partner | Manager | Other Senior Professionals | Assistants & Support Staff | Total Hours | Time Cost (£) | Average Hourly Rate (£) |
|---------------------------------|---------|---------|----------------------------|----------------------------|-------------|---------------|-------------------------|
| Administration & Planning | 2.10 | 2.30 | 4.30 | 0.10 | 8.80 | 1 907.50 | 216.76 |
| Case Specific Matters | 0.00 | 0.00 | 0.70 | 0.00 | 0.70 | 105.00 | 150.00 |
| Creditors | 0.00 | 5.50 | 2.10 | 0.00 | 7.70 | 1 550.00 | 208.49 |
| Investigations | 0.70 | 2.80 | 18.30 | 0.00 | 21.80 | 3 620.00 | 166.06 |
| Realisation of Assets | 0.00 | 1.10 | 0.00 | 0.00 | 1.10 | 247.50 | 225.00 |
| Trading | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Hours | 2.80 | 11.80 | 25.40 | 0.10 | 40.10 | 7 470.00 | 186.28 |
| Total Fees Claimed | | | | | | 0.00 | |
| Total Disbursements Claimed | | | | | | 0.00 | |