



Progress Report

For the period from 12 October 2011 to 11 October 2012

Case name	A.A. Design Partnership Ltd in Liquidation
Court details	High Court of Justice no 5723 of 2011
Winding Up Order date	24 August 2011
Appointment date	12 October 2011
Liquidators	JI Bangham and DJ Standish [Full details are included in Appendix 3]
Contact details for case administrator	David Bridge Direct Dial No· 0117 9054697, or Email dave.bridge@kpmg.co.uk
Assets	Asset realisations for this period of £1,835 00 are detailed in Appendix 1. The assets remaining to be realised and the progress made in the realisation of these assets are shown in Appendix 2
Dividend prospects	On present information it is expected that no dividend will be paid to unsecured creditors, unless there is a significant recovery from the payment of dividends prior to insolvency
Liquidators' remuneration	<p>The basis for remuneration has not yet been fixed, a meeting of creditors is now to be convened to agree the basis of remuneration The notice is attached to this report</p> <p>A resolution is to be put to the meeting of creditors that our remuneration should be fixed by reference to the time properly given in attending to matters arising in the bankruptcies In addition VAT is payable on our expenses and remuneration</p> <p>The time charged to this case is detailed for this period in Appendix 4</p>
Liquidators' expenses	<p>Expenses totalling £31,805, including office holders remuneration of £17,872, have been incurred for this period</p> <p>This includes amounts incurred not yet billed or paid as shown in Appendix 5</p> <p>The receipts and payments for the period are shown separately in Appendix 1.</p>

Creditors' rights are explained in detail in Appendix 3

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Appendix 1

For this appendix

All expenses accrued but not paid during the period are included in Appendix 5

A.A. Design Partnership Ltd
(In Liquidation)
Liquidators' Abstract of Receipts & Payments
To 11/10/2012

S of A £		£	£
	FIXED CHARGE ASSETS		
15,000 00	Book debts	NIL	NIL
	FIXED CHARGE CREDITORS		
(42,000 00)	Fixed charge creditor	NIL	NIL
	ASSET REALISATIONS		
2,650 00	Furniture & equipment	1,835 00	
3,873 00	Cash at bank	NIL	
			1,835 00
	OTHER REALISATIONS		
90,000 00	Illegal Dividends	NIL	
	ISA interest gross	3 09	
	Tax paid on ISA interest	(0 61)	
			2 48
	COST OF REALISATIONS		
	OR debit balance	1,070 00	
	Bank charges	76 00	
			(1,146 00)
	UNSECURED CREDITORS		
(164,540 96)	Trade & expense	NIL	NIL
(95,017.96)			691.48
	REPRESENTED BY		
	ISA		1,058 48
	VAT payable		(367 00)
			691.48

John Ivor Bangham
Liquidator

Appendix 2

Asset realisation and progression

1. Assets realised to date

The fixtures and fittings of the business were valued by an independent agent and I accepted payment of £1,835 plus VAT for these items

2. Progress report on the realisation of the remaining assets

The Official Receiver indicated that the company had a small amount of cash in hand at the date of the winding up order. This has not been received and I am chasing this up with the Official Receiver.

In addition, the company operated a number of bank accounts, at least one of which had a credit balance. I have written to the bank to obtain further details but they have not yet replied in full. It is likely that the bank will seek to offset any credit balances against the amount they are owed.

The directors have scheduled a number of book debts in relation to unpaid invoices. Most of these are either trivial amounts or quite old. I am however making enquiries to establish whether it is possible to realise these debts.

The partnership operated out of Leasehold premises in Newquay. The leaseholder informed me that the company was not a valid tenant and I took advice from colleagues in my Real Estates Advisory Services team. Following this advice I agreed to disclaim any interest in the lease and no realisations are expected.

The company owes approximately £42,000 to its bankers under a fixed and floating charge. I instructed my solicitors to review the validity of this debenture. The bank appears to have a valid fixed charge over (amongst other things) all fixtures and fittings, credit balances, intellectual property rights and goodwill. In addition, they appear to have a valid floating charge over the present and future undertaking and all other assets of the company not effectively charged by way of the fixed charge.

3. Other matters

The three directors and shareholders regularly supplemented their income with regular dividend payments. They claim that was done on the basis that they expected sufficient profits to justify their payment. However, the accounts produced by their accountants showed that, as a consequence of these dividend payments, the company was never balance sheet solvent and the directors have acknowledged that these payments should not have been paid.

All three directors are jointly and severally liable for the illegal dividends. I have obtained legal advice in respect of this matter and am currently negotiating with the directors on the basis of repayment.

Two of the directors have taken legal advice and appear to be in a position to make some form of repayment. However, one of the directors and his wife, who is the other shareholder, have proposed Individual Voluntary Arrangements (IVA).

I am also aware that one of the directors continued to trade under the name of Artchart Architecture LLP. It is unclear whether the director owns the legal intellectual property rights for the 'Artchart' brand and my enquiries in relation to this matter are ongoing.



4. Dividend Prospects

If realisations are made in respect of recovery of the illegal dividends these will be available for the costs and expenses of the liquidation and, if possible, a small dividend to unsecured creditors. However, until the outcome of my negotiations is known, I am unable to comment on the quantum or timing of any such dividend.

Further information will be provided in my subsequent reports.



Appendix 3

Statutory Information

Appointment

For period	12 October 2011 to 11 October 2012
Company name	A A Design Partnership Ltd
Nature of business	Architects
Court details	The Winding Up Order was made on 30 June 2011 in the High Court of Justice number 5723 of 2011, application by Creditor's petition
Date of appointment	12 October 2011
Office holder details	<p>John Ivor Bangham was appointed on 12 October 2011 and is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales</p> <p>David John Standish was appointed on 12 October 2011 and is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association</p>
Registered number	06740858
Present registered office	<p>Bryndon House</p> <p>5-7 Berry Road</p> <p>Newquay</p> <p>Cornwall</p> <p>TR7 1AD</p>
Basis of remuneration	Not yet agreed
Fee resolution date	Not yet convened

Statement of creditors' right to request further information and to challenge the Liquidators' remuneration

As a creditor you have the right to request further information and to challenge the Liquidators' remuneration

Full details of the time scale and procedure if you wish to do so can be viewed on the following website

<http://www.insolvency-practitioners.org.uk/uploads/bky.pdf>

Alternatively, if any creditor requires a copy to be sent to them by post they should contact me and a copy will be forwarded to you

A.A. Design Partnership Limited in liquidation
High Court of Justice no. 5723 of 2011

Summary Of Time Costs to 11 October 2012

Activity	Partner/ Director		Management	Administrators		Support	Total Hours	Total Cost	Average Rate
	£320 - £405	£405 - £500		£240 - £310	£310 - £400				
Current Charge out rates	£320 - £405		£240 - £310	£310 - £400		£400 - £500			
	£405 - £500		£500 - £600	£600 - £700		£700 - £800			
	£500 - £600		£600 - £700	£700 - £800		£800 - £900			
	£600 - £700		£700 - £800	£800 - £900		£900 - £1,000			
	£700 - £800		£800 - £900	£900 - £1,000		£1,000 - £1,100			
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	£900 - £1,000		£1,000 - £1,100	£1,100 - £1,200		£1,200 - £1,300			
	£1,000 - £1,100		£1,100 - £1,200	£1,200 - £1,300		£1,300 - £1,400			
	£1,100 - £1,200		£1,200 - £1,300	£1,300 - £1,400		£1,400 - £1,500			
	£1,200 - £1,300		£1,300 - £1,400	£1,400 - £1,500		£1,500 - £1,600			
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	£12,300 - £12,400		£12,400 - £12,500	£12,500 - £12,600		£12,600 - £12,700			
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	£12,600 - £12,700		£12,70						

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

A guide to what might be included in the standard activities is:

Standard Activity	Administration and Planning	Investigations	Realisation of Assets	Trading	Creditors
Examples of work	Case planning Administrative set-up Appointment notification Maintenance of records Statutory reporting	Investigating antecedent transactions	Identifying, securing, insuring assets Retention of title Debt collection Property, business and asset sales	Management of operations Accounting for trading On-going employee issues	Communication with creditors Creditors' claims



Appendix 5

Schedule of expenses for the period

12 October 2011 to 11 October 2012

Section	Account	Accrued	Paid	Total
Cost of realisations	OR debit balance		1,070 00	1,070.00
	Specific bond	20 00		20 00
	Liquidator's fees	17,871 75		17,871 75
	Liquidator's expenses	133 85		133 85
	Agents'/Valuers' fees	65 00		65 00
	Legal fees	11,500 00		11,500 00
	Storage costs	968 79		968 79
	Statutory advertising	91 80		91 80
	Other property expenses	8 00		8 00
	Bank charges		76 00	76 00
TOTAL		30,659.19	1,146.00	31,805.19

Creditors' rights

As a creditor you have a right to request further information and to challenge the Liquidators' remuneration and expenses.

Creditors are reminded that the basis upon which the Liquidators' remuneration is to be charged has been agreed. The quantum is supported by an analysis of time costs available for review at Appendix 4. Any additional information regarding Liquidators' remuneration and / or other expenses charged for the period is available from the Liquidators upon request by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with rule 6.78C IR86. This request must be made within 21 days of receipt of the report.

In addition, creditors are reminded that the quantum can be challenged by any secured creditor or any unsecured creditor(s) with at least 10% in value (including that creditor's claim) of the unsecured debt by making an application to Court in accordance with rule 6.142 IR86 within eight weeks of receipt of this report.

The full text of these rules can be provided upon request or can be viewed on the following website

<http://www.insolvency-practitioners.org.uk/uploads/bky.pdf>