

Liquidator's Progress Report**S.192****Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986**

To the Registrar of Companies

Company Number

06817535

Name of Company

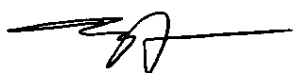
(a) Insert full
name of
company

(a) ABC ENTERPRISES GROUP ✓

Limited ✓

(b) Insert full
name(s) and
address(es)I/We (b) Michael James Gregson,
Bulley Davey, 4 Cyrus Way, Cygnet Park, Hampton, Peterborough PE7 8HPthe Liquidator(s) of the company attach a copy of my Progress Report under Section
192 of the Insolvency Act 1986The Progress Report covers the period from 8th October 2015 to 7th October 2016 ✓

Signed



Date

11th October 2016Presenter's
name, address
and reference
(if any)M J Gregson
Bulley Davey, 4 Cyrus Way, Cygnet Park, Hampton, Peterborough PE7 8HP
DX729641 Peterborough 21

Ref MJG/116G726

THURSDAY



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COMPANIES HOUSE

ABC ENTERPRISES GROUP LIMITED
In Members Voluntary Liquidation

Liquidator's Annual Progress Report to Members
For the year ending 7th October 2016
Pursuant to Section 92A Insolvency Act 1986
and Rule 4.49C Insolvency Rules 1986 (as amended)

STATUTORY INFORMATION

Company name ABC Enterprises Group Limited ("the company")

Registered office 9/10 The Crescent, Wisbech, Cambridgeshire PE13 1EH

Registered number 06817535

Liquidator's name Michael James Gregson

Liquidator's address Bulley Davey, 4 Cyrus Way, Cygnet Park, Hampton, Peterborough PE7 8HP

Liquidator's date of appointment 8th October 2015

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 8th October 2015 to 7th October 2016 is attached at Appendix 1 the content of which is largely self explanatory

ASSETS

The Declaration of Solvency dated 8th October 2015 indicated the company's assets to consist of the following

	£
Cash in hands of solicitors	5,136,400
Deferred consideration	3,400,000
	<u>8,536,400</u>

Following appointment the company's solicitors were authorised to make an immediate first distribution to the shareholders from the funds in hand which amounted to £5,123,860, further details of which are provided later in this report. The balance of funds of £12,540 were then transferred to the liquidation account

Deferred Consideration

This comprises the sum due from the purchasers of the company's business prior to appointment. It was agreed that the purchasers, Reconomy (UK) Limited ("Reconomy") would settle the £3,400,000 by way of 2 instalments of £1,700,000 to be made in January 2016 and April 2016. The first of these was received in full without issue, however the second instalment has been reduced by £402,537 by the purchaser's solicitors for two reasons as follows

- Transfers of value amounting to £102,537 were made from the company in contravention of certain covenants contained within the Share Purchase Agreement. Referred to as "Leakage" this reduction has been accepted by the company

- A former officer of the company, Mr Bob Collins, has alleged that he may have claims against the company for some form of breach of contract estimated at £300,000. Consequently Reconomy's advisors have retained this sum whilst the claims are investigated.

The second deduction of £300,000 is the subject of dispute between the company and Reconomy. Instructions have recently been given to the company's solicitors, Bowers, with a view to issuing proceedings to recover the £300,000 held.

The matter is ongoing at this time.

Other realisations

There have been no additional realisations in this matter. Bank interest has been received on the funds in hand which amounts to £2.

LIABILITIES

Secured Liabilities

An examination of the company's mortgage register held by the Registrar of Companies showed that the company had not granted any debenture or other form of security over its assets.

Preferential Creditors

There are no preferential claims in this liquidation.

Crown Creditors

There are no known liabilities owed to HMRC. No claims have been received from HMRC.

Unsecured Creditors

The Declaration of Solvency did not highlight any additional unsecured creditors, however, it transpired shortly after appointment that one trade creditor existed with a liability of £8,040. This claim has been paid in full.

DIVIDENDS

The following capital distributions have been made as follows:

Date	Type of Shares	First/ Final	£/per share	Total distributed
9 th October 2015	Ordinary shares	First	51,238.60	£5,123,860.00
8 th January 2016	Ordinary shares	Second	16,490.00	£1,649,000.00
13 th April 2016	Ordinary shares	Third	12,567.3911	£1,256,739.11
Total distributions				<u>8,029,599.11</u>

A further final distribution to shareholders will be paid once the issues in respect of the deferred consideration have been satisfactorily resolved.

LIQUIDATOR'S ACTIONS SINCE APPOINTMENT

Action taken in respect of the company's assets is set out above, together with details of the funds received.

The strategy in this liquidation has been to ensure that the deferred consideration was received timeously and in accordance with the share purchase agreement. As referred to above there is an ongoing matter concerning the retention of funds by the purchaser's solicitors amounting to £300,000.

The company's solicitors have been liaising with Reconomy's advisers in an attempt to resolve the matter without the need for formal proceedings, however as the matter appears to be becoming protracted it has been necessary to provide formal instructions in order to make progress. More information relating to the issues was sent to shareholders by letter dated 8th September 2016.

It has also been necessary to liaise with HMRC to ensure that the company's tax position to the date of liquidation has been finalised.

PRE-APPOINTMENT REMUNERATION

The members previously authorised the payment of a fee of £1,000 for this firm's assistance in the preparation of the Declaration of Solvency and in producing and circulating the notices for the meeting of members prior to my appointment at a meeting held on 8th October 2015. This fee has been paid in full from liquidation funds and is shown in the enclosed receipts and payments account.

LIQUIDATOR'S REMUNERATION

Liquidator's remuneration was previously authorised by members resolution to be based on time costs of myself and my staff and estimated at £2,000 plus VAT. My time costs to date amount to 32.50 hours at an average composite rate of £167 per hour resulting in total time costs of £5,445. No fees have been drawn against these time costs to date. A schedule of my time costs to the anniversary is attached at Appendix 1. Time costs have exceeded initial estimates principally due to the issues raised above and the need for the liquidation to extend into a second year. As such my costs will be higher than anticipated at the outset. Once the Reconomy situation has been resolved and the tax affairs agreed I will be able to notify shareholders further as to what my fees are likely to be.

A description of the routine work undertaken in the liquidation to date is as follows:

- 1 Administration and Planning
 - Preparing the documentation and dealing with the formalities of appointment
 - Statutory notifications and advertising
 - Preparing documentation required
 - Dealing with all routine correspondence
 - Maintaining physical case files and electronic case details on IDS insolvency software
 - Case review, planning and administration
 - Case bordereau
 - Preparing reports to members
- 2 Cashiering
 - Maintaining and managing the liquidator's cashbook and bank account
- 3 Creditors & Shareholders
 - Liaising with accountants and tax advisors as regards the liabilities to HMRC and the final tax position
 - Liaising with shareholders as regards updates and distributions
- 4 Realisation of Assets
 - Liaising with the company's solicitors concerning funds in hand and collection of deferred consideration

A copy of our explanatory note which shows this firm's fee policy is enclosed with this report. A copy of 'A Creditors Guide to Trustees' Fees' published by the Association of Business Recovery Professionals, is available at the following link

<http://www.bulleydavey.co.uk/factsheets>

LIQUIDATOR'S EXPENSES

My expenses to 7th October 2016 amount to £2,576 as reflected in the attached receipts and payments account and in respect of which a detailed schedule is attached at Appendix 1

This figure consists of £951 paid by my firm and recovered from the liquidation in respect of my bond premium and statutory advertising. The other expenses of £1,625 paid direct from liquidation funds relate to accounting fees and software licencing. A detailed schedule is attached to this report.

There are no category 2 disbursements which have been incurred but not yet paid.

The following agents or professional advisors have been utilised in this matter:

Professional Advisor	Nature of Work	Fee Arrangement
Bowers	Solicitors	Time costs
Bulley Davey - Wisbech	Accountancy services	Time costs

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The business sale agent, BCMS, were paid a commission of 3% in view of them agreeing a sale prior to my appointment. Their fee relates to the commission payable on the deferred consideration.

FURTHER INFORMATION

A member may, with the permission of the court or with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report.

A member may, with the permission of the court or with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report.

At Bulley Davey we always strive to provide a professional and efficient service, however we recognize that it is in the nature of insolvency proceedings for disputes to arise from time to time. If you should have cause to complain about the way that we are acting, you should, in the first instance, put details of your complaint in writing to our complaints officer, Julian Higgins at Bulley Davey, 4 Cyrus Way, Cygnet Park, Hampton, Peterborough, PE7 8HP. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior partner unconnected with the appointment.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, or you may email www.gov.uk/complain-about-insolvency-practitioner, or you may phone 0300 678 0015 (Mon-Fri 9am-5pm).

SUMMARY

The liquidation will remain open until the deferred consideration matter has been satisfactorily resolved, following which a final distribution will be made to the shareholders and steps will be taken to conclude the liquidation. Should you have any queries regarding this matter please contact me

Dated 11th October 2016

A handwritten signature in black ink, appearing to be 'M J Gregson', written over a horizontal line.

M J Gregson
Liquidator

Appendix 1

Liquidator's Receipts & Payments Account for the period from 8th October 2015 to 7th October 2016

Liquidator's Time Costs Summary to 7th October 2016

Liquidator's Disbursements (expenses) report

ABC Enterprises Group Limited

Liquidator's Abstract of Receipts and Payments

Statement
Of Affairs

From 08/10/2015
To 07/10/2016

UNCHARGED ASSETS

3,400,000 00	Deferred Consideration	2,997,463 00
5,136,400 00	Cash in hands of Solicitors	5,136,400 00
	Gross Interest	2 39
		<u>8,133,865 39</u>

COSTS

Agent's Fees and Expenses	89,923 89
Pre-appointment Fees	1,000 00
Statutory Advertising	231 00
Bond Premium	720 00
Accounting Fees	1,500 00
Software Licence	125 00
Irrecoverable VAT	715 20
	<u>-94,215 09</u>

UNSECURED CREDITORS

Trade & Expense Claim	8,040 00
	<u>-8,040 00</u>

DISTRIBUTIONS

Issued Share Capital	8,029,599 11
	<u>-8,029,599 11</u>

8,536,400 00

2,011 19

REPRESENTED BY

Estate Bank a/c - Interest bearing

2,011 19

2,011 19

Michael James Gregson
Liquidator

Bulley Davey Insolvency Case Year 1 Time Cost Information - to (07/10/2016 12 49 06) for ABC ENTERPRISES GROUP LIMITED - 116G726

	Partner	Senior Manager	Manager/ Administrator	Clerk/ Cashier	Hours	Cost	Hourly Rate
						£	£
Asset realisations	0 30		5 40		5 70	886 50	155 53
Cashiering function	0 60		0 60	5 10	6 30	906 00	143 81
Creditors & distributions	1 30		5 10		6 40	1,096 50	171 33
Debtors	2 30		1 00		3 30	736 50	223 18
HM Revenue & Customs	0 10		1 30		1 40	220 50	157 50
No Milestone							
Planning & review	0 20		3 90		4 10	636 00	155 12
Statutory reporting & case closure			1 80		1 80	270 00	150 00
Steps on appointment	1 60		1 90		3 50	693 00	198 00
Total Hours	6 40		21 00	5 10	32 50	5,445 00	167 54
Total Fees Claimed (£)	1,632 00		3,150 00	663 00		5,445 00	
Average Hourly Rate by Grade	255 00		150 00	130 00			

BULLEY DAVEY - INSOLVENCY CASE - DISBURSEMENTS

GEN649

RE: ABC Enterprises Group Limited

116G726

7th October 2016

	Items paid by Bulley Davey			Items paid direct from case funds		Total of all items recovered from case funds
	Total of such items	Recovered from case funds				
Insolvency Bond (actual cost)	720 00	720 00	(actual cost)	0 00		720 00
Accounting Fees	0 00	0 00	(actual cost)	1,500 00		1,500 00
Advertising	231 00	231 00	(actual cost)	0 00		231 00
Software Licence	0 00	0 00	(actual cost)	125 00		125 00
	<u>£951 00</u>	<u>£951 00</u>		<u>£1,625 00</u>		<u>£2,576 00</u>

Not recovered from case funds to date £0 00

NOTE RE: CREDITORS' GUIDE TO INSOLVENCY PRACTITIONERS FEES

ACCESS TO GUIDE

The relevant "Creditors' Guide" to Insolvency Practitioners Fees may be accessed via Bulley Davey's website, using the following link <http://www.bulleydavey.co.uk/factsheets>

If you require a printed copy of the Creditors' Guide applicable to the case to which these papers relate, one may be requested by contacting Bulley Davey, Business Recovery & Insolvency Specialists, 4 Cyrus Way, Cygnet Park, Hampton, Peterborough PE7 8HP R3, the UK insolvency trade body, provides information for creditors about insolvency processes at <http://www.creditorinsolvencyguide.co.uk/>

Additional information

BULLEY DAVEY CHARGING OUT RATES

The hourly rates of **Bulley Davey Limited** t/a Bulley Davey for insolvency work, applicable to the periods below, are -

	1 4 09 - 31 3 10	1 4 10 - 31 3 11	1 4 11 - 31 3 12	1 4 12 - 31 3 13	1 4 13 - 31 3 14	From 1 4 14
Directors	£250	£250	£250	£250	£255	£255
Senior Managers	£220	£220	£225	£225	£230	£230
Managers	£140	£145	£145	£145	£150	£150
Seniors	£125	£130	£130	£130	£130	£130
Semi-Senior	£85	£85	£85	£85	£85	£85
Secretarial (where charged)	£65	£65	£65	£65	£65	£65
Junior	£25	£25	£25	£60	£70	£70
Other	£25	£25	£25	£25	£25	£25

The above rates are subject to an uplift of not more than fifty percent to reflect the complexity and difficulty of any matter, or any responsibility of an exceptional kind or degree which falls on the Practitioner in connection with the matter. We record time units of 6 minutes. Short outgoing letters and routine telephone calls are charged as a single unit. All other work is timed.

ADDENDUM TO CREDITORS' GUIDE TO FEES – DISBURSEMENTS

In accordance with Statement of Insolvency Practice Number 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the Estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1, being expenses directly referable to a third party, e.g. statutory advertising, software licensing, online information uploads, external meeting room hire, specific bond insurance and courier costs, or Category 2, being expenses incurred by the firm and recharged to the estate, which may include a profit element, e.g. postage, stationery and storage.

Category 1 disbursements are recoverable in full from the Estate without the prior approval of creditors. Category 2 disbursements are recoverable in full from the Estate, subject to the basis of disbursement allocation being approved by creditors in advance.

Category 2 disbursements are proposed to be recovered as follows

Postage	actual (circulars only)
Photocopying	10p per sheet (circulars only)
Telephone	actual cost
Stationery	£1 per file
Archive boxes	£8 per box
Storage charges	15p per box per week
Box destruction costs	£5 per box
Mileage	50p per mile
Travel and subsistence costs	actual cost
Companies House search	£5 per document / item
Land Registry search	£10 per document / item
Electoral Roll / Directory online search	£1 per search

Disbursements rates / figures correct as at 2 4 15