

Section 106

Form 4 72

Return of Final Meeting in a
Creditors' Voluntary Winding Up

Pursuant to Section 106 of the
Insolvency Act 1986

To the Registrar of Companies

S.106

Company Number

06857961

Name of Company

Absolute Group UK Limited

☒ We Paul W Barber
340 Deansgate
Manchester
M3 4LY

Francesca Tackie
340 Deansgate
Manchester
M3 4LY

Note: The copy account must be
authenticated by the written signature(s)
of the Liquidator(s)

1 give notice that a general meeting of the company was duly ~~held on~~/summoned for 29 November 2012 pursuant to section 106 of the Insolvency Act 1986, for the purpose of having an account (of which a copy is attached) laid before it showing how the winding up of the company has been disposed of, and that ~~the same was done accordingly~~ / no quorum was present at the meeting.

2 give notice that a meeting of the creditors of the company was duly ~~held on~~/summoned for 29 November 2012 pursuant to Section 106 of the Insolvency Act 1986, for the purpose of having the said account laid before it showing how the winding up the company has been conducted and the property of the company has been disposed of and that ~~the same was done accordingly~~/no quorum was present at the meeting

The meeting was held at 340 Deansgate, Manchester, M3 4LY

The winding up covers the period from 28 July 2010 (opening of winding up) to the final meeting (close of winding up)

The outcome of any meeting (including any resolutions passed) was as follows

No quorum was present at the meetings and no resolutions were passed

Signed



Date 29 November 2012

Begbies Traynor (Central) LLP
340 Deansgate
Manchester
M3 4LY

Ref AB021CVL/PB/FT/AGR/DJ

SATURDAY



A18 01/12/2012 #91
COMPANIES HOUSE

Absolute Group UK Limited (In Creditors' Voluntary Liquidation)

Final report and account of the liquidation pursuant
to Section 106 of the Insolvency Act 1986 and Rule
4.126 of the Insolvency Rules 1986

Period: 28 July 2010 to 29 November 2012

Important Notice

This report has been produced solely to comply with our statutory duty to report to creditors and members of the Company pursuant to Section 106 of the Insolvency Act 1986. This report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

| <u>Expression</u> | <u>Meaning</u> |
|---|--|
| "the Company" | Absolute Group UK Limited (In Creditors' Voluntary Liquidation) |
| "the liquidation" | The appointment of liquidators pursuant to Section 98 of the Insolvency Act 1986 on 28 July 2010 |
| "the liquidators", "we", "our" and "us" | Alan H Tomlinson of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester and Paul W Barber of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY and Francesca Tackie of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY |
| "the Act" | The Insolvency Act 1986 (as amended) |
| "the Rules" | The Insolvency Rules 1986 (as amended) |
| "secured creditor" and "unsecured creditor" | Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act) |
| "security" | (i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act) |
| "preferential creditor" | Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act |

This is our final report and account of the liquidation and should be read in conjunction with the progress reports to creditors dated 5 September 2011 and 28 October 2011

2. COMPANY INFORMATION

| | |
|---------------------------|--|
| Trading name(s) | N/A |
| Company registered number | 06857961 |
| Company registered office | 340 Deansgate, Manchester, M3 4LY |
| Former trading address | Europa House, Barcroft Street, Bury, Manchester, Manchester, BL9 5BT |

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

| | |
|----------------------------------|---|
| Date winding up commenced | 28 July 2010 |
| Date of liquidators' appointment | 28 July 2010 – Alan H Tomlinson and Paul W Barber 20 September 2011 – Francesca Tackie replacing Alan H Tomlinson |
| Changes in liquidator (if any) | On 20th September 2011, a block transfer order was made in the High Court of Justice, Manchester District Registry No 1502 of 2011 ("the order") replacing Alan H Tomlinson with Francesca Tackie of this firm as joint liquidator. The reason for the application was due to the proposed retirement of Alan H Tomlinson on the grounds of ill health. |

4. PROGRESS SINCE APPOINTMENT

Attached at Appendix 1 is our abstract of receipts and payments for the period from 28 July 2010 to 29 November 2012

RECEIPTS

Details of realisations were set out in the progress reports dated 5 September 2011 and 28 October 2011 and those that relate to the assets listed in the Directors' Estimated Statement of Affairs are summarised in the table below:

| | Statement of Affairs | Realisations |
|------------------------------|-------------------------|--------------|
| | £ | £ |
| Goodwill | Nil | Nil |
| Office Furniture & Computers | Nil | Nil |
| Stock | Nil | Nil |
| Stock/WIP | Nil | Nil |
| Book Debts | 12,000 | 720 |
| Shares & Investments | Nil | Nil |

| | | |
|--|---------------|--------------|
| Cash at Bank | 1,562 | 1,517 |
| Debtor monies paid to associated company | 287 | 287 |
| Loan to Employee | Nil | Nil |
| | 13,849 | 2,524 |

In the course of the liquidation further realisations were achieved by way of recovery of a Cash Guarantee of £2,499, a Redirection of Post Refund of £52 and the sale of Tax Losses of £2,000, again all already reported previously

Bank Interest

The sum of £12 has been received in respect to Bank interest whilst monies have been on deposit

PAYMENTS

Details of payments made during the course of the Liquidation are set out in the attached receipts and payments account and, in the main, are self-explanatory

Specific Bond £46 was paid to AUA Insolvency Risk Services Limited in relation to the statutory requirement to protect monies realised

Company Searches £1 paid to Begbies Traynor to reimburse costs charged by Companies House for searches carried out there

Statutory Advertising £279 was paid to Begbies Traynor to reimburse the charges made by TMP (UK) Limited for the costs of the statutory advertising of the initial meeting of creditors and details of the appointment of Joint Liquidators and £65 paid to The London Gazette in respect of advertising the final meetings

Storage Costs. £79 was again paid to Begbies Traynor in respect of charges made by Archive Solutions Limited for document storage

Corporation Tax on Bank Interest amounted to £2 and **Irrecoverable VAT** to £13

Liquidation Committee was not formed and, accordingly, we are seeking creditors' approval of the attached receipts and payments account

5. OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the directors' statement of affairs included within the report sent to creditors following our appointment as liquidators.

Secured creditors

There were no secured creditors

Preferential creditors

Preferential claims of employees for arrears of wages, salary and holiday pay have amounted to £2,304

Unsecured creditors

Unsecured creditors were estimated at £149,693 and we have admitted unsecured claims in the total sum of £154,334 of which £134,786 relates to FOIS Limited, a group company connected by common directors

On the basis of realisations, the outcome for each class of the Company's creditors is as follows

Preferential creditors

As preferential creditors have previously been advised in our progress report dated 5 September 2011 no dividend is available for preferential creditors because the funds realised have already been distributed or used or allocated for defraying the expenses of the liquidation

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of how the prescribed part is calculated have previously been provided in our progress report for the period 28 July 2010 to 27 July 2011

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors

Unsecured creditors

As we have previously advised by letter dated 20 September 2012 we confirm that no dividend is available for unsecured creditors as the funds realised have already been distributed or used or allocated for defraying the expenses of the liquidation

Consequently we have not taken steps to agree formally the claims of unsecured creditors

6. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report

Our time costs for the period from 28 July 2010 to 29 November 2012 amount to £20,782 which represents 148 70 hours at an average rate of £139 76 per hour

The following further information in relation to our time costs and disbursements is set out at Appendix 2

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 28 July 2010 to 29 November 2012
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

We have drawn the total sum of £1,602 plus disbursements of £485 in accordance with the approval obtained, leaving unbilled time costs of £19,180, which have been written off as irrecoverable

No Category 2 disbursements have been charged to the case

In addition to the table of time spent by us and our staff in attending to matters arising since our appointment, our table of time spent and charge out value for the period from 20 September 2011 to 29 November 2012 and a description of the work undertaken by us and our staff since our appointment (contained in the narrative summary of time costs incurred) are also attached at Appendix 2

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred since our appointment is attached at Appendix 3

8. UNREALISABLE ASSETS

The following assets have proved to be unrealisable

Book Debts amounting to £41,543 which are disputed or relate to insolvent companies and a small employee loan of £1750 which was not cost effective to pursue through legal channels

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, as explained in the report circulated at the meeting of creditors convened pursuant to Section 98 of the Act, such report having also been sent to creditors following the meeting, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills. We can confirm that we have discharged our duties in these respects.

Investigations completed and action taken

As explained in our 1st Progress report, we have investigated the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect.

The matter relating to the Company debtors has been dealt with above and the tax losses were sold to a group company following their calculation.

Connected party transactions

In accordance with Statement of Insolvency Practice 13, the liquidators confirm that the following assets were sold to directors of the Company.

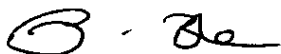
| Date of sale | Asset sold and nature of transaction | Consideration paid and date | Name of Purchaser | Relationship with the Company |
|--------------|--------------------------------------|-----------------------------|-------------------|-------------------------------|
| 13 May 2011 | Corporation Tax losses | £2,000 paid on 13 May 2011 | FOIS Limited | Common directors |

10. CONCLUSION

This report and account of receipts and payments was laid before final meetings of the Company and the creditors held on 29 November 2012 in accordance with Section 106 of the Act.

The meetings are a formal requirement of liquidation procedure and are a prelude to the formal dissolution of the Company, which will occur automatically, approximately three months later. Unless creditors otherwise resolve, pursuant to Section 173(2) of the Act we will be released from liability at the time that we vacate office.

Should you require further explanation of any matters contained within this report, you should contact our office and speak to the case manager, Dean James, in the first instance, who will be pleased to assist.

A handwritten signature in black ink, appearing to read 'P. Barber', with a stylized flourish at the end.

Paul Barber
Joint Liquidator

Dated 29 November 2012

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 28 July 2010 to 29 November 2012

and

Period: 20 September 2011 to 29 November 2012

Absolute Group UK Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

| Statement of Affairs | | From 20/09/2011 To 29/11/2012 | From 28/07/2010 To 29/11/2012 |
|----------------------|--------------------------------------|----------------------------------|----------------------------------|
| | SECURED ASSETS | | |
| NIL | Goodwill | <u>NIL</u> | <u>NIL</u> |
| | | NIL | NIL |
| | ASSET REALISATIONS | | |
| NIL | Office Furniture & Computers | NIL | NIL |
| NIL | Stock | NIL | NIL |
| Uncertain | Stock/WIP | NIL | NIL |
| 12,000 00 | Book Debts | NIL | 719 64 |
| NIL | Shares & Investments | NIL | NIL |
| 1,561 56 | Cash at Bank | NIL | 1,516 51 |
| 287 50 | Debtor monies paid to associated com | NIL | 287 50 |
| | Bank Interest Gross | 2 77 | 13 44 |
| Uncertain | Loan to Employee | NIL | NIL |
| | Cash Guarantee | NIL | 2,499 31 |
| | Redirection Refund | NIL | 51 97 |
| | Sale of Tax losses to Group | <u>NIL</u> | <u>2,000 00</u> |
| | | 2 77 | 7,088 37 |
| | COST OF REALISATIONS | | |
| | Specific Bond | 6 00 | 46 00 |
| | Preparation of S of A | NIL | 5,000 00 |
| | Office Holders Fees | 1,593 42 | 1,593 42 |
| | Office Holders Expenses | 10 00 | 10 00 |
| | Corporation Tax | 2 03 | 2 03 |
| | Irrecoverable VAT | 12 70 | 12 70 |
| | Storage Costs | 76 26 | 79 17 |
| | Statutory Advertising | 65 05 | 344 05 |
| | Company Search | <u>NIL</u> | <u>1 00</u> |
| | | (1,765 46) | (7,088 37) |
| | UNSECURED CREDITORS | | |
| (20,868 00) | Trade & Expense Creditors | NIL | NIL |
| (3,458 00) | HM Revenue & Customs (PAYE) | NIL | NIL |
| (6,426 00) | HM Revenue & Customs (VAT) | NIL | NIL |
| (118,941 00) | FOIS Limited | <u>NIL</u> | <u>NIL</u> |
| | | NIL | NIL |
| | DISTRIBUTIONS | | |
| (100 00) | Ordinary Shareholders | <u>NIL</u> | <u>NIL</u> |
| | | NIL | NIL |
| <u>(135,943.94)</u> | | <u>(1,762 69)</u> | <u>(0 00)</u> |
| | REPRESENTED BY | | |
| | | | <u>NIL</u> |



Paul W Barber
Joint Liquidator

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred,
- d Table of time spent and charge-out value for the period from 28 July 2010 to 29 November 2012 and
- e Table of time spent and charge-out value for the period from 20 September 2011 to 29 November 2012

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 per meeting.
- Car mileage is charged at the rate of 45 pence per mile.
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

- Telephone and facsimile

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

On 7 June 2010, Tomlinsons was acquired by Begbies Traynor (Central) LLP

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Manchester office as at the date of this report are as follows

| | Standard 1 May 2011 – until further notice Regional |
|----------------------|--|
| Partner | 395 |
| Director | 345 |
| Senior Manager | 310 |
| Manager | 265 |
| Assistant Manager | 205 |
| Senior Administrator | 175 |
| Administrator | 135 |
| Junior Administrator | 110 |
| Cashier | 110 |
| Secretarial | 110 |

Prior to 1 May 2011, the following rates applied

| | Charge-out Rate (£ per hour) |
|----------------------|---|
| Partner | 395 |
| Director | 350 |
| Senior Manager | 325 |
| Manager | 295 |
| Assistant Manager | 250 |
| Senior Administrator | 195 |
| Administrator | 160 |
| Junior Administrator | 130 |
| Cashier | 100 |
| Secretarial | 100 |

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in 6 minute units

| | |
|---------------------|--|
| CASE NAME | ABSOLUTE GROUP UK LIMITED |
| CASE TYPE | CREDITORS' VOLUNTARY LIQUIDATION |
| OFFICE HOLDERS | Alan H Tomlinson (resigned 20 September 2011) and Paul W Barber Francesca Tackie appointed Joint Liquidator on 20 September 2012 |
| DATE OF APPOINTMENT | 28 July 2010 |

1 1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

At first glance and based on initial discussions with the Directors', the administration of this case seemed fairly straight forward. However, upon our appointment it became apparent that there were numerous disputed debts. The books and records that were collected did not provide sufficient documentation to negotiate with the debtors and the majority have had to be written off. Negotiations into the sale of the taxable losses were also protracted.

There were no exceptional responsibilities

There have been various allegations from the Company's debtors, which contradict the statements of the directors but in view of the lack of evidence to justify further action to collect outstanding debts we have no grounds on which to pursue them

Please see Receipts & Payments account enclosed

It is not anticipated that there will be a return to any class of creditor

An analysis of time costs incurred between 28 July 2010 and 29 November 2012 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type

Different aspects of the liquidation are dealt with by staff at the appropriate level

The time costs analysis provides details of work undertaken by the Liquidators and their staff following their appointment only

1 8 Work undertaken prior to appointment

In addition to the post appointment time costs detailed in the Time Costs Analysis, the costs relating to work undertaken prior to the Liquidators' appointment in summoning, advertising and holding the creditors' meeting and assisting the directors in preparing the statement of affairs were approved by the creditors at the Section 98 meeting

1 9 The views of the creditors

There have been no specific matters on which the Joint Liquidators have felt it appropriate to consult creditors

1 10 Approval of fees and Disbursements

The following resolution was passed at the Meeting of Creditors on 28 July 2010, in respect of fees of the Joint Liquidators -

"THAT the joint liquidators' remuneration be fixed by reference to the time properly given by them (as liquidators) and the various grades of their staff calculated at the prevailing hourly charge-out rates of Begbies Traynor (Central) LLP for attending to matters arising in the winding up"

1 11 Category 2 Disbursements

No specific resolution was sought in respect of category 2 disbursements. As such, no disbursements of this nature have been charged to the case

1 12 Other professionals employed & their costs

On this assignment I have used the professional advisors listed below. I have also indicated alongside, the basis of my fee arrangement with them, which is subject to review on a regular basis

| Name of Professional Advisor | Basis of Fee Arrangement |
|-------------------------------------|---------------------------------|
| Dalynn & Co Ltd (Debt collectors) | Percentage of realisations |

My choice 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

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 2

2 2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 2

3. SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

3 1 Please see attached report

[illegible]

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STATEMENT OF EXPENSES

| Type of expense | Name of party with whom expense incurred | Amount incurred £ | Amount discharged £ | Balance (to be discharged) £ |
|-----------------------|--|----------------------|------------------------|---------------------------------|
| Specific Bond | AUA Insolvency Risk Services Limited | 46 | 46 | - |
| Storage Costs | Archive Solutions Limited | 79 | 79 | - |
| Statutory Advertising | TMP (UK) Limited London Gazette | 279 65 | 279 65 | - - |
| Company Search | Companies House1 | 1 | 1 | - |
| Corporation Tax | H M Revenue & Customs | 2 | 2 | - |
| Irrecoverable VAT | H M Revenue & Customs | 13 | 13 | - |
| Total | | 485 | 485 | - |
| | | | | |
| | | | | |
| | | | | |
| | | | | |