

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

06948377

Name of Company

(a) Insert full name of
company

(a) DIRECT SCRAP METAL LIMITED

(b) Insert full name(s) and
address(es)

I (b)

Jonathan Lord of Bridgestones Ltd, 125/127 Union Street, Oldham, Lancashire, OL1 1TE,
United Kingdomthe liquidator of the company attach a copy of my Progress Report under section 192 of the
Insolvency Act 1986

The Progress Report covers the period from 13 February 2014 to 12 February 2015

Signed

Date 7th April 2015Presenter's name,
address and reference (if
any)Jonathan Lord
Bridgestones Ltd
125/127 Union Street
Oldham
Lancashire
OL1 1TE
United Kingdom

THURSDAY



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30/04/2015

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COMPANIES HOUSE

DIRECT SCRAP METAL LIMITED – IN LIQUIDATION

**PROGRESS REPORT AND ACCOUNT OF THE LIQUIDATOR PURSUANT TO
SECTION 104A OF THE INSOLVENCY ACT 1986**

PERIOD. 13TH FEBRUARY 2014 TO 12TH FEBRUARY 2015

I write following my appointment as Liquidator of the above Company on 13th February 2014

It is now 1 year since my appointment in this matter, and I am therefore writing to all members and creditors in accordance with Section 104A of The Insolvency Act 1986, to advise you of my dealings in the liquidation and to lay before you an account of my receipts and payments

I enclose for your information a copy of my receipts and payments account for the period ended 12th February 2015. The receipts and payments account is self-explanatory and there is a balance in hand of £0.01

As regards to specific matters within the course of my appointment, I comment as follows

Background Information

Company Number	06948377
Directors	Joseph Collier Zoey Collier
Nature of Business	Scrap Metal Merchants
Trading Address	2 Bensham Lane, Croydon, CR0 2RQ
Current Registered Office	125 / 127 Union Street, Oldham OL1 1TE
Liquidator	Jonathan Guy Lord
Liquidators Address	125 / 127 Union Street, Oldham OL1 1TE
Date of Instruction	24 th October 2013
Date of Appointment	13 th February 2014

Assets – Details Of Realisations To Date, And Any Assets That Remain To Be Realised

The following assets were listed on the Company's statement of affairs, which was drawn up to the date of liquidation. I have made comments in relation to the progress made in collection of each asset

HM Revenue & Customs Bond – Statement of Affairs value £NIL

The statement of affairs showed that the Company had paid HM Revenue & Customs ("HMRC") a bond of £125,000 when it commenced trading. The statement of affairs also stated that the liability to HMRC in relation to VAT was £130,199. I have received a proof of debt form regarding the VAT liability of £256,238.92

I have also received confirmation from HMRC that the bond received has been offset against the liability due, therefore resulting in no realisations being made

Monies Received in Error

I have received monies into the account in error of £36,386 87 that was due to Domefab Limited. This money was transferred over to the correct recipient.

Prescribed Part

There are provisions of the insolvency legislation that require a 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 which is 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

There is no qualifying floating charge in this case so the prescribed part provisions do not apply.

Bank Interest, Net of Tax

Funds received by the Liquidator are lodged in an interest bearing account in the Company's name. Interest credited to this account becomes a receipt in the Liquidation. A sum of £0 01 has been received in this regard.

Duties and Investigations

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

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
- Review and storage
- Case bordereau
- Case planning and administration
- Preparing reports to members and creditors
- Convening and holding meetings of members and creditors

Creditors

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors
- Maintaining creditor information
- Reviewing and adjudicating on proofs of debt received from creditors
- Dealing with employee's claims from the redundancy payments fund, and other enquiries generated from employees requirements
- Generating P45, P35 and P60 Forms or dealing with the lack of information available to produce these documents

Investigations

- Review and storage of books and records
- Preparing a return pursuant to the Company Directors Disqualification Act
- Conducting investigations into the affairs of the Company
- Reviewing books and records to identify any transactions or actions a Liquidator may take against a third party in order to recover funds for the benefit of creditors
- Reviewing books and records and accounts to ensure that all assets have been disclosed, and obtaining explanations for any discrepancies revealed

Realisation of Assets

- Corresponding with debtors and, if appropriate, collection agents, and attempting to collect outstanding book debts
- Liaising with the Company's bank regarding the closure of the account
- Investigating whether additional recoveries could be made resulting in potential realisations from the sale of assets prior to the Liquidator's appointment
- Liaising with valuation and disposal agents to dispose of physical and intellectual property assets

Cashiering

- Maintaining and managing the Liquidator's cashbook and bank account
- Ensuring statutory lodgements and tax reporting obligations are met

I am continuing to carry out an investigation into the Company's affairs but at this present moment in time, have found no other assets than those disclosed above

As well as realising assets and investigating the affairs of the Company, my other duties as Liquidator include the adjudication and admission of creditors claims, assisting employees with pursuing claims from the Redundancy Payment Fund, where appropriate, and receiving and answering queries from creditors and interested parties

In view of the low prospects of a repayment to creditors in this matter, and in order to reduce costs, I do not propose to spend time formally agreeing claims. I will hold claims, and I will only adjudicate on their validity if it becomes likely that a dividend will be paid

I have dealt with investigations into the Company's practices and the reason behind the Company's failure

My investigations into the affairs of the Company have been hindered as the police currently hold the Company's books and records

I have compared the information within the statement of affairs with the last accounts produced by the Company to ascertain whether all significant assets can be identified and material movements in asset values can be explained

I have undertaken work compulsory to my position, which includes submissions of returns to HM Revenue & Customs (where relevant), Companies House and specific penalty bonding. This is not an exhaustive list of my duties

I have undertaken an investigation into the affairs of the Company and the conduct of the Directors. In accordance with my statutory duty I have submitted a Conduct

Report to the Insolvency Services of the Department of Trade and Industry pursuant to the Company Directors Disqualification Act 1986 regarding the director This report is confidential so I cannot disclose its content

Outcome of investigation

My investigations are currently ongoing looking at a number of transactions from the company bank account prior to the Company ceasing to trade

At the moment I have not revealed any further actions that can be taken to recover assets or funds to assist creditors in recovering their losses

Progress Of Liquidation

Since my appointment I have realised the assets detailed above, and carried out the duties and investigations listed above I have attached to this report a copy of my receipts and payments account for the period since my appointment

Liquidation Income and Expenditure

Below is an explanation of the various headings shown on the attached receipts and payments account

Receipts

Funds have been received into the liquidation account have been detailed above

Payments

Payments have been made from the liquidation account, as detailed below

Specific Bond

This is an insurance policy taken out by the insolvency practitioner This policy covers the value of the assets within the liquidation against possible theft by the insolvency practitioner responsible It is required by law to be taken out in any case where there are assets and is for the benefit of the creditors

Public Notices

The liquidation must be advertised at various times in The London Gazette by law These entries represent the costs associated with placing the advertisements

Liquidator's Remuneration

At the first creditors meeting held on 13th February 2014 under Section 98 of the Insolvency Act 1986 a resolution was passed stating

- That the Liquidator be allowed to draw his remuneration on a time cost basis out of funds that are realised

For the information of the creditors, the total time costs to date relating to work performed by myself and my staff in administering to the liquidation is £5,982 50, which equates to 23 80 hours charged at an average rate of £251 37 per hour A schedule of my time costs incurred to date is attached

Due to the lack of realisations in this case I have been unable to draw any remuneration, and the costs of this liquidation are currently being funded by this firm

Liquidator's Outlays

Expenditure relating to the administration of the estate which is payable to a third party is recoverable from the estate without creditor consent

If funds were available, costs such as these have been paid via the Company's estate. If funds were not available, then my firm has paid these costs, with a view to reimbursement, should estate funds be realised

Third party assistance has been sought on the basis that the advisors have the relevant experience and qualifications to deal with matters that are beyond my realm of expertise

Liquidator's Disbursements

At the first creditors meeting held on 13th February 2014 under Section 98 of the Insolvency Act 1986 a resolution was passed stating

- The Liquidator will draw disbursements relating to work carried out. These fees will cover all category 2 disbursements as classified in the "Creditors Guide to Insolvency Practitioner's Fees" and will be based on the following charges

Photocopying	15p per copy
Box Storage	£2.50 per month
Printed Paper	15p per sheet
Copy Paper	10p per sheet
Mileage	10p – 40p per mile
Room Hire	£60 per half day

The category 2 disbursements that I have incurred during the course of the liquidation are as follows

Photocopying	- £9.00
Printed Paper	- £1.80

I have not drawn any category 2 disbursements

Basis of Remuneration

In accordance with Rule 4.127, the Liquidator's remuneration has been fixed by reference to the time properly given by the Liquidator and his staff in attending to matters arising in the winding up

Preparation of the Statement of Affairs

At the meeting of creditors, held on 13th February 2014 under Section 98 of the Insolvency Act 1986, it was authorised that Bridgestones be paid £4,000 + VAT plus disbursements, for their assistance in the preparation of the Statement of Affairs and convening of the meeting, in accordance with Rules 4.38 and 4.62 of the Insolvency Rules 1986

A third party paid for this amount

Dividend Prospects

Due to lack of realisations no dividend is due to any class of creditors

Summary

The liquidation will remain open until the investigation into the Company's financial affairs has been finalised which I anticipate will be resolved in the next six to twelve months. When investigations are concluded a final meeting of creditors will be convened to seek the release of the Liquidator in this matter.

If these matters are not resolved within the next 12 months, a further annual progress report will be issued.

Creditor's Rights To Object To The Content Of This Report Under the Insolvency Act 1986 and The Insolvency Rules 1986 (As Amended)

In accordance with Rule 4.49E of the Insolvency Rules, within 21 Days of receipt of this report

- 1 A secured creditor
or
- 2 An unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question)

or with the permission of the Court upon an application made within 21 days

- 1 Any unsecured creditor

is allowed to make a request in writing to the Liquidator for further information about the remuneration or expenses set out in a progress report in accordance with rule 4.49C

The Liquidator must then comply with the request by providing the information requested, or respond explaining that so far as the Liquidator considers

- 1 The time or cost of preparation of the information would be excessive
or
- 2 Disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person
or
- 3 The Liquidator is subject to an obligation of confidentiality in respect of the information

giving reasons for not providing all the information

Also any secured creditor or unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more order as set out below

Application may be made on the grounds that –

- 1 The remuneration charged by the Liquidator
or
- 2 The basis fixed for the Liquidator's remuneration under Rule 4.127

3 or
 Expenses incurred by the Liquidator

is or are, in all the circumstances, excessive or, inappropriate

The application must be made within 8 weeks of receiving this report

For further details refer to the Insolvency Act 1986 and The Insolvency Rules 1986
(as amended)

If you wish to raise any questions upon the contents of this report, then please feel
free to attend the meetings, or alternatively, contact me at the above address

If you require any further information, please do not hesitate to contact Ian Dronsfield
of this office



**Jonathan Lord – MIPA
Liquidator
Direct Scrap Metal Limited**

DIRECT SCRAP METAL LIMITED
in CREDITOR'S VOLUNTARY LIQUIDATION
LIQUIDATOR'S ACCOUNT OF RECEIPTS AND PAYMENTS
FOR THE PERIOD - 13TH FEBRUARY 2014 TO 12TH FEBRUARY 2015

		YEAR 1	TOTALS
STATEMENT OF AFFAIRS		TO	
		END	
	RECEIPTS		
	Monies Received In Error	£36,386 87	£36,386 87
	Bank Interest Net of Tax	£0 01	£0 01
	TOTAL RECEIPTS	£36,386 88	£36,386 88
£0 00	PAYMENTS		
	Specific Bond	£90 00	£90 00
	Monies Received In Error	£36,296 87	£36,296 87
	TOTAL PAYMENTS	£36,386 87	£36,386 87
	NET RECEIPTS	£0 01	£0 01
	CASH IN HAND		
	Made up as follows -		
	Bank Account	£0 01	£0 01
	ISA Account		

****INSOLV** Direct Scrap Metal Limited in Creditor's Voluntary Liquidation**

No

Analysis of Time Costs for the Period from 13 February 2014 to 12 February 2015

Classification of work function	Hours								Average Hourly Rate (£)	
	Insolvency Practitioner	Director	Senior Manager	Manager	Case Administrator	Cashiering	Support Staff	Total Hours		Time Costs (£)
Administration and Planning	2 00	0 00	7 50	0 00	0 00	0 00	0 00	9 50	2,268 00	238 74
Realisation of Assets	0 00	0 00	3 00	0 00	0 00	0 00	0 00	3 00	600 00	200 00
Creditors	1 00	0 00	1 00	0 00	2 00	0 00	0 00	4 00	950 00	237 50
Investigation	2 00	0 00	5 30	0 00	0 00	0 00	0 00	7 30	2,164 50	296 51
Total Hours	5 00	0 00	16 80	0 00	2 00	0 00	0 00	23 80	5,982 50	251 37
Total Fees Claimed (£)	2,010 00	0 00	3,652 50	0 00	320 00	0 00	0 00			

Hourly Rate Range	From	To
Insolvency Practitioner	360 00	430 00
Director	0 00	0 00
Senior Manager	200 00	265 00
Manager	0 00	0 00
Case Administrator	160 00	160 00
Cashier	0 00	0 00
Assistants & Support Staff	0 00	0 00