

# 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

06950944

Name of Company

Contract Plus Limited

I / We

John Kelmanson, 4 Stirling Court, Stirling Way, Borehamwood, Hertfordshire WD6 2BT

THURSDAY



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 09/09/2015 to 08/09/2016

Signed  Date 10/10/16

Kelmanson Insolvency Solutions  
4 Stirling Court  
Stirling Way  
Borehamwood  
Hertfordshire WD6 2BT

Ref C386LJSK/JC/KC

**Contract Plus Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**

Statement of Affairs		From 09/09/2015 To 08/09/2016	From 09/09/2014 To 08/09/2016
<b>ASSET REALISATIONS</b>			
650 00	Office Furniture & Equipment	NIL	650 00
	Motor Vehicles	NIL	900 00
Uncertain	Inter-Company Debtors	60,750 00	60,750 00
Uncertain	Contract Debtors	NIL	5,000 00
1,064 00	Cash at Bank	NIL	816 41
	S98 Contribution Fee	NIL	9,600 00
	Bank Interest Gross	23 49	32 88
		<u>60,773 49</u>	<u>77,749 29</u>
<b>COST OF REALISATIONS</b>			
	Insurance Bordereau	NIL	396 00
	Preparation of S of A	NIL	8,000 00
	Liquidator's Fees	28,000 00	30,000 00
	Liquidators Expenses	12 00	12 00
	Hall For Meeting	125 00	125 00
	Company Search	NIL	29 00
	Agents/Valuers Fees (1)	NIL	762 50
	Legal Fees (1)	3,008 00	3,008 00
	Stationery & Postage	127 10	347 79
	Online Reporting	NIL	12 00
	Storage Costs	1,512 00	1,512 00
	Statutory Advertising	NIL	216 00
		<u>(32,784 10)</u>	<u>(44,420 29)</u>
<b>PREFERENTIAL CREDITORS</b>			
(800 00)	Employees Wage Arrears	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<b>UNSECURED CREDITORS</b>			
(1,027,600 00)	Trade & Expense Creditors	NIL	NIL
(6,314 00)	Employees	NIL	NIL
(46,498 00)	Directors	NIL	NIL
(40,402 00)	Inland Revenue (PAYE/NI)	NIL	NIL
(219,898 00)	H M Customs & Excise (VAT)	NIL	NIL
(3,205 00)	HM Revenue & Customs (Corporation	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<b>DISTRIBUTIONS</b>			
(2 00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(1,343,005 00)</u>		<u>27,989.39</u>	<u>33,329.00</u>
<b>REPRESENTED BY</b>			
	VAT Receivable		2,675 36
	Bank 1 - Current		30,653 64
			<u>33,329.00</u>

# **Liquidator's Annual Progress Report to Creditors & Members**

**Contract Plus Limited  
(In Liquidation)**

**10 October 2016**

## **CONTRACT PLUS LIMITED - IN LIQUIDATION**

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- A** Receipts and Payments Account for the Period from 9 September 2015 to 8 September 2016
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- D** Cumulative Time Analysis for the Period since the Liquidator's Appointment
- E** Additional information in relation to Liquidator's Fees, Expenses & Disbursements

## CONTRACT PLUS LIMITED - IN LIQUIDATION

### 1 Introduction and Statutory Information

- 1 1 I, John Kelmanson of KCBS LLP t/a Kelmanson Insolvency Solutions, 4 Stirling Court, Stirling Way, Borehamwood, Hertfordshire WD6 2BT, was appointed as Liquidator of Contract Plus Limited (the **Company**) on 9 September 2014. This progress report covers the period from 9 September 2015 to 8 September 2016 (**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 15 Dock Street, London E1 8JN.
- 1 3 The registered office of the Company has been changed to 4 Stirling Court, Stirling Way, Borehamwood, Hertfordshire, WD6 2BT and its registered number is 06950944.

### 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 of this report. Attached at Appendix B is a cumulative Receipts and Payments Account for the period from the date of my appointment as Liquidator to 8 September 2016.

#### Administration

- 2 3 A liquidator must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. This work includes dealing with the Company's creditors and employees together with administrative tasks associated with the appointment, such as agreeing the strategy for the liquidation, filing notices of appointment, statutory advertising, opening and maintaining the estate cash book and bank accounts and reporting periodically to creditors, HMRC and the Registrar of Companies.
- 2 4 Creditors should note that this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

#### Realisation of Assets

- 2 5 Creditors may recall from my last report that I rejected an offer of £45,000 in settlement of the outstanding balance due from Norton Heights Limited (NHL), a company with a common director. Negotiations between all parties have continued, with much consideration given to NHL's financial position in addition to other legal and other actions commenced against them by a third party, as presented by their solicitors. A revised offer of £110,000 was accepted on 18 February 2016, with terms of payment as detailed below:
  - £20,000 within 14 days
  - £40,000 within 6 months
  - £50,000 within 12 months
- 2 6 I can confirm that the first two payments totalling £60,000 have been received as scheduled, with the final payment of £50,000 due in March 2017. The settlement also included a contribution of £750 plus VAT to the legal costs of the Company, which has also been received.
- 2 7 It is anticipated that the work the Liquidator and his staff have undertaken to date will bring a financial benefit to creditors. This may be a distribution to the preferential and unsecured creditors of the Company.
- 2 8 Based on the above, I currently anticipate the total expenses that may be incurred in dealing with the remainder of the Company's asset realisations to be £1,000.

## CONTRACT PLUS LIMITED - IN LIQUIDATION

### *Creditors (claims and distributions)*

- 2 9 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.
- 2 10 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 2 11 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.

### *Investigations*

- 2 12 You may recall from my first progress report to creditors that some of the work the Liquidator is required to undertake is to comply with legislation such as the Company 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 13 My report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills under the CDDA 1986 was submitted during the first year of the liquidation and is confidential.
- 2 14 Since my last progress report I would advise that no further asset realisations have come to light that may be pursued by me for the benefit of creditors.

## **3 Creditors**

### *Secured Creditors*

- 3 1 There are no secured creditors.

### *Preferential Creditors*

- 3 2 A summary of preferential claims is detailed below.

Preferential claim	Agreed Claim £	Statement of Affairs Claim £	Dividend paid p in the £1
Employee claims (Total number of claims = 2)	1,362	-	-
Department for Business Innovation & Skills (BIS)	237	800	-

- 3 3 I would confirm that a notice of intended dividend was issued to preferential creditors on 22 September 2016, with the last date for preferential creditors to submit their claim being 27 October 2016. I can confirm that a preferential dividend of 100p in the £ will be paid to creditors within two months of the last date of proving.

## CONTRACT PLUS LIMITED - IN LIQUIDATION

### ***Unsecured Creditors***

- 3 4 I have received claims totalling £921,470 40 from 77 creditors I have yet to receive claims from 70 creditors whose debts total £521,053 75 as per the Company's statement of affairs
- 3 5 I would confirm that it is anticipated a dividend will be paid to unsecured creditors upon the receipt of the £50,000 payment due in March 2017

### **4 Liquidator's Remuneration**

- 4 1 The Creditors approved that the basis of the Liquidator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the Liquidation
- 4 2 My time costs for the Period are £5,257 50 This represents 30 60 hours at an average rate of £171 81 per hour Attached as Appendix C is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent by me in managing the liquidation
- 4 3 Also attached as Appendix D is a cumulative Time Analysis for the period from 9 September 2014 to 8 September 2016 which provides details of my time costs since my appointment The cumulative time costs incurred to date are £33,926 75 This represents 139 15 hours at an average rate of £243 81 per hour To date, £30,000 plus disbursements of £1,637 has been drawn on account
- 4 4 In considering the remaining work to be done in this liquidation, I currently anticipate that my time costs to complete the liquidation will be approximately £10,000 I will update creditors on this in my next progress report
- 4 5 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees> Creditors should ensure they download the October 2015 Liquidators Fee guide
- 4 6 Attached as Appendix E 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


### **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

## CONTRACT PLUS LIMITED - IN LIQUIDATION

case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors

Yours faithfully

  
**John Kelmanson**  
Liquidator



**Contract Plus Limited  
(In Liquidation)  
Liquidator's Abstract of Receipts & Payments**

Statement of Affairs		From 09/09/2015 To 08/09/2016	From 09/09/2014 To 08/09/2016
	<b>ASSET REALISATIONS</b>		
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	Motor Vehicles	NIL	900 00
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Uncertain	Contract Debtors	NIL	5,000 00
1,064 00	Cash at Bank	NIL	816 41
	S98 Contribution Fee	NIL	9,600 00
	Bank Interest Gross	23 49	32 88
		<u>60,773 49</u>	<u>77,749 29</u>
	<b>COST OF REALISATIONS</b>		
	Insurance Bordereau	NIL	396 00
	Preparation of S of A	NIL	8,000 00
	Liquidator's Fees	28,000 00	30,000 00
	Liquidators Expenses	12 00	12 00
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	Company Search	NIL	29 00
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	Storage Costs	1,512 00	1,512 00
	Statutory Advertising	NIL	216 00
		<u>(32,784 10)</u>	<u>(44,420 29)</u>
	<b>PREFERENTIAL CREDITORS</b>		
(800 00)	Employees Wage Arrears	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(1,027,600 00)	Trade & Expense Creditors	NIL	NIL
(6,314 00)	Employees	NIL	NIL
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(219,898 00)	H M Customs & Excise (VAT)	NIL	NIL
(3,205 00)	HM Revenue & Customs (Corporation	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(2 00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(1,343,005.00)</u>		<u><u>27,989.39</u></u>	<u><u>33,329.00</u></u>
	<b>REPRESENTED BY</b>		
	VAT Receivable		2,675 36
	Bank 1 - Current		30,653 64
			<u><u>33,329.00</u></u>



John Kelmanson  
Liquidator

**Contract Plus Limited  
(In Liquidation)  
Liquidator's Abstract of Receipts & Payments  
To 08/09/2016**

S of A £		£	£
	<b>ASSET REALISATIONS</b>		
650 00	Office Furniture & Equipment	650 00	
	Motor Vehicles	900 00	
Uncertain	Inter-Company Debtors	60,750 00	
Uncertain	Contract Debtors	5,000 00	
1,064 00	Cash at Bank	816 41	
	S98 Contribution Fee	9,600 00	
	Bank Interest Gross	32 88	
			77,749 29
	<b>COST OF REALISATIONS</b>		
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	Stationery & Postage	347 79	
	Online Reporting	12 00	
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(1,027,600 00)	Trade & Expense Creditors	NIL	
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(46,498 00)	Directors	NIL	
(40,402 00)	Inland Revenue (PAYE/NI)	NIL	
(219,898 00)	H M Customs & Excise (VAT)	NIL	
(3,205 00)	HM Revenue & Customs (Corporation	NIL	
			NIL
	<b>DISTRIBUTIONS</b>		
(2 00)	Ordinary Shareholders	NIL	NIL
<b>(1,343,005.00)</b>			<b>33,329.00</b>
	<b>REPRESENTED BY</b>		
	VAT Receivable		2,675 36
	Bank 1 - Current		30,653 64
			<b>33,329.00</b>



John Kelmanson  
Liquidator

## Contract Plus Limited - In Liquidation

## Time Analysis for the period from 9 September 2015 to 8 September 2016

Classification of work function	H o u r s				Time Costs £	Average Hourly Rate £
	Partner	Manager	Administrator	Total Hours		
Creditor Meetings / Reports	0 50	3 00	0 00	3 50	962 50	275 00
Accounting / Cashiering	0 00	0 60	8 00	8 60	1,150 00	133 72
Creditors / Claims / Employees	0 00	1 90	1 75	3 65	606 25	166 10
Investigations	0 00	0 00	0 00	0 00	0 00	0 00
Asset Realisations	0 00	3 80	0 00	3 80	950 00	250 00
General Case Administration	0 00	3 80	7 25	11 05	1,588 75	143 78
Total Hours	0 50	13 10	17 00	30 60	5,257 50	171 81

## Contract Plus Limited - In Liquidation

## Time Analysis for the period from 9 September 2014 to 8 September 2016

Classification of work function	H o u r s				Time Costs £	Average Hourly Rate £
	Partner	Manager	Administrator	Total Hours		
Creditor Meetings / Reports	4 80	5 30	0 00	10 10	3,240 50	320 84
Accounting / Cashiering	0 80	2 30	18 50	21 60	3,247 50	150 35
Creditors / Claims / Employees	0 00	17 90	8 90	26 80	5,690 00	212 31
Investigations	1 00	21 40	1 00	23 40	6,123 00	261 67
Asset Realisations	16 55	22 10	0 00	38 65	12,342 25	319 33
General Case Administration	1 25	7 30	10 05	18 60	3,283 50	176 53
Total Hours	24 40	76 30	38 45	139 15	33,926 75	243 81

## CONTRACT PLUS LIMITED - IN LIQUIDATION

### Appendix E

#### 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
- 7.4 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis

Name of Professional Advisor	Basis of Fee Arrangement
Judge Sykes Frixou (legal advice)	Hourly rate and disbursements
AUA IRS (insurance)	Fixed fee dependant on level of realisations
Ashwells Nationwide Services Limited (valuation and disposal advice)	Fixed fee, commission and disbursements

- 7.5 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

##### 8 Liquidator's Expenses & Disbursements

- 8.1 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

	Paid in prior period £	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Statement of Affairs fee	8,000 00	-	-	8,000 00
Agents' costs	762 00	-	-	762 00
Solicitors' costs	-	3,008 00	-	3,008 00
Statutory advertising	216 00	-	-	360 00
Specific penalty bond	396 00	-	-	396 00
Online Reporting	12 00	12 00	-	48 00
Company Search Fees	29 00	-	-	29 00
<b>Category 2 disbursements</b>				
Room Hire		125 00		125 00
Stationary & Postage	220 69	127 10		856 19
Storage Costs	1,512 00			1,512 00

- 8.2 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.

## CONTRACT PLUS LIMITED - IN LIQUIDATION

- 8 3 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.

### 9 Charge-Out Rates

- 9 1 Kelmanson Insolvency Solutions's current charge-out rates effective from 1 December 2014 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

Staff	(per hour)
Insolvency Practitioner	375-475
Manager	250-300
Administrator - senior	200-250
Administrator	150-200
Cashier & Support Staff	75-150