

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, Brook Point, 1412-1420 High Road, London, N20 9BH

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 09/09/2014 to 08/09/2015

Signed



Date

26/10/15

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

Ref C386L/JSK/JC/KC

THURSDAY
WEDNESDAY



A07 18/11/2015 #36
COMPANIES HOUSE
A4JWCWY
05/11/2015 #53
COMPANIES HOUSE

Liquidator's Annual Progress Report to Creditors & Members

**Contract Plus Limited -
In Liquidation**

26 October 2015

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1 Introduction and Statutory Information

- 1 1 I, John Kelmanson of KCBS LLP t/a Kelmanson Insolvency Solutions, Brook Point, 1412-1420 High Road, London, N20 9BH, was appointed as Liquidator of Contract Plus Limited (the **Company**) on 9 September 2014. This report provides an update on the progress in the liquidation for the year ended 8 September 2015.
- 1 2 I would advise creditors that Karyn Jones left the Practice of KCBS LLP t/a Kelmanson Insolvency Solutions. A meeting was convened to be held on 28 November 2014 in order for Karyn Jones to tender her resignation and grant her release from office, which was duly granted. I do not consider that there is any necessity to appoint a replacement Joint Liquidator and I am therefore continuing to act in a sole capacity.
- 1 3 The principal trading address of the Company was 15 Dock Street, London E1 8JN.
- 1 4 The registered office of the Company has been changed to 4 Stirling Court, Stirling Way, Borehamwood, Hertfordshire WD6 2BT.

2 Realisation of Assets

- 2 1 Attached at Appendix A is my Receipts and Payments Account for the period from 9 September 2014 to 8 September 2015.

Office Furniture & Equipment

- 2 2 I instructed Ashwell Nationwide Services Limited, a firm of chattel agents, to value and sell the tangible assets of the Company. The office furniture and equipment was sold to the landlord for £650 plus VAT, which is slightly more than the forced sale value.

Motor Vehicle

- 2 3 Upon my appointment as Liquidator I discovered that the Company owned a Ford Transit Van. An ex-director of the Company offered £400 for the purchase of the vehicle, which I deemed insufficient and accordingly rejected the offer. I instructed my agent to collect the vehicle and I can confirm the sum of £900 plus VAT was paid by an unconnected party to purchase the vehicle.

Inter-Company Debtors

- 2 4 The sum of £6,040 was due from Contract Plus Design Limited (CPDL), a Company with common control and ownership CPDL is a dormant impecunious Company and after negotiations with the director, the sum of £5,000 was accepted in full and final settlement, which has been received This was paid by Anthony Smith personally, who is an ex-director of the Company
- 2 5 The sum of £279,704 was due from Norton Heights Limited (NHL), as per the Directors' Statement of Affairs NHL is a Company with a common director Since my appointment as Liquidator I have been engaged in protracted negotiations with the ex-director Anthony Smith, his accountant and his solicitor A number of adjustments were presented by the director and I have agreed to reduce the total balance by £38,225, which represents invoices allegedly paid by the Company on NHL's behalf, which in fact remained unpaid I have rejected all other adjustments
- 2 6 The solicitors acting on behalf of both Mr Smith and NHL put forward an offer of £45,000 in August 2015 to acquire any claim I may have against NHL and/or Mr Smith, with £25,000 to be paid within 14 days of the Settlement Agreement and the balance of £25,000 within 6 months This offer was also conditional upon Mr Smith/NHL concluding settlement with other parties, who also have claims against them I do not consider this offer acceptable and can confirm that this has been rejected The solicitors are currently seeking their clients' instructions further to my rejection and will revert to me in due course

Contract Debtors

- 2 7 Detailed in the Directors' Estimated Statement of Affairs are contract debtors with estimated best and worst case realisation scenarios of £75,000 and nil respectively, further to Leslie Keats' initial review of the debtors
- 2 8 The main contract debtor has consolidated all eight contract accounts and current estimates indicate they will be in a net creditor position Of the remaining seven clients, two have advised that the cost of the corrective works required will outweigh any equity in the contracts I am awaiting the expiration of the defects liability period/snagging completion on three contracts, with a further two debtors remaining unresponsive I have instructed Leslie Keats to issue a Statutory Demand in respect of the two unresponsive debtors
- 2 9 The prospect of a realisation from the contract debtors is currently unknown

3 Investigations

3 1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS) As this is a confidential report, I am not able to disclose the contents

3 2 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate This assessment took into account information provided by creditors either at the initial meeting or as a response to my request to complete an investigation questionnaire My investigations have not revealed any issues requiring further report

4 Creditors

Secured Creditors

4 1 There are no secured creditors

Preferential Creditors

4 2 A summary of preferential claims is detailed below

Preferential claim	Agreed Claim £	Statement of Affairs Claim £	Dividend paid in the £1
Employee claims	237 40	800 00	Nil
Department for Business Innovation & Skills (BIS)	1,362 60	Nil	Nil

4 3 A dividend to preferential creditors is dependent upon further realisations

Unsecured Creditors

4 4 I have received claims totalling £920,783 20 from 77 creditors I have yet to receive claims from 70 creditors whose debts total £521,053 75 as per the directors' statement of affairs

4 5 A dividend to unsecured creditors is dependent upon further realisations

5 Liquidator's Remuneration

5 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

5.2 My time costs for the period from 9 September 2014 to 8 September 2015 are £28,218.25. This represents 104.80 hours at an average rate of £269.26 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the Liquidation, together with an explanation of the work undertaken. To date, £2,000 plus VAT has been drawn on account.

5.3 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from www.icaew.com/en/technical/insolvency/creditors-guides

5.4 Attached as Appendix C is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade.

5.5 Since the date of appointment the following Category 2 disbursements have been incurred:

Disbursement	Total amount incurred to date	Amount incurred in this period	Amount paid to date	Amount Outstanding
Stationery & postage	220.69	220.69	220.69	Nil
Storage	1,512.00	1,512.00	1,512.00	Nil
Meeting Room Hire	125.00	125.00	125.00	Nil

6 Liquidator's Expenses

6.1 The following table outlines the expenses that have been incurred to date since my appointment as Liquidator, in addition to my Category 2 expenses detailed above:

Supplier/Service Provider	Nature of expense incurred	Amount incurred to date	Paid to date	Amount Outstanding
AUA IRS	Insurance premiums	396.00	396.00	Nil
Ashwells Nationwide Services	Valuation and sale of company's assets	762.50	762.50	Nil
Companies House	Company search fees	29.00	29.00	Nil
Thorpes	Statutory Advertising	216.00	216.00	Nil
The Creditor Gateway	Online Reporting	12.00	12.00	Nil

7 Creditors' rights

- 7.1 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
- 7.2 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

8 Next Report

- 8.1 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 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

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**Contract Plus Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments
To 08/09/2015**

S of A £		£	£
	ASSET REALISATIONS		
650 00	Office Furniture & Equipment	650 00	
	Motor Vehicles	900 00	
Uncertain	Inter-Company Debtors	NIL	
Uncertain	Contract Debtors	5,000 00	
1,064 00	Cash at Bank	816 41	
	S98 Contribution Fee	9,600 00	
	Bank Interest Gross	9 39	
			16,975 80
	COST OF REALISATIONS		
	Insurance Bordereau	396 00	
	Preparation of S of A	8,000 00	
	Liquidator's Fees	2,000 00	
	Company Search	29 00	
	Agents/Valuers Fees (1)	762 50	
	Stationery & Postage	220 69	
	Online Reporting	12 00	
	Statutory Advertising	216 00	
			(11,636 19)
	PREFERENTIAL CREDITORS		
(800 00)	Employees Wage Arrears	NIL	
			NIL
	UNSECURED CREDITORS		
(1,027,600 00)	Trade & Expense Creditors	NIL	
(6,314 00)	Employees	NIL	
(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
	DISTRIBUTIONS		
(2 00)	Ordinary Shareholders	NIL	
			NIL
(1,343,005.00)			5,339.61
	REPRESENTED BY		
	VAT Receivable		49 94
	Bank 1 - Current		5,289 67
			5,339.61

John Kelmanson
Liquidator

Time Analysis for the period from 9 September 2014 to 8 September 2015

Classification of work function	H o u r s				Time Costs £	Average Hourly Rate £
	Partner	Manager	Administrator	Total Hours		
Creditor Meetings / Reports	4 30	2 30	0 00	6 60	2,410 00	365 15
Accounting / Cashiering	0 80	1 70	10 50	13 00	2,135 50	164 27
Creditors / Claims / Employees	0 00	16 00	7 15	23 15	5,337 75	230 57
Investigations	0 00	21 40	1 00	22 40	5,880 00	262 50
Asset Realisations	13 80	18 30	0 00	32 10	10,672 50	332 48
General Case Administration	1 25	3 50	2 80	7 55	1,782 50	236 09
Total Hours	20 15	63 20	21 45	104 80	28,218 25	269 26

Case Overview

This overview is intended to allow the body responsible for the approval of the office-holder's fees to view the quantum of those fees in the context of the case in question

Complexity of the Case

I advise that no extraordinary issues have arisen in this matter which have caused any delay or complication to the conduct of the Liquidation

Exceptional Responsibilities

I advise that there have been no exceptional responsibilities that have arisen in this matter

Effectiveness of The Office-Holder(s)

I believe that our objectives in this matter have been met, to the extent that all known assets have been or are in the process of being realised, and all investigations conducted in the appropriate manner

Explanation of major work activities undertaken

Creditor Meetings / Reports

This section of the analysis relates to the annual progress reports prepared and issued to all creditors of the Company

Accounting / Cashiering

This includes all tax related matters and maintaining the electronic cash book. This work included the following

- Preparing bank reconciliations on monthly basis
- Entering postings and journals on IPS
- Conducting periodic bond reviews
- Issuing cheques and bank payments
- VAT reclaims
- Banking

Creditors / Claims / Employees

Work under this section includes correspondence and contact with the creditors and employees of the Company. The work includes the following

- Dealing with creditor correspondence via email and telephone
- Agreeing and adjudicating creditor claims

Investigations

The work undertaken is that described in SIP2 and SIP4 which govern both the investigations of the Company's failure and also examine the conduct of the directors. This work included the following

- Investigate the Company's affairs
- Investigate matters arising after our appointment
- Review and storage of books and records
- Preparing a return/report pursuant to the Company Directors' Disqualification Act
- Investigating the reasons for the failure of the Company

Asset realisations

Time expended in relation to asset realisations and predominately related to pursuing the amount due from the inter-company account, which has involved reviewing all relevant items and reconciling the account, corresponding with all relevant parties and obtaining advice from solicitors. Time has also been expended arranging the sale of the Company's assets and all related correspondence in relation to contract debtors.

General Administration

This section of the analysis encompasses the cost of the liquidators and their staff in complying with their statutory obligations and internal compliance requirements. This work includes the following

- Dealing with routine correspondence
- Maintaining physical case files and electronic details on IPS (case management software)
- Periodic & general case reviews
- Case planning and administration

ADDITIONAL INFORMATION IN RELATION TO LIQUIDATOR'S FEES

PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)

1 Policy

Detailed below is Kelmanson Insolvency Solutions' policy in relation to

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

1.1 *Staff allocation and the use of subcontractors*

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Partner, Manager, Administrator and/or an Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

We are not proposing to utilise the services of any sub-contractors in this case.

1.2 *Professional advisors*

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
Ashwells Nationwide Services	Fixed fee, commission and disbursements
AUA IRS	Fixed fee based on level of asset realisations

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.

13 Disbursements

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.

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.

On this case the following Category 2 disbursements have been incurred since appointment

Type and purpose	£
Room Hire	125 00
Stationary and postage	220 69
Storage of Company's books and records	1,512 00

2 Charge-out rates

A schedule of Kelmanson Insolvency Solutions' charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved. Below are details of this firm's charge out rates which have been applied with effect from 1 December 2014.

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

Please note that this firm records its time in minimum units of 6 minutes.