

# 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

07057046

Name of Company

AB Chemicals (Stoke) Limited

We

Steven John Currie  
Begbies Traynor (Central) LLP  
The Old Barn  
Caverswall Park  
Caverswall Lane  
Stoke on Trent, ST3 6HP

and

Robert Michael Young  
Begbies Traynor (Central) LLP  
The Old Barn  
Caverswall Park  
Caverswall Lane  
Stoke on Trent, ST3 6HP

the Joint Liquidators of the company attach a copy of our Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 28 October 2013 to 27 October 2014

Signed



Date

8/12/14

Begbies Traynor (Central) LLP  
The Old Barn  
Caverswall Park  
Caverswall Lane  
Stoke on Trent, ST3 6HP

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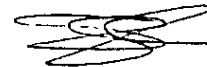
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A35 10/12/2014 #44  
COMPANIES HOUSE

**AB Chemicals (Stoke) Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 28/10/2013 To 27/10/2014
	<b>HIRE PURCHASE</b>	
6,000 00	Fork Lift Truck	NIL
(6,039 00)	Crown Lift Trucks Limited	NIL
		<u>NIL</u>
	<b>ASSET REALISATIONS</b>	
880 00	Plant & Machinery	3,747 00
1,253 00	Office Furniture & Equipment	1,253 00
4,886 00	Director's Loan Account	NIL
		<u>5,000 00</u>
	<b>COST OF REALISATIONS</b>	
	Statement of Affairs Fee	4,000 00
	Office Holders Expenses	6 75
	Legal Fees	600 00
	Bank Charges	2 45
		<u>(4,609 20)</u>
	<b>PREFERENTIAL CREDITORS</b>	
(2,707 00)	RPO re Arrears/Holiday Pay	NIL
(191 00)	Employees re Arrears/Hol Pay	NIL
		<u>NIL</u>
	<b>UNSECURED CREDITORS</b>	
(47,359 00)	Trade Creditors	NIL
(629 00)	Employees	NIL
(29,608 00)	RPO	NIL
(4,172 00)	HM Revenue & Customs - Corporation	NIL
(6,908 00)	HM Revenue & Customs - PAYE/NIC	NIL
(13,199 00)	HM Revenue & Customs - VAT	NIL
		<u>NIL</u>
	<b>DISTRIBUTIONS</b>	
(100 00)	Ordinary Shareholders	NIL
		<u>NIL</u>
<u>(97,893.00)</u>		<u><u>390 80</u></u>
	<b>REPRESENTED BY</b>	
	Vat Receivable	1 35
	Bank 1 Current	269 45
	Vat Control Account	120 00
		<u><u>390 80</u></u>



Steven John Currie  
Joint Liquidator

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## **AB Chemicals (Stoke) Limited (In Creditors' Voluntary Liquidation)**

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Progress report pursuant to Section 104A of the  
Insolvency Act 1986 and Rule 4.49C of the  
Insolvency Rules 1986

Period: 28 October 2013 to 27 October 2014

### **Important Notice**

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The 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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## **Contents**

- ☐ Interpretation
- ☐ Company information
- ☐ Details of appointment of liquidators
- ☐ Progress during the period
- ☐ Estimated outcome for creditors
- ☐ Remuneration and disbursements
- ☐ Liquidators' expenses
- ☐ Assets that remain to be realised
- ☐ Other relevant information
- ☐ Creditors' rights
- ☐ Conclusion
- ☐ Appendices
  - 1 Liquidators' account of receipts and payments
  - 2 Liquidators' time costs and disbursements
  - 3 Statement of Liquidators' expenses

# 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	AB Chemicals (Stoke) Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Act on 28 October 2013
"the liquidators", "we", "our" and "us"	Steven John Currie and Robert Michael Young of Begbies Traynor (Central) LLP , The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, ST3 6HP
"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"	<ul style="list-style-type: none"><li>(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and</li><li>(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)</li></ul>
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

## 2. COMPANY INFORMATION

Company registered number	07057046
Company registered office	The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, Staffordshire, ST3 6HP
Former trading address	Unit 3 Cockshute Industrial Estate , Cliffe Vale, Stoke-on-Trent, ST4 7DP

## 3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	28 October 2013
Date of liquidators' appointment	28 October 2013
Changes in liquidator (if any)	None

## 4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 28 October 2013 to 27 October 2014

### RECEIPTS

#### *Fork Lift Truck*

The fork lift truck was under a hire purchase arrangement with Crown Lift Trucks Limited. The fork lift truck was in negative equity and was collected by Crown Lift Trucks Limited from the Company premises. The directors' statement of affairs did not anticipate any realisations would be received and I can confirm none will be.

#### *Plant & Machinery and Office Furniture & Equipment*

The chattel assets of the Company were estimated to realise the sum of £2,133 in the Director's Statement of Affairs. Following liquidation, an offer was received from a third party for the sum of £4,000 plus VAT which was accepted. Payment has been received in full.

### PAYMENTS

#### *Statement of Affairs Fee*

The sum of £4,000 plus VAT has been received in respect of the statement of affairs fee for assisting the director with placing the Company into liquidation.

#### *Office Holders Expenses*

The sum of £6 75 plus VAT has been received by the Joint Liquidators in respect of out of pocket expenses incurred by them. Further details of which are provided later in the report.

*Legal Fees*

The sum of £600 plus VAT has been paid to Freeths Solicitors in respect of their fees for assisting to collect the monies due in respect of the purchase of the assets which had not been paid in full at the time the offer was received

*Bank Charges*

Bank charges totalling £2 45 have been paid to Handelsbanken plc in respect of operating the liquidation bank account

## 5. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the director's statement of affairs) are as follows

**Secured creditors**

*Crown Lift Trucks Limited*

Crown Lift Trucks Limited supplied the Company with a fork lift on a hire purchase agreement. It is understood they are owed £6,039

**Preferential creditors**

Preferential claims of employees for arrears of wages, salary and holiday pay were estimated at £2,898

**Unsecured creditors**

Unsecured creditors were estimated at £101,875

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows

**Secured Creditors**

*Crown Lift Trucks Limited*

Crown Lift Trucks Limited have collected the fork lift truck in accordance with the hire purchase agreement

**Preferential creditors**

Based upon realisations to date and estimated future realisations, it is anticipated that there will be insufficient funds available to enable a dividend to be paid to the preferential creditors

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

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows

- ☐ 50% of the first £10,000 of net property,
- ☐ 20% of net property thereafter,

- Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if

- the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or
- the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

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**

Based upon realisations to date and estimated future realisations it is anticipated there will be insufficient funds available to enable a dividend to be paid to the 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 October 2013 to 27 October 2014 amount to £13,145 50 which represents 61 3 hours at an average rate of £214 45 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 October 2013 to 27 October 2014
- Begbies Traynor (Central) LLP 's policy for re-charging disbursements
- Begbies Traynor (Central) LLP 's charge-out rates

To 27 October 2014, we have not drawn any remuneration against total time costs of £13,145 50 incurred since the date of our appointment

To 27 October 2014, we have also drawn disbursements in the sum of £6 75

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been taken in accordance with the approval obtained are provided in the narrative summary of time costs incurred which is at Appendix 2

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2011' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides) Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy



## 7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3

## 8. ASSETS THAT REMAIN TO BE REALISED

### *Director's Loan Account*

The director's loan account shown in the directors' statement of affairs with an estimated to realise value of £4,886 has been actively pursued for repayment. It appears that the director does not have the funds available to pay the monies and it is not considered commercial to pursue this matter any further

## 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 carried out to date**

We have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect

### **Connected party transactions**

We have not been made aware of any sales of the Company's assets to connected parties

## 10. CREDITORS' RIGHTS

### **Right to request further information**

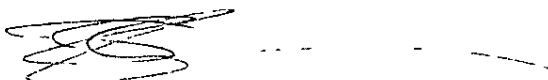
Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been detailed in this progress report

### **Right to make an application to court**

Pursuant to Rule 4.131 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate

## 11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner

A handwritten signature in black ink, appearing to read 'Steven John Currie', with a long horizontal line extending to the right.

**Steven John Currie**  
Joint Liquidator

Dated 8 December 2014

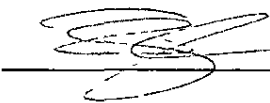
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# ACCOUNT OF RECEIPTS AND PAYMENTS

Period 28 October 2013 to 27 October 2014

**AB Chemicals (Stoke) Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**  
**To 27/10/2014**

S of A £		£	£
	<b>HIRE PURCHASE</b>		
6,000 00	Fork Lift Truck	NIL	
(6,039 00)	Crown Lift Trucks Limited	NIL	
			NIL
	<b>ASSET REALISATIONS</b>		
880 00	Plant & Machinery	3,747 00	
1,253 00	Office Furniture & Equipment	1,253 00	
4,886 00	Director's Loan Account	NIL	
			5,000 00
	<b>COST OF REALISATIONS</b>		
	Statement of Affairs Fee	4,000 00	
	Office Holders Expenses	6 75	
	Legal Fees	600 00	
	Bank Charges	2 45	
			(4,609 20)
	<b>PREFERENTIAL CREDITORS</b>		
(2,707 00)	RPO re Arrears/Holiday Pay	NIL	
(191 00)	Employees re Arrears/Hol Pay	NIL	
			NIL
	<b>UNSECURED CREDITORS</b>		
(47,359 00)	Trade Creditors	NIL	
(629 00)	Employees	NIL	
(29,608 00)	RPO	NIL	
(4,172 00)	HM Revenue & Customs - Corporation	NIL	
(6,908 00)	HM Revenue & Customs - PAYE/NIC	NIL	
(13,199 00)	HM Revenue & Customs - VAT	NIL	
			NIL
	<b>DISTRIBUTIONS</b>		
(100 00)	Ordinary Shareholders	NIL	
			NIL
<b>(97,893 00)</b>			<b>390.80</b>
	<b>REPRESENTED BY</b>		
	Vat Receivable		1 35
	Bank 1 Current		269 45
	Vat Control Account		120 00
			<b>390.80</b>

  
 Steven John Currie  
 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, and
- d Table of time spent and charge-out value for the period from 28 October 2013 to 27 October 2014

## **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 guidance<sup>1</sup> 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 guidance<sup>2</sup> 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 40 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

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

<sup>2</sup> Ibid 1

- Printing and photocopying
- Stationery

#### **BEGBIES TRAYNOR CHARGE-OUT RATES**

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 Stoke office as at the date of this report are as follows:

	<b>Standard 1 May 2011 – until further notice Regional</b>
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

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.

## SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	AB Chemicals (Stoke) Limited
CASE TYPE	CREDITORS' VOLUNTARY LIQUIDATION
OFFICE HOLDERS	Steven John Currie AND Robert Michael Young
DATE OF APPOINTMENT	28 October 2013

### 1 CASE OVERVIEW

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

#### 1 2 Complexity of the case

This case has required the assets of the Company to be sold and funds of the sale to be collected, the director's loan account has been pursued and the employees claims have been processed

#### 1 3 Exceptional responsibilities

There are no exceptional responsibilities in this case

#### 1 4 The office holders' effectiveness

The office holders have been effective as they have realised much more than the estimated value of the assets and have complied with their statutory duties

#### 1 5 Nature and value of property dealt with by the office holders

The nature and value of property dealt with by the office holders is detailed in the body of the main report

#### 1 6 Anticipated return to creditors

Based upon realisations to date, and estimated future realisations, there will be insufficient funds for a distribution to preferential or unsecured creditors

#### 1 7 Time costs analysis

An analysis of time costs incurred between 28 October 2013 and 27 October 2014 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

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

The views of creditors were sought at the section 98 meeting on 28 October 2013

#### 1 10 Approval of fees



The approval of fees was granted at the section 98 meeting on 28 October 2013

**1 11 Approval of Expenses and Disbursements**

The approval of expenses and disbursements was granted at the section 98 meeting on 28 October 2013

**1 12 Category 2 Disbursements**

In accordance with the resolution obtained in relation to expenses and disbursements, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case since the date of my appointment

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Room Hire	100 00
TOTAL	100 00

**1 13 Other professionals employed & their costs**

Freeths Solicitors were instructed to pursue the third party for the funds in relation to the sale of the assets. They have been paid the sum of £600 plus Vat for the services

**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, and

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

**3 SUMMARY OF WORK CARRIED OUT SINCE OUR APPOINTMENT**

3 1 Since the date of our appointment, the following work has been carried out

3 2 The assets have been sold to a third party,

3 3 Employees claims have been submitted to the RPO, and

3 4 All statutory obligations have been met

					0.00
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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) £
Legal Fees	Freeths Solicitors	600 00	600 00	-
Statutory Advertising	TMP (UK) Limited	301 48	-	301 48