

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

07084389

Name of Company

Agobuild Limited

I / ~~We~~

Michael Durkan, 17 Berkeley Mews, 29 High Street, Cheltenham, GL50 1DY

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 06/01/2012 to 05/01/2015

Signed



Date

27 February 2015

Durkan Cahill
17 Berkeley Mews
29 High Street
Cheltenham
GL50 1DY

Ref AGOBU01/MPD/GT/RS

WEDNESDAY



A13 *A42FW600* #349
04/03/2015
COMPANIES HOUSE

Agobuild Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 06/01/2012 To 05/01/2015
	ASSET REALISATIONS	
NIL	Book Debt	NIL
NIL	Intercompany Loan Account	NIL
129 66	Cash at Bank	117 32
	Bank Interest Net of Tax	2 10
	Goodwill	1,000 00
		<u>1,119 42</u>
	COST OF REALISATIONS	
	Specific Bond	60 00
	Statutory Advertising	180 00
		<u>(240 00)</u>
	PREFERENTIAL CREDITORS	
(3,283 72)	Employee Arrears/Hol Pay	NIL
		<u>NIL</u>
	UNSECURED CREDITORS	
(91,390 80)	Trade & Expense Creditors	NIL
(10,575 38)	Employees	NIL
(12,060 00)	Director	NIL
(2,688 00)	HM Revenue & Customs - PAYE	NIL
(15,000 00)	HM Revenue & Customs - VAT	NIL
		<u>NIL</u>
	DISTRIBUTIONS	
(100 00)	Ordinary Shareholders	NIL
		<u>NIL</u>
<u>(134,968 24)</u>		<u><u>879 42</u></u>
	REPRESENTED BY	
	Bank 1 Current	879 42
		<u><u>879 42</u></u>



Michael Durkan
Liquidator

Agobuild Limited in Creditor's Voluntary Liquidation

3rd Annual Progress Report

27 February 2015

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1 INTRODUCTION

- 1 1 I write further to the creditors' meeting held on 6 January 2012 and my second annual progress report dated 17 January 2014
- 1 2 The purpose of this report is to detail my acts and dealings together with the conduct of the liquidation since that meeting and report

2. BACKGROUND

- 2 1 The members' and creditors' meetings were held on 6 January 2012, when I was appointed liquidator of the company
- 2 2 The company's registered office is 17 Berkeley Mews, 29 High Street, Cheltenham, GL50 1DY The company registration number is 07084389
- 2 3 The company's former registered office was previously at The Quorum, Barnwell Road, Cambridge, CB5 8RE The company's trading address was situated at The Quorum, Barnwell Road, Cambridge, CB5 8RE
- 2 4 The company's principal activity was construction The company was set up to undertake small construction projects on a design and build operation
- 2 5 The main cause of failure was stated to be an inaccurate estimation of three projects undertaken by the company Although the first two projects did not result in any overall losses, once the third project had been completed it became apparent that a shortfall had been suffered
- 2 6 With no new work coming in from which to recoup the company's losses, and with the simultaneous failure of two other connected companies, the decision was taken to cease trading and voluntarily liquidate the company

3 ASSET REALISATIONS

Book Debt

- 3 1 As previously reported, there was one book debt due to the company at the time of my appointment in the sum of £2,000 The director advised that the debt was disputed and collection was unlikely, therefore for the sake of prudence the debt was written off for the purposes of the Statement of Affairs
- 3 2 As previously reported, I made attempts to collect in the outstanding debt following my appointment however it became necessary to instruct solicitors, Harrison Clark Rickerbys Limited ('HCR') (formerly Harrison Clark LLP) However after a period of correspondence no payment was forthcoming Given the disputes raised and the sum involved, the costs and risks of pursuing the debt via court proceedings outweighed any potential benefit and the matter was dropped on the advice of HCR No realisations have been made in respect of the company's book debt

Intercompany Loan Account

- 3 3 As previously reported the sum of £90,608 56 was stated to be due to the company from Agora Design & Management Limited in respect of services provided I was also appointed Liquidator of Agora Design & Management Limited on the same day There was no prospect

of a dividend in the liquidation of Agora Design & Management Limited, and therefore no prospect of recovering the loan. This was reflected on the Statement of Affairs.

- 3.4 As previously reported my investigations into the affairs of Agora Design & Management Limited have led to the discovery of potential actions that could lead to further recoveries in the liquidation. However following extensive investigations into the director's financial viability and the subsequent acceptance of a settlement offer in the sum of £10,000, there is no prospect of any funds becoming payable in this liquidation in form of a dividend on Agora Design & Management Limited. As such there will be no realisations in respect of this asset.

Cash at Bank

- 3.5 As previously reported there was a credit balance held in the company's bank account with National Westminster Bank plc ('NatWest') in the amount of £129.66, as per the Statement of Affairs.
- 3.6 Following my appointment the sum of £117.32 was received in full from NatWest. The slight shortfall is due to the application of bank charges and there was not deemed to be any material benefit in querying the matter further. No further realisations are expected to be made in respect of the company's cash at bank.

Goodwill

Requirement of Statement of Insolvency Practice (SIP) 13 – Acquisition of assets of insolvent companies by directors

- 3.7 As previously reported, in accordance with SIP 13 I have disclosed the following information in relation to the sale of the goodwill:
- The date of the transaction was 6 January 2012
 - The assets sold consisted of the company's goodwill, as represented by the name 'Agobuild'
 - The assets were sold to Agora (Newmarket) Limited (now ACD Projects Limited) for £1,000 plus VAT
 - The consideration was due to be paid in full by 31 January 2012
 - Payment was received in full on 6 February 2012
 - Alexander Charles Darvill, the sole director and shareholder of the company, is the sole director and shareholder of ACD Projects Limited
 - The company's goodwill had no value due to the insolvency of the company. The sale of the goodwill to the director's new company, ACD Projects Limited therefore resulted in higher realisations in the liquidation than would otherwise have been achieved.

Miscellaneous Receipts

- 3.8 Bank interest of £0.72 (net of tax) has been received in the twelve month period to 5 January 2015, bringing the total interest received to date on funds held in the liquidation account to £2.10 (net of tax).

4. INVESTIGATIONS

- 4.1 I have completed my investigations into the affairs of the company in accordance with Statement of Insolvency Practice 2. Tasks undertaken in respect of my investigations include:
- Analysis of bank accounts
 - Examining validity of any security granted by the company
 - Examining balance sheets and profit & loss accounts
 - Review of company books and records to include review of sales and purchase invoices

- Receiving enquiries from and dealing with matters brought to my attention by creditors or other third parties
- Making enquiries of and obtaining information from officers of the company

- 4 2 I previously reported that these investigations led to the discovery of potential actions that could lead to further recoveries being made into the liquidation. I instructed solicitors, The Wilkes Partnership ('Wilkes') to assist and advise on the matter. I previously reported that it had been established that across this and two other connected insolvent companies, Agora Design & Management Limited and Agora Management Limited, of which I am also liquidator, the director owed a sum in the region of £153,000.
- 4 3 Whilst it is my contention that there are further potential claims across all three cases totalling approximately £290,324, as previously advised it was decided to first make efforts to determine the director's financial viability prior to incurring the costs of finalising and pursuing these additional claims.
- 4 4 In the period since my last report a significant amount of time has been spent investigating the director's personal financial position in detail. On the basis of these investigations it has been deemed not to be worthwhile pursuing the potential actions against the director in this case until the outcome of the actions against him in Agora Management Limited has been established.
- 4 5 A formal demand was made for the repayment of a minimum claim of £135,974.23, relating to an overdrawn director's loan account with Agora Management Limited. As stated in section 3 of this report the director responded with a full and final settlement offer of £10,000, payable in 10 monthly instalments of £1,000 commencing in February 2015. This offer has been accepted on the advice of Wilkes and the situation will be monitored over the course of the next 10 months. In the event that the director adheres to the payment terms, the other potential claims against him will be dropped.
- 4 6 My report on the conduct of the directors was submitted to the Insolvency Service on 3 July 2012. The content of the report is confidential and details will not be disclosed.

5. CREDITORS' CLAIMS

Secured Creditors

- 5 1 There are no secured creditors in this matter.

Preferential Creditors

- 5 2 The preferential claims of employees as recorded on the Statement of Affairs amounted to £3,283.72.
- 5 3 No claim has been received from the Insolvency Service in respect of preferential elements of claims paid to employees by the Redundancy Payments Office.
- 5 4 Employees are not required to submit claims to me for sums due as their claims are automatic. The balance of preferential claims of employees remains at £3,283.72.

Non-preferential Creditors

- 5 5 Unsecured creditors, as per the Statement of Affairs totalled £131,714.18.
- 5 6 A total of 11 creditors have submitted claims to date with an aggregate value of £151,847.42.
- 5 7 Please be advised that no work has been undertaken in respect of agreeing creditors' claims in this matter, as there is no prospect of a dividend.

6. DIVIDEND PROSPECTS

- 6 1 On the basis of realisations to date, together with estimated future realisations, and after taking into account the costs of the Liquidation to date, there is no prospect of a dividend becoming payable to any class of creditor in this matter

7. COSTS AND EXPENSES

- 7 1 Details of payments are shown on the receipts and payments account at Appendix 1
- 7 2 In accordance with Statement of Insolvency Practice 9 the Liquidator must disclose the time spent and charge out value, together with, where appropriate, such additional information sufficient to provide an explanation of the time spent and fees drawn
- 7 3 A schedule of my firm's disbursement recovery policy and list of typical charge out rates for each level of staff employed in the administration of this matter is attached at Appendix 2
- 7 4 At the meeting of creditors held on 6 January 2012 it was resolved that the Liquidator's remuneration be fixed in accordance with time charges incurred together with authorisation to re-charge category 2 disbursements
- 7 5 The expenses that I have incurred in this matter to date amount to £95 36, of which £14 92 has been incurred in the twelve month period to 5 January 2015 I have not drawn any expenses to date Details of the expenses incurred are as follows,

Category 1	Incurred	Recovered	Not yet recovered
Postage	£17 96	£0 00	£17 96
Category 2			
Photocopying	£32 40	£0 00	£32 40
Stationery	£20 00	£0 00	£20 00
Facsimile	£10 00	£0 00	£10 00
Storage of records	<u>£15 00</u>	<u>£0 00</u>	<u>£15 00</u>
	<u>£95.36</u>	<u>£0.00</u>	<u>£95.36</u>

- 7 6 The following agents or professional advisors have been utilised in this matter

Professional Advisor	Nature of Work	Fee Arrangement
Harrison Clark Rickerbys Ltd	Solicitors	Percentage of realisations
The Wilkes Partnership	Solicitors	Time costs

The choice of professionals 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 The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case

- 7 6 At a meeting of creditors held on 6 January 2012 it was resolved that payment shall be made out of the company's assets of the necessary expense of preparing the Statement of Affairs in the sum of £4,000 plus VAT No funds have been drawn to date in respect of the Statement of Affairs fee
- 7 7 Attached to this report at Appendix 2 are a time and charge out summary for the twelve month period to 5 January 2015, and a time and charge out summary covering the whole of the liquidation to date The hours charged to this case are in respect of the performance of

the statutory duties of the Liquidator and attending to the matters detailed in this report and his previous progress report

- 7 8 Time costs incurred in the twelve month period to 5 January 2015 amount to £2,730 00. This equates to 14 50 hours at an average hourly rate of £188 28. This brings the total time costs incurred to date to £10,398 00, which equates to 60 10 hours at an average hourly rate of £173 01. No remuneration has been paid to date.
- 7 9 An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.
- 7 10 An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

8 CONCLUSION

- 8 1 I shall be continuing my administration of the liquidation in order to await the outcome of the settlement agreement with the director on Agora Management Limited.
- 8 2 When I have concluded all of the outstanding matters I will take steps to draw the liquidation to a close and a further report will be issued to you at that time.
- 8 3 I shall be pleased to provide any additional information that you may reasonably require.
- 8 4 At Durkan Cahill we always strive to provide a professional and efficient service, however we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. If you should have cause to complain about the way that we are acting, you should, in the first instance, put details of your complaint in writing to Michael Durkan. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint expediently.
- 8 5 Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to Michael Durkan's regulatory body. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, or you may email ip.complaints@insolvency.gsi.gov.uk or you may phone 0845 602 9848 - calls are charged at between 1p and 10 5p per minute from a land line, for mobiles, between 12p and 41p per minute if you're calling from the UK.



Michael Durkan
Liquidator

APPENDIX 1

Liquidators' Receipts and Payments Account

Agobuild Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 06/01/2014 To 05/01/2015	From 06/01/2012 To 05/01/2015
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	Bank Interest Net of Tax	0 72	2 10
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	COST OF REALISATIONS		
	Specific Bond	NIL	60 00
	Statutory Advertising	NIL	180 00
		<u>NIL</u>	<u>(240 00)</u>
	PREFERENTIAL CREDITORS		
(3,283 72)	Employee Arrears/Hol Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(91,390 80)	Trade & Expense Creditors	NIL	NIL
(10,575 38)	Employees	NIL	NIL
(12,060 00)	Director	NIL	NIL
(2,688 00)	HM Revenue & Customs - PAYE	NIL	NIL
(15,000 00)	HM Revenue & Customs - VAT	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(100 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(134,968.24)		<u>0.72</u>	<u>879 42</u>
	REPRESENTED BY		
	Bank 1 Current		879 42
			<u>879 42</u>



Michael Durkan
Liquidator

APPENDIX 2

**Analysis of time costs &
Disbursement Recovery Policy**

Time Entry - SIP9 Time & Cost Summary

AGOB01 - Agobuild Limited
All Post Appointment Project Codes
From 06/01/2014 To 05/01/2015

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.00	3.10	0.00	4.80	7.90	1,236.00	156.46
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.30	0.00	0.00	0.30	66.00	220.00
Marketing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non Chargeable	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	6.30	0.00	0.00	6.30	1,428.00	226.67
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	0.00	9.70	0.00	4.80	14.50	2,730.00	188.28
Total Fees Claimed							
Total Disbursements Claimed						0.00	

Time Entry - SIP9 Time & Cost Summary

AGOB01 - Agobuild Limited
All Post Appointment Project Codes
From 06/01/2012 To 05/01/2015

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.00	13.70	0.00	15.80	29.50	4,566.00	154.78
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	1.60	0.00	0.20	1.80	312.00	173.33
Investigations	1.00	7.70	0.00	5.70	14.40	2,394.00	166.25
Marketing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non Chargeable	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	14.20	0.00	0.20	14.40	3,126.00	217.08
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	1.00	37.20	0.00	21.90	60.10	10,398.00	173.01
Total Fees Claimed							
Total Disbursements Claimed						0.00	

PRACTICE FEE RECOVERY POLICY FOR DURKAN CAHILL

Introduction

The insolvency legislation was changed in April 2010 for insolvency appointments commenced from that time in order to allow more flexibility on how an office holder's fees are charged to a case. This sheet explains how we may apply the alternative fee bases. The legislation now allows different fee bases to be used for different tasks within the same appointment. The basis or combination of bases set for a particular appointment are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court. Further details about how an office holder's fees are approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at http://www.durkancahill.com/index.php/free_information. Alternatively a hard copy may be requested from Durkan Cahill, 17 Berkeley Mews, 29 High Street, Cheltenham, GL50 1DY.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn and time costs incurred and will also enable the recipients to see the average rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under the old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time cost basis

This is the basis that we use in the majority of cases and we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Chargeout Rates

Grade of staff	Current charge-out rate per hour, effective from 1 July 2008 £
Partner – appointment taker	300
Senior Manager/Director	240
Manager	180
Senior Administrator	150
Case Administrator	120
Cashier	120/150
Support Staff	120

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Each unit of time is 6 minutes. The work is recorded under the following categories:

- Administration and Planning – which includes work such as planning how the case will be administered and progressed, the administrative set up of the case, notifying creditors and others of the appointment, keeping the records relating to the case up to date, and reporting on progress of the case to creditors and others.
- Investigations – which includes work such as undertaking an initial review of the financial affairs of the Company or debtor, undertaking a detailed investigation with a view to making recoveries for the benefit of creditors where matters such as preferences or wrongful trading come to light as a result of the initial review, and reporting to the Insolvency Service on the conduct of the Directors.
- Realisation of Assets – which includes work such as identifying, securing and insuring assets, dealing with retention of title claims, collecting debts owed, and selling assets.
- Employee matters – which includes work such as dealing with employees, and liaising with the redundancy payments office.

- Creditors - which includes work such as communicating with creditors, dealing with creditors' claims, and where funds realised allow, paying dividends to creditors
- Trading – which includes work such as managing and controlling all aspects of the business, and preparing financial records and information relating to that trading

Percentage basis

The legislation now allows fees to be charged on a percentage of the value of the property with which the office holder has to deal. Different percentages can be used for different assets or types of assets. Where we would like to realise any asset or type of assets on a percentage basis we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

Fixed fee

The legislation now allows fees to be charged at a set amount. Different set amounts can be used for different tasks. Where we would like to charge a set amount for a task or different set amounts for different tasks we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

All bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

Disbursements

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Durkan Cahill. In the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements are recovered

Room Hire	£70
Mileage	45p per mile
Storage	£5 per box per annum
Photocopying	15p per sheet
Stationery Charge	£20 per assignment
Facsimile	£1 per page