

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

07222421

Name of Company

(a) Insert full name of
company

ABC SCAFFOLDING (YORKSHIRE) LIMITED

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

Stephen Richard Penn of Absolute Recovery Limited, 1st Floor, Block A, Loversall Court,
Clayfields, Tickhill Road, Doncaster, South Yorkshire, DN4 8QG, United Kingdom

the 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 8 August 2014 to 7 August 2015

Signed

Date 15 September 2015

Presenter's name,
address and reference (if
any)

Stephen Richard Penn
Absolute Recovery Limited
1st Floor, Block A
Loversall Court, Clayfields
Tickhill Road, Doncaster
South Yorkshire
DN4 8QG
United Kingdom

THURSDAY



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COMPANIES HOUSE

ABC SCAFFOLDING (YORKSHIRE) LIMITED IN CREDITORS' VOLUNTARY LIQUIDATION

ANNUAL PROGRESS REPORT

For the period 8 August 2014 to 7 August 2015

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ATTACHMENTS

- 1 Receipts and Payments Account
- 2 Analysis of Time-costs

1 INTRODUCTION

The purpose of this report is to detail my acts and dealing as Liquidator for the year ended 7 August 2015 and it should be read in conjunction with my previous correspondence to Creditors

2 BACKGROUND

REGISTERED NAME, ADDRESS AND NUMBER

ABC Scaffolding (Yorkshire) Limited (In Liquidation), ("the Company")

Registered office	First Floor, Block A Loversall Court, Clayfields Tickhill Road, Doncaster DN4 8QG
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Former Registered Office	45 Scarborough Road Bridlington East Yorkshire YO16 7PF
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Registered Number	07222421
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Other trading names	None
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APPOINTMENT DETAILS

Name of Liquidator	Stephen Richard Penn
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Address of Liquidator	1st Floor, Block A Loversall Court, Clayfields Tickhill Road, Doncaster South Yorkshire DN4 8QG United Kingdom
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Date of Appointment of Liquidator	08 August 2014
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The company's principal activity was Scaffolding

The main causes of failure as detailed in the Director's Report to Creditors are as follows

The Company commenced trading in December 2010

The Company expanded quite quickly and obtained large contracts with Persimmon, Coast & Country and Beal Homes. Due to the level of expansion, a contracts manager was employed to price up works and employ the staffing as and when required

Due to the level of contracts, small margins of profitability had to be worked on to ensure that the contracts were obtained. Unfortunately, the contracts manager priced works that incurred losses on some of the contracts and also employed staffing on higher rates of pay than they should have been on

Due to this, the director undertook a full review of the Company when these matters were brought to light and tried to renegotiate contracts and also reduced the level of wages that were required to be paid and let staff go that were not required

Due to the debts that had been incurred, the director tried to obtain personal loans to enable these further funds to be introduced into the Company, however, these funds could not be generated

The director therefore sought professional advice and decided that there was no other option but to place the Company into liquidation as the contracts could not be renegotiated and therefore profitability could not be increased to enable any other option to be pursued

3 ASSET REALISATIONS

The Liquidator's first Annual Receipts and Payment account for the period ending 7 August 2015, is attached

Asset Summary

Asset Name	Est To Realise £	Realised to Date £
Plant & Machinery	8,500	NIL
Motor Vehicles	7,250	6,416 66
Bank Interest Gross	NIL	1 95
Total	15,750 00	6,418 61

Assets

Plant & Machinery

The company's Plant & Machinery which comprised of various scaffolding boards, tubes and fittings was professional valued by my agent Lahar Consultants Limited on 7 August 2015. The items had an open market value of £8,500 00 and a forced sale value of £3,750 00. I agreed to sell these assets to the director of the company as part of a general asset purchase agreement for the open market value of £8,500 00 plus VAT. To date the sum of £6,416 66 plus VAT has been paid towards these assets.

Motor Vehicles

The company's Motor Vehicles which comprised of 9 vans/lorries and 1 car were professional valued by my agent Lahar Consultants Limited on 7 August 2015. The vehicles had an open market value of £7,250 00 and a forced sale value of £3,050 00. I agreed to sell these assets to the director of the company as part of a general asset purchase agreement for the open market value of £7,250 00 plus VAT. No payments have been assigned against these yet, the initial payments under the purchase agreement being applied to Plant & Machinery.

Full details of the asset purchase agreement can be found at section 4 of this report below

Bank Interest Gross

I operate a current account for the purpose of the liquidation and to date interest totalling £1 95 has accrued.

Other Assets

During the course of the liquidation I became aware of a debtor that is in Administration. The company has subsequently entered into Creditors' Voluntary Liquidation and at this stage, no dividend prospects are available.

I am not aware of any other assets save for a small bank account credit balance of around £25 00 and none have been brought to my attention since the liquidation commenced.

Payments

Statement of Affairs Fee

The sum of £3,000 plus VAT has been paid in full settlement of the agreed Statement of Affairs Fee

The company was registered for VAT and therefore the VAT element of these payments should be recoverable from HM Revenue & Customs

4 LIQUIDATOR'S ACTIONS

My initial opinion of the assignment was that it would be of a straight forward nature with the majority of early administration focused upon statutory duties and realising the company's assets

Based simply on the Statement of Affairs I considered that it was unlikely a dividend would be payable to creditors unless realisations greatly exceeded the estimates

I considered that I had the staff and resources to properly administer the liquidation and appointed a case manager and a case administrator to deal with the day to day administration

I did not believe it was necessary to consult creditors generally with regard to any strategy

The asset purchase agreement was discussed with the director of the company shortly after the creditors' meeting and a provisional agreement drawn up on 13 August 2014 which the director signed off on 25 September 2014. The agreement in summary is that the director will make 15 consecutive monthly payments of £1,000 commencing from September 2014 and 1 final payment of £300 during November/December 2015

Payments in respect of this agreement however have not been maintained and although I am in frequent contact with the director and/or his staff, the position has become unsustainable and it is likely that I will contact my agent to arrange to have the assets uplifted if significant payments towards the agreement are not made in the near future

As mentioned above, during the course of the liquidation I became aware of a debtor that is now in Creditors' Voluntary Liquidation. At this stage, no dividend prospects are available

I obtained confirmation that the company had no lease in respect of its occupancy of its former trading premises

The company did not operate a pension scheme and no employees were detailed in the Statement of Affairs. During the course of the liquidation however I became aware of 1 employee who has submitted a claim to the Redundancy Payments Service

I implemented a redirection upon the company's mail for the first 3 months of the liquidation. This enabled me to identify a number of unknown creditors and the company debtor as detailed in Section 3 of this report

I have dealt with vehicle license issues

5 INVESTIGATION

An initial investigation into the Company's affairs was undertaken to establish whether there were any potential asset recoveries or conduct matters that justified further investigation

The director of the company has failed to complete and return to me a questionnaire regarding his activities as a director of the company and he has failed to deliver up to me the company's books and records

The last set of Accounts filed at Companies House was for the year ending 30 April 2012, approximately 28 months prior to liquidation

In addition I have received company bank statements for the business current account for the 12 month period leading up to liquidation

Having undertaken a thorough review of these I identified a number of matters that required further investigation as follows

- Potential transactions at an undervalue through the company bank account
- Transactions with the director of the company

I have raised these matters with the director of the company however they currently remain unresolved, the director having failed to provide any evidence or indeed explanation for the transactions and this matter is ongoing

2 County Court Judgements have been lodged against the company during the period October 2013 through to August 2014 inclusive totalling £1,795 00

My last correspondence which was sent on 11 August 2014 to all known creditors requested creditors to complete a questionnaire notifying me of any complaints or information they had regarding the company which could possibly assist me with my investigations 1 creditor has completed and returned a questionnaire which has assisted my investigation

A report on the conduct of any individuals, who have been directors of the Company in the three years prior to the insolvency, is required to be submitted to the Secretary of State within six months of my appointment I would confirm that my report has been submitted

6 CREDITORS CLAIMS & DIVIDEND PROSPECTS

Secured Creditor

Lloyds TSB Commercial Finance
Total

Unknown

Unknown

The Company granted to Lloyds TSB Commercial Finance an all assets debenture dated 6 July 2012 The charge was registered on 17 July 2012 The amount outstanding at the date of the appointment was unknown and to date no claim has been lodged in the liquidation

No payments have been made to secured creditors

Dividend in Relation to the Prescribed Part

The Liquidator must state the amount of funds available to unsecured creditors in respect of the prescribed part This provision only applies where the company has granted a floating charge to a creditor after 15 September 2003 The charge detailed above would give rise to a prescribed part distribution

Preferential creditors

No preferential creditors were detailed in the Statement of Affairs however during the course of the liquidation I became aware of 1 employee who has submitted a claim to The Redundancy Payments Service and an element of his claim would attract preferential status for The Insolvency Service To date however no claim has been lodged in the liquidation

Unsecured creditors

The Statement of Affairs included 15 unsecured creditors with an estimated total liability of £163,082 99 I have received claims from 15 creditors to date at a total of £179,782 08 I have become aware of a further 12 creditors since the liquidation commenced some of which have lodged claims and are included in the figure mentioned previously and 12 creditors have yet to lodge claims HM Revenue & Customs has submitted a final claim of £36,587 47 in respect of outstanding VAT and a claim of £57,532 19 in respect of all other taxes and is the largest creditor

The director of the company had lodged a claim of £40,000 however at this juncture no evidence has been provided in support. Based upon current estimates total debts are likely to exceed £200,000

Unfortunately at this stage I must advise that there are insufficient funds to pay a dividend to any class of creditor

7 COSTS AND EXPENSES

Pre-Appointment Costs

Fixed fee agreed with the Directors and ratified by members and creditors.

The creditors authorised the fee of £3,000 plus VAT for assisting the director in calling the relevant meeting and with preparing the Statement of Affairs on 8 August 2014

Liquidator's Remuneration

The Liquidator's remuneration was approved on a time cost basis in relation to this assignment, as authorised by creditors at the meeting held on 8 August 2014 in accordance with the following resolution

"The liquidator shall be authorised to draw his remuneration based upon his time costs by reference to the time properly given by the liquidator and his staff, in attending to matters arising in the liquidation at Absolute Recovery Limited's standard hourly rates, at the rates prevailing at the time the work is done, such remuneration to be paid out of the assets of the company and which may be drawn on account as and when funds permit. The meeting was provided with the current details of the liquidator's charge out rates."

Summary of Costs

The liquidator's time costs for the period 8 August 2014 to 7 August 2015 totals £8,942.50 representing 51.90 hours at an average hourly rate of £172.30. The time costs are detailed on the attached sheet. To date no monies have been drawn in this regard.

Liquidator's Disbursements

The Liquidator's category 1 and category 2 disbursements which have been incurred and paid/not yet paid during the period 8 August 2014 to 7 August 2015 are detailed below

Type of expense	Category	Amount incurred	Amount paid
Statutory Advertising	1	£176.00	£NIL
Computer Services - Insolv	1	£110.00	£NIL
Re-direction of Mail	1	£120.00	£NIL
Specific Bond	1	£60.00	£NIL
Postage	1	£16.00	£NIL
Total		£482.00	£NIL

VAT has been charged where applicable

Printing & envelopes costs have also been incurred however as at the date of this report these have not all specifically been recorded. The postage recorded reflects the actual cost of distributing the Director's Report to Creditors to all known creditors in August 2014.

A copy of 'A Creditors Guide to Liquidators' Fees' can be viewed and/or downloaded at

<http://www.absolute-recovery.co.uk/guides.html>

A hard copy of both the Creditors Guide and the firm's charge-out rate and disbursement policy may be obtained on request

Other Professional Costs

Agents/Valuers Fees

Lahar Consultants Limited was instructed to value the company's assets. As at the date of this report, an invoice in respect of their services has not been submitted for payment through the liquidation.

Petitioning Creditor

The petitioning creditor is entitled to recover their petition costs as a priority expense in the liquidation. On this occasion the petitioner was HM Revenue & Customs and they have submitted a claim of £860.00. Payment of their costs will be made upon distribution of this report.

8 FURTHER INFORMATION

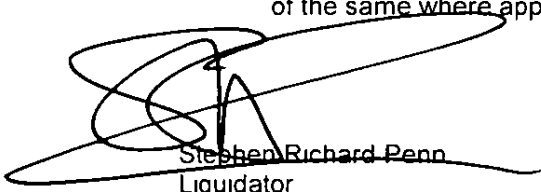
An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

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.

9 CONCLUSION

The administration of the liquidation will be continuing to

- Resolve the matters set out at Section 5 of this report,
- Facilitate payment of the petitioning creditors' costs,
- Collection of the remaining asset purchase agreement monies (or uplifting of the same if payments are not made),
- Recovery of credit balances held in company bank accounts as at the date of liquidation,
- Assessment of input and output VAT incurred through the liquidation and payment/recovery of the same where applicable.



Stephen Richard Penn
Liquidator

Dated as at 7 August 2015

ABC Scaffolding (Yorkshire) Limited - In Creditors Voluntary Liquidation
Liquidator's Abstract of Receipts & Payments

From 08 August 2014 To 07 August 2015

S of A £		As Previously Reported	08/08/14 to 07/08/15	Total £
RECEIPTS				
8,500	Plant & Machinery	NIL	NIL	NIL
7,250	Motor Vehicles	NIL	6,416 66	6,416 66
NIL	Bank Interest Gross	NIL	1 95	1 95
NIL	Vat Payable	NIL	516 67	516 67
<u>15,750</u>		<u>NIL</u>	<u>6,935 28</u>	<u>6,935 28</u>
PAYMENTS				
	Statement of Affairs Fee	NIL	3,000 00	3,000 00
		<u>NIL</u>	<u>3,000 00</u>	<u>3,000 00</u>
CASH IN HAND				
		<u>NIL</u>	<u>3,935 28</u>	<u>3,935 28</u>

Note

All estate accounts are interest bearing

Liquidator's Remuneration Schedule
ABC Scaffolding (Yorkshire) Limited
Between 08 August 2014 and 07 August 2015

Classification of work function	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	2 40	0 00	8 10	0 70	11 20	2,327 50	207 81
Investigations	1 30	2 60	6 20	12 90	23 00	3,415 00	148 48
Realisation of Assets	0 00	0 70	2 30	0 00	3 00	560 00	186 67
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 00	1 30	11 70	0 20	13 20	2,352 50	178 22
Case Specific Matters	0 20	0 00	1 30	0 00	1 50	287 50	191 67
Total hours	3 90	4 60	29 60	13 80	51 90		
Time costs	1,365 00	1,035 00	5,162 50	1,380 00	8,942 50		
Average hourly rate	350 00	225 00	174 41	100 00	172 30		

Description	Total Incurred £	Total Recovered £
	0 00	0 00
Totals	0 00	0 00

Summary of Fees

Time spent in administering the Assignment	Hours	51 90
Total value of time spent to 07 August 2015	£	8,942 50
Total Liquidator's fees charged to 07 August 2015	£	0 00

Chargeout Rates

The hourly rates for the different levels of staff are shown below

Director	£350
Senior Manager	£275
Manager	£225
Senior Administrator	£175
Administrator/Cashier	£150
Assistants and Support Staff	£100

Time is charged to the individual insolvency case in 6 minute units