

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

07372061

Name of Company

Cobus Coach Refurbishment Limited

I / We

Andrew Timothy Clay, 11 Clifton Moor Business Village, James Nicolson Link, Clifton Moor, York, YO30 4XG

Rob Sadler, 11 Clifton Moor Business Village, James Nicolson Link, Clifton Moor, York, YO30 4XG

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 20/02/2013 to 19/02/2014

Signed

Date

Begbies Traynor (Central) LLP
11 Clifton Moor Business Village
James Nicolson Link
Clifton Moor
York
YO30 4XG

Ref CO308CVL/ATC/RS/JEC/LL/LS

SATURDAY



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COMPANIES HOUSE

**Cobus Coach Refurbishment Limited
(In Creditors' Voluntary Liquidation)**

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

Period: 20 February 2013 to 19 February 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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1 INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Cobus Coach Refurbishment Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Act on 20 February 2013
"the liquidators", "we", "our" and "us"	Andrew Timothy Clay of Begbies Traynor (Central) LLP, 11 Clifton Moor Business Village, James Nicolson Link, Clifton Moor, York, YO30 4XG and Rob Sadler of Begbies Traynor (Central) LLP, 11 Clifton Moor Business Village, James Nicolson Link, Clifton Moor, York, YO30 4XG
"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"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (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)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2 COMPANY INFORMATION

Trading name(s)	Cobus Coach Refurbishment Limited
Company registered number	07372061
Company registered office	11 Clifton Moor Business Village, James Nicolson Link, Clifton Moor, York, YO30 4XG
Former trading address	Carnaby Industrial Estate, Lancaster Road, Carnaby, Bridlington, YO15 3QY

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	20 February 2013
Date of liquidators' appointment	20 February 2013

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 20 February 2013 to 19 February 2014

Our comments on items appearing on the account are as follows -

RECEIPTS

Plant & Machinery and Stock

Landwood Group, independent agents and valuers, were instructed to assist and advise us in relation to the strategy to dispose of the Company's chattel assets and stock. Mr Steve Waggitt, a director of the Company, purchased certain items of machinery for £5,000. The remaining items were sold at auction and realised £20,440.

Book Debts

We have to date collected the sum of £8,526 in relation to the outstanding book debts. Ison Harrison Solicitors of Leeds have now been instructed to pursue the remaining outstanding accounts on our behalf. The value of the outstanding debts is approximately £19,000 and it is likely that we will be required to issue legal proceedings to achieve any further recoveries. We await a report from our solicitors to allow us to decide on what further action is appropriate.

Sundry Refund

A number of miscellaneous refunds have been received totalling £178.

Rates Refund

The sum of £1,405 has been received from East Riding of Yorkshire Council in relation to a non-domestic rates refund

Bank Interest

The sum of £5 has been received

PAYMENTS

Statement of Affairs Fee

Begbies Traynor (Central) LLP's professional fees for assisting the Company and its directors in fulfilling the statutory requirements for placing the Company into creditors' voluntary liquidation were agreed by the creditors at the first meeting of creditors held on 20 February 2013, in the sum of £6,500 plus VAT and disbursements. This fee includes a payment of £1,500 plus VAT to Asquith & Co, the Company's accountants, for their assistance with the preparation of the statement of affairs and advice to the Company in relation to its financial position. This fee has been paid in full.

Accountancy Fees

Asquith & Co were instructed to finalise the Company's payroll and submit the relevant returns to HM Revenue & Customs. The fees charged of £1,000 are shown on the attached account.

Debt Collection Costs

The debt collection costs have been agreed on a commission basis equal to 10% of the amounts recovered, plus disbursements. The fees and disbursements charged to date by Ison Harrison Solicitors amount to £451.

Agent's/Valuers Fees

The agent's fees of £7,505 shown on the attached account relate to the costs incurred by Landwood Group in preparing a valuation report, advising us with regard to the disposal of the assets, negotiating a sale of certain assets to Mr Waggitt and also conducting the auction sale of the chattel assets and stock referred to above.

Business Rates Audit Fees

BWB, rating experts, were instructed to pursue the local authority in relation to a potential business rates refund. Their charges of £351 amount to 25% of the rebate received.

All other payments made are itemised elsewhere in our report.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the directors' statement of affairs included within the report sent to creditors further to our appointment as liquidators.

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

Preferential creditors

We have received and agreed one preferential creditor claim in the total sum of £1,673. The prospects of a dividend to the preferential creditor is wholly dependent upon the level of future book debt recoveries.

Floating Charge Creditor

HSBC Bank plc ('the Bank') has a floating charge over the Company's assets, dated 3 March 2011. A floating charge effectively gives the Bank the right to receive all funds (less the prescribed part, as shown below) available in the winding up, after taking into account the costs and expenses of dealing with the liquidation and any preferential creditor claims.

The Bank was owed £147,770 at the date of liquidation. The prospect of a distribution to the Bank under the terms of its floating charge is wholly dependent upon the level of future book debt recoveries.

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)).

On the assumption that future book debt collections total 50% of the remaining balances outstanding, and after taking into account the estimated future costs associated in dealing with the liquidation, we have estimated, to the best of our knowledge and belief, the Company's net property, as defined in Section 176A(6) of the Act, to be £14,881 and the prescribed part of the Company's net property to be £5,976.

Unsecured creditors

The prospect of a distribution to unsecured creditors is wholly dependent on the level of future book debt collections.

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 20 February 2013 to 19 February 2014 amount to £14,169 which represents 71.9 hours at an average rate of £197 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 20 February 2013 to 19 February 2014
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

To 19 February 2014, we have drawn the total sum of £13,500 on account of our remuneration, against total time costs of £14,169 incurred since the date of our appointment. To 19 February 2014, we have also drawn disbursements in the sum of £342

Details of the Category 1 disbursements that have been incurred are as follows -

Type	Amount (£)
Specific Bond	80
Statutory Searches	6
Statutory Advertising	225
Storage Costs	3
TOTAL	314

Details of the 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. 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

Book Debts

As detailed above, with the assistance of our solicitors, we continue to pursue a number of outstanding book debts which have a total book value of approximately £19,000. It is likely that legal action will be necessary to pursue these debts further and therefore the prospects of future recoveries is uncertain at this stage.

Directors' Loan Accounts

Please refer to section 9 below in relation to the position regarding the directors' overdrawn loan accounts.

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.

Our investigations concluded that the directors' have combined overdrawn loan accounts (i.e. monies owed to the Company) which total in the region of £40,000. We have entered into discussions with the directors in relation to the repayment of these loans, however, it would appear that neither director has the financial means to repay their respective loans. We are currently awaiting personal financial statements from each director which will allow us to make a final decision on what further action, if any, is appropriate. We can advise however that, based on the information received to date, we do not anticipate any recoveries for the estate.

Connected party transactions

As detailed above, and in accordance with Statement of Insolvency Practice 13, we confirm that the following assets were sold to Steve Waggitt, a director of the Company.

Date of sale	Asset sold and nature of transaction	Consideration paid and date	Name of Purchaser	Relationship with the Company
13 March 2014	Plant & Machinery	£5,000, paid April 2014	Steve Waggitt	Director

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 'Rob Sadler', followed by a long horizontal line extending to the right.

Rob Sadler
Joint Liquidator

Dated 17 April 2014

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 20 February 2013 to 19 February 2014

Cobus Coach Refurbishment Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments
To 19/02/2014

S of A £		£	£
	ASSET REALISATIONS		
10,000 00	Plant & Machinery	23,940 00	
1,500 00	Stock	1,500 00	
24,646 00	Book Debts	8,525 56	
Uncertain	Directors' Loan Accounts	NIL	
	Sundry Refund	178 43	
	Bank Interest (Gross)	4 93	
	Rates refund	1,405 37	
			35,554 29
	COST OF REALISATIONS		
	Specific Bond	80 00	
	Statement of Affairs Fee	6,500 00	
	Liquidators' Remuneration	13,500 00	
	Accountancy Fees	1,000 00	
	Debt Collection Costs	451 48	
	Agent's/Valuer's Fees	7,502 22	
	Statutory Searches	3 00	
	Travel & Subsistence	109 60	
	Room Hire	25 00	
	Statutory Advertising	225 00	
	Insurance of Assets	106 00	
	Business Rates Audit Fees	351 34	
			(29,853 64)
	PREFERENTIAL CREDITORS		
(2,500 00)	Employees (Wage Arrears/Holiday Pay)	NIL	
			NIL
	FLOATING CHARGE CREDITORS		
(147,770 00)	HSBC Bank Plc (Debenture 03/03/11)	NIL	
			NIL
	UNSECURED CREDITORS		
(36,839 00)	Trade & Expense Creditors	NIL	
(75,000 00)	Employees (Wages/Redundancy/Notice)	NIL	
(24,387 00)	HMRC (PAYE/NIC)	NIL	
(25,765 00)	HMRC (Corporation Tax)	NIL	
			NIL
	DISTRIBUTIONS		
(100 00)	Ordinary Shareholders	NIL	
			NIL
(276,215.00)			5,700.65
	REPRESENTED BY		
	Bank (Current Account)		5,400 65
	VAT Control Account		300 00
			5,700.65

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 20 February 2013 to 19 February 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 guidance¹ 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 and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance² 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 45p per mile.
 - (B) In addition to the 2 categories referred to above, best practice guidance indicates that where payments are made to outside parties in which the office holder or his firm or any associate has an interest these should be treated as Category 2 disbursements.

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

² Ibid 1

(C) The following items of expenditure which relate to services provided by an entity within the Begbies Traynor Group are to be charged to the case (subject to approval)

- Asset Appraisal and Disposal services are provided by BTG Asset Consulting, a division of BTG Consulting LLP, which is part of Begbies Traynor Group plc. Due to the varied nature of the work carried out, asset Appraisal and Disposal costs are charged on one or more of the following bases and are paid from asset realisations of the company

- 1 Time costs of £125 per hour
- 2 10% of realisations in respect of asset sales
- 3 A fixed charge fee in respect of specialised advice

(D) 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
- 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 York office as at the date of this report are as follows:

Grade of staff	Standard charge-out rate from 1 May 2011 until further notice (£ per hour)
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	Cobus Coach Refurbishment Limited
CASE TYPE	Creditors Voluntary Liquidation
OFFICE HOLDERS	Andrew Timothy Clay and Rob Sadler
DATE OF APPOINTMENT	20 February 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**

As detailed throughout the liquidators' progress report, the main aspects of the case involved the disposal of the Company's chattel assets and stock, collection of outstanding book debts and the investigation into the position regarding the directors' loan accounts

1.3 **Exceptional responsibilities**

We do not consider that we have taken on any exceptional responsibilities in dealing with this case

1.4 **The office holders' effectiveness**

We are of the opinion that we have carried out our duties effectively to date and maximised possible realisations for the general body of creditors. The strategy in disposing of the Company's chattel assets proved successful and realisations were significantly higher than the valuation obtained.

Whilst book debt recoveries to date have been less than envisaged, we remain optimistic that future recoveries will be made.

1.5 **Nature and value of property dealt with by the office holders**

Details in relation to the nature and value of the assets involved with this case are included within our progress report.

1.6 **Anticipated return to creditors**

Details in relation to the anticipated return to each class of creditor is included within our progress report.

1.7 **Time costs analysis**

An analysis of time costs incurred between 20 February 2013 and 19 February 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 Approval of fees, expenses and disbursements

Details in relation to the resolutions agreed are included in our progress report

1 9 Category 2 Disbursements

In accordance with the resolution obtained in relation to expenses and disbursements, the following Category 2 disbursements have been charged to the case since the date of our appointment

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage (charged by staff in relation travelling to/from the trading premises and/or dealing with case specific matters)	32
Parking	2
TOTAL	34

1 10 Other professionals employed & their costs

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. We have reviewed the fees charged, which are itemised on the enclosed Receipts and Payments Account, and we are satisfied that they are reasonable given the circumstances of this case

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 at Appendix 2

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

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Accountancy Fees	Asquith & Co	1,000	1,000	Nil
Debt Collection Costs	Ison Harrison Solicitors	451	451	Nil
Agent's fees	Landwood Group	7,502	7,502	Nil
Room Hire	Business Support York & North Yorkshire Ltd	25	25	Nil
Insurance of Assets	Marsh Limited	106	106	Nil
Business Rates Audit Fees	BWB	351	351	Nil