

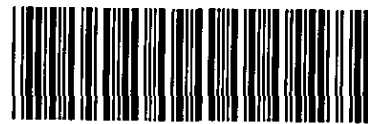
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**Absolute Metals Management Limited
In Compulsory Liquidation**

**In the Sheffield County Court
No. 8 of 2015**

**Liquidator's annual progress report to members and creditors
for the year ending 29 January 2016**

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1 Introduction

In accordance with Rule 4 49B Insolvency Rules 1986 (IA1986), I am required to provide creditors with an annual progress report and additional information in respect of the company and office holder which is attached at Appendix A.

The following report covers the first year since my appointment.

The company was placed into liquidation on 9 December 2014 following the presentation of a petition for the compulsory winding up of the company by Meadowbank VAC Alloys Ltd on 1 August 2014

I was appointed Liquidator by the Secretary of State on 30 January 2015.

2 Receipts and payments accounts

An account of my receipts and payments for the period 30 January 2015 to 29 January 2016 is at Appendix B, together with a comparison with the Official Receiver's Report

Deposit on Petition Costs

The sum of £1,250 00 relates to the petitioner paying the required statutory deposit to cover the initial costs of the liquidation

Petitioning Creditors Costs

Petitioning costs repaid amount to £7,617.40 and relate to the petitioning creditor's legal costs.

Official Receiver's Remuneration

The Official Receiver's remuneration for the liquidation amounts to £2,400 This fee is payable to the Official Receiver for their general and statutory duties as Official Receiver on the making of a winding-up order.

Secretary of State Fees

In accordance with the Insolvency Regulations, all funds received into the estate were paid into the Insolvency Services Account, on which Secretary of State fees were charged in the sum of £4,901 14

In addition cheque fees of £1.40 have been incurred

Charges

During the period of the liquidation Insolvency Service bank charges of £88 00 have been incurred.



3 Realisation of assets

Book Debts

As per the Official Receiver's Statement of Affairs, the company's only asset declared was book debts which had an estimated to realise value of £19,515 and I can confirm that the same was realised with the funds being paid into the Insolvency Service account

Bank Interest Net

Interest in respect of funds held in the Insolvency Service account of £25 34 has been received during the reporting period

4 Investigations

The directors have failed to deliver up to me the full books and records of the Company, and have stated that they are not aware of their current location. As I have been unable to review the records I am currently considering my options as to taking further action against them regarding their failure to properly maintain the Company's records

Notwithstanding the above, I have been successful in recovering some accounting data for a limited period from the Company's accountants and detailed banking information from the Company's bankers.

Using this information and some information provided by other sources, I am currently investigating a number of issues, as detailed below:

a) Claims relating to judgment in favour of the Petitioning Creditor

I am currently investigating the nature of the judgment against the Company obtained on 12 February 2014 by the petitioning creditor. This judgment supported the winding-up petition against the Company presented on 1 August 2014. The judgment against the Company was in the value of £92,676 and also included five further parties, including one director of the Company and an individual who is believed to have acted as a shadow director.

I am taking legal advice as to whether I am able to bring claims against the director and shadow director, in respect of their potentially negligent, or fraudulent, running of the Company, which ultimately resulted in the Company suffering judgments against it. There may also be additional contributory claims to be brought in respect of their liability under the judgment,

b) Unexplained accounting transactions

As stated above, I have recovered limited accounting information from the Company's accountants, on review of that information, it appears that income due to the Company in its last few months of trading was concealed, or otherwise paid to another beneficiary or beneficiaries. The limited accounting records have prevented the identification of who has received these funds, and I will now be requiring the directors and any party acting as a



director to attend formal interviews to account for the Company's trading and the missing funds.

c) Transactions made for personal benefit of director

I have recovered the Company's bank account statements and I am further investigating payments made from it, for the period of at least the last two years of trading, which appear to have been made for the personal benefit of one of the Company's directors. Questions regarding these payments will form part of the intended interviews to be held with the director in the near future.

d) Transactions made for the benefit of an associated company

A statement made by a director was that the Company became insolvent due to the payment of the debts of an associated company, APC Industrial Services Ltd. This statement is currently unsupported. This will be addressed further during my interviews with the Company directors.

e) Additional Book debts

A review of the accounting data recovered for the company to 31 May 2013 showed a number of additional book debts, including a debt owing from EraSteel of £242,095, a debt of £185,204 owing from APC Industrial Services Ltd and additional book debts totalling £34,464.

Following additional enquiries, I have confirmed that the EraSteel debt was settled at some time in June 2013 following the resolution of a dispute concerning the quality of the product supplied by the Company to EraSteel. The agreement states that EraSteel was not liable for any further monies payable to the Company. The Company accountant has claimed that the APC Industrial Services Ltd was offset against assets transferred between the companies. My enquiries into this transfer continue.

I am pursuing additional information in respect of the other book debts to confirm whether they were settled, and if so whether payments were made to another party.

5 Creditors

Secured creditors

Companies' House records indicate that Barclays Bank PLC ("the bank") holds a fixed and floating charge over the assets and property of the Company.

On 30 July 2015, I received a claim from the bank for £34,166.55, to date this has not been adjudicated upon or agreed, and no sums have been paid to the bank.

Preferential creditors

No preferential claims have been received in the liquidation to date and none are expected.



Floating Charge creditors

As stated above, the bank holds a fixed and floating charge over the property of the company.

The charge was created on 20 February 2013 Where the Company has granted a floating charge after the 15 September 2003, Section 176A IA1986 provides that a percentage share of realisations from net floating charge assets is set aside for unsecured creditors, subject to certain exceptions

Unsecured creditors

The unsecured claims received to date amount to £246,440.65 as against the initial estimated figure of £183,143.34. The claims received figure is higher than the estimated figure as following my appointment a number of additional claims have been received, however, claims received have not yet been adjudicated or agreed.

If you have not already submitted your claim in the liquidation then please do so now. I would, however, comment that I am currently unable to confirm whether any class of creditors will receive a dividend.

6 Liquidator's remuneration

Please note that as of 6 April 2015, Grifins introduced a new time recording analysis, which provides a more comprehensive breakdown of time recorded by my staff and in the administration of this case This has resulted in additional time recording categories being utilised Should you require any further clarification, please contact me.

The time recorded by my staff and I for the period 30 January 2015 to 29 January 2016 totals £67,431 33, which represents 157 92 hours at an average charge out rate of £427 01 per hour

The time spent is recorded under the following classifications, in my time analysis report attached at Appendix C

- Administration and Planning
- Creditors
- Investigations
- Legal & Litigation
- Realisation of Assets

The report also provides details of the activity costs incurred by staff grade to date, together with details of charge out rates

It is our firms' policy to use the most junior grade of staff compatible with the efficient conduct of a matter, in order to ensure that costs are kept to a minimum



It was approved that that the Liquidator be remunerated on the basis of time properly spent by the Liquidator and his staff in dealing with the liquidation of the company, at the Liquidator's standard charge out rates, which are to be uplifted by 50% and that he is entitled to draw remuneration as and when funds permit at the meeting of creditors held on 1 May 2015 To date, I have not drawn any fees for acting as Liquidator

Further information regarding remuneration can be found in "A Creditors' Guide to Liquidators' Remuneration", which is available for download at [http //www.griffins net/technical/](http://www.griffinsnet/technical/) A hard copy can be provided upon request

In addition, creditors can find more information on the insolvency process at [http //www.creditorinsolvencyguide.co.uk/](http://www.creditorinsolvencyguide.co.uk/).

7 Liquidator's disbursements

Disbursements have been incurred in accordance with the Statement of Insolvency Practice 9, which defines expenses by two categories. Category 1 which relate to direct expenses and can be drawn without prior approval from creditors and Category 2 which relate to indirect expenses and require a resolution from creditors to enable them to be drawn.

Category 1 Disbursements

The table below provides details of the Category 1 disbursement incurred during the period covered by this report.

Payee Name	Nature of Expense Incurred	Amount Incurred this period	Amount paid during this period	Amount Outstanding
		£	£	£
Courts Advertising	Statutory Advertising	138 00	138 00	0 00
JLT *	Specific Bond	30 00	Nil	30 00
Land Registry *	Land Registry charges	18 00	Nil	18 00
	TOTAL	186.00	138.00	48.00

* Please note that the above have been paid by Griffins and such are not reflected on the enclosed receipt and payments account, they will however, be reimbursed to the estate and this will be reflected in my next report to creditors.

Category 2 Disbursements

No Category 2 disbursements have been drawn since my appointment.



8 Creditors' rights

Creditors are advised that Rule 4.49E IR1986 provides the right to request the Liquidator for further information about remuneration or expenses which have been itemised in this report.

Further, Rule 4.131 IR1986 provides creditors with a right to challenge the Liquidator's remuneration and expenses

Extracts of these Rules are attached at Appendix D, for your information

9 Next report

I will report again following the next anniversary of the liquidation, or sooner if the administration of the liquidation is complete


Kevin Goldfarb
Liquidator

Date

29.3.16



**Absolute Metals Management Limited
In Compulsory Liquidation**

Statutory information



Company information

Company name	Absolute Metals Management Limited
Trading name	As above
Company registration number	07452252
Nature of business	Recovery of Sorted Materials
Registered office	Tavistock House South, Tavistock Square, London WC1H 9LG
Previous registered office	Bailey House Ellisons road Norwood industrial Estate Killamarsh Sheffield S21 2JF
Trading address	Bailey House Ellisons road Norwood industrial Estate Killamarsh Sheffield S21 2JF
Petitioning Creditor	Meadowbank Vac Alloys Limited

Current Liquidator's details

Name	Kevin Goldfarb
IP number	8858
Name of firm	Griffins
Firm's address	Tavistock House South, Tavistock Square, London WC1H 9LG
Date of appointment	30 January 2015




**Absolute Metals Management Limited
In Compulsory Liquidation**

Receipts and payments account for the period 30 January 2015 to 29 January 2016



Absolute Metals Management Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 30/01/2015 To 29/01/2016	From 30/01/2015 To 29/01/2016
19,515 00	ASSET REALISATIONS		
	Book Debts	19,515 61	19,515 61
	Bank Interest Net of Tax	25 34	25 34
		<u>19,540 95</u>	<u>19,540 95</u>
	COST OF REALISATIONS		
	O R Remuneration	2,400 00	2,400 00
	Secretary of State Cheque Fees	1 40	1 40
	Secretary of State Fees	4,901 14	4,901 14
	Petitioners Deposit	(1,250 00)	(1,250 00)
	Petitioners Costs	7,617 40	7,617 40
	Statutory Advertising	138 00	138 00
	Bank Charges	88 00	88 00
		<u>(13,895 94)</u>	<u>(13,895 94)</u>
(183,143 34)	UNSECURED CREDITORS		
	Trade & Expense Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(163,628.34)</u>		<u>5,645.01</u>	<u>5,645.01</u>
	REPRESENTED BY		
	VAT Receivable		27 60
	ISA NIB		5,617 41
			<u>5,645.01</u>


 Kevin Goldfarb
 Liquidator

**Absolute Metals Management Limited
In Compulsory Liquidation**

Griffins' time analysis for the period 30 January 2015 to 29 January 2016, together with details of charge out rates, provided in accordance with the Statement of Insolvency Practice 9.



Time Entry - Detailed SIP9 Time & Cost Summary

ABSOL01 - Absolute Metals Management Limited
From 30/01/2015 To 29/01/2016
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Administrators	Total Hours	Time Cost (£)	Average Hourly Rate (£)
ADMIN Administration Work	0.00	0.33	0.00	0.00	8.33	6.08	3,415.01	422.47
ADVERT Advertising	0.00	0.33	0.00	0.00	0.00	0.33	171.24	513.72
CASH Cashing Functions	0.00	0.25	0.00	0.00	1.00	1.33	398.99	299.99
CASHIER Cashing Functions	0.00	0.17	0.33	0.00	0.17	0.82	318.12	347.04
DEBTOR Contact with the Debtor	0.00	0.00	0.00	0.00	0.25	0.25	105.00	420.00
DIARY Case Diary	0.00	0.00	0.00	0.00	0.08	0.08	18.75	225.00
REVIEWS Case Reviews	0.00	0.00	0.00	0.00	1.25	1.25	525.00	420.00
SIP9 Preparation of Remuneration	0.00	0.50	0.00	0.00	0.00	0.50	255.00	510.00
STAT Statutory	0.00	0.00	0.00	0.00	1.33	1.33	560.01	420.01
STATUTORY Statutory Duties	0.08	0.75	3.82	0.08	4.83	9.87	3,597.51	372.16
TAXGEN General Taxation	0.00	0.00	0.00	0.00	0.17	0.17	70.00	420.03
VAT Vat Returns	0.00	0.08	0.00	0.00	0.00	0.08	42.49	509.84
MTGS Meetings	0.00	0.00	0.00	0.00	0.83	0.83	350.00	419.99
Administration & Planning	0.08	2.42	4.26	0.42	18.26	24.83	9,828.13	396.76
PROREPORT Progress Report	0.00	0.33	0.00	0.00	0.08	0.42	198.88	472.50
CRED Creditor Related Work	0.00	0.50	0.00	0.00	0.50	0.50	255.00	510.00
CREDITOR Creditor Related Work	0.00	0.42	2.42	0.00	5.33	8.17	2,458.76	301.07
Creditors	0.00	1.25	2.42	0.00	5.42	9.08	2,910.64	320.44
INV Investigation	0.00	0.17	0.00	0.00	0.58	0.75	329.89	439.98
INVBKY Investigations in Bankruptcy	0.00	0.00	0.00	0.00	0.42	0.42	175.00	420.01
INV-FURTH Further Investigations	2.42	1.87	97.58	0.00	0.00	101.87	44,511.24	437.82
INV-INIT Initial Investigations	0.00	5.25	13.25	0.00	0.58	19.08	8,875.70	454.62
Investigations	2.42	7.08	110.83	0.00	1.58	121.92	53,691.84	440.40
LEGL Legal Issues	0.00	0.08	0.00	0.00	0.00	0.08	43.78	525.06
LT-PRE Pre-action Litigation	0.25	0.00	0.00	0.00	0.00	0.25	185.83	742.50
Legal & Litigation	0.25	0.08	0.00	0.00	0.00	0.33	229.38	688.14
ASS-PROP Land and Buildings	0.00	0.08	0.00	0.00	0.00	0.08	56.25	875.00
ASST Asset Realisation	0.00	0.17	0.00	0.00	0.25	0.42	190.00	458.01
BOOKDEBTS Book Debts	0.00	0.00	0.00	0.00	1.25	1.25	525.00	420.00
Realisations of Assets	0.00	0.25	0.00	0.00	1.50	1.75	771.25	440.71
Total Hours	2.75	11.08	117.50	0.42	28.76	167.92	87,431.33	427.01
Total Fees Claimed							0.00	

GRIFFINS POLICY ON CHARGEOUT RATES AND DISBURSEMENTS

SCHEDULE OF STANDARD CHARGEOUT RATES IN RESPECT OF GRIFFINS PARTNERS AND STAFF AS AT 1 OCTOBER 2015

In accordance with Statement of Insolvency Practice 9 "Remuneration of Insolvency Office Holders" the following hourly charge-out rates will be applied when fixing the Officeholders Remuneration

Grade of staff	Hourly Rate
Partners	£675 - £848
Senior Managers	£600 - £675
Managers	£488 - £585
Investigators	£420 - £540
Administrators	£225 - £488
Cashiering	£150 - £413
Support	£105 - £300

The above rates are reviewed annually on 1 October.

It is not our policy to charge for support staff (secretarial, filing, reception) unless such staff are working on an individual matter for more than 7 hours in which case the rate for an Administrator may be applied

Time is charged in minimum units of 5 minutes for all staff.

DISBURSEMENTS

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 make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance¹ requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at

DEFINITIONS

Practice guidance¹ classifies expenses into two broad categories

- *Category 1 expenses (approval not required)* – specific expenditure that is directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external suppliers' invoice or published tariff of charges; mileage is charged at the appropriate H M Revenue & Customs rate.
- *Category 2 expenses* These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to an appointment on a proper and reasonable basis

CHARGING POLICY

- *Category 1 expenses (approval not required)* – all such items are re-charged to the case as they are incurred.

1 - Statement of Insolvency Practice 9 (England and Wales)

- ***Category 2 expenses (approval required)*** – resolutions to be sought from creditors if these category of expenses arise.

GRIFFINS HISTORIC CHARGEOUT RATES SINCE 1 OCTOBER 2009

STAFF GRADE	1 October 2009
	£
Partners	548-660
Managers	435-450
Senior Administrators/Investigators	390-435
Administrators	210-330
Support Staff	105-255

STAFF GRADE	1 October 2010	1 October 2011	1 October 2012
	£	£	£
Partners	743	743-818	743-818
Managers	450-525	450-593	450-593
Senior Investigators	450-525	488-570	488-570
Administrators/Investigators	270-420	300-450	300-450
Junior Administrators/Junior Investigators	210-285	218-285	218-375
Support Staff	105-255	105-270	105-270

STAFF GRADE	1 October 2013	1 May 2014
	£	£
Partners	743-848	675-848
Managers	450-600	450-675
Senior Investigators	488-578	488-638
Administrators/Investigators	300-465	300-540
Junior Administrators/Junior Investigators	225-375	225-375
Support Staff	105-330	105-330

STAFF GRADE	1 October 2014
	£
Partners	675-848
Managers	488-675
Investigators	428-570
Administrators	225-465
Support/Cashier Managers	330-413
Support/Cashier Staff	105-270

The above rates are reviewed annually on 1 October, however following the appointment of a new partner on the 1 May 2014 a rate review took place.

It is not our policy to charge for support staff (secretarial, filing, reception) unless such staff are working on an individual matter for more than 7 hours in which case the rate for an Administrator may be applied. Time is charged in minimum units of 5 minutes for all staff.

**Absolute Metals Management Limited
In Compulsory Liquidation**

Creditors' rights - Rules 4 49E and 4 131 of the Insolvency Rules 1986



Rule 4.49E Creditors' and members' request for further information

4.49E(1) If—

(a) within the period mentioned in paragraph (2)—

- (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (iii) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company,
- or

(b) with the permission of the court upon an application made within the period mentioned in paragraph (2)—

- (i) any unsecured creditor, or
- (ii) any member of the company in a members' voluntary winding up,

makes a request in writing to the liquidator for further information about remuneration or expenses set out in the progress report in accordance with Rule 4 49B(1)(e) or (f) (including by virtue of Rule 4 49C(5)) or in a draft report under Rule 4 49D, the liquidator must within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter in a draft report under Rule 4 49D or a progress report required by Rule 4 108 which (in either case) was previously included in a progress report not required by Rule 4 108.

4.49E(2) The period referred to in paragraph (1)(a) and (b) is—

- (a)** 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4 108, and
- (b)** 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case

4.49E(3) The liquidator complies with this paragraph by either—

- (a)** providing all of the information asked for, or
- (b)** so far as the liquidator considers that—
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person,or
- (iii)** the liquidator is subject to an obligation of confidentiality in respect of the information,

giving reasons for not providing all of the information

4.49E(4) Any creditor, and any member of the company in a members' voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the court within 21 days of—

- (a)** the giving by the liquidator of reasons for not providing all of the information asked for, or
- (b)** the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just.

4.49E(5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4 131(1B) or 4 148C(2) by such further period as the court thinks just

4.49E(6) This Rule does not apply where the liquidator is the official receiver

Rule 4.131 Creditors' claim that remuneration is or other expenses are excessive

4.131(1) Any secured creditor, or any unsecured creditor, with the concurrence of at least 10 per cent in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more orders in paragraph (4)

4.131(1A) Application may be made on the grounds that—

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
- (c) expenses incurred by the liquidator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

4.131(1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report") "

4.131(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application; but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

4.131(3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it.

4.131(4) If the court considers the application to be well-founded, it must make one or more of the following orders—

- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
- (b) an order fixing the basis of remuneration at a reduced rate or amount,
- (c) an order changing the basis of remuneration,
- (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
- (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just; but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report "

4.131(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable out of the assets