

# 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

07781382

Name of Company

Essex Coast Trading Limited

I / We

David Elliott, Victory House, Quayside, Chatham Maritime, Kent ME4 4QU

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 04/08/2015 to 03/08/2016

Signed



Date

19/08/2016

Moore Stephens LLP  
Victory House  
Quayside  
Chatham Maritime  
Kent ME4 4QU

Ref: C73653/JH

TUESDAY



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COMPANIES HOUSE

**Essex Coast Trading Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**

<b>Statement of Affairs</b>		<b>From 04/08/2015 To 03/08/2016</b>
	<b>FIXED CHARGE ASSETS</b>	
Uncertain	Goodwill & Non-Tangible Assets	657 85
		<u>657 85</u>
	<b>FIXED CHARGE HOLDER</b>	
(106,500 00)	FE Loan Management Ltd	NIL
		<u>NIL</u>
	<b>ASSET REALISATIONS</b>	
Uncertain	Stock	NIL
Uncertain	Inter-Co Loan - Q-Systems (UK) Ltd	2,342 15
Uncertain	Inter-Co Loan - Stenhus i Bohuslan A	NIL
361 00	Cash at bank	NIL
8,327 00	Trade debtors	2,543 94
NIL	Rent Deposit	NIL
		<u>4,886 09</u>
	<b>OTHER REALISATIONS</b>	
	Interest gross of tax	2 35
		<u>2 35</u>
	<b>COSTS OF REALISATION</b>	
	Agent's fees & expenses	450 00
		<u>(450 00)</u>
	<b>COSTS OF ADMINISTRATION</b>	
	Bank charges	1 48
	Legal fees & expenses	2,500 00
	Statutory advertising	300 00
	Specific penalty bond	185 00
		<u>(2,986 48)</u>
	<b>PREFERENTIAL CREDITORS</b>	
(14,418 00)	Employee Wage Arrears & Holiday Pa	NIL
		<u>NIL</u>
	<b>UNSECURED CREDITORS</b>	
(80,021 00)	Trade & expense creditors	NIL
(64,463 00)	Employees	NIL
(4,512 00)	Directors	NIL
(24,875 00)	Banks/institutions	NIL
(153,730 00)	HM Revenue & Customs	NIL
		<u>NIL</u>
	<b>CONTRIBUTORIES</b>	
(100 00)	Ordinary shareholders	NIL
		<u>NIL</u>
<b>(439,931.00)</b>		<u><b>2,109.81</b></u>

REPRESENTED BY

VAT receivable  
Bank - current a/c

687 00

1,422 81

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**2,109.81**

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David Elliott  
Liquidator

**Strictly Private & Confidential**

**ESSEX COAST TRADING LIMITED ("THE COMPANY")**

**Report to the members and creditors in accordance with Rule 4.49C CVL of the Insolvency Rules 1986**

**19 August 2016**

Moore Stephens LLP  
Victory House  
Quayside  
Chatham Maritime  
Kent ME4 4QU

Tel 01634-895100  
Fax 01634-895101

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Appendix I      Receipts and payments account

This report is intended for use by those parties entitled to a copy thereof under Rule 4.49C CVL of the Insolvency Rules 1986. It may contain information that is privileged, confidential or exempt from disclosure and any dissemination, distribution or copying of it and its attachments is strictly prohibited. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

Any estimated outcomes for creditors are for illustration only and cannot be relied upon as guidance as to the actual outcome for creditors.

David Elliott is authorised in the UK to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales. All of my work is conducted in accordance with the Insolvency Code of Ethics.

1 **Statutory information**

Company name	Essex Coast Trading Limited
Company number	07781382
Registered office	Victory House Quayside Chatham Maritime Kent ME4 4QU
Date of appointment	4 August 2015
Liquidator	David Elliott
Liquidator's address	Victory House Quayside Chatham Maritime Kent ME4 4QU

2 **Progress to date**

2 1 The receipts and payments account attached in Appendix I details the asset realisations to date

2 2 The director's Statement of Affairs included stock and goodwill which the director expressed an interest in acquiring via a new company, Q-Systems (UK) Limited, of which he was also a director. Agents Lambert Smith Hampton were instructed to carry out a valuation of the assets and they considered that the stock might be worth £500 on a going concern basis and on a forced sale basis it would have no value. They considered that the goodwill might have a value of up to £50,000 on a going concern basis but any potential value on a forced sale basis should be viewed as speculative.

2 3 After protracted negotiations, an offer of £128,000 was accepted from Q-Systems (UK) Limited and a sale was completed on 11 May 2016. It is not known whether the purchaser sought any independent advice in relation to the sale. In terms of the consideration, the sum of £113,000 was to be paid by way of a settlement of the Company's secured liabilities with The FSE Group, and this was paid on completion of the sale. The remaining consideration was to be paid as follows:

£657 85 by 11 May 2016,  
£3,000 00 by 15 May 2016,  
£1,620 30 by 15<sup>th</sup> day of each of June 2016 to November 2016,  
£1,620 35 by 15 December 2016

Shulmans solicitors were instructed to assist with the preparation and completion of the sale agreement and they have since assisted in collecting the deferred consideration. The first four payments have been received by my solicitors and the next payment which fell due on 15 August 2016 is expected to be received shortly.

2 4 At the date of liquidation, it was understood that an inter company balance was due to the Company from Q-Systems (UK) Limited. A review of the records has been undertaken to establish the level of this debt and correspondence entered into with the debtor, who disputed that any money was due. A settlement of £2,342 15 was agreed and this has now been paid.

2 5 The director's Statement of Affairs indicated that the sum of £45,563 69 was outstanding from an associated overseas company Stenhus i Bohuslan AB. The director now disputes this debt and investigations are continuing to confirm the level of debt prior to pursuing repayment.

2 6 The sum of £8,327 was anticipated to be realised from the Company's debtor ledger. Various payments were paid into the Company's old bank accounts after the date of liquidation, some of which were demonstrated to be due to associated parties, and these payments have therefore been

returned. The sum of £2,543.94 has been recovered to date, which includes a small credit balance which had been held in one of the accounts. Work continues to recover the remainder of the ledger.

### 3 Investigations

- 3.1 An appropriate report/return on the actions of the directors has been forwarded to the Disqualification Unit of the Department for Business Innovation & Skills in accordance with the liquidator's statutory duties. Please note that the content of this report/return are of a privileged and confidential nature and so cannot be disclosed to third parties.

### 4 Liquidator's remuneration

- 4.1 At the initial meeting of creditors held on 4 August 2015 the following resolutions were passed:

- 1 That the fee for convening the meeting of creditors and preparing the Statement of Affairs, to be paid from the assets of the Company, be fixed at £7,000 plus VAT and disbursements as follows:

#### Rule 4.38

Preparation of statement of affairs in statutory form by Moore Stephens LLP £3,500

#### Rule 4.62

Summoning, advertising and holding of creditors' meeting by Moore Stephens LLP	£3,500
<b>Total</b>	<b>£7,000</b>

- 2 That the remuneration of the liquidator be fixed as below:

- By reference to the time properly given by the liquidator and his staff in attending to matters arising in the liquidation in accordance with Rule 4.127(2)(b) of the Insolvency Rules 1986.

- 4.2 To date, time costs of £13,293.50 have been incurred over 74.35 hours at an average rate of £178.80 per hour. A breakdown of liquidator's time costs for the period is detailed below:

Summary of Moore Stephens time-costs from 04/08/2015 to 03/08/2016

	Partner / Director	Associate director / Manager	Administrator	Support staff	Total hours	Time cost (£)	Average rate £/h
Statutory compliance, administration and planning	0.40	0.20	14.85	6.65	22.10	2,559.25	115.80
Investigations	0.40	0.70	5.60	2.40	9.10	1,303.75	143.27
Realisation of assets	10.85	2.40	21.75	-	35.00	8,086.00	231.03
Creditors	1.20	0.30	6.65	-	8.15	1,344.50	164.97
<b>Total hours</b>	<b>12.85</b>	<b>3.60</b>	<b>48.85</b>	<b>9.05</b>	<b>74.35</b>		
<b>Total time costs £</b>	<b>5,619.75</b>	<b>846.00</b>	<b>5,828.50</b>	<b>999.25</b>		<b>13,293.50</b>	<b>178.80</b>

- 4.3. The time costs have arisen primarily as a result of negotiating and agreeing a sale of the assets, monitoring collections of the deferred consideration and reconciling the statements received.

concerning the debtor receipts. In addition we have dealt with the statutory functions required under the Insolvency Act and Rules and also enquiries from creditors

4.4 Examples of work which is generally undertaken but which is not limited to, include

Statutory compliance, administration and planning

- Compliance with other regulatory requirements
- Statutory reporting and compliance
- Case planning
- Administrative set up
- Appointment notification
- Maintenance of records

Investigations

- SIP 2 review
- CDDA reports
- Investigating antecedent transactions

Realisation of assets

- Identifying, securing, insuring assets
- Retention of title
- Property, business and asset sales
- Debt collection
- Tax reclaims

Creditors

- Communication with creditors
- Creditors' claims (including employees and other preferential creditors)

Tax

- Corporation tax returns
- VAT returns
- Capital gains tax calculations

4.5 The liquidator's current charge out rates effective from 1 November 2012 are

Grade	Hourly rate
Partner / Director	£320 - £530
Associate director / Manager	£155 - £300
Administrator	£55 - £155
Support staff	£30 - £115

Time is charged in three minute units or multiples thereof

No funds have been drawn to date towards my outstanding Statement of Affairs fee or time costs

4.6 Should you wish to receive a copy of "A Creditors' Guide to Liquidators' Fees" this is available on the Moore Stephens website <http://www.moorestephens.co.uk/corporaterecovery.aspx> or by requesting a copy from this office in writing or by telephone

5 **Liquidator's expenses**

5.1 Please find below a schedule of all expenses incurred in the period



For the period of 04/08/2015 to 03/08/2016

Cost description	Cost incurred £	Cost drawn £
Agent's Fees	2,748 10	450 00
Solicitors Fees	4,000 00	2,500 00
Specific Penalty Bond	185 00	185 00
Statutory Advertising	300 00	300 00
Total	7,233 10	3,435 00
Total undrawn costs carried forward		£3,798 10

The sum of £450 has been paid to GWT Media Limited for their assistance with the virtualisation of the Company's records, which has assisted with my investigations

An invoice has been received from Lambert Smith Hampton in the sum of £2,298 10 plus VAT for their assistance with the valuation of the Company's assets. This will be settled when funds allow

Shulmans solicitors have incurred costs of £4,000 plus VAT which will be settled when funds allow. An interim payment of £2,500 plus VAT has been made

## 6 Creditors' rights

6.1 Within 21 days of receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) or any unsecured creditor with the permission of the court may request in writing that the liquidator provide further information about his remuneration or expenses which have been itemised in the progress report

Within 14 days of receipt of the request, I must provide all of the information asked for, except so far as I consider that

- the time or cost of preparation of the information would be excessive, or
- 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
- I am subject to an obligation of confidentiality in respect of the information

I am also required to give reasons for not providing all of the requested information

6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may, within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the liquidator's remuneration, the remuneration charged, or the expenses incurred by the liquidator as set out in the progress report are excessive

## 7 Liabilities

7.1 Secured creditors

As above, the sum of £113,000 has been paid to The FSE Group by the purchaser of the goodwill and assets in full settlement of the sums due to them under their debenture. This represented a payment under their fixed charge and therefore the provisions of Section 176A of the Insolvency Act 1986 will not apply and no Prescribed Part will be set aside for unsecured creditors

• 7.2 Preferential creditors

The director's Statement of Affairs indicated preferential claims of £14,418. It is uncertain at this stage whether sufficient assets will be realised to enable a dividend to be paid to the preferential creditors.

7.3 Unsecured creditors

The Statement of Affairs indicated that unsecured debts amounted to £333,331. Claims totalling £23,390.54 have been agreed to date; however, at this stage, it appears unlikely that sufficient funds will become available to pay a dividend to unsecured creditors.



David Elliott  
Liquidator

## Liquidator's receipts and payments account

### Essex Coast Trading Limited (In Liquidation)

	Statement of affairs £	From 04/08/2015 To 03/08/2016 £
<b>RECEIPTS</b>		
Goodwill & Non-Tangible Assets	Uncertain	657 85
Stock	Uncertain	0 00
Inter-Co Loan - Q-Systems (UK) Ltd	Uncertain	2,342.15
Inter-Co Loan - Stenhus i Bohuslan AB	Uncertain	0.00
Cash at bank	361 00	0 00
Trade debtors	8,327 00	2,543 94
Rent Deposit	NIL	0 00
Interest gross of tax		1 96
		<u>5,545 90</u>
<b>PAYMENTS</b>		
Agent's fees & expenses		450 00
Bank charges		1 48
Legal fees & expenses		2,500 00
Statutory advertising		300 00
Specific penalty bond		185 00
		<u>3,436 48</u>
Net Receipts/(Payments)		<u>2,109 42</u>
<b>MADE UP AS FOLLOWS</b>		
VAT receivable		687 00
Bank - current a/c		1,422 42
		<u>2,109.42</u>

David Elliott  
Liquidator