

## 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

OC307035

Name of Company

Chancery Accounts & Tax LLP

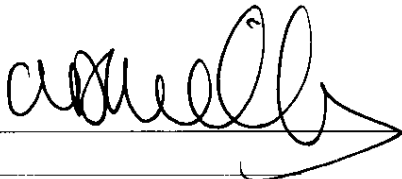
I / We

Asher Miller, Pearl Assurance House, 319 Ballards Lane, London, N12 8LY

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 30/09/2016 to 29/09/2017

Signed



Date

23/02/18

David Rubin & Partners  
Pearl Assurance House  
319 Ballards Lane  
London  
N12 8LY

Ref: C568/ADM/CJ/AM

TUESDAY



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27/02/2018

#492

COMPANIES HOUSE

**IN THE MATTER OF**  
**CHANCERY ACCOUNTS & TAX LLP - IN LIQUIDATION**

**AND**

**THE INSOLVENCY ACT 1986**

**THE LIQUIDATOR'S SECOND ANNUAL PROGRESS REPORT  
PURSUANT TO SECTION 104A OF THE INSOLVENCY ACT 1986**

**AND**

**PART 18 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016  
FOR THE YEAR ENDED 29 SEPTEMBER 2017**

**CHANCERY ACCOUNTS & TAX LLP - IN LIQUIDATION**  
**Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986**

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**CHANCERY ACCOUNTS & TAX LLP - IN LIQUIDATION**  
**Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986**

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**(a) Introduction**

The LLP was placed into liquidation by special resolution of the members on 30 September 2015, and the Liquidator's appointment was subsequently ratified by creditors at a meeting convened under Section 98 of the Insolvency Act 1986 on the same day. This report provides an update on the progress of the liquidation for the year ended 29 September 2017 pursuant to Section 104A of the Insolvency Act 1986.

**Rule 18.3: Progress Report**

**(b) Statutory information**

Company name: Chancery Accounts & Tax LLP  
Registered office: Pearl Assurance House, 319 Ballards Lane, London N12 8LY  
Company number: OC307035  
Trading address: Chancery Pavilion, Boycott Avenue, Oldbrook, Milton Keynes  
MK6 2TA

**(c) Liquidator's name and address:**

Asher Miller, Office Holder Number 9251, of David Rubin & Partners, Pearl Assurance House, 319 Ballards Lane, London N12 8LY.

**(d) Details of any change in Office Holder:**

Asher Miller was appointed Liquidator of the Company on 30 September 2015. There have been no changes in the Office Holder since the original appointment date.

**(e) Details of progress during the period and summary account of Receipts and Payments:**

As previously reported, the estimated Statement of Affairs indicated that there were intercompany book debts of £59,839 owed to the LLP, against which a general provision of 20% was applied for the purposes of the Statement of Affairs. The sum of £54,613 was owed by Chancery Business Advisory LLP, an entity controlled by two of the former Designated Members of the LLP, which was dissolved in 2014. The remaining sum of £5,225.75 was owed by Chancery Accounts, Audit & Tax Limited (now known as Essendon Accounts & Tax Limited), which has submitted a counter claim against the LLP substantially in excess of this sum. There would therefore be no recoveries in this regard without protracted litigation.

During the period under review, the Liquidator's investigations have focussed on the recovery of the Designated Members' overdrawn loan accounts. In this regard, and following negotiations, a settlement of £55,000 was reached with one of the LLP's Designated Members, and this sum has been received in full.

At the date of liquidation, the LLP was a defendant in a number of active legal proceedings. Liquidation does not automatically stay these proceedings, and a number of cases remain ongoing. Work during the year has continued to involve communications with the relevant Courts and participating in the proceedings to the extent required, including discussions with and the provision of information to the LLP's professional indemnity insurers and their legal advisors.

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A Receipts and Payments Account for the year under review, and cumulatively for the period of the liquidation to the date of this report, is attached at Appendix B.

**1.     Receipts**

**1.1    Book debts**

Solicitors Trethowans LLP were instructed by the LLP, prior to the Liquidator's appointment, to seek recovery of certain outstanding debts due to the LLP. A payment plan was in place for one debtor, and in this regard a total of £290 was received from Trethowans during the year. Trethowans have advised that there will be no further realisations as the debtor, Trymwood Limited, is now in insolvent liquidation and no dividend to creditors is anticipated.

**1.2    Shares & investments**

The sum of £1,424.69 was received from the Liquidators of Prescience Pictures Limited in respect of a first and final distribution to shareholders of 11 pence in the pound.

**1.3    Members' loan accounts**

As detailed above, the sum of £55,000 was received from one of the LLP's Designated Members in respect of an overdrawn member's current account.

**2.     Payments**

**2.1    Office Holder's remuneration**

Remuneration of £25,000 was paid during the period of this report.

**2.2    Legal fees**

The sum of £1,500 plus VAT was paid to Shakespeare Martineau LLP in respect of legal advice pertaining to the members' loan accounts and other matters arising. A further £8,100 plus VAT was paid to MHS Sprecher Grier Limited in respect of further work when conduct of this matter was transferred by Shakespeare Martineau LLP to the latter firm.

Both firms have a specialist insolvency department, and were selected on the basis of their experience in dealing with matters of this nature, taking into account the complexity of the legal issues to be addressed. Fees are charged by reference to time costs, and the Liquidator is satisfied that the charges are reasonable and proportionate in the circumstances of the case. There are no sums currently outstanding, but it is anticipated that additional invoices will be raised as further work is carried out.

**(f)    Liquidator's remuneration and expenses:**

**1.    *Basis of remuneration***

At the first meeting of creditors a resolution was passed approving that the basis of the Liquidator's remuneration be fixed by reference to the time properly incurred in attending to matters arising in the winding-up.

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In accordance with the provisions of Statement of Insolvency Practice 9 (SIP 9), a schedule of my firm's charge out rates was issued to creditors at the time that the basis of my remuneration was approved. There has been no material increase in the rates during this appointment. Our current hourly charge out rates, which are charged in units of 6 minutes, are as follows (exclusive of VAT):-

	£
Senior / Managing Partners	450
Partners/Office holders	300 - 395
Managers / Senior Managers	250 - 295
Senior Administrators	180 - 220
Administrators	130 - 160
Cashiers and Assistants	120 - 160
Supports	110 - 120

Chargeout rates are normally reviewed annually in November, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance.

**2. *Staff allocation and the use of subcontractors***

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team will usually consist of a Partner, Manager, Senior Administrator and two Administrators. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

We have not utilised the services of any subcontractors in this case.

**3. *Liquidator's remuneration***

My time costs for the year under review are £21,922, representing 85.5 hours at an average hourly rate of £248.27. Attached at Appendix B is an analysis of time costs which provides details of the activity during the year, analysed by staff grade.

I have also reviewed my cumulative time costs for the period from 30 September 2015 to 29 September 2017 and would report that my total time costs in this regard are £99,596.50, representing 436.5 hours at an average hourly rate of £228.17. A breakdown of these charges is also set out at Appendix B.

To view an explanatory note concerning Liquidators' remuneration issued by the Joint Insolvency Committee, please visit the Publications folder on our website at [www.drpartners.com/cases](http://www.drpartners.com/cases), using the following log-on details:

USERNAME: c568.cha@drco.co.uk      PASSWORD: ahc865C\*  
Alternatively, please contact this office to arrange for a copy to be sent to you.

Included in the work undertaken by me and my staff during the period under review is the following:-

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**Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986**

- i) Continuing to deal with creditors' enquiries both by correspondence and by telephone as appropriate.
- ii) Preparation and circulation of my first annual progress report and receipts and payments account to creditors pursuant to Section 104A of the Insolvency Act 1986.
- iii) Filing the appropriate statutory documentation relating to the liquidation at Companies House.
- iv) Continuing to liaise with the legal representatives of the LLP's former professional indemnity insurers in respect of ongoing litigation involving the LLP, and correspondence with the relevant courts as appropriate.
- v) Dealing with enquiries from officers of HM Revenue & Customs concerning the LLP's affairs, including attendance at meetings as required.
- vi) Conducting further investigations into various transactions entered into by the LLP prior to liquidation, including transactions with connected parties, with a view to establishing the prospects of recovery in this regard.
- vii) Continuing to examine the LLP's financial and accounting records in relation to the operation of the Designated Members' capital and current accounts, and liaising with solicitors in this regard.
- viii) Conducting extensive negotiations and agreeing a settlement in respect of an overdrawn member's loan account.
- ix) Regular preparation and submission of VAT returns to HM Revenue & Customs as appropriate, and correspondence with HMRC in respect of matters arising in the liquidation generally.
- x) Cashiering work in relation to the movement and allocation of funds and completion of regular bank reconciliations.
- xi) Regular case monitoring to ensure the timely progression of the liquidation in accordance with regulatory best practice guidelines.

**4. *Liquidator's expenses***

Expenses incurred in the liquidation are explained at (e) above in my comments on the Receipts and Payments Accounts

**5. *Creditors' rights – Rule 18.9 and Rule 18.34***

- i) 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) may request in writing that the Liquidator provides further information about his remuneration or expenses which have been itemised in this progress report.

**CHANCERY ACCOUNTS & TAX LLP - IN LIQUIDATION**  
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- ii) 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 this progress report are excessive.

**(g) Creditors and distributions:**

**(i) (a) Secured creditors**

On 1 November 2004 the LLP granted a fixed and floating charge in favour of National Westminster Bank plc ("Natwest"). The charge was registered at Companies House on 12 November 2004. There are no sums owed to Natwest in this regard.

**(b) Prescribed Part**

Section 176A of the Insolvency Act 1986 provides for a prescribed part of the LLP's net property which would otherwise be available to the holder of a qualifying floating charge to be ring fenced from distribution to the charge holder and made available for the satisfaction of unsecured debts.

As there are no sums outstanding to the floating charge holder, the provisions of Section 176A do not apply.

**(ii) Preferential creditors**

The LLP has no known preferential creditors.

**(iii) Unsecured creditors**

The claims of 14 unsecured creditors totalling £484,175.47 have been received, in comparison with the Statement of Affairs which estimated total unsecured claims at £1,463,243. These claims have not been adjudicated, as realisations are presently insufficient to enable a dividend to be paid to unsecured creditors.

**(h) Details of what remains to be done:**

As previously reported, the Liquidator's investigations identified a number of matters which required further investigation, including in respect of transactions with connected parties prior to liquidation. The liquidation proceedings will remain open to enable the Liquidator's enquiries in this regard to continue.

**(i) Other information of relevance to creditors:**

***Investigations***

1. As previously reported, in accordance with the Company Directors Disqualification Act 1986, the Liquidator has submitted a report on the conduct of the LLP's Designated Members to the Department for Business, Energy & Industrial Strategy (BEIS). The contents of this report are confidential.



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2. Shortly after appointment, the Liquidator made an initial assessment, in accordance with Statement of Insolvency Practice 2, of whether there may be any matters that might lead to recoveries for the estate and if so, what further investigations may be appropriate. This assessment took into account information provided by creditors and other stakeholders, either at the initial meeting or as a response to the Liquidator's routine enquiries.
3. A number of matters were identified which required further investigation, and the Liquidator's enquiries in this regard are ongoing. Disclosure is restricted for reasons of confidentiality and in order not to prejudice the outcome of these proceedings.

**(j) Next report:**

I am required to provide a further report on the progress of the liquidation within two months of the end of the next anniversary of the liquidation, unless I have concluded matters prior to that, in which case I will write to all creditors with my Final Progress Report which will conclude my administration of the liquidation.

I trust you will find this report adequate for your purposes but should you require any further information, please do not hesitate to contact in the first instance either my Senior Manager Charlotte Jobling, or her assistant Sinead Trainor, at this office.



**ASHER D MILLER - LIQUIDATOR**

**DATE: 24/11/2017**

**CHANCERY ACCOUNTS & TAX LLP - IN LIQUIDATION**  
**LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT**  
**FROM 30 SEPTEMBER 2015 TO 29 SEPTEMBER 2017**

	<b><u>Estimated to Realise</u></b> £	<b><u>Realised to Date</u></b> £	<b><u>Y/E 29-Sep-17</u></b> £
<b><u>Balance brought forward</u></b>			21,236.42
<b><u>Receipts</u></b>			
Book debts	uncertain	790.00	20.00
Intercompany debtors	47,871.00	0.00	
Office furniture & equipment	nil	0.00	
Intangible assets	uncertain	0.00	
Cash at bank	13,157.00	13,184.71	
Cash held on appointment	6,000.00	7,200.00	
Sundry refund		171.16	
Bnak interest gross		0.55	
Shares & investments		1,424.69	1,424.69
Member's loan account		55,000.00	55,000.00
		<u>77,771.11</u>	<u>77,681.11</u>
<b><u>Payments</u></b>			
Statement of Affairs fee		6,000.00	
Carriage & archiving		229.53	
Specific bond		189.60	
Meeting costs		150.00	
Sundry expenses		723.33	
Statutory advertising		338.40	
Statutory costs		84.00	
Office holder's remuneration		36,500.00	25,000.00
Legal fees		9,600.00	9,600.00
		<u>53,814.86</u>	<u>34,600.00</u>
<b><u>Receipts less payments</u></b>		<u>23,956.25</u>	<u>43,081.11</u>
<b><u>Represented by:-</u></b>			
Balance at bank			<u>23,956.25</u>
			<u>23,956.25</u>

## CHANCERY ACCOUNTS &amp; TAX LLP - IN CREDITORS' VOLUNTARY LIQUIDATION

**LIQUIDATOR'S TIME COSTS**  
**FOR THE YEAR ENDED 29 SEPTEMBER 2017**

## SIP 9 TIME SUMMARY

Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Statutory compliance, admin and planning	00:48	06:18	24:42	03:00	34:48	5,969.50	171.54
Investigations	00:00	07:54	03:18	00:00	11:12	2,858.50	255.22
Realisations of assets	00:00	04:42	00:54	00:00	05:36	1,503.50	268.48
Creditors	00:00	00:18	01:30	00:00	01:48	283.50	157.50
Total hours and costs	00:48	19:12	30:24	03:00	53:24	10,615.00	198.78

**LIQUIDATOR'S CUMULATIVE TIME COSTS**  
**FOR THE PERIOD FROM 30 SEPTEMBER 2015 TO 29 SEPTEMBER 2017**

## SIP 9 TIME SUMMARY

Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
<b>Statutory compliance, admin and planning</b>							
IPS set up & maintenance	00:00	00:00	00:18	00:00	00:18	66.00	220.00
Statutory filings, circulars, notices, etc.	00:00	12:36	03:12	00:00	15:48	4,133.00	261.58
Case planning, strategy & control	02:00	05:12	01:18	00:00	08:30	1,855.50	218.29
Taxation: PAYE, C/Tax & VAT	00:00	01:18	07:00	00:00	08:18	1,293.50	155.84
Accounting & Cashiering	00:00	00:00	02:30	09:06	11:36	1,783.00	153.71
Case reviews & Diary maintenance	00:54	06:00	13:12	00:00	20:06	4,030.50	200.52
Statutory reporting and compliance	00:18	05:30	17:12	00:00	23:00	4,067.00	176.83
<b>Investigations</b>							
CDDA preparation & reporting	03:18	18:18	04:06	00:00	25:42	7,337.00	285.49
SIP2 assessment and financial review	00:00	06:48	13:48	00:00	20:36	4,334.00	210.39
Antecedant transactions and wrongful trading	06:42	107:42	83:06	00:00	197:30	47,030.00	238.13
Proceedings & recoveries	11:00	03:30	19:18	00:00	33:48	8,465.50	250.46
<b>Realisation of assets</b>							
Freehold & leasehold properties	00:00	01:18	00:18	00:00	01:36	431.50	269.69
Shares & investments	00:00	00:42	00:00	00:00	00:42	206.50	295.00
Book debts collection	01:30	05:00	01:00	00:00	07:30	2,221.50	296.20
Tangible assets	00:00	12:12	35:24	00:00	47:36	8,609.00	180.86
<b>Creditors</b>							
Unsec'd Creditors: correspondence & claims	02:06	08:18	03:30	00:00	13:54	3,733.00	268.56
Total hours and costs	27:48	194:24	205:12	09:06	436:30	99,596.50	228.17