

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

04599735

Name of Company

A & P Fencing Limited

I / We

Lila Thomas, 1 Winckley Court, Chapel Street, Preston, PR1 8BU

David R Acland, 1 Winckley Court, Chapel Street, Preston, PR1 8BU

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 11/10/2014 to 10/10/2015

Signed



Date

11/11/15

Begbies Traynor (Central) LLP
1 Winckley Court
Chapel Street
Preston
PR1 8BU

Ref AP016CVL/LTT/DRA/KP/HXN/LB/PP

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COMPANIES HOUSE

A & P Fencing Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs	From 11/10/2014 To 10/10/2015	From 11/10/2011 To 10/10/2015
ASSET REALISATIONS		
Cash balance from ADM	NIL	10,322 51
VAT balance from ADM	NIL	2,911 15
Sundry Refund	15 04	42 67
Bank Interest Gross	47 87	127 00
Investigations Settlement	NIL	40,000 00
	<u>62 91</u>	<u>53,403 33</u>
COST OF REALISATIONS		
Specific Bond	1 80	1 80
Liquidator Fees	20,000 00	20,000 00
Legal Fees (1)	NIL	4,500 00
Corporation Tax	NIL	41 80
Stationery & Postage	514 06	514 06
Statutory Advertising	NIL	76 50
	<u>(20,515 86)</u>	<u>(25,134 16)</u>
	<u><u>(20,452.95)</u></u>	<u><u>28,269 17</u></u>
REPRESENTED BY		
Vat Receivable		5,003 18
Bank 2 Current		23,265 99
		<u>28,269.17</u>



 Lila Thomas
 Joint Liquidator

A & P Fencing 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: 11 October 2014 to 10 October 2015

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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 - 3 Statement of Liquidators' expenses

1 INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	A & P Fencing Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The Company moving into creditors' voluntary liquidation from administration pursuant to Paragraph 83 of Schedule B1 to the Act
"the liquidators", "we", "our" and "us"	Lila Thomas and David Acland of Begbies Traynor (Central) LLP, 1 Winckley Court, Chapel Street, Preston, PR1 8BU
"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)	A & P Fencing Limited
Company registered number	04599735
Company registered office	1 Winckley Court, Chapel Street, Preston, PR1 8BU
Former trading address	Shard Road, Poulton-le-Fylde, Lancashire, FY6 9BU

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	11 October 2011
Date of liquidators' appointment	11 October 2011
Changes in liquidator (if any)	None

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 11 October 2014 to 10 October 2015

RECEIPTS

Investigation Settlement

As creditors are aware, the Liquidators' were investigating the disposal of certain assets to two directors of the Company immediately prior to the appointment of the Administrators. Formal offers of settlement were requested from both Directors' however negotiations became protracted and the Liquidators' instructed solicitors, Napthens LLP, to pursue these claims.

Unsecured creditors gave their consent for the Liquidators' to commence legal proceedings against both Directors however, shortly after the resolution was passed Napthens received an offer of settlement in the sum of £20,000 each which was accepted upon advice.

The sum of £40,000 has been received in full and final settlement of these claims. These realisations are categorised as a Liquidators' action and will not be captured by the Bank's security. The balance of these funds, after the costs of the investigation, will be made available for the unsecured creditors in addition to the prescribed part funds held (see section 5 below).

Sundry Refund

The sum of £15.04 has been received from Electricity Northwest.

Bank Interest

The sum of £47.87 has been received during the period, with interest received since the Liquidators' appointment totalling £127.00. Corporation tax will be payable on this sum.

Contractual Debts

As creditors are aware, the Company had contractual debts with a book value of £229,714. Part of this ledger was subject to an invoice discounting agreement with Yorkshire Bank Invoice Finance ("YBIF"). The Vinden Partnership ("Vindens"), were originally pursuing the ledger as a whole on behalf of the Administrators and YBIF. In October 2011, Vindens ceased further action and advised that it is unlikely any further monies would be received due to disputes and contra claims.

Of the total ledger book value, debts totalling £125,760 were not subject to the invoice discounting agreement with YBIF. A settlement was agreed with one contractor, however a second contractor failed to cooperate with the Administrator and a statutory demand was issued.

The account was handed back to the Liquidator when Vindens ceased to act and the contractor agreed to settle the account. Negotiations with the contractor became protracted and legal advice was sought. The account has been passed to solicitors, Harrison Drury LLP and we await a response from the contractor.

PAYMENTS

Legal Fees

The sum of £4,500 plus VAT has been paid to Napthens LLP in respect of their costs incurred in dealing with the investigation settlement.

5. ESTIMATED OUTCOME FOR CREDITORS

Secured creditors

Yorkshire Bank Invoice Finance ("YBIF")

The Company's debtor ledger is subject to an invoice discounting agreement with YBIF. At the date of the Administrators' appointment, YBIF's indebtedness amounted to £302,529 which is subject to accruing interest and charges. Incasso were instructed to collect the ledger on behalf of YBIF however, based on previous reports it is likely that YBIF will suffer a shortfall.

Yorkshire Bank plc ("the Bank")

At the date of the Administrators' appointment, the Bank's indebtedness amounted to £132,656 which is subject to accruing interest and charges. The sum of £30,511 was distributed to the Bank in accordance with their floating charge security. Any further distribution will be dependent on future realisations and costs.

Preferential creditors

Preferential creditor claims amounted to £42,853. A dividend of 100p in the £ was paid to the preferential creditors by the former Administrators.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of how the prescribed part for unsecured creditors is calculated were provided by the former administrators.

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 £42,189 and the prescribed part of the Company's net property to be £11,438.

On present information we do not intend to make an application to court under Section 176A(5) of the Act for an order not to distribute the prescribed part of net property to the unsecured creditors. However, we reserve our position generally in this regard should circumstances materially change.

Unsecured creditors

As detailed above, the sum of £40,000 has been received in full and final settlement of the Liquidators' action taken against two of the Directors of the Company. These monies will be made available for the unsecured creditors subject to the costs of the investigation. The sum of £15,000 plus VAT has been drawn by the Liquidators' and the sum of £4,500 plus VAT has been paid to Napthens LLP leaving surplus funds of £20,500. These monies will be added to the prescribed part fund and distributed to the unsecured creditors in due course.

6. REMUNERATION & DISBURSEMENTS

Pursuant to Rule 4.127(5A)(a) of the Rules, our remuneration is treated as having been fixed on the same basis as the former administrators, 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.

Pursuant to Statement of Insolvency Practice 9, we are also authorised to draw disbursements, including disbursements for services provided by our firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9) on the same basis as the former administrators, namely, in accordance with our firm's policy, a copy of which is attached at Appendix 2 of this report.

Our time costs for the period from 11 October 2014 to 10 October 2015 amount to £3,284 which represents 18 30 hours at an average rate of £179 45 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 11 October 2014 to 10 October 2015
- Begbies Traynor (Central) LLP's policy for re-charging disbursements
- Begbies Traynor (Central) LLP's charge-out rates

To 10 October 2015, we have drawn the total sum of £20,000 plus VAT on account of our remuneration, against total time costs of £31,686 50 incurred since the date of our appointment as liquidators. In addition to the time costs information disclosed at Appendix 2 for the period of this report, our previous progress reports contained details of the time costs we had incurred as at the date of each report

To 10 October 2015, we have also drawn disbursements in the sum of £515 86 plus VAT

A copy of 'A Creditors' Guide to Liquidators' Fees (E&W) 2010' 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

As detailed above, the Liquidators are continuing to pursue the outstanding debtor ledger

9. 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

10. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner



Lila Thomas
Joint Liquidator

Dated 9 November 2015


APPENDIX 1

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 11 October 2014 to 10 October 2015

**A & P Fencing Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments**

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Bank 2 Current		23,265 99
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 Lila Thomas
 Joint Liquidator

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,
- d Table of time spent and charge-out value for the period from 11 October 2014 to 10 October 2015

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. 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 45 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,
- Displaying properties for sale on the 'Accelerated Property Sales from Begbies Traynor' section of the Begbies Traynor website is charged at the rate of £75.00 per property.

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

² Ibid 1

(B) 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 Preston office as at the date of this report are as follows

	Standard 1 May 2011 – until further notice Regional
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 such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

1 8 **The views of the creditors**
Creditors have been updated throughout the course of the Administration by progress report
Progress reports continue to be issued on an annual basis by the Liquidators'

1 9 **Approval of fees**
Pursuant to Rule 4 127(5A)(a) of the Rules, our remuneration is treated as having been
fixed on the same basis as the former administrators, 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

1 10 **Approval of Expenses and Disbursements**
Pursuant to Statement of Insolvency Practice 9, we are also authorised to draw
disbursements, including disbursements for services provided by our firm (defined as
Category 2 disbursements in Statement of Insolvency Practice 9) on the same basis as the
former administrators, namely, in accordance with our firm's policy

1 11 **Other professionals employed & their costs**
Naphens LLP were instructed to assist the Liquidators' with their investigations Hamson Drury
LLP are instructed to assist with the debt collection exercise

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

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

3 **SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT**

- Finalising the investigations,
- Debt collection,
- The preparation of this report

SIP9 A & P Fencing Limited - Creditors Voluntary Liquidation - 05AP016.CVL : Time Costs Analysis From 11/10/2014 To 10/10/2015

Staff Grade	Partner	Director	Smr Mngr	Mngr	Asst Mngr	Smr Admn	Admn	Jnr Admn	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning												0.00
Administration						0.8	0.7	0.3		1.8	267.50	148.61
Total for General Case Administration and Planning						0.8	0.7	0.3		1.8	267.50	148.61
Compliance with the Insolvency Act, Rules and best practices				0.8						4.3	688.50	160.12
Appointment												0.00
Banking and Bonding						0.1	3.4					0.00
Case Closure												0.00
Statutory reporting and statement of affairs	0.8			0.2		6.5	0.5			8.0	1,574.00	196.75
Total for Compliance with the Insolvency Act, Rules and best practices	0.8			1.0		6.6	3.9			12.3	2,262.50	183.94
Investigations												0.00
CDDA and investigations												0.00
Total for Investigations										3.2	604.00	188.75
Realisation of assets						3.0						0.00
Debt collection	0.2											0.00
Property business and asset sales												0.00
Retention of Title/Third party assets												0.00
Total for Realisation of assets	0.2					3.0				3.2	604.00	188.75
Trading												0.00
Total for Trading												0.00
Dealing with all creditors claims (including employees) correspondence and distributions												0.00
Secured												0.00
Others						0.5	0.3			0.8	128.00	160.00
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions						0.5	0.3			0.8	128.00	160.00
Other matters which includes meetings, tax, litigation, pensions and travel												0.00
Meetings												0.00
Other								0.2		0.2	22.00	110.00
Tax												0.00
Litigation												0.00
Total for Other matters								0.2		0.2	22.00	110.00
Total hours by staff grade	1.0			1.0		10.9	4.9	0.5		18.3		
Total time cost by staff grade	395.00			265.00		1,967.50	661.50	55.00			3,284.00	
Average hourly rate £	395.00	0.00	0.00	265.00	0.00	175.00	135.00	110.00	0.00		20,080.00	179.45
Total fees drawn to date £												

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Legal fees	Napthens LLP	4,500	4,500	
Postage	Royal Mail plc	514 06	514 06	
Bond	AJA Insolvency Risk Services	1 80	1 80	