

Liquidator's Progress Report

Pursuant to section 92A, 104A, and 192 of the Insolvency Act 1986

S. 192

To the Registrar of Companies

Company Number

05443284

Name of Company

(a) Insert full name of company

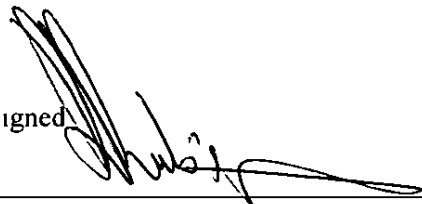
(a) THE BANKRUPTCY PROTECTION FUND LIMITED - IN LIQUIDATION

(b) Insert full name(s) and address(es)

I (b) David Rubin of David Rubin & Partners, 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 19 August 2014 to 18 August 2015

Signed: 

Date 15/10/15

Presenter's name, address and reference (if any)

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

Tel 020 8343 5900
DX Number 57368 DX Exchange Finchley 1

TUESDAY



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A16 20/10/2015 #348
COMPANIES HOUSE

IN THE MATTER OF
THE BANKRUPTCY PROTECTION FUND LIMITED - IN LIQUIDATION

AND
THE INSOLVENCY ACT 1986

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

AND
RULE 4.49C OF THE INSOLVENCY RULES 1986
FOR THE YEAR ENDED 18 AUGUST 2015

THE BANKRUPTCY PROTECTION FUND LIMITED - IN LIQUIDATION
Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

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- A Receipts and payments account from 19 August 2013 to 18 August 2015
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THE BANKRUPTCY PROTECTION FUND LIMITED - IN LIQUIDATION
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(a) Introduction

The Company was placed into liquidation by a Special Resolution of the members followed by a meeting of the creditors convened under section 98 of the Insolvency Act 1986 on 19 August 2013. This report provides an update on the progress in the liquidation for the year ended 18 August 2015.

Rule 4.49C-CVL (5): Progress Report

(b) Statutory information

Company name The Bankruptcy Protection Fund Limited
Registered office Pearl Assurance House, 319 Ballards Lane, London, N12 8LY
Company number 05443284
Trading address Metropolitan House, 20 Brindley Road, Manchester, M16 9HQ

(c) Liquidator's name and address:

David Rubin of David Rubin & Partners, Pearl Assurance House, 319 Ballards Lane, London, N12 8LY was appointed Liquidator of the Company on 19 August 2013.

(d) Basis of Liquidator's remuneration

Basis of remuneration

- 1.1 At the first meeting of creditors a resolution was passed approving that the basis of my remuneration as Liquidator be fixed by reference to the time properly spent by my staff and myself in attending to matters arising in the winding-up.
- 1.2 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 the basis of the Liquidator's remuneration was approved. There has not been any material increase in the rates during this appointment. Our current hourly chargeout rates exclusive of VAT, which are charged in units of 6 minutes, are as follows:-

	£
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.

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13 *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.

(e) Liquidator's remuneration

My time costs for the year under review are £24,500. This represents 114.4 hours at an average rate of £214.16 per hour. I attach as Appendix B a Time Analysis 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 19 August 2013 to 18 August 2015 and would report that my total time costs are £67,690 for 310 hours, which equates to an average cost of £218.35 per hour. A breakdown of my time charges is also set out in Appendix B. To date nothing has been paid on account of these time costs.

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, using the following log-on details:

USERNAME t392.the@sharesrvr.com PASSWORD eht293T*

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 is the following -

- 1 Dealing with creditors' enquiries both by correspondence and by telephone and noting their claims
- 2 Carrying out all necessary investigations, including the examination of the Company's statutory books and books of accounts and records in order to enable me to prepare and submit a Liquidator's report on the conduct of the directors pursuant to the requirements of the Company Directors Disqualification Act 1986
- 3 Performing further investigations into the remuneration drawn by the Company's sole director and liaising with solicitors in this regard
- 4 Performing further investigations into payments made by the Company to Synergy Leads Limited, and liaising with solicitors in this regard
- 5 Correspondence and discussions with the FCA regarding their ongoing investigation into the Company's activities
- 6 Collecting, sorting and archiving the Company's books and records and securing a backup of electronic records
- 7 Filing the appropriate documents relating to the liquidation at Companies House

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- 8 Applying for Liquidator's bond, as required by Section 390 of the Insolvency Act 1986
- 9 Publishing the necessary statutory advertisements in respect of the liquidation proceedings
- 10 Opening a designated bank account and dealing with the movement of funds
- 11 Correspondence with HM Revenue & Customs both as regards PAYE/NIC and VAT
- 12 Preparing the relevant VAT returns for the claiming of VAT inputs
- 13 Periodic case and file reviews to ensure compliance with regulatory obligations
- 14 Preparation and circulation of my annual progress reports and Receipts and Payments Account to creditors pursuant to S104A of the Insolvency Act 1986 and submission of same to the Registrar of Companies

(f) Liquidator's expenses

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

(g) Details of progress for the period under review and cumulatively:

The Estimated Statement of Affairs ("ESOA") presented to the meeting of creditors reported that the Company's only readily realisable asset was a small amount of cash at bank. However, a PAYE refund of £4,825 has been received from HM Revenue & Customs. The only other asset realisations of significance have been dividends from the bankruptcy estates of two debtors of the Company totalling £1,623.

The ESOA also detailed a small number of desks, chairs and other office equipment owned by the Company, which were not expected to have any value to the estate. Following examination of an asset schedule by valuers and agents, messrs Rabbow & Co, it was deemed that the cost of removing these items would outweigh the benefit to the estate through any subsequent sale. As no sale of the assets in situ could be agreed, these items were abandoned at the Company's former offices.

Much of the work undertaken during the period in review has been in respect of further investigations detailed below at section "i"

A Receipts and Payments Account is attached at Appendix A, which is further explained below.

1. Receipts

1.1 PAYE Refund

A refund received relating to pre liquidation returns amounted to £4,824.73

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1.2 Debtors

Dividends received from the Bankruptcy estates of two debtors of the Company amount to £1,623 71

1.3 Sundry Receipt

The sum of £340 49 has been received from Key Retirement Solutions Limited

1.4 Cash at Bank

The amount of £72 63 standing in the Company's bank account at the date of liquidation has been received

1.5 Cash Held on Appointment

The amount of £7,200 was held by my firm, prior to my appointment as Liquidator, specifically for the purposes of meeting the costs of the Statement of Affairs fee as detailed below

1.6 Bank Interest Received

Interest earned on the funds in hand amounts to £3 79

2. Payments

2.1 Statement of Affairs Fee

This fee relates to the assistance given to the Directors of the Company in notifying and convening the members and creditors meetings under section 98 of the Insolvency Act 1986, and the preparation of the statement of affairs and Directors' report to creditors. This fee was approved at the first meeting of creditors

2.2 Statutory Costs

The amount of £2 was paid in respect of fees for various searches and information obtained from Companies House

2.3 Statutory Advertising

This represents the costs for the publishing of statutory advertising in the London Gazette in respect of the first meetings of the members and creditors, the notice of the appointment of the Liquidator and to creditors to submit their claims in the liquidation

2.4 Specific Bond

The specific bond is the cost of insurance, based on the level of realisations by the Liquidator, as required by the Insolvency Practitioners Regulations 2005

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2.5 Meeting Costs

The first meetings of members and creditors were held at my offices for which my firm charged a nominal rental of £150 plus VAT for the provisions of the boardroom and ancillary facilities

2.6 Carriage and Archiving

My firm uses its own personnel and vehicle for collection of books and records for which we charge £30 per hour My firm has been paid £360 for 12 hours in respect of collection of records from the Company's premises in Manchester and £210 for 7 hours in respect of sorting and indexing of said records

2.7 Server Backup

Mailsure Telecom was paid the sum of £410 for their services in providing my firm with a full backup of the electronic records held on the Company's server

3. Expenses incurred but not yet drawn

3.1 Legal Fees & Disbursements

Solicitors SGH Martineau (now Shakespeare Martineau) ("SM") were instructed jointly with a sister company, Consolidated Finance Limited – In Administration ("CFL"), to assist and advise with investigations into the levels of remuneration drawn by the Company's director, as well as on several matters relating to a potentially significant debtor of the Company and CFL, Amsol Finance Limited As detailed below at "1", following these investigations, initial proceedings were issued in respect of the director's remuneration The majority creditor had agreed to cover the Company's costs in relation to this advice and action, pending the receipt of sufficient realisations in the case

SM have issued an invoice totalling £43,723 50 (inclusive of VAT) for their work on these matters This is broken down as £25,000 plus VAT in fees, in addition to disbursements of £10,304 57 plus VAT, and non Vatable disbursements of £1,061 95

CFL have paid the sum of £25,000 to SM on account of these costs, and as a result, a balance (inclusive of VAT) of £18,723 59 remains outstanding SM charge their fees on a time cost basis and I have received a report of their time spent on this assignment

In addition to the above, SM agreed a consent order with the respondent of the remuneration action, whereby he be paid the sum of £1,600 in order facilitate the consensual withdrawal of the proceedings Accordingly, £800 was paid by CFL, and the remaining £800 was paid from my firm's practise account, to be recharged to the Company

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(h) Details of any assets that remain to be realised and outstanding matters

The case remains open as the further investigations detailed below at (i), which may lead to action in order to seek recoveries to the estate, remain ongoing

(i) Investigations

1 1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS) As this is a confidential report, I am not able to disclose the contents

1 2 Shortly after my appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate This assessment took into account information provided by creditors either at the initial meeting or as a response to my request to complete an investigation questionnaire My investigations revealed the following issues -

- Allegations have been made by representatives of the majority creditor that the Company's sole director may have drawn excessive remuneration from the Company in the form of salary and bonuses
- A number of payments were made to Synergy Leads Limited to acquire PPI leads prior to the Company's entry into liquidation These leads were processed by a connected company, Amsol Finance Limited ("Amsol") The majority creditor requested that we investigate the status and ownership of these leads

1 3 Following receipt of the allegations detailed above, investigations were commenced into the levels of remuneration drawn from the Company and another company within the group, Consolidated Finance Limited ("CFL"), by its sole director, and the basis upon which remuneration was drawn This work has included comprehensive reviews of the Company's physical and electronic records and has been undertaken jointly with CFL (a Company of which I am currently appointed as Joint Administrator) Solicitors SGH Martineau (now Shakespeare Martineau) ("SM") were instructed to assist and advise in this regard, and, following investigations, initial proceedings were issued, with the majority creditor agreeing to fund the Company's costs pending the receipt of realisations in the estate These proceedings were however withdrawn with the consent of the respondent in June 2015, due to the non-payment of solicitors' fees by the majority creditor prohibiting points of claim from being filed A consent order was entered in to with the respondent whereby he be paid the sum of £1,600 to facilitate the withdrawal of the proceedings In light of this, further investigations into this matter are now ongoing in order to ascertain whether it may be appropriate to re-issue proceedings, and, should this be the case, whether the evidence in this regard will facilitate the agreement of a solicitor to act on a conditional fee agreement basis in any future proceedings

1 4 A review of the Company's bank statements revealed payments made by the Company to Synergy amounting to over £100,000 These payments were made in order to acquire PPI leads, which were processed by Amsol Amsol entered administration in October 2013 The Administrator confirmed that Amsol's records indicate a balance owing to the Company of £145,255 Furthermore, my investigations suggested that the leads were purchased from Synergy for Amsol to process, but remained the property of the Company, and that title never passed to Amsol, meaning that realisations from the processing of the leads should be payable directly to the Company and not Amsol

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Amsol's Administrator claims that, on the contrary, the leads were purchased by the Company for Amsol, and the payments made were therefore essentially intercompany loans. Solicitors' SM were instructed jointly with CFL (who also made similar payments to Synergy for leads processed by Amsol) to advise and assist with investigations into this matter, and also with regards to the subsequent concerns raised that certain claims and votes lodged in the Amsol administration may not be valid. As a result of the ongoing dispute over the true ownership of the leads, and the concerns as to the validity of certain claims made in the Amsol administration, the decision was made to requisition a creditors meeting to seek the replacement of Amsol's Administrator. Subsequent to the period covered in this report, a creditors meeting of Amsol was held on 4 September 2015. At the meeting the Administrator deemed the value of the votes received in support of the proposed resolution for his removal to be less than those votes received against the resolution, and he therefore remains in office. Further concerns were raised following the meeting as to the validity of certain claims and votes admitted. Accordingly, discussions are ongoing with solicitors as to whether any further action should be taken in this regard.

(j) Creditors' rights – Rule 4.49E and Rule 4.131

- 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.
- 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.

(k) Any other relevant information:

(i) (a) Secured creditors

The Company has no secured creditors.

(ii) Preferential creditors

I have received a preferential claim from the Redundancy Payments Office for £3,566.90.

(iii) Unsecured creditors

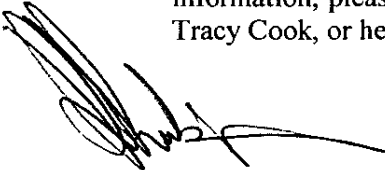
The claims of 16 unsecured creditors totalling £2,715,948.74 have been received compared to 30 creditors totalling £2,653,330 disclosed on the Director's Estimated Statement of Affairs. Based on current information, it is unlikely that there will be a dividend payable to the unsecured non-preferential creditors.

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(l) 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 ahead of convening the final meeting of creditors

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, Tracy Cook, or her assistant, Matthew Hull at this office



DAVID RUBIN FCA - LIQUIDATOR

DATE: 15 October 2015

THE BANKRUPTCY PROTECTION FUND LIMITED - IN LIQUIDATION**LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT****FROM 19 AUGUST 2013 TO 18 AUGUST 2015** /

	<u>Estimated</u> <u>to realise</u> £	<u>Realised</u> <u>to-date</u> £	<u>Y/E</u> <u>18-Aug-15</u> £
<u>Balance brought forward</u>			5,130 75
<u>Receipts</u>			
PAYE Refund		4,824 73	0 00
Debtors		1,623 71	1,527 59
Sundry Receipt		340 49	0 36
Cash at Bank	100 00	72 63	0 00
Cash Held on Appointment		7,200 00	0 00
Bank Interest Received		3 79	2 85
		<u>14,065 35</u>	<u>6,661 55</u>
<u>Payments</u>			
Statement of Affairs Fee		6,000 00	0 00
Statutory Costs		2 00	0 00
Statutory Advertising		253 80	0 00
Specific Bond		45 00	27 00
Meeting Costs		150 00	0 00
Carriage & Archiving		570 00	0 00
Server Backup		410 00	0 00
		<u>7,430 80</u>	<u>27 00</u>
<u>Receipts less Payments</u>		<u>6,634 55</u>	<u>6,634 55</u>
<u>Represented by:-</u>			
Balance at Bank			<u>6,634 55</u>
			<u>6,634 55</u>

THE BANKRUPTCY PROTECTION FUND LIMITED - IN LIQUIDATION

LIQUIDATOR'S TIME COSTS FOR THE PERIOD 19/08/2014 TO 18/08/2015 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	01 00	17 24	24.24	01 42	44 30	9,442 00	212 18
Investigations	00 00	32.54	26 30	00 00	59 24	12,470 00	209 93
Realisations of assets	00 00	06 30	02 30	00 00	09 00	2,075 00	230 56
Creditors	00 54	00 00	00 36	00 00	01 30	513 00	342 00
Total hours and costs	01 54	56 48	54.00	01 42	114 24	24,500 00	214 16

LIQUIDATOR'S CUMULATIVE TIME COSTS FOR THE PERIOD FROM 19/08/2013 TO 18/08/2015 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	03 24	50 54	72 42	08 12	135 12	28,351 50	209 70
Investigations	01 24	65 06	61 36	00 00	128 06	27,476 00	214 49
Realisations of assets	07 54	10 18	07 24	00 00	25 36	7,287 50	284 67
Creditors	02 30	04 36	14 00	00 00	21 06	4,575 00	216 82
Total hours and costs	15 12	130 54	155 42	08 12	310 00	67,690 00	218 35

The above headings include *inter alia*

Administration and Planning

case planning
appointment notification
maintenance of records
statutory reporting and compliance
tax and VAT

Realisation of Assets

identifying and securing assets
debt collection
property, business and asset sales

Investigations

SIP2 review
reports pursuant to Company Directors Disqualification
Act 1986
investigating antecedent transactions

Creditors

communications with creditors
creditors claims (including secured creditors, employees
and preferential creditors)