

Liquidator's Progress Report

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

S.192

To the Registrar of Companies

Company Number

01687706

Name of Company

(a) Insert full name of company

(a) A & B Tyres And Batteries Limited

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

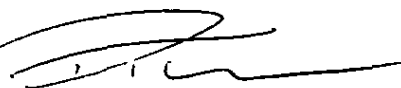
We (b)

David William Tann and John Arthur Kirkpatrick both of Wilkins Kennedy LLP, 92 London Street, Reading, Berkshire, RG1 4SJ

the liquidator(s) of the company attach a copy of our Progress Report under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 9 May 2012 to 8 May 2013

Signed



Date

24/5/13

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

David William Tann
Wilkins Kennedy LLP
92 London Street
Reading
Berkshire
RG1 4SJ

SATURDAY



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COMPANIES HOUSE

**A & B Tyres and Batteries Limited
In Liquidation
("the Company")**

**Annual Progress Report to the Members and Creditors
Pursuant to Section 104A of the Insolvency Act 1986 for the year ending 8 May
2013**

**Wilkins Kennedy LLP
92 London Street
Reading
Berkshire
RG1 4SJ**

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- I Receipts and payments account
- II Analysis of time costs

1. INTRODUCTION

The anniversary of my appointment as joint liquidator has passed and I am required to send you a report on what has happened in the liquidation since my appointment

The detailed report is provided below, but in summary the chattel assets were sold at auction at the start of the liquidation and I have been seeking to recover debts due to the Company I have collected £7,318 against an expected recovery of just under £12,000 and it appears unlikely that any further recoveries will be possible for the reasons set out in the report

I am seeking further information from the director of the Company before writing off the remaining balances, but it is clear that the liquidation costs will absorb the funds available and that there will be no distribution to any class of creditor

I expect to conclude the liquidation within the next six months

2. BACKGROUND

The members' and creditors' meetings were held on 9 May 2012, when my partner John Arthur Kirkpatrick and I were appointed joint liquidators of the Company

The Company's registration number is 01687706 and its current registered office is 92 London Street, Reading, Berkshire, RG1 4SJ

The Company's former registered office was 6 Hambridge Road, Newbury, Berkshire, RG14 5SS This was also the former trading address

3. RECEIPTS AND PAYMENTS ACCOUNT

Appendix 1 is a summary of receipts and payments from the date of liquidation on 9 May 2012 to 8 May 2013 As at 8 May 2013 a total of £2,506 67 was held in the liquidation account This account is held at Royal Bank of Scotland It is interest bearing and I confirm that it has been reconciled to the bank statements

4 ASSET REALISATIONS

4 1 Plant & machinery / Furniture & equipment / Stock

The statement of affairs showed that at the date of liquidation the Company owned workshop equipment, a garage racking system, a stock of 200 tyres, some nominal computer equipment and a small quantity of furniture

Prior to liquidation, Michael Kimber FRICS of Thimbleby & Shorland, who is an independent valuation agent, had been instructed to inspect the Company's chattel assets He advised that if sold at public auction the items would be likely to realise the following values,

Plant & machinery	£2,520
Stock	£4,000

Following my appointment, the plant & machinery and stock were removed by Mr Kimber and sold by public auction on 14 June 2012 The total realised before costs was £5,603

The computer equipment and furniture was old and upon the advice of Mr Kimber I decided to abandon these items as they had very little value Mr Kimber considered that the cost of removal and sale would be greater than any sale value

4.2 Book debts

The statement of affairs showed debts with a total value of £15,843. We obtained debtor information from the Company's records, but it proved difficult to reconcile this information to the figure on the statement of affairs as it appeared to show £25,368 due from around 100 customers. A large proportion of the amounts shown as due were very small, under £100. There had also been a delay of approximately one month between the closure of the Company and the start of the liquidation. During this time a number of payments had been received which had not been recorded in the records.

I decided that we should request payment from all the customers shown on the list. We have collected £7,318.24 from just over 40 customers, but a large number responded to say that they had paid already, there were various disputed invoices and many customers did not respond at all.

The total collected includes £584.40 which was held in a Wilkins Kennedy LLP client account in respect of debtor collections received from customers immediately before the liquidation.

This has left us with a list of about 38 debts with total balances of about £12,000 most of which have not responded to our letters. It appears unlikely that any of these will be recoverable, but I have asked the director of the Company to let me know if he has any information which may assist me in making a decision on what further action to take.

Once I have his response I will make a decision upon whether it will be worth spending any more time pursuing these accounts.

4.3 Other assets

An amount of £8.54 has been received in respect of bank interest on the funds held in the liquidation account.

There have been no other realisations.

5. EXPENDITURE

5.1 Pre appointment remuneration

At a meeting held on 9 May 2012, the board authorised the payment of a fee £5,000 plus VAT and disbursements for assisting in the preparation of the statement of affairs, producing and circulating the notices for the meetings of members and creditors prior to my appointment.

The fee for the statement of affairs and meetings was paid from first realisations on appointment and is shown on the attached receipts and payments account.

5.2 Joint liquidators' remuneration

My remuneration was authorised by creditors at a meeting held on 9 May 2012 to be drawn on a time costs basis. My total time costs to 8 May 2013 amount to £10,708.50 which have been charged at an average hourly charge out rate of £159.23. I have drawn £3,400 to date.

A description of the routine work undertaken in the liquidation is set out at Appendix II. Most of the time spent under the realisation of assets heading has been in respect of the debtor collection. This includes sending requests for payments to around 100 customers and dealing with a large number of responses and queries.

A creditors' guide to liquidators' fees is available at the following internet link, www.r3.org.uk/index.cfm?page=1210. A hard copy of this document is available free of charge upon request to my office.

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the joint liquidators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the joint liquidators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

5.3 Joint liquidators' expenses

My expenses to 8 May 2013 amount to £558.33. I have drawn expenses totalling £470.81 to date.

The following expenses have been incurred but have not yet been paid:

<u>Particulars of expense</u>	<u>Type of expense (category 1 or 2)</u>	<u>Amount incurred/ accrued to date</u>	<u>Amount outstanding</u>
Storage costs	Category 1	£87.52	£87.52

The following agents and professional advisors have been used in the liquidation:

<u>Agent / professional advisor</u>	<u>Nature of work</u>	<u>Fee arrangement</u>
Michael Kimber FRICS Thimbleby & Shorland	Preparing an inventory and valuation of the Company's assets	Fixed valuation fee of £100 plus VAT and disbursement
	Collection of assets from Company's premises	Fixed collection fee of £715 plus VAT and disbursement
	Sale of the stock and plant & machinery by public auction	Commission on sales achieved of 10% plus VAT

The balance due to Thimbleby & Shorland has been discharged in full from funds received in the liquidation. The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

6. INVESTIGATION

6.1 I undertook an initial investigation into the company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. I considered in particular transactions which took place at the time of and immediately prior to the Company ceasing to trade.

There were no matters that justified further investigation in the circumstances of this appointment.

6.2 Within six months of my appointment, I was required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make them unfit to be concerned with the management of the Company. I confirm that my report has been submitted.

7. CREDITORS' CLAIMS

7.1 Secured creditor

A first legal charge was granted to Mr K Ribbens on 19 September 1988 which was registered on 8 October 1988. The debenture is showing as outstanding on the file at Companies House, but it is understood that the debt due to Mr Ribbens was settled some years ago.

A second legal charge was granted in favour of National Westminster Bank Plc on 20 February 1993 and was registered on 25 February 1993 and provided fixed and floating charges over the assets of the Company. The amount due to the bank at the date of liquidation was £29,500.45. It is clear that there will be no funds for distribution to the bank under their charge.

Section 176A(1)(a) of the Insolvency Act 1986 requires that, where the Company has created a floating charge after 15 September 2003, the liquidator(s) must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims. "Net property" means the amount which would, were it not for this provision, be available to floating charge holders (i.e. after accounting for preferential debts and the costs of the liquidation).

The prescribed part is calculated as 50% of the first £10,000 of net property and 20% of the balancing net property (up to a maximum amount to be made available of £600,000). A liquidator will not be required to set aside the prescribed part if

- the net property is less than £10,000 and he thinks the cost of distributing the prescribed part would be disproportionate to the benefit (Section 176A(3)), or
- he applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

The floating charge was created prior to 15 September 2003 and so the provisions of Section 176A do not apply.

7.2 Preferential creditors

The only known preferential creditors are the former employees for arrears of wages and holiday pay and the Redundancy Payments Office for any payments made to employees from the National Insurance Fund.

Preferential claims received to date total £1,264.64 compared to £800 shown on the statement of affairs. Claims have not yet been agreed or admitted for dividend purposes as it appears unlikely that there will be any distribution to this class of creditor.

7.3 Unsecured creditors

I have received 14 unsecured claims totalling £75,361.95 compared to £137,620.56 estimated in the statement of affairs. A number of creditors have not submitted claims, but it is clear that there will be no funds for the unsecured creditors and so I do not propose taking any action to pursue the outstanding claims.

8 DIVIDEND PROSPECTS

The realisations to date have only been sufficient to cover the costs of the liquidation and it is clear that there will be no distribution to any class of creditor

9 CONCLUSION

It appears unlikely that there will be any further realisations, but I am seeking further information from the *director of the Company* before making a decision upon whether to pursue the debts shown as outstanding in the records of the Company

The next formal report will be following the next anniversary of the liquidation, or the conclusion of the liquidation, whichever is sooner. However, I will be happy to respond to any specific request for further information submitted in the meantime

When contacting this office about the liquidation, please ask for Kofi Baah-Nuakoh



David William Tann
Joint Liquidator

**A & B Tyres And Batteries Limited T/A N/A - In Creditors Voluntary Liquidation
Joint Joint Liquidators' Abstract of Receipts & Payments**

From 09 May 2012 To 08 May 2013

S of A £	09/05/12 to 08/05/13	Total £
RECEIPTS		
2,520 Plant & Machinery	NIL	NIL
4,000 Stock	5,603 00	5,603 00
11,882 Book Debts	7,318 24	7,318 24
NIL Bank Interest Gross	9 07	9 07
NIL Vat Payable	1,120 60	1,120 60
<u>18,402</u>	<u>13,466 51</u>	<u>14,050 91</u>
PAYMENTS		
Insurance	55 00	55 00
Statement of Affairs Fee	5,000 00	5,000 00
Office Holders Fees	3,400 00	3,400 00
Agents/Valuers Fees (1)	1,552 30	1,552 30
Storage Costs	58 60	58 60
Statutory Advertising	183 00	183 00
Travel	20 97	20 97
Postage and Stationery	43 24	43 24
IT Administration Fee	110 00	110 00
Vat Receivable	1,120 60	1,120 60
	<u>11,543 71</u>	<u>11,543 71</u>
CASH IN HAND	<u>1,922 80</u>	<u>2,507 20</u>

WILKINS KENNEDY LLP

Schedule of joint liquidators' remuneration and disbursements

for

A & B Tyres and Batteries Limited

as at 8 May 2013

JOINT LIQUIDATORS' FEES

Classification Of work function	HOURS					Time Cost £	Average hourly rate £
	Partner	Manager	Other senior Professionals	Assistants & support staff	Total Hours		
Administration & planning	2 50	0 20	5 25	20 85	28 80	3,644 00	126 53
Cashiering & accounting	0 30	-	0 55	9 65	10 50	1,095 75	104 36
Investigations	0 80	-	1 90	-	2 70	690 50	255 74
Realisation of assets	2 10	0 20	17 45	0 40	20 15	4,330 75	214 93
Creditors	-	0 40	4 00	0 70	5 10	947 50	185 78
Statutory matters	-	-	-	-	-	-	-
Total hours	5 70	0 80	29 15	31 60	67 25	10,708 50	159 23
Total fees claimed (£)						(3,400 00)	

Wilkins Kennedy LLP Charge-Out Rates

1 February 2011 to 31 January 2012	£	1 February 2012 to Date	£
Partners/Directors	375 00 – 430 00	Partners/Directors	400 00 – 450 00
Senior Managers/Managers	240 00 – 270 00	Senior Managers/Managers	270 00 – 300 00
Administrators	125 00 – 195 00	Supervisors	205 00
Junior Administrators	85 00 – 100 00	Case Managers/Senior Administrators	195 00
Cashiers/Secretanes	75 00 – 90 00	Administrators/Investigators	100 00 – 145 00
		Junior/Trainee Administrators	65 00 – 100 00
		Cashiers/Secretanes	75 00 – 90 00

Explanation of officeholders time charging policy

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the charge out rates detailed on the previous page are applicable to this appointment exclusive of VAT. Rates are normally reviewed on an annual basis and adjustments made accordingly where deemed appropriate.

Time is recorded in 6 minute units by each staff member working on the case. A description of the routine work undertaken which time will be recorded for is detailed as follows:

1 Administration and planning

- Preparing documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- *Dealing with all routine correspondence*
- Maintaining physical case files and electronic case details
- Reviewing the ongoing progression of case files
- Arranging the collection and storage of company records
- Ensuring an appropriate case bordereau is in place
- Case planning and administration
- Preparing reports to members and creditors
- Convening and holding meetings of members and creditors where appropriate

2 Investigations

- Review and storage of the Company's books and records
- Preparation of returns / reports pursuant to the Company's Directors Disqualification Act 1986
- Conduct investigations into any suspicious transactions
- Reviewing the books and records to identify any transactions or actions that the officeholder may take in order to recover funds for the benefit of creditors

3 Realisation of assets

- Identifying, securing and obtaining sufficient insurance in respect of company assets
- Dealing with any retention of title or other third party claims
- Debt collection functions
- Negotiating and completing property, business and asset sales

4 Trading

- Management of trading operations
- Maintaining and preparing accounting records for the period of trade
- Dealing with ongoing employee issues

5 Creditors

- Dealing with creditor correspondence and telephone conversations
 - Maintaining creditor information and claims (including those submitted by secured creditors, employees and other preferential creditors)
-

Explanation of officeholders disbursement recovery policy

SIP 9 also requires that the office holder provide a statement of the officeholder's policy in relation to the recharging of disbursements SIP 9 defines disbursements as either Category 1 or Category 2 disbursements, further details of which are below

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage

Category 2 disbursements will generally comprise costs which, whilst being in the nature of expenses or disbursements, include elements of shared or allocated costs

Charging and disbursement recovery policy

Category 1 disbursements are recoverable without approval, and will be recovered by the officeholder as they are incurred

Category 2 disbursements do require approval, and should be identified and subject to approval by those responsible for approving remuneration SIP 9 provides that the officeholder may make a separate charge for expenses in this category, provided that

- such expenses are of an incidental nature and are directly incurred on the case, and there is a reasonable method of calculation and allocation, it will be persuasive evidence of reasonableness, if the resultant charge to creditors is in line with the cost of external provision, and
- the basis of the proposed charge is disclosed and is authorised by those responsible for approving his remuneration

Payments to outside parties in which the officeholder or his firm or any associate (as defined by Section 435 of the Insolvency Act 1986) has an interest should be treated as category 2 disbursements

The following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision

Photocopying	5p per sheet
Mileage	45p per mile
Meeting Room	£50