

# 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

6228339

Name of Company

C S Incentive Limited

*/* We

Paul Michael McConnell, Marmion House, 3 Copenhagen Street, Worcester, WR1 2HB

Gilbert John Lemon, Portwall Place, Portwall Lane, Bristol , BS1 6NA

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 03/07/2013 to 02/07/2014

Signed



Date

29 AUG 2014

Smith & Williamson LLP  
Marmion House  
3 Copenhagen Street  
Worcester  
WR1 2HB

Ref CS034/PM7/TRDF

SATURDAY



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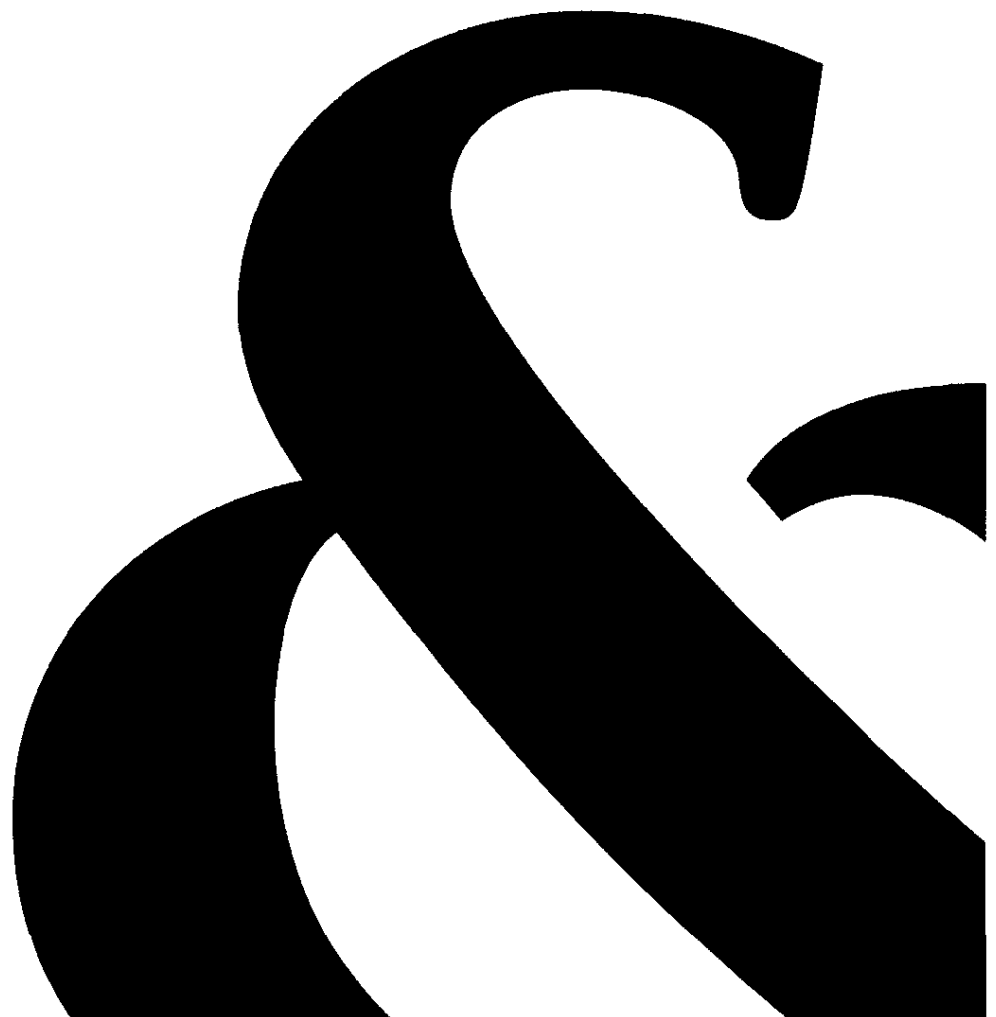
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COMPANIES HOUSE

**C S Incentive Limited  
(in creditors' voluntary  
liquidation)**

Joint liquidators' annual progress  
report for the period from 3 July  
2013 to 2 July 2014

28 August 2014



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## 1. Glossary

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Abbreviation	Description
the Company	C S Incentive Limited
the liquidators/joint liquidators	Paul Michael McConnell and Gilbert John Lemon
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
IR86	Insolvency Rules 1986 If preceded by R this denotes a rule number
SOA	Statement of Affairs
HMRC	HM Revenue & Customs

Note The IA86 and IR86 have been subject to a number of significant amendments since their original issue, including a number of substantial and important changes in April 2010. References to IA86 and IR86 in this report are to the legislation as it applies to this case.

## 2. Introduction and statutory information

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This report provides an update on the progress in the liquidation of the Company for the year ended 2 July 2014. It should be read in conjunction with any previous reports.

By way of reminder, Neil Francis Hickling and Paul Michael McConnell of Smith & Williamson LLP, Marmion House, 3 Copenhagen Street, Worcester, WR1 2HB were appointed liquidators of the Company on 3 July 2012.

Mr Hickling retired at the end of November 2013 and a block transfer of his appointments has been made which was effective as of 9 00am on 12 November 2013. Accordingly, the joint liquidators in relation to this matter from 12 November 2013 are Paul Michael McConnell and Gilbert John Lemon, both of whom are licenced by the Institute of Chartered Accountants in England & Wales.

The principal trading address of the Company was Unit 1, Alton Road Industrial Estate, Ross on Wye, Herefordshire, HR9 5NB.

The Company's registered office is Marmion House, 3 Copenhagen Street, Worcester, WR1 2HB and its registered number is 06228339.

### 3. Realisation of assets

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Attached at Appendix I is our receipts and payments account for the period from 3 July 2013 to 2 July 2014. This account includes cumulative figures for the period from 3 July 2012 to 2 July 2014.

The receipts and payments account also includes a comparison with the director's SOA values.

#### 3.1. Cash at Bank

The joint liquidators have received an additional £95 95 from NatWest Bank Plc in relation to a refund of service charges incorrectly charged prior to the Company entering liquidation.

#### 3.2. Book Debts

As previously reported, the book debts shown on the Company's SOA related to an inter-company debt due from CSDM Fundraising Limited. CSDM Fundraising Limited entered administration on 26 June 2013 and subsequently moved into Creditors Voluntary Liquidation on 18 June 2014. We have submitted a claim of £69,006 in the administration of CSDM Fundraising Limited.

It appears from the Administrator's final progress report that he is still pursuing a claim against the director and dividend prospects for the unsecured creditors are dependant on the outcome of the claim.

#### 3.3. Bank Interest

The joint liquidators have also received 26p in respect of gross bank interest.

### 4. Investigations

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Under the Company Directors Disqualification Act 1986 we have a duty to make a submission to the Secretary of State for Business, Innovation and Skills on the conduct of all those persons who were directors at the date of liquidation or who held office at any time during the three years immediately preceding the liquidation

We have complied with our duty in this regard. As all submissions are strictly confidential we are unable to disclose their content.

Shortly after appointment, we 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 our request to complete an investigation questionnaire.

Our investigations revealed potential debts that appear to be due from four associated companies and a debt due from the director in respect of an outstanding Director's Loan Account which were not included on the director's SOA.

Simon Burn Solicitors were instructed to advise the liquidators on the recovery of the debts due to the Company. Following a meeting with Simon Burn Solicitors it was concluded that the joint liquidators should interview the former director regarding the associated company debts and the outstanding Director's Loan Account to obtain additional information and documentation concerning these debts. We met with the director and his solicitors on 10 June 2014 and the director agreed to provide specific documents to the liquidators' solicitors.

The liquidators' solicitors received some of the requested documents on 14 August 2014. We will review the information provided with Simon Burn Solicitors in order to agree a strategy to attempt to recover the debts due to the Company.

## 5. Creditors

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### 5.1. Secured creditors

Bibby Financial Services Limited holds a fixed and floating charge over the Company's assets. However, at the date of the liquidation there were no monies owing to Bibby Financial Services Limited.

### 5.2. Prescribed Part

As there was no indebtedness at the date of liquidation to Bibby Financial Services Limited, the Prescribed Part requirements do not therefore apply

### 5.3. Preferential creditors

No preferential claims have been received to date.

### 5.4. Unsecured creditors

We have received claims totalling £379,372 from 4 creditors. Total claims as per the director's SOA were £294,526

At present we expect that realisations will be insufficient to declare a dividend to unsecured creditors. We have not therefore taken steps to agree unsecured creditor claims.

## 6. Liquidators' remuneration

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The creditors approved that the basis of the liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the liquidation

The liquidators' time costs are.

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
3 July 2012 to 2 July 2013	78 20	13,788 25	176 32	1,500 00
3 July 2013 to 2 July 2014	37 30	6,959 75	186 59	Nil
Total	115 50	20,748 00	179 64	1,500 00

Attached as Appendix II, is a time analysis which provides details of the activity costs incurred by staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the liquidators and their staff in attending to matters arising in the liquidation. Details of work carried out in the period are also included in the appendix.

Also attached at Appendix II, is a cumulative time analysis for the period from 3 July 2012 to 2 July 2014 which provides details of the liquidators' time costs since appointment. A total of £1,500 has been drawn on account of these costs.

A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from the R3 website at the following address:

[http://www.r3.org.uk/media/documents/publications/professional/Guide\\_to\\_Liquidators\\_Fees\\_Nov2011.pdf](http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Liquidators_Fees_Nov2011.pdf)

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at Appendix III.

## 7. Liquidation expenses

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### 7.1. Subcontractors

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

### 7.2. Professional advisers

On this assignment we have used the professional advisers listed below. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of professional adviser	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £
Simon Burn Solicitors	Hourly rate and disbursements	2,535 00 + VAT	Nil	2,535 00 + VAT

Note Total costs outstanding may include costs incurred in prior periods, but not yet paid

Simon Burn Solicitors costs relate to legal advise regarding the associated company debtors and the outstanding Director's Loan Account. Further details are provided in section 4.

### 7.3. Liquidators' disbursements

We have paid and/or incurred the following disbursements in the current period

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Land Registry searches	15 00	Nil	15 00
Postage	9 00	Nil	9 00
Category 2 disbursements (see next section)	21 60	Nil	21 60
<b>Total</b>	<b>45 60</b>	<b>Nil</b>	<b>45 60</b>

Note Total costs outstanding may include costs incurred in prior periods, but not yet paid

### 7.4. Category 2 disbursements

The following Category 2 disbursements have been incurred and/or paid in the current period

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Photocopying	21 60	Nil	21 60
<b>Total</b>	<b>21 60</b>	<b>Nil</b>	<b>21 60</b>

Note Total costs outstanding may include costs incurred in prior periods, but not yet paid

Approval to recover the Category 2 disbursements shown above was given at the first meeting of creditors held on 3 July 2012.

### 7.5. Policies regarding use of third parties and disbursement recovery

Appendix III provides details of Smith & Williamson LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of disbursements.



## 8. Outstanding matters

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The remaining actions to be concluded in the liquidation are as follows:

- Ongoing investigations into the associated company debtors and Director's Loan Account referred to in section 4;
- Obtaining tax clearance from HMRC;
- Closure of the liquidation, including preparing and issuing draft final report, calling and holding final meetings, and preparing and issuing final report.

## 9. Creditors' rights

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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 or otherwise with the court's permission) may request in writing that the liquidators provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for the liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the liquidators, as set out in this report, are excessive

These rights apply only to matters which have not been disclosed in previous reports.

Further information regarding creditors' rights is available on application to the liquidators

## 10. Next report

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We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation unless we have concluded matters prior to this, in which case we will write to all creditors with our draft final progress report ahead of convening the final meetings of creditors and members



**Gilbert John Lemon**  
Joint Liquidator  
Date: 28 August 2014

## I Receipts and payments account

### Receipts and payments account to 2 July 2014

<b>C S Incentive Limited (In Liquidation) Joint Liquidators' Abstract of Receipts &amp; Payments</b>		
Statement of Affairs	From 03/07/2013 To 02/07/2014	From 03/07/2012 To 02/07/2014
	<b>ASSET REALISATIONS</b>	
NIL	Computer Equipment	NIL
Uncertain	Book Debts	1,284 00
NIL	List Rental	NIL
	Contribution from Associated Co	6,646 90
	Cash at Bank	1,015 95
	Bank Interest Gross	0 04
	Bank Interest Net of Tax	1 03
	<u>96 21</u>	<u>8,947 92</u>
	<b>COST OF REALISATIONS</b>	
	Specific Bond	20 00
	S&W Prep of S of A Fees	5,000 00
	Liquidator's Fees	1,500 00
	Irrecoverable VAT	1,107 82
	Stationery & Photocopying	8 80
	Company Searches	54 16
	Postage & Redirection	65 28
	Statutory Advertising	190 50
	Legal Fees - Att at W/U Hearing	250 00
	Travelling & Subsistence	4 60
	<u>NIL</u>	<u>(8,201 16)</u>
	<b>UNSECURED CREDITORS</b>	
(2 370 00)	Trade & Expense Creditors	NIL
(786 00)	Directors Loan Account	NIL
(291,370 00)	HM Revenue & Customs	NIL
	<u>NIL</u>	<u>NIL</u>
	<b>SHAREHOLDERS</b>	
(2 00)	Ordinary Shareholders	NIL
	<u>NIL</u>	<u>NIL</u>
<u>(294,528 00)</u>	<u>96.21</u>	<u>746 76</u>
	<b>REPRESENTED BY</b>	
	Interest Bearing Account	746 76
		<u>746 76</u>

### Notes and further information required by SIP 7

- No payments have been made to us from outside the estate.
- Details of significant expenses paid are provided in the body of our report.
- Information concerning the liquidators' remuneration and disbursements incurred is provided in the body of our report
- Information concerning the ability to challenge the liquidators' remuneration and expenses of the liquidation is provided in our report.
- All bank accounts are interest bearing

- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is shown as irrecoverable VAT.

## II Time analysis for the period

From 3 July 2013 to 2 July 2014 together with cumulative time analysis for the period 3 July 2012 to 2 July 2014

Classification of work function	Hours					Time Cost £	Average Hourly Rate
	Partners & Associate Directors	Managers & Assistant Managers	Other Professionals	Support Staff	Total Hours		
Time reported previously <b>Time year ended 02/07/2014</b>	813 75	4,471 25	8,058 75	444 50	78 20	13,788 25	176 32
Administration and Planning	0 10	2 05	5 60	1 00	8 75	1,472 00	168 23
Investigations	0 00	1 35	7 05	0 00	8 40	1,430 25	170 27
Realisation of assets	0 00	9 40	10 75	0 00	20 15	4,057 50	201 36
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Time incurred during last 12 months	0 10	12 80	23 40	1 00	37 30	6,959 75	186 59
<b>Total Time incurred</b>	<b>813 85</b>	<b>4,484 05</b>	<b>8,082 15</b>	<b>445 50</b>	<b>115 50</b>	<b>20,748 00</b>	<b>179 64</b>

### Explanation of major work activities undertaken

#### **Administration and Planning**

The following activities have been undertaken:

- Dealing with routine correspondence,
- Maintaining and reconciliation of bank accounts,
- Progress reviews of the case,

#### **Investigations**

The following activities have been undertaken:

- Reviewing files for any potential matters to be investigated;
- Instructing Simon Burn Solicitors;

#### **Realisation of Assets**

The following activities have been undertaken:

- Meeting with Simon Burn Solicitors and former director;
- Leasing with Simon Burn Solicitors regarding potential claims and additional information required.

### III Staffing, charging, subcontractor and adviser policies and charge out rates

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#### Introduction

Detailed below are:

- Smith & Williamson LLP's policy in relation to
  - Staff allocation and the use of subcontractors
  - Professional advisers
  - Disbursement recovery
- Smith & Williamson LLP's current charge out rates

#### 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 and a partner or associate director as joint office holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

#### Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add value to the assignment.

#### Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Current mileage rates are 45p per mile plus 5p per passenger per mile.

Details of any Category 2 disbursements incurred and/or recovered in the period covered by this report are set out in the body of this report.

### Charge out rates

A schedule of Smith & Williamson LLP's charge out rates was issued to creditors at the time the basis of the liquidators' remuneration was approved

The rates applicable to this period are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2014.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates	London office £/hr		Regional offices £/hr	
	From	From	From	From
	01/07/13	01/07/14	01/07/13	01/07/14
Partner	480	480	350	350
Associate Director	370	370	295-325	295-325
Managers	235-310	235-310	190-285	190-290
Other professional staff	150-235	150-235	110-170	120-175
Support & secretarial staff	85	85	28-75	60-135

### Notes

1. Time is recorded in units representing 3 minutes or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases
3. The firm's cashiering function is centralised and London rates apply.

[www.smith.williamson.co.uk](http://www.smith.williamson.co.uk)

**Principal offices:** London, Belfast, Birmingham, Bristol, Dublin, Glasgow, Guildford, Manchester, Salisbury and Southampton

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