

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

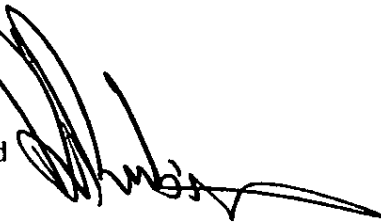
(b) Insert full name(s)
and address(es)

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 2013 to 18 August
2014

Signed



Date

16/10/14

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

SATURDAY



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18/10/2014

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COMPANIES HOUSE

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

AND
THE INSOLVENCY ACT 1986

**THE LIQUIDATOR'S FIRST 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 2014

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

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

(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 2014.

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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1.3 *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 £43,190. This represents 195 hours and 36 minutes at an average rate of £220.81 per hour. I attach as Appendix B a Time Analysis which provides details of the activity during the year, analysed by staff grade.

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 t392the@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
- 4 Correspondence and discussions with the FCA regarding their ongoing investigation into the Company's activities
- 5 Collecting, sorting and archiving the Company's books and records and securing a backup of electronic records
- 6 Filing the appropriate documents relating to the liquidation at Companies House
- 7 Applying for Liquidator's bond, as required by Section 390 of the Insolvency Act 1986

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- 8 Publishing the necessary statutory advertisements in respect of the liquidation proceedings
- 9 Opening a designated bank account and dealing with the movement of funds
- 10 Correspondence with HM Revenue & Customs both as regards PAYE/NIC and VAT
- 11 Preparing the relevant VAT returns for the claiming of VAT inputs
- 12 Periodic case and file reviews to ensure compliance with regulatory obligations

(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 refund of £4,825 due from HM Revenue & Customs in respect of a PAYE refund. The only other asset realisation of significance has been a sundry receipt of £340.

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.

The majority of the work undertaken during the period in review has been in respect of further investigations undertaken into the remuneration drawn by the Company's sole director, following concerns raised by the majority creditor. These investigations are covered in more detail below at section (i).

In addition to the above, the Financial Conduct Authority ("FCA") is currently in the midst of an investigation into the actions of the Company (as well as the other group companies and the individuals involved), this investigation has resulted in ongoing correspondence between the FCA and the various respondents over the past six months, and discussions in this regard remain ongoing.

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 £96 12

1.3 Sundry Receipt

The sum of £340 13 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 £0 94

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

2.5 Meeting Costs

The first meetings of members and creditors were held at my offices for which my

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

(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

1.3 Following receipt of the allegation detailed above, investigations were carried out into the levels of remuneration drawn from the Company by its sole director. This work included reviews of the Company's physical and electronic records. Solicitors have also been instructed to assist and advise in this regard. It should be noted, however, that to date no final conclusion has been reached as to whether there is a sound basis to this allegation, and accordingly, no decision has yet been made as to whether to launch any action aimed at securing recoveries to the estate

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(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) 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 £2,712,382 have been received compared to 30 creditors totalling £2,652,955 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

(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, Joey Stephens, or his assistant, Matthew Hull at this office


DAVID RUBIN F.C.A. - LIQUIDATOR

DATE: 17/10/14

THE BANKRUPTCY PROTECTION FUND LIMITED - IN LIQUIDATION**- LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT -****FROM 19 AUGUST 2013 TO 18 AUGUST 2014**

	<u>Estimated</u> <u>to realise</u> £	<u>Realised</u> <u>to-date</u> £
<u>Receipts</u>		
PAYE Refund		4,824 73
Debtors		96 12
Sundry Receipt		340 13
Cast at Bank	100 00	72 63
Cash Held on Appointment		7,200 00
Bank Interest Received		0 94
		<hr/> 12,534 55 <hr/>
<u>Payments</u>		
Statement of Affairs Fee		6,000 00
Statutory Costs		2 00
Statutory Advertising		253 80
Specific Bond		18 00
Meeting Costs		150 00
Carriage & Archiving		570 00
Server Backup		410 00
		<hr/> 7,403 80 <hr/>
<u>Receipts less Payments</u>		<hr/> <hr/> 5,130 75 <hr/> <hr/>
<u>Represented by:-</u>		
Balance at Bank		<hr/> 5,130 75 <hr/> <hr/> 5,130 75 <hr/> <hr/>

THE BANKRUPTCY PROTECTION FUND LIMITED' - IN CREDITORS' VOLUNTARY LIQUIDATION

LIQUIDATOR'S TIME COSTS FOR THE PERIOD 19/08/2013 TO 18/08/2014 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	02 24	33 30	48 18	06 30	90 42	18,909 50	208 48
Investigations	01 24	32 12	35 06	00 00	68 42	15,006 00	218 43
Realisations of assets	07 54	03 48	04 54	00 00	16 36	5,212 50	314 01
Creditors	01 36	04 36	13 24	00 00	19 36	4,062 00	207 24
Total hours and costs	13 18	74 06	101 42	06 30	195 36	43,190 00	220 81

The above headings include *inter alia*

Administration and Planning

Case planning
 Administrative set-up
 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
 Investigating antecedent transactions
 Reports pursuant to Company Directors Disqualification Act 1986

Creditors

Communications with creditors
 Creditors claims (including secured creditors, employees and preferential creditors)