

# 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

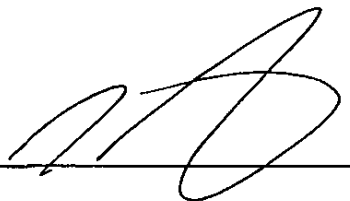
I / We

Ian McCulloch, 1 Winckley Court, Chapel Street, Preston, PR1 8BU

Dean Watson, 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 11/10/2015 to 10/10/2016

Signed  Date 09/12/16

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

Ref AP016CVL/IMC/DW/AJH/HXN/LB/PP

SATURDAY



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COMPANIES HOUSE

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## **A & P Fencing Limited (In Creditors' Voluntary Liquidation)**

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Progress report pursuant to Section 104A of the  
Insolvency Act 1986 and Rule 4.49C of the  
Insolvency Rules 1986

Period: 11 October 2015 to 10 October 2016

### **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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## **Contents**

- Interpretation
- Company information
- Details of appointment of liquidators
- Progress during the period
- Estimated outcome for creditors
- Remuneration and disbursements
- Liquidators' expenses
- Assets that remain to be realised and work that remains to be done
- Other relevant information
- Creditors' rights
- Conclusion
- Appendices
  - 1 Liquidators' account of receipts and payments
  - 2 Liquidators' time costs and disbursements
  - 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"	Ian McCulloch and Dean Watson 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	4 July 2016
Changes in liquidator (if any)	On 4 July 2016 a block transfer order was made in the Manchester District Registry of the High Court of Justice, number 2508 of 2016, replacing David Acland and Lila Thomas

with Ian McCulloch and Dean Watson of this firm appointed as  
Joint Liquidators

## 4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 11 October 2015 to 10 October 2016

### Receipts

#### **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.

During the period £3,950 was received in this matter. Harrison Drury are continuing to review the matter, however, future realisations are not anticipated to be significant.

#### **Sundry Refund**

The sum of £15.66 has been received from Electricity Northwest.

#### **Bank Interest**

The sum of £32.12 has been received during the period, with interest received since the Liquidators' appointment totalling £159.12. Corporation tax will be payable on this sum.

### Payments

#### **Legal Fees**

Legal fees in the sum of £500 have been paid to Harrison Drury during the period for their assistance in the collection of the book contractual debts.

**What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?**

#### General case administration and planning

Insolvency Practitioners are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Time charged to "General Case Administration and Planning" in the period covered by this report will include work of this nature, together with sundry tasks such as filing and photocopying.

### Compliance with the Insolvency Act, Rules and best practice

Insolvency Practitioners are required to comply with the provisions of The Insolvency Act 1986 (as amended) and The Insolvency Rules 1986 (as amended), together with best practice guidelines laid down within the profession (for instance the Statements of Insolvency Practice set out by the R3 body which represents business recovery professionals). This includes the undertaking of periodic reviews of case progression, ensuring that a specific bond is in place at the correct value to insure the sums realised and the issuing of periodic reports on the progress of the insolvency to creditors.

### Realisation of assets

The primary duty of an Insolvency Practitioner is to identify and to realise the value of an insolvent company's property for the benefit of creditors. Time charged to the realisation of assets includes book debt collection.

## 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. It is understood collection has now ceased and there is a shortfall in respect of YBIF's indebtedness.

#### *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 in the prior administration. No further distributions are anticipated.

### **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.

### **Unsecured creditors**

As previously advised 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 Naphens LLP leaving surplus funds of £20,500. These monies will be added to the prescribed part fund and distributed to the unsecured creditors.

A notice of intended dividend will be issued to the unsecured creditors in due course.

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

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator 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 debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for



preferential debts and the costs of realising the floating charge assets) The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows

- 50% of the first £10,000 of net property,
- 20% of net property thereafter,
- Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if

- the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or
- the liquidator 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))

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 £41,889 and the prescribed part of the Company's net property to be £11,378

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

## 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 2015 to 10 October 2016 amount to £4,312 which represents 19 70 hours at an average rate of £218 88 per hour

The following further information in relation to our time costs and disbursements is set out at Appendix 2

- Begbies Traynor (Central) LLP's charging policy
- Time Costs Analysis for the period 11 October 2015 to 10 October 2016
- Time Costs Analysis for the period 11 October 2011 to 10 October 2016

To 10 October 2016, we have drawn the total sum of £20,000 on account of our remuneration, against total time costs of £35,998 50 incurred since the date of our appointment as liquidators

### Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly



rate charged for each work type. An additional analysis is also attached which details the time costs for the entire period for which we have administered the liquidation.

Please note that each analysis provides details of the work undertaken by us and our staff following our appointment only.

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](http://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. A cumulative statement showing the total expenses incurred since the date of our appointment also appears at Appendix 3.

## 8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

As detailed above, the Liquidators are continuing to pursue the outstanding debtor ledger and intend to pay a distribution to unsecured creditors.

## 9. OTHER RELEVANT INFORMATION

### Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Energy and Industrial Strategy. We can confirm that we have discharged our duties in these respects.

### **Investigations carried out to date**

We have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect.

### Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties.

## 10. 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 incurred during the period of 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 during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate

## 11. CONCLUSION

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



**Ian McCulloch**  
Joint Liquidator

Dated 9 December 2016

APPENDIX 1

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# ACCOUNT OF RECEIPTS AND PAYMENTS

Period 11 October 2015 to 10 October 2016

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

Statement of Affairs £	From 11/10/2015 To 10/10/2016 £	From 11/10/2011 To 10/10/2016 £
<b>ASSET REALISATIONS</b>		
Cash balance from ADM	NIL	10,322 51
VAT balance from ADM	NIL	2,911 15
Book Debts	3,950 00	3,950 00
Sundry Refund	15 36	58 03
Bank Interest Gross	32 12	159 12
Investigations Settlement	NIL	40,000 00
	<u>3,997 48</u>	<u>57,400 81</u>
<b>COST OF REALISATIONS</b>		
Specific Bond	NIL	1 80
Liquidator Fees	NIL	20,000 00
Legal Fees (1)	500 00	5,000 00
Corporation Tax	NIL	41 80
Stationery & Postage	NIL	514 06
Statutory Advertising	NIL	76 50
	<u>(500 00)</u>	<u>(25,634 16)</u>
	<u><b>3,497.48</b></u>	<u><b>31,766.65</b></u>
<b>REPRESENTED BY</b>		
Vat Receivable		100 00
Bank 2 Current		31,666 65
		<u><b>31,766.65</b></u>



Ian McCulloch  
Joint Liquidator

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## TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's charging policy,
- b Time Costs Analysis for the period from 11 October 2015 to 10 October 2016,
- c Cumulative Time Costs Analysis for the period from 11 October 2011 to 10 October 2016

APPENDIX 3

## STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Legal fees	Harnson Drury	500	500	NIL

## CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Legal fees 1	Napthens LLP	4,500
Legal fees 2	Harnson Drury	500
Statutory advertising	Courts Advertising	76 50
Stationery & Postage	Begbies Traynor	514 06
Bond	Begbies Traynor	1 80

## 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 guidance<sup>1</sup> 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 guidance<sup>2</sup> indicates 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 and 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 expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(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,
- *Expenses which should be treated as Category 2 disbursements (approval required)* – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

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

<sup>2</sup> 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

<b>Grade of staff</b>	<b>Charge-out rate (£ per hour) 1 May 2011 – until further notice</b>
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	60 – 110

SIP9 A & P Fencing Limited - Creditors Voluntary Liquidation - 05AP016.CVL : Time Costs Analysis From 11/10/2015 To 10/10/2016

Staff Grade	Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning				2.0						2.0	530.00	265.00
Case planning				0.2	0.1	3.4	0.2			4.0	706.50	176.63
Administration				2.2	0.1	3.4	0.2		0.1	6.0	1,236.50	206.08
Total for General Case Administration and Planning												
Compliance with the Insolvency Act, Rules and best practice												
Appointment												0.00
Banking and Bonding							2.8			2.8	378.00	135.00
Case Closure												0.00
Statutory reporting and statement of affairs	0.4			4.3	0.2		0.5			5.4	1,406.00	260.37
Total for Compliance with the Insolvency Act, Rules and best practice	0.4			4.3	0.2		3.3			8.2	1,784.00	217.56
Investigations												0.00
CDDA and investigations												0.00
Total for investigations												0.00
Realisation of assets												
Debt collection	0.8			1.5		0.6				2.9	818.50	282.24
Property business and asset sales												0.00
Retention of Title/Third party assets												0.00
Total for Realisation of assets	0.8			1.5		0.6				2.9	818.50	282.24
Trading												0.00
Total for Trading												0.00
Dealing with all creditors claims (including employees), correspondence and distributions												
Secured												0.00
Others	0.3					0.2				0.5	153.50	307.00
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions	0.3					0.2				0.5	153.50	307.00
Other matters which includes meetings, tax, litigation, pensions and travel												
Meetings												0.00
Other							1.2			1.2	162.00	135.00
Tax										0.9	157.50	175.00
Litigation												0.00
Total for Other matters	1.5			8.0	0.3	5.1	4.7		0.1	2.1	319.50	152.14
Total hours by staff grade				2,120.00	61.50	892.50	634.50		11.00		4,312.00	
Total time cost by staff grade				265.00	205.00	175.00	135.00	0.00	110.00		0.00	218.88
Average hourly rate £												
Total fees drawn to date £											0.00	

SIP9 A & P Fencing Limited - Creditors Voluntary Liquidation - 05AP016.CVL : Time Costs Analysis From 11/10/2011 To 10/10/2016

Staff Grade	Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	1.6			6.9		1.5				10.0	2,723.00	272.30
Administration	1.1			0.8	0.1	5.8	0.9	1.2	1.8	11.7	2,048.50	175.09
Total for General Case Administration and Planning	2.7			7.7	0.1	7.3	0.9	1.2	1.8	21.7	4,771.50	219.88
Compliance with the Insolvency Act, Rules and best practice	0.9			3.8					0.4	5.1	1,386.50	271.86
Appointment				1.1		0.5	15.5		2.3	19.4	2,609.50	134.51
Banking and Bonding												0.00
Case Closure												0.00
Statutory reporting and statement of affairs	1.6			15.0	0.2	8.2	2.0	2.4	0.4	29.8	6,641.00	222.85
Total for Compliance with the Insolvency Act, Rules and best practice	2.5			19.9	0.2	8.7	17.5	2.4	3.1	54.3	10,837.00	195.89
Investigations	19.3			2.2						21.5	8,206.50	381.70
CDDA and investigations												0.00
Total for Investigations	19.3			2.2						21.5	8,206.50	381.70
Realisation of assets	10.8			2.5		8.5			0.4	22.2	6,440.00	290.09
Debt collection												0.00
Property business and asset sales	8.0			0.8						8.8	3,372.00	383.18
Retention of Title/Third party assets												0.00
Total for Realisation of assets	18.8			3.3		8.5			0.4	31.0	9,812.00	316.52
Trading												0.00
Total for Trading												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	0.3			1.6						1.6	424.00	265.00
Secured												0.00
Others				1.0		1.2	0.6	3.1	2.3	8.5	1,153.50	135.71
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions	0.3			2.6		1.2	0.6	3.1	2.3	10.1	1,577.50	156.19
Meetings				0.3						0.3	79.50	265.00
Other							1.2			1.2	162.00	135.00
Tax	0.5					1.6		1.3	2.2	5.6	752.50	134.38
Litigation												0.00
Total for Other matters	0.5			0.3		1.6	1.2	1.3	2.2	7.1	994.00	140.00
Total hours by staff grade	44.1			38.0	0.3	27.3	20.2	8.0	9.8	145.7		
Total time cost by staff grade	17,419.50			9,540.00	61.50	4,777.50	2,727.00	880.00	593.00		35,998.50	
Average hourly rate £	395.00	0.00	0.00	265.00	205.00	175.00	135.00	110.00	60.51		20,000.00	247.07
Total fees drawn to date £												