

# 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

Lila Thomas, 1 Winckley Court, Chapel Street, Preston, PR1 8BU

David R Acland, 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 11/10/2013 to 10/10/2014

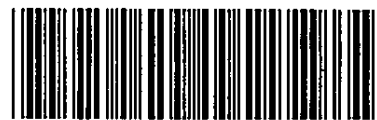
Signed 

Date 7/11/14

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

Ref AP016CVL/LTT/DRA/KP/HXN/LB/PP

WEDNESDAY



A07 \*A3KYDGBM\* 19/11/2014 #317  
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 2013 to 10 October 2014

### **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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# 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"     | Lila Thomas and David Acland 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<br><br>(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              | 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 | 11 October 2011 |
| Changes in liquidator (if any)   | None            |

## 4. PROGRESS DURING THE PERIOD COVERED BY THIS REPORT

Attached at Appendix 1 is our abstract of receipts and payments for the period from 11 October 2013 to 10 October 2014

### Receipts

#### *Bank Interest Gross*

The sum of £19 88 has been received during the period, with interest received since the appointment totalling £79 13. Corporation tax will be payable on this sum.

#### *Sundry refund*

The sum of £14 32 was received from Electricity Northwest in respect of a rates refund.

#### *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. Recently the correspondence between the Liquidator and the contractor has resumed and it is hoped that a settlement will be agreed in due course.

### Payments

There have been no payments during the period.

## 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 however, based on previous reports it is likely that YBIF will suffer a shortfall.

*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. Any further distribution will be dependent on future realisations and costs.

#### **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.

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

Details of how the prescribed part for unsecured creditors is calculated were provided by the former administrators in their statement of proposals.

The prescribed part fund currently amounts to £11,384. There have not been any substantial realisations during the Liquidation (with the exception of some nominal bank interest and rates refunds) which would result in an increased fund.

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.

#### **Unsecured creditors**

Based upon realisations to date and future estimated realisations, there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors with the exception of the potential distribution of the prescribed part fund.

## **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 2013 to 10 October 2014 amount to £6,173.00 which represents 27.60 hours at an average rate of £223.66 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 policy for re-charging disbursements
- Begbies Traynor (Central) LLP's charge-out rates
- Table of time spent and charge-out value for the period 11 October 2013 to 10 October 2014
- Cumulative Table of time spent and charge-out value for the period 11 October 2011 to 10 October 2014

No fees or disbursements have been drawn to date.

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.

## 8. ASSETS THAT REMAIN TO BE REALISED

As detailed above, the Liquidators are continuing to pursue the outstanding debtor ledger.

## 9. OTHER RELEVANT INFORMATION

### Investigations carried out to date

As previously reported, the Liquidators' were investigating the disposal of certain assets to two directors of the Company, immediately prior to the appointment of the Administrators. Our instructed agent's, Charterfields Limited, were provided with a schedule of those assets and a comparison statement was produced. Invoices for the sale of the assets were raised however, it was clear that no funds had been received by the Company and in both cases the consideration due was offset against the Directors' respective loan accounts.

A formal offer of settlement was received from Philip Jenkinson who, via his accountant, provided a statement of means to demonstrate his inability to repay the monies due in full. Due to the terms of the proposal, the offer was rejected and we requested a revised offer. The second director, Andrew Jenkinson, disputed the account in full however, these disputes were rejected and we requested a formal offer of settlement.

In view of the lack of response from both parties following the initial exchanges, the Liquidators' instructed solicitors, Naphthens LLP, to pursue these claims. On 2 October 2013, a formal offer was received from Philip Jenkinson in full and final settlement of his debt, however no further correspondence from Andrew Jenkinson.

In the last progress report, the Liquidators sought consent from the unsecured creditors to commence legal proceedings against the Directors'. This was subsequently approved by resolution. However shortly after the resolution was passed, Naphthens LLP received an offer of settlement in the sum of £20,000 each, this was accepted upon advice. The two directors were in the process of selling property in which they both held an interest and would pay their settlement following completion of the sale. These monies have now been received however they will not show on the attached receipts and payments as funds were received after the period of this report. These realisations are categorised as a Liquidators' action and will not be captured by the banks security.

## 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 detailed in 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 as set out in 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



**Lila Thomas**  
Joint Liquidator

Dated 11 November 2014



APPENDIX 1

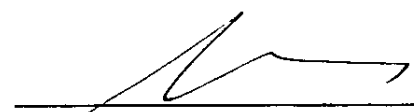
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# ACCOUNT OF RECEIPTS AND PAYMENTS

Period 11 October 2013 to 10 October 2014

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

| Statement<br>of Affairs     | From 11/10/2013<br>To 10/10/2014 | From 11/10/2011<br>To 10/10/2014 |
|-----------------------------|----------------------------------|----------------------------------|
| <b>ASSET REALISATIONS</b>   |                                  |                                  |
| Cash balance from ADM       | NIL                              | 10,322 51                        |
| VAT balance from ADM        | NIL                              | 2,911 15                         |
| Sundry Refund               | 14 32                            | 27 63                            |
| Bank Interest Gross         | 19 88                            | 79 13                            |
| Investigations Settlement   | 40,000 00                        | 40,000 00                        |
|                             | <u>40,034 20</u>                 | <u>53,340 42</u>                 |
| <b>COST OF REALISATIONS</b> |                                  |                                  |
| Legal Fees (1)              | 4,500 00                         | 4,500 00                         |
| Corporation Tax             | NIL                              | 41 80                            |
| Statutory Advertising       | NIL                              | 76 50                            |
|                             | <u>(4,500 00)</u>                | <u>(4,618 30)</u>                |
|                             | <u><u>35,534.20</u></u>          | <u><u>48,722.12</u></u>          |
| <b>REPRESENTED BY</b>       |                                  |                                  |
| Vat Receivable              |                                  | 900 00                           |
| Bank 2 Current              |                                  | 47,822 12                        |
|                             |                                  | <u>48,722 12</u>                 |

  
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 Lila Thomas  
 Joint Liquidator

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## TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Table of time spent and charge-out value for the period from 11 October 2013 to 10 October 2014
- d Cumulative table of time spent and charge-out value for the period from 11 October 2011 to 10 October 2014

## 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> requires 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 usually 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 incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(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,
- Displaying properties for sale on the 'Accelerated Property Sales from Begbies Traynor' section of the Begbies Traynor website is charged at the rate of £75.00 per property.

<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>Standard<br/>1 May 2011 –<br/>until further notice<br/>Regional</b> |
|-----------------------|--|
| Partner               | 395  |
| Director              | 345  |
| Senior Manager        | 310  |
| Manager               | 265  |
| Assistant Manager     | 205  |
| Senior Administrator  | 175  |
| Administrator         | 135  |
| Trainee Administrator | 110  |
| Support               | 110  |

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.





## APPENDIX 3

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**STATEMENT OF EXPENSES**

| Type of expense | Name of party with whom expense incurred | Amount incurred<br>£ | Amount discharged<br>£ | Balance (to be discharged)<br>£ |
|-----------------|--|----------------------|------------------------|---------------------------------|
| Postage         | Royal Mail Group plc                     | 102 50               | -                      | 102 50                          |
| Bordereau       | AUA Insolvency Risk Services Limited     | 1 80                 | -                      | 1 80                            |
|                 |  |                      |                        |                                 |
| <b>Total</b>    |  | <b>104 30</b>        | <b>-</b>               | <b>104.30</b>                   |