

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

6491848

Name of Company

A F W Consultants Limited

I / We

Kevin J Hellard, 30 Finsbury Square, London, EC2P 2YU

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 10/01/2016 to 09/01/2017

Signed

Date

7/3/17

Grant Thornton UK LLP
No 1 Whitehall Riverside
Whitehall Road
Leeds
LS1 4BN

THURSDAY



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A22 09/03/2017 #339
COMPANIES HOUSE

Ref: A00958/KJH/RDP/JMS/LKM



To the creditors and members

7 March 2017

Dear Sirs

A F W Consultants Limited - In Liquidation (the Company)

1 Introduction

1.1 Following my appointment as liquidator of the above company on 8 October 2014, in accordance with section 104A of the Insolvency Act 1986 I now report on the progress of the liquidation for the year ended 9 January 2017 and attach

- Appendix A, an account of my receipts and payments for the year ended 9 January 2017, and a cumulative account to that date.
- Appendix B, a statement of the remuneration charged by the liquidator in the year ended 9 January 2017 and expenses incurred in the period.
- Appendix C, an analysis of time costs as required by Statement of Insolvency Practice 9 for the period 10 January 2016 to 9 January 2017 and for the cumulative period to 9 January 2017
- Appendix D, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator (rule 4 49E)
- Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive (rule 4 131)

1.2 I am authorised by the Insolvency Practitioners Association to act as an insolvency practitioner. I am bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

2 Statutory Information

2.1 The Company's statutory details are as follows:

Registered number	06491848
Registered office	30 Finsbury Square London EC2P 2YU

Chartered Accountants

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No OC307742. Registered office: Grant Thornton House, Melton Street, Euston Square, London NW1 2EP
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3 Progress report

Assets

- 3.1 In my previous report, I advised that I had instructed solicitors to assist in obtaining information from the directors. I subsequently received certain information from the directors. In addition I received documentation from the Insolvency Service. Having completed my investigations, I have identified a number of matters which I consider give rise to claims that should be brought for the benefit of the liquidation.
- 3.2 Claims have therefore been issued requiring the repayment of the outstanding directors' loan accounts totalling approximately £59,000 and £45,000 respectively, together with the recovery of illegal dividends totalling £15,000. An order is also sought requiring the provision of information relating to a number of payments, which have not adequately been addressed or explained to date.
- 3.3 I will update creditors with any progress in this regard in due course.

4 Creditors

- 4.1 There are no preferential creditors in this matter
- 4.2 The Director's Statement of Affairs listed five creditors with debts totalling £79,581. To date I have received unsecured claims totalling £179,312.17 from three creditors.

Dividend prospects

- 4.3 Dividend prospects are contingent upon realisations from the claims detailed in section 3.

5 Liquidator's remuneration and expenses

- 5.1 On 10 January 2014 the creditors resolved that the liquidator draw remuneration by reference to time costs. In accordance with Statement of Insolvency Practice 9 (SIP 9), I attach at Appendix C a summary of the time costs incurred in the year to 9 January 2017 totalling £12,994.80 represented by 51.66 hours at an average hourly rate of £251.54 per hour. You will note that total time costs are £22,070.95 represented by 91.19 hours at an average hourly rate of £242.03 per hour. Details of former liquidator's time costs have been previously provided and are shown in Appendix B.
- 5.2 Details of Grant Thornton UK LLP's hourly charge out rates for the current and prior periods are provided below:

With effect from 1 June 2014

	£
Partners up to	615
Directors up to	515
Managers up to	470
Other senior professionals up to	305
Administrators up to	230
Assistants and support staff up to	175

5.3 Background information regarding the fees of liquidators can be found at

https://www.r3.org.uk/media/documents/technical_library/SIPS/SIP%209%20Dec%202015.pdf

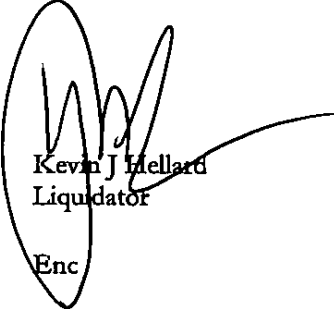
5.4 Alternatively, I will supply this information by post on request.

5.5 To date I have incurred expenses totalling £87 in respect of bonding, land registry searches, travel expenses and company and other searches, which have been paid by Grant Thornton UK LLP and recharged to the estate. I can confirm that I have not drawn any amounts in respect of such expenses to date.

5.6 I have instructed Hillyer McKeown LLP (Hillyer McKeown) on a conditional fee basis to assist with my investigations and recovery action. Hillyer McKeown's current work in progress stands at £16,798 plus VAT.

Should you have any queries regarding this report, please contact Chris Ferguson on 0113 200 1583.

Yours faithfully
for and on behalf of A F W Consultants Limited



Kevin J Mellard
Liquidator

Enc

A Abstract of the liquidator's receipts and payments

	From 10 January 2016 to 9 January 2017 £	Cumulative From 8 October 2014 to 9 January 2017 £
Receipts		
VAT Refund - on previous liquidator	166.67	166.67
Bank Interest	-	0.03
	<hr/> 166.67	<hr/> 166.70
Payments		
	<hr/> 0.00	<hr/> 0.00
Balance	<hr/> 166.67	<hr/> 166.70
MADE UP AS FOLLOWS		
Floating current account	166.67	166.70
	<hr/> 166.67	<hr/> 166.70

**B Remuneration charged and expenses incurred by the liquidator
in the period**

	Charged/incurred in period 10 January 2016 to 9 January 2017 £	Cumulative charged/incurred in period to 9 January 2017 £	Of which paid to 9 January 2017 £
Liquidators fees:			
Time costs – Grant Thornton UK LLP	12,994.80	22,070.95	-
Time Costs – Michelle Chatterton	-	3,040.00	-
Expenses – Grant Thornton UK LLP			
Bond	-	10.00	-
Land registry searches	12.00	37.00	-
Company and other searches	-	30.00	-
Travel expenses	-	10.00	-
Expenses – Michelle Chatterton			
Bond	-	30.00	-
Statutory advertising	-	101.52	-
Petitioning creditor costs	-	830.00	-
Other Expenses:			
Legal Fees (Hillyer McKeown LLP)*	13,598.00	16,798.00	-
	<u>26,604.80</u>	<u>42,957.47</u>	-
	<u>26,604.80</u>	<u>42,957.47</u>	-

* On a conditional fee basis.

C SIP 9 information

Transaction period 10 January 2016 to 9 January 2017

Standard	Partner		Manager		Executive		Administrator		Total	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£
Administration and Planning	0.38	185.70	5.62	2,051.60	1.09	309.20	17.83	2,899.50	24.92	5,456.00
Creditors	-	-	-	-	-	-	0.40	67.50	0.40	67.50
Investigations	-	-	1.70	561.00	5.05	1,448.00	3.40	649.00	10.15	2,658.00
Legal	-	-	12.70	4,191.00	-	-	-	-	12.70	4,191.00
Taxation	-	-	0.20	66.00	0.25	72.00	3.04	484.30	3.49	622.30
Total	0.38	195.70	20.22	6,859.60	6.39	1,829.20	24.67	4,100.30	51.66	12,994.80

Cumulative period 8 October 2014 to 9 January 2017

Standard	Partner		Manager		Executive		Administrator		Total	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£
Administration and Planning	0.53	287.95	7.07	2,577.10	6.70	1,779.70	38.65	6,933.40	52.95	11,578.15
Creditors	-	-	-	-	-	-	0.60	106.50	0.60	106.50
Investigations	-	-	1.70	561.00	6.00	1,722.00	4.00	766.00	11.70	3,049.00
Legal	-	-	16.50	5,439.00	0.90	261.00	-	-	17.40	5,700.00
Taxation	-	-	1.15	465.50	0.25	72.00	7.14	1,099.80	8.54	1,637.30
Total	0.53	287.95	26.42	9,042.60	13.85	3,834.70	50.39	8,905.70	91.19	22,070.95

Activity	Examples of work
Administration and planning	Case planning; Administrative set-up; Appointment notification, Maintenance of records; Case review; Statutory matters including bond notification and calculation; Reports; Reviewing handover papers; Cashiers duties; Taxation matters; Statutory Pensions review.
Creditors	Includes; correspondence with creditors; Receiving and scheduling claims; Liaising with creditors.
Investigations	Director enquires; Making enquires of other third parties, Reviewing company records, Reconciling company accounts to Director's loan position; Reviewing numerous transactions to third parties; Reviewing investments and loans to third parties
Legal	Liaising with and instructing solicitors regarding claims identified, preparing witness statements to support claims in conjunction with solicitors

D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator

Rule 4.49E edited for application to a progress report in a creditors' voluntary liquidation

- (1) If
 - (a) within the period mentioned in paragraph (2)
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (b) with the permission of the court upon an application made within the period mentioned in paragraph (2), any unsecured creditor makes a request in writing to the liquidator for further information about remuneration or expenses set out in the progress report, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of a matter which was previously included in a progress report.
- (2) The period referred to in paragraph (1)(a) is 21 days of receipt of the progress report
- (3) The liquidator complies with this paragraph by either -
 - (a) providing all of the information asked for, or
 - (b) so far as the liquidator considers that
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
 - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,
 giving reasons for not providing all of the information.
- (4) Any creditor, who need not be the same as the creditor who requested further information, may apply to the court within 21 days of -
 - (a) the giving by the liquidator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),
 and the court may make such order as it thinks just.
- (5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 4.131(1B) by such further period as the court thinks just.

E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive

Rule 4.131

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4).
- (1A) Application by a creditor may be made on the grounds that -
- (a) the remuneration charged by the liquidator,
 - (b) the basis fixed for the liquidator's remuneration under Rule 4.127, or
 - (c) expenses incurred by the liquidator,
- is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate.
- (1B) The application must, subject to any order of the court under Rule 4.49E(5), be made no later than 8 weeks (or in a case falling within Rule 4.108, 4 weeks) after receipt by the applicant of the progress report or the draft report under Rule 4.49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss the application; but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice, but which is without notice to any other party.
If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly.
- (3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders -
- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge
 - (b) an order fixing the basis of remuneration at a reduced rate or amount
 - (c) an order changing the basis of remuneration
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation
 - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify
- and may make any other order that it thinks just; but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report.
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation.