

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

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 11/10/2011 to 10/10/2012

Signed  Date 19/10/12

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

Ref AP016CVL/LTT/DRA/KAF/HXN/LB/P

MONDAY



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COMPANIES HOUSE

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

Statement of Affairs	From 11/10/2011 To 10/10/2012
ASSET REALISATIONS	
Cash balance from ADM	10,322 51
VAT balance from ADM	2,911 15
Bank Interest Gross	<u>26 61</u>
	13,260 27
COST OF REALISATIONS	
Corporation Tax	41 80
Statutory Advertising	<u>76 50</u>
	(118 30)
	<u><u>13,141 97</u></u>
REPRESENTED BY	
Bank 2 Current	13,141 97
	<u><u>13,141 97</u></u>

Note



Lila Thomas
Joint Liquidator

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

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

Period: 11 October 2011 to 10 October 2012

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 (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	11 October 2011
Changes in liquidator (if any)	None

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 11 October 2011 to 10 October 2012

Receipts

Administration Cash / VAT surplus

The sums of £10,322 51 and £2,911 15 were transferred to the Liquidation following the closure of the Administration and represent the cash and VAT balances held respectively

Bank Interest Gross

The sum of £26 26 has been received to date Corporation Tax will be payable on this amount

Payments

Corporation Tax

The sum of £41 80 has been paid to HM Revenue & Customs in respect of corporation tax payable for the period of Administration

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the statement of proposals of the former administrators and in previous progress reports

Secured creditor

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 Based on current anticipated realisations, YBIF will suffer a shortfall Incasso continue to collect the ledger on behalf of YBIF

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 has been distributed to the Bank in accordance with their floating charge security Further distribution will be dependent on future realisations and costs

Preferential creditors

Preferential creditor claims amounted to £42,853. A dividend of 100 pence in the £1 has been paid to the preferential creditors.

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 carried forward from the Administration amounts to £11,378. There have not been any additional realisations during the Liquidation 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 estimated future realisations it is anticipated 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 2011 to 10 October 2012 amount to £10,515.50 which represents 40.20 hours at an average rate of £261.58 per hour.

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

- Narrative summary of time costs incurred
- Table of time spent and charge-out value for the period 11 October 2011 to 10 October 2012
- Begbies Traynor (Central) LLP's policy for re-charging disbursements
- Begbies Traynor (Central) LLP's charge-out rates

No fees have been drawn to date.

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

The Liquidator continues to investigate the disposal of certain assets prior to the appointment which is further detailed at Section 9

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 Innovation and Skills. We can confirm that we have discharged our duties in these respects.

Investigations carried out to date

As previously reported, the Liquidators are investigating the disposal of certain assets to two Directors of the Company immediately prior to the appointment of the Administrators. Our instructed agents, Charterfields Limited, were provided with a schedule of these assets and a comparison statement was produced. Invoices for the sale of these assets were raised however it is clear that no funds have 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 has been received from one Director who, via his accountant, has provided a statement of means to demonstrate his inability to repay the monies due in full. The proposal includes an initial deposit and payment of the balance over 18 months. The proposal has been rejected and we await a counter offer.

The second Director has disputed the account claiming that he never took possession of one asset listed and he has requested that the balance be offset in view of certain creditor claims settled by him personally. The Liquidator has rejected these disputes and we await a formal offer of settlement.

The action is ongoing and may result in additional recoveries for creditors.

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 8 November 2012

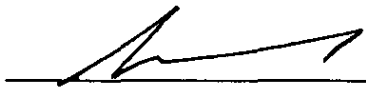
ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 11 October 2011 to 10 October 2012

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Note



 Lila Thomas
 Joint Liquidator

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 2011 to 10 October 2012

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 guidance¹ 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 guidance² 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.

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

² *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

	Standard 1 May 2011 – until further notice Regional
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.

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Statutory advertising	Courts Advertising Limited	76 50	76 50	
Bond	AUA Insolvency Risk Services	30 00		30 00