

**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

01891613

Name of Company

Classtech (UK) Limited

I / We

Julie Anne Palmer
65 St Edmunds Church Street
Salisbury
Wiltshire
SP1 1EFAntony Robert Fanshawe
65 St Edmunds Church Street
Salisbury
Wiltshire
SP1 1EFthe 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 03/06/2012 to 02/06/2013

Signed



Date

7/6/13

Begbies Traynor (Central) LLP
65 St Edmunds Church Street
Salisbury
Wiltshire
SP1 1EF

Ref CL020CVL/JAP/ARF/AWW/NRA/SAL

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COMPANIES HOUSE

Classtech (UK) 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: 3 June 2012 to 2 June 2013

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" | Classtech (UK) Limited (In Creditors' Voluntary Liquidation) |
| "the liquidation" | The appointment of liquidators pursuant to Section 98 of the Act on 3 June 2010 |
| "the liquidators", "we", "our" and "us" | Julie Anne Palmer of Begbies Traynor (Central) LLP, 65 St Edmunds Church Street, Salisbury, Wiltshire, SP1 1EF and Antony Robert Fanshawe of Begbies Traynor (Central) LLP, 41 Castle Way, Southampton, Hampshire, SO14 2BW |
| "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

| | |
|---------------------------|---|
| Company registered number | 01891613 |
| Company registered office | 65 St Edmunds Church Street, Salisbury, Wiltshire, SP1 1EF |
| Former trading address | 8 Pine Close, North Baddesley, Southampton, Hampshire, SO52 9HN |

3 DETAILS OF APPOINTMENT OF LIQUIDATORS

| | |
|----------------------------------|-------------|
| Date winding up commenced | 3 June 2010 |
| Date of liquidators' appointment | 3 June 2010 |
| 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 of this report

During the period retentions in the sum of £12,160 were received. Gaining release of the retentions proved difficult and required the assistance of a Quantity Surveyor, at a cost of £3,840

Payments made during the relevant period are detailed below under 5 and 6 respectively

5 ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the director's statement of affairs included within the report sent to creditors further to our appointment as liquidators

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows

Secured creditor

To date the secured creditor has received a dividend of £8,000 against a total debt of £18,143. It is anticipated that a further £500-£1,000 will be distributed, after the liquidation expenses have been met

Preferential creditors

Preferential creditors received a dividend of 100 pence in the pound, totalling £852.32. There are no outstanding preferential creditor claims and no further distribution will be made

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

6 REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act 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 and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report

Our time costs for the period from 3 June 2010 to 2 June 2013 amount to £25,206.50 which represents 118.6 hours at an average rate of £212.53 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 3 June 2010 to 2 June 2013
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

We have drawn the total sum of £22,524.00 plus disbursements of £311.05 on account in accordance with the approval obtained, leaving unbilled time costs of £2,682.50, which has been written off as irrecoverable

Details of the Category 2 disbursements that have been taken in accordance with the approval obtained are provided in the narrative summary of time costs incurred which is at Appendix 2

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 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 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, as explained in the report circulated prior to the meeting of creditors convened pursuant to Section 98 of the Act, 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

9 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

10 CONCLUSION

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

J A Palmer
Joint Liquidator

Dated 2 June 2013

APPENDIX 1

ACCOUNT OF RECEIPTS AND PAYMENTS

| Statement of Affairs | | From 03/06/2012 To 02/06/2013 | From 03/06/2010 To 02/06/2013 |
|-------------------------|---------------------------------------|----------------------------------|----------------------------------|
| | HIRE PURCHASE | | |
| 4,200 | HP Motor Vehicle | NIL | 4,300 00 |
| (1,730) | Finance Company | NIL | (1,745 39) |
| | | NIL | 2,554 61 |
| | ASSET REALISATIONS | | |
| 2,000 | Plant, Machinery, Fixtures & Fittings | NIL | 2,100 00 |
| | Debtors-Post | NIL | 865 31 |
| 7,500 | Retentions | 12,160 00 | 12,160 00 |
| 26,263 | Cash in Hand | NIL | 26,585 38 |
| | | 12,160 00 | 41,710 69 |
| | COST OF REALISATIONS | | |
| | Preparation of S of A | NIL | 5,000 00 |
| | Liquidators' Fees | 6,000 00 | 22,524 00 |
| | Liquidators' Expenses | 99 12 | 311 05 |
| | Agents/Valuers Fees | NIL | 1,043 00 |
| | Debt Collection | 3,840 00 | 3,840 00 |
| | Legal Fees | NIL | 1 440 00 |
| | VAT Irrecoverable | 4 15 | 4 15 |
| | Statutory Advertising | NIL | 151 20 |
| | PAYE & NI | 39 68 | 39 68 |
| | | (9,982 95) | (34 353 08) |
| | PREFERENTIAL CREDITORS | | |
| (568) | DE Arrears & Holiday Pay | NIL | NIL |
| (184) | Employee Arrears/Hol Pay | 852 32 | 852 32 |
| | | (852 32) | (852 32) |
| | FLOATING CHARGE CREDITORS | | |
| (18,143) | Floating Charge Creditor | 1,000 00 | 8,000 00 |
| | | (1,000 00) | (8,000 00) |
| | | 324 73 | 1,059 90 |
| | REPRESENTED BY | | |
| | Bank 1 Current | | 1,059 90 |
| | | | 1,059 90 |

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 Narrative summary of time costs incurred, and
- d Table of time spent and charge-out value for the period from 3 June 2010 to 2 June 2013

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)

- Car mileage is charged at the rate of 40 pence per mile.

(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

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

² Ibid 1

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 Salisbury 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 |

Prior to 1 May 2011, the following rates applied:

| Grade of staff | Charge-out Rate (£ per hour) |
|-----------------------|---|
| Partner | 350 |
| Director | 325 |
| Senior Manager | 295 |
| Manager | 250 |
| Assistant Manager | 195 |
| Senior Administrator | 160 |
| Administrator | 130 |
| Trainee Administrator | 100 |
| Support | 100 |

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.

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME Classtech (UK) Limited

CASE TYPE CREDITORS' VOLUNTARY LIQUIDATION

OFFICE HOLDERS Julie Anne Palmer AND Antony Robert Fanshawe

DATE OF APPOINTMENT 3 June 2010

1 CASE OVERVIEW

1 1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

1 2 **Complexity of the case**
There were no particularly complex aspects to this assignment. However, considerable time was spent liaising with debtors, processing employee claims and reporting to creditors. This was not helped by the duration of what first appeared a straight forward assignment.

1 3 **Exceptional responsibilities**
There was nothing unusual in this respect.

1 4 **The office holders' effectiveness**
The Company's assets have been realised and distributions made to the preferential creditors and secured creditor. Therefore, the liquidators achieved what they set out to do.

1 5 **Time costs analysis**
An analysis of time costs incurred between 3 June 2010 and 7 June 2013 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type.

The time costs analysis provides details of work undertaken by the Liquidators and their staff following their appointment only.

1 9 **The views of the creditors**
Creditor queries have been dealt with appropriately and reports have been issued in accordance with legislation.

1 12 **Category 2 Disbursements**
In accordance with the resolution obtained in relation to expenses and disbursements, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case:

| Type and purpose | Amount £ |
|--------------------|----------|
| Mileage (45 miles) | 16.84 |
| TOTAL | 16.84 |

1 13 **Other professionals employed & their costs**
Other professionals were chosen based on their ability and consideration was given to their respective fee arrangements.

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 2.

2 2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 2.

APPENDIX 3

STATEMENT OF EXPENSES

| Type of expense | Name of party with whom expense incurred | Amount incurred £ | Amount discharged £ | Balance to be discharged £ |
|-----------------------|---|-------------------------|---------------------------|----------------------------------|
| Agent's fees | Asset Recovery & Insolvency | 1,043 00 | 1,043 00 | 0 00 |
| Debt collection | Leslie Keats | 3,840 00 | 3,840 00 | 0 00 |
| Legal fees | Clarke Willmott | 1,440 00 | 1,440 00 | 0 00 |
| Statutory advertising | Courts Advertising | 151 20 | 151 20 | 0 00 |