

Liquidator's Progress Report

S.192

Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986

To the Registrar of Companies

Company Number

07527512

Name of Company

(a) Insert full name of
company

(a) BBS Foodservice Limited

(b) Insert full name(s) and
address(es)

We (b)

Paul William Harding and Graham Lindsay Down of Burton Sweet Corporate Recovery, Suite 1,
Canon Court East, Abbey Lawn, Abbey Foregate, Shrewsbury, Shropshire, SY2 5DE

the joint liquidators of the company, attach a copy of our Progress Report under section 192 of
the Insolvency Act 1986

The Progress Report covers the period from 1 September 2015 to 31 August 2016

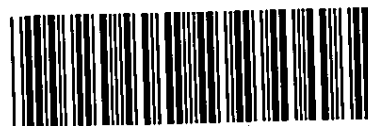
Signed

Date 28 October 2016

Presenter's name,
address and reference (if
any)

Paul William Harding
Burton Sweet Corporate Recovery
Suite 1, Canon Court East
Abbey Lawn, Abbey Foregate
Shrewsbury
Shropshire
SY2 5DE

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COMPANIES HOUSE

BBS FOODSERVICE LIMITED - IN LIQUIDATION

ANNUAL REPORT

28 October 2016

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1. COMPANY INFORMATION

Registered name address and number

BBS Foodservice Limited - in Liquidation (the "Company")

Registered office Suite 1, Canon Court East, Abbey Lawn, Abbey Foregate, Shrewsbury, Shropshire, SY2 5DE

Former registered office 4E Heathfield Road, Kings heath, Birmingham B14 7DB

Registered number 07527512

Liquidators' appointment details

Paul Harding and Graham Lindsay Down of Burton Sweet Corporate Recovery, Suite 1, Canon Court East, Abbey Lawn, Abbey Foregate, Shrewsbury, Shropshire SY2 5DE were appointed joint liquidators of the Company on 1 September 2015 by members and creditors

2. INTRODUCTION

The purpose of this report is to detail the acts and dealings of the joint liquidators. It should be read in conjunction with previous correspondence to creditors.

3. BACKGROUND

The joint liquidators were appointed on 1 September 2015 following meetings of the members and creditors of the Company.

4 ASSET REALISATIONS

The joint liquidators' receipts and payments account for the period from 1 September 2015 to 31 August 2016 is attached at Appendix 1.

According to the statement of affairs lodged in these proceedings the Company has two assets. There is cash in hand of £5,000 and a debt due from the purchaser of the Company's business and assets, which is unquantified due to a dispute over the purchase price. In addition, there are a number of book debts outstanding from the period prior to the sale.

4.1 Cash in hand

We have received cash in hand at £5,000.

4.2 Sale consideration

Creditors will recall that, in light of the sole director's failing health, a potential purchaser was found for the Company business and assets in early 2014. Unfortunately, negotiations were protracted and, to preserve continuity and value, the business and assets were handed over prior to payment on 3 June 2014. The purchaser then re-opened negotiations concerning the purchase price, which was unpaid as at the date of our appointment. The parties had settled on specific figures for stock, fixtures and fittings and mutual trading (between the Company and the purchaser) but terms for the goodwill, work in progress, contracts and vehicles were less certain.

Following our appointment, the purchaser defaulted on an agreement to pay the total due for stock, fixtures and fittings and mutual trading (approximately £30,000) by instalment. The first monthly payment of £2,500 was withheld on the basis that the Company ought to have

provide various invoices and credit notes concerning the assets. However, having spoken to solicitors engaged by the Company to deal with the sale, it is our understanding that the documents requested are not appropriate, terms for the sale were originally set out in a sale and purchase agreement.

In the circumstances, the joint liquidators have retained the Company's former solicitors to pursue the sale consideration. No recoveries have been made to date.

4.3 Book debts

According to the Company records, something in the order of £13,275.29 is outstanding for goods supplied to approximately thirty-five customers in the period prior to the transfer of the business and assets on 3 June 2015. Recoveries to date are limited to £619.45. In many cases, the debtors say that they have accounted to the purchaser for the sums due. The joint liquidators' solicitors are instructed to recover these sums from the purchaser of the business and assets.

5. INVESTIGATIONS

An initial investigation into the Company's affairs was undertaken to establish whether there were any potential asset recoveries or conduct matters that justified further investigation.

There were no matters that justified further investigation in the circumstances of this appointment.

A return on the conduct of any individuals, who have been directors of the Company in the three years prior to the insolvency, is required to be submitted to the Secretary of State within six months of our appointment. I confirm that our return has been submitted.

6. CREDITORS' CLAIMS AND DIVIDEND PROSPECTS

Secured creditors

With reference to paragraph 4 (above), two of the vehicles transferred to the purchaser of the Company business and assets were subject to finance with Close Brothers Motor Finance ("CBMF"). The Company was party to a non-regulated hire purchase agreement in respect of one such vehicle. The joint liquidators were informed, in September 2015, that £1,766.46 was outstanding in connection with this agreement and that CBMF proposed to take possession of the vehicle with a view to selling it. They have not lodged a claim in the liquidation, so we assume that they have now recovered their position in full.

Dividend in relation to the prescribed part

Under the provisions of Section 176A of the Insolvency Act 1986 the joint liquidators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the company has granted a floating charge to a creditor after 15 September 2003. No such charge was granted in this matter.

Preferential creditors

There are no known preferential creditors.

Unsecured creditors

Unsecured creditors' claims can be detailed as follows

	As per statement of affairs £	Claims received £
Lloyds Bank	17,800 00	19,966 30
Director	5,781 00	5,781 00
Close Brothers Asset Finance	5,800 00	Nil
Trade creditors	135,226 00	56,434 40
HMRC	Nil	7,236 42
Total	164,607.00	89,418.12

Unfortunately, there are insufficient funds to pay a dividend to any class of creditor

7 COSTS AND EXPENSES

The payments shown on the summary of the receipts and payments at Appendix I are in the main self-explanatory

Pre-appointment remuneration

At the meetings held on 1 September 2016, members and creditors authorised payment of a fee of £3,500 plus VAT and disbursements for assisting with the statement of affairs and producing and circulating notices for the meetings of members and creditors prior to my appointment

This fee was paid from first realisations and is shown on the enclosed receipts and payments account

Joint liquidators' remuneration

A resolution was passed by creditors at the S98 meet to the effect that the joint liquidators be remunerated by reference to the time properly spent by them and their staff in dealing with the administration of the liquidation. No fees have been drawn to date

Summary of costs

The joint liquidators' time costs for the period from 1 September 2015 to 31 August 2016 total £23,839 50, representing 118 2 hours at an average hourly rate of £201 69. The time costs are detailed at Appendix 2

The joint liquidators' have incurred category 2 disbursements, namely travel mileage and printing. Such disbursements may include an element of overhead charges and are referred to in the resolutions passed by creditors at the meeting held on 1 September 2015. No disbursements have been drawn to date

Solicitors

With reference to paragraph 4 (above) the joint liquidators have retained Fodens Solicitors, who were engaged to assist with the sale of the Company's business prior to our appointment. If significant legal costs are likely to be incurred, Fodens will consider acting on a "no win no fee" basis under a conditional fee agreement. The significance of this is that they will then be entitled to enhanced fees if we are successful in any action against the purchaser of the business, such fees will be payable as an expense of the liquidation.

8. FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of

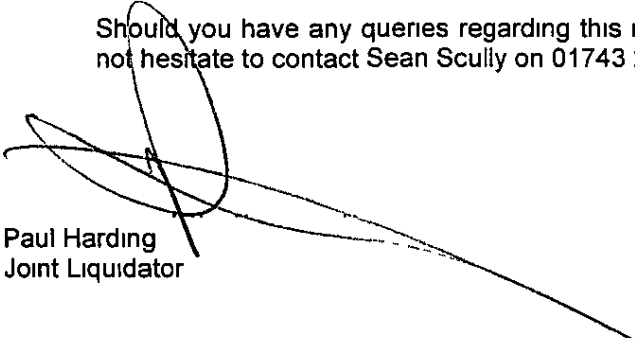
the liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details within the same time scale.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to the court to challenge the amount and/or basis of the liquidators' fees and the amount of any proposed expenses or expenses already incurred, within eight weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time scale.

9. CONCLUSION

With reference to paragraphs 4.2 and 4.3 (above), solicitors engaged by the joint liquidators are working to recover the purchase consideration for the Company's business and assets and book debt proceeds. The administration of the liquidation is therefore continuing.

Should you have any queries regarding this matter, or the contents of this report, please do not hesitate to contact Sean Scully on 01743 233603.



Paul Harding
Joint Liquidator

APPENDIX 1

**BBS Foodservice Limited - in Creditors Voluntary Liquidation
Joint Liquidators' Abstract of Receipts & Payments**

From 1 September 2015 to 31 August 2016

S of A £		From 01/09/15 To 31/08/16 £	Total £
ASSET REALISATIONS			
5,000	Cash in hand	5,000 00	5,000 00
6,107	Stock	Nil	Nil
21,985	Fixtures & fittings and motor vehicles	Nil	Nil
Unknown	Business	Nil	Nil
15,104	Purchase ledger	Nil	Nil
	Book debts	619 45	619 45
	Bank interest gross	0 12	0 12
		<u>5,619 57</u>	<u>5,619 57</u>
COST OF REALISATIONS			
	Specific Bond	(420 00)	(420 00)
	Statement of Affairs Fee	(3,500 00)	(3,500 00)
	Statutory Advertising	(136 40)	(136 40)
	Software charge	(140 00)	(140 00)
		<u>(4,196 40)</u>	<u>(4,196 40)</u>
		<u>1,423 17</u>	<u>1,423 17</u>
REPRESENTED BY			
	VAT Receivable	727 28	727 28
	Bank account	695 89	695 89
		<u>1,423 17</u>	<u>1,423 17</u>

Joint Liquidators' Analysis of Time
BBS Foodservice Limited
Between 01 September 2015 and 31 August 2016

Appendix 2

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	1 00	0 00	16 80	0 00	17 80	3,122 00	175 39
Investigations	2 00	0 00	13 50	0 00	15 50	2,927 50	188 87
Realisation of Assets	12 00	0 00	53 40	0 70	66 10	13,046 00	197 37
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	3 50	0 00	9 60	0 20	13 30	2,819 00	211 95
Case Specific Matters	2 50	0 00	0 00	0 00	2 50	875 00	350 00
set up and appointment docs	3 00	0 00	0 00	0 00	3 00	1,050 00	350 00
Total hours	24 00	0 00	93 30	0 90	118 20		
Time costs	8,400 00	0 00	15,394 50	45 00		23,839 50	
Average hourly rate	350 00	0 00	165 00	50 00			201 69

Description	Total Incurred £	Total Recovered £
	0 00	0 00
Totals	0.00	0.00

Summary of Fees

Time spent in administering the Assignment	Hours	118 20
Total value of time spent to 31 August 2016	£	23,839 50
Total Joint Liquidators' fees charged to 31 August 2016	£	0 00