

The Insolvency Act 1986

Liquidator's Progress Report
Pursuant to Section 192 of
The Insolvency Act 1986**S.192**

To the Registrar of Companies

For Official Use

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Company Number

01561649

Name of Company

Alpine Abrasives Limited

I / We
Michael Finch
3-5 Rickmansworth Road
Watford
Hertfordshire
WD18 0GXthe liquidator(s) of the company attach a copy of my/our progress report
under section 192 of the Insolvency Act 1986

Signed



Date

27/08/11

Moore Stephens LLP
3-5 Rickmansworth Road
Watford
Hertfordshire
WD18 0GX

Ref W60959/RSG/CXM/MRH

Insolvency

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Alpine Abrasives Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 27/04/2010 To 23/06/2011
	FIXED CHARGE ASSETS	
180,000 00	Melton Rd Property (In Specie)	175,000 00
220,000 00	Maizefield Property (In Specie)	215,000 00
	Contribution to Fixed Charge Fees	25,327 33
		<u>415,327 33</u>
	FIXED CHARGE COSTS	
	Legal Fees & Expenses	6,035 00
	Office Holder's Fees	21,041 66
		<u>(27,076 66)</u>
	FIXED CHARGE HOLDER	
	Forst (UK) Ltd (In Specie)	387,577 33
		<u>(387,577 33)</u>
	ASSET REALISATIONS	
	6 Maizefield Hinckley Leicester	NIL
	223 Melton Road Leicester	NIL
	Rent Received	17,750 00
5,000 00	Forst Shares	NIL
	VAT Repayment	36,156 91
	Insurance Repayment	983 49
250,000 00	Directors Loan Account	NIL
		<u>54,890 40</u>
	OTHER REALISATIONS	
	Former Administrator's Trading Sales	61,220 82
	Surplus Funds From Administration	57,858 84
	Utility Refund	93 49
	Interest Gross of Tax	61 92
		<u>119,235 07</u>
	COSTS OF REALISATION	
	Agents, Fees & Expenses (1)	2,500 00
	Insurance Costs (re Administration)	232 94
		<u>(2,732 94)</u>
	COSTS OF ADMINISTRATION	
	Accountancy Fees (Books and Record	175 00
	Legal Fees	20,008 00
	Creditors Committee Expenses	33 20
	Insurance	5,933 46
	Rent & Rates	35,500 00
	Office Holders Outlays	2,158 41
		<u>(63,808 07)</u>
655,000.00		108,257.80
	REPRESENTED BY	
	VAT Receivable	10,632 85
	Bank 1 - Current (G)	95,315 86

Fixed VAT
VAT Payable

5,415 34
(3,106 25)

108,257 80



Michael Finch
Liquidator

Your reference
Our reference 5351/78/W60959
When telephoning please ask for Chewe Mumba

MOORE STEPHENS

27 June 2011

Strictly Private & Confidential

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TO ALL MEMBERS AND CREDITORS

Dear Sir or Madam

ALPINE ABRASIVES LIMITED (IN LIQUIDATION) ("THE COMPANY")

I refer to my appointment as Liquidator of the Company on 27 April 2010

Please find attached a copy of my receipts and payments account for the period 27 April 2010 to 23 June 2011 which should be read in conjunction with this report

This report is intended for use by those parties entitled to a copy thereof under Rule 4.49C CVL of The Insolvency Rules 1986. It may contain information that is privileged, confidential or exempt from disclosure and any dissemination distribution or copying of it and its attachments is strictly prohibited.

Statutory Information

Company name	Alpine Abrasives Limited
Company number	01561649
Registered office	Moore Stephens LLP 3/5 Rickmansworth Road Watford WD18 0GX
Date of appointment	27 April 2010
Liquidator	Michael Finch
Liquidator's address	Moore Stephens LLP 3-5 Rickmansworth Road Watford Hertfordshire WD18 0GX

Asset realisations

Total realisations in the liquidation amount to c £592k. The principal realisations being the sale of two freehold properties ("the Freehold Properties") known as Unit 6 Maizefield, Hinckley ("Maizefield") and 223 Melton Road Leicester ("Melton") which were sold for £215k and £175k respectively.

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Realisations in respect of the former Administrators trading totalled c £61k. ATA Alpine Limited ("ATA"), the purchaser of the business and assets of the Company, assisted with the collection. They advise that further recoveries are unlikely.

Surplus funds totalling c £58k were received from the former Administrators.

A VAT repayment totalling c £36k relating to the Administrators time in office has been received.

A contribution to the Liquidator's fees in the sum of c £25k pertaining to the sale of the Freehold Properties subject to a fixed charge, as detailed below, has also been received.

Rent incurred in the administration of c £17k was received from ATA in relation to the Company's former leasehold property known as Unit 2 Meridian West, Meridian Business Park ("Meridian"). This sum was subsequently paid over to the Company's former landlord Saint-Gobain Abrasives Limited.

Other realisations include an insurance repayment of c £1k, a utility refund of c £0.1k and interest received in the liquidation in the sum of c £0.1k.

Whilst the Company's books and records suggested that the outstanding loan account of Mr Stuart Evans, Director, stood at c £1 million overdrawn, the statement of affairs detailed a book value of just £250k. Mr Evans was subsequently declared bankrupt by an order in Leicester County Court on 11 June 2010. His Trustee in Bankruptcy, David Butler of Hillier Hopkins Corporate Recovery LLP, has advised that the debtor's assets are nominal relative to the outstanding debt. After the costs associated with the administration of his estate, a return for the benefit of the liquidation estate is unlikely. I would add, however, that the Trustee's investigations with respect to the debtor's assets continue.

The Company's statement of affairs originally detailed an estimated to realise figure of £5k in respect of the Company's shareholding in Forst (UK) Limited ("Forst"), an associated company under mutual directorship and part of the same VAT group registration. The Liquidator is currently seeking a purchaser for the shares.

In addition to the shares detailed above, the Company also claims ownership to two personalised registration plates. The ownership of these is disputed.

Secured creditors

Bank of Scotland plc ("the Bank") held a debenture granting a fixed charge over the Company's Freehold Properties. Forst, in their capacity as guarantor, discharged in full the Company's indebtedness to the Bank and as such acquired subrogated rights in relation to the Bank's security.

Following the aforementioned subrogation, the Freehold Properties were transferred to Forst on account of their inherited security.

Preferential creditors

There are no preferential creditors in the liquidation.

Unsecured creditors

Unsecured creditor claims in the sum of c £2million have been received. In view of limited asset realisations combined with the costs of the liquidation, there is little likelihood of a dividend to unsecured creditors.

Investigations

An appropriate report/return on the actions of the directors has been forwarded to the Disqualification Unit of the Department for Business Innovation & Skills (formerly the Department of Business Enterprise & Regulatory Reform) in accordance with the Liquidator's statutory duties. Please note that the content of this report/return is of a privileged and confidential nature and so cannot be disclosed to third parties.

Liquidator's remuneration

A committee of creditors constituted under Section 101 of the Insolvency Act 1986 passed the following resolution in respect of the Liquidator's remuneration and disbursements -

"That the Liquidator's remuneration be based upon time properly given by the Liquidator and his staff in attending to matters arising in the winding up, and is authorised to draw fees and disbursements (including those categorised in the Statement of Insolvency Practice 9, Category 9) generally on account at his discretion in accordance with the aforementioned resolution."

Time costs incurred to date are shown at c£118k in respect of c 478 hours at an average hourly charge out rate of c £0 2k per hour. Disbursements incurred for the period of the liquidation are shown at c £2k, the sum of c £2k in this respect has been drawn.

The time costs incurred to date have arisen primarily as a result of the involvement of my staff in the establishment and realisation of the Company's assets. In addition we have dealt with the statutory functions required under the Insolvency Act 1986 and The Insolvency Rules 1986 and also numerous enquiries from creditors of the Company and the general administration of the liquidation.

Detailed below are schedules of my firm's time costs and disbursements incurred -

Summary of Time Costs Incurred

Summary of Moore Stephens' time-costs from 27 April 2010 to 23 June 2011							
	Partner	Director/ Manager	Admin	Support staff	Total Hours	Time cost (£)	Av rate per hour (£)
Statutory compliance, admin and planning	7 50	22 25	75 00	33 70	138 45	21,399 65	154 57
Realisation of assets	11 65	85 20	31 75	-	128 60	36 762 35	285 87
Creditors	12 50	63 85	16 35	4 65	97 35	28,772 30	295 56
Investigations	10 20	70 70	20 15	-	101 05	29,763 75	294 54
Trading	-	3 10	-	-	3 10	1,023 00	330 00
Case specific matters	0 30	0 55	9 05	-	9 90	1,208 65	122 09
Total hours	42 15	245 65	152 30	38 35	478 45	118,929 70	
Total remuneration drawn on account							21,041 68

Summary of Moore Stephens' time-costs from 27 April 2011 to 23 July 2011							
	Partner	Director/ Manager	Admin	Support staff	Total Hours	Time cost (£)	Av rate per hour (£)
Statutory compliance, admin and planning	0 25	-	1 05	2 25	3 55	465 70	131 18
Realisation of assets	-	-	0 15	-	0 15	13 95	93 00
Creditors	-	0 35	-	-	0 35	119 00	340 00
Investigations	-	0 90	-	-	0 90	306 00	340 00
Case specific matters	-	-	0 05	-	0 05	10 00	200 00
Total hours	0 25	1 25	1 25	2 25	5 00	914 65	

Remuneration drawn in this period

NIL

Narrative and Description of Work Carried Out

Statutory compliance, administration and planning

- General administration in connection with the maintenance of the statutory file including the setting up of internal hard copy files and a case file on the Insolvency Practitioners System (IPS)
- Data input including basic details of case, assets, creditor names and addresses and employee names and addresses on IPS
- Statutory duties associated with appointment
- Preparation and filing of statutory documents
- Completion of bonding details on the IPS system
- Completion of the initial IP record
- Completion of internal periodic reviews including six month and annual reviews
- Maintaining time-costs and disbursement schedules on firm's PMS system (including timesheet entries)
- General administration of case including postage and filing
- Correspondence with compliance department in respect of ongoing case issues/matters
- Complying with money laundering regulations
- Completing bill requisitions and raising invoices against time incurred in respect of work carried out and outlays incurred
- Completion of details for section 101A progress reports
- Company searches.

Realisation of assets

- Liaising with the secured charge holder and their legal representatives in respect of the administration and transfer of fixed charge assets
- Communications with estate agents in respect of the valuation of fixed charge assets
- Communications with insurance brokers in respect to insuring the fixed charge assets and subsequently filing and processing an insurance claim in relation to damage sustained at one of the properties
- Communications with HM Revenue and Customs in respect of VAT election on properties subject to a fixed charge
- Communications with the Liquidator's solicitors in respect of the transfer of the properties subject to a fixed charge
- Reconciliation of funds received in respect of the Company's outstanding debtor ledger
- Communications with HMRC in respect of a VAT refund relating to the administrator time in office including the preparation of a VAT schedule in this regard
- Liaising with the Director's Trustee in Bankruptcy in relation to Mr Evans overdrawn loan account
- Investigating ownership of shares and personalised number plates
- Reviewing the Company's sales ledger
- Reviewing the Company's administration sales ledger

Creditors

- Constitution of the creditors committee including periodic updates on the progress of the liquidation
- Updating IPS and maintaining a creditor list including recording creditor claims
- Communications with unsecured creditors
- Resolving proof of debt issues
- Providing creditors with impromptu updates on the progress of the liquidation
- Addressing issues surrounding secured creditors

Investigations

- Review of the Company's book and records
- Completion of the internal investigation checklist
- Reviewing creditor questionnaires
- Completing and submitting D Return/Report
- Liaising with Mr Evans Trustee in Bankruptcy
- Discussing matters with the liquidation committee

Case specific matters

- Overall strategy for the liquidation
- General administration including filing
- Completing money laundering paperwork including emails to the money laundering officer
- Preparation and maintenance of in-house spreadsheets regarding time costs and outlays incurred
- Legal advice with regard to subrogation

Summary of Disbursements Incurred

Summary of disbursements	Costs incurred	
	27/04/10-23/06/11	27/04/11-23/06/11
Expense	£	£
Moore Stephens' disb - Category 1		
Advertising	75 60	-
Bordereau	528 00	-
Postage	90 33	-
Search fee	14 00	-
Travel	71 14	-
Moore Stephens' disb - Category 2		
Fax	2 80	-
Photocopying/printing	883 80	5 10
Storage	748 80	166 40
Total	2 414 47	171 50
Disbursements drawn on account	2,158 41	NIL

Expenses incurred

Other expenses	Nature of work	Paid to date (€)	
Matthew Arnold & Baldwin LLP	Legal advice	20 008 00	20,008 00
Matthew Arnold & Baldwin LLP	Legal advice fixed charge properties	6,035 00	6 035 00
Jardin Lloyd Thompson	Insurance	5,933 46	5,933 46
Innes England	Marketing of properties	2 500 00	2 500 00
AUA Insolvency Risk Services	Insurance	232 94	232 94
ATA Alpine Limited	Collection of books and records	175 00	175 00
VSM Abrasives Limited	creditors committee expenses	33 20	33 20
Total for other expenses		34 917 60	34,917 60

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A copy of 'A Creditors' Guide to Liquidator's Fees', issued by the Association of Business Recovery Professionals (R3), is available to download at

➤ <http://moorestephens.co.uk/Creditorguidespost6Aprilappointmentspetitions.aspx>

To obtain a hard copy, please contact my office at the address shown above

Creditors' rights

Within 21 days of receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) or any unsecured creditor with the permission of the

court may request in writing that the liquidator provide further information about his remuneration or expenses which have been itemised in the progress report

Within 14 days of receipt of the request, I must provide all of the information asked for, except so far as I consider that

- the time or cost of preparation of the information would be excessive, or
- disclosure of the information would be prejudicial to the conduct of the liquidation it might reasonably be expected to lead to violence against any person, or
- I am subject to an obligation of confidentiality in respect of the information

I am also required to give reasons for not providing all of the requested information. Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may, within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the liquidator's remuneration, the remuneration charged, or the expenses incurred by the liquidator as set out in the progress report are excessive

Other Matters

I would advise that the former Liquidator, Steven Mark Draine, died on 31 December 2010. I now act as sole Liquidator in this matter.

If you have any queries or require further information in respect of the content of this report then please do not hesitate to contact Chewie Mumba of this office.

Yours faithfully

For Alpine Abrasive Limited (In Liquidation)



Michael Finch
Liquidator

Enc(s)

Michael Finch is authorised in the UK by the Institute of Chartered Accountants in England and Wales to act as an Insolvency Practitioner

Alpine Abrasives Limited
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Liquidator