

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 104394

Name of Company

Ashpol plc

We

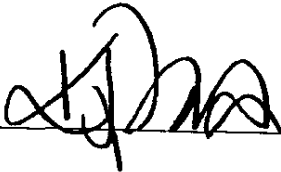
Kirstie Jane Provan, 31st Floor, 40 Bank Street, London, E14 5NR

Mark Robert Fry, 31st Floor, 40 Bank Street, London, E14 5NR

the 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 10/09/2014 to 09/09/2015

Signed



Date

11 SEPTEMBER 2015

Begbies Traynor (Central) LLP
31st Floor
40 Bank Street
London
E14 5NR

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COMPANIES HOUSE



Ashpol plc (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. 10 September 2014 to 9 September 2015

Important Notice

This progress report has been produced solely to comply with the Joint Liquidators' 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"	Ashpol plc (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 Joint Liquidators", "we", "our" and "us"	Kirstie Jane Provan and Mark Robert Fry, both of Begbies Traynor (Central) LLP, 31st Floor, 40 Bank Street, London, E14 5NR
"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	Ashpol Plc
Company registered number	00104394
Company registered office	31st Floor, 40 Bank Street, London, E14 5NR
Former trading address	3rd Floor, 5 Wigmore Street, London, W1U 1PB

3. DETAILS OF APPOINTMENT OF JOINT LIQUIDATORS

Date winding up commenced	10 September 2013
Date of liquidators' appointment	10 September 2013
Changes in liquidator (if any)	None

4 PROGRESS DURING THE PERIOD

Attached at Appendix 1 is the Joint Liquidators' abstract of receipts and payments for the period from 10 September 2014 to 9 September 2015

Receipts

Bank Interest Gross

An amount of £13 89 was received on gross interest earned on deposits held in the floating charge bank account

Payments

Joint Administrators' Time Costs

An amount of £3,200 was paid to Begbies Traynor (Central) LLP in respect of the Joint Administrators' fees on account of time properly incurred in dealing with the preceding administration of the Company

Joint Liquidators' Fees

An amount of £23,750 was paid to Begbies Traynor (Central) LLP in respect of their fees on account of time properly incurred in dealing with the winding-up of the Company

Joint Liquidators' Expenses

An amount of £83 was paid to Begbies Traynor (Central) LLP in respect of their expenses incurred in dealing with the winding-up of the Company

Corporation Tax

An amount of £1,715 was paid to HM Revenue & Customs in respect of the Company's Corporation Tax liabilities

Unsecured Creditor Distribution

An amount of £1,258 was paid to unsecured creditors during the period of this report. Please see section 5 of this report for further information regarding the distribution to creditors.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the progress report of the former Joint Administrators for the period from 23 August 2013 to 10 September 2013.

On the basis of realisations to date the Joint Liquidators estimate an outcome for each class of the Company's creditors as follows:

Secured creditor

Law Debenture Trustees Limited

On 6 December 1985, the Company issued £75million of 10.75% first mortgage debenture stock which is constituted by the Trust Deed between, among others, the Company and its Trustee, Law Debenture Trustees Limited (formerly known as Eagle Star Trust Company).

Following the completion of the Sales and the release of both the Portfolio Properties and the Harlow Site, two distributions totalling £50million were paid to the Trustee, during the administration period, to hold on trust for the Stockholders as an initial and partial repayment for the Stock in accordance with the provisions of the Trust Deed. This has resulted in a payment of an amount of approximately £0.66 (less any applicable costs and expenses of the Trustee) for each £1.00 in nominal value of the Stock.

To the extent that the aggregate amount paid to Stockholders upon completion of the Sales (inclusive of any additional amount payable in respect of the Nortel Claims pursuant to the Harlow Sale Agreement) is less than the total amount due to Stockholders from the Company, the Stockholders have a claim as unsecured creditors for the outstanding amounts owed to them from the Group.

The Group does not have any material assets and, save to the extent that there are other as yet unidentified material assets, the Stockholders rank *pari passu* with the other unsecured creditors in respect of any outstanding amounts owed by the Company to Stockholders.

Preferential creditors

The Joint Liquidators are not aware that the Company had any employees and therefore, there are no known 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 Joint Administrators in their progress report for the period from 23 August 2013 to 10 September 2013.

To the best of the Joint Liquidators' knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

Unsecured creditors

A dividend of 3.15 pence in the £1 was paid to the unsecured creditors in June 2014.

One unsecured claim is still to be adjudicated by the Joint Liquidators. The claim has been provided for and the Joint Liquidators are holding funds of £210,906 to settle that claim.

There are insufficient funds to pay a further dividend as the balance of funds realised have already been distributed or used or allocated to defray the expenses of the liquidation.

6 REMUNERATION & DISBURSEMENTS

Pursuant to Rule 4.127(5A)(a) of the Rules, the Joint Liquidators' remuneration is treated as having been fixed on the same basis as the former Joint Administrators, by reference to the time properly given by them (as Joint Liquidators) and the various grades of their 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, the Joint Liquidators are also authorised to draw disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9) on the same basis as the former Joint Administrators, namely, in accordance with their firm's policy, a copy of which is attached at Appendix 2 of this report.

The Joint Liquidators' time costs for the period from 10 September 2014 to 9 September 2015 amount to £27,026 which represents 112.80 hours at an average rate of £239.59 per hour.

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

- Begbies Traynor (Central) LLP's policy for re-charging disbursements
- Begbies Traynor (Central) LLP's charge-out rates
- Narrative summary of time costs incurred
- Table of time spent and charge-out value for the period 10 September 2014 to 9 September 2015
- Cumulative table of time spent and charge-out value for the period from 10 September 2013 to 9 September 2015

To 9 September 2015, the Joint Liquidators have drawn the total sum of £132,900 on account of their remuneration, against total time costs of £134,880 incurred since the date of their appointment as Joint Liquidators.

To 9 September 2015, the Joint Liquidators have also drawn disbursements in the sum of £189.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W)' 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 the Joint Liquidators' office and they will arrange to send you a copy.

7. JOINT 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

As far as the Joint Liquidators are aware, there are no further assets to be realised

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. The Joint Liquidators can confirm that they have discharged their duties in these respects

10 CREDITORS' RIGHTS

Right to request further information

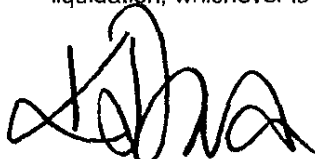
Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that the Joint Liquidators provide further information about their 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 the Joint Liquidators' remuneration is inappropriate

11. CONCLUSION

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



K J Provan
Joint Liquidator

Dated 11 SEPTEMBER 2015


ACCOUNT OF RECEIPTS AND PAYMENTS

Period 10 September 2014 to 9 September 2015

Ashpol plc (In Liquidation)

Joint Liquidators' Abstract of Receipts & Payments

	From 10/09/2014 To 09/09/2015	From 10/09/2013 To 09/09/2015
ASSET REALISATIONS		
Surplus from administration period	NIL	1,794,148
VAT Refund from administration	NIL	5,461
Bank Interest Gross	14	7,941
Bank Interest Net of Tax	NIL	444
	<u>14</u>	<u>1,807,994</u>
COST OF REALISATIONS		
Joint Administrators' time costs	(3,200)	(7,097)
Joint Administrators' Disbursements	NIL	(1)
Joint Liquidators' Fees	(23,750)	(129,700)
Joint Liquidators' Expenses	(83)	(189)
Legal Fees	NIL	(7,392)
Legal Disbursements	NIL	(0)
Corporation Tax	(1,715)	(14,729)
Statutory Advertising	NIL	(338)
	<u>(28,748)</u>	<u>(159,446)</u>
DISTRIBUTIONS		
Unsecured creditor distribution	<u>(1,258)</u>	<u>(1,426,867)</u>
	(1,258)	(1,426,867)
	<u>(29,992)</u>	<u>221,681</u>
REPRESENTED BY		
Vat Receivable		6,087
Bank 2 Current		4,688
Corporate Bonus Account 1 2% Santa		210,906
		<u>221,681</u>


 K J Provan
 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 Narrative summary of time costs incurred, and
- d Table of time spent and charge-out value for the period from 10 September 2014 to 9 September 2015, and
- e Cumulative table of time spent and charge-out value for the period from 10 September 2013 to 9 September 2015

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 indicates 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 and 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 expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(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 £150 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.

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 London office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour)
	1 May 2011 – until further notice
Partner	495
Director	395
Senior Manager	365
Manager	315
Assistant Manager	270
Senior Administrator	235
Administrator	185
Trainee Administrator	160
Support	160

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	Ashpol plc
CASE TYPE	Creditors' Voluntary Liquidation
OFFICE HOLDERS	Kirstie Jane Provan and Mark Robert Fry
DATE OF APPOINTMENT	10 September 2013

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**

As detailed in the main body of the report, the Joint Liquidators have adjudicated the unsecured creditors' claims and paid a dividend of 3.15 pence in the £

One unsecured claim is still to be adjudicated by the Joint Liquidators. The claim has been provided for and the Joint Liquidators are holding funds of £210,906 to settle that claim.

There are insufficient funds to pay a further dividend as the balance of funds realised have already been distributed or used or allocated to defray the expenses of the liquidation.

The Joint Liquidators continue to try to resolve the matter with the creditor.

1.3 **The office holders' effectiveness**

The surplus from the administration bank account totals £1,794,148 and a VAT refund from the administration of £5,461.

The Joint Liquidators have fulfilled their duty to adjudicate the unsecured claims and pay a distribution to the unsecured creditors.

1.4 **Anticipated return to creditors**

Secured creditor

Law Debenture Trustees Limited

On 6 December 1985, the Company issued £75million of 10.75% first mortgage debenture stock which is constituted by the Trust Deed between, among others, the Company and its Trustee, Law Debenture Trustees Limited (formerly known as Eagle Star Trust Company).

Following the completion of the Sales and the release of both the Portfolio Properties and the Harlow Site, two distributions totalling £50million were paid to the Trustee, during the administration period, to hold on trust for the Stockholders as an initial and partial repayment for the Stock in accordance with the provisions of the Trust Deed. This has resulted in a payment of an amount of approximately £0.66 (less any applicable costs and expenses of the Trustee) for each £1.00 in nominal value of the Stock.

To the extent that the aggregate amount paid to Stockholders upon completion of the Sales (inclusive of any additional amount payable in respect of the Nortel Claims pursuant to the Harlow Sale Agreement) is less than the total amount due to Stockholders from the

Company, the Stockholders have a claim as unsecured creditors for the outstanding amounts owed to them from the Group

The Group does not have any material assets and, save to the extent that there are other as yet unidentified material assets, the Stockholders rank *pari passu* with the other unsecured creditors in respect of any outstanding amounts owed by the Company to Stockholders

Preferential creditors

The Joint Liquidators are not aware that the Company had any employees and therefore, there are no known 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 Joint Administrators in their progress report for the period from 23 August 2013 to 10 September 2013

To the best of the Joint Liquidators' knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors

Unsecured creditors

A dividend of 3 15 pence in the £1 has been paid to the unsecured creditors in June 2014

One unsecured claim is still to be adjudicated by the Joint Liquidators. The claim has been provided for and the Joint Liquidators are holding funds of £210,906 to settle those claims

There are insufficient funds to pay a further dividend as the balance of funds realised have already been distributed or used or allocated to defray the expenses of the liquidation

1 5 Time costs analysis

An analysis of time costs incurred between 10 September 2014 to 9 September 2015 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 6 The views of the creditors

The Joint Liquidators have notified all known creditors and Stockholders of the progress of the liquidation

1 7 Approval of fees

The Joint Liquidators' remuneration has been fixed under Rule 2.106 of the Rules by reference to the time properly given by them (as Liquidators) and the various grades of our staff calculated at the prevailing hourly rates of Begbies Traynor in attending to matters arising in the liquidation. This resolution was passed at the creditors meeting held on 2 May 2012 during the preceding administration period

1 8 Approval of Expenses and Disbursements

The Joint Liquidators' disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9) has been approved at the creditors meeting on 2 May 2012

1 9 Other professionals employed & their costs

Clyde & Co

Clyde & Co were paid an amount of £7,392 in respect of their fees and expenses in dealing with the transition from administration to liquidation and advising the Joint Liquidators on the disclaiming of a lease

1 10 Staffing and management

Appropriately experienced staff have undertaken tasks arising in the liquidation to ensure that matters were properly dealt with at the least cost to the liquidation estate

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

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

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

3 SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

Since the date of the Joint Liquidators' last report, the following work has been carried out

- Ensuring compliance with professional standards, the handling of receipts and payments during the liquidation, and the day-to-day running of the liquidation,
- Dealing with statutory filings, reports and meetings,
- Dealing with tax submissions, and
- Adjudicating unsecured creditors' claims

[illegible]

[illegible]

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Postage	Royal Mail	80 39	80 39	0 00