

# 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

00273919

Name of Company

A.B.F. Limited

I / We

Anthony John Wright, 2nd Floor, 110 Cannon Street, London, EC4N 6EU

Gareth Rutt Morris, Kings Orchard, 1 Queen Street, Bristol, BS2 0HQ

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 30/03/2016 to 29/03/2017

Signed



Date

19 June 2017

FRP Advisory LLP  
2nd Floor  
110 Cannon Street  
London  
EC4N 6EU

Ref: A1469BRI/AJW/GRM/DHR/AGR/JEW/TE/KL


THURSDAY



A13      \*A693N0XS\*      #145  
22/06/2017  
COMPANIES HOUSE

**A.B.F. Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs	From 30/03/2016 To 29/03/2017	From 30/03/2015 To 29/03/2017
<b>ASSET REALISATIONS</b>		
Cash at Bank from Former Liquidators	NIL	1,072,158.48
Rates Refund	NIL	296.34
Bank Interest Gross	1,263.08	3,286.55
	<u>1,263.08</u>	<u>1,075,741.37</u>
<b>COST OF REALISATIONS</b>		
Joint Liquidators' Remuneration	100,000.00	100,000.00
Joint Liquidators' Disbursements	4,230.73	4,230.73
Legal Disbursements	70,181.88	71,493.13
Former Liquidators Disbursements	NIL	1,483.65
Legal Fees	50,000.00	55,232.50
Former Liquidators' Legal Fees	NIL	2,467.71
Corporation Tax	404.69	404.69
Courier Charges	20.60	20.60
Former Liquidators Legal Disbursemen	NIL	1,405.00
Statutory Advertising	NIL	84.60
	<u>(224,837.90)</u>	<u>(236,822.61)</u>
<b>DISTRIBUTIONS</b>		
Unclaimed Interim Dividend	NIL	5,268.61
	<u>NIL</u>	<u>5,268.61</u>
	<u><b>(223,574.82)</b></u>	<u><b>844,187.37</b></u>
<b>REPRESENTED BY</b>		
Vat Recoverable Floating		45,232.59
IB Current Floating		798,954.78
		<u><b>844,187.37</b></u>

  
 \_\_\_\_\_  
 Anthony John Wright  
 Joint Liquidator

## **A.B.F. Limited (In Liquidation) ("The Company")**

The Joint Liquidators' Progress Report for the period 30 March 2016 to 29 March 2017 pursuant to section 104A of the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016

18 May 2017

Contents and abbreviations



The following abbreviations may be used in this report:

Section	Content	FRP Advisory	FRP Advisory LLP
1.	Progress of the liquidation	The Company	A.B.F. Limited (In Liquidation)
2.	Estimated outcome for the creditors	The Joint Liquidators	Anthony John Wright and Gareth Rutt Morris of FRP Advisory LLP
3.	Joint Liquidators' remuneration, disbursements and expenses	The Period	The reporting period 30 March 2016 to 29 March 2017
Appendix	Content	CVL	Creditors' Voluntary Liquidation
A.	Statutory information about the Company and the liquidation	SIP	Statement of Insolvency Practice
B.	Joint Liquidators' Receipts & Payments Account for both the Period and cumulatively	QFCH	Qualifying floating charge holder
C.	Details of the Joint Liquidators' time costs and disbursements for both the Period and cumulatively	HMRC	HM Revenue & Customs
D.	Statement of expenses incurred in the Period		

# 1. Progress of the liquidation



## Introduction

Further to the appointment of the Joint Liquidators on 30 March 2015, we report on the progress of the liquidation for the period 30 March 2016 to 29 March 2017 ("the Period") in accordance with Section 104A of the Insolvency Act 1986 and the Insolvency Rules 2016.

As previously reported, the Joint Liquidators' appointment followed the removal of David Costley-Wood, Brian Green and Mark Firmin of KPMG LLP ("the Former Liquidators"), pursuant to a Court order made on the same day.

## Work undertaken during the Period

At the date of our appointment, the Company had no physical assets and, therefore, no realisations have been made to date, aside from a rates refund of £296.34 and cash at bank of £1,072,158.48 recovered from the Former Liquidators as outlined in our previous report dated 18 May 2016. Creditors are referred to the Former Liquidators' reports in this liquidation, as well as the directors' statement of affairs dated 7 May 2011.

During the Period and since our appointment, we have continued to progress a number of enquiries in relation to concerns raised by a major creditor relating to the circumstances of the Company's failure.

Our enquiries in respect of the Company's losses and demise are ongoing and, due to their sensitive nature, it would not be appropriate to release further details in relation to this issue at this stage.

In addition, and as previously reported, a European Commission decision in 2014 ruled that four main producers of polyurethane foam had participated in a cartel ("the Cartel"), co-ordinating the pricing of foam in 10 EU member states. One of the Cartel members was a supplier ("the Supplier") of the Company and, further to our investigations, it was established that the Company has a claim against the Supplier

in respect of overpayments and resultant compensation and interest. Consequently, a claim was issued against the Supplier on 20 June 2016 in respect of damages for overcharges as a result of the Cartel activities.

Given the legal and commercial sensitivity surrounding this claim, it would not be appropriate to disclose any further information in respect of this matter at present. However, we will continue to keep creditors updated of any material developments in this regard.

During the Period, the Company received a number of personal injury claims from historic employees. We are continuing to deal with the Company's insurers in respect of these claims.

Part of our duties includes carrying out proportionate investigations into what assets the Company has, including any potential claims against the directors or other parties, and what recoveries could be made. We have reviewed the Company's books and records and accounting information, analysed the information from the directors, and invited creditors to provide information on any concerns they have concerning the way in which the Company's business has been conducted.

As previously advised, a report on the conduct of the directors to the Department for Business, Innovation & Skills was submitted by the Former Liquidators and no further report was required.

Should any creditor hold information about the assets, affairs and dealings of the Company, which they feel may assist our investigations, please provide this to us as soon as possible.

# 1. Progress of the liquidation



## Future work to be undertaken

Please see below for a summary of future work to be undertaken.

### Regulatory Requirements

- Continued consideration and monitoring of professional and ethical matters and other legislation such as the Bribery Act, Data Protection Act and others.
- Continued consideration and monitoring of case specific matters including health and safety, environmental concerns, particular licences or registrations, tax position, social media, profile of the client or its stakeholders.

### Case Management

- Continued consideration and monitoring of case strategy and regular updates to the strategy document to document progress. Continued regular meetings between case staff to progress case matters.

- Ensuring adequate insurance remains in place as required.

- Continued correspondence with the former advisors to the Company, where appropriate.

- Continue to deal with the Company's insurers in respect of personal injury claims.

### Assets

- To continue investigations into the Company's business, dealings and affairs for the purposes of identifying any assets, if any, which may be realised for the benefit of the estate.
- To continue to progress the claim against the Cartel (as outlined above).

## Statutory compliance and reporting

- To provide statutory reports to creditors at regular intervals and continue to manage any queries arising therefrom. Copies of these reports are required to be filed with the Registrar of Companies.

- Correspondence with the VAT and other departmental offices of HMRC to ascertain the Company's pre appointment tax position. Completion and submission of any relevant returns, where required.

- Ongoing liaison with HMRC to agree the Company's post appointment tax position and to obtain tax clearances. Submission of ongoing returns as required.

- Deal with the statutory requirements in order to bring the case to a close including preparing a final report for stakeholders, filing the relevant documentation with the Registrar of Companies and obtaining the Joint Liquidators' release.

### Reports and Correspondence

- Continue to issue correspondence and updates to the body of creditors as necessary.

- Continue correspondence with unsecured creditors including addressing creditor queries and providing information in respect of the liquidation process.

- Continue to consider and process proof of debt forms received from unsecured creditors.

- Continue to record all claims received to date in the Joint Liquidators' case management system.

## 1. Progress of the liquidation

- Adjudicate proofs of debt prior to any such distribution, should sufficient realisations be made to allow for one.

### Investigations

- Continue to investigate certain matters in respect of the circumstances that led to the Company's failure and demise with a view to achieving a return to the liquidation estate.
- Continue with relevant work required in relation to the claim against the Cartel.

### Receipts and payments account

Attached, at **Appendix B**, is a receipts and payments account detailing both transactions for the Period and also cumulatively since our appointment as Joint Liquidators. You will note that the only receipt in the Period is total gross bank interest of £1,263.08.

As confirmed above, we are continuing to investigate certain matters in respect of the circumstances that led to the Company's failure and demise with a view to achieving a return to the liquidation estate.

## 2. Estimated outcome for the creditors



### Outcome for secured creditors

As previously reported, at the date of the Joint Administrators appointment, Grace Bay Holdings II SaRL ("Grace Bay") was owed approximately £12,700,000 by the Company. This was secured by a debenture conferring a fixed and floating charge over the Company's assets dated 12 February 2011, as well as cross guarantees from various group companies.

As part of the sale of the Company's business, Grace Bay's debt was novated to HIG Snooze Newco Limited, the purchaser of the Company's business and assets ("the Purchaser"), and was therefore effectively paid in full.

### Preferential Creditors

As previously reported by the Former Liquidators, as all employees were transferred to the Purchaser, there have been no preferential claims in the proceedings.

### Unsecured creditors

Claims totalling £70,710,507 have been received from 406 unsecured creditors who have submitted their debts in the proceedings. A total of 259 creditors have yet to submit their claims.

As previously reported, a first dividend of 5p in the £ was declared on 28 March 2012 and the total amount of £5,235,388 was distributed on agreed claims totalling £69,992,224. A second dividend of £12.16p in the £ was declared to unsecured creditors on 7 May 2014 and the total amount of £6,421,304 was distributed to creditors on agreed claims of £69,992,224.

On current information, it is anticipated that a further dividend may be paid to unsecured creditors. However, the timing and quantum of any further interim or

final dividend are uncertain at present. We will, of course, keep creditors updated as matters progress and provide notice of any further dividends in line with statutory requirements.

Those creditors who have not already submitted a statement of a claim form are requested to send details of their claim to us.

### The Prescribed Part

In accordance with the Enterprise Act 2002, the prescribed part is an element of net realisations due to a floating charge holder which is made available for unsecured creditors (subject to the floating charge post-dating 15 September 2003).

As previously reported, the floating charge creditor in question, Grace Bay, has been repaid in full by the Former Administrators and Liquidators. Accordingly, the prescribed part provisions no longer apply in this instance and all further net realisations are available for distribution to unsecured creditors.



### 3. Joint Liquidators' remuneration, disbursements and expenses



#### Joint Liquidators' remuneration

Turning to our own costs in this matter, our remuneration as Joint Liquidators is based on computerised records of all time spent on the administration of this case. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and experience required. Time is charged to the case in maximum of 6 minute units. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters. Charge-out rates are reviewed at least annually, details of FRP Advisory charge-out rates, together with a breakdown of the time costs and disbursements incurred during the Period of this report and cumulatively, in accordance with Statement of Insolvency Practice 9, are attached at **Appendix C**.

At the creditors' meeting held on 15 May 2015, we were authorised to draw fees on a time cost basis. We have drawn fees of £100,000 plus VAT during the Period.

#### Joint Liquidators' disbursements

The Joint Liquidator's disbursements are a recharge of actual costs incurred by the Joint Liquidator in dealing with this matter. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP Advisory at the HMRC approved mileage rate prevailing at the time the mileage was incurred. Details of disbursements incurred during the Period are set out in **Appendix C**.

#### Expenses of the liquidation

Attached, at **Appendix D**, is a statement of expenses that have been incurred during the Period.

Creditors have a right to request further information from the Liquidator and further have a right to challenge the Liquidator's remuneration and other expenses, which are first disclosed in this report, under the Insolvency Rules. (For ease of reference these are the expenses incurred in the Period as set out in **Appendix D** only). Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link <http://creditors.frpadvisory.com/feesguide.htm> and select the one for liquidation. Alternatively, a hard copy of the relevant guide will be sent to you on request. Please note there is a time limit for requesting information being 21 days following the receipt of this progress report. There is a time limit of 8 weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive.

# Appendix A

## Statutory information about the Company and the liquidation



### A.B.F. LIMITED (IN LIQUIDATION)

#### COMPANY INFORMATION:

Other trading names:	None
Date of incorporation:	15 March 1933
Company number:	00273919
Registered office:	c/o FRP Advisory LLP, 110 Cannon Street, London, EC4N 6EU
Previous registered offices:	c/o KPMG LLP, 1 St Peter's Square, Manchester, M2 3AE PO Box 100 Long Ing Lane, Barnoldswick, Lancashire, BB18 6WT
Business address:	PO Box 100 Long Ing Lane, Barnoldswick, Lancashire, BB18 6WT

#### LIQUIDATION DETAILS:

Joint Liquidator(s):	Anthony John Wright & Gareth Rutt Morris
Address of Joint Liquidator(s):	FRP Advisory LLP 110 Cannon Street, London, EC4N 6EU
Date of appointment of Joint Liquidator(s):	30 March 2015
Court in which Liquidation proceedings were brought:	N/A
Court reference number:	N/A

## Appendix B

### Joint Liquidators' Receipts & Payments Account for both the Period and cumulatively



	From 30/03/2016 To 29/03/2017 (£)	Total (£)
<b>RECEIPTS</b>		
Cash at Bank from Former Liquidators	0.00	1,072,158.48
Rates Refund	0.00	296.34
Bank Interest Gross	1,263.08	3,286.55
Unclaimed Interim Dividend	0.00	5,268.61
	<b>1,263.08</b>	<b>1,081,009.98</b>
<b>PAYMENTS</b>		
Joint Liquidators' Remuneration	100,000.00	100,000.00
Joint Liquidators' Disbursements	4,230.73	4,230.73
Legal Disbursements	70,181.88	71,493.13
Former Liquidators Disbursements	0.00	1,483.65
Legal Fees	50,000.00	55,232.50
Former Liquidators' Legal Fees	0.00	2,467.71
Corporation Tax	404.69	404.69
Courier Charges	20.60	20.60
Former Liquidators Legal Disbursements	0.00	1,405.00
Statutory Advertising	0.00	84.60
	<b>224,837.90</b>	<b>236,822.61</b>
	<b>(223,574.82)</b>	<b>844,187.37</b>
<b>Net Receipts/(Payments)</b>		
<b>MADE UP AS FOLLOWS</b>		
Vat Recoverable Floating	42,866.65	45,232.59
IB Current Floating	(266,441.47)	798,954.78
	<b>(223,574.82)</b>	<b>844,187.37</b>

## **Appendix C**

### **Details of the Joint Liquidators' time costs and disbursements for both the Period and cumulatively**



**ABF LIMITED - IN LIQUIDATION**  
Time charged for the period 30 March 2016 to 29 March 2017

	Appointment Takers / Partners	Manager / Directors	Other Professional	Junior Professional & Support	Total hours	Total cost £	Average hourly rate £
<b>Administration and Planning</b>	<b>9.50</b>	<b>9.55</b>	<b>11.95</b>	<b>0.20</b>	<b>31.20</b>	<b>9,215.50</b>	<b>295.37</b>
Case Accounting			1.60		1.60	299.75	187.34
Case Accounting - General			3.55	0.20	3.75	690.25	184.07
Case Control and Review	2.50	2.80	2.70		8.00	2,424.50	303.06
General Administration	3.50	6.25	4.10		13.85	4,086.00	295.02
Strategy	3.50	0.50			4.00	1,715.00	428.75
<b>Asset Realisation</b>			<b>0.60</b>		<b>0.60</b>	<b>126.00</b>	<b>210.00</b>
Freehold/Leasehold Property			0.10		0.10	21.00	210.00
Legal-asset Realisation			0.50		0.50	105.00	210.00
<b>Creditors</b>	<b>5.50</b>	<b>6.00</b>	<b>9.65</b>		<b>21.15</b>	<b>6,128.75</b>	<b>289.78</b>
Employees		1.00	0.80		1.80	448.00	248.89
Landlord			0.30		0.30	63.00	210.00
Legal-Creditors			3.80		3.80	798.00	210.00
Unsecured Creditors	5.50	5.00	4.75		15.25	4,819.75	316.05
<b>Investigation</b>	<b>36.15</b>	<b>155.90</b>	<b>139.65</b>	<b>73.25</b>	<b>404.95</b>	<b>112,922.50</b>	<b>278.86</b>
Control claim	18.40	111.90	83.55	73.25	287.10	80,241.25	279.49
Forensic	3.25	22.00			25.25	8,637.50	342.08
Investigatory Work	7.00	3.75	42.60		53.35	12,955.25	242.84
Legal - Investigations	7.50	18.25	13.50		39.25	11,086.50	282.51
<b>Statutory Compliance</b>	<b>2.00</b>	<b>2.75</b>	<b>8.70</b>		<b>13.45</b>	<b>3,387.00</b>	<b>251.82</b>
Post Appr TAX/VAT			4.10		4.10	861.00	210.00
Statutory Reporting/ Meetings	2.00	2.75	4.60		9.35	2,526.00	270.16
<b>Total hours</b>	<b>53.15</b>	<b>174.20</b>	<b>170.55</b>	<b>73.45</b>	<b>471.35</b>	<b>131,779.75</b>	<b>279.58</b>
<b>Total cost £</b>	<b>24,520.50</b>	<b>56,057.75</b>	<b>38,977.75</b>	<b>12,223.75</b>		<b>131,779.75</b>	
<b>Average hourly rate £</b>	<b>461.35</b>	<b>321.80</b>	<b>228.54</b>	<b>166.42</b>		<b>279.58</b>	

Disbursements	Value £
Consultancy	3,960.00
Postage	551.66
Storage	190.69
Property	9.00
<b>Total cost £</b>	<b>4,711.35</b>

FRP CHARGE OUT RATES		From	
Grade		1st July 2013	1st May 2016
Appointment taker / Partner		370-400	370-450
Manager / Director		270-370	280-370
Other Professional		160-225	165-230
Junior Professional & Support		70-105	80-110

ABF LIMITED - IN LIQUIDATION  
Time changed for the period 30 March 2015 to 27 March 2017

	Appointment Taker / Partners	Managers / Directors	Other Professionals	Junior Support	Total hours	Total cost £	Average hourly rate £
<b>Administration and Planning</b>	<b>28.00</b>	<b>24.35</b>	<b>27.95</b>	<b>0.20</b>	<b>80.50</b>	<b>24,094.00</b>	<b>299.33</b>
Cost Accounting			3.25		3.25	575.00	176.92
Cost Accounting - General			8.30	0.20	8.50	1,699.75	199.97
Cost Control and Review	18.00	4.70	6.40		29.10	9,795.50	336.42
General Administration	5.00	12.15	6.60		23.75	6,902.00	290.61
Insurance			0.50		0.50	110.00	220.00
Stationery	5.00	7.50	2.65		15.15	4,958.75	327.31
Travel			0.25		0.25	55.00	220.00
<b>Asset Realisation</b>	<b>3.60</b>	<b>0.25</b>	<b>2.40</b>		<b>6.25</b>	<b>2,047.25</b>	<b>327.54</b>
Asset Realisation	0.60	0.25	0.45		1.05	396.00	377.14
Freehold/Leasehold Property			1.00		1.20	258.75	215.63
Legal-asset Realisation	3.00	0.25	0.95		4.00	1,392.50	348.13
<b>Creditors</b>	<b>9.20</b>	<b>16.50</b>	<b>25.80</b>		<b>51.50</b>	<b>14,291.25</b>	<b>277.50</b>
Employees		9.25	0.80		10.05	2,988.00	297.31
Landlord			0.80		0.80	150.50	188.13
Legal-Creditors	0.50	0.75	4.05		4.80	1,180.50	245.94
Partners	1.50	0.10	0.10		1.60	427.00	388.75
Unrecover Creditors	7.20	7.00	20.05		34.25	9,350.25	273.00
<b>Investigation</b>	<b>152.25</b>	<b>411.00</b>	<b>384.10</b>	<b>209.60</b>	<b>1,156.95</b>	<b>318,454.50</b>	<b>275.24</b>
Control claim	102.90	282.65	245.90	209.60	841.05	232,344.00	276.25
CDDA Enquiries			1.15		1.15	253.00	220.00
Forensic	3.25	22.00			25.25	8,637.50	342.08
Investigatory Work	7.50	43.55	90.40		141.45	33,530.00	237.04
Investigatory work - Other		4.50	12.30		16.80	3,943.50	234.73
IT – Investigations	1.50			1.50	555.00		370.00
Legal - Investigations	37.10	58.30	34.35		129.75	39,193.50	302.07
<b>Statutory Compliance</b>	<b>3.25</b>	<b>6.70</b>	<b>22.55</b>		<b>32.50</b>	<b>8,217.00</b>	<b>252.83</b>
Appointment Forfeiture:		2.00	2.25		4.25	1,045.00	245.88
Post April TAX/RAI			4.45		4.45	938.00	210.79
Statutory Compliance - General		1.95	3.96		5.85	1,472.25	251.67
Statutory Reporting/ Meetings	3.25	2.75	11.95		17.95	4,761.75	265.28
<b>Total hours</b>	<b>194.30</b>	<b>458.80</b>	<b>462.80</b>	<b>209.80</b>	<b>1,327.70</b>	<b>367,108.00</b>	<b>276.50</b>
<b>Total cost £</b>	<b>90,418.75</b>	<b>142,827.25</b>	<b>104,001.25</b>	<b>30,068.75</b>	<b>367,108.00</b>		
<b>Average hourly rate £</b>	<b>460.62</b>	<b>310.87</b>	<b>224.72</b>	<b>143.27</b>	<b>276.50</b>		

Disbursements	Value £
Consultancy	7,413.50
Portage	1,667.54
Insurance	775.00
Computer Consumables	345.79
Advertising	253.80
Delivery	240.30
Storage	207.08
Travel	104.80
Company Search	40.85
Property	29.00
Telephone	9.36
Parking	6.25
<b>Total cost £</b>	<b>11,093.27</b>

FFC CHARGE OUT RATES			From
Grade	1st July 2015	1st May 2016	
Appointment taker / Partner	370-400	370-450	
Manager / Director	270-370	280-370	
Other Professional		165-230	
Junior Professional & Support	70-105	80-110	

## Appendix D

### Statement of expenses incurred in the Period

<b>ABF LIMITED (IN LIQUIDATION)</b> <b>Statement of expenses for the period ended</b> <b>29/03/2017</b>		
	<b>From 30/03/2016</b> <b>to 29/03/2017</b> <b>£</b>	<b>Cumulative period to</b> <b>29/03/2017</b> <b>£</b>
<b>Expenses</b>		
Office Holders' remuneration (Time costs)	131,780	367,108
Office Holders' disbursements	4,711	11,093
Legal fees	330,852	495,606
Legal disbursements	71,417	109,054
Former Liquidators' disbursements	-	1,484
Former Liquidators' legal fees	-	2,468
Former Liquidators' legal disbursements	-	1,405
Statutory Advertising	-	85
Corporation Tax	405	405
Courier	21	21
<b>Total</b>	<b>539,186</b>	<b>988,727</b>