

The Insolvency Act 1986

**Liquidator's Progress
Report****S. 192****Pursuant to section 192 of the
Insolvency Act 1986**

To the Registrar of Companies

For official use

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/ Company Number

2200315

Name of Company

(a) Insert full
name of company

(a) CHESTERFIELD PLASTICS

Limited /

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

I/WE (b)

DONNA CARTMEL
LAWSON FOX
3 THE STUDIOS
320 CHARLEY OLD ROAD BOLTON BL1 4JU

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

Signed



Date 12/10/15

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

For Official Use

Liquidation Seat

SATURDAY



A24 *A6ZHTPCO* 10/02/2018 #28
COMPANIES HOUSE

TO ALL KNOWN MEMBERS & CREDITORS

Our ref: DC/LC024/003

Date: 12 October 2015

Dear Sirs

CHESTERFIELD PLASTICS LIMITED - IN LIQUIDATION ("the Company")

LIQUIDATOR'S PROGRESS REPORT FOR THE PERIOD 10 OCTOBER 2014 TO 9 OCTOBER 2015

I have pleasure in enclosing my progress report to members and creditors, following my appointment as Liquidator on 10 October 2014, as a result of the conversion from the Administration.

BACKGROUND

Company Number: 2200315

Former Trading Address: 61 Foljambe Avenue, Chesterfield, Derbyshire S40 3EY

Registered Office: 3 The Studios, 320 Chorley Old Road, Bolton BL1 4JU

On 17 July 2012 Donna Cartmel of this office was appointed Administrator of the Company following the application for the appointment by Mr Clive Copper, the Company Director, pursuant to Paragraph 22 of Schedule B1 of the Insolvency Act 1986.

On 10 October 2014 Form 2.34B was filed at Companies House moving the Company into Creditors Voluntary Liquidation, and appointing Donna Cartmel as Liquidator.

RECEIPTS AND PAYMENTS TO DATE

Attached at Appendix 1 is the Liquidator's receipts and payment account as at 9 October 2015. All monies are held in non interest bearing accounts unless otherwise identified in the receipts and payments account.

PROGRESS OF LIQUIDATION

The only assets remaining to be realised following the administration process were two debtor amounts owed to the Company where there had been disputes raised prior to commencement of the administration process, and repayment of the overdrawn directors loan account.

Further comment on the above is provided below.

ASSETS

Transfer from Administrator

The surplus funds held in the administration account have been transferred to the liquidation account and amount to £1,701.77

Book Debts

The debtors involved were Baba Trading Limited and Longfield Chemicals Limited.

Legal opinion obtained on both issues suggested against one of the debtors the claim would be unlikely to succeed and in relation to the other, insurance to cover the costs of taking recovery action had been sought, with the insurers subsequently advising that on balance giving full consideration to the evidence and the merits of the case it would not be an appropriate case on which to provide cover. Without insurance cover legal advice was that pursuing the claim would be extremely risky and costs likely to be significant.

In relation to the claim against Baba Trading Limited, the director expressed an interest in purchasing the rights to pursue the claim as he felt, despite the evidence available and the legal opinion received, the claim did have merit.

Agreement was reached with the director that he would purchase the rights to pursue the claim against Baba Trading Limited for the sum of £750, receipt of which is shown in the attached receipts and payments account.

The claim against Longfield Chemicals Limited was abandoned.

A small distribution from the liquidators of Electricity 4 Business Limited of £3.88 has been received and shown on the attached receipts and payments account.

Overdrawn Directors Loan Account

The directors loan account was overdrawn in the sum of £37,058. The amount was shown as outstanding in the last accounts filed at Companies House and a review of the accounting records available confirmed no movements had occurred since the accounts were prepared as at 31 March 2011.

Both the director and the Company's former accountants were unable to provide any evidence to reduce the amount owing and therefore full repayment of the amount due was requested.

Every effort was made to obtain payment of the monies due from the director but such efforts were not successful. In the circumstances, solicitors were instructed to commence proceedings to recover the amount due.

Application was made to the Court and a hearing date set for 18 March 2015, and the papers served on the director with advice suggesting he seek legal representation.

The matter became protracted as the director attempted to defend his position in relation to the loan account. The director did instruct solicitors with various court applications being made and witness statements being filed.

The case was finally listed for hearing on 5 June 2015. The outcome of that hearing was as follows:

- A declaration that the director was guilty of misfeasance and breach of fiduciary duty in that he caused his director's loan account to become overdrawn in the sum of £37,058
- An Order that the director should repay the liquidator of the company £37,058 in respect of his overdrawn directors loan account by 4pm on 3 July 2015
- An Order that the director shall pay interest on the above sum in the amount of £3,100.68 by 4pm on 3 July 2015; and
- An Order that the director shall pay the liquidator's legal costs of the isApplication summarily assessed at £8,855 by 4pm on 3 July 2015

In order to secure the amount ordered to be paid, in the event the director failed to make payment, solicitors advised obtaining a Charging Order against the director's property, and thereafter if appropriate, make an application to Court or an Order for Sale. A Charging Order was duly obtained against the property at 61 Foljambe Avenue, Chesterfield.

The director subsequently advised he was not in a position to make payment of the amount due in one lump sum and requested instalment payments on a monthly basis. Negotiations ensued with the director as to the amounts that would be acceptable.

isAP
In the meantime, the director had instructed solicitors who then made application to the Court to appeal the decision made, such application to appeal was duly granted.

As at the date of this report the application to appeal has been withdrawn and proposals are awaited in relation to settling the amount due against the overdrawn loan account.

LIQUIDATOR'S REMUNERATION & EXPENSES

At a meeting of creditors held on 6 September 2012 the Administrator's remuneration was fixed by reference to the time spent in managing the administration. The liquidator's remuneration will continue on the same basis. No remuneration has been drawn to date by the liquidator.

The total number of hours expended to date in this matter amount to 152.00 hours at a total cost of £40,370.00. A breakdown of time incurred in this matter is provided at Appendix 2.

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The amount of time charged as at the date of my last report in the Administration amounted to 132.80 hours at a total cost of £32,935, showing time costs incurred during the period of 19.20 hours at £7,435.

Solicitors fees have also been incurred during the period of this report. Legal costs will continue to accrue as the matter progresses.

Category 1 expenses do not require approval and relate to specific items, directly related to the case, where the cost is determined by reference to independent external suppliers invoices or published tariff charges.

There are / are no Category 1 disbursements that have been incurred and not paid for.

Category 2 expenses require approval and consist of all other items of expenditure, excluding fees. No expenses in this category have been incurred in the period. Whilst approval was given to pay such expenses it would not be the liquidator's intention to charge such expenses in this matter.

The policy for re-charging disbursements is provided at Appendix 3.

Creditors can access the 'Liquidator's Guide to Fees' via the website <http://www.icaew.com/en/technical/insolvency/creditors-guides>. If you are unable to access the site please contact this office and a hard copy will be forwarded to you by post or email.

The charge out rates of the staff of Lawson Fox who are involved in the administration of this case are as follows:

	To 31.07.13	From 01.08.13
<i>Grade</i>	<i>Rate per Hour (£)</i>	<i>Rate per Hour (£)</i>
Directors & Office Holders	250 - 350	300 - 400
Senior Managers & Managers	175 - 250	250 - 300
Administrators	75 - 175	150 - 250
Support & Clerical	25 - 70	75 - 150

Time is charged to the case in units of 6 minutes.

A creditor or creditors, with at least 5% in value of the creditors or with the permission of the court, may request the liquidator to provide further information about the remuneration and expenses set out in the report. Any such request should be made within 21 days of receipt of this report, and be in writing addressed to the liquidator to the address detailed below.

If a creditor believes that the liquidator's remuneration is, in all the circumstances, excessive, the basis is inappropriate, or the expenses incurred by the liquidator are, in all the circumstances, excessive he may, provided certain conditions are met, apply to the court. Application may be made to the court by any secured creditor or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court. Any such application must be

made within 8 weeks of receipt of the progress report in which the charging of the remuneration or incurring of the expenses in question is first reported.

DIVIDEND PROSPECTS

It is not yet known whether a distribution will be available to creditors as this will be entirely dependent on the recoveries achieved in respect of the overdrawn directors loan account and the continuing costs associated with its recovery.

Secured Creditors

There are no creditors holding security over the Company's assets.

with Preferential Creditors

There are no creditors with preferential claims in this case.

Prescribed Part

Where a floating charge has been created after 15 September 2003 and the company is in liquidation, Section 176A (2)(a)(b) of the Insolvency Act 1986 requires that a liquidator shall set aside a 'prescribed part of the company's net property available for the satisfaction of unsecured debtors, and shall not distribute that part to the proprietor of a floating charge except in so far as it exceeds the amount required for the satisfaction of unsecured debts'. As there is no secured creditor in this case there will be no requirement to set aside a Prescribed Part of realisations.

with Unsecured Creditors

I have received claims totalling £275,053.36 from five creditors. I have yet to receive claims from two creditors whose debts total £14,879.80 according to the statement of affairs.

If you have not already submitted a claim in the liquidation can you please complete and return the enclosed Statement of Claim form and return it to me before 31 December 2015.

Alternatively, I should be obliged if you would inform me if you have no claim in the liquidation.

INVESTIGATION

As an essential part of my duties I have undertaken enquiries into the Company's past trading activities and the conduct of those individuals concerned in the management and the operations of the affairs of the Company.

The emphasis of these investigations is to ascertain full information on the whereabouts of the Company's assets whether or not disclosed in the statement of affairs verified by the directors and involves an examination of the Company's books and records, correspondence received from creditors and interviews with the Company's officers.

I have now complied with my duties under the Company Directors Disqualification Act 1986.

CONCLUSION

Recovery of the amount due against the overdrawn directors loan account remains to be achieved and is currently prohibiting the case from being formally concluded.

NEXT REPORT

I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Donna Cartmel', with a stylized, cursive script.

Donna Cartmel
Liquidator

APPENDIX 1

**CHESTERFIELD PLASTICS LIMITED
IN LIQUIDATION**

RECEIPTS AND PAYMENTS ACCOUNT

AS AT 9 OCTOBER 2015

	Per Statement of Affairs	Receipts and Payments to Date
	£	£
RECEIPTS		
Book debt		3.88
Sale of rights to Baba claim		750.00
Transfer from Administrator		<u>1,701.77</u>
		<u>2,455.65</u>
PAYMENTS		
Legal fees		503.00
Statutory advertising		<u>75.00</u>
		<u>578.00</u>
Balance as at 9 October 2015		<u>1,877.65</u>
Represented by:		£
Cash at bank		<u>1,877.65</u>

sent

sent

APPENDIX 2

**CHESTERFIELD PLASTICS LIMITED - IN LIQUIDATION
LIQUIDATOR'S TIME COSTS FOR THE PERIOD
10 OCTOBER 2014 TO 9 OCTOBER 2015
SIP 9 TIME SUMMARY**

Classification of Work	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Costs £	Avg Hourly Rate £
Administration & Planning	2.40	0.00	0.00	0.00	2.40	715.00	297.92
Investigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Asset Realisation	16.80	0.00	0.00	0.00	16.80	6,720.00	400.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Fees £	7,435.00	0.00	0.00	0.00		7,435.00	
Total Hours	19.20	0.00	0.00	0.00	19.20		
Average Rate	387.24	0.00	0.00	0.00			

The above headings include inter alia:

Administration & Planning

Case planning, Appointment notification
Maintenance of records, Statutory reporting, Tax and VAT

Realisation of Assets

Identifying and securing assets, debt collection, property, business and asset sales

Investigations

SIP2 review, reports pursuant to Company Directors Disqualification Act 1986, Investigating antecedent transactions

Creditors

Communications with creditors, creditor claims (including secured creditors, employees and preferential creditors)

Case Specific Matters

Agreeing prescribed part claims, advertising Distributions, making distribution of prescribed Part

APPENDIX 3

The 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 make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Required professional practice states that such charges should be disclosed to those who are responsible for approving the office holders remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at.

DEFINITIONS

Required professional practice classifies expenses into two broad categories:

- Category 1 expenses (approval not required) – specific expenditure that is directly related to a particular insolvency case where the cost of the expense incurred is referable against an independent external supplier's invoice or published tariff of charges;
- Category 2 expenses (approval required) – all other items of expenditure:
 - * which cannot, or cannot easily, be directly related to a particular insolvency case because there is an element of shared or allocated cost; and/or
 - * where the cost of the expense incurred is an estimated, unitised cost with the estimate based on external costs or opportunity cost.

CHARGING POLICY

- Category 1 expenses (approval not required) – with the exception of any items referred to below, all such items are re-charged to the case as they are incurred.
- Category 2 expenses (approval required)
 - (a) The following items of expenditure are re-charged as describe:
 - Internal meeting room usage for the purpose of statutory meetings of creditors is re-charged at the rate of £75 per meeting; if at least one creditor is in attendance at the meeting
 - Car mileage is re-charged at the rate of 40 pence per mile
 - Storage of books and records (when not charged as a category 1 expense) is recharged at the rate of £1 per box per quarter
 - (b) The following items of expenditure will normally be treated as general office overheads not subject to a re-charge:
 - Telephone and facsimile
 - Printing and photocopying
 - Stationery

A re-charge made be made however, where the precise cost to the case can be determined because the item satisfies the test of a category 1 expense.