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10 January 2012

Dear Sir / Madam

David Fabb (Holdings) Limited - In Liquidation ("the Company")

In accordance with Rule 4 49B of the Insolvency Rules 1986 (as amended), I enclose my first progress report covering the period from 12 November 2010 to 11 November 2011

Yours faithfully



C J FARRINGTON
Joint Liquidator

WEDNESDAY



A22 *A10AHQFB* #297
11/01/2012
COMPANIES HOUSE

The Company is being wound up following the appointment of Christopher James Farrington and William Kenneth Dawson as Joint Liquidators

Important Notice Partners Associate Partners and Directors acting as receivers and administrators contract without personal liability. Unless otherwise shown, all appointment taking Partners Associate Partners and Directors are authorised by The Institute of Chartered Accountants in England and Wales. In addition Brian William Milne is a Licensed Insolvency Practitioner authorised by The Institute of Chartered Accountants of Scotland. All licensed insolvency practitioners of Deloitte LLP are licensed in the UK to act as insolvency practitioners.

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**DAVID FABB (HOLDINGS) LIMITED
(IN LIQUIDATION)
("the Company")**

Court Nos. 231 of 2011 and 1453 of 2003

**ANNUAL PROGRESS REPORT TO CREDITORS PURSUANT TO RULE 4.49B OF THE
INSOLVENCY RULES 1986 (AS AMENDED)**

10 January 2012

This report has been prepared for the sole purpose of updating the Creditors for information purposes. 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 for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever

Christopher James Farrington and William Kenneth Dawson were appointed Joint Liquidators of David Fabb (Holdings) Limited on 12 November 2010

All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners

Christopher James Farrington and William Kenneth Dawson
Deloitte LLP
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ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used

"the Act"	Insolvency Act 1986 (as amended)
"the Rules"	Insolvency Rules 1986 (as amended)
"the Liquidators"	Christopher James Farrington and William Kenneth Dawson of Deloitte LLP
"the Company"	David Fabb (Holdings) Limited (in Liquidation)
"Deloitte"	Deloitte LLP
"SIP7 (E&W)"	Statement of Insolvency Practice 7 (England & Wales)
"SIP13 (E&W)"	Statement of Insolvency Practice 13 (England & Wales)

1. INTRODUCTION

1.1 Introduction

This report has been prepared in accordance with Rule 4.49B of the Rules to provide creditors with an update on the progress of the Liquidation of the Company since our appointment as Joint Liquidators

A schedule of statutory information in respect of the Company is attached at Appendix 1

1.2 Details of the appointment of the Liquidators

Christopher James Farrington and William Kenneth Dawson of Deloitte were appointed Joint Liquidators of the Company by the Court following cessation of the Administration on 12 November 2010

For the purposes of section 231 of the Act the Liquidators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally

2. JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

2.1 Introduction

Attached at Appendix 2 is a Receipts and Payments account covering the period from 12 November 2010 to 11 November 2011 in accordance with SIP7 (E&W)

In this section, we have summarised the main asset realisations during the 12 month period

Asset realisations

The balance of £264,092 06 in the Administration was transferred to the Liquidation estate and a distribution of £24,046 22 was received on an inter company debt

2.2 Estimated future realisations

No further realisations are anticipated

2.3 Estimated outcome for creditors

Funds are available for a distribution to the preferential creditors (see section 3.2 below)

There will be no distribution to the Company's unsecured creditors

3. DISTRIBUTIONS TO CREDITORS

3.1 Secured creditors

The Company's secured creditors were paid in full from realisations in the preceding Administration

3.2 Preferential creditors

The following claims have been received from the Company's preferential creditors

	£
HM Revenue & Customs (PAYE and NIC)	873,473 55
HM Revenue & Customs (VAT)	
- Group registration, joint and several liability	218,711 05
Redundancy Payments Office ("RPO")	17,722 74
Employees – claims in excess of the RPO limit	11,942 43
	<hr/>
	1,121,849 77

The directors' Statement of Affairs in the Administration indicated total preferential claims of £413,734 as follows

	£
HM Revenue & Customs (PAYE and NIC)	49,553 00
HM Revenue & Customs (VAT)	256,565 00
Employee claims	107,616 00
	<hr/>
	413,734 00

When filing the directors' Statement of Affairs the Joint Administrators commented that arrears of PAYE and NIC of circa £1 million had not been included in the figures shown on the Statement of Affairs

The claims of HM Revenue & Customs for PAYE, NIC and VAT have all been agreed and the final claim of the RPO is currently being checked

The Enterprise Act 2002 came into force in September 2003 and as the Administration Order was granted in June 2003 any distribution in respect of employee claims in excess of the RPO limit will be paid to the RPO as the preferential creditors will not be paid in full

3.3 Unsecured creditors

As stated above there will be no funds available for distribution to the unsecured creditors

4. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

4.1 Investigations

The Joint Administrators submitted confidential reports on the directors conduct in accordance with the requirements of the Company Directors Disqualification Act 1986. As the Company is now in compulsory liquidation it falls to the Official Receiver to submit reports in the liquidation.

As you are aware the Joint Administrators obtained Judgement against Mr D L Fabb but following his bankruptcy were unable to make any recovery.

4.2 SIP13 (E&W) – Transactions with connected parties

In accordance with the guidance given in SIP13 (E&W), we confirm that there have been no transactions with connected parties during the period of this report or in the two years prior to our appointment.

4.3 EC Regulations

Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

5. JOINT LIQUIDATORS' REMUNERATION AND EXPENSES

5.1 Joint Liquidators' Remuneration

5.1.1 Basis of Remuneration

The Company's creditors fixed the Liquidators' remuneration on a time cost basis at the creditors meeting held on 21 January 2010

5.1.2 Remuneration

Time costs incurred and remuneration drawn during the period of this report is summarised at Appendix 3. Time costs total £39,027.50 over 111.56 hours, giving an average hourly rate of £349.83.

You will note from Appendix 3 that substantial time costs are shown against 'other matters' which includes £14,150 (42 hours) for dealing with a Subject Access Request under the Data Protection Act. This cost has been fully written off.

The work has been categorised into the following task headings and sub categories

- **Administration and planning** includes case planning, case set-up, notification of appointment, maintenance of our case files and insolvency case record, statutory reporting, compliance, cashing and accounting
- **Realisation of Assets** includes VAT and taxation matters
- **Creditors** includes set-up of creditor records, creditor communications, preferential claims, unsecured claims, secured claims, employee claims and shareholder claims

"A Creditors' Guide to Liquidators' Remuneration" is available for download at

http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP-9-EW-INTER.pdf

Should you require a paper copy, please send your request in writing to the Liquidators at the address on the front of this report and this will be provided to you at no cost.

5.1.3 Expenses

The Liquidators' direct expenses incurred and drawn for the period of this report are as follows

Nature of expenses	Total (£)
Records storage / destruction	8,376.42
Insolvency bordereau	528.00
Courier	44.00
Expenses re Subject Access Request	720.00
Total	9,668.42

5.2 Charge out rates

The range of charge out rates for the separate categories of staff is based on our 2011 charge out rates as summarised below. Manager rates include all grades of assistant manager.

Grade	£
Partners/Directors	560 to 895
Managers	280 to 670
Assistants and Support Staff	175 to 280

The above bands are specific to the Restructuring Services department partners and staff. In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Corporate Finance or Drivers Jonas Deloitte may be required on the case. These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands.

All partners and technical staff (including cashiers) assigned to the case record their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

With effect from 1 January 2012, charge out rates were increased by an average 5% and the charge out rate bandings have been amended, where applicable, to reflect this change.

5.3 Other professional costs

DLA Piper UK LLP, who had provided legal advice during the course of the Administration, was instructed by the Liquidators to advise on appropriate legal matters. The professional costs to date are summarised in the table below. All professional costs are reviewed and analysed before payment is approved.

	NET (£)	VAT (£)	TOTAL (£)
DLA Piper UK LLP (fees and expenses)	28,239 00	4,933 80	33,172 80
Total	<u>28,239 00</u>	<u>4,933 80</u>	<u>33,172 80</u>

5.4 Creditors' right to request further information

Any secured creditor or, unsecured creditor with the support of at least 5% in value of the unsecured creditors or, with leave of the Court, may, in writing, request the Liquidators to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 4.49E(2)(b) of the Rules.

5.5 Creditors' right to challenge Remuneration and/or Expenses

Any secured creditor or, unsecured creditor with the support of at least 10% in value of the unsecured creditors or, with leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 4 131 of the Rules), reducing the amount or the basis of remuneration which the Liquidators are entitled to charge or otherwise challenging some or all of the expenses incurred

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 4 131(1B) of the Rules

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports

DAVID FABB (HOLDINGS) LIMITED (IN LIQUIDATION)**STATUTORY INFORMATION**

Company Name	David Fabb (Holdings) Limited
Previous Names	N/A
Proceedings	In Liquidation
Court	High Court of Justice, Manchester District Registry
Court References	233 of 2011 and 1455 of 2003
Date of Appointment	12 November 2010
Joint Liquidators	Christopher James Farrington and William Kenneth Dawson Deloitte LLP Four Brindleyplace Birmingham B1 2HZ
Registered office Address	c/o Deloitte LLP Four Brindleyplace Birmingham B1 2HZ
Company Number	04514573
Incorporation Date	19 August 2002
Company Secretary	Pauline J Bailey
Bankers	National Westminster Bank plc
Auditors	BDO Stoy Hayward
Appointment by	The Court
Directors at date of Appointment	David L Fabb Anthony J Beard Keith R Greenhalgh
Directors' Shareholdings	David L Fabb – 100 shares

**David Fabb (Holdings) Limited
(In Liquidation)**

**Joint Liquidators' Receipts and Payments Account
12 November 2010 to 11 November 2011**

INCOME	Notes	£
Book Debts	1	24,046 22
Surplus From Joint Administrators	2	264,092 06
Petitioning Creditor's Deposit		1,000 00
		289,138 28
EXPENDITURE		
O R Remuneration		2,235 00
DTI ISA Cheque Issue Fee		4 45
Secretary of State Fee		45,190 74
Professional Fees and Expenses	3	4,511 35
Liquidators Fees	4	6,450 80
Liquidators Expenses	4	9,668 42
Legal Fees	5	24,669 00
Legal Disbursements	5	3,570 00
VAT Refund Due to Subsidiaries	6	7,798 33
Bank Charges		54 00
		104,152 09
Balance		184,986.19
MADE UP AS FOLLOWS		
VAT on Payments	7	8,896 58
ISA IB	2	176,089 61
		184,986.19

Notes

- 1 This receipt is a distribution from one of the Company's insolvent subsidiaries
- 2 The funds transferred from the Joint Administrators are held on an interest bearing account at The Insolvency Service but we have not yet been advised of the interest for the period
- 3 These are costs incurred in dealing with the discharge of the Administration Order which the Court confirmed were to be paid as a cost of the Administration but which had not been invoiced as at the date of the Order
- 4 At a meeting of creditors held on 21 January 2011 the creditors passed a resolution authorising the Liquidator to draw fees on a time cost basis
- 5 The majority of the legal fees and disbursements were incurred in the preparation of documents for the application to Court for the discharge of the Administration Order which were not invoiced as at the date of the Order
- 6 The Company and a number of its subsidiaries were part of a group VAT registration and this sum, which was due to two subsidiary companies, was part of a refund received prior to the discharge of the Administration Order but had not been paid over to those subsidiaries
- 7 The Company was formerly registered for VAT and all sums shown on the above account are shown net of VAT. The current VAT position shows a refund of £8,896 58 due to the Company from HM Revenue & Customs

David Fabb (Holdings) Limited
(In Liquidation)

Time costs for the period 12 November 2010 to 11 November 2011

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate Cost (£)
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning									
Cashiering and Statutory Filing	-	-	11 30	4,325 00	1 20	324 00	12 50	4,649 00	371 92
Case Supervision, Management and Closure	1 00	660 00	11 60	3,594 50	0 86	122 50	13 46	4,377 00	325 19
Initial Actions (e.g. Notification of Appointment, Securing Assets)	2 00	1,320 00	6 10	1,688 00	-	-	8 10	3,008 00	371 36
General Reporting	1 00	660 00	1 90	526 00	-	-	2 90	1,186 00	408 97
Liaison with Other Insolvency Practitioners	-	-	1 10	319 00	-	-	1 10	319 00	290 00
	4 00	2,640 00	32 00	10,452 50	2 06	448 50	38 06	13,539 00	355 73
Investigations									
Investigations	-	-	1 40	406 00	-	-	1 40	406 00	290 00
Reports on Directors' Conduct	-	-	-	-	-	-	-	-	-
	-	-	1 40	406 00	-	-	1 40	406 00	290 00
Trading									
Day 1 Control of Trading	-	-	-	-	-	-	-	-	-
Ongoing Trading	-	-	-	-	-	-	-	-	-
Monitoring Trading	-	-	-	-	-	-	-	-	-
Closure of Trade	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Realisation of Assets									
Book Debts	-	-	-	-	-	-	-	-	-
Other Assets (e.g. Stock)	-	-	-	-	-	-	-	-	-
Plant and Equipment, Fixtures and Fittings and Vehicles	-	-	-	-	-	-	-	-	-
Property - Freehold and Leasehold	-	-	-	-	-	-	-	-	-
Retention of Title	-	-	-	-	-	-	-	-	-
Sale of Business / Assets	-	-	-	-	-	-	-	-	-
Third Party Assets	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Creditors									
Employees	-	-	-	-	-	-	-	-	-
Preferential	-	-	10 10	2,908 00	-	-	10 10	2,908 00	287 92
Secured	-	-	-	-	-	-	-	-	-
Shareholders	7 50	4,462 50	7 00	1,992 50	-	-	14 50	6,455 00	445 17
Unsecured	-	-	5 50	1,569 50	-	-	5 50	1,569 50	285 36
	7 50	4,462 50	22 60	6,470 00	-	-	30 10	10,932 50	363 21
Other Matters Include									
Subject Access Request	4 00	3,130 00	38 00	11,020 00	-	-	42 00	14,150 00	336 90
Pensions	-	-	-	-	-	-	-	-	-
Tax and VAT	-	-	-	-	-	-	-	-	-
	4 00	3,130 00	38 00	11,020 00	-	-	42 00	14,150 00	336 90
TOTAL HOURS & COST	15 50	10,232 50	94 00	28,348 50	2 06	446 50	111 56	39,027 50	349 83

TOTAL FEES DRAWN TO DATE

5,450 80