

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

03393219

Name of Company

Convergence Marketing Limited

~~TX~~ We

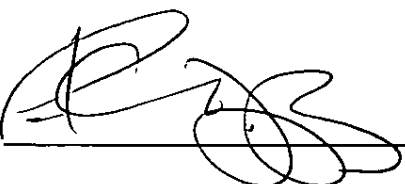
Freddy Khalastchi FCA FABRP
2 Mountview Court
310 Fern Barnet Lane
Whetstone
London
N20 0YZ

Jonathan David Bass ACCA MABRP
2 Mountview Court
310 Fern Barnet Lane
Whetstone
London
N20 0YZ

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 05/03/2013 to 04/03/2014

Signed



Date

17.03.2014

Harris Lipman LLP
2 Mountview Court
310 Fern Barnet Lane
Whetstone
London
N20 0YZ

Ref C3395/FXK/JDB/SOA

THURSDAY



A07 *A3418DXS*
20/03/2014 #203
COMPANIES HOUSE

Convergence Marketing Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

| Statement of Affairs | | From 05/03/2013 To 04/03/2014 |
|----------------------|----------------------------------|----------------------------------|
| | ASSET REALISATIONS | |
| 700 00 | Office Furniture & Equipment | NIL |
| 10,443 10 | Book Debts | 4,302 00 |
| 11,673 18 | Cash at Bank | 18,030 96 |
| Uncertain | Prepayments | 416 10 |
| 584 76 | Petty Cash | 584 76 |
| | | <u>23,333 82</u> |
| | COST OF REALISATIONS | |
| | Preparation of S of A | 5,000 00 |
| | Liquidators Fees | 16,900 00 |
| | Agents/Valuers Fees | 500 00 |
| | Accountancy Fees | 250 00 |
| | Statutory Advertising | 222 75 |
| | | <u>(22,872 75)</u> |
| | PREFERENTIAL CREDITORS | |
| (4,223 88) | Employees | NIL |
| | | <u>NIL</u> |
| | UNSECURED CREDITORS | |
| (3,334 77) | Trade & Expense Creditors | NIL |
| (31,966 00) | Employees | NIL |
| (29,388 04) | HM Revenue and Customs - CT | NIL |
| (16,625 18) | HM Revenue and Customs - PAYE & | NIL |
| (9,738 14) | HM Revenue and Customs - VAT | NIL |
| (5,000 00) | Landlord | NIL |
| | | <u>NIL</u> |
| | DISTRIBUTIONS | |
| (100 00) | Ordinary Shareholders | NIL |
| | | <u>NIL</u> |
| <u>(76,974.97)</u> | | <u><u>461 07</u></u> |
| | REPRESENTED BY | |
| | Brown Shipley - Floating Account | 241 07 |
| | Vat Control Account | 220 00 |
| | | <u>461 07</u> |



Freddy Khalastchi FCA FABRP
Joint Liquidator

our ref
your ref
date
please reply to

FXK/JDB/SOA/C3395

17 March 2014
Shola Akanmu

HARRIS
LIPMAN

TO ALL MEMBERS AND CREDITORS

2 Mountview Court
310 Friern Barnet Lane
Whetstone London N20 0YZ
tel 020 8446 9000
fax 020 8446 9537
DX 132890 Whetstone ?
e-mail mail@harris-lipman.co.uk
website www.harris-lipman.co.uk

Dear Sirs

CONVERGENCE MARKETING LIMITED - IN LIQUIDATION

This is the Joint Liquidators' first annual progress report ("the report") for the year ended 4 March 2014

1. Statutory information

The company's registered name is Convergence Marketing Limited and it traded as outbound business to business telemarketing

The company was incorporated on 26 June 1997 under company number 03393219

The registered office of the company was formerly 6 Alexandra Terrace, Alexandra Road, Aldershot, Hampshire, GU11 3HU and was changed on 14 March 2013 to 2 Mountview Court, 310 Friern Barnet Lane, Whetstone, London, N20 0YZ for the purposes of the Liquidation

Jonathan David Bass ACCA MABRP and myself, of Harris Lipman LLP, 2 Mountview Court, 310 Friern Barnet Lane, Whetstone, London, N20 0YZ were appointed Joint Liquidators of the above-named company by a resolution of the members of the company on 5 March 2013

There have been no changes of Liquidator in the period to which this report relates

2. Joint Liquidators' progress during the period of this report


The Statement of Affairs provided by the director detailed the company assets as follows

Office Furniture & Equipment

Due to the nature and condition of these assets, it was deemed not cost effective to realise these assets

Chartered Accountants

Harris Lipman LLP is a limited liability partnership registered in England & Wales - Registered Number 0C311167
Registered to carry on audit work in the UK and regulated for a range of investment business activities by The Institute of Chartered Accountants in England & Wales
A list of Members' names is open to inspection at our Registered Office: 2 Mountview Court, 310 Friern Barnet Lane, London N20 0YZ

 **UK200Group**
Independent quality assured professional

Book Debts

The book debts was also shown on the statement of affairs as having a book value of £10,443 10 however a total of £4,302 00 has been realised in this respect

Cash at Bank

A sum of cash at bank was also shown on the statement of affairs as having a book value of £11,673 18 however a total of £18,030 96 has been realised in this respect This increase in the expected to realise value is as a result of some of the debtors being paid directly to the company's old bank account

Prepayments

A total of £416 10 has been realised in this respect and it represents rent and rates paid in advance by the company which have been reimbursed by Rushmoor Borough Council

Petty Cash

A sum of petty cash was also shown on the statement of affairs as having a book value of £584 76, this was held in the company's premises This amount has been realised in full

Please advise us as soon as possible if you are aware of any other assets of the company that have not been referred to above or previously

Investigative matters

We undertook an initial investigation into the company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation

The company's books and records have been recovered, listed and analysed, but no assets other than those listed above have been identified

In accordance with my statutory duties, a conduct report on the director has been submitted to the Insolvency Service pursuant to the Company Directors Disqualification Act 1986

If you are aware of any matters which you believe require our investigation, please advise me accordingly, in writing, providing as much detail as possible with regard to those matters Any such contact will, of course, be kept confidential

General matters

In addition to the work undertaken to result in the asset realisations referred to above, throughout the period of my administration I have responded to the queries of creditors and noted creditor claims

As appropriate, we have liaised with the employees, the Redundancy Payments office and Employment Tribunals with regard to employee matters

Specific tasks such as the agreement of creditor claims, VAT and tax issues, cashing, statutory returns and insurance, have been allocated to team members who have specialist knowledge in the relevant areas

Additionally, we have complied with obligations imposed by statute and our regulatory bodies which include, but are not limited to, the submission of returns to Companies House, HM Revenue and Customs and specific penalty bonding

3. Abstract of the Joint Liquidators' receipts and payments

I attach at Appendix 3 an abstract of our receipts and payments for the period of this report

Please note that all items detailed on the receipts and payments account are shown net of VAT as the company was registered for VAT and the VAT can therefore be recovered for the benefit of the insolvent estate

4. Assets which remain to be realised

There are no assets remaining to be realised. We intend issuing a draft of our final progress report under the provisions of Rule 4 49D shortly

5. Joint Liquidators' remuneration

At the first meeting of creditors held on 5 March 2013, the creditors authorised the payment of a fee of £5,000 plus VAT and disbursements for assistance with the statement of affairs and producing and circulating the notices for meetings of members and creditors prior to our appointment. This fee was paid and is shown in the enclosed receipts and payments account

Our remuneration was fixed by reference to the time properly spent by ourselves and our staff in attending to matters arising in the Liquidation at a meeting of creditors on 5 March 2013

I attach at Appendix 1 a breakdown of the time costs between the grades of staff allocated to this case, which includes details of the current charge out rates of ourselves and our team who have been and will be dealing with the Liquidation

For creditor's information, the charge out value of time costs incurred during the period to which this report relates amounts to £17,850.41 made up of 92.37 hours at an average charge out rate of £193.24 per hour

This cost has primarily been incurred in the administration of the Liquidation and the investigation into the company's demise as well as the location and nature of the company's assets, full details of which are covered in section 2 above

You will note from the attached breakdown of time costs that we have recovered £16,900 00 in respect of our time costs to date

A copy of "A Creditors' Guide to Liquidator's Fees", issued by the Association of Business Recovery Professionals, which sets out the basis of fixing the Liquidator's Remuneration, is available on our website at

<http://www.harris-lipman.co.uk/resources/r3-insolvency-guides/>

You should then choose the appropriate creditor guide for the type of appointment after 6 April 2010

Please let me know if you do not have access to the internet and would prefer a hard-copy of this guide

6. Joint Liquidators' expenses

The payments made from the estate during the period of this progress report are largely self-explanatory

The following agents or professional advisors have been utilised in this matter

| Professional Advisor | Nature of Work | Fee Arrangement |
|-----------------------------|-----------------------|------------------------|
| Williams & Partners | Valuer | Fixed Fee |
| Frisby Wishart | Payroll Services | Fixed Fee |

The choice of professionals was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them. The fees charged have been reviewed and we are satisfied that they are reasonable in the circumstances of this case.

Below is a table which details what disbursements have been incurred, paid and which remain outstanding in the Liquidation

| Nature of Expense | Incurred in period (£) | Paid in the period (£) | Remains Outstanding (£) | Total Paid by the Liquidation (£) |
|--------------------------|-------------------------------|-------------------------------|--------------------------------|--|
| Liquidators Time Cost | 17,850 41 | 16,900 00 | 950 41 | 16,900 00 |
| Agents/Valuers Fees | 500 00 | 500 00 | Nil | 500 00 |
| Accountancy Fees | 250 00 | 250 00 | Nil | 250 00 |
| Searches | 8 00 | Nil | 8 00 | Nil |
| Statutory Advertising | 297 00 | 222 75 | 74 25 | 222 75 |
| Specific Penalty Bond | 50 00 | Nil | 50 00 | Nil |

Throughout the Liquidation we have incurred expenses in respect of search fees, statutory advertising and specific penalty bonding of £8 00, £74 25 and £50 00 respectively which have not been paid from the estate at present and paid from my firm's office account

A statement with regard to our disbursements recovery policy is attached at Appendix 2

7. Return to creditors pursuant to Section 176A

The provisions of Section 176A of the Act require a calculation to be made of the prescribed part of the company's net property for distribution to unsecured creditors. The prescribed part must be calculated and provided for where debentures of the company have been created after 15th September 2003

In dealing with realisations under the prescribed part, we are entitled to take into account the claims of the preferential creditors and the costs and expenses associated in dealing with the prescribed part

The company's net property comprises floating charge realisations less preferential claims and the costs of dealing with the prescribed part

As there are no qualifying floating charges, the provisions of Section 176A do not apply in this matter

8. Outcome for creditors

We have received a claim from the Redundancy Payments Service in respect of payments made to former employees of the company, in the sum of £4,043 99 preferential and £27,536 25 non-preferential

There are additional preferential and non-preferential claims in relation to claims of former members of staff which has been received, these being over and above the statutory maximum limited paid by the Redundancy Payments Office under current legislation

We have also received claims in respect of PAYE, NI and VAT totalling £45,680 38 to rank for dividend

Trade and Expense creditor claims agreed to date total £3,458 53 against total creditors' claims shown on the company's statement of affairs of £3,334 77

Unfortunately, there are insufficient funds to enable a dividend to be paid to any class of creditor

9. Creditors' right to information

A creditor may make a request for further information regarding our remuneration and expenses. Any such request must be in writing and should be made within 21 days of receipt of this report. Where the request is made

by an unsecured creditor, it must be supported by at least 5% in value of the unsecured creditors, or with the permission of the Court

If the information requested is either prejudicial to our conduct of this case, might lead to violence against any person, may be confidential or the costs of preparing the requested information would be excessive, we may not be obliged to provide it

Any unsecured creditor may make an application to the Court in respect of any information provided following such a request, or our failure to provide same, after 14 days of our receipt of that request

Additionally, creditors may make an application to Court to challenge the amount or basis of our remuneration and expenses, which must be supported by at least 10% in value of the creditors, including the applicant's claim. The application must be made within 8 weeks of receipt of this report. The costs of the application must also be paid by the creditors making the application

Further details with regard to these provisions form part of the guidance notes relating to fees referred to previously

10. Next report

I am required to provide a further progress report within two months of the end of the next anniversary of the Liquidation. However as there are no further matters to resolve, the liquidation will be finalised and my files will be closed shortly

Should you have any further queries in relation to the contents of this report, or with regard to other matters arising, please do not hesitate to contact us

Yours faithfully



Freddy Khalastchi FCA FABRP

Licensed as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

Joint Liquidator

APPENDIX 2

DISBURSEMENTS RECOVERY POLICY

Category 1 Disbursements

Specific expenditure relating to the administration of the insolvent estate and payable to an independent third party is recoverable without creditor approval. Such expenditure is made if funds are available from the insolvent estate. If funds are not available then payment is made from this firm's office account and reimbursed from the estate should funds become available.

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Typical items include legal fees, agents' fees, statutory advertising, insurance of assets, search fees, specific penalty bonding, telephone calls, postage, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case.

All such disbursements that have been paid from the estate are shown on the enclosed summary of our receipts and payments.

Category 2 Disbursements

Expenditure incidental to the administration of the insolvent estate, which by its nature includes an element of shared or allocated cost is recoverable with creditor approval.

There have been no 'Category 2 Disbursements' made from the insolvent estate.

Professional advisors have been selected on the basis that they have the appropriate experience and qualifications to effectively deal with the issues arising in a case of this nature.

All disbursements are shown as net of VAT. As the company was registered for VAT purposes VAT can be recovered for the benefit of the insolvent estate.

Appendix 3
Convergence Marketing Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

| Statement of Affairs | | From 05/03/2013 To 04/03/2014 | From 05/03/2013 To 04/03/2014 |
|-------------------------------|----------------------------------|--|--|
| ASSET REALISATIONS | | | |
| 700 00 | Office Furniture & Equipment | NIL | NIL |
| 10,443 10 | Book Debts | 4,302 00 | 4,302 00 |
| 11,673 18 | Cash at Bank | 18,030 96 | 18,030 96 |
| Uncertain | Prepayments | 416 10 | 416 10 |
| 584 76 | Petty Cash | 584 76 | 584 76 |
| | | <u>23,333 82</u> | <u>23,333 82</u> |
| COST OF REALISATIONS | | | |
| | Preparation of S of A | 5,000 00 | 5,000 00 |
| | Liquidators Fees | 16,900 00 | 16,900 00 |
| | Agents/Valuers Fees | 500 00 | 500 00 |
| | Accountancy Fees | 250 00 | 250 00 |
| | Statutory Advertising | 222 75 | 222 75 |
| | | <u>(22,872 75)</u> | <u>(22,872 75)</u> |
| PREFERENTIAL CREDITORS | | | |
| (4,223 88) | Employees | NIL | NIL |
| | | <u>NIL</u> | <u>NIL</u> |
| UNSECURED CREDITORS | | | |
| (3,334 77) | Trade & Expense Creditors | NIL | NIL |
| (31,966 00) | Employees | NIL | NIL |
| (29,388 04) | HM Revenue and Customs - CT | NIL | NIL |
| (16,625 18) | HM Revenue and Customs - PAYE & | NIL | NIL |
| (9,738 14) | HM Revenue and Customs - VAT | NIL | NIL |
| (5,000 00) | Landlord | NIL | NIL |
| | | <u>NIL</u> | <u>NIL</u> |
| DISTRIBUTIONS | | | |
| (100 00) | Ordinary Shareholders | NIL | NIL |
| | | <u>NIL</u> | <u>NIL</u> |
| <u>(76,974.97)</u> | | <u>461.07</u> | <u>461.07</u> |
| REPRESENTED BY | | | |
| | Brown Shipley - Floating Account | | 241 07 |
| | Vat Control Account | | 220 00 |
| | | | <u>461.07</u> |