

Strategic Procurements (UK) Limited (In Compulsory Liquidation)

Joint Liquidators' Annual Progress Report to Creditors

17 March 2017

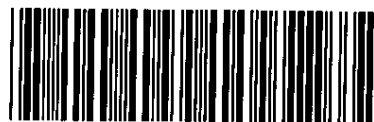
**Paul Bailey and Tommaso Waqar Ahmad
Joint Liquidators**

**Both licensed to act as insolvency practitioners in the UK by the
Association of Chartered Certified Accountants**

www.baileyahmad.co.uk

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1. Introduction and statutory information

We, Paul Bailey and Tom Ahmad, both of Bailey Ahmad Business Recovery, 257b Croydon Road, Beckenham, Kent, BR3 3PS, were appointed as Joint Liquidators of Strategic Procurements (UK) Limited (the Company) on 18 January 2016 following the presentation of a petition for the compulsory winding up of the Company. The winding-up order was made on 9 November 2015 in the High Court of Justice under court reference number 4757 of 2015. This progress report covers the period from 18 January 2016 to 17 January 2017 (the Period) and should be read in conjunction with any previous progress reports which have been issued.

The trading address of the Company is Unit 3, The Technology Centre, Aberdeen Science & E, Clymore Drive, Aberdeen, AB23 8GD.

The registered office of the Company has been changed to 257b Croydon Road, Beckenham, Kent, BR3 3PS and its registered number is 04687966.

2. Progress of the Liquidation

This section of the report provides creditors with an update on the progress made in the liquidation during the Period.

At Appendix A is our receipts and payments account for the period of this report.

Administration (including statutory compliance & reporting)

Office Holders must comply with certain statutory compliance matters in accordance with the Insolvency Act 1986 and other related legislation.

This work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

Realisation of assets

Director's loan account

At the date of our appointment, the director had an outstanding loan account due to the Company of £7,779.85. We have written to the director requesting repayment. However, he has advised that he is not in a position to settle this amount and has agreed to submit repayment proposals shortly.

Section 455 Tax refund

There is a potential Section 455 tax refund for amounts incurred on a previous director's loan. Investigations are currently ongoing in this regard, however it is believed the amount recoverable is potentially £94,000. I would advise creditors that HM Revenue & Customs may exercise their right to set off in this regard as they are a creditor in the sum of £21,354.57, therefore any potential realisations would be reduced by this amount.

Book debts

From information provided by the director following liquidation the Company was owed £858,273.67 in connection with an inter-company loan. We have written to the company in this regard however from our initial investigations it would appear that the debtor is insolvent.

It is considered that the work the Joint Liquidators and their staff have undertaken to date will bring a financial benefit to creditors. This may be a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on realisations and the extent of any 3rd party security, result in a distribution to the preferential and unsecured creditors of the Company.

Creditors (claims and distributions)

Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. The Joint Liquidators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.

Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.

The above work will not necessarily bring any financial benefit to creditors generally, however the Joint Liquidators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Joint Liquidators in dealing with those claims.

We consider the following matters worth noting in our report to creditors at this stage:

- There was one unsecured creditor claim in this case with a value per the Official Receiver's report of £181,225.

Investigations

As you may be aware, in a compulsory liquidation the duty to investigate the Company's affairs is the responsibility of the Official Receiver. There is no requirement on the Liquidators to submit a report or return on the director's conduct to the Department for Business, Energy & Industrial Strategy, however where matters are brought to the Liquidators' attention these are reported as appropriate to the Official Receiver for further consideration.

We would confirm that we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate and that may need reporting to the Official Receiver. This assessment took into account information provided by creditors either at the initial meeting or as a response to our request to complete an investigation questionnaire.

3. Creditors

Secured creditors

No secured claims have been received.

Preferential creditors

No preferential claims have been received.

Unsecured creditors

We have received a claim totalling £21,354.57 from one creditor. We have yet to receive a claim from a creditor whose debt is estimated to total £181,225.

We would confirm that it is currently uncertain whether there will be insufficient funds realised after defraying the expenses of the liquidation to pay a dividend to unsecured creditors.

4. Joint Liquidators' Remuneration

The Joint Liquidators remuneration was agreed to be funded by the petitioning creditor as an initial fixed fee in the sum of £7,500 plus VAT.

A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <https://www.icaew.com/en/technical/insolvency/creditors-guides> (October 2015 version).

Attached as Appendix B is additional information in relation to the Liquidators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

5. Creditors' rights

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) may request in writing that the Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidators, as set out in this progress report, are excessive.

6. Next report

We are required to provide a further report on the progress of the liquidation within two months of the end of the next anniversary of the liquidation, unless we have concluded matters prior to this, in which case we will write to all creditors with our final account.

7. Assistance

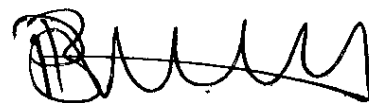
If you require any assistance, please do not hesitate to contact a member of our team on 020 8662 6070 or email us at info@baileyahmad.co.uk.

Appendix A

Receipts and payments account from 18 January 2016 to 17 January 2017

Strategic Procurements (UK) Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 18/01/2016 To 17/01/2017 £	From 18/01/2016 To 17/01/2017 £
COST OF REALISATIONS		
O.R. Debit Balance	1,150.00	1,150.00
O.R. disbursements	18.77	18.77
DBEIS Quarterly Fees	88.00	88.00
	<u>(1,256.77)</u>	<u>(1,256.77)</u>
	<u>(1,256.77)</u>	<u>(1,256.77)</u>
REPRESENTED BY ISA NIB		(1,256.77)
		<u>(1,256.77)</u>



Paul Bailey
Joint Liquidator

Strategic Procurements (UK) Limited
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		<u>(1,256.77)</u>

Appendix B

Additional information in relation to the Joint Liquidators' fees, expenses and disbursements

Staff allocation and the use of sub-contractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.

We are not proposing to utilise the services of any sub-contractors in this case.

Professional advisors

We have not utilised the services of any professional advisors in this case.

Current position of Joint Liquidators' expenses

An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

	Paid in prior period £	Paid in the period covered by this report £	Paid by office holder but not yet recharged £	Total anticipated cost £
Statutory advertising	0.00	0.00	67.00	67.00
Specific penalty bond	0.00	0.00	20.00	20.00
Velinko wealth report	0.00	0.00	80.00	80.00
Total	0.00	0.00	167.00	167.00

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidators' fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

Charge-out rates

Bailey Ahmad Business Recovery's current charge-out rates detailed below. Please note this firm records its time in minimum units of 6 minutes.

Grade	From 1 January 2017	Former rates
Director	£400	£350
Senior Manager	£350	£300
Manager	£300	£250
Senior Case Administrator	£225	£175
Case Administrator	£200	£150
Junior Case Administrator	£175	£125
Support	£125	£80
Cashier	£200	£80