

JK CONSULTANTS LIMITED ("THE COMPANY") - IN LIQUIDATION
LIQUIDATOR'S PROGRESS REPORT TO CREDITORS AND MEMBERS
FOR THE YEAR ENDED 26 NOVEMBER 2016
IN THE HIGH COURT OF JUSTICE NO 5408 OF 2013

I enclose for your information

- 1 A receipts and payments account for the period from 27 November 2014 to 26 November 2016 and for the period from 27 November 2015 to 26 November 2016,
- 2 A summary of my firm's time costs from 27 November 2014 to 26 November 2016 A summary of my firm's time costs for the period from 27 November 2015 to 26 November 2016 is also shown,
- 3 Details of my firm's practice fee recovery policy

STATUTORY INFORMATION

Company Name	JK Consultants Limited
Company Number.	04917159
Current Registered Office	142/148 Main Road, Sidcup, Kent, DA14 6NZ
Former Registered Office	68 Turnpike Link, Croydon, Surrey, CR0 5NX
Trading Address	68 Turnpike Link, Croydon, Surrey, CR0 5NX
Office Holder / Number	Nedim Ailyan (9072)
Liquidator's Date of Appointment	27 November 2014



Please note that from 1 June 2016 the trading name of Abbott Fielding Limited changed to Griffins

LIQUIDATOR'S ACTIONS SINCE LAST REPORT

Within the period covered by this report I have ensured that my statutory requirements have been adhered to and other duties in relation to the management of the case have been completed

I have also continued to undertake investigations as detailed below

There is certain work that I am required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the creditors A description of the routine work undertaken since my last progress report is as follows

- 1 Administration
 - Seeking resolutions from creditors by correspondence
 - Dealing with all routine correspondence and emails relating to the case
 - Maintaining and managing the office holder's cashbook
 - Undertaking regular bank reconciliations of the bank account containing estate funds
 - Reviewing the adequacy of the specific penalty bond on a quarterly basis



- Undertaking periodic reviews of the progress of the case
- Overseeing and controlling the work done on the case by case administrators
- Preparing, reviewing and issuing annual progress reports to creditors and members
- Filing returns at Companies House and Court
- Preparing and filing Corporation Tax returns

2 Creditors

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims
- Maintaining up to date creditor information on the case management system

RECEIPTS AND PAYMENTS ACCOUNT

My receipts and payments account for the period from 27 November 2015 to 26 November 2016 is attached

The only payments in the year relate to the quarterly charges in relation to the operation of the Insolvency Services Account operated by The Insolvency Service

There is currently a deficit in the Insolvency Services Account

ASSETS

Cash at Bank

As previously advised prior to my appointment the Official Receiver ("OR") recovered £84 28 from Cater Allen Limited in respect of funds held in the Company bank account

There have been no further recoveries to date

LIABILITIES & DIVIDEND PROSPECTS

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has no current charges over assets

Prescribed Part

The provisions of section 176A of the Insolvency Act 1986 require a Liquidator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the company gave a 'qualifying floating charge' over its assets to a lender on or after 15 September 2003. This is known as the 'prescribed part of the net property'. A company's net property is that left after paying any preferential creditors, but before paying the lender who holds a floating charge. A Liquidator is required to set aside

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property, up to a maximum of £600,000

The Company does not have any qualifying floating charges and therefore the prescribed part does not apply in this case



Preferential Creditors

There were no preferential creditors' claims in the OR's report and to date no preferential claims have been received

Non-Preferential Unsecured Creditors

Non-preferential unsecured creditors' claims in the OR's report totalled £67,557 82, all of which was attributable to HM Revenue & Customs ("HMRC") and was based on their petition. To date, I have received a final claim of £46,355 from HMRC in respect of PAYE/NIC and Corporation tax. I have yet to receive a claim from HMRC in respect of VAT, which was included in the petition for £22,142 50. Based on current information I am uncertain whether there will be a dividend to the unsecured creditors.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I 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, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation and the costs involved. My investigations included the review of Company bank statements and other Company records provided.

As previously advised concerns were raised by the petitioning creditor, HMRC, regarding funds drawn by the director. To date the director has not responded to correspondence to discuss these matters and as such my investigations remain ongoing.

LIQUIDATOR'S REMUNERATION

A meeting of creditors was convened for 7 January 2015 in order to propose a resolution that my remuneration to be drawn on a time cost basis in the event that a liquidation committee was not formed. I can advise that no one attended nor were any proxies received and as such a resolution has not been passed in this regard. I subsequently sought a resolution by correspondence however no creditor responded by the deadline of 25 February 2016. I have not been able to draw any remuneration in this matter.

My total costs to 26 November 2016, amount to £2,900 00 representing 12 40 hours at an average charge out rate of £233 87 per hour, of which £1,451 00, representing 5 60 hours work has been incurred in the period since 27 November 2015 at an average charge rate of £259 11 per hour.

Schedules of my time costs incurred to date are attached.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors' Guide to Liquidators' fees' also published by R3 can be obtained from our website at <http://www.griffins.net/technical/>. Please note that there are different versions of the guidance notes, and in this case you should refer to the pre October 2015 version. Alternatively a hard copy is available on request. A copy of my firm's practice fee recovery policy is enclosed.

LIQUIDATOR'S EXPENSES

I have incurred expenses to 26 November 2016, of £259 16, of which £3 12 was incurred in the period since 27 November 2016.

I have not been able to draw any expenses in this matter.



Category 1 Disbursements

Type of expense	This Period		Cumulatively	
	Incurred	Paid	Incurred	Paid
Advertising			169 20	
Bond and Insurance			72 00	
Searches			8 00	
Postage	3 12		9 96	
Total	3.12	Nil	259.16	Nil

Petitioning Costs

As there are no funds currently in the liquidation the petitioning creditors legal costs of £1,995 remain outstanding

FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Joint Liquidators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Joint Liquidators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Abbott Fielding Limited trading as Griffins can be found at <http://www.griffins.net/regulatory-information/>

SUMMARY

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

The liquidation will remain open until my investigation matters have been fully resolved. I estimate that this will take at least 12 months and once resolved the liquidation will be finalised and my files closed.

Should you have any queries regarding this matter please do not hesitate to contact Carol Hooper who is assisting me with this matter.

Yours faithfully

Nedim Ailyan
Liquidator

Nedim Ailyan is licensed in the United Kingdom to act as an insolvency practitioner by The Insolvency Practitioners Association



**JK Consultants Limited
(In Liquidation)**

Liquidator's Abstract Of Receipts And Payments

	Statement of affairs £	From 27/11/2015 To 26/11/2016 £	From 27/11/2014 To 26/11/2016 £
RECEIPTS			
Cash at Bank		0 00	84 28
Deposit on Inland Revenue Petition		0 00	1,165 00
		<u>0 00</u>	<u>1,249 28</u>
PAYMENTS			
Bank Charges		88 00	176 00
Company Liquidation Administration		0 00	2,235 00
HM Revenue and Customs - PAYE & NIC & CT	(45,415 32)	0 00	0 00
HM Revenue and Customs - VAT	(22,142 50)	0 00	0 00
Ordinary Shareholders	(2 00)	0 00	0 00
		<u>88 00</u>	<u>2,411 00</u>
BALANCE - 26 November 2016		<u>(88.00)</u>	<u>(1,161.72)</u>
MADE UP AS FOLLOWS			
ISA Non Interest Bearing		(88 00)	(1,161 72)
		<u>(88 00)</u>	<u>(1,161 72)</u>

SIP 9 - Time & Cost Summary

Period 27/11/15 26/11/16

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	0 00	4 40	0 00	0 90	5 30	1 367 00	257 92
Investigations	0 00	0 30	0 00	0 00	0 30	84 00	280 00
Realisations of assets	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 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 Hours	0 00	4 70	0 00	0 90	5 60	1,451 00	259 11
Total Fees Claimed						0 00	

SIP 9 - Time & Cost Summary

Period 27/11/14 26/11/16

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	0 00	4 40	0 00	5 60	10 00	2,411 00	241 10
Investigations	0 00	0 30	0 00	2 10	2 40	489 00	203 75
Realisations of assets	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 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 Hours	0 00	4 70	0 00	7 70	12 40	2,900 00	233 87
Total Fees Claimed						0 00	

PRACTICE FEE RECOVERY POLICY FOR GRIFFINS the trading name of ABBOTT FIELDING LIMITED

Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://www.griffins.net/technical/>. Alternatively a hard copy is available on request. Please note, however, that the guides have not yet been updated for the revised legislation, so we have provided further details in this policy document.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Chargeout Rates

Grade of staff	Current charge-out rate per hour, effective from 1 February 2016 £	Previous charge-out rate per hour, effective from 1 February 2015 £
Partner – appointment taker	365-520	345-500
Managers	280-370	260-350
Administrators	250-280	230-260
Support Staff	190-220	170-200

These charge-out rates charged are reviewed on an annual basis and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning
- Investigations
- Realisation of Assets
- Creditors
- Trading
- Case specific matters



In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and on new appointments we now only seek time costs for the following categories

- Investigations
- Trading

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate, any additional work undertaken, or proposed to be undertaken, the hourly rates proposed for each part of the work, and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a percentage basis more often.

A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.



If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Members' voluntary liquidations and Voluntary Arrangements

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Disbursements

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Abbott Fielding Limited or Griffins in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements are recovered

Mileage	50p per mile
Photocopying	10p per sheet

