

Liquidator's Progress Report**Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986****S.192**

To the Registrar of Companies

Company Number

04940054

Name of Company

(a) Insert full name of
company

(A) Active Colour Limited

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

I (b) Lisa Alford
Purnells
Treverva, Penryn
Near Falmouth
Cornwall
TR10 9BL

The liquidator of the company attach a copy of my Progress Report under section 192 of
the Insolvency Act 1986

The Progress Report covers the period from 9 August 2013 to 8 August 2014

Signed



Date

08.10.14.

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

Lisa Alford
Purnells
Treverva
Penryn
Near Falmouth
Cornwall
TR10 9BL
Reference A1094C

FRIDAY



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10/10/2014

COMPANIES HOUSE

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Active Colour Limited (the "Company")

Schedule of Appendices

1. Progress Report of the Liquidation covering the period 9 August 2013 to 8 August 2014.
2. Receipts and Payments Account for the same period.
3. Statement of Expenses incurred within the liquidation during the period.
4. Report to creditors in accordance with Statement of Insolvency Practice Number 9 and the Insolvency (Amendment) Rules 2010.
5. Analysis of time spent by the Liquidator.
6. Schedule of applicable Charge Out Rates.

Appendix 1

Active Colour Limited (the "Company")

Report Of The Joint Liquidators For The Period From The
Commencement Of The Liquidation On 9 August 2013 to 8 August
2014 the First Anniversary Of The Liquidators Appointment

1. Introduction

Lisa Alford and Chris Parkman of Purnells, Treverva Farm, Treverva, Penryn, Near Falmouth, Cornwall, TR10 9BL were appointed as Joint Liquidators of Active Colour Limited on 9 August 2013. This is our first report to creditors.

There have been no changes in office holders during the period.

a) The Company Registered Office is as follows:

Purnells
Treverva Farm
Treverva
Penryn
Near Falmouth
Cornwall
TR10 9BL

b) The registered number of the Company is 04940054.

2. Receipts And Payments Account

A Receipts and Payments Account is attached at Appendix 2.

That receipts and payments account compares the actual realisations made to date with the estimated realisations set out in the director's statement of affairs, which was presented to creditors at the meeting, held on 09 August 2014.

3. Assets

Equity In Ford Transit Van

The Company had a Ford Transit Van, which was subject to a finance agreement with Lombard.

No sums were recorded as being realisable in respect of this vehicle in the directors' statement of affairs, as Lodge & Thomas Chartered Surveyors had indicated prior to the

creditors meeting that they did not expect there to be any equity on sale.

This vehicle was collected by Lombard following the s98 creditors meeting and as anticipated, no sums have been realised in that regard.

Equity in Renault Van

The Company had a Renault Van, which was subject to a finance agreement with Renault Finance.

No sums were recorded as being realisable in respect of this vehicle in the directors' statement of affairs, as Lodge & Thomas Chartered Surveyors had indicated prior to the creditors meeting that they did not expect there to be any equity on sale.

No sums were ultimately realised in connection to this vehicle as it transpired that the agreement with Renault Finance was that of contract hire. As such, title to this vehicle remained with Renault Finance and it was collected by them accordingly.

Equity in Volkswagen Van

The Company had a Volkswagon Van, which was subject to a finance agreement.

No sums were recorded as being realisable in respect of this vehicle in the directors' statement of affairs, as Lodge & Thomas Chartered Surveyors had indicated prior to the creditors meeting that they did not expect there to be any equity on sale.

As with the Renault Van, no sums were ultimately realised in connection to this vehicle as it transpired that the agreement with Network was that of contract hire. As such, title to this vehicle remained with Network and it was collected by them accordingly.

Debtors

The Company's debts were factored through Lloyds TSB Commercial Finance. At the time of the creditors meeting the sum of £11,091 was expected to be realised in the liquidation once Lloyds had been repaid in full, as follows:

	<u>£</u>
Debtors	108,932
<u>Less: 10% Bad Debt Provision</u>	(10,893)

	98,039
<u>Less: Lloyds Commercial Finance</u>	(86,948)

<u>Estimated to Realise</u>	11,091
	=====

Lloyds TSB Commercial Finance subsequently confirmed that no residual debts would in fact be assigned to the liquidation as the debtors' ledger then stood at £5,469 however their outstanding fees totalled £12,781.

It follows therefore that no sums have been realised in respect of the outstanding trade debtors.

Surplus Funds From Sale of Assets

Prior to the s98 creditors meeting the following assets were sold to FC Fund Managers:

	<u>£</u>
Heidelberg & Press	115,000
<u>Less: City Business Finance</u>	(80,400)

<u>Total Surplus</u>	34,600
	=====

The surplus funds were held in a client account with Lodge & Thomas Chartered Surveyors for the benefit of the Liquidation and the sum of £27,975 was recorded as being realisable in that regard in the directors' statement of affairs, as follows:

	<u>£</u>
Surplus Funds From Sale of Assets	34,600
<u>Less: Agents Fees</u>	(8,625)

<u>Per Statement of Affairs</u>	27,975
	=====

Creditors should please note that due to an unfortunate addition error in the directors statement of affairs the anticipated realisations were overstated by £2,000 (£34,600 - £8,625 = £25,975).

The sum of £25,975 is therefore recorded as having been realised in the Receipts and Payments Account at Appendix 1.

Vehicle, Stock, Fixtures & Fittings and Plant & Machinery

The Company's unencumbered vehicle, plant, machinery, fixtures and fittings were uplifted by Lodge and Thomas Chartered Surveyors for safe-keeping prior to the creditors meeting.

As at the date of liquidation no formal valuation of these assets had been obtained, however it was estimated that the sum of £4,000 might be realisable in connection to these assets, as follows:

	<u>£</u>
Vehicle	1,500
Stock, Fixtures, Fittings, Plant & Machinery	2,500

	4,000
	=====

Following the s98 creditors meeting, these assets were sold at auction. The sum of £2,207 was realised in that regard, which is recorded separately in the Receipts and Payments Account at Appendix 1.

Investigation

The Joint Liquidators have undertaken work in accordance with Statement of Insolvency Practice 2 (A Liquidators Investigations into the Affairs of an Insolvent Company).

Those investigations have yet to be concluded however it is anticipated that they will be finalised within the next three months.

4. Fixed Charge Creditors

Lloyds TSB Commercial Finance holds a fixed charge over the Company's trade debts.

It is anticipated that Lloyds will suffer a shortfall under their fixed charge of circa £7,300 however a proof of debt has yet to be lodged with the liquidation in that regard.

Bank TSB hold a floating charge over the assets of the Company and Lloyds TSB Commercial Finance hold a fixed and floating charge over the assets of the Company. A dividend is not expected to become payable to Lloyds under either charge.

5. Preferential Creditors

Crown preference was abolished with regard to PAYE and VAT on all insolvencies commencing on or after the 15th September 2003

following the introduction of the corporate provisions of the Enterprise Act 2000.

Claims were submitted to the Redundancy Payments Office in respect of the former employees' arrears of wages, holiday pay, notice pay and redundancy pay.

The Redundancy Payments Office has lodged a preferential claim in the liquidation in the sum of £10,652 however asset realisations have been insufficient to enable a dividend to be paid to the preferential creditors.

6. Floating Charge Creditors

Both Lloyds Bank and Lloyds TSB Commercial Finance hold floating charges over the assets of the Company.

The charge in favour of Lloyds Bank takes priority as that charge was created first. Unfortunately however, asset realisations have been insufficient to enable a dividend to be paid to Lloyds under their charge.

7. Unsecured Creditors

Unfortunately, asset realisations have been insufficient to enable a dividend to be paid to the unsecured creditors.

8 Conclusion

The liquidation continues in order for the liquidators' statutory investigations into the financial affairs of the Company to be concluded.



Lisa Alford, MABRP, MIPA - Joint Liquidator

Dated: 26 September 2014

Purnells
Treverva Farm
Treverva
Penryn
Nr Falmouth
Cornwall
TR10 9BL

Appendix 2

Active Colour Limited (the "Company")

Liquidators Annual Receipts And Payments Account

From The Commencement Of The Liquidation On 9 August 2013 To
8 August 2014, The First Anniversary of the Liquidators
Appointment

	<u>Estimated Value</u> <u>Of Assets Per</u> <u>Statement Of</u> <u>Affairs</u>	<u>Actual</u> <u>Realisations</u>
	<u>£</u>	<u>£</u>
<u>Receipts</u>		
Equity in Ford Transit	Nil	Nil
Equity in Renault Van	Nil	Nil
Equity in Volkswagen Van	Nil	Nil
Debtors	11,091	Nil
Surplus Funds From Sale Of Assets	27,975	25,975
Stock, Vehicle, F&F, P&M	4,000	2,207
	-----	-----
	41,066	28,182
	=====	
<u>Other Receipts</u>		
BT Refund		270
Insurance Rebate		89
Lloyds Refund		67
Bank Charges		5

<u>Total Receipts</u>		28,613
		=====
<u>Payments</u>		
Statement of Affairs Fee	- -	5,000
Liquidators Fees		11,787
Category 1 Disbursements		1,338
Category 2 Disbursements		Nil
VAT Reclaimable		486

		18,611
Balance at Bank		10,002

<u>Total Payments</u>		28,613
		=====

Appendix 3

Active Colour Limited (the "Company")

Liquidators Statement of Expenses
Incurred for the period 9 August 2013 to 8 August 2014
(In Accordance with the Insolvency (Amendment) Rules 2010
- Rule 4.49C)

The expenses incurred within the Liquidation (recorded in the Receipts and Payments Account at Appendix 2 as "Category 1 Disbursements") for the period 9 August 2013 to 8 August 2014 were as follows.

	<u>£</u>
Agents Fees	516
Adam White - Refund	351
Advertising Costs	165
Bordereau	120
Mail Redirection	120
Bank Charge	50
Travel Expenses	9
Company Searches	7

<u>Per Receipts and Payments</u>	1,338
	=====

Active Colour Limited (the "Company")

Report To Creditors In Accordance With Statement Of
Insolvency Practice Number 9 (SIP 9) And The Insolvency
(Amendment) Rules 2010

1 Explanation Of The Office Holders Time Charging Policies

- 1.1 Hourly charge out rates are reviewed on the 31st March each year in line with Purnells year end.
- 1.2 Each staff member records in units of six minutes and analyses that time into the categories shown below at paragraph 4:
- 1.3 Each staff member has his or her own grade and hourly charge out rate.
- 1.4 SIP 9, which deals with time recording was introduced on the 1st January 2003. Under that Statement of Insolvency Practice there is no requirement to analyse time spent prior to 31st December 2002. To provide further information however all time spent on this matter since appointment has been analysed.

2 Explanation Of The Office Holders Policies In Relation TO Disbursements

- 2.1 SIP 9 distinguishes between what are called "Category One" and "Category Two" disbursements.
- 2.2 Category one disbursements includes specific expenditure related to the administration of this insolvency matter where such sums are paid to third parties. In accordance with SIP 9 no separate approval process is required for "category one" disbursements.
- 2.3 Category two disbursements are those, which are not specific to this particular insolvency matter, but are more in the nature of shared or allocated costs.

3. Analysis Of Time Spent

- 3.1 SIP 9 is a guidance note of best practice concerning an insolvency practitioners' remuneration and expenses. SIP 9 was reviewed with effect from the 31st December 2002 after which date it was

recommended that insolvency practitioners should provide a detailed analysis of their time costs.

- 3.2 Appendix 5 sets out an analysis of the hours and cost of that time spent since my appointment on this particular matter.

The break down of those costs into the following categories:

- Administration & Planning
- Realisation of assets
- Creditors
- Investigation
- Trading

is also shown at Appendix 5 to this report.

4 Explanation Of What Time Is Allocated To Each Of The Five "Categories" Of Analysis

4.1 Administration and Planning

This category of time allocation includes time spent on the following work.

- 4.1.1. Preparation of minutes of first meeting and filing of appointment documentation.
- 4.1.2 Notification of appointment to creditors and other interested parties.
- 4.1.3. Setting up the case on micro-controller computer system and setting up a detailed case record book with related files.
- 4.1.4. Personalising all procedures and work instructions to this particular case to include those instructions relating to:
 - record keeping
 - communication and control relating to secured and preferential creditors
 - control process for the realisation of assets
 - the obtaining of insurance and bordereau cover
 - the control of debtor collections
 - the control of obtaining proofs of debts from creditors
 - the process for agreeing employee claims

- the identification, review and storage of client records
- the maintenance of client cash books, bank accounts and related VAT and tax matters
- a definition as to the review process to be followed
- the investigation required
- control of the closing process
- information needed to be retained following closure
- the preparation and circularisation of annual and closing reports to creditors
- the maintenance of records of time spent and disbursements paid.

4.1.5. Reviewing documentation and other available information and determining the initial strategy upon appointment.

4.1.6. Maintaining the bank accounts and recording all transactions. Reconciliation of those accounts and preparation of periodic Receipts and Payments account summaries.

4.1.7. Undertaking a review of the case at two monthly intervals.

4.2 Realisation of Assets

This category of time allocation includes time spent on:

4.2.1. Maintaining control totals over trade and other debtors outstanding and all processes involved in the collection in of those debts.

4.2.2 Determining and realising the amount of interest in any freehold and leasehold properties.

4.2 3. Determining and realising, with the assistance of valuers and auctioneers the interest in any vehicles, office equipment, plant and other equipment, stock and work in progress.

4.2.4. Legal actions to realise assets.

4.3 Creditors

This category of time allocation includes time spent on:

- 4.3.1. Requesting forms of proof of debt.
- 4.3.2. Checking and recording those forms when received
- 4.3.3. Disputing certain proofs and negotiating an agreed figure.
- 4.3.4. Chasing for outstanding proofs.
- 4.3.5. Reviewing and dealing with creditors claiming reservation of title.
- 4.3.6. Completing Inland Revenue form P35 and VAT form 100 and pursuing such claims.
- 4.3.7. Checking the validity of any security said to be held by a creditor who claims to hold
 - a legal charge
 - an equitable charge
 - or on Hire Purchase
 - or Leasing Agreements
- 4.3.8. Calculating and paying dividends to creditors.

4.4 Investigation

This category of time allocation includes time spent on reviews to determine whether or not any further assets existed over and above those disclosed by the debtor.

4.5 Trading

This category of time allocation includes time spent in monitoring and controlling trading activities of the business where the Liquidator has an involvement in any such trading.

5. Creditors Rights

Secured Creditors and Unsecured Creditors with the concurrence of at least 5% in value of the Unsecured

Creditors, including the creditor in question, have the right under 4.49E of the Insolvency Rules 1986 to request further information about remuneration or expenses set out in the progress report. The request must be made within 21 days of receipt of the draft report.

Secured Creditors and Unsecured Creditors with the concurrence of at least 10% in value of the Unsecured Creditors, including that creditor, or with the permission of the court, have the right under Rule 4.131 of the Insolvency Rules 1986 to challenge the Liquidator's remuneration, no later than 8 weeks following receipt of the draft report.

Appendix 5

Active Colour Limited (the "Company")

Analysis Of Time Spent By The Liquidators

I was appointed as Joint Liquidator of the above named Company on 9 August 2013. From that date to the date that this report has been prepared, 91.5 hours of time has been spent on this matter at a time cost of £15,607.

The average cost per hour is therefore £170.57 and an analysis of that time is attached.

Fees actually drawn as per Appendix 1 are as follows:

	<u>£</u>
Liquidators Fees (for the period)	11,787
	=====

The Liquidator's remuneration is calculated by reference to time properly spent in the conduct of the winding up as approved by creditors at the creditors meeting held on 9 August 2013

As at the date to which this report has been prepared, the Liquidators have under recovered their post appointment time costs by £3,820 as follows:

	<u>£</u>
Total Post-Appointment Time Costs	15,607
<u>Less:</u> Liquidators Fees Drawn	(11,787)

<u>Under-Recovered Time Costs</u>	3,820
	=====

The Liquidators have also under recovered their pre-appointment time costs by £9,749, as follows:

	<u>£</u>
Total Pre-Appointment Time Costs	14,749
<u>Less:</u> Statement of Affairs Fee	(5,000)

<u>Under-Recovered Time Costs</u>	9,749
	=====

Under Statement of Insolvency Practice number 9 the Liquidator is required to state what has been achieved in the liquidation and in that connection, the Liquidators have:

1. Commenced their investigations into the financial affairs of the Company,
2. Completed their statutory reporting requirements as regards the conduct of the directors,
3. Corresponded with creditors,
4. Instructed agents to deal with the sale of the Company's assets,
5. Reviewed and validated the retention of title claims that were received to the liquidation,
6. Submitted the employees claims to the Redundancy Payments Office,
7. Corresponded with Lloyds TSB Commercial Finance regularly as regards the progress that was being made with their debt collections and
8. Prepared and circulated their first annual report to creditors.

Active Colour Limited

10/07/2013 to 08/08/2014

	PARTNER	MANAGER	SENIORS	ADMINISTRATION STAFF	TIME TRANSFER	TOTAL HOURS	TIME COST	AVERAGE HOURLY RATE
PRE-APPOINTMENT	22.5		3.6	65.2		91.3	14952	163.77
ADMINISTRATION AND PLANNING	0.6		6.6	15.6		22.8	3888	170.53
REALISATION OF ASSETS	-0.2		0.7	12.5		13.4	1707	127.39
CREDITORS	0.8		9.3	34		44.1	6832	154.92
INVESTIGATION			10.8	0.4		11.2	3180	283.93
TOTALS								
HOURS	24.1		31	127.7		182.8		
COST	6989		8936	14634			30559	
AVERAGE HOURLY RATE	290		288.26	114.6				167.17
Less Pre-Appointment Time						91.3	-14952	
Post-Appointment Time						91.5	13607	170.57

Appendix 6

Active Colour Limited (the "Company")

Schedule Of Applicable Charge Out Rates

	<u>£</u>
Licensed Insolvency Practitioners	290
Managers	170 - 290
Seniors	110 - 180
Administration Staff	90 - 120