

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

05046182

Name of Company

China Export Finance Limited

I / We
Jason James Godefroy
43-45 Portman Square
London
W1H 6LY

Andrew Gordon Stoneman
43-45 Portman Square
London
W1H 6LY

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 26/04/2011 to 25/04/2012

Signed

Date

22/6/12

Duff & Phelps Ltd
43-45 Portman Square
London
W1H 6LY

Ref CEX014/JJG/AGS/SMS/mah

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COMPANIES HOUSE

DUFF & PHELPS

Report to Creditors

22 June 2012

China Export Finance Limited (In Creditors' Voluntary Liquidation)

Joint Liquidators' Annual Progress Report to Creditors
For the period from 26 April 2011 to 25 April 2012
Pursuant to Section 104A of the Insolvency Act 1986 (as amended)
and Rule 4.49C of the Insolvency Rules 1986 (as amended)

DUFF & PHELPS

Names of Joint Liquidators	Jason James Godefroy Andrew Gordon Stoneman
Date of Appointment	26 April 2011
Date of Report	22 June 2012
Appointed by	Pursuant to Paragraph 83 of Schedule B1 of the Insolvency Act 1986
Court Reference	High Court of Justice, Chancery Division, Companies Court, London 3497 of 2010

Duff & Phelps Ltd.
43-45 Portman Square
London
W1H 6LY

DUFF & PHELPS

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Appointment Date	26 April 2011 being the date of appointment of the Joint Liquidators
the Company	China Export Finance Limited (In Creditors' Voluntary Liquidation) (Company number 05046182)
the Directors	Mark Alan Holyoake and Karl Walid Alomar
the Joint Administrators / Joint Liquidators	Jason James Godefroy and Andrew Gordon Stoneman of Duff & Phelps Ltd , 43-45 Portman Square, London, W1H 6LY
the Rules	The Insolvency Rules 1986 (as amended)
Bank Mandiri	Bank Mandiri (Europe) Limited
Category 2 Disbursements	The Joint Liquidators' firm's internal costs and expenses in dealing with the Liquidation
CVL / Liquidation	Creditors' Voluntary Liquidation
DBIS	Department for Business, Innovation and Skills
EC Regulation	EC Regulation on Insolvency Proceedings 2000
Fun in Motion	Fun in Motion, Inc
HMRC	HM Revenue and Customs
MMH	Meserve, Mumper & Hughes LLP
RPS	Redundancy Payments Service
SOA	Statement of Affairs
STA	STA International
Top Luxor	Top Luxor Trading Corporation
Xtraplus	Xtraplus Corporation

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- 1 Joint Liquidators' Receipts and Payments Account
- 2 Analysis of Time Charged and Expenses Incurred
- 3 Proof of Debt Form

1 Introduction

- 1 1 The Joint Liquidators refer to their last report to creditors dated 4 May 2011, which provided the final account of the Administration of the Company
- 1 2 The purpose of this annual progress report is to detail the Joint Liquidators' acts and dealings together with the conduct of the Liquidation since the Appointment Date

2 Background

- 2 1 The Joint Liquidators were appointed on 26 April 2011. The Joint Liquidators' address is Duff & Phelps Ltd, 43-45 Portman Square, London, W1H 6LY
- 2 2 The Company's registered office is c/o Duff & Phelps Ltd, 43-45 Portman Square, London, W1H 6LY. The Company's registration number is 05046182
- 2 3 The Company's former registered office was 4th Floor, 1 Knightsbridge, London, SW1X 7LX and the Company's former trading address was Tower 42, 6th Floor, 25 Old Broad Street, London, EC2N 1HQ
- 2 4 The Company's principal activity was supply chain finance
- 2 5 Further details on the background of the Company, the events leading up to the appointment of Joint Administrators and the conduct of the Administration, including details of all assets realised by the Joint Administrators, can be found in the Joint Administrators' reports sent to creditors during the Administration, which can be provided upon request. This report only covers the affairs of the Company since the date of Liquidation
- 2 6 Previous reports can be provided upon request

3 Joint Liquidators' Receipts and Payments Account

- 3 1 A detailed receipts and payments account for the period 26 April 2011 to 25 April 2012 is shown at Appendix 1
- 3 2 As at 25 April 2012 there was a cash balance of £103,980

4. Asset Realisations

- 4 1 The manner in which the affairs and business of the Company have been managed during the period 26 April 2011 to 25 April 2012 are set out below.

Administration Surplus

- 4 2 The balance of Administration funds of £57,059, which included £6,429 of recovered VAT, was transferred into the Liquidation estate bank account upon the Joint Liquidators' appointment

Book debts

Fun in Motion

- 4 3 As at the date of the Joint Administrators' final report of 4 May 2011, \$24,000 of Fun in Motion's total indebtedness to the Company of \$98,431 had been collected

4 4 The Joint Liquidators have subsequently been advised by STA that Fun in Motion is insolvent and has been dissolved. All of Fun in Motion's assets have been sold for the benefit of its secured creditor and there were no proceeds available to the unsecured non-preferential creditors of Fun in Motion, of which the Company is one.

4 5 Therefore, no further realisations will be possible from this source.

Top Luxor

4 6 As previously reported, Top Luxor had a debt to the Company of \$240,000 which was agreed by a court order to be paid to the Company in instalments. STA were instructed to collect this debt.

4 7 As at the Appointment Date, Top Luxor had paid the Company \$145,500 and STA were collecting the remaining \$94,500 on behalf of the Company.

4 8 During the period 26 April 2011 to 25 April 2012, Top Luxor has paid a further \$77,000, being £47,119. Of this, the Joint Liquidators have received £35,339 after the payment of the agreed 25% commission due to STA.

4 9 It is anticipated that Top Luxor will make the remaining payments of \$17,500 due to the Company, following which the total debt due would have been paid. Creditors will be updated in respect of this in the Joint Liquidators' next report.

Xtraplus

4 10 As previously reported, the Company is entitled to receive a settlement figure of \$784,545 from Xtraplus, with accruing interest at 10% per annum until the debt is paid. MMH were instructed to collect the debt on behalf of the Company.

4 11 Xtraplus paid the Company \$50,000 prior to the appointment of the Joint Administrators and an additional \$307,363 was received during the Administration. As at the Appointment Date, \$427,182 (inclusive of interest) was due to the Company.

4 12 During the period 26 April 2011 to 25 April 2012, \$64,800, being £49,825.65, has been received. Of this, the Joint Liquidators have received £39,861 after the payment of the agreed 20% commission due to MMH.

4 13 MMH have advised the Joint Liquidators that Xtraplus is in financial difficulties and as a result of this, Xtraplus have defaulted on the repayment instalments to the Company. The Joint Liquidators have instructed MMH to submit default notices and investigate the likelihood of any recoveries to the Company. At present, it is uncertain whether any further realisations will be made from this source.

Sundry

4 14 Bank interest of £66 has been realised in the Liquidation.

5 Investigations

5 1 The Directors conduct report was submitted to the Insolvency Practitioners Compliance Unit at the DBIS on 15 September 2011.

- 5 2 Notwithstanding the above, the Joint Liquidators' investigations into the Company's affairs remain ongoing. The Joint Liquidators cannot detail the nature of these investigations at this stage, as it may hamper any further action that may be required. Should any of the Company's creditors have information concerning the Company's affairs that they would like to bring the Joint Liquidators' attention, please contact this office.

6 Dividend Prospects / Prescribed Part

Secured Creditors

- 6 1 Please see the Joint Administrators' previous reports, copies of which can be provided free of charge upon request, for further details on the Company's secured creditor, Bank Mandiri.
- 6 2 As previously reported, Bank Mandiri was paid in full during the Administration.

Preferential Creditors

- 6 3 The Directors' SOA estimated preferential claims at \$69,951, being approximately £45,000.
- 6 4 As previously reported, a dividend of 100p in the £ was paid to the preferential creditors of the Company, totalling £55,580 on 9 February 2011.
- 6 5 As previously reported, the RPS have been paid a dividend of £10,488 in respect of their subrogated preferential claim.

Prescribed Part

- 6 6 Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a prescribed part of the Company's net property shall be made available to unsecured non-preferential creditors.
- 6 7 As previously reported, there were no qualifying floating charge holders as at the date of the Joint Administrators' appointment and therefore the prescribed part does not apply.

Unsecured Non-Preferential Creditors

- 6 8 According to the directors' SOA, unsecured non-preferential creditors total \$2,130,482. The unsecured non-preferential creditors per the SOA can be summarised as below:

	\$
HM Revenue & Customs	102,890
Trade & Expense creditors	2,027,592
Total	<u>2,130,482</u>

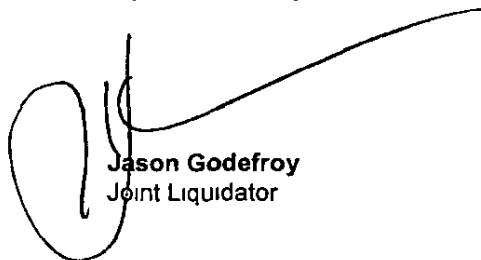
- 6 9 Based upon the current information available, it is anticipated that there will be sufficient realisations to enable a dividend to the unsecured non-preferential creditors of the Company, however the quantum and timing of any dividend remains uncertain at this stage as this is dependent on the ongoing debtor collection and investigations.
- 6 10 Attached at Appendix 3 is a proof of debt form. Any creditor that is yet to submit a claim against the Company should complete the proof of debt form and return it to this office as soon as possible, together with full supporting documentation.

7 Joint Liquidators' Costs and Expenses

- 7.1 Full details of the approval of the Joint Administrators' proposals, which fixed the basis of the Joint Administrators' remuneration on the basis of time properly spent by them and their staff in attending matters arising in the Administration, is noted in the Joint Administrators' previous reports
- 7.2 Please be advised that the above approval with regard to the basis of remuneration automatically passes from the Administration to the Liquidation and therefore the Joint Liquidators' remuneration is fixed on the same basis, in accordance with Rule 4.127(5A)
- 7.3 An analysis of the Joint Liquidators' time costs for the period 26 April 2011 to 25 April 2012 is attached at Appendix 2
- 7.4 The Joint Administrators' final remuneration of £16,272 was drawn in the period 26 April 2011 to 25 April 2012
- 7.5 The Joint Liquidators have drawn remuneration of £10,000 and disbursements of £2 in the period 26 April 2011 to 25 April 2012
- 7.6 The Joint Liquidators have incurred the following expenses in dealing with the Liquidation of the Company

Company	Role	Paid in period	Incurred but not paid in period
Menzies LLP	Providing Corporation Tax advice and completing Corporation Tax returns for prior year	£275	Nil
Accurate Mailing Services Limited	Mailing Agent – Printing and sending by post correspondence to the Company's creditors and members	£326	Nil
Total Data Management	Secure storage of the Company's books and records	£1,156	Nil
Courts Advertising Limited	Statutory Advertising of the Joint Liquidators' appointment	£77	Nil
MMH	Legal Fees in connection with investigation into Xtraplus asset position to potentially recover monies due to the Company after default by Xtraplus on the agreed instalments payable to the Company	Nil	\$5,120
MMH	Fees in connection with book debt collections	£9,034	Nil
STA	Fees in connection with book debt collections	£11,780	Nil

- 7.7 Information regarding the fees of the Joint Liquidators called a "Creditors' guide to Liquidators' Fees" can be found on the Joint Liquidators' website at <http://www.duffandphelps.com>. Should you require a copy, please contact this office.
- 7.8 Any secured creditor, or any unsecured non-preferential creditor (with the support of at least 10% in value of the unsecured non-preferential creditors, or the permission of the court) may apply to court on the grounds that the remuneration or basis fixed for the Liquidator's remuneration or the expenses incurred by the Liquidator are considered to be excessive. This application must be made no later than eight weeks after receipt of the annual progress report, where the charging of the remuneration or the incurring of expenses in question occurs.
- 7.9 In accordance with Rule 4.49E of the Rules, secured creditors and unsecured non-preferential creditors (with the concurrence of at least 5% in value of total unsecured non-preferential claims) may make a request in writing to the Liquidator for further information about the remuneration or expenses set out in this annual progress report. This should be done within 21 days receipt of this annual progress report.
- 8. Further Reports**
- 8.1 The Joint Liquidators shall be continuing with the Liquidation of the Company and have a duty to provide creditors with a progress report on an annual basis. However, should the Liquidation be finalised prior to the end of the next period then a draft final report will be issued and the Company dissolved.
- 8.2 If you require any further information please contact Mark Hickford of this office.



Jason Godefroy
Joint Liquidator

Appendix 1

Joint Liquidators' Receipts and Payments Account

China Export Finance Limited
(In Creditors' Voluntary Liquidation)
Joint Liquidators' Receipts & Payments for period 26 April 2011 to 25 April 2012

Statement of Affairs

From 26 April 2011
To 25 April 2012
£

Estimated to Realise £

RECEIPTS

0 00	Administration Surplus	57,058 77
0 00	Debtors - Xtraplus	49,825 65
0 00	Debtors - Top Luxor	47,118 50
0 00	Bank Interest Gross	65 87
0 00		154,068 79

PAYMENTS

Joint Administrators' Remuneration	16,271 50
Debt Collection - STA	11,779 62
Joint Liquidators' Remuneration	10,000 00
Joint Liquidators' Disbursements	2 00
Debt Collection - MMH	9,965 13
Storage Costs	1,155 76
Stationery & Postage	325 78
Menzies LLP	275 00
Statutory Advertising	76 50
Bank Charges	16 00
	49,867 29

Net Receipts/(Payments)	104,201 50
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MADE UP AS FOLLOWS

Floating/main current account	33,979 50
VAT Receivable	222 00
AIB Deposit account	70,000 00
	104,201 50

Note No separate Statement of Affairs is required for the Liquidation

Appendix 2

Analysis of Time Charged and Expenses Incurred

China Export Finance Limited (In Creditors Voluntary Liquidation)

Analysis of Joint Liquidators' time costs for the period 26 April 2011 to 25 April 2012

Classification of Work Function						Total Hours	Time Cost	Avg Hourly Rate
	Partner	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review and Case Diary management	0 40	1 90	2 10	8 90	0 00	13 30	2 581 00	194 06
Strategy planning & control	1 40	4 20	1 70	5 00	0 00	12 30	3 607 50	293 29
Cashiering & accounting	0 20	0 90	4 60	9 80	0 00	15 50	3 202 50	206 61
IPS set up & maintenance	0 00	0 40	2 00	0 00	0 00	2 40	772 00	321 67
Tax Compliance/Planning	0 00	0 00	0 30	1 60	0 00	1 90	269 00	141 58
Statutory matters (Meetings & Reports & Notices)	0 80	0 50	3 10	3 80	0 00	8 20	2 074 00	252 93
Creditors								
Non Pref Creditors/Employee claims handling	0 00	0 00	0 10	4 70	0 00	4 80	578 00	120 42
Communications with Creditors/Employees	0 00	0 70	0 80	6 70	0 00	5 20	1 351 50	166 04
Investigations								
Financial review and investigations (S236/239 etc)	0 00	0 50	2 10	1 00	0 00	3 60	1 029 50	285 97
CDDA & reports & Communication	0 00	3 30	0 00	1 40	0 00	4 70	1 437 00	305 74
Realisation of Assets								
Book debts	0 60	2 40	2 10	9 30	0 00	14 40	3,206 50	
Sale of business	0 00	0 00	0 30	0 00	0 00	0 30	72 00	
Total Hours	3 40	14 80	19 20	52 20	0 00	89 60		225 34
Total Fees Claimed	1,653 00	5,866 00	5,765 00	6,706 50	0 00		20 190 50	

Category 2 Disbursements

There are no category 2 disbursements for this case to date

Appendix 3

Proof of Debt Form

Proof of Debt – General Form

China Export Finance Limited (In Creditors' Voluntary Liquidation)	
Relevant Date for Claims 26 April 2010	
1	Name of creditor (If a company please also give company registration number)
2	Address of creditor for correspondence
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation
4	Details of any documents by reference to which the debt can be substantiated
5	If amount in 3 above includes outstanding uncapitalised interest please state amount £
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)
7	Particulars of any security held, the value of the security, and the date it was given
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates
9	Signature of creditor or person authorised to act on his behalf _____
	Name in BLOCK LETTERS _____
	Position with or in relation to creditor _____ Address of person signing (if different from 2 above) _____
For Liquidators' Use only	
Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Liquidator	Liquidator