

Liquidator's Progress

S.192

Report

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

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

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

The Joint Liquidators 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 April 2012 to 25 April 2013

Signed



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

Date 17/06/2013

THURSDAY



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COMPANIES HOUSE

DUFF & PHELPS

Annual Progress Report to Creditors and Members

17 June 2013

China Export Finance Limited (In Creditors' Voluntary Liquidation)

**Joint Liquidators' Annual Progress Report to Creditors
For the period from 26 April 2012 to 25 April 2013
Pursuant to Section 104A of the Insolvency Act 1986 (as amended)
and Rule 4.49C of the Insolvency Rules 1986 (as amended)**

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

Definitions

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
Category 2 Disbursements	The Joint Liquidators' firm's internal costs and expenses in dealing with the Liquidation
Bank Mandiri	Bank Mandiri (Europe) Limited
the Company	China Export Finance Limited (In Creditors' Voluntary Liquidation) (Company number 05046182)
CVL / Liquidation	Creditors' Voluntary Liquidation
DBIS	Department for Business, Innovation and Skills
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
MMH	Meserve, Mumper & Hughes LLP
the Registrar	The Registrar of Companies
the Reporting Period	26 April 2012 to 25 April 2013
RPS	Redundancy Payments Service
the Rules	The Insolvency Rules 1986 (as amended)
SOA	Statement of Affairs
STA	STA International
Top Luxor	Top Luxor Trading Corporation
Xtraplus	Xtraplus Corporation

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- 5 Investigations
- 6 Dividend Prospects / Prescribed Part
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- 1 Joint Liquidators' Receipts and Payments Account
- 2 Analysis of Time Charged
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1 Introduction

- 1 1 The Joint Liquidators refer to their previous report to creditors dated 22 June 2012, which provided creditors with an update on the first 12 months of the Liquidation following the move from Administration
- 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 during the Reporting Period

2. Background

- 2 1 For further details on the background of the Company, please refer to the Joint Liquidators' previous progress reports and the reports sent during the period of Administration
- 2 2 Should any creditor or member require a copy of the previous progress reports, please contact the Joint Liquidators' offices in writing
- 2 3 The Joint Liquidators were appointed on the Appointment Date. The Joint Liquidators' address is Duff & Phelps Ltd, 43-45 Portman Square, London, W1H 6LY
- 2 4 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 5 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 6 The relevant court reference number is High Court of Justice, Chancery Division, Companies Court, London 3497 of 2010
- 2 7 The Company's principal activity was supply chain finance

3. Joint Liquidators' Receipts and Payments Accounts

- 3 1 A detailed receipts and payments account for the Reporting Period is shown at Appendix 1
- 3 2 As at 25 April 2013 there was a cash balance of £84,262

4. Asset Realisations

- 4 1 The manner in which the affairs and business of the Company have been managed during the Reporting Period are set out below

Book Debts

Top Luxor

- 4 2 As previously reported, Top Luxor owed the Company \$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 3 As at the date of the previous progress report, Top Luxor had paid the Company \$222,500 (before collection costs) and there was an outstanding balance of \$17,500 (before collection costs)

4 4 During the Reporting Period, Top Luxor has paid the final amount due to the Company of \$17,500, being £10,792. Of this, the Joint Liquidators received £8,094 after the payment of the agreed 20% commission due to STA.

4 5 Therefore, the total amount due to the Company has been collected. £48,158 was realised during the Administration (after payment of the collection costs to STA) and £57,911 has been realised during the Liquidation (after payment of the collection costs to STA).

4 6 There will be no further realisations from this source.

Xtraplus

4 7 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 8 As at the Appointment Date, \$357,363 had been collected during the Administration and \$427,182 (inclusive of interest) remained due to the Company. In the first 12 months from the Appointment Date \$64,800, being £49,826, was collected.

4 9 There have been no further cash collections from Xtraplus during the Reporting Period.

4 10 Total collections to date are £205,844 and, as reported in the Joint Liquidators' previous report, Xtraplus have defaulted on the repayment instalments to the Company. The Joint Liquidators are liaising with MMH to take legal action against Xtraplus and its director to establish whether there are any further possible recoveries for the benefit of the Company. At present, it is uncertain whether any further realisations will be made from this source as this is dependent on the outcome of any legal action.

Sundry

4 11 Bank interest of £309 has been realised during the Reporting Period.

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 However, should any creditor have information concerning the Company's affairs that they would like to bring to the Joint Liquidators' attention, please contact this office.

6 Dividend Prospects / Prescribed Part

Secured Creditors

6 1 Please see the previous reports from the Joint Administrators, and subsequently the Joint Liquidators, 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 As previously reported, the Directors' SOA estimated preferential claims at \$69,951, being approximately £45,000
- 6 4 A dividend of 100p in the £ was paid to the preferential creditors of the Company, totalling £55,580 on 9 February 2011
- 6 5 The RPS was paid a dividend of £10,488 in respect of its 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 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 Company's records, unsecured non-preferential creditors total \$2,130,4812
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 matters concerning the Xtraplus debt
- 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 In accordance with Rule 2 106 of the Rules, the Joint Administrators' remuneration was approved at the meeting of creditors held on 29 June 2010 on the basis of reference to time properly given by them and their staff in attending to matters arising in the Administration
- 7 2 Please be advised that the above approval automatically transfers from the Administration to the Liquidation and therefore the Joint Liquidators' remuneration is fixed on the same basis as that approved during the Administration, in accordance with Rule 4 127(5A)
- 7 3 The time costs charged in the Reporting Period total £14,481 and are analysed at Appendix 2
Total time costs charged for the Liquidation are £34,976
- 7 4 The Joint Liquidators have drawn remuneration of £15,000 during the Reporting Period in respect of the above time costs

- 7.5 The Joint Liquidators have incurred the following expenses in dealing with the Liquidation of the Company in the Reporting Period

Company	Role	Paid in period (£)	Incurred but not paid in period (£)
Accurate Mailing Services Limited	Mailing Agent – Printing and sending by post correspondence to the Company's creditors and members	72	Nil
Total Data Management	Secure storage of the Company's books and records	1,110	Nil
Menzies LLP	Providing Corporation Tax advice and completing Corporation Tax returns for prior year	275	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	8,350	Nil
STA	Fees in connection with book debt collections	2,698	Nil

- 7.6 Information regarding the fees and disbursements of Liquidators, including details of the Duff & Phelps disbursements policy and hourly charge out rates for each grade of staff that may undertake work this case, is in a document called a "Creditors' guide to Liquidators' Fees". This can be viewed and downloaded from the Joint Liquidators' website at <http://www.duffandphelps.com/uk-restructuring/creditor-guides>. Should you require a copy, please contact this office.
- 7.7 Any secured creditor, or any unsecured creditor (with the support of at least 10% in value of the unsecured 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 8 weeks after receipt of the annual progress report, where the charging of the remuneration or the incurring of expenses in question occurs.

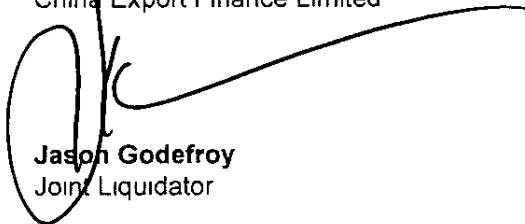
8 Further Information

- 8.1 In accordance with Rule 4.49E of the Rules, secured creditors and unsecured creditors (with the concurrence of at least 5% in value of total unsecured 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.

9. Conclusion

- 9.1 I shall be continuing my Liquidation of the Company and I 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 final report will be issued and the Company dissolved.
- 9.2 The only outstanding matters are to determine whether there is any possibility of further recoveries for the benefit of the Company and once this has been established, take steps to pay a dividend distribution to the non-preferential unsecured creditors of the Company. Once these matters have been completed, the Liquidation will be closed.
- 9.3 In accordance with the Act and the Rules, no creditors' meeting is required.
- 9.4 If you require any further information, please contact Mark Hickford of this office.

Yours faithfully
For and on behalf of
China Export Finance Limited



Jason Godefroy
Joint Liquidator

Appendix 1

Joint Liquidators' Receipts and Payments Account

China Export Finance Limited
(In Creditors' Voluntary Liquidation)

Joint Administrators' Receipts & Payments for period 26 April 2012 to 25 April 2013

	From 26 April 2011 To 25 April 2012 £	From 26 April 2012 To 25 April 2013 £	Total £
RECEIPTS			
Administration Surplus	57 058 77	0 00	57 058 77
Debtors - Xtraplus	49 825 65	0 00	49 825 65
Debtors - Top Luxor	47 118 50	10 792 48	57 910 98
Bank Interest Gross	65 87	309 43	375 30
	<u>154 068 79</u>	<u>11 101 91</u>	<u>165,170 70</u>
PAYMENTS			
Joint Administrators' Remuneration	(16 271 50)	0 00	(16 271 50)
Debt Collection - STA	(11 779 62)	(2 698 12)	(14 477 74)
Joint Liquidators' Remuneration	(10 000 00)	(15 000 00)	(25 000 00)
Joint Liquidators' Disbursements	(2 00)	0 00	(2 00)
Debt Collection - MMH	(9 965 13)	(8 350 00)	(18 315 13)
Storage Costs	(1 155 76)	(1 110 00)	(2 265 76)
Stationery & Postage	(325 78)	(72 00)	(397 78)
Menzies LLP	(275 00)	(275 00)	(550 00)
Statutory Advertising	(76 50)	0 00	(76 50)
Bank Charges	(16 00)	(23 34)	(39 34)
	<u>(49,867 29)</u>	<u>(27 528 46)</u>	<u>(77 395 75)</u>
Net Receipts/(Payments)	<u>104,201 50</u>	<u>(16,426 55)</u>	<u>87,774 95</u>
MADE UP AS FOLLOWS			
Floating/main current account			13 992 09
VAT Receivable			3 513 40
AIB Term Deposit			70,269 46
			<u>87,774 95</u>

Appendix 2

Analysis of Time Charged

China Export Finance Limited (In Creditors Voluntary Liquidation)

Analysis of Joint Liquidators' time costs for the period 26 April 2012 to 25 April 2013

Classification of Work Function						Total Hours	Time Cost	Avg Hourly Rate
	Partner	Manager	Senior	Assistant	Support			
Administration and Planning								
Statutory matters (Meetings & Reports & Notices)	0 50	3 50	0 00	8 30	0 00	12 30	3 149 50	256 06
Cashiering & Accounting	0 10	2 90	1 20	5 15	0 00	9 35	2 508 50	268 29
Case Review and Case Diary Management	1 00	1 00	0 00	5 65	0 00	7 65	2 063 25	269 71
Strategy Planning & Control	1 50	1 75	0 00	0 80	0 00	4 05	1 735 25	428 46
Tax Compliance/Planning	0 40	0 00	0 00	1 60	0 00	2 00	482 50	241 25
Creditors								
Communications with Creditors/Employees	0 00	0 40	0 00	4 50	0 00	4 90	1 030 50	210 31
Non Pref Creditors/Employee Claims Handling	0 00	0 40	0 00	1 30	0 00	1 70	395 00	232 35
Investigations								
Financial Review and Investigations (S238/S239 etc)	0 00	0 50	0 00	0 00	0 00	0 50	217 50	435 00
Realisation of Assets								
Book Debts	0 00	1 30	0 00	11 25	0 00	12 55	2 899 25	231 02
Total Hours	3 60	11 75	1 20	38 55	0 00	55 00		263 30
Total Fees Claimed	1,935 00	4,918 25	351 00	7,277 00	0 00		14,481 25	

Category 2 Disbursements

There are no category 2 disbursements for this case to date

China Export Finance Limited (In Creditors Voluntary Liquidation)

Analysis of Joint Liquidators' time costs for the period 26 April 2011 to 25 April 2013

Classification of Work Function						Total Hours	Time Cost	Avg Hourly Rate
	Partner	Manager	Senior	Assistant	Support			
Administration and Planning								
Cashiering & accounting	0 30	3 80	5 80	14 95	0 00	24 85	5,711 00	229 82
Strategy planning & control	2 90	5 95	1 70	5 80	0 00	16 35	5 342 75	326 77
Statutory matters (Meetings & Reports & Notices)	1 30	4 00	3 10	12 10	0 00	20 50	5,223 50	254 80
Case review and Case Diary management	1 40	2 90	2 10	14 55	0 00	20 95	4 844 25	221 68
IPS Set Up & Maintenance	0 00	0 40	2 00	0 00	0 00	2 40	772 00	321 67
Tax Compliance/Planning	0 40	0 00	0 30	3 20	0 00	3 90	751 50	192 69
Creditors								
Communications with Creditors/Employees	0 00	1 10	0 80	11 20	0 00	13 10	2 392 00	182 60
Non Pref Creditors/Employee claims handling	0 00	0 40	0 10	6 00	0 00	6 50	973 00	149 69
Investigations								
CDDA &	0 00	3 30	0 00	1 40	0 00	4 70	1,437 00	305 74
Financial	0 00	1 00	2 10	1 00	0 00	4 10	1 247 00	304 15
Realisation of Assets								
Book debts	0 60	4 40	2 10	20 55	0 00	27 65	6 410 25	231 84
Sale of	0 00	0 00	0 30	0 00	0 00	0 30	72 00	240 00
Total Hours	6 90	27 25	20 40	90 75	0 00	145 30		240 72
Total Fees Claimed	3,788 00	11,088 75	6,116 00	13,983 50	0 00		34,976 25	

Category 2 Disbursements

There are no category 2 disbursements for this case to date