

# 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

5619347

Name of Company

Compensation Professionals Network Limited

I/ We

Robert Neil Dymond, The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS

Lisa Jane Hogg, The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS

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 27/08/2013 to 26/08/2014

Signed



Date

8.9.14

Wilson Field Limited  
The Manor House  
260 Ecclesall Road South  
Sheffield  
S11 9PS

Ref COMP05C/RD/LJH/GK2/HC/JL2

WEDNESDAY



**Compensation Professionals Network Limited  
(In Liquidation)  
Joint Liquidators' Abstract of Receipts & Payments**

**Statement  
of Affairs**

**From 27/08/2013  
To 26/08/2014**

**ASSET REALISATIONS**

Cash Held by third party	15,000 00
Bank Interest Net of Tax	9 38
Transfer from Admin	736 49
	<u>15,745 87</u>

**COST OF REALISATIONS**

Administrators fees	4,873 07
Legal Fees (1)	9,832 67
Search Fees	150 00
Travel expenses	224 50
Statutory Advertising	67 00
Land Registry Fees	10 00
	<u>(15,157 24)</u>

**588.63**

**REPRESENTED BY**

Vat Receivable	570 33
Bank 1 Current	18 30

**588.63**



**Robert Neil Dymond  
Joint Liquidator**

**In the matter of Compensation Professionals Network Limited (“the  
Company”)**

**And in the matter of The Insolvency Amendment Rules 2010**

**Joint Liquidators’ report to members and creditors**

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- A Receipts and payments account
- B Time analysis in accordance with Statement of Insolvency Practice “SIP” 9
- C Wilson Field Limited charge out rates and disbursements policy

## 1. Introduction

This report to members and creditors covers the period 27 August 2013 to 26 August 2014 and attached at Appendix A is a Receipts and Payments account for the same period

This report is prepared on an exception basis detailing only material changes from the last report

## 2 Company and Joint Liquidators' details

Company name	Compensation Professionals Network Limited
Registered address	c/o Wilson Field Limited The Manor House 260 Ecclesall Road South Sheffield S11 9PS
Other trading names of the Company	None
Company number	05619347
Name of Joint Liquidators	Robert Neil Dymond and Lisa Jane Hogg
Address of Joint Liquidators	Wilson Field Limited The Manor House 260 Ecclesall Road South Sheffield S11 9PS
Date of appointment	27 August 2013
Change in Office Holder	None

## 3. Progress during the period

The attached receipts and payments account is generally self-explanatory, but I would report specifically as follows

Please note that all funds are held in a separate trust account set up in the Company's name Bank interest net of tax in the sum of £9 38 has been received during the period covered by this report

### Funds held by third party

As referred to in my reports to creditors during the Administration term, the Company had deposited £1,050,000 00 with chartered accountant Mahmood Poptani, who was operating via a sole trader business trading as Brooks Poptani. The Joint Liquidators' investigations into the affairs of the Company revealed that the balance of funds accrued via five payments from the Company's bank account to Brooks Poptani, made between April 2011 and February 2012. The Joint Liquidators understand from Mr Poptani that he was initially approached by the director of the Company, David Patrick Buckley, as he was keen to move a sum of money out of the Company's bank account to be held in an external account for the purpose of eventually satisfying the Company's outstanding indebtedness to HM Revenue & Customs. This is the alleged purpose of the various transfers from the Company's bank account to Brooks Poptani.

Following Mr Poptani's receipt of the payments, Mr Poptani advised that he made various payments on behalf of the Company from the funds held, on the instruction of Mr Buckley. These payments totalled £276,800.51, with £9,315.11 being paid to Newlyn High Court, two payments totalling £25,485.40 being made to I Law and a payment of £12,000.00 being returned to the Company. The balance of £230,000.00 related to two payments to Biocide plc ("Biocide") in the sum of £50,000.00 and £180,000.00. In return for the payments of £230,000.00 to Biocide, the Company acquired 200,000 Ordinary Shares of 1p each in that company ("the Shares"). Biocide is a company specialising in identifying and formulating specific chemical compounds to create powder and liquid-based hygiene and healthcare formulations and further information in this respect is referred to subsequently in this report. These payments reduced the balance of funds held by Brooks Poptani to £773,199.50. Mr Poptani has confirmed that he was instructed by Mr Buckley not to pay the balance to HMRC until "all the issues would be resolved".

Upon pursuing Mr Poptani for payment of the balance held by Brooks Poptani, the Joint Liquidators were advised that Mr Poptani had invested the monies in a building project in Dar-es-Salaam, Tanzania, on behalf of the Company. Mr Poptani advised that the investment was intended to be a short term investment with a projected return of 10-15%. However, following the Administration of the Company, Mr Poptani has stated that he requested that the investment be liquidated and repaid to the Company in full. As the investment was terminated prematurely, Mr Poptani advised that no profit had been made. Creditors should note that no evidence of this transaction has been provided and the investment has not been repaid to the Company.

The information provided by Mr Poptani was received by the Joint Liquidators following the issue of proceedings pursuant to Section 236 of the Insolvency Act 1986, in which the Court compelled Mr Poptani to cooperate with the Joint Liquidators' enquiries. Extensive communications followed with Mr Poptani, in which payment of the balance of funds was requested for the benefit of the Company's creditors. Mr Poptani made various promises of payment and tendered an interim payment of £15,000.00 to the Joint Liquidators, leaving a balance outstanding of £758,199.50. Despite Mr Poptani's indication that he would repay the balance of funds, no further payments were forthcoming which led the Joint Liquidators issuing a statutory demand against Mr Poptani in respect of the balance of funds totalling £758,199.50.

Mr Poptani failed to make payment of the balance of funds within the period required by the statutory demand which led to a bankruptcy petition being issued against him by the Joint Liquidators. Mr Poptani indicated an intention to propose an Individual Voluntary Arrangement ("IVA") to his creditors which resulted in adjournments of the bankruptcy hearing. Whilst Mr Poptani eventually submitted an IVA proposal to creditors, this was not deemed acceptable by the Joint Liquidators, who are Mr Poptani's principal creditor. The final adjourned hearing was held on 24 May 2014 and with no acceptable IVA proposed, it was ordered that Mr Poptani be made bankrupt. Subsequently, Fiona Grant of Wilson Field Limited was appointed Trustee of Mr Poptani's bankruptcy and the Joint Liquidators have registered a claim in Mr Poptani's estate in the sum of £758,199.50. The Trustee of Mr Poptani's bankruptcy is currently investigating his affairs and has established that Mr Poptani's main assets are his interest in a property which is owned jointly with his wife, land which is owned solely by Mr Poptani, the land in Tanzania referred to previously and a share in a life policy. The prospect of a dividend to unsecured creditors from Mr Poptani's bankruptcy is, at this stage, unclear.

The Joint Liquidators consider that they may have a claim against Mr Buckley for breaches of Sections 172 and/or 174 of the Companies Act 2006, by causing, allowing or otherwise failing to prevent the apparent misappropriation of the funds held by Mr Poptani. It is considered that a claim may be appropriate in this respect pursuant to Section 212(3) of the Insolvency Act 1986, which could compel Mr Buckley to pay, restore or otherwise account to the Company for the loss resulting from his breaches of duty. The Joint Liquidators have written to Mr Buckley on numerous occasions in an attempt to gather further information in respect of his role in the proceedings, to no response. This matter has been referred to the Joint

Liquidators' solicitors. Further information in this respect will be reported via the Joint Liquidators' subsequent reports to creditors.

#### Shares in Biocide

As referred to previously, Mr Poptani, allegedly acting on the instructions of Mr Buckley, had spent £230,000.00 from the funds he was holding on the acquisition of a shareholding in Biocide, a company specialising in identifying and formulating specific chemical compounds to create powder and liquid-based hygiene and healthcare formulations. Correspondence has been entered into with Biocide in respect of the Company's shareholding in that business and Biocide has confirmed that its share register holds 200,000 Ordinary Shares of 1p each in the name of the Company. Biocide has further confirmed that the Shares were acquired for a consideration of £230,000, which was received by Biocide during November 2012.

Under the terms of the share purchase, the Company was unable to realise the Shares before November 2013, in light of a restriction which prohibited the sale of the Shares for twelve months after the date of their acquisition. Upon expiry of the restriction period, the Joint Liquidators instructed Charterfields Limited ("Charterfields"), a firm of RICS qualified International Asset Consultants, to value and market the Shares for sale. Charterfields advised that the Shares were not listed on the London Stock Exchange or the Alternative Investment Market and therefore their value was minimal and potential purchasers would be difficult to identify. Charterfields subsequently marketed the Shares for sale but as anticipated, interest was limited. Whilst Mr Buckley, acting by his agent Declan Tighe, initially expressed an interest in acquiring the shares for £12,000.00 but subsequently withdrew this offer. Charterfields' subsequent marketing did not identify a potential purchaser for the Shares.

In light of the lack of interest generated by Charterfields' marketing, the Shares were referred to Redmayne –Bentley LLP ("RB"), one of the UK's largest independently owned stockbrokers. RB subsequently marketed the Shares for sale but reported that interest was limited, given their nature. Eventually, Declan Tighe revisited his interest in the Shares which resulted in RB receiving an offer of £6,000.00. In light of the limited interest in the Shares, RB recommended acceptance of Mr Tighe's offer. The sale of the Shares to Mr Tighe subsequently completed and the consideration of £6,000.00 has been received by the Joint Liquidators. Creditors should note that this realisation does not appear on the receipts and payments account enclosed at Appendix A, as the realisation occurred outside the period covered by this report.

It is apparent that the purchase of the shares was not in the interests of creditors, and was made at a time when the Company had outstanding liabilities. The Joint Liquidators therefore consider that they may have a further claim against Mr Buckley for the shortfall of £224,000 resulting from the apparent misappropriation of Company funds.

#### **Payments**

Payments in the sum of £9,832 have been made to the Joint Liquidators' Solicitors, HLW Keeble Hawson ("HLW"), who have incurred significant time costs in attending to correspondence with Mr Poptani and making applications to Court pursuant to Section 236 of the Insolvency Act 1986 along with petitioning for Mr Poptani's Bankruptcy whilst attending various adjournment hearings in the same regard.

#### **4. Investigations**

It is a statutory requirement that a report on the director's conduct is submitted to The Insolvency Service ("IS"), within six months of appointment. The appropriate report has been submitted, however I am unable to comment on the content of the report due to confidentiality imposed by the IS.

I confirm that I have investigated the affairs of the Company in accordance with SIP 2, a Liquidators' investigations into the affairs of an insolvent Company and SIP 4, disqualification of directors and that my investigations are ongoing

## **5. Assets that remain to be realised**

As outlined above, the funds invested by Mr Poptani in the sum of £758,199 together with the shortfall of £224,000 in relation to the Shares continue to be pursued by the Joint Liquidators

## **6. Creditors and distributions**

### **Secured Creditors**

The Company did not extend security to any of its creditors

### **Preferential Creditors**

There have been no preferential claims received to date and none are expected

### **Prescribed Part**

Within the Insolvency Act 1986 there are provisions for a fund, called the Prescribed Part, to be set aside for distribution to the unsecured creditors in accordance with Section 176A of The Insolvency Act 1986. The fund is calculated on the net realisations of assets subject to a floating charge contained in a debenture created on or after 15 September 2003 and the implementation of the Enterprise Act 2002. The fund is calculated as being 50% of the first £10,000 of net property and 20% thereafter, subject to a maximum fund of £600,000.

As there is no qualifying charge holder, there are no realisations subject to a floating charge and the Prescribed Part provisions need not apply.

### **Unsecured Creditors**

Unsecured claims received to date total £2,276,799 although claims have not yet been formally agreed. Any distribution to the unsecured creditors will be dependent upon the potential realisations from the Bankruptcy estate of Mr Poptani and from any claim against the director being successful, therefore the position is uncertain at present.

## **7. Joint Liquidators' remuneration**

In accordance with Rule 2.106 the creditors agreed to the Joint Administrators and that of any subsequent Liquidators remuneration being based on 25% of the value of the realisations, plus 10% of the value of any distributions made to creditors of the Company by the Joint Liquidators.

Attached at Appendix B is a detailed summary of our time costs during the Liquidation period of £25,653 comprising of 98.37 hours at an average charge out rate of £260.80. To date, no fees have been drawn. The details of the charge out rates and disbursements are attached at Appendix C.

In accordance with this resolution, I have drawn £4,873.07 on account of remuneration, representing 25% of realisations across both the Administration and Liquidation.

My expenses for the period are as follows (\* denotes that they are Category 2 disbursements) -

	Expenses Incurred £	Expenses Drawn £
Postage, stationery & photocopying*	160 00	Nil
Storage *	72 00	Nil
Mileage *	224 50	224 50
Land Registry On-Line search fees*	110 00	110 00
Statutory Advertising	67 00	67 00
License fees	31 91	Nil
<b>Total</b>	<b>665 41</b>	<b>401.50</b>

In addition to the above, I have also drawn the following, relating to expenses incurred prior to the period covered by this report -

	Expenses Drawn £
Companies House search fees*	50 00
<b>Total</b>	<b>50.00</b>

Within 21 days of receipt of this progress report a creditor may request further information regarding the Joint Liquidators remuneration and expenses, and their rights to challenge the office holders' remuneration and expenses. Any request must be in writing and may be made by either a secured creditor or an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors, or the permission of the Court.

## 8. Conclusion

In common with all professional firms, our charge out rates increase from time to time. I enclose a copy of our current charge out rates and disbursements policy as Appendix C.

I will report again in 12 months unless the liquidation is terminated prior to this.

Yours faithfully



**R N Dymond**  
Joint Liquidator



**Compensation Professionals Network Limited – In Liquidation**

**Appendix A**

**Receipts and Payments Account**

**Compensation Professionals Network Limited  
(In Liquidation)**

**Joint Liquidators' Abstract Of Receipts And Payments  
To 26 August 2014**

<b>RECEIPTS</b>	<b>Statement of Affairs (£)</b>	<b>Total (£)</b>
Cash Held by third party		15,000 00
Bank Interest Net of Tax		9 38
Transfer from Admin		736 49
		<hr/>
		15,745 87
		<hr/>

**PAYMENTS**

Administrators fees	4,873 07
Legal Fees (1)	9,832 67
Search Fees	150 00
Travel expenses	224 50
Statutory Advertising	67 00
Land Registry Fees	10 00
	<hr/>
	15,157 24
	<hr/>
Net Receipts/(Payments)	588 63
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**MADE UP AS FOLLOWS**

Bank 1 Current	18 30
VAT Receivable / (Payable)	570 33
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	588 63
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Robert Neil Dymond  
Joint Liquidator

# Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

COMP05C - Compensation Professionals Network Limited  
From 27/08/2013 To 26/08/2014  
Project Code POST

Classification of Work Function	Directors & IP's	Manager & Senior Manager	Administrators	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)	Hours Cum (POST Only)	Time Costs Cum (POST Only)
ADCA Cashing	0 00	1 50	0 00	7 18	8 78	1 257 79	143 20	8 78	1 257 79
ADCR Case Reviews	0 50	0 50	0 50	0 17	1 77	495 00	280 19	1 77	495 00
ADDI Directors/Client	0 30	0 00	2 50	0 00	2 80	720 00	257 14	2 80	720 00
ADGA Fire Maintenance	0 00	0 00	0 37	5 05	5 42	593 01	109 48	5 42	593 01
ADSC Statutory and Compliance	0 10	0 00	1 90	0 00	2 00	454 00	227 00	2 00	454 00
ADSO Strategic Overview	0 80	0 00	0 00	0 00	0 80	320 00	400 00	0 80	320 00
<b>Admin and Planning</b>	<b>1 80</b>	<b>2 10</b>	<b>5 27</b>	<b>12 40</b>	<b>21 57</b>	<b>3 839 80</b>	<b>178 04</b>	<b>21 57</b>	<b>3 839 80</b>
CRTV Tax and VAT	0 40	0 00	0 30	0 00	0 70	211 00	301 43	0 70	211 00
INAT Antecedent Transactions	2 10	0 00	0 00	0 00	2 10	840 00	400 00	2 10	840 00
REIS Identifying Securing and Insuring	3 20	0 00	0 00	0 00	3 20	1 280 00	400 00	3 20	1 280 00
<b>Case Specific Matters</b>	<b>5 70</b>	<b>0 00</b>	<b>0 30</b>	<b>0 00</b>	<b>6 00</b>	<b>2 331 00</b>	<b>388 50</b>	<b>6 00</b>	<b>2 331 00</b>
CRCO Communications with Creditors	0 00	0 00	0 50	0 00	0 50	120 00	240 00	0 50	120 00
<b>Creditors</b>	<b>0 00</b>	<b>0 00</b>	<b>0 50</b>	<b>0 00</b>	<b>0 50</b>	<b>120 00</b>	<b>240 00</b>	<b>0 50</b>	<b>120 00</b>
INDR CDDA Report	2 10	0 00	6 50	0 33	8 93	1 985 00	222 20	8 93	1 985 00
INRE Investigation and Review	7 70	0 00	25 87	1 20	34 87	8 256 00	236 79	34 87	8 256 00
<b>Investigations</b>	<b>9 80</b>	<b>0 00</b>	<b>32 47</b>	<b>1 53</b>	<b>43 80</b>	<b>10 241 00</b>	<b>233 81</b>	<b>43 80</b>	<b>10 241 00</b>
REDC Debt Collection	13 80	0 00	5 50	0 90	20 20	7 002 00	346 63	20 20	7 002 00
REPB Property, Business and Asset Sales	3 80	0 00	2 50	0 00	6 30	2 120 00	336 51	6 30	2 120 00
<b>Realisation of Assets</b>	<b>17 60</b>	<b>0 00</b>	<b>8 00</b>	<b>0 90</b>	<b>26 50</b>	<b>9 122 00</b>	<b>344 23</b>	<b>26 50</b>	<b>9 122 00</b>
<b>Total Hours</b>	<b>34 90</b>	<b>2 10</b>	<b>46 53</b>	<b>14 83</b>	<b>98 37</b>	<b>25 653 80</b>	<b>260 80</b>	<b>98 37</b>	<b>25 653 80</b>

**Compensation Professionals Network Limited - In Liquidation**

**Appendix C**

**Wilson Field Limited Charge out Rates and Disbursement Policy**

## **WILSON FIELD LIMITED CHARGE OUT RATES AND DISBURSEMENT POLICY**

In accordance with the statement of insolvency practice covering fees and disbursements, we are required to disclose to you our policy for recovering non-specific disbursements, and the charge out rates for the various grades of staff who may be involved in this case

### **Hourly Charge Out Rates**

Directors/Insolvency Practitioner	£350 – 500
Managers & Senior Managers	£260 – 400
Administrators and Senior Administrators	£120 – 240
Secretarial & Support	£100 – 130

The office holder(s) will seek approval from creditors to draw remuneration on a time cost basis, in accordance with the rates detailed above, at the meeting of creditors

In common with all professional firms, our charge out rates increase from time to time. We reserve the right to change the rates without prior notice to you. Any change will be reported in the next statutory report to creditors.

All time is recorded in 6 minute units

### **Rechargeable Disbursements**

#### **Category 2 disbursements – as defined in SIP 9 – requiring prior approval of creditors**

Postage, stationery, photocopying etc	£10 per member and creditor per year (or part year)
Room Hire where meeting held at Wilson Field office	£100 (£150 for London)
Storage of books and records	£72 per box per year
Mileage	45p per mile
Collection of books and records	£30 per hour
Companies House search fees	£10 per search document
Land Registry On-Line search fees	£10 per document
Document Upload Centre charge	£150
Registering of restrictions on property	£150* per restriction *
Removal of a restriction on a property	£50* per restriction
Property Transfer Fees	£250* per transfer
Issuing winding up petitions	£1,000*
Issuing bankruptcy petitions	£1,000*
Insolvency software fee	£150 per year (or part year)

\*These category 2 disbursements are in relation to profit cost only. Any category 1 disbursement in respect of these such as Court Fees, Deposit fees, Land Registry fees will also be recovered at the prevailing rates.

The office holder(s) will seek approval from creditors to draw these disbursements at the creditors meeting.

These rates are applicable on all insolvency appointments from 1 February 2014 until further notice.