

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

06327441

Name of Company

Denmark Coachworks Limited T/A Denmark Coachworks


I / We

Alan Simon, Langley House, Park Road, London, N2 8EY

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 06/04/2016 to 05/04/2017

Signed



Date

30 / 5 / 17

AABRS Limited
Langley House
Park Road
London
N2 8EY

Ref: D0956/AS/RS/MA/NS

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Liquidator's Annual Progress Report to Creditors & Members

**Denmark Coachworks Limited T/A Denmark
Coachworks
- In Liquidation**

30 May 2017

DENMARK COACHWORKS LIMITED T/A DENMARK COACHWORKS - IN LIQUIDATION

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DENMARK COACHWORKS LIMITED T/A DENMARK COACHWORKS - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 I, Alan Simon of AABRS Limited, Langley House, Park Road, London, N2 8EY, was appointed as Liquidator of Denmark Coachworks Limited T/A Denmark Coachworks (the **Company**) on 6 April 2016. This progress report covers the period from 6 April 2016 to 05 April 2017 (**the Period**) and should be read in conjunction with any previous progress reports which have been issued.
- 1.2 The principal trading address of the Company was Unit B9, Capons Yard, Crabtree Road, Thorpe Industrial Estate, Egham, Surrey, TW20 8RN. The business traded under the name Denmark Coachworks.
- 1.3 The registered office of the Company has been changed to Langley House, Park Road, East Finchley, London, N2 8EY and its registered number is 06327441.

2 Progress of the Liquidation

- 2.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period.
- 2.2 At Appendix A is my Receipts and Payments Account for the Period.
- 2.3 Further information about the basis of remuneration agreed in this case and the Liquidator's fees estimate can be found in section 4 of this report, together with any relevant information about revisions to this estimate, where applicable.

Administration (including statutory compliance & reporting)

- 2.4 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated would need to be done in this area was outlined to creditors in my initial fees estimate/information.
- 2.5 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidator.
- 2.6 Some of the work undertaken by an insolvency practitioner is required by statute and may not necessarily provide a financial benefit to creditors, but is required on every case by statute. Examples of this work include investigations required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 or dealing with the claims of the former employees via the National Insurance Fund.
- 2.7 Below are details of the work I have undertaken during the reporting period:-
 - (i) Notifying creditors of the liquidator's appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House
 - (ii) Preparing and issuing annual progress reports to members and creditors

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- (iii) Lodging periodic returns with the Registrar of Companies for the liquidation
- (iv) Complying with statutory duties in respect of the liquidator's specific penalty bond
- (v) Creation and update of case files on my firm's insolvency software
- (vi) Securing the Company's books and records
- (vii) Completion and filing of the notice of the Company's insolvency to HMRC
- (viii) Pension regulatory reporting and auto-enrolment cancellation
- (ix) Initial assessment required by the Statement of Insolvency Practice 2 and the Company Directors Disqualification 1986 (CDDA) including review of the company's books and records and the identification of potential asset realisations which may be pursued in the liquidation.
- (x) Periodic case progression reviews
- (xi) Opening, maintaining the liquidation estate cashbook and bank account
- (xii) Dealing with all post-appointment VAT and corporation tax compliance
- (xiii) Corresponding with Lloyds Commercial Finance Limited, the Company's factors to establish if any surplus is likely to be available for the Liquidation estate.
- (xiv) Initially corresponding with non-factored debtors and eventually appointing Wright Hassall solicitors to assist in the collection of the debtors.

2.8 Based on the current position of the case, the current work which remains to be completed is the following:-

- (i) Collection of the outstanding debtors

Realisation of Assets

2.9 It is considered that the work the Liquidator and his staff have undertaken to date will bring a financial benefit to creditors. This may be a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on realisations and the extent of any 3rd party security, result in a distribution to the preferential and unsecured creditors of the Company.

2.10 Debtors

- (i) The Director's Statement of Affairs indicated that debtors were estimated to realise £11,144.05 and £Nil has been recovered.
- (ii) Following my appointment, I ascertained that the outstanding debtors related to repairs done under insurance cover. I wrote to the outstanding debtors, but no responses were received so I instructed Wright Hassall

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Solicitors to assist in the debtor collection. They did not have much success in obtaining any responses from the debtors.

- (iii) The former Director Mrs Chambers is now assisting in establishing if the debtors have been paid prior to my appointment or are outstanding. I will report further at the next reporting period.

2.11 Cash at Bank

- (i) The Director's Statement of Affairs indicated that cash at bank was estimated to realise a sum of £275.15 and £237.14 was realised.

2.12 Cash in Hand

- (i) The Director's Statement of Affairs indicated that cash in hand was estimated to realise a sum of £8,811.79 and £8,811.79 was realised.

2.13 Proceeds From the Sale of Assets and Goodwill

- (i) The director's statement of affairs indicated that the proceeds from the sale of Company's Assets and Goodwill were estimated to realise £15,000 and £15,000 has been realised.
- (ii) The Company's assets and goodwill were sold prior to my appointment to an unconnected party. My enquires have confirmed that the sale was at a fair market value.

2.14 Factored Debtors

- (i) The Director's Statement of Affairs indicated that some of the Company's Debtors were factored through Lloyds Commercial Finance Limited. It was estimated that a surplus of £9,306.98 would be available to the Liquidation estate. In this reporting period £3,111.59 was realised.
- (ii) Following my appointment I wrote to Lloyds Bank Commercial Finance Limited to establish if any surplus would be available for the Liquidation estate.
- (iii) I am pleased to report that Lloyds Commercial Bank Plc have discharged their indebtedness in full and a surplus of £3,111.59 was forwarded to the Liquidation estate.
- (iv) I have instructed Wright Hassall Solicitors to collect the debtors ledger assigned back to the Liquidation. However, they have confirmed that the debt was paid prior to Liquidation or the debtors have not responded.
- (v) The former director Mrs Chambers is at present looking into the re-assigned debtors and will advise if collectable. I will report further at the next reporting period.

Unrealised Assets

- 2.15 Based on the current position of the case, the remaining unrealised assets include the following:-

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- (i) Collection of outstanding debtors

Creditors (claims and distributions)

- 2.16 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. A Liquidator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 2.17 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 2.18 The above work will not necessarily bring any financial benefit to creditors generally, however a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims.

Investigations

- 2.19 Some of the work the Liquidator is required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations. This work may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidator can pursue for the benefit of creditors.
- 2.20 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.
- 2.21 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the s98 meeting or as a response to my request to complete an investigation questionnaire.
- 2.22 My investigations have not revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors.

3 Creditors

Secured Creditors

- 3.1 Lloyds Bank Commercial Finance Limited holds a fixed and floating charge over the Company's assets. At the date of the liquidation the indebtedness to the secured creditor was estimated at £4,606.59. Lloyds Bank Commercial Finance Limited indebtedness has been discharged in full.

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Preferential Creditors

- 3.2 No claims were anticipated and none have been received.

Unsecured Creditors

- 3.3 I have received claims totalling £156,095.16 from six creditors. I have yet to receive claims from five creditors whose debts are estimated to total £8,280.13.

Qualifying Floating Charge Holder (QFC)

- 3.4 The Company granted a floating charge to Lloyds Bank Commercial Finance Limited on 29 January 2016. The Liquidator was not required to create a fund out of the Company's net floating Charge property for the benefit of unsecured creditors (known as the Prescribed Part) as the charge holder will be paid in full.

4 Liquidator's Remuneration

- 4.1 Creditors approved that the basis of the Liquidator's remuneration be a fixed fee of £12,000 plus VAT and be authorised to draw his remuneration on account of costs incurred as and when funds permit.
- 4.2 In addition, the Liquidator is entitled to draw a realisation fee amounting to 40% of total recoveries made in respect of all assets (excluding cash at bank and in hand) disclosed on the Director's Statement of Affairs.
- 4.3 Furthermore, the Liquidator is entitled to draw a realisation fee amounting to 40% of the total recoveries made in respect of any property not anticipated in the Director's statement of Affairs or any rights of action bestowed on him by the relevant sections of the Insolvency Act 1986
- 4.4 My fee estimate/information was originally provided to creditors when the basis of my remuneration was approved and was based on information available to me at that time.
- 4.5 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from www.aabrs.com/resources/creditors-guides.
- 4.6 Attached as Appendix B, is additional information in relation to the Liquidator's fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

5 Creditors' Rights

- 5.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report.
- 5.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate

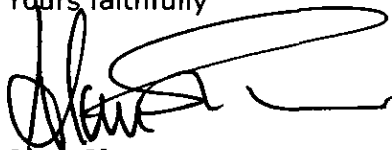
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and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

6 Next Report

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

Yours faithfully

A handwritten signature in black ink, appearing to read 'Alan Simon', written over a horizontal line.

Alan Simon
Liquidator

Appendix A

**Denmark Coachworks Limited T/A Denmark Coachworks
(In Liquidation)
Liquidator's Summary of Receipts & Payments**

Statement of Affairs £		From 06/04/2016 To 05/04/2017 £	From 06/04/2016 To 05/04/2017 £
	GENERAL FIXED CHARGE		
13,913.56	Factored Debtors	3,111.59	3,111.59
(4,606.58)	Chargeholder- LLOYDS Commercial Fin	NIL	NIL
		<u>3,111.59</u>	<u>3,111.59</u>
	ASSET REALISATIONS		
15,000.00	Proceeds from Sale of Assets/Goodwill/	15,000.00	15,000.00
8,811.79	Cash In Hand	8,811.79	8,811.79
11,144.05	Debtors	NIL	NIL
275.15	Cash at Bank	237.14	237.14
	Bank Interest Gross	15.03	15.03
		<u>24,063.96</u>	<u>24,063.96</u>
	COST OF REALISATIONS		
	Specific Bond	170.00	170.00
	R4.62 - Expenses of Creditors Meeting	77.00	77.00
	Statement of Affairs Fee	6,000.00	6,000.00
	Liquidators Fees	20,200.00	20,200.00
	Storage Costs	300.00	300.00
	Statutory Advertising	154.00	154.00
		<u>(26,901.00)</u>	<u>(26,901.00)</u>
	UNSECURED CREDITORS		
(13,999.08)	Trade & Expense Creditors	NIL	NIL
(40,000.00)	HM Revenue & Customs (PAYE)	NIL	NIL
(100,000.00)	HM Revenue & Customs (VAT)	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(1.00)	Ordinary Shares	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(109,462.11)		<u>274.55</u>	<u>274.55</u>
	REPRESENTED BY		
	Bank 1 Deposit		34.55
	Vat Control Account		240.00
			<u>274.55</u>

Alan Simon
Liquidator

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Appendix B

Additional Information in Relation to the Liquidator's Fees, Expenses & Disbursements

7 Staff Allocation and the Use of Sub-Contractors

- 7.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 7.2 The constitution of the case team will usually consist of a Director, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 7.3 On this case we are proposing to use the services of the following sub-contractors

Service (s)	Provider	Basis of fee arrangement	Cost to date
Book debt collection	Wright Hassall Solicitors	25% of realisations on debts that are £7,500 and 15 % on debts that are realisations under £7,500.01.	£Nil

8 Professional Advisors

- 8.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
None on this Assignment	

- 8.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

9 Liquidator's Expenses & Disbursements

- 9.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the liquidation was provided to creditors when the basis of my fees were approved, a copy of which is set out below:

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Expense	Estimated cost £
Agents' costs for valuation	750
Statutory advertising	300
Specific penalty bond	40
External storage of company's books and records	600

Current position of Liquidator's expenses

- 9.2 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

	Paid in prior period £	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Statutory advertising		231		231
Specific penalty bond		170		170
External storage of books & records		300	300	600

- 9.3 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.
- 9.4 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidator's fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.