

6700035

JOHN HARLOW INSOLVENCY

& CORPORATE RECOVERY

TO ALL KNOWN MEMBERS AND CREDITORS

Our ref: JH/DL/EXT001/18

Your ref:

Date: 1 April 2015



Dear Sirs

Extreme Access Hire Limited ("the company") – In Creditors Voluntary Liquidation

Registered Office: 47 New Walk, Leicester, LE1 6TE

Former Registered Office: Pannell House, 159 Charles Street, Leicester, LE1 1LD

Trading Address: Regus House, Herald Way, Pegasus Business Park, Castle Donnington, DE74 2TZ

Company No: 06700035

Former VAT Registration No: 946 8936 58

Introduction

I, John Phillip Walter Harlow, 47 New Walk, Leicester, LE1 6TE was appointed as Liquidator of the above company on 11 March 2013. There has been no change in office holder since the date of my appointment.

This report constitutes my annual progress report pursuant to Section 104A of the Insolvency Act 1986

About this report

This report has been prepared by John Phillip Walter Harlow, the Liquidator of Extreme Access Hire Limited, solely to comply with his statutory duty to report to members and creditors under Section 104A of the Insolvency Act 1986, and to provide an account of his acts and dealings and of the conduct of the Liquidation, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context

Any person who chooses to rely on this report for any purpose or in any context other than under Section 104A of the Insolvency Act 1986, does so at their own risk. To the fullest extent permitted by law, the Liquidator does not assume any responsibility and will not accept any liability in respect of this report to any such person.

Offices at Leicester & Nottingham

John Harlow Insolvency & Corporate Recovery is a trading name of John Harlow Limited Registered No 7654761

Registered Office 47 New Walk, Leicester LE1 6TE

John Harlow is licensed in the UK as an Insolvency Practitioner by the Insolvency Practitioners Association. When acting as Receiver, Administrative Receiver or Administrator he acts as agent only, without personal liability and when acting as Administrator, the affairs, business and property of the company are being managed by him

47 New Walk · Leicester LE1 6TE
T 0116 275 5021 F. 0116 254 8647
E: mail@harlowinsolvency.co.uk
www.harlowinsolvency.co.uk

An Overview on the Case

Realisations of Assets

The asset realisations since the date of my appointment are as follows:-

Description	Statement of Affairs Estimate (£)	Actual Realisation during the period (11.03.14 - 10.03.15) (£)	Cumulative Realisations (11.03.14 - 10.03.15) (£)
Plant & Machinery	Uncertain	-	-
Property Rights/Patents	Uncertain	-	-
Cash at Bank -- Natwest	57 90	-	47.90
Directors Loan Account -- A Rowell	232,304.53	-	-
Directors Loan Account -- S Worley	197,953 23	-	-
VAT Refund	-	-	14,291 13
Sundry Receipt	-	931.20	931.20
Bank Interest Gross	-	5.82	0 83

Receipts and Payments Account

A copy of the Liquidator's summarised receipts and payments account for the annual period from 11 March 2014 to 10 March 2015 is enclosed at Appendix A.

Statutory Investigations and Reporting

The Liquidator has a duty to investigate the affairs of the company prior to the Liquidation and submit a report to the Insolvency Service on the conduct of those persons who were a director or shadow director in the three years prior to Liquidation

The investigation matters as set out in Statement of Insolvency Practice 2 (SIP 2) have been followed to determine whether any further action by the Liquidator was required which would provide additional funds for the creditors.

I can confirm that the Liquidator has complied with both of the above matters.

Case Specific Investigations

Creditors will recall from my last report (which should be read in conjunction with this report) that the initial investigations conducted in line with the above SIP 2 requirements highlighted a significant number of transactions conducted by the company which required more detailed investigation.

Creditors will recall that the Liquidator interviewed the director of the company which fabricated the cradle "Instainless". This company entered into a Company Voluntary Arrangement on 15 July 2014 which I understand has subsequently failed and is now in Liquidation.

A company motor vehicle was sold by Mr Anthony Rowell, a director of the company, however the funds realised of £8,000 were never credited to the company's bank account. Mr Rowell has also amassed a considerable director's loan account as previously mentioned totalling in excess of £232,000. Repayment was requested and negotiations were commenced initially with regard to the recovery of the £8,000. Solicitors were instructed by both parties however, despite protracted negotiations, no funds were received. The Liquidator commenced Bankruptcy proceedings against Mr Rowell and a Bankruptcy Order was made on 6 October 2014. Mr Russell Carmen of Bates Weston is Mr Rowell's Trustee in Bankruptcy. We have been advised by Mr Carmen that Mr Rowell's residential property was repossessed and sold by the chargeholder. Unfortunately the sale price was not sufficient to clear the chargeholders' debit balances therefore no funds were realised into Mr Rowell's Bankruptcy estate. We are awaiting confirmation from the Mr Rowell's Trustee as to the likelihood of any recoveries into the Bankruptcy estate.

Following our investigations we did reach the point where we felt that a Section 236 of the Insolvency Act 1986 application to Court was appropriate. This would have enabled the examination of various individuals, including Mr Rowell, in Court under oath. Due to the paucity of funds in the Liquidation estate, creditors were approached to fund the action. Unfortunately, to date they have declined to do so and therefore we have been unable to take any further action in this regard.

Ongoing Strategy/Outstanding Matters

As detailed above, without any funds I am unable to continue with the investigations. The sole outstanding issue to be dealt with prior to the conclusion of the Liquidation, is detailed below:-

- Confirmation of the outcome of the recovery action taken by Mr Rowell's Trustee and the dividend prospect from the bankruptcy estate.

As soon as this matter has been dealt with the Liquidator will issue a final progress report and call a final meeting of members and creditors to bring the Liquidation to an end and obtain his release from office. The company will then be dissolved approximately three months thereafter.

SIP13 Disclosure

I am required in accordance with Statement of Insolvency Practice 13 ("SIP13") to disclose to creditors the details of any asset sale by the Liquidator to connected parties. I can confirm that there were no such sales to connected parties in this case.

Secured Creditor

HSBC Asset Finance funded two lorries, one of the EX1s and the EX3 cradle. The sum of £244,675.36 was estimated to be outstanding to them at the date of Liquidation. This debt was personally guaranteed by Mr Bradshaw, a director and shareholder of the company.

Preferential Creditors

No preferential claims were expected or received.

Unsecured claim from the Crown Departments

Creditor	Statement of Affairs £	Received/Agreed £
HM Revenue & Customs (VAT)	90,623 35	No claim
HM Revenue & Customs (PAYE)	-	14,083.43
Total	90,623.36	14,083.43

Unsecured Creditors

The Director's Estimated Statement of Affairs indicated 23 other unsecured creditors with claims totalling £1,038,222 70. To date, we have received claims from 13 creditors totalling £95,205 81.

Pursuant to Rule 11.7 of the Insolvency Act 1986, I hereby give notice that the funds realised have already been distributed or used or allocated for defraying the expenses of the Liquidation and therefore, I do not propose to adjudicate these claims.

Liquidator's Remuneration and Disbursements

Authority was given at the meeting of creditors held on 11 March 2013 for the Liquidators to draw a Statement of Affairs fee and a fee for the cost of convening the first meetings of members and creditors of £4,250 and £750 respectively and for Liquidators fees to be drawn on a time cost basis.

To date, a Statement of Affairs fee of £4,250.00 has been drawn together with £750 00 for the cost of convening the first meeting of members and creditors. Liquidators' fees of £2,000 have been drawn to date. Total post appointment time costs in the liquidation are £58,279 (subject to posting of all timesheets at the date of the report) which relates to 282.5 hours spent in dealing with the liquidation at an average hourly charge out rate of £206 29. Current unbilled time costs amount to £56,279. The amounts are derived by reference to normal rates for time properly given by me and my staff in attending to matters arising in the liquidation.

Appendix B gives details of the time costs incurred to date by work category in accordance with Statement of Insolvency Practice 9 ("SIP 9") along with current charge out rates. Creditors should note that a copy of the Creditors Guide to Liquidators Fees is available on request from this office or a copy can also be found on the R3 website (www.r3.org.uk) under the heading 'publications' and follow the link to Statements of Insolvency Practice (SIP). SIP9 contains the relevant creditors guide.

The disbursements charged to the case consist of external supplies of incidental services specifically identifiable to the case, such as insurances, case advertising, invoiced travel, external printing and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. To date, the following (Category 1) disbursements have been drawn.-

Description	Cumulative £	Period £
Specific Bond	1,200.00	0 00
Company Search	20 00	0 00
Statutory Advertising	222.75	0 00
DVLA & Land Registry Searches	21.00	0.00
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Total	1,463 75	0.00
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Detailed below are the (Category 1) disbursements incurred during the period but not drawn to date.

Description	Cumulative £	Period £
Postage	57.96	17.76
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Total	57 96	17 76
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I have incurred disbursements relating to internal supplies or services specifically identifiable to the case, such as photocopying, postage, telephone and fax. These items are charged to the case on the recovery basis detailed in the attached guide to fees at Appendix B. To date I have not charged any (Category 2) disbursements, however the following were incurred during the period.

Description	Cumulative £	Period £
Stationery & Photocopying	215.94	36 72
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Total	215 94	36 72
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Creditors should also be aware of their right pursuant to Rule 4 49E of the Insolvency Rules 1986 to request further information from the Liquidator about remuneration and expenses. To apply this right an unsecured creditor must have the concurrence of at least 5% in value of the unsecured creditors (including their own claim). Any requests under this rule must be formally made in writing within 21 business days of receipt of this report.

Pursuant to Rule 4 131 of the Insolvent Rules 1986, any secured creditor or unsecured creditor with either the concurrence of at least 10% in value of the creditors (including their own claim) may apply to court for an order if they feel there may be grounds that -

- a. The remuneration charged by the Liquidator,
- b. The basis fixed for the Liquidator's remuneration under Rule 4 127 of the Insolvency Rules 1986, or
- c. Expenses incurred by the Liquidator

are, in all circumstances, excessive or, in the case of an application under sub-paragraph (b) inappropriate. Any applications under this rule must be made no later than 8 weeks after receipt of this progress report.

8. Professional Advisers

On this assignment I have used the professional advisers listed below. I have also indicated alongside the monies paid to them (exclusive of VAT). The basis of our fee arrangement with them, which is subject to review on a regular basis is typically on a time cost basis, although chattel property agents may levy a percentage of realisation charge. Our choice of adviser 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.

Name	Description	Service Provided	Fee Paid or Incurred
Eddisons	Agents/Valuers	Uplift & storage of EX1 cradle	Fee not advised as of date of report
Hollingsworth Solicitors	Solicitors	Legal advice	£3,102 paid to date, the total outstanding WIP at present is 16,388

I trust this clarifies the position, however should you require any further assistance, please do not hesitate to contact Donna Lee (email address: donna.lee@harlowinsolvency.co.uk) of my office.

Yours faithfully
For Extreme Access Hire Limited

John Harlow
Liquidator
Enc Appendix A – Receipt & Payments Account
Appendix B – SIP 9 Breakdown and Charge out rates

Extreme Access Hire Limited
(In Liquidation)

Summary of Receipts & Payments

RECEIPTS	Statement of Affairs (£)	From 11/03/2013 To 10/03/2014 (£)	From 11/03/2014 To 10/03/2015 (£)	Total (£)
Plant & Machinery	Uncertain	0 00	0 00	0 00
Property Rights/Patents	Uncertain	0 00	0 00	0 00
VAT Refund		14,291 13	0 00	14,291 13
Cash at Bank - Natwest	57 90	47 90	0 00	47 90
Bank Interest Gross		0 83	5 82	6 65
Directors Loan Account - A Rowell	232,304 53	0 00	0 00	0 00
Director's Loan Account - S Worley	197,953 23	0 00	0 00	0 00
Sundry Receipts		0 00	931 20	931 20
		14,339 86	937 02	15,276.88

PAYMENTS

Specific Bond		1,200 00	0 00	1,200 00
Preparation of S of A		4,250 00	0 00	4,250 00
Cost of Convening Meeting		750 00	0 00	750 00
Liquidators Fees		0 00	2,000 00	2,000 00
Company Search		20 00	0 00	20 00
Legal Fees (1)		0 00	75 00	75 00
Legal fees (2)		1,072 00	2,030 00	3,102 00
Statutory Advertising		222 75	0 00	222 75
Sundry Payments		21 00	0 00	21 00
Trade & Expense Creditors	(98,592 31)	0 00	0 00	0 00
Director's Loan Account - G Bradshaw	(694,911 54)	0 00	0 00	0 00
Barclays Bank plc	(43 56)	0 00	0 00	0 00
HM Revenue & Customs - VAT	(90,623 35)	0 00	0 00	0 00
Shortfall to HSBC Asset Finance (EST)	(244,675 36)	0 00	0 00	0 00
Ordinary Shareholders	(300 00)	0 00	0 00	0 00
Ordinary A shares	(275,000 00)	0 00	0 00	0 00
		7,535 75	4,105 00	11,640 75

Net Receipts/(Payments)	6,804 11	(3,167 98)	3,636 13
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MADE UP AS FOLLOWS

Floating Charge Account	6,784 11	(3,782 98)	3,001 13
VAT Receivable / (Payable)	20 00	615 00	635 00
	6,804 11	(3,167 98)	3,636 13

John Harlow
Liquidator

EXTREME ACCESS HIRE LIMITED - IN CREDITORS VOLUNTARY LIQUIDATION

CUMULATIVE TIME INCURRED FROM 11.03.13 to 10.03.14

Activity	Hours Spent				TOTAL Hours	TOTAL Av Fees (£)
	Partners	Managers	Other Senior Professionals	Assistants & Support Staff		
Administration & Planning	6 80	7 80	27 30	5 40	47 30	9,757 86
Investigations	64 60	4 70	157.20	0 00	226 50	46,726 35
Realisation of Assets	0 20	0.10	4 50	0 00	4 80	990 23
Trading	0 00	0 00	0 00	0 00	0.00	0 00
Creditors	0.00	0.20	3 70	0 00	3 90	804 56
Total Hours	71 60	12 80	192.70	5.40	282 50	58,279 00
Rate per Hour (£/hr)	280 00	220 00	180 00	135 00	206.30	<i>Average rate</i>
Total Fees (£)	20,048 00	2,816 00	34,686.00	729 00	58,279 00	

Activity Definitions

Examples of Work Involved

Administration &
Planning

Case Planning, Administrative Set-Up, Appointment Notification, Maintenance of Records, Statutory reporting including all court attendances
Preparation of draft CVA proposals and liaising with solicitors

Investigations

Investigating transactions arising prior to Insolvency.
Collecting Information for the purposes of the reporting requirements of the Company Directors Disqualification Act 1986

Realisation of
Assets

Identifying, securing, insuring assets
ROT claims
Debt collections
Sale of business and assets

Trading

Management of operations, accounting for trading
Employee issues etc

Creditors

Communication with creditors
Creditors' claims (including employees and other preferential creditors)

The above list is not exhaustive

JOHN HARLOW LIMITED**TIME INCURRED DURING THE PERIOD: 11.03.14 to 10.03.15**

Activity	"-----Hours Spent-----"				TOTAL Hours	TOTAL Av Fees (£)
	Partners	Managers	Other Senior Professionals	Assistants & Support Staff		
Administration & Planning	1 90	2 50	2.50	2 00	8 90	2,131.45
Investigations	13 60	1 40	2 50	0.00	17 50	4,191 06
Realisation of Assets	0 10	0 10	0.80	0.00	1.00	239.49
Trading	0 00	0 00	0.00	0 00	0 00	0 00
Creditors	0 00	0.00	0 00	0 00	0 00	0.00
Total Hours	15 60	4 00	5 80	2 00	27 40	6,562 00
Rate per Hour (£/hr)	280 00	220 00	180.00	135 00	239.49	<i>Average rate</i>
Total Fees (£)	4,368 00	880 00	1,044 00	270 00	6,562 00	

Activity Definitions**Examples of Work Involved**Administration &
PlanningCase Planning, Administrative Set-Up, Appointment Notification, Maintenance of Records, Statutory reporting including all court attendances
Preparation of draft CVA proposals and liaising with solicitors

Investigations

Investigating transactions arising prior to Insolvency.
Collecting information for the purposes of the reporting requirements of the Company Directors Disqualification Act 1986Realisation of
AssetsIdentifying, securing, insuring assets
ROT claims
Debt collections
Sale of business and assets

Trading

Management of operations, accounting for trading
Employee issues etc

Creditors

Communication with creditors
Creditors' claims (including employees and other preferential creditors)*The above list is not exhaustive*

FEES AND DISBURSEMENTS

Charge Out Rates

Grade	Charge out rate (£ per hour)
Director/Principal	280
Manager	220
Senior Administrator	180
Cashiers	135
Junior Administrator	125
Other	95
Time costs are calculated using 6 minute units	

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

- Solicitors/Legal Advisors
- Accountants
- Estate Agents
- Auctioneers/Valuers
- Quantity Surveyors
- Other Specialist Advisors

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1, being expenses directly referable to a third party, eg statutory advertising, external meeting room hire, specific bond insurance and courier costs, postage charged at franking cost, external archive, storage and subsequent destruction and Company Search fees, or Category 2, being expenses incurred by the firm and recharged to the estate, which may include a profit element, eg stationery and storage.

Category 1 disbursements are recoverable in full from the estate without the prior approval of creditors. Category 2 disbursements are recoverable in full from the estate, subject to the basis of the disbursement allocation being approved by creditors in advance

Category 2 disbursements are proposed to be recovered as follows -

Photocopying	Recharged at 17p per sheet
Storage	Charged at cost
Room Hire	£50 per meeting held John Harlow Limited offices
Archiving case files at closure	Recharged at £42.70 per box
Archiving records at closure	Recharged at £9.55 per box
Mileage	45p per mile

Creditors Guide to Fees

Creditors should note that a copy of the Creditors Guide to office holders fees is available on request from this office or a copy can also be found on the R3 website (www.r3.org.uk) under the heading 'publications' and follow the link to Statements of Insolvency Practice (SIP). SIP9 contains the relevant creditors guide