

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

07460419

Name of Company

Proud2 Limited

W We

Lloyd Biscoe
The Old Exchange
234 Southchurch Road
Southend on Sea
SS1 2EG

Wayne Macpherson
The Old Exchange
234 Southchurch Road
Southend on Sea
Essex
SS1 2EG

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 22/11/2012 to 21/11/2013

Signed



Date

21/1/2014

Begbies Traynor (Central) LLP
The Old Exchange
234 Southchurch Road
Southend on Sea
SS1 2EG

Ref PR226CVL/LCB/WM/JXH/GXL

WEDNESDAY



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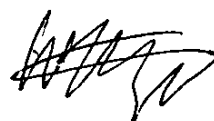
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COMPANIES HOUSE

**Proud2 Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 22/11/2012 To 21/11/2013
ASSET REALISATIONS		
NIL	Fixtures and Fittings	NIL
NIL	Computer Equipment	NIL
NIL	Stock	NIL
NIL	Short Leasehold	NIL
NIL	Book Debts	NIL
NIL	Website Development Costs	NIL
		<hr/>
		NIL
UNSECURED CREDITORS		
(794,225 00)	Trade Creditors	NIL
(536,000 00)	Proud Power Limited	NIL
(35,317 00)	HMRC (PAYE)	NIL
(59,401 00)	HMRC - Stamp Duty	NIL
(114,000 00)	HMRC (VAT)	NIL
		<hr/>
		NIL
DISTRIBUTIONS		
(100 00)	Ordinary Shareholders	NIL
		<hr/>
		NIL
<hr/>		
(1,539,043.00)		<hr/> <hr/>
REPRESENTED BY		
		<hr/>
		NIL



Lloyd Biscoe
Joint Liquidator

Proud2 Limited (In Creditors' Voluntary Liquidation)

Progress report pursuant to Section 104A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986

Period: 22 November 2012 to 21 November 2013

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Proud2 Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Act on 22 November 2012
"the liquidators", "we", "our" and "us"	Lloyd Biscoe of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG and Wayne Macpherson of Begbies Traynor, The Old Exchange, 234 Southchurch Road, Southend on Sea, Essex, SS1 2EG
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s)	Proud2 Limited
Company registered number	07460419
Company registered office	The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG
Former trading address	The O2, Peninsula Square, London, SE10 0DX

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	22 November 2012
Date of liquidators' appointment	22 November 2012
Changes in liquidator (if any)	None

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 22 November 2012 to 21 November 2013

Asset Realisations

It was not initially anticipated that there would be any asset realisations within the Liquidation and you will note from the receipts and payments account attached that this has proved to be the case

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the director's statement of affairs included within the report sent to creditors further to our appointment as liquidators

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows

Secured creditor

There are no secured creditors

Preferential creditors

There are no known preferential claims

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property,
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

Unsecured creditors

Based upon realisations to date and estimated future realisations it is anticipated there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

6. REMUNERATION & DISBURSEMENTS

Begbies Traynor (Central) LLP's professional fees for assisting the Company and its directors in fulfilling the statutory requirements for placing the Company into creditor's voluntary liquidation were fixed at £10,000 plus VAT and disbursements. These costs were paid by the director personally prior to the Liquidation.

Our remuneration has been fixed by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report.

Our time costs for the period from 22 November 2012 to 21 November 2013 amount to £7,323 which represents 33.30 hours at an average rate of £219.91 per hour. These costs remain outstanding.

The following further information in relation to our time costs and disbursements is set out at Appendix 2

- ☐ Table of time spent and charge-out value for the period 22 November 2012 to 21 November 2013
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2011' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. These costs remain outstanding.

8. ASSETS THAT REMAIN TO BE REALISED

There are no assets that remain to be realised.

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, as explained in the report circulated at the meeting of creditors convened pursuant to Section 98 of the Act, such report having also been sent to creditors following the meeting, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills.

Investigations carried out to date

We have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect. We are unable to discharge our duties in this respect as there are a number of potential claims which are currently under investigation. Once this has been dealt with we shall then be in a position to commence with closing procedures.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 4.49E of the Rules, 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, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the

permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been detailed in this progress report

Right to make an application to court

Pursuant to Rule 4.131 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate

11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner



Lloyd Biscoe
Joint Liquidator

Dated 20 January 2014

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 22 November 2012 to 21 November 2013

**Proud2 Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 22/11/2012 To 21/11/2013	From 22/11/2012 To 21/11/2013
	ASSET REALISATIONS		
NIL	Fixtures and Fittings	NIL	NIL
NIL	Computer Equipment	NIL	NIL
NIL	Stock	NIL	NIL
NIL	Short Leasehold	NIL	NIL
NIL	Book Debts	NIL	NIL
NIL	Website Development Costs	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(794,225 00)	Trade Creditors	NIL	NIL
(536,000 00)	Proud Power Limited	NIL	NIL
(35,317 00)	HMRC (PAYE)	NIL	NIL
(59,401 00)	HMRC - Stamp Duty	NIL	NIL
(114,000 00)	HMRC (VAT)	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(100 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(1,539,043.00)</u>		<u><u>NIL</u></u>	<u><u>NIL</u></u>
	REPRESENTED BY		
			<u><u>NIL</u></u>

Lloyd Biscoe
Joint Liquidator

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Table of time spent and charge-out value for the period from 22 November 2012 to 21 November 2013

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

OFFICE HOLDERS' EXPENSES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 expenses (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 expenses (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval)

- Internal meeting room usage for the purpose of statutory meetings of creditors may be charge by some offices and is charged at the rate of £100 (London £150) per meeting. External meeting room usage is charged at cost.
- Car mileage is charged at the rate of 45 pence per mile.
- *Expenses which should be treated as Category 2 expenses (approval required)* – in addition to the 2 categories referred to above, best practice guidance indicates that where payments are made to outside parties in which the office holder or his firm or any associate has an interest these should be treated as Category 2 expenses. The

following items of expenditure which relate to services provided by an entity within the Begbies Traynor Group are to be charged to the case (subject to approval)

- Storage of books and records (when not rechargeable as a Category 1 expense) is charged by Archive Facilities (Southend) Limited, an associated company. The rates applying as at the date of this report are: Minimum charge of £33 per quarter for up to three boxes, Four to Two Hundred Boxes charged at £9.90 per quarter per box, over two hundred boxes are charged at half the aforementioned price, (£4.45 per box per quarter). Mileage for collection of books and records is charged at 55p per mile. Provision of cardboard box charged at £2.75 per box. Where Archive Facilities (Southend) Limited are required to physically pack the books and records, there is a minimum charge of 2 hours at £15 per hour per person required, and at £15 per hour for each hour thereafter. All figures stated are net.

- BTG Asset Consulting may be engaged to undertake valuations and/or disposal of assets. BTG Asset Consulting is a part of Begbies Traynor Group plc and is therefore an associated company. Their charges are based on 15% of realisations or time costs at a Partner rate of £125 per hour and Manager rate of £100 per hour. A separate charge will be levied for any valuations to be provided at a fixed fee of £500 + VAT. Disbursements are charged at cost and mileage is recovered at 40p per mile. All figures stated are net of VAT.

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 expense*

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Southend-on-Sea office are as follows:

	Charge-out Rate (£ per hour)	
Grade of staff	From 01 May 2011	01 July 2008 to 01 May 2011
Partner	495	450
Partner 2	N/A	395
Director	395	375
Senior Manager	365	350
Manager	315	300
Assistant Manager	270	250
Senior Administrator	235	220
Administrator	185	180
Junior Administrator	160	150
Support	160	150

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff. Time is recorded in units of 0.10 of an hour (i.e. 6 minute units).

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)
² Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)

Time and Expenses Report - Summary

03PR226.CVL | CVL - Proud2 Limited | From 22/11/2012 To 21/11/2013

	Action Code	Partner	Director	Senior Manager	Manager	Senior Case Administrator	Case Administrator	Support & Cashiering	Other	Total Hours	Total Cost	Avg Rate
Investigations	1INVG	27	0.00	0.00	3.00	0.00	0.00	5.00	0.00	10.70	2,811.50	262.76
Employees	1EMPE	0	0.00	0.00	0.30	0.00	0.00	9.50	0.00	9.80	1,614.50	164.74
CDDA reporting and follow up	1CODA	0	0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.40	158.00	395.00
Administration	1ADMIN	0	0.00	0.00	0.80	0.00	0.00	3.30	0.00	4.10	780.00	190.24
Case strategy and planning	1PLAN	0	0.00	0.00	0.80	0.00	0.00	0.00	0.00	0.80	252.00	315.00
Appointment activity	1APOI	0	0.70	0.00	0.00	0.00	0.00	4.50	0.00	5.20	996.50	191.63
Claims, proofs and distributions	1CLAIM	0.7	0.00	0.00	0.90	0.00	0.00	0.70	0.00	2.30	710.50	308.91
Total Hours		3.40	1.10	0.00	5.80	0.00	0.00	23.00	0.00	33.30		
Total Cost		1,381.50	434.50	0.00	1,827.00	0.00	0.00	3,680.00	0.00		7,323.00	

884.80

Employee/Disc Costs

0.00

Disc Fees Drawn

0.00

Time Fees Drawn

8,207.80

Outstanding Costs

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Photocopies & Faxes	Begbies Traynor	595 00	-	595 00
Telephone, postage & stationery	Begbies Traynor	142 80	-	142 80
Statutory Advertising	The Stationery Office Limited	127 00	-	127 00
Specific Penalty Bond	Insolvency Risk Specialists	20 00	-	20 00