

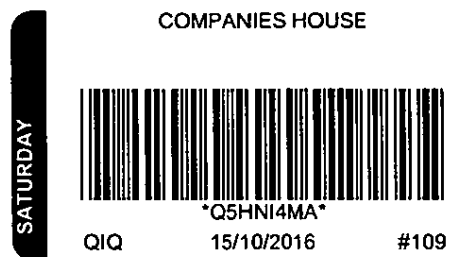
6620975

Liquidator's Final Progress Report to Creditors

Advantage Accountants Ltd (in Liquidation)

– " the Company / AA "

10 October 2016



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1 Introduction

- 1.1 Paul Robert Boyle and I, Anthony Murphy, were appointed Joint Liquidators of Advantage Accountants Limited (" the Company / AA ") on 6 December 2013, following the presentation of a petition for the compulsory winding up of the Company by Catherine Ingrid Hesketh, Hugh William Inge-Innes Lillingston, Henry Channon and Churchtown Estates Limited. At the outset, there were no known assets and anticipated liabilities of £3, according to the Official Receiver's Report.
- 1.2 Please note that, during the period of this report, Paul Robert Boyle was removed from office as Joint Liquidator under a Block Transfer Order sealed by the Court on 22 January 2016. The removal is purely for administrative reasons as Mr Boyle is based in Manchester. I would note that there will be no cost implications to the estate, nor any other impact on the liquidation.
- 1.3 The trading address of AA was 9 Albert Road, Southport, Merseyside, PR9 0LP
- 1.4 The registered office of the Company has been changed to C/o Harrisons Business Recovery & Insolvency (London) Limited (" Harrisons "), 4th Floor, 25 Shaftesbury Avenue, London, W1D 7EQ, and its registered number is 06620975.
- 1.5 As the liquidation is now complete, I am required to provide a progress report covering the period since my last progress report. This is my final report in the liquidation and covers the period from 6 December 2015 to 10 October 2016 (" the Period ").
- 1.6 ***This report should be read in conjunction with previous reports and correspondence to creditors.***

2 Progress of the Liquidation

- 2.1 This section of the report provides creditors with an overview of the progress made in the Period, together with information on the overall outcome of the liquidation.
- 2.2 At Appendix A, I have provided an account of my Receipts and Payments for the Period with a comparison to the estimated to realise values, together with a cumulative account since my appointment, which provides details of the remuneration charged and expenses incurred and paid in the liquidation.
- 2.3 This account has been reconciled with that which is held by the Secretary of State in respect of the winding up.

Realisation of Assets

- 2.4 No further assets have been realised during the Period. No further assets remain to be realised.
- 2.5 I set out below a summary of the assets that have been realised during the liquidation. *For further details relating to the asset realisations, please see my previous reports to creditors.*

Leasehold Property

- 2.6 As previously reported, the Company's monies were used to purchase the long leasehold of a public house called The Seahawk Public House (" The Seahawk ") in Manchester.
- 2.7 I successfully applied to Court to transfer the long lease of The Seahawk into AA's name, and the Court Order was granted on 6 November 2014. On the recommendation of independent valuation agents, I accepted an offer from Trafford Housing Trust to purchase the lease for £92,500.

Christmas Star Limited Settlement (" CSL Settlement ")

- 2.8 I accepted an offer of £200,000 from Christmas Star Limited (" CSL ") in full and final settlement of a loan from AA to CSL. These monies were payable in instalments and a Consent Order was filed in Court in November 2014.
- 2.9 After CSL encountered various trading difficulties, and after a period of renegotiation with CR and a third party, the final amount received in respect of the CSL Settlement was £165,000.

Loan to Quadrant Development Holdings Limited (" QDHL ")

- 2.10 As previously reported, QDHL had agreed to repay a £85,000 loan received from the Company. The monies were received into the liquidation estate in full from QDHL in September 2014.
- 2.11 As a result of litigation involving Mr Anthony Hanlon (a creditor of AA), Devereux International Foundation, CR, QDHL and the Liquidator on 23 July 2015, I was required to pay the £85,000 to Mr Hanlon in August 2015. Accordingly, the assets available in the liquidation were reduced by £85,000.

Cash at Bank

- 2.12 Cash at bank totalling £656,100 has been realised in the liquidation, in respect of two business bank accounts operated by AA.

Office Furniture & Equipment

- 2.13 On advice from my independent valuation agents, I sold the Company's office furniture and equipment to a former employee of AA for £350 plus VAT.

Book Debts

- 2.14 Book debts totalling £1,500 have been realised in the liquidation.

Other Receipts

- 2.15 In the liquidation, bank interest totalling £2,610 and refunds totalling £166 has been received.
- 2.16 All funds were being held in interest bearing bank accounts, but have now been transferred to non-interest bearing bank accounts.

Creditors (claims and distributions)

- 2.17 A Liquidator is required to deal with correspondence and claims from unsecured creditors, as well as dealing with the general handling of communications with stakeholders, such as customers and suppliers.
- 2.18 The above work will not necessarily bring any financial benefit to creditors generally and the more creditors there are on an assignment, the higher the resultant cost will usually be, however, a Liquidator is required by statute to undertake this work.
- 2.19 In this case, due to the paucity of the Company's books and records, I have been required to complete a significant amount of work in establishing AA's creditor position. I managed to retrieve some of AA's books and records, but these records were extremely limited, and did not provide enough information in isolation to enable all claims to be agreed and admitted. Further investigatory work was therefore required to agree and admit claims. This work was further hindered by the director (Mr Keith Ryder) absconding and not being available to assist with my enquiries.

- 2.20 A claim was received purportedly for £677,427. The claimant was unable to provide sufficient evidence as to how this claim arose, nor any adequate supporting documentation. I therefore investigated the validity of the claim and requested further information and documentation. No response was received and the claim was excluded from the dividend distribution. The work completed in excluding the claim has resulted in a significant enhancement of the dividend return to other creditors. Further information on the outcome for creditors in this case can be found at section 3 of this report.
- 2.21 As creditors will be aware, a creditors' committee was appointed in this case. Time has inevitably been spent keeping the creditors' committee fully apprised of the progress of the liquidation and the various actions that I have taken.

Investigations

- 2.22 As you may be aware, in a compulsory liquidation the duty to investigate the Company's affairs is the responsibility of the Official Receiver. There is no requirement on the Liquidator to submit a report or return on the directors' conduct to the Department for Business Innovation and Skills, however, where matters are brought to the Liquidator's attention these are reported as appropriate to the Official Receiver for further consideration.
- 2.23 As noted in the previous report, given the circumstances of this case, I have been required to conduct extensive investigations in order to establish whether there are any matters that might lead to recoveries for the estate. The assessment took into account information provided by creditors, either at the initial meeting, or as a response to a request to complete an investigation questionnaire.
- 2.24 Inevitably, there has been a significant amount of time incurred in order to comply with statutory duties to assist the various investigating authorities. These costs are unavoidable and are a cost of the estate. I would note that the investigations are confidential.

3 Outcome for Creditors

Secured Creditors

- 3.2 HSBC Bank PLC (" HSBC ") holds a fixed and floating charge over AA's assets. As at the date of my appointment as Liquidator, the Company's indebtedness to HSBC was nil.

Preferential Creditors

- 3.3 AA does not have any preferential creditors.

Unsecured Creditors

- 3.4 I received claims totalling £2,088,838 from 7 creditors.
- 3.5 As previously reported, as a result of a Court case on 23 July 2015, I was required to pay £85,000 to one of the Company's creditors (please see my previous report to creditors for further details). Whilst the outcome of the Court case was disappointing in terms of the assets available in the liquidation, the creditor claims in liquidation have, as a result, decreased by £85,000. Accordingly, agreed creditor claims total £2,003,838.
- 3.6 A first interim dividend of £400,000 (19.15 pence in the pound) was declared and distributed to AA's unsecured creditors on 3 July 2015.
- 3.7 I can confirm that a second and final dividend of £47,039 (2.35 pence in the pound) was paid to the unsecured creditors on 9 August 2016. No further dividend will be declared.

4 Liquidator's Remuneration

- 4.1 The basis of my remuneration as Liquidator was fixed by reference to the time properly spent by me and my staff in dealing with the liquidation
- 4.2 My time costs for the Period are £28,851. This represents 133 hours at an average rate of £217 per hour. Attached at Appendix B is a Time Analysis, which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent by me in managing the liquidation.
- 4.3 A narrative explanation of the work undertaken during the Period can be found at section 2 of this report.
- 4.4 I confirm that £26,859 plus disbursements of £554 have been drawn during the Period on account of my accrued time costs.
- 4.5 **The creditors' committee has, at all times, been kept apprised of the progress of the liquidation and the time costs incurred.**
- 4.6 Also attached at Appendix B is a cumulative Time Analysis from 6 December 2013 to 9 August 2016, which provides details of my time costs since the commencement of the liquidation. I confirm that £235,934 has been drawn against my total time costs since my appointment and that no further amounts will be drawn in the liquidation
- 4.7 Attached at Appendix C is additional information in relation to the Liquidator's fees and the expenses and disbursements incurred in the liquidation.
- 4.8 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <http://www.harrisons.uk.com/creditors-guide-fees>.

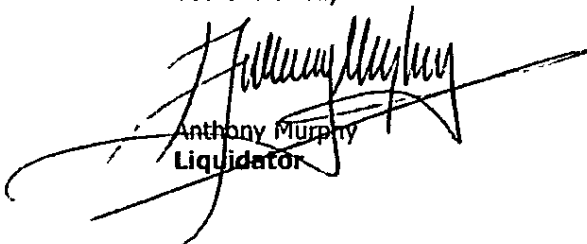
5 Creditors' rights

- 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 I provide further information about my remuneration or expenses as Liquidator, 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 my remuneration as Liquidator is inappropriate and / or the remuneration charged or the expenses incurred, as set out in this progress report, are excessive

6 Conclusion

- 6.1 This report, together with the final meeting of creditors, will conclude the liquidation. Details of the final meeting and resolutions to be considered have been circulated with this report

Yours faithfully



Anthony Murphy
Liquidator

Appendix A

Receipts and Payments Account for the Period from 6 December 2015 to 10 October 2016
Cumulative Receipts and Payments Account from 6 December 2013 to 10 October 2016

Advantage Accountants Ltd
(in Liquidation)
Liquidator's Abstract of Receipts & Payments

Estimated to Realise £		From 06/12/2015 10/10/2016 £	From 06/12/2013 10/10/2016 £
ASSET REALISATIONS			
92,500 00	Leasehold Property	NIL	92,500 00
-	Office Furniture & Equipment	NIL	350.00
-	Book Debts	NIL	1,500 00
-	Cash at Bank	NIL	656,099.95
125,000.00	Settlement - Carl Rayson / Christmas Star	NIL	165,000 00
-	Settlement - Quadrant Development Holdings	NIL	85,000.00
-	Bank Interest Gross	NIL	2,610 04
-	Refunds	NIL	165.74
		<hr/> NIL	<hr/> 1,003,225 73
COST OF REALISATIONS			
	Re-payment of funds to Anthony Hanlon	NIL	(85,000.00)
	O R Disbursements	NIL	(2,235 00)
	DTI Audit Fees	(88.00)	(264.00)
	DTI Cheque Fees	(13 00)	(38 70)
	Secretary of State Fees	(283.75)	(67,558 05)
	Petitioning Creditor's Costs	NIL	(10,682.00)
	Bordereau	(320 00)	(320 00)
	Liquidator's Disbursements	NIL	(1,242 57)
	Liquidator's Remuneration	(26,858 59)	(235,933.60)
	Carriage Costs	(154.65)	(154 65)
	Court Fees	NIL	(150.00)
	Agents'/Valuers' Fees	(500 00)	(5,750 00)
	Agents'/Valuers' Disbursements	(6.00)	(254 00)
	Legal Fees	(7,246 67)	(115,815.78)
	Legal Disbursements	NIL	(24,441 89)
	Corporation Tax	NIL	(522.01)
	Trafford Housing Trust's Legal and Surveyor	NIL	(450.00)
	Expert Fees - Process Servers	NIL	(142 50)
	Category 1 Travel Expenses	NIL	(6.00)
	Storage Costs	(39.00)	(69 00)
	Statutory Advertising	(79 40)	(156.02)
	Rent due to Trafford Council	NIL	(4,350 00)
	Insurance of Assets	NIL	(604.96)
	Telegraphic Transfers Fees	(23.00)	(46 00)
		<hr/> (35,612.06)	<hr/> (556,186.73)
UNSECURED CREDITORS			
	Trade & Expense Creditors	47,039 00	(447,039.00)
			<hr/> Nil <hr/>

Appendix B

Time Analysis for the Period from 6 December 2015 to 9 August 2016 and Cumulative Time Analysis from 6 December 2013 to 9 August 2016

Time Entry - Detailed SIP9 Time & Cost Summary

ADVANO01 - Advantage Accountants Ltd
From 06/12/2015 To 09/08/2016
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
101 Case planning	0.00	16.20	2.20	0.00	18.40	4,472.00	243.04
104 Maintenance of records	0.00	1.80	4.10	1.70	7.60	1,332.50	175.33
105 Statutory reporting	1.00	10.10	27.30	0.00	38.40	7,297.00	188.85
106 Cashflow	0.00	0.50	4.40	8.30	13.20	1,971.50	149.38
107 Bordereau	0.00	0.00	0.60	0.00	0.60	93.00	155.00
108 Case Review / Diary	0.00	3.90	2.70	0.00	6.60	1,413.00	214.09
111 Dealing with Official Rec	0.00	0.00	0.20	0.00	0.20	31.00	155.00
113 Dealing with Directors	0.40	0.00	0.00	0.00	0.40	178.00	445.00
120 General Correspondence	0.00	0.00	4.20	0.00	4.20	651.00	155.00
123 Appt Holder VAT and Tax Returns	0.00	1.80	3.60	0.00	5.40	1,046.00	187.14
Administration & Planning	1.40	34.30	49.50	10.00	95.20	18,442.00	193.72
500 Creditors	0.00	0.80	0.00	0.00	0.80	204.00	255.00
501 Communication with creditors	0.10	0.00	0.30	0.00	0.40	91.00	227.50
503 Claims Government Departments	0.00	0.30	1.10	0.00	1.40	247.00	176.43
507 Creditor's Committee	0.40	3.70	1.90	0.00	6.00	1,416.00	236.00
510 Dividends Govt Dept	0.00	0.40	0.00	0.00	0.40	102.00	255.00
511 Dividends Unsecured Cred	0.80	3.80	3.00	0.00	7.60	1,790.00	235.53
512 Dividends and Distributions	0.00	0.40	0.00	0.00	0.40	102.00	255.00
Creditors	1.30	9.40	6.30	0.00	17.00	3,932.00	232.47
200 Investigations	5.50	13.70	0.90	0.00	20.10	6,100.50	303.51
Investigations	5.50	13.70	0.90	0.00	20.10	6,100.50	303.51
303 Debt collection	0.50	0.00	0.00	0.00	0.50	222.50	445.00
305 Land and Property	0.30	0.00	0.00	0.00	0.30	133.50	445.00
Realisations of Assets	0.80	0.00	0.00	0.00	0.80	356.00	445.00
Total Hours	9.00	57.40	56.70	10.00	133.10	28,850.50	216.76
Total Fees Claimed						233,975.01	

Time Entry - Detailed SIP9 Time & Cost Summary

ADVAN001 - Advantage Accountants Ltd
From 06/12/2013 To 09/08/2016
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
10 Advice Pre Appointment	0.00	2.90	4.00	0.60	7.50	1 619.50	216.93
100 Administration & Planning	2.30	1.73	6.20	3.60	13.83	2,717.42	196.44
101 Case planning	1.20	23.80	2.30	2.10	29.40	7 219.00	245.54
103 Appointment notification	0.00	0.20	0.30	4.50	5.00	875.00	135.00
104 Maintenance of records	0.00	6.40	14.10	9.90	30.40	5 050.50	166.13
105 Statutory reporting	2.60	12.40	48.00	0.10	63.10	11,641.00	184.48
106 Cashiering	0.00	16.30	24.90	35.80	77.00	12,907.20	167.63
107 Bordereau	0.00	0.30	1.20	0.00	1.50	262.50	175.00
108 Case Review / Diary	0.00	3.90	16.10	0.00	20.00	3 475.00	173.75
109 Dealing with Debtor / Directors	1.30	0.70	0.00	2.70	4.70	1 094.50	232.87
110 Dealing with Court	0.70	0.00	0.20	0.00	0.90	342.50	380.56
111 Dealing with Official Rec	1.20	0.00	0.65	1.50	3.35	808.75	241.42
112 Dealing with Existing Advisors	0.00	0.10	0.00	0.00	0.10	25.50	255.00
113 Dealing with Directors	1.60	0.80	1.70	1.60	5.70	1,328.50	233.07
115 Insurance	0.00	1.40	1.80	0.90	4.10	715.50	174.51
120 General Correspondence	0.00	0.40	8.80	0.00	9.20	1,488.00	159.35
122 Pric Review and Signing	0.50	7.16	0.00	0.00	0.50	192.50	385.00
123 Appt Holder VAT and Tax Returns	0.00	0.00	10.80	0.50	18.46	3 636.29	191.69
125 Statutory meetings	1.00	0.00	0.00	2.10	3.10	707.50	228.23
Administration & Planning	12.40	78.49	141.05	65.90	297.84	55,784.68	187.30
600 Case Specific	0.00	0.00	0.40	0.30	0.70	87.50	125.00
606 Client Dealings/Communications	0.30	0.00	0.00	0.00	0.30	133.50	445.00
607 Client Accounts	0.00	0.00	1.15	0.00	1.15	143.75	125.00
Case specific matters	0.30	0.00	1.55	0.30	2.15	364.75	169.65
500 Creditors	7.10	46.79	33.90	11.10	98.89	21 619.71	218.82
501 Communication with creditors	26.50	0.30	16.40	2.90	46.10	14 755.50	320.08
502 Employee Claims	0.40	0.00	0.40	0.00	0.80	240.00	300.00
503 Claims Government Departments	0.00	0.30	1.10	0.00	1.40	247.00	176.43
504 Claims Trade and Expense	0.30	0.00	0.00	0.00	0.30	133.50	445.00
507 Creditors Committee	16.50	67.47	42.10	1.00	127.07	31,035.84	244.24
510 Dividends Govt Dept	0.00	0.40	0.00	0.40	0.80	102.00	255.00
511 Dividends Unsecured Cred	1.50	7.40	33.30	3.30	45.50	7 980.00	175.38
512 Dividends and Distributions	0.00	17.60	5.00	0.00	22.60	5,273.00	233.32
Creditors	52.30	140.26	132.20	18.30	343.06	81,386.55	237.23
200 Investigations	44.20	63.50	27.70	88.60	224.00	50 908.00	227.27
204 Client Accounts - Investigations	0.00	0.20	0.00	0.60	0.20	51.00	255.00
Investigations	44.20	63.70	27.70	89.60	224.20	50,959.00	227.29
300 Realisation of assets	1.90	82.67	29.45	10.60	124.62	27,464.36	220.38
301 Ident securing and insuring assets	0.00	0.30	0.00	0.30	0.30	76.50	255.00
303 Debt collection	60.60	0.00	0.20	1.20	62.00	27 142.00	437.77
304 Sale of business and assets	0.00	0.00	0.50	0.00	0.50	62.50	125.00

Time Entry - Detailed SIP9 Time & Cost Summary

ADV/N001 - Advantage Accountants Ltd
From 06/12/2013 To 09/08/2016
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
305 Land and Property	19.00	0.10	4.50	0.00	23.60	9,087.00	384.19
307 Other Assets	0.60	0.00	0.00	0.00	0.60	267.00	445.00
308 Distribution to Shareholders	0.00	0.00	0.10	0.00	0.10	12.50	125.00
Realisations of Assets	82.10	83.07	34.75	11.80	211.72	64,091.86	302.72
400 Trading	0.00	0.50	0.00	0.00	0.50	127.50	255.00
Trading	0.00	0.50	0.00	0.00	0.50	127.50	255.00
Total Hours	191.30	366.03	337.25	184.90	1,079.48	252,714.32	234.11
Total Fees Claimed						233,975.01	

Appendix C

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

1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing Harrison's Business Recovery & Insolvency (London) Limited's (" Harrison's ") assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 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.
- 1.3 Harrison's is not proposing to utilise the services of any sub-contractors in this case.

2 Professional Advisors

- 2.1 On this assignment, Harrison's has used the professional advisors listed below. Also indicated alongside is the basis of the fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Mishcon de Reya LLP (legal advice)	Hourly rate and disbursements
AUA Insolvency Risk Services Limited (insurance)	Risk based premium
Winterhill Asset Limited (valuation and disposal advice)	Hourly rate and disbursements
Stern Advisory Group Limited (agent's fees – investigation work)	Hourly rate and disbursements

- 2.2 The choice of advisors was based on Harrison's' perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.

3 Liquidator's Expenses & Disbursements

Summary of Liquidator's Expenses

- 3.2 Details of the expenses paid during the Period can be found in the Receipts and Payments account at Appendix A. An outline of the total expenses paid during the liquidation can also be found in the Receipts and Payments account at Appendix A.
- 3.3 Category 1 disbursements do not require approval by creditors. The type of disbursement 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.
- 3.4 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 Harrisons (where appropriate) were provided at the time the Liquidator's fees were approved by creditors

4 Charge-Out Rates

- 4.1 A schedule of Harrisons' charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved. Below are details of Harrisons' charge out rates:

	2013/2014/2015 /2016/2017 £
Directors	305 – 550
Managers	250 – 350
Senior Case Supervisors	175 – 250
Case Supervisors	125 – 205
Assistants/Trainee Case Supervisors	100 – 150

- 4.2 Please note that Harrisons records its time in minimum units of 6 minutes.