

WU07

Notice of progress report in a winding-up
by the court



Companies House

FRIDAY



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20/12/2019

#527

COMPANIES HOUSE

1 Company details

Company number 0 2 7 6 3 7 6 4

Company name in full ADB (International) Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Kevin J

Surname Hellard

3 Liquidator's address

Building name/number 30 Finsbury Square

Street

Post town London

County/Region

Postcode E C 2 A 1 A G

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator

Use this section to tell us about
another liquidator.

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6	Period of progress report																
From date	d	2	d	0	m	1	m	0	y	2	y	0	y	1	y	8	
To date	d	1	d	9	m	1	m	0	y	2	y	0	y	1	y	9	
7	Progress report																
☒ The progress report is attached																	
8	Sign and date																
Liquidator's signature	Signature X  X																
Signature date	d		d		m		m		y		y		y		y		

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Notice of progress report in a winding-up by the court



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Matt R Moss**

Company name **Grant Thornton UK LLP**

Address **30 Finsbury Square**

London

Post town **EC2A 1AG**

County/Region

Postcode

Country

DX

Telephone **020 7184 4300**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



Our ref: A30201017/KJH/JSS/MRM/LKG/
Your ref

To the creditors and members

Insolvency and asset recovery

Grant Thornton UK LLP
2 Glass Wharf
Temple Quay
Bristol
BS2 0EL

T +44 (0)117 305 7600
F +44 (0)117 955 4934

3 December 2019

Dear Sir / Madam

ADB (International) Limited - In Liquidation (the Company)
In the High Court of Justice Chancery Division Birmingham No 8508 of 2011

1 Introduction

- 1.1 I was appointed liquidator of the Company following an Order of the High Court of Justice on 20 October 2015. The Company entered compulsory liquidation following a Winding Up Petition, which was granted by myself, in my capacity as administrator of the Company. I was appointed joint administrator of the above Company, together with Mr Stephen Hunt of Griffins, by an Order of the High Court of Justice on 8 March 2013, in place of Mr Costas Morfakis of Axiom Recovery LLP. Mr Morfakis was originally appointed administrator by the directors of the Company on 23 December 2011, pursuant to paragraph 22 of Schedule B1 of the Insolvency Act 1986. Mr Morfakis and Mr Hunt were both removed as joint administrators on 27 November 2013 following an order of the High Court of Justice.
- 1.2 I now report on the progress of the liquidation for the year ended and attach:
- Appendix A, an account of my receipts and payments for the year ended 20 October 2019 and also for the whole liquidation to that date
 - Appendix B, Statement of Insolvency Practice 9 disclosure.
- 1.3 Please note that I am authorised by the Insolvency Practitioners Association to act as insolvency practitioners. I am bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

2 Statutory information

The Company's registered number is 02763764.

3 Progress report

- 3.1 It is a statutory duty that all practising licensed insolvency practitioners have suitable insurance in place to protect the creditors in the event of fraud and dishonesty by the practitioner. This is commonly known as a bond. It is a requirement that there should be both a specific bond, in relation to the specific assets of each individual case and a general bond in relation to a practitioner's whole portfolio of cases.

- 3.2 I had submitted a claim against the previous liquidator's insolvency bonding in respect of excessive and/or unauthorised fees drawn and a possible sale of assets at an undervalue. The claim also included a request that the bondsman reimburse the current office holder for the duplication costs incurred in progressing the case and the costs of compilation and negotiation of the bond claim itself. I have incurred central costs in taking over Mr Morfakis's portfolio of cases and the claim includes a request that the bondsman reimburse a portion of these costs.
- 3.3 The insurers agreed a settlement of £78,845 in respect of the primary loss and my case specific costs which has been received. Of the amount received £30,000 was a contribution to my case specific costs and this amount has been drawn as fees against time costs incurred.
- 3.4 The claims in relation to my central costs remain outstanding in respect of all cases in Mr Morfakis's portfolio. Any payment received in respect of central costs will be a contribution to my costs only and will not result in any return to creditors.

4 Creditors

5 Secured creditors

- 5.1 A fixed and floating charge was registered against the Company by HSBC Bank plc (the Bank) on 22 November 1995. As previously reported my solicitor has advised that HSBC's charge is valid and that £34,290 as at 16 August 2016, was outstanding under the charge.
- 5.2 The director has negotiated a settlement for his obligation under his personal guarantee. The Company remains liable for the remaining balance on the account, which I estimated to total £25,981.
- 5.3 In March 2017, I made a payment of £6,881 to the Bank, leaving an estimated balance of £19,100 outstanding. As the Bank's charge was registered before 15 September 2003, there is no requirement to reserve funds for unsecured creditors under the prescribed part regulations. Any surplus funds after paying the costs of the liquidation will be paid to the Bank.
- 5.4 A fixed and floating charge was been registered against the Company by The Trustees of AM Directors Pension Scheme (the Trustees) on 15 June 2010 for £170,000. As previously reported, the Trustees have waived their claim against the Company as part of the settlement of claims regarding the sale of the business.

5.5 Preferential creditors

- 5.6 The Redundancy Payments Office has submitted a preferential claim for £143. This claim will be paid in full.

5.7 Unsecured creditors

- 5.8 I have received unsecured claims totalling £520,765.
- 5.9 There are currently insufficient funds available to pay a dividend to unsecured creditors and no further realisations are expected.

6 Remuneration and expenses

- 6.1 My remuneration is being charged on a time cost basis as agreed by the creditors on the 31 January 2017 with a fee estimate of £50,000.
- 6.2 I have incurred costs in the year amounting to £5,691, bringing the cumulative total at year end to £84,742 plus expenses of £14,682 of which £36,881 and £14,682 has been paid.
- 6.3 In addition to remuneration and expenses incurred, I estimate an additional £5,000 in remuneration and £500 in expenses to bring matters to a conclusion.
- 6.4 This brings my total estimated fees to £89,742 in comparison to my fees estimate totalling £50,000 which was supplied to creditors when I sought approval of my fee basis. At this time I do not seek to revise my fees estimate in order to be able to draw more remuneration.

6.5 No funding is available in this case and I have been acting entirely on a contingent basis so that I am only able to draw fees to the extent of realisations. Any costs incurred in excess of realisations will be written off. In addition to the liquidation costs I have incurred unbilled time costs of £80,407 in the administration.

6.6 Further details about remuneration and expenses are provided in Appendix B to this report

7 Contact from third parties

7.1 Please be aware fraudsters have been known to masquerade as the legitimate liquidator. The fraudster will contact creditors asking for an upfront fee or tax to release an investment or pay a dividend/ to enable release of money payable to the creditor. A liquidator would never ask for such a payment nor instruct a third party to make such a request.

8 Data Protection

8.1 Any personal information held by the Company will continue to be processed in accordance with completing the liquidation of the Company and in accordance with meeting our requirements under applicable Data Protection Legislation/law in the United Kingdom.

Should you have queries please contact Matt R Moss on 0117 305 7713 or using the telephone number above.

Yours faithfully
for and on behalf of ADB (International) Limited

Kevin J Hellard
Liquidator

ADB (International) Limited - in liquidation
Summary of receipts and payments
from 20 October 2015 to 19 October 2019

	Statement of Affairs £	From 20/10/2015 to 19/10/2018 £	From 20/10/2018 to 19/10/2019 £	Total £
Receipts				
Settlement monies paid to Barker Gotelee		20,000.00	0.00	20,000.00
Bond Settlement	NIL	16,345.64	62,499.00	78,844.64
Refund of Petitioning Creditors Deposit		1,250.00	0.00	1,250.00
Bank/ISA InterestGross		38.26	0.00	38.26
VAT Control Account		2,973.03	6,000.00	8,973.03
		40,606.93	68,499.00	109,105.93
Payments				
O.R. Remuneration		2,400.00	0.00	2,400.00
ISA Account Fees		264.00	88.00	352.00
DTI Cheque Fees		1.85	0.15	2.00
Secretary of State Fees		6,355.20	10,274.85	16,630.05
Liquidators Fees Authorised by Bondsman		0.00	30,000.00	30,000.00
Liquidators Fees		6,881.00	0.00	6,881.00
Liquidators Expenses		17.86	0.00	17.86
Grant Thornton Administration expenses		9.60	0.00	9.60
Barker Gotelee Administration expenses		5,000.00	0.00	5,000.00
Legal Fees (1)		6,881.00	0.00	6,881.00
Legal Expenses		1,754.50	0.00	1,754.50
Counsel's fees		850.00	0.00	850.00
Statutory Advertising		169.20	0.00	169.20
Floating Charge Creditor		6,881.00	0.00	6,881.00
VAT Receivable		2,973.03	6,000.00	8,973.03
		40,438.24	46,363.00	86,801.24
Net Receipts/(Payments)		168.69	22,136.00	22,304.69
Made up as follows				
ISA - NIB		168.69	22,136.00	22,304.69
		168.69	22,136.00	22,304.69

Payments, remuneration and expenses to the liquidator and his associates

Statement of Insolvency Practice 9 disclosure

This appendix has been prepared in conjunction with the requirements of the Insolvency Act 1986, the Insolvency (England and Wales) Rules 2016 (the Rules) and Statement of Insolvency Practice 9 (SIP9). In summary, it covers:

- fee basis
- work done by the liquidator and his team during the period
- hourly charge out rates
- disbursements and expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)

Fee basis of the liquidator

On 31 January 2017 the creditors resolved that remuneration be fixed by time properly given by the liquidator and his staff in attending to matters arising in the liquidation, with a fee estimate of £50,000.

During the period from 20 October 2018 to 19 October 2019 (the Period) time costs were incurred totalling £5,750 represented by 19.94 hrs at an average of £288.36/hr (as shown in the 'Work done' section below) Description of the work done is provided in the respective section below.

Cumulative time costs total £84,800 and fees of £36,881 have been drawn, including £30,000 agreed by the bondsman.

As at Period end, as shown in the 'Work done' section below, cumulative recorded time costs have exceeded the time costs in the fees estimate of £50,000 which were provided to the creditors prior to the determination of our fee basis.

The principal reason for this excess is that it has taken much longer for the bond claim settlement to be agreed than originally anticipated. This has resulted in additional administration costs being incurred in keeping the case open for longer than originally anticipated. The investigation costs are less than forecast whilst the asset realisation costs are higher. This is because certain of the costs in relation to the bond claim included as investigation in the fee estimate have been recorded as asset realisation.

Work done by the liquidator and his team during the Period

I am required to detail costs of actual work done in the Period, including any expenses incurred in connection with it, as against any fees estimate provided. Our fees estimate was included within our report to creditor(s) dated 15 December 2016. I am also required to provide narrative explanation of the work done. The following tables (narrative followed by numerical) set out this information for the liquidator's fees incurred together with a numerical fees estimate variance analysis. Reasons for any excess of the fees estimate are included in the 'Fee basis' section above. Details of expenses incurred in connection with work done are provided in the 'Disbursements and expenses' section below.

Area of work	Work done	Why the work was necessary	Financial benefit to creditors	Fees incurred
Assets				0.33 hrs £163.35 £495.00/hr
General	Negotiating and signing the terms of bond claim settlement	To receive the bond claim settlement	This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available	
Investigations				2.06 hrs £859.20 £417.09/hr
General	Correspondence with solicitors regarding bond claim settlement and arranging for transfer of settlement funds	To receive the bond claim settlement	This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available	
Creditors				5.00 hrs £1,070.00 £214.00/hr
Unsecured	Preparation of annual report to creditors	It is a statutory requirement for the liquidator to produce annual progress report to creditors	This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate	
Administration				12.55 hrs £3,657.25 £291.41/hr
Treasury, billing & funding	Bank account administration	To maintain the liquidation bank account	This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate	
Tax	Review of tax position	The liquidator has a duty to comply with the relevant tax legislation	This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate	
Pensions	Review of pension position	The liquidator has a duty to comply with the	This work was completed solely for the	

relevant pension legislation		purpose of complying with statutory requirements and had no direct financial benefit to the estate	
General	Internal file reviews	It is essential to review cases regularly to ensure the case is being carried out efficiently and in a cost effective manner	
		This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it did not add financial value to the estate it adds value to the insolvency process	
Total fees incurred in the Period		19.94 hrs	£5,749.80 £288.36/hr

Appendix B

Detailed SPI9 time cost analysis for the period and fee estimate variance analysis as at period end
Period from 20/10/2018 to 19/10/2019

Area of work	Partner Hrs	£	Manager Hrs	£	Assistant manager Hrs	£	Administrator Hrs	£	Period total Hrs	£	£/hr	Cumulative total as at period end Hrs	£	£/hr	Fees estimate Hrs	£	Variance Hrs	£
Realisation of assets:																		
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General	-	-	0.33	163.35	-	-	-	-	0.33	163.35	485.00	36.83	10,524.35	286.03	7.60	1,626.77	(26.23)	(8,907.45)
Investigations:																		
General	-	-	1.36	873.20	0.70	186.00	-	-	2.06	893.20	417.09	43.91	15,771.70	363.80	83.90	25,283.50	34.99	6,511.80
Gratitudes:																		
Secured	-	-	-	-	-	-	-	-	5.00	1,070.00	214.00	20.35	7,837.00	267.02	40.50	10,782.50	266.48	2,955.50
Employees & pensions																		
Unsecured	-	-	-	-	-	-	-	-	-	-	-	23.35	6,646.99	284.11	-	-	-	-
Administration:																		
Treasury, billing & funding	-	-	0.50	170.00	-	-	4.50	900.00	5.00	1,070.00	214.00	5.36	36.89	196.00	-	-	-	-
Tax	-	-	2.40	956.00	0.10	30.00	0.50	80.00	12.55	3,657.25	281.41	189.53	47,857.10	251.45	51.70	12,287.25	(137.83)	(35,358.85)
Pensions	-	-	0.20	97.00	-	-	-	-	2.85	665.75	226.69	24.89	4,892.09	193.41	-	-	-	-
General	0.30	141.00	1.85	667.75	2.35	663.75	1.90	353.00	3.00	1,065.00	355.33	34.85	8,226.89	237.39	-	-	-	-
Total	0.30	141.00	7.14	2,887.30	3.85	1,065.75	8.85	1,845.75	18.84	5,748.80	283.34	304.82	84,800.15	278.38	163.70	50,000.02	(120.52)	(34,800.13)

Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes associate directors and managers
- Due to enhancements to our SPI9 reporting systems, allocation of time against areas of work may differ to previous periods, however this does not affect overall total time costs
- Adverse variances are presented in brackets
- Total time costs paid to date: £36,881, including £30,000 agreed by Bondaman

Hourly charge out rates

Time is charged in units of 6 minutes for each grade of staff used. The hourly charge out rates applied take into consideration the nature and complexity of the case and are as follows:

Grade	From 20 October 2018 to Current	
	Insolvency £/hr	Tax & Pensions £/hr
Partner	750	745
Director	400-650	595
Associate director	380-580	485
Manager	330-475	410
Assistant manager	300-345	340
Administrator	200-345	165-200
Treasury	180	n/a
Support	165-180	n/a

The current charge out rates have applied since 1 October 2017. I reserve the right to amend my charge out rates in the future. Any amendments will be detailed within the next report following such an amendment.

Statement of expenses and disbursements incurred in the Period

This table provides details of expenses and disbursements incurred in the Period in connection with the work done by the liquidator, description of which is provided in the 'Work done' section above.

Category	Incurred in the Period (£)	Cumulatively incurred as at Period end (£)	Of which paid by the estate as at Period end (£)
Category 1 disbursements			
Courier	0.00	17.86	17.86
Expenses			
Legal Fees – Barker Gotelee	0.00	11,881.00	11,881.00
Legal Expenses – Barker Gotelee	0.00	1,754.50	1,754.50
Counsel Fees – Enterprise Chambers	0.00	850.00	850.00
Statutory Advertising	0.00	169.20	169.20
Total expenses and disbursements	0.00	14,682.16	14,682.16

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment and fall into two categories:

Category 1 disbursements

These are also known as 'out of pocket expenses' and are payments to independent third parties where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval and consist of the following categories:

- Travel and subsistence – these costs, which exclude mileage, are incurred by staff in attending trading premises or meetings, for example
- Office costs – these are costs such as postage or courier charges which are incurred in managing the case
- Statutory costs – these are costs such as bonding and advertising relating specifically to the case, which are required by statute

They also include expenses which have been paid using a Grant Thornton Loan, the balance of which (if any) can be seen on the liquidator's receipts and payment account at Appendix A.

Category 2 disbursements

These are expenses that are directly referable to the insolvent estate but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by an office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holder's remuneration.

To the extent that recovery of category 2 disbursements is sought, this will be for mileage only. Mileage is charged at 45p a mile. VAT is added as appropriate.

Sub-contracted out work

We confirm that, in the Period, we have not sub-contracted out any work that could otherwise have been carried out by us or our team.

Payments to associates

Where we have enlisted the services of others we have sought to obtain the best value and service. In the interest of transparency, we disclose below services we have sought from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has a business or personal relationship:

Service provider	Services enlisted	Cost of service
Grant Thornton UK LLP	- Tax work/advice (narrative is included within the above narrative of work done) - Pensions work/advice (narrative is included within the above narrative of work done)	Costs are included within the above SIP9 time cost analysis

Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the liquidator's fee basis, or who provide services to us as liquidator, which may give rise to a potential conflict.

Information for creditors and members

Information to help creditors and members to understand their rights in insolvency and regarding officeholders' (ie administrators or liquidators) fees, and the roles and functions of committees is available via Grant Thornton's website:

<https://www.granthornton.co.uk/portal>

Alternatively, we will supply this information by post, free of charge, on request.