

S.192**Liquidator's Progress Report****Pursuant to Sections 92A and 104A
of the Insolvency Act 1986**

To the Registrar of Companies

For Official Use

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Name of Company
LKL Trading LimitedCompany Number
03089747I,
Mark Bowen
Aston House
5 Aston Road North
Birmingham B6 4DS


the Liquidator of the company, attach a copy of my Progress Report under section 192 of the Insolvency Act 1986

Signed


Mark Bowen

Dated

19.3.13MB Insolvency
Aston House,
5 Aston Road North,
Birmingham B6 4DS**For Official Use**

Liquidation Sect	Post Room
	
A24OM7SQ	
A29	22/03/2013
#184	
COMPANIES HOUSE	

FRIDAY

Mark Bowen and Paul Harding appointed as joint liquidators on
29 February 2012

LKL Trading Limited (In Liquidation)

Progress report and account of the liquidator
pursuant to Section 104A of the Insolvency Act
1986

Period: **29 February 2012 – 28 February 2013**

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1. COMPANY AND LIQUIDATORS' DETAILS

Company registered number:	03089747
Nature of business.	Holding Company of a Trading Group. Principal activity of trading entity was running a leisure and spa club.
Former trading address.	Stratton Place, 42 Gloucester Road, Cirencester, GL7 2LA
Date winding up commenced:	09/02/2012
Names of Liquidators.	Mark Bowen/Paul Harding
Date of liquidators' appointment:	29/02/2012
Changes in office holder (if any):	None
Registered office address.	MB Insolvency, Aston House, 5 Aston Road North, Birmingham B6 4DS

This report, which is issued under the provisions of Section 104A of the Insolvency Act 1986, should be read in conjunction with the report of the initial meeting of creditors held on 29 February 2012.

2. RECEIPTS AND PAYMENTS ACCOUNT

Attached at Appendix 1 is our account of receipts and payments from the commencement of the winding-up to the end of the first anniversary showing asset realisations in the Liquidation to date and how they have been disbursed. Our comments on items appearing in the account are as follows.

RECEIPTS

There have been no receipts to date.

PAYMENTS

There have been no payments to date

Liquidators' remuneration, disbursements and expenses

Basis of remuneration and disbursements

At the initial meeting of creditors held pursuant to Section 98 of the Act on 29 February 2012 it was resolved that the Liquidator should be remunerated by reference to the time properly spent in dealing with the liquidation at his firm's standard charging rates, and that their disbursements would be drawn in accordance with his firm's standard tariff (see Appendix 2).

Since the approval of the basis of our remuneration on 29 February 2012 our charge out Rates were revised in February 2013 and our disbursement tariff has been necessarily revised to reflect supplier prices

Remuneration and disbursements charged and drawn

Total time spent to the anniversary date on this assignment amounts to 53.8 hours at an average composite rate of £232.47 per hour resulting in total time costs to date of £12,507.00 Total fees drawn to date in accordance with the above approval have amounted to nil leaving outstanding unbilled time costs of £12,507.00.

I have attached a breakdown of time costs at Appendix 2. I am required to provide the information in this format by Statement of Insolvency Practice 9.

Details of disbursements incurred and drawn are set out in Appendix 2.

The following further information as regards time costs is also set out at Appendix 2

- ☐ MB INSOLVENCY policy for re-charging expenses
- ☐ MB Insolvency charge-out rates

Expenses charged and drawn

Details of the costs incurred and paid in relation to liquidation expenses [*legal, agent's, accountancy fees etc*] are summarised at Appendix 2. I comment specifically on the following matters.

At the first meeting of creditors held on 29 February 2012 it was resolved that the fees and disbursements of MB Insolvency for assisting the directors in convening the statutory meetings to place the Company into liquidation, and for assistance in preparing the Statement of Affairs, would be a set fee of £5,000.0, be paid out of the assets of the Company.

This fee has not yet been drawn as insufficient assets have been realised to defray them.

All other payments have been made in accordance with the rules and regulations generally as to the payment of costs and expenses in the liquidation.

Creditors' Guide to Fees and statement of creditors' rights

If you require further information relating to Liquidators' remuneration, expenses and disbursements please see Appendix 3. This also gives details of your rights as a creditor in this regard.

3 INVESTIGATIONS

We have submitted our statutory report to the Department of Business, Innovation and Skills on the conduct of the directors in accordance with the Insolvent Companies (Report on

Conduct of Directors) Rules 1996 and the Company Directors Disqualification Act 1986 The content of this report is, however, strictly private and confidential.

We also have a duty to investigate the extent of the Company's assets, including potential claims against third parties including the directors, and to report our findings to creditors, subject to considerations of privilege and confidentiality and whether those investigations and/or any potential litigation might be compromised.

Our preliminary assessment of the conduct of the Company's affairs by the Directors prior to our appointment did not reveal any matters that it was in the interest of creditors for us to pursue. Accordingly, we are not currently conducting or proposing to conduct any further more detailed investigations however we will of course continue to monitor the Company's situation.

CREDITOR CLAIMS

Secured Creditors

HSBC Bank Plc (HSBC) hold security over the Company's assets in the form of a debenture registered on 21 October 2005, which created fixed and floating charges over the entire assets of the Company.

HSBC hold a legal charge over property known as Stratton Place dated 22 November 2005.

The debt due to HSBC as detailed in the directors' Statement of Affairs, was estimated to total £3,400,000.00 Please see commentary with regard to the Bank's claim in my conclusion.

The validity of the Bank's security has been confirmed.

It is likely the Banks liability will be repaid in full from sale proceeds of the property.

Preferential Creditors

There are no preferential creditors in this instance.

Prescribed Part

If a Company has granted security over its assets which includes a qualifying floating charge I am obliged to consider setting aside a proportion of net property, which would otherwise be available to the holder of floating charge security over the Company's assets, for the benefit of unsecured creditors (known as "the Prescribed Part")

It is envisaged that all realisations will be captured under the Bank's fixed charge.

As such there will be no net property under the floating charge security, the provisions of the Insolvency Act 1986, relating to the Prescribed Part, are not applicable.

Unsecured Creditors

It is anticipated that total realisations will be captured under HSBC fixed charge therefore there will be no dividend available for unsecured creditors.

Notice of no dividend

Assets realised and prospective asset realisations will be utilised fully in contributing towards defraying the administrative costs of the liquidation and any funds remaining will be subject to the Bank's floating charge.

Accordingly, formal notice is hereby given, in accordance with Rules 4.186 and Rule 11.7 and that no funds are expected to be available to enable any form of distribution to be made to unsecured creditors.

5. CONCLUSION

Matters outstanding

There is an on-going discussion with HSBC regarding a potential action over the terms of a cap and collar transaction entered into by the Company when it changed banks in 2008. This may result in an adjustment with regard to the liability to the Bank and potentially could result in some surplus from the sale transaction that would be payable to the Company. Currently this is with legal advisers.

In view of this, we do not anticipate concluding the liquidation before the next anniversary

If you require any further information, please do not hesitate to contact Margaret Carter at the above address.

We are convening a meeting of creditors under R 4 108 for receiving the resignation of joint liquidator Paul Harding for the purpose of seeking release under R 4 122 as Paul Harding no longer works in the practice

Please see meeting details enclosed with this report

We will report again following the second anniversary of the liquidation or at the conclusion of the winding up, whichever is the sooner.



M E T Bowen
Joint Liquidator

Dated. 28 February 2013

LKL TRADING LIMITED (In LIQUIDATION)
Summary of remuneration for Period 29 February 2012 – 28 February 2013

Classification of work	Partner	Senior Manager	Manager	Administrator	Support	Total Units	Time Cost £	Average Rate £/h
Pre-Appointment				39		39	468 00	120 00
Stat Compliance / Admin & Planning	19		55	50		124	1995 00	160 88
Investigation	54			41		95	2092 00	220 21
Realisation of Assets	244					244	7285 00	298 57
Creditors	30			4		34	913 00	268 53
Case Specific Matters				17		17	204 00	120 00
Total							12957 00	234 30
Fees Drawn								

All time is recorded in units of six minutes. Therefore 1 unit equates to 6 minutes of time recorded.

Charge out Rates.

Partner
Managers
Assistant Manager
Senior Administrator
Administrator
Senior Assistant/Cashier
Support Staff

From 13 February 2013
Rates depend on complexity of the case
£300
£225-250
£200
£175
£150
£150
£90

Standard activity

Administration and planning

Statutory reporting and compliance
Compliance with other regulatory requirements
Case planning
Administrative set up
Appointment notification
Maintenance of records

Investigations

SIP 2 review
CDDA reports
Investigating antecedent transactions

Realisation of assets

Identifying, securing, insuring assets
Retention of title
Debt collection
Property, business and asset sales

Trading

Management of operations
Accounting for trading
On-going employee issues

Creditors

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

Case Specific

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LKL Trading Limited (In Liquidation)
Summary of Category 2 Disbursements for Period .29/02/2012 – 29/02/2013

Category 1 disbursements

	Incurred	Paid	Unpaid
	£	£	£
Bond	82 50		82 50
Advertising	153 00		153 00
Postage	25 01		25 01
Telephone			
Car Mileage			
Travel			
Subsistence			
External Room Hire	60 0		60 00
External Photocopying			
External Records Removal			
Mail Re-direction			
Swear Fee			
Company Search			
Professional Fees			
Other			

Category 2 disbursements

	Incurred	Paid	Unpaid
	£	£	£
Photocopying / Printing	43 86		43 86
Registered Office Fee			
The Admin System Charge	125 00		125 00
Mileage			
Room Hire			
Case Specific			

Category 2 disbursement rates

Photocopying / Printing	£0 17 per sheet
Registered office fee	£125 per annum
Admin System charge	£125 per case
Mileage	£0 45 per mile
Room hire	£60 per hour where held at MBI offices

Summary of Administration expenses for period 29 February 2012 -28 February 2013

	Provider	Basis of remuneration
-		
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[illegible]

LKL Trading Limited

Liquidator's Abstract of Receipts and Payments

Statement
Of Affairs

From 29/02/2012
To 28/02/2013

From 29/02/2012
To 28/02/2013

(00)

0 00

0 00



Mark Elijah Thomas Bowen
Liquidator