

## **PATHWAYS THROUGH TRAUMA LTD. - IN COMPULSORY LIQUIDATION**

**Liquidator's Annual Progress Report to Creditors and Members for the period 20th April 2015 to 19th April 2016**

### **STATUTORY INFORMATION**

Name of Company	PATHWAYS THROUGH TRAUMA LTD.
Registered Office	284 Clifton Drive South, Lytham St. Annes, Lancashire, FY8 1LH
Former Registered Office	346 Blackburn Road, Egerton, Bolton, BL7 9TR
Registered Number	05775216
Court Name and Number	BOLTON COUNTY COURT NO 384 OF 2010
Liquidator's Name	James Richard Duckworth
Liquidator's Address	Freeman Rich, 284 Clifton Drive South, LYTHAM ST. ANNES, Lancashire FY8 1LH
Date of Winding-up Order	26th January 2011
Liquidator's Date of Appointment	20th April 2011

Please note that Robin Andrew Upton of Robin Upton Insolvency was initially appointed as Liquidator in this matter on the 20th April 2011. Following his retirement Mr Upton is no longer the Liquidator in this matter. I was appointed in his place by order of the Court on the 15th December 2015. Please see attached copy Order.

### **SUMMARY OF LIQUIDATOR'S ACTIONS SINCE APPOINTMENT**

Creditors will be aware from the previous Reports issued that claims had been identified against the Directors and asserted and it was hopeful that proposals would be forthcoming to settle the claims.

### **LIQUIDATOR'S ACTIONS SINCE LAST REPORT**

This is the fourth Annual Progress Report and should be read in conjunction with previous Annual Progress Reports.

Time has been spent in the reporting period as follows -

Preparing and issuing the last Annual Progress Report

Carrying out periodic reviews of the case

Completing statutory matters

Carrying out ongoing cashing work

Enquiries into any Payment Protection Insurance and Interest Rate Hedging claims have been made



During this period solicitors have continued to be instructed and proceedings were issued. The claims asserted have now been settled by way of the Directors' contributing payments totalling £47,500 on agreed terms. Payments are to be made on a Time to Pay Agreement lasting 5 years. Solicitors have confirmed that payments are up to date.

I shall notify creditors of any developments at the time of my next Annual Progress Report.

## **RECEIPTS AND PAYMENTS ACCOUNT**

A Receipts & Payments Account for the period from 20th April 2015 to 19th April 2016 is attached. All amounts in the Receipts & Payments Account are shown net of VAT.

## **ASSETS**

There were no assets disclosed in this matter.

### **Payment Protection Insurance ("PPI") and Interest Rate Hedging Claims ("IRH")**

Enquiries have been made to identify any potential PPI/IRH claims; however, these enquiries have been concluded and there is no redress due.

## **LIABILITIES**

### **Secured Creditors**

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has granted the following Charges -

Fixed and Floating Charge dated 15th January 2007 in favour of National Westminster Bank plc

The legislation requires that if the Company has created a floating charge after 15th September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case, there were no creditors secured by a floating charge such that the prescribed part provisions do not apply.

### **Unsecured Creditors**

The Official Receiver's Report to Creditors included Unsecured Creditors with an estimated total liability of £31,622.65. To date, I have received claims from 23 creditors in the total sum of £22,996.41. I have not received claims from 19 creditors in the total sum of £11,905.65.

## **DIVIDEND PROSPECTS**

The payment of a dividend in this matter will be largely dependent upon the extent of realisations and the costs of realisation. I am unable at this stage to comment any further on the prospects of a dividend.

## **LIQUIDATOR'S REMUNERATION**

The Liquidator's remuneration was previously authorised by creditors at a creditors' meeting held on 15th June 2011. The remuneration has been fixed by reference to the time properly given in attending to matters arising in the liquidation. This resolution will cover both the remuneration of Mr Upton and myself.

No remuneration has been drawn in this period.

A copy of 'A Creditor's Guide to Liquidator's Fees' published by the Association of Business Recovery Professionals, together with an explanatory note which shows Mr Upton's fee policy has been sent to you previously, however if you require an additional copy please contact this office. A copy of 'A Creditor's Guide to Liquidator's Fees' can also be viewed online at <https://www.r3.org.uk/index.cfm?page=1591>

Time charged on all cases is in 5 minute units and hourly billing rates for the periods since the date of my appointment are as follows (plus VAT) -

	From April 2011	
See note below	A	B
Insolvency Practitioners	255 00	425 00
Chartered Accountants	240 00	320 00
Insolvency Solicitor	240 00	320 00
Associates	220 00	330 00
Managers	175 00	175 00
Supervisors	150 00	225 00
Trainee Insolvency Practitioner	120 00	180 00
Cashier	100 00	
Assistants/Support Staff	85 00	120 00

A Basic Charge out rates

B Charge out rates for special investigation work undertaken in complex cases

I will continue to apply the same rates

The Guide to Insolvency Practitioner's Fees previously sent out to creditors has now been amended. The charge out rates should more clearly have been identified as rates A and B as set out above.

A summary of the time costing whilst Mr Upton was Trustee from the last Annual Progress Report to 15th December 2015 is shown in the analysis below -

	IP Hours	Chartered Accountant/ Solicitor Hours	Associate Hours	Other Snr Prof Hours	Cashier Hours	Support Staff Hours	Total Hours	Total Costs £	Avg Hrly Rate £
Administration & Planning	0 32	1 00	4 33	0 83	0 00	6 14	12 62	1,964 59	155 67
Realisation of Assets	0 00	0 00	2 00	0 25	0 00	0 25	2 50	500 00	200 00
Creditors	0 00	0 00	0 00	0 00	0 00	0 25	0 25	22 50	90 00
Cashiering	0 00	0 00	0 00	0 00	0 40	0 00	0 40	47 90	119 75
<b>Total Hours</b>	<b>0 32</b>	<b>1 00</b>	<b>6 33</b>	<b>1 08</b>	<b>0 40</b>	<b>6 64</b>	<b>15 77</b>		
<b>Total Costs (£)</b>	<b>85 00</b>	<b>240 00</b>	<b>1,393 33</b>	<b>181 25</b>	<b>47 90</b>	<b>587 51</b>		<b>2,534 99</b>	<b>160 75</b>

A summary of costing from my appointment on the 15th December 2015 is shown in the analysis below -

	IP Hours	Chartered Accountant/ Solicitor Hours	Associate Hours	Other Snr Prof Hours	Cashier Hours	Support Staff Hours	Total Hours	Total Costs £	Avg Hrly Rate £
Administration & Planning	0 42	1 00	4 67	2 16	0 00	8 33	16 58	2,460 82	148 42
Realisation of Assets	0 00	0 00	2 25	0 25	0 00	0 50	3 00	577 50	192 50
Creditors	0 00	0 00	0 33	0 00	0 00	0 25	0 58	95 83	165 22
Cashiering	0 00	0 00	0 00	0 00	0 83	0 00	0 83	89 56	107 90
<b>Total Hours</b>	<b>0 42</b>	<b>1 00</b>	<b>7 25</b>	<b>2 41</b>	<b>0 83</b>	<b>9 08</b>	<b>20 99</b>		
<b>Total Costs (£)</b>	<b>106 25</b>	<b>240 00</b>	<b>1,594 99</b>	<b>389 58</b>	<b>89 56</b>	<b>803 33</b>		<b>3,223 71</b>	<b>153 58</b>

A summary of all time costing for the whole of the period of Mr Upton's appointment to his retirement on 15th December 2015 is shown in the analysis below -

	IP Hours	Chartered Accountant/ Solicitor Hours	Associate Hours	Other Snr Prof Hours	Admin Hours	Cashier Hours	Support Staff Hours	Total Hours	Total Costs £	Avg Hrly Rate £
Administration & Planning	1 31	1 00	11 25	10 65	6 08	0 00	38 95	69 24	8,822 81	127 42
Investigations	6 50	0 50	12 00	1 50	0 00	0 00	4 50	25 00	5,370 00	214 80
Realisation of Assets	0 16	0 00	18 25	0 25	0 00	0 00	1 17	19 83	4,195 43	211 57
Creditors	0 00	0 00	2 00	2 91	0 00	0 00	10 74	15 65	1,845 00	117 89
Cashiering	0 00	0 00	0 00	0 00	0 00	2 06	0 00	2 06	214 52	104 14
Review	2 33	0 00	3 83	0 00	0 00	0 00	0 50	6 66	1,483 33	222 72
<b>Total Hours</b>	<b>10 30</b>	<b>1 50</b>	<b>47 33</b>	<b>15 31</b>	<b>6 08</b>	<b>2 06</b>	<b>55 86</b>	<b>138 44</b>		
<b>Total Costs (£)</b>	<b>2,960 00</b>	<b>360 00</b>	<b>10,413 33</b>	<b>2,337 50</b>	<b>730 00</b>	<b>214 52</b>	<b>4,915 74</b>		<b>21,931 09</b>	<b>158 42</b>

A summary of all the time costs for the whole of the period of both myself and Mr Upton's appointment from 20th April 2011 to 19th April 2016 is shown in the analysis below -

	IP Hours	Chartered Accountant/ Solicitor Hours	Associate Hours	Other Snr Prof Hours	Admin Hours	Cashier Hours	Support Staff Hours	Total Hours	Total Costs £	Avg Hrly Rate £
Administration & Planning	1 73	2 00	15 92	12 81	6 08	0 00	47 28	85 82	11,283 63	131 48
Investigations	6 50	0 50	12 00	1 50	0 00	0 00	4 50	25 00	5,370 00	214 80
Realisation of Assets	0 16	0 00	20 50	0 50	0 00	0 00	1 67	22 83	4,772 93	209 06
Creditors	0 00	0 00	2 33	2 91	0 00	0 00	10 99	16 23	1,940 83	119 58
Cashiering	0 00	0 00	0 00	0 00	0 00	2 89	0 00	2 89	304 08	105 22
Review	2 33	0 00	3 83	0 00	0 00	0 00	0 50	6 66	1,483 33	222 72
<b>Total Hours</b>	<b>10 72</b>	<b>2 50</b>	<b>54 58</b>	<b>17 72</b>	<b>6 08</b>	<b>2 89</b>	<b>64 94</b>	<b>159 43</b>		
<b>Total Costs (£)</b>	<b>3,066 25</b>	<b>600 00</b>	<b>12,008 32</b>	<b>2,727 08</b>	<b>730 00</b>	<b>304 08</b>	<b>5,719 07</b>		<b>25,154 80</b>	<b>157 78</b>

A description of the routine work undertaken is as follows -

#### Administration and Planning

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on IPS
- Case bordereau
- Case planning and administration
- Preparing reports to members and creditors
- Convening and holding meetings of creditors
- Ensuring statutory lodgements and tax lodgement obligations are met

#### Investigations

- Conducting investigations into any suspicious transactions
- Review and storage of books and records where applicable and other documentation to identify any transactions or actions a liquidator may take against a third party in order to recover funds for the benefit of creditors
- Detailed bank analysis
- Detailed instructions to solicitors
- H M Land Registry Searches

#### Realisation of Assets

- Corresponding with accountants and solicitors regarding the recovery of potential claims

- Enquiries relating to Payment Protection Insurance
- Interest Rate Hedging Enquiries

#### Creditors

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors
- Maintaining creditor information on IPS
- Reviewing and adjudicating on proofs of debt received from creditors
- Finalising claims and distribution of dividends

#### Cashiering

- Maintaining and managing the Liquidators' cashbooks and bank accounts

### **LIQUIDATOR'S DISBURSEMENTS**

#### **Category 1 Disbursements**

The expenses to date amount to £473 90 of which £308 was incurred in this period

No expenses have yet been drawn in this matter

The following expenses have been incurred -

Type of expense	Amount incurred in this period £	Amount incurred to date £	Amount unpaid £
H M Land Registry charges	-	24 00	24 00
Bordereau – Mr Upton	314 40	314 40	314 40
Bordereau – Mr Duckworth	68 00	68 00	68 00
Advertising		67 50	67 50

The following agents or professional advisors have been utilised in this matter -

Professional Advisor	Nature of work	Fee Arrangement
Clarke Mairs LLP	Solicitors	Time Costs on informal/ formal Conditional Fee Arrangement

The choice of professionals was based on Mr Upton'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. Clarke Mairs LLP have been instructed to advise on and assist in recoveries against the Directors. They estimated their time costs to would be in the region of £10,000 with an uplift of 50%. The costs incurred to date amount to £8,817. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

#### **Category 2 Disbursements**

The Guide to Insolvency Practitioner's Fees previously sent to creditors has now been amended. The Category 2 Disbursements were previously described as Administration Costs.

The following category 2 disbursements have been incurred and will be paid, if sufficient funds are available, at the finalisation of my administration -

Type of Category 2 Disbursement	Amount incurred in this period £	Amount incurred to date £	Amount unpaid £
Room Hire	-	75 00	75 00
Storage	64 80	259 20	259 20

A policy decision has been made not to charge postage

## **FURTHER INFORMATION**

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

## **SUMMARY**

The liquidation will remain open until such time as my enquiries and investigations are concluded and any claims have been settled, I shall then proceed to finalise the liquidation and my files will be closed.

## **COMPLAINTS PROCEDURE**


At Freeman Rich we always strive to provide a professional and efficient service. However, we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of this case, then in the first instance you should contact me at the address given in this Report.

If you consider that I have not dealt with your comments or complaint appropriately you may then put details of your concerns in writing to our complaints officer, Jonathan Turley, at this office. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior member of staff unconnected with the appointment.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at [www.gov.uk/complain-about-insolvency-practitioner](http://www.gov.uk/complain-about-insolvency-practitioner), or you can e-mail [insolvency.enquiryline@insolvency.gsi.gov.uk](mailto:insolvency.enquiryline@insolvency.gsi.gov.uk), or you may phone 0300 678 0015.

Should you have any queries regarding this report, or the liquidation in general, please contact either myself or Mrs Morris at this office.

Dated this 17th day of May 2016



J R DUCKWORTH  
Liquidator

**Pathways Through Trauma Ltd.  
(In Liquidation)**

**LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT**

	Statement of affairs £	From 20/04/2015 To 19/04/2016 £	From 26/01/2011 To 19/04/2016 £
<b>RECEIPTS</b>			
Claim against Director		667 00	667 00
Book Debts		0 00	50 00
Deposit on Petition		0 00	1,000 00
		<u>667 00</u>	<u>1,717 00</u>
<b>PAYMENTS</b>			
HM Land Registry charges		0 00	24 00
O R Disbursements		0 00	2,235 00
ISA Banking Fees		88 00	420 00
Bordereau		308 00	382 40
Legal Fees		612 00	612 00
Statutory Advertising		0 00	67 50
		<u>1,008 00</u>	<u>3,740 90</u>
Net Receipts/(Payments)		<u>(341 00)</u>	<u>(2,023 90)</u>
 <b>MADE UP AS FOLLOWS</b>			
Expenses account		(308 00)	(487 40)
Bank of England Account		(88 00)	(1,605 00)
VAT Receivable / (Payable)		55 00	68 50
		<u>(341 00)</u>	<u>(2,023 90)</u>