

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

6372967

Name of Company

Abbey House Services Limited

I / We

Howard Smith, 1 The Embankment, Neville Street, Leeds, LS1 4DW

Mark Granville Firmin, 1 The Embankment, Neville Street, Leeds, LS1 4DW

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 07/02/2014 to 06/02/2015

Signed *Howard Smith*

Date 16/02/15

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

Ref AD129A4625/LL/SR

FRIDAY



A31 27/03/2015 #359
COMPANIES HOUSE

Abbey House Services Limited
(In Liquidation)
Liquidators' Abstract of Receipts & Payments

Statement of Affairs	From 07/02/2014 To 06/02/2015	From 07/02/2013 To 06/02/2015
ASSET REALISATIONS		
	NIL	70,000 00
	NIL	306 72
	NIL	210 06
	NIL	139 00
	NIL	19,864 00
54,193 74	NIL	74,829 82
8,074 00	NIL	9,669 22
	NIL	<u>175,018 82</u>
OTHER REALISATIONS		
	87 99	155 96
	NIL	15,960 85
	<u>87 99</u>	<u>16,116 81</u>
COST OF REALISATIONS		
	30,000 00	60,000 00
	NIL	89 80
	NIL	2,750 00
	22,250 00	37,925 00
	10,701 32	11,474 82
	NIL	200 00
	71 22	471 95
	NIL	84 60
	NIL	95 65
	2,251 79	2,251 79
	<u>(65,274 33)</u>	<u>(115,343 61)</u>
UNSECURED CREDITORS		
(8,123 75)	NIL	NIL
(5,913,003 00)	NIL	NIL
(1,986,698 00)	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
<u>(7,845,557 01)</u>	<u>(65,186 34)</u>	<u>75,792 02</u>
REPRESENTED BY		
		22,144 65
		71,720 90
		(18,073 53)
		<u>75,792 02</u>



**Abbey House Services Limited in
Creditors' Voluntary Liquidation
("the Company")**

Annual Report
to creditors pursuant to Section 104A of
the Insolvency Act 1986

for the period 7 February 2014 to 6
February 2015

KPMG LLP

23 March 2015

This report contains 21 pages

HS/LL/RN



Glossary

the Administration	John Butler and Andrew Nichols of Redman Nichols Butler were appointed Joint Administrators of the Company on 11 September 2012, in the High Court of Justice, Chancery Division, Leeds District Registry (case number 1201 of 2012) The Administration ended on 7 February 2013 when the Company entered into Creditors' Voluntary Liquidation
Appointment	7 February 2013
Clarion	Clarion Solicitors Limited
the Company	Abbey House Services Limited in Creditors' Voluntary Liquidation (company number 06372967)
Crawfords	Crawfords Accountants LLP
the Director	Mr Stephen Raymond Moseley
GMH	GMH Management Services UK Limited in Creditors' Voluntary Liquidation (company number 04980390) John Twizell of Geoffrey Martin and Co was appointed liquidator on 23 January 2013
HMRC	HM Revenue & Customs
IA 86	The Insolvency Act 1986
IR 86	The Insolvency Rules 1986 (as amended)
Iron Mountain	Iron Mountain (UK) Limited
IVA	Individual Voluntary Arrangement
Joint Administrators	John Butler and Andrew Nichols of Redman Nichols Butler, Westminster Business Centre, Nether Poppleton, York, YO26 6RB
Joint Liquidators	Howard Smith and Mark Firmin of KPMG LLP, 1 The Embankment, Neville Street, Leeds, LS1 4DW



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Joint Trustees	John David Thomas Milsom and David John Standish of KPMG LLP, 8 Salisbury Square, London, EC4Y 8BB
KPMG	KPMG LLP
Marmac	Marmac Limited in Creditors' Voluntary Liquidation (company number 04049423) Howard Smith and Mark Firmin of KPMG LLP were appointed Joint Liquidators on 14 December 2010
Surepay	Surepay Limited in Creditors' Voluntary Liquidation (company number 04623976) John Twizell of Geoffrey Martin and Co was appointed liquidator on 15 January 2013



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KPMG LLP
23 March 2015*

About this report

This annual report has been prepared by Howard Smith of KPMG LLP and Mark Firmin of KPMG LLP, the Joint Liquidators of Abbey House Services Limited ("the Company"), solely to comply with their statutory duty to report to members and creditors under Section 104A of the Insolvency Act 1986, and to provide an account of their acts and dealings and of the conduct of the Liquidation, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under Section 104A of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Liquidators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Howard Smith is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association. Mark Firmin is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

The appointments of the Joint Liquidators are personal to them and, to the fullest extent permitted by law, KPMG LLP do not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the liquidation. Please note that unless stated otherwise, all amounts in this report and appendices are stated net of VAT.



*Abbey House Services Limited in Creditors' Voluntary Liquidation (the Company)
Annual Report to creditors pursuant to Section 104A of the Insolvency Act 1986
for the period 7 February 2014 to 6 February 2015
KPMG LLP
23 March 2015*

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1 **Executive Summary**

I was appointed Joint Liquidator of the Company together with Mark Firmin on 7 February 2013. Our appointment followed the conclusion of the previous Administration, in which John Butler and Andrew Nichols of Redman Nichols Butler acted as Joint Administrators to the Company having been appointed on 11 September 2012.

In accordance with Section 104A of the Insolvency Act 1986, I set out below my annual report on the progress of the Liquidation. This report covers the 12 month period from 7 February 2014 to 6 February 2015.

To date, total funds of £191,136 have been realised during the Liquidation.

Full details of the progress of the Liquidation are detailed below with all the relevant statutory information included by way of Appendices. (Please see Section 3 "Comments on the Appendices" and Sections 4-8 the Appendices.)

This report should be read in conjunction with our previous reports and correspondence sent to creditors.

Joint Liquidator – Howard Smith



2 Progress to Date

2.1 Background

Howard Smith and Mark Firmin were appointed Joint Liquidators of the Company, in accordance with the modifications to the Administrators' proposals that were passed at the meeting of creditors held on 23 November 2012

As previously reported, the Company purchased the business and certain assets of an associated company, Marmac Limited, on 19 November 2010. Mr Stephen Moseley was also the sole director of Marmac.

Howard Smith and Mark Firmin of KPMG LLP were appointed as Joint Liquidators of Marmac on 14 December 2010 and remain in office at the date of this report.

2.2 Strategy

The ongoing strategy for the Liquidation is to realise the remaining assets of the Company, including debts owed to the Company by related parties, and to fully investigate the Company's affairs.

During the period of this report, following further investigation work into the affairs of the Company and its Director Mr Moseley, we would report as follows:

Director's Loan

As previously reported, the Director's statement of affairs showed that £20,299 was owed by the Director, Mr Stephen Moseley, of which £19,864 had been repaid.

The Joint Liquidators have undertaken further investigations and have identified that £871,716 had been withdrawn from the Company by Mr Moseley prior to the Company entering Administration in 2012.

Following further investigatory work, the Joint Liquidators obtained judgement against Mr Moseley in respect of £871,716 of funds that were paid from the Company to his personal accounts. This was lodged in the High Court of Justice, Leeds District Registry on 25 July 2014.

Mr Moseley signed a Consent Order for the judgement on the basis that no action to enforce the judgement was taken for 8 weeks.

No proposals for repayment were received from Mr Moseley in this period and as a consequence a Statutory Demand for the amount of £871,716 was served on 24 September 2014.

No repayment was received from Mr Moseley and subsequently a Bankruptcy petition was filed in Court on 28 October 2014, which was listed for hearing on 18 December 2014.



The Joint Liquidators then received notification from Crawfords that they were preparing an IVA proposal on behalf of Mr Moseley which postulated a dividend of 11.34p in the pound.

The IVA proposal as drafted was considered to be incomplete. The Joint Liquidators requested the disclosure of additional information to enable the IVA proposal to be considered fully, and agreed to a deferment of the Bankruptcy hearing to early January 2015 to allow this information to be collated and reviewed.

Having reviewed all of the information that was supplied by Mr Moseley and his advisers, the Joint Liquidators concluded that the IVA proposal remained incomplete and, as the largest creditor of Mr Moseley, the Joint Liquidators acting on behalf of the Company voted against the IVA proposal.

The Bankruptcy petition was subsequently heard in York County Court and a Bankruptcy Order was granted against Mr Moseley on 16 January 2015.

The Secretary of State appointed John Milsom and David Standish of KPMG LLP, as Joint Trustees in Bankruptcy of Mr Moseley on 5 February 2015.

At present, due to the recent Bankruptcy Order and appointment of the Joint Trustees, it is unclear if sufficient realisations will be made from the Bankruptcy of Mr Moseley to enable a distribution to the creditors of Mr Moseley, which include the Company.

2.3 **Communication**

The Joint Liquidators' first Annual Report to creditors was circulated on 21 March 2014 for the period 7 February 2013 to 6 February 2014.

Please refer to the Joint Liquidators' previous communications and progress reports for further background information regarding the Liquidation.

2.4 **Assets**

2.4.1 **Judgement against Mr Moseley**

As detailed above, judgment was obtained for £871,716 which was paid to Mr Moseley from the Company to his personal bank accounts. Accordingly, as a result of the Bankruptcy Order the Company is the largest unsecured creditor in the Bankruptcy of Mr Moseley.

As stated above, it is currently unknown if there will be sufficient realisations to enable a distribution to unsecured creditors.

2.4.2 **Book debts**

As previously reported, a total of £74,830 has been realised during the Liquidation in respect of book debts. No further realisations have been made during the period of this report or are anticipated.



2 4 3 **Intergroup debtors**

As previously reported, the Company was owed significant amounts by related companies, Surepay and GMH

Surepay and GMH were both placed into Creditors' Voluntary Liquidation in January 2013

At the present time it is not clear whether there will be any realisations from the intercompany debts

2 4 4 **Interest on cash balances**

During the period, interest of £88 has been received on the funds held in the Company's bank account

2 4 5 **Irrecoverable VAT**

A total of £961 of VAT, which was previously treated as irrecoverable, has now been recovered from HMRC

2.5 **Liabilities**

2 5 1 **Secured creditors**

There are no secured creditors in respect of the Company

2 5 2 **Preferential creditors**

The Joint Liquidators have received a preferential claim from the Redundancy Payments Office of £4,435. At the present time it is unlikely that a dividend will be payable to preferential creditors, but this position may alter depending upon any recoveries that may be made as a result of Mr Moseley's Bankruptcy

2 5 3 **Unsecured creditors**

At present, it is unlikely that there will be sufficient funds available to enable a distribution to be made to unsecured creditors. However, this position may alter depending upon any recoveries that may be made as a result of Mr Moseley's Bankruptcy

2.6 **Expenses for the period**

The receipts and payments for the period are set out in the attached Receipts and Payments Account (see Appendix 2)

The office holders' time costs for the period of this report are also attached (see Appendix 3)

The statutory provisions relating to remuneration are set out in Rule 4.127 of the Insolvency Rules 1986. A creditors' guide to fees can be found at

http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Liquidators_Fees_Nov20111.pdf



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Annual Report to creditors pursuant to Section 104A of the Insolvency Act 1986
for the period 7 February 2014 to 6 February 2015
KPMG LLP
23 March 2015*

However, if you are unable to access this guide and would like a copy, please contact Robert Nelson on 0113 231 3767

For the period from 7 February 2014 to 6 February 2015 we have incurred time costs of £53,317 representing 192 hours at an average rate of £277 per hour. This includes the Tax, VAT, Employees, Health and Safety and Pensions advice from KPMG LLP in-house specialists.

A detailed breakdown of the charge out rates for the duration of the Liquidation is included in Appendix 3 to this Report.

Please note that all staff who have worked on this assignment, including cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to this assignment but is reflected in the general level of the charge out rates.

Creditors voted in favour of the following resolutions in relation to the Joint Liquidators' remuneration, by creditor resolution:

- "In the event that a liquidation committee is not formed, that the remuneration of the Joint Liquidators be drawn on the basis of time properly spent by the Joint Liquidators and their staff in attending to matters arising in the liquidation at KPMG LLP standard charge-out rates for the nature of this work", and
- "That the Joint Liquidators be able to draw category 2 disbursements, which are to be charged in accordance with KPMG LLP disbursements policy as attached"

For the avoidance of doubt, creditors voted not to form a liquidation committee.

During the period, the Joint Liquidators have drawn £30,000 in fees.

Expenses for this period total £132,450 including amounts not yet paid (see Appendix 4 for details).

Additional information about the expenses charged the period is available from the office holder upon request by any secured creditor, and any other creditor or creditors owed 5% or more in value of the unsecured liabilities listed. Full details of the process to obtain more information under Rule 4.49E Insolvency Rules 1986 and to challenge the Joint Liquidator's remuneration and expenses under Rule 4.131 Insolvency Rules 1986 are included in Section 8 should creditors wish to do so.



3 Comments on the Appendices

3.1 Appendix 1: Statutory Information

3.2 Appendix 2: Receipts & payments account for the period

Receipts

Please see Section 2.4 for comments on the receipts during the period

Payments

3.2.1 Legal fees and disbursements

Clarion has provided legal advice to the Company in respect of the following

- obtaining judgement against the Director,
- providing legal advice regarding the Bankruptcy of the Director, and
- general ongoing advice in the Liquidation

During the period, Clarion has been paid £22,250 in respect of their time costs and £10,701 for disbursements. The disbursements include professional fees for Counsels' advice and services in obtaining judgement against the Director.

Clarion has outstanding time costs of £13,859 which have not yet been billed. These have been accrued in the schedule of expenses at Appendix 4.

3.2.2 Storage costs

During the period, payments totalling £71 have been made to Iron Mountain in respect of storage of the Company's books and records.

3.2.3 Insurance of assets

Insurance costs of £2,252 had been accrued in the previous period in relation to the Property. This has been paid within the period of this report and as such is reflected in the schedule of expenses at Appendix 4.

As previously reported, the purchaser paid a contribution of £307 towards insurance costs, meaning the net cost to the Liquidation of insuring the Property was £1,945.



3.3 Analysis of office holders' time costs

A full breakdown of time costs incurred can be seen in Appendix 3, however please see the comments below on certain areas where time costs have been incurred

3.3.1 Checklists and reviews

Time costs of £3,274 representing 14 hours have been incurred in reviewing files and ensuring all statutory obligations are being complied with

3.3.2 Post appointment VAT

During the period, the Joint Liquidators have prepared post appointment VAT returns for the Company, in line with their statutory duties. This has been done with the assistance of in-house VAT specialists who have been in correspondence with HMRC regarding this matter. Time costs of £4,155 (17 hours) have been incurred in the period in this respect.

3.3.3 Statutory reporting

The Joint Liquidators have incurred time costs of £4,275 (16 hours) providing statutory reports to creditors.

3.3.4 Investigations

During the period, the Joint Liquidators have incurred time costs of £26,804 (94 hours) in relation to investigations. This work included correspondence regarding investigations and analysis of pre-appointment transactions, in particular with reference to funds withdrawn by Mr Moseley.

3.4 Expenses for the period

Expenses for the period are summarised in Appendix 4 which includes the time costs as analysed in Appendix 3.



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KPMG LLP
23 March 2015*

4 Appendix 1

4.1 Statutory Information

Statutory Information	
Date of incorporation	17 September 2007
For period	7 February 2014 to 6 February 2015
Company name	Abbey House Services Limited
Nature of business	Construction
Date of appointment	7 February 2013
Office holder details	Howard Smith was appointed on 7 February 2013 as Joint Liquidator and is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association Mark Granville Firmin was appointed on 7 February 2013 as Joint Liquidator and is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales
Registered number	06372967
Present registered office	KPMG LLP 1 The Embankment Neville Street Leeds LS1 4DW
Previous registered office	Redman Nichols Butler Westminster Business Centre Nether Poppleton York YO26 6RB The Old Fire Station Abbey Road Barrow in Furness Cumbria LA14 1XH
Basis of remuneration	Time costs
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations



5 Appendix 2

5.1 Office holders' receipts and payments account

Abbey House Services Limited - in Liquidation			
Joint Liquidators' abstract of receipts & payments			
Statement of affairs (£)		From 07/02/2014 To 06/02/2015 (£)	From 07/02/2013 To 06/02/2015 (£)
	ASSET REALISATIONS		
	Freehold property	NIL	70,000 00
	Contribution to building insurance costs	NIL	306 72
	Interest on completion monies	NIL	210 06
	Funds to cover land registry searches	NIL	139 00
	Director's loan account	NIL	19,864 00
54,193 74	Book debts	NIL	74,829 82
8,074 00	Funds from Administrators	NIL	9,669 22
		<hr/>	<hr/>
		NIL	175 018 82
	OTHER REALISATIONS		
	Bank interest, net	87 99	155 96
	Administration VAT refund	NIL	15,960 85
		<hr/>	<hr/>
		87 99	16,116 81
	COST OF REALISATIONS		
	Liquidator's fees	(30 000 00)	(60 000 00)
	Liquidator's expenses	NIL	(89 80)
	Agents'/Valuers' fees	NIL	(2 750 00)
	Legal fees	(22,250 00)	(37 925 00)
	Legal disbursements	(10,701 32)	(11 474 82)
	Transport of books and records	NIL	(200 00)
	Storage costs	(71 22)	(471 95)
	Statutory advertising	NIL	(84 60)
	Other property expenses	NIL	(95 65)
	Insurance of assets	(2,251 79)	(2,251 79)
		<hr/>	<hr/>
		(65,274 33)	(115 343 61)
	UNSECURED CREDITORS		
(8,123 75)	Trade & expense	NIL	NIL



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**Abbey House Services Limited - in Liquidation
Joint Liquidators' abstract of receipts & payments**

Statement of affairs (£)	From 07/02/2014 To 06/02/2015 (£)	From 07/02/2013 To 06/02/2015 (£)
(5,913,003 00) Corp tax etc/nonpref PAYE	NIL	NIL
(1,986,698 00) Non-preferential VAT	NIL	NIL
	NIL	NIL
(7,845,557 01)	(65,186 34)	75,792 02
REPRESENTED BY		
VAT receivable	12,341 12	22,144 65
Current account	(59,893 43)	71,720 90
Floating ch VAT control		(18,073 53)
	(65,186 34)	75,792 02



6 Appendix 3

6.1 Analysis of office holders' time costs for the period 7 February 2014 to 6 February 2015

	Hours				Time Cost (£)	Average Hourly Rate (£)	
	Partner / Director	Manager	Administrator	Support			Total
Administration & planning							
Bankrupt/Director/Member							
General correspondence			0 50		0 50	97 50	195 00
Cashiering							
General (Cashiering)	0 80		3 80		4 60	1,289 00	280 22
Reconciliations (& IPS accounting reviews)			1 20		1 20	325 50	271 25
General							
Books and records			7 15		7 15	1,396 75	195 35
Fees and WIP	0 50	0 50	6 25		7 25	1,678 75	231 55
Statutory and compliance							
Checklist & reviews	1 00	0 70	12 55		14 25	3,274 25	229 77
Statutory receipts and payments accounts			0 40		0 40	106 00	265 00
Strategy documents	0 20	11 00			11 20	4,502 00	401 96
Tax							
Post appointment corporation tax		1 40	8 50		9 90	2,984 00	301 41
Post appointment VAT	0 50	3 10	13 50		17 10	4,154 50	242 95
Creditors							
Creditors and claims							
Agreement of preferential claims			1 20		1 20	336 00	280 00
Agreement of unsecured claims			1 10		1 10	308 00	280 00
General correspondence		1 50	2 50		4 00	1,073 00	268 25
Legal claims	0 30		0 30		0 60	207 00	345 00
Notification of appointment		0 20			0 20	77 00	385 00



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	Hours				Total	Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support			
Statutory reports	2 50	1 50	11 35	1 00	16 35	4,275 25	261 48
Investigation							
Directors							
Correspondence with directors		2 70			2 70	1,093 50	405 00
Disqual affidavits and proceedings		14 80			14 80	5,758 00	389 05
Investigations							
Correspondence re investigations	0 75	9 40	3 25		13 40	4,811 00	359 03
Preferences / transactions at undervalue	1 00				1 00	535 00	535 00
Review of pre-appt transactions	3 30	6 80	52 10		62 20	14,606 00	234 82
Realisation of assets							
Asset Realisation							
Freehold property	0 50		0 75		1 25	428 75	343 00
Total in period	11 35	53 60	126 40	1 00	192 35	53,316 75	277 19

Brought forward time (appointment date to SIP 9 period start date)	426 45	117,049 25
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	192 35	53,316 75
Carry forward time (appointment date to SIP 9 period end date)	618 80	170,366 00



6.2 Joint Liquidators' charge out rates

Charge out rates £/hr		
Grade	From 01 Oct 2013 £/hr	From 01 Oct 2014 £/hr
Partner	565	595
Director	485	535
Senior Manager	475	485
Manager	385	405
Senior Administrator	265	280
Administrator	195	205
Support	120	125

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.



6.3 Office Holders Disbursements

No disbursements have been paid or accrued during the period of this report

Where funds permit the officeholder will look to recover both category 1 and category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows

Category 1 disbursements These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff

Category 2 disbursements These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage

Any disbursements paid from the estate are disclosed within the attached summary of disbursements

The only Category 2 disbursements that KPMG Restructuring currently charges is mileage, this is calculated as follows:

Mileage claims fall into three categories

Use of privately-owned vehicle or car cash alternative – 45p per mile

Use of company car – 60p per mile

Use of partner's car – 60p per mile

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate



7 Appendix 4

7.1 Schedule of expenses for the period 7 February 2014 to 6 February 2015

Abbey House Services Limited in Liquidation Schedule of expenses				
Section	Account	Accrued (£)	Paid (£)	Total (£)
Cost of realisations	Legal Fees	13,859 00	22,250 00	36,109 00
	Storage Costs		71 22	71 22
	Liquidators' Fees	53,316 75	30,000 00	83,316 75
	Legal Disbursements		10,701 32	10,701 32
	Insurance of Assets		2,251 79	2,251 79
Total		67,175 75	65,274 33	132,450 08

Creditors are reminded that the basis on which fees have been reported was been agreed by the majority of creditors, as detailed in Section 2 6

However to determine if the quantum of the fees to be taken is reasonable the analysis included at Appendix 3 should be reviewed and any additional information can be requested by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured creditors (including the creditor in question) in accordance with rule 4 49E Insolvency Rules 1986 This request must be made within 21 days receipt of the report The full text of that rule can be provided on request

In addition creditors are reminded that the quantum can be challenged by unsecured creditor(s) with at least 10% in value of the creditors (including that creditor) claim by making an application to court in accordance with rule 4 131 Insolvency Rules 1986 The full text of this rule can also be provided on request



8 Extract from the Insolvency Rules 1986

<p>(1) If-</p> <p>(a) within the period mentioned in paragraph (2)-</p> <p>(i) a secured creditor, or</p> <p>(ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or</p> <p>(iii) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or</p> <p>(b) with the permission of the court upon an application made within that period mentioned in paragraph (2)-</p> <p>(i) any unsecured creditor, or</p> <p>(ii) any member of the company in a members' voluntary winding up, makes a request in writing to the liquidator for further information about remuneration or expenses set out in the progress report in accordance with Rule 4 49B(1)(e) or (f) (including by virtue of Rule 4 49C(5)) or in a draft report under Rule 4 49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter in a draft report under Rule 4 49D or a progress report required by Rule 4 108 which (in either case) was previously included in a progress report not required by Rule 4 108</p> <p>(2) The period referred to in paragraph 1(a) and (b) is -</p> <p>(a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4 108, and</p> <p>(b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft in any other case</p> <p>(3) The liquidator complies with this paragraph by either -</p> <p>(a) providing all of the information asked for, or</p> <p>(b) so far as the liquidator considers that -</p> <p>(i) the time or cost of preparation of the information would be excessive, or</p> <p>(ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or</p> <p>(iii) the liquidator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information</p> <p>(4) Any creditor, and any member of the company in a members' voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the court within 21 days of -</p> <p>(a) the giving by the liquidator of reasons for not providing all the information asked for, or</p> <p>(b) the expiry of the 14 days provided for in paragraph (1),</p> <p>and the court may make such order as it thinks just</p> <p>(5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4 131(1B) or 4 148C(2) by such further period as the court thinks just</p> <p>(6) This Rule does not apply where the liquidator is the official receiver</p>



4.39 Creditors' Remedies Available to the Secured Creditor in Opposition

(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

(1A) Application may be made on the grounds that-

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed for the liquidator's remuneration under Rule 4.127, or
- (c) expenses incurred by the liquidator, is or are,

in all the circumstances, excessive or, in the case of application under sub-paragraph (b), inappropriate

(1B) The application must, subject to any order of the court under Rule 4.49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4.108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4.49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")

(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not so unless the applicant has had opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

(3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it

(4) If the court considers the application to be well-founded, it must make one or more of the following orders –

- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
- (b) an order fixing the basis of remuneration at a reduced rate or amount,
- (c) an order changing the basis of remuneration
- (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
- (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify, and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant and are not payable as an expense of the liquidation