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# Liquidator's Annual Progress Report to Creditors

**Crouch Commodities Limited  
- In Compulsory Liquidation**

**2 August 2016**

WEDNESDAY



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**1 Introduction and Statutory Information**

- 1 1 I, Michaela Joy Hall of Kingston Smith & Partners LLP, 105 St Peter's Street, St Albans, Herts AL1 3EJ was appointed as the Liquidator of Crouch Commodities Limited ("the Company") on 14 July 2014 following the presentation of a petition for the compulsory winding up of the Company on 23 January 2014. The winding-up order was made on 10 March 2014 in the High Court of Justice under court reference number 571 of 2014. This progress report covers the period from 14 July 2015 to 13 July 2016 ("the Period") and should be read in conjunction with my previous annual progress reports to creditors.
- 1 2 The Registered Office of the Company has been changed to 105 St Peter's Street, St Albans, Herts AL1 3EJ and its registered number is 4593081.
- 1 3 The trading address of the Company is Lakeview House, 4 Lake Meadows Park, Woodbrook Crescent, Billericay, Essex CM12 0EQ.
- 1 4 The principal trading activity of the Company involved the purchase and onward sale of mobile telephones.

**2 Progress of the Liquidation**

- 2 1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period.
- 2 2 At Appendix A is my Receipts and Payments Account for the Period together with a cumulative Receipts and Payments Account from the date of my original appointment on 14 July 2014.
- 2 3 As can be seen, Gross Bank Interest amounting to £328.39 and a VAT refund of £10,281.23 have been received during the Period.
- 2 4 At the same time, I have drawn £50,000 as a general payment on account of my outstanding fees, which are also now subject to an additional Fixed Fee of £50,000. Disbursements amounting to £306.17 and consisting of an increase in the Liquidators' bond together with photocopying, postage and case-related transcription costs have also been paid for or reimbursed during the Period.
- 2 5 Formal approval of an additional Fixed Fee of £50,000 in relation to the time costs incurred by Kingston Smith & Partners LLP in obtaining an overall settlement with the First Curacao International Bank N.V. ("FCIB") was granted by the majority creditor at a meeting held via correspondence under the provisions of Rule 4.63A of the Insolvency Rules 1986 on 9 September 2015.
- 2 6 Consultation over the assignment of a potential claim under the terms of an existing After The Event insurance policy has also resulted in the payment of £1,100 in outstanding legal fees. Any remaining payments have been made in accordance with existing statute and are largely self-explanatory.
- 2 7 Attached at Appendix B is a time analysis outlining the time spent by the Liquidator and her staff during the Period together with a cumulative time analysis covering the period since my appointment at Appendix C.
- 2 8 During the course of the last twelve months, I have continued to comply with my statutory duties as Liquidator which brings no financial benefit to creditors.
- 2 9 The main work activities undertaken under the general heading of "Administration & Planning" include reviewing checklists, the setting up of internal files, statutory compliance and information gathering.

- 2 10 The section headed "Investigations" consists of conducting records examinations, other scheduling and information analysis, correspondence with third parties, developing strategies, planning and attending meetings
- 2 11 The heading "Realisation of Assets" includes the identification, securing and bonding of assets
- 2 12 The preparation of reports to creditors, claims, proofs and related correspondence are all included under the general heading of "Creditors"
- 2 13 Further information about the basis of remuneration agreed in this case can be found in section 4 of this report

***Realisation of Assets***

***Cash at bank***

- 2 14 My previous annual progress reports provide some further details on asset realisations up to and including the first anniversary of my appointment as Liquidator on 14 July 2014. These were primarily concerned with my lengthy and protracted negotiations with FCIB and an omnibus settlement agreement which was signed by the respective parties either on or around 6 February 2015.
- 2 15 For the avoidance of doubt, I can also confirm that funds amounting to £148,885.80 have already been paid into the liquidation estate of Crouch Commodities Limited. This sum represents 80% of the total amount held by the bank. The terms of the settlement agreed with FCIB, which remain confidential, mean that there will be no further realisations from this source.
- 2 16 The Company has no other known assets.

***Creditors (claims and distributions)***

- 2 17 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. A Liquidator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 2 18 Claims from preferential creditors normally involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 2 19 The above work will not necessarily bring any financial benefit to creditors generally, however a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims.

***Investigations***

- 2 20 Further information concerning my initial investigations into the affairs of the Company can be found in my previous annual progress reports to creditors.
- 2 21 My ongoing investigations into a number of potential cross claims are not yet complete however and are unlikely to be concluded in the short term.

**3 Creditors**

***Secured Creditors***

3 1 The Company has no secured creditors

***Preferential Creditors***

3 2 There are no known preferential creditors

***Unsecured Creditors***

3 3 I have received claims totalling £2,650,090 from three creditors

3 4 On information presently available, a dividend may ultimately become payable to unsecured creditors. However, the precise timing and quantum of any such dividend will largely be determined by the outcome of my ongoing investigations into the affairs of the Company

**4 Liquidator's Remuneration**

4 1 The Creditors approved that the basis of the Liquidator's remuneration be fixed by reference to the time properly spent by her and her staff in managing the Liquidation at a meeting of creditors held on 11 September 2014

4 2 My time costs for the Period are £9,211.64. This represents 25.92 hours at an average rate of £355.39 per hour. Attached as 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 Also attached as Appendix C is a cumulative Time Analysis for the period from 14 July 2014 to 13 July 2016 which provides details of my time costs since my appointment. The cumulative time costs incurred to date are £49,090.82. This represents 130.92 hours at an average rate of £374.97 per hour. To date, I have billed the sum of £77,947.93 which consists of outstanding time costs of £42,835 together with a payment on account of £35,112.93 in respect of the additional Fixed Fee referred to at paragraph 2.5 above. Total Disbursements plus VAT (where applicable) for the same period amount to £393.66

4 4 In considering the remaining work to be done in this liquidation, I currently anticipate that my time costs to complete the liquidation will be approximately £5,000. I will update creditors on this in my next progress report

4 5 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from [www.kspllp.co.uk/creditorsguidetofees](http://www.kspllp.co.uk/creditorsguidetofees)

4 6 Attached as Appendix D is additional information in relation to the Liquidator's fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers

**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 the Liquidator provide further information about her remuneration or expenses which have been itemised in this progress report

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- 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 the Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive

### 6 Next Report

- 6.1 I am required to provide a further report on the progress of the liquidation within two months of the end of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors

Yours faithfully



 **MICHAELA JOY HALL**  
Liquidator

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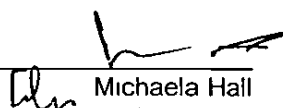
**Appendix A**

**Receipts and Payments Account from 14 July 2015 to 13 July 2016 and cumulative for the period from 14 July 2014 to 13 July 2016**

**Crouch Commodities Limited  
(In Liquidation)**

**Liquidator's Abstract Of Receipts And Payments**

	Statement of affairs £	From 14/07/2015 To 13/07/2016 £	From 14/07/2014 To 13/07/2016 £
<b>RECEIPTS</b>			
Cash at Bank		0 00	148,885 80
Bank Interest Gross		328 39	350 37
Petitioners Deposit		0 00	1,165 00
Vat Control Account		10,281 23	15,888 31
		<u>10,609 62</u>	<u>166,289 48</u>
<b>PAYMENTS</b>			
O R Disbursements		480 00	527 04
O R Remuneration		0 00	2,235 00
DTI Cheque Fees		0 30	1 55
Sec of State Fees		1,581 58	26,728 15
Petitioners Costs		0 00	996 00
Specific Bond		200 00	200 00
Office Holders Fees		50,000 00	77,947 93
Office Holders Expenses		0 00	87 49
Photocopying		14 70	14 70
Postage		5 67	5 67
Legal fees (2)		1,100 00	1,100 00
Tax Deducted at Source		65 68	70 08
Bank Charges		88 00	176 00
Transcription costs		85 80	85 80
Vat Receivable		10,281 23	15,888 31
		<u>63,902 96</u>	<u>126,063 72</u>
<b>BALANCE - 13 July 2016</b>		<u><u>(53,293.34)</u></u>	<u><u>40,225.76</u></u>
<b>MADE UP AS FOLLOWS</b>			
ISA IB		(53,293 34)	40,225 76
		<u><u>(53,293 34)</u></u>	<u><u>40,225 76</u></u>

  
 Michaela Hall  
 Liquidator



**Appendix B**

**Time Analysis for the period from 14 July 2015 to 13 July 2016**

## Crouch Commodities Limited

### Summary of Fees and Expenses

From 14/07/2015 to 13/07/2016

#### Time Costs

The following is a summary of the time costs incurred by the Office Holder and his staff in the administration of this matter. It should be read in conjunction with the Office Holder's Report for the period referred to above.

Work Activity	Partner Hrs	Manager / Supervisor Hrs	Administrator Hrs	Other Hrs	Total Hrs	Time Costs (£)	Average Costs (£)
Administration & Planning	0 25	14 08	1 42		15 75	5,553 32	352 59
General Admin/Billing/Filing	0 08	0 50	1 42		2 00	430 41	215 21
Strategy reviews/Checklists/Diary	0 17	0 42			0 58	238 75	411 64
Case Planning/Information		11 17			11 17	4,253 33	380 78
Cashiering - set-up, maintenance &		0 17			0 17	55 83	328 41
Post Appointment VAT & CTax		1 67			1 67	519 17	310 88
Set-up Administration/IPS/Initial		0 17			0 17	55 83	328 41
Investigations	0 67	4 50	0 42		5 58	2,232 49	400 09
Litigation - document review	0 58				0 58	347 08	598 41
Strategy, planning, meetings and	0 08	2 50			2 58	1,037 08	401 97
Information capture/initial		2 00			2 00	790 00	395 00
Retrieval, review & analysis of debtors			0 42		0 42	58 33	138 88
Realisation of Assets		0 17			0 17	57 50	338 24
Identification, securing, insuring &		0 17			0 17	57 50	338 24
Creditors		4 00		0 25	4 25	1,345 00	316 47
Correspondence/Preparation of		4 00		0 25	4 25	1,345 00	316 47
Other			0 17		0 17	23 33	137 24
Compulsory Winding Up Order			0 17		0 17	23 33	137 24
Grand Total	0 92	22 75	2 00	0 25	25 92	9,211 64	

#### Notes

1 All costs are shown excluding VAT and include an element of undrawn work in progress. It should also be noted that the office holder's fees and other expenses included in his Abstract Receipts and Payments, will include irrecoverable VAT, where the insolvent was not formerly registered for VAT.

2 The time accounting system utilised by Kingston Smith & Partners LLP does not allow for analysis of time, by task, prior to 30 November 2002.

3 The number of hours shown have been rounded to two decimal places.

#### Disbursements

##### Category 1 Disbursements

These are out of pocket expenses which are directly attributable to the case. These are charged to the case and billed as funds allow.

##### Category 2 Disbursements

These are costs which are allocated to the case, where no direct costs are applicable. In this case, category 2 disbursements have been charged to the case as follows:

Photocopies	14 70
Postage	5 67
	20 37

**Appendix C**

**Cumulative Time Analysis for the period from 14 July 2014 to 13 July 2016**

## Crouch Commodities Limited

### Summary of Fees and Expenses

From 14/07/2014 to 13/07/2016

#### Time Costs

The following is a summary of the time costs incurred by the Office Holder and his staff in the administration of this matter. It should be read in conjunction with the Office Holder's Report for the period referred to above.

Work Activity	Partner Hrs	Manager / Supervisor Hrs	Administrator Hrs	Other Hrs	Total Hrs	Time Costs (£)	Average Costs (£)
<b>Administration &amp; Planning</b>	<b>0 92</b>	<b>52 75</b>	<b>7 58</b>		<b>61 25</b>	<b>22,072 48</b>	<b>360 37</b>
Cashiering - set-up, maintenance &	0 08	0 17			0 25	88 75	355 00
General Admin/Billing/Filing	0 08	4 08	3 33		7 50	2,175 82	290 11
Strategy reviews/Checklists/Diary	0 75	2 08	0 50		3 33	1,227 50	368 62
Books & Records administration		0 25			0 25	98 75	395 00
Case Planning/Information		41 25			41 25	16,136 25	391 18
Dealing with company/Debtor re		1 17			1 17	460 83	393 87
Post Appointment VAT & CTax		2 17	0 50		2 67	739 17	276 84
Set-up Administration/IPS/Initial		1 33	3 25		4 58	1,046 66	228 53
Statutory filing with Court, Companies		0 25			0 25	98 75	395 00
<b>Investigations</b>	<b>4 08</b>	<b>55 92</b>	<b>0 42</b>		<b>60 42</b>	<b>23,953 34</b>	<b>396 45</b>
Litigation - document review	3 00				3 00	1,718 33	572 78
Strategy, planning, meetings and	1 08	37 92			39 00	15,066 67	386 32
Information capture/initial		12 42			12 42	4 904 59	394 89
Other scheduling & information		5 58			5 58	2,205 42	395 24
Retrieval, review & analysis of debtors			0 42		0 42	58 33	138 88
<b>Realisation of Assets</b>	<b>1 58</b>	<b>0 25</b>	<b>0 17</b>		<b>2 00</b>	<b>1,057 50</b>	<b>528 75</b>
Cash & Bank balances/VA contribs &	1 58				1 58	942 08	596 25
Identification, securing, insuring &		0 25	0 17		0 42	115 42	274 81
<b>Creditors</b>		<b>4 83</b>	<b>2 00</b>	<b>0 25</b>	<b>7 08</b>	<b>1,984 17</b>	<b>280 25</b>
Correspondence/Preparation of		4 83	2 00	0 25	7 08	1,984 17	280 25
Other			0 17		0 17	23 33	137 24
Compulsory Winding Up Order			0 17		0 17	23 33	137 24
<b>Grand Total</b>	<b>6 58</b>	<b>113 75</b>	<b>10 33</b>	<b>0 25</b>	<b>130 92</b>	<b>49,090 82</b>	

#### Notes

1 All costs are shown excluding VAT and include an element of undrawn work in progress. It should also be noted that the office holder's fees and other expenses included in his Abstract Receipts and Payments, will include irrecoverable VAT, where the insolvent was not formerly registered for VAT.

2 The time accounting system utilised by Kingston Smith & Partners LLP does not allow for analysis of time, by task, prior to 30 November 2002.

3 The number of hours shown have been rounded to two decimal places.

#### Disbursements

##### Category 1 Disbursements

367 41

These are out of pocket expenses which are directly attributable to the case. These are charged to the case and billed as funds allow.

##### Category 2 Disbursements

These are costs which are allocated to the case where no direct costs are applicable. In this case, category 2 disbursements have been charged to the case as follows:

Photocopies	18 30
Postage	7 95
	<b>26 25</b>

**Appendix D****Additional Information in Relation to the Liquidator's Fees, Expenses & Disbursements****1 Staff Allocation and the Use of Sub-Contractors**

- 1.1 The general approach to resourcing our 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 Partner, 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 We are not proposing to utilise the services of any sub-contractors in this case

**2 Professional Advisors**

- 2.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis

Name of Professional Advisor	Basis of Fee Arrangement
Marsh (insurance)	Scale Rate
SA Law LLP	Standard Terms and Conditions

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them

**3 Liquidator's Expenses & Disbursements**

- 3.1 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below

	Paid in prior period £	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Legal Fees	0 00	1,100 00	0 00	1,100 00
Bond	10 00	200 00	0 00	210 00
Statutory advertising	71 61	0 00	0 00	146 34
Transcription Costs	0 00	85 80	0 00	85 80
<b>Category 2 disbursements</b>				
Photocopies	3 60	14 70	0 00	47 70
Storage	2 28	5 67	0 00	19 29

- 3.2 Category 1 disbursements do not require approval by creditors. The type of disbursements 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. These disbursements are included in the tables of expenses above
- 3.3 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

## CROUCH COMMODITIES LIMITED - IN COMPULSORY LIQUIDATION

- 3 4 Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidator's fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

### 4 Charge-Out Rates

- 4 1 Kingston Smith & Partners LLP's current charge-out rates effective from 1 May 2016 are detailed below. Please note this firm records its time in minimum units of 5 minutes.

#### General Practice

	Per Hour £
Partner	395
Licensed Insolvency Practitioner	365
Senior Manager	345
Manager	310
<b>Other Senior Professionals</b>	
Supervisor/Assistant Manager	285
Senior Administrator	250
Administrator	190
Junior Administrator	150
<b>Support Staff</b>	
Experienced Cashier	270
Cashier	190
Support	120

# CROUCH COMMODITIES LIMITED - IN COMPULSORY LIQUIDATION

## Investigation Rates

	Per Hour £
<b>Partner</b>	595
<b>Licenced Insolvency Practitioner</b>	520
<b>Senior Manager</b>	495
<b>Manager</b>	450
<b>Other Senior Professionals</b>	
Supervisor/Assistant Manager	395
Senior Administrator	250
Administrator	190
Junior Administrator	150
<b>Support Staff</b>	
Experienced Cashier	270
Cashier	190
Support	120