

# 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

00678152

Name of Company

E Bowman and Sons Limited

☒ We

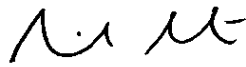
David Adam Broadbent  
17/25 Scarborough Street  
Hartlepool  
TS24 7DA

Christopher John Stirland  
Castle Acres  
Everard Way  
Narborough  
Leicester  
LE19 1BY

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 14/02/2013 to 13/02/2014

Signed



Date

10 / 04 / 14

Broadbents Business Recovery Services Limited  
17/25 Scarborough Street  
Hartlepool  
TS24 7DA

Ref E011/DB/MR/SA/DO/LT

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COMPANIES HOUSE

**E Bowman and Sons Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs	From 14/02/2013 To 13/02/2014
<b>ASSET REALISATIONS</b>	
Funds transferred from Administration	36,020 95
Book Debts	44,791 37
Retentions	7,231 80
Bank Interest Gross	4 43
	<u>88,048 55</u>
<b>COST OF REALISATIONS</b>	
Administrators Fees & Expenses	7,036 00
Administration Expenses	2,510 66
Joint Liquidators Disbursements	67 00
Legal Fees	18,000 00
Debt Collection Fees	9,478 12
	<u>(37,091 78)</u>
	<u><u>50,956.77</u></u>
<b>REPRESENTED BY</b>	
Vat Receivable	7,066 23
Bank 1 Current	45,336 90
Vat Payable	(1,446 36)
	<u>50,956.77</u>



David Adam Broadbent  
Joint Liquidator

**JOINT LIQUIDATORS' ANNUAL REPORT  
FOR THE MEMBERS AND CREDITORS OF  
E BOWMAN AND SONS LIMITED**

*Broadbents Business Recovery Services Limited  
York Eco Business Centre  
Amy Johnson Way  
Clifton Moor  
York  
YO30 4AG*

*Tel No – (01904) 691 553*

*Email – michael.royce@broadbentsbrs.com*

**ANNUAL REPORT FOR THE MEMBERS AND CREDITORS OF  
E BOWMAN AND SONS LIMITED**

- 1 Introduction
- 2 Statutory Information
- 3 Asset Realisations
- 4 Payments
- 5 Prescribed Part
- 6 Investigations
- 7 Creditor Claims / Dividend Prospects
- 8 Conclusion

*Appendices*

- Liquidator's account of receipts and payments,
- Liquidator's time costs and disbursements
- Statement of Liquidator's expenses

## 1. INTRODUCTION

### *Administration*

On 24 February 2012, David Adam Broadbent of Evolution Business Recovery Services Limited and Christopher John Stirland of FRP Advisory LLP were appointed as Joint Administrators

On 14 February 2013, Form 2 34B was registered at Companies House converting the Administration into a Creditors Voluntary Liquidation – unfortunately, the document was incorrectly completed showing Nathan Jones (of FRP Advisory LLP) as the Joint Liquidator – solicitors were therefore instructed to rectify the error (at the cost of the Joint Liquidators) and a Court Order was granted to rectify the error on 15 July 2013

## 2 STATUTORY INFORMATION

<i>Company Name</i>	E Bowman and Sons Limited	
<i>Company Number</i>	0067 8152	
<i>Trading Name</i>	Bowmans of Stamford	
<i>Former Names</i>	N/A	
<i>Date of Incorporation</i>	16 December 1960	
<i>Nature of Business</i>	Contractor to the construction sector	
<i>Authorised Share Capital</i>	100,000 Ordinary Shares of £1	
<i>Issued and fully paid</i>	100,000 Ordinary Shares of £1	
<i>Shareholders</i>	P H Loft Settlement B Orton David John Espin Paul Anthony Gibbons Trevor Roy Jackson Peter Hamilton Loft Katheryn Charlotte Humphrey Amanda Jane Weller	(30,000 Ordinary Shares of £1) (14,669 Ordinary Shares of £1) (12,637 Ordinary Share of £1) (10,000 Ordinary Share of £1) (9,768 Ordinary Share of £1) (9,020 Ordinary Share of £1) (6,953 Ordinary Share of £1) (6,953 Ordinary Share of £1)
<i>Director</i>	James Harrison Deacon	(from 10 Oct 2011 to present)
<i>Former Directors</i>	Steven Peter Ankin David John Espin Paul Anthony Gibbons Katherine Charlotte Humphrey Trevor Roy Jackson Krzysztof Jaroslaw Kosmaczewski Peter Hamilton Loft Stephen Robert John Mellows Graham James Scotney Amanda Jane Weller	(from 7 Feb 2008 to 1 Feb 2008) (pre 11 Oct 1991 to 31 Mar 2011) (from 1 Jan 1996 to 1 Apr 2011) (from 1 Dec 2010 to 19 Aug 2011) (from 18 Aug 1999 to 21 May 2010) (from 7 Feb 2008 to 31 Dec 2010) (pre 11 Oct 1991 to 19 Jan 2012) (from 20 Dec 2010 to 5 Apr 2011) (from 12 Oct 2006 to 21 Sep 2011) (from 1 Dec 2010 to 19 Aug 2011)
<i>Company Secretary</i>	N/A	
<i>Former Company Secretary</i>	Graham James Scotney	(from 15 May 2003 to 10 October 2010)
<i>Registered Office</i>	c/o FRP Advisory LLP, Castle Acres, Everard Way, Narborough, Leicester, LE19 1BY	
<i>Trading Addresses</i>	1 <sup>st</sup> Floor, Cherryholt House, Cherryholt Road, Stamford, PE9 2EP	
<i>Debenture</i>	HSBC Bank PLC (Created on 26 October 2002 / Registered on 29 October 2002)	

### 3 ASSET REALISATIONS

#### *Funds Transferred from Administration*

A surplus of funds has been transferred from the Administration in the sum of £36,021

#### *Book Debts / Retentions*

As outlined in our Final Report, the company was owed the total sum of £1,052,690 by its customers for incomplete / on-going contracts (£414,093) and completed contracts (£638,597)

Quantity Surveyors (Naismiths of Birmingham) have been instructed to advise on the collectability of the debts and provide assistance with the collection of same – since our appointment as Liquidators, they have recovered outstanding debtors in the sum of £44,791 and retentions in the sum of £7,232 (this in addition to the £28,733 recovered during our office as Administrators)

The Quantity Surveyors are continuing to recover the outstanding amounts, however, they are uncertain as to the potential quantum of recovery

#### *Deferred Consideration (Overage Claim)*

In August 2010, the company sold a freehold property at Cherryholt Road for the sum of £3.2 million – as part of the sale, there was an overage agreement made between the purchaser and the company – the agreement has been passed to our solicitors for their comments on any potential recovery to the estate

#### *Bank Interest (Gross)*

Bank interest in the sum of £4.43 has accrued on funds invested over the duration of the case

### 4 PAYMENTS

#### *Joint Administrators Fees & Expenses*

At the date of conversion from Administration to Liquidation, there were outstanding fees to the Joint Administrators in the sum of £7,036 and unrecovered Expenses in the sum of £2,510 – these costs have now been paid in full

#### *Joint Liquidators Remuneration*

You may recall that remuneration was agreed on a time cost basis at a Meeting of Creditors held on 30 April 2012 – this meeting was held in the preceding Administration, however, this approval carries forward into the Liquidation

A copy of the original charge-out rates is appended to this report

As required by Statement of Insolvency Practice 9 (“SIP 9”), we attach schedules detailing both our costs incurred on this case, which you will note total £11,192.50. Our charges breakdown is as follows -

	<i>Hours</i>	<i>Hourly Charge out Rate</i>	<i>Total Costs</i>
		<i>£</i>	<i>£</i>
Broadbents Business Recovery	57.4	116.03	6,660.00
FRP Advisory LLP	28.4	159.60	4,532.50

No fees have been drawn against these fees

Pursuant to Rule 4.49E of the Insolvency Rules 1986 (as amended), 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, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the Court) may request in writing that the I provide further information about my remuneration or expenses which have been detailed in this progress report

Pursuant to Rule 4.131 of the Insolvency Rules 1986 (as amended), any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within eight weeks of receipt of this report, make an Application to Court on the grounds that the remuneration charged or the expenses incurred as set out in this report are excessive or that the basis fixed for our remuneration is inappropriate

#### *Category One Disbursements*

As outlined on the attached schedule, SIP 9 defines "Category One Disbursements" as being expenses directly attributable to the insolvent estate, paid to an independent third party, which are recoverable from the insolvent estate (without further creditor approval)

A Statutory Advertising disbursement in the sum of £67 has been incurred and recovered

A Storage disbursement in the sum of £599.38 has been incurred but not yet recovered

#### *Other Professionals*

##### **Bond Dickinson (Legal)**

Legal advice had previously been provided to the Joint Administrators in the sum of £18,000 following their assistance through the Administration period, which remained outstanding when the case was converted into Creditors Voluntary Liquidation -- these costs have been paid in full

As detailed earlier, solicitors have provided advice on the potential recovery in respect of the Overage claim -- they have also assisted with advising on potential antecedent transactions (as detailed later)

Their costs to date (during our office as Liquidators') total £4,000 plus VAT, and remain outstanding

##### **Naismiths (Debt Collection)**

As detailed earlier, Quantity Surveyors have been instructed to assist with the collection of book debts, on-going contracts and retentions

They have undertaken work on a percentage of recoveries and to date, have been paid the sum of £9,478 plus VAT

Pursuant to R4.49C(5) and R4.49B(1)(f) a statement of the expenses incurred during the period of this progress report is shown at Appendix 3

## **5 PRESCRIBED PART**

Section 176A of the Insolvency Act 1986 relates to companies in Liquidation, where the business has created a Floating Charge after 15 September 2003

As outlined above, a Debenture in favour of the HSBC Bank PLC was created on 26 October 2002

No additional Floating Charge has been created after 15 September 2003, and this section does not therefore apply in this instance



## 6. INVESTIGATIONS

A final return has been submitted on the directors' conduct and actions prior to my appointment as Joint Liquidators

We are, however, precluded from divulging the contents of the report to creditors, as it is a confidential document between an office-holder and the Department for Business, Innovation and Skills

There are a number of potential issues that had been highlighted, as a result of our investigations that warrant further investigation, along with other issues brought to our attention by creditors – legal advice is being taken regarding same

## 7. CREDITORS

### *Preferential Creditors*

As outlined in our Last Joint Administrators' Report, the directors estimated that the company had preferential creditors totalling £82,619 in respect of employee claims for unpaid wages and holiday pay

To date, we have received a claim from the Redundancy Payments Office (in respect of payments made to former staff members) in the sum of £67,616 – additional claims have also been received from a number of employees in the total sum of £10,166

We are in the process of agreeing preferential claims with a view to issuing a first dividend in due course

### *Secured Creditors*

As outlined earlier, the company had one secured creditor (HSBC Bank PLC) who held security via a Debenture

The directors did not, however, consider that the bank had a claim in the liquidation (given the credit balance held in the account)

To date, I have not received a claim from any secured creditor

### *Non-Preferential Creditors*

As outlined in our last Joint Administrators' Report, the company had unsecured creditors totalling £3,986,968

Since the date of our appointment, we have received a number of claims from unsecured creditors, as outlined below (shown against the directors' original estimates) -

	<i>Estimate</i>	<i>Claim</i>
	£	£
Trade (claims received) (x114)	1,000,370	1,518,375
Trade (no claim received) (x206) *	1,329,409	N/A
Trade (additional claims received) (x10)	-	40,339
Insurance Bond (additional claim) (x1)	-	121,062
Employees / Redundancy Payments Office	588,407	606,734
Bowman (Cambs) Limited *	422,699	N/A
H M Revenue & Customs (PAYE/NIC)	538,413	1,045,816
H M Revenue & Customs (VAT)	<u>107,670</u>	<u>227,914</u>
*A claim has yet to be received from these creditors	<u>£3,986,968</u>	<u>£3,560,240</u>

In the majority of instances the creditors' claims received are in line with (or lower) than the directors' estimates



Sixteen trade creditor claims have, however, been received that are materially higher than the directors' original estimates –

- one claim relates to outstanding retentions that the directors had not included on their purchase ledger,
- five claims relate to final applications that the directors were not aware at the time of the administration,
- nine claims relate to invoices not received by the directors at the time of the administration,
- the final two claims relate to a lease agreements for the rental of a photocopier and computer equipment that still has a number of years to run

Given that the above differences relate to aspects which the directors were unaware of (at the date of Administration), no further investigation is therefore required

We have also received ten additional creditor claims, that were not included in the directors' original listings – the majority relate to invoices not received by the company at the date of the administration – one claim, however, was from the landlord for the unexpired portion of the lease (until a new tenant was acquired), and two relate to unexpired rental agreements for the full term – in any event, these do not require further investigation

We have also received an additional insurance claim that relates to a bond guarantee for unfinished work, which became liable when the company was placed into Administration – the directors were unaware of this potential claim (at the date of the Administration) and no further investigation is therefore required

HM Revenue & Customs have also submitted a claim for unpaid PAYE/NIC and VAT, which are both materially higher than the directors' original estimates – having obtained a breakdown of each claim, it would appear the difference relates to assessments for the latter trading periods, which (if completed) may result in a reduction of same – no further investigation is therefore required

The dividend to unsecured creditors will wholly depend on further recoveries from the debt collection exercise (and the associated costs of same)

## 8 CONCLUSION

As mentioned earlier, there are a number of aspects being undertaken, which preclude the conclusion of this matter


Once these have been completed we will be in a position to convene a Final Meeting of Creditors, to obtain our release as Liquidators

As required under the new regulations, we will circulate a draft Final Report to Creditors (not too dissimilar to this one), and allow a period of eight weeks' time to see whether creditors or shareholders have any objection to the level of remuneration drawn

If any party has a current objection to the level of fees drawn, however, please would they kindly contact us as soon as possible

Please note that, in accordance with the new regulations, there is no longer any requirement to hold an Annual Meeting of Members or Creditors

Signed



**David Adam Broadbent**  
**Joint Liquidator**

Dated 10 April 2014

**E Bowman and Sons Limited  
(In Liquidation)**

**Income and Expenditure Account  
14 February 2013 to 13 February 2014**

<b>INCOME</b>	<b>Total (£)</b>
Funds transferred from Administration	36,020 95
Book Debts	44,791 37
Retentions	7,231 80
Bank Interest Gross	4 43
	<hr/>
	<b>88,048.55</b>
	<hr/>
<b>EXPENDITURE</b>	
Administrators Fees & Expenses	7,036 00
Administration Expenses	2,510 66
Joint Liquidators Disbursements	67 00
Legal Fees	18,000 00
Debt Collection Fees	9,478 12
	<hr/>
	<b>37,091 78</b>
	<hr/>
<b>Balance</b>	<b>50,956.77</b>
	<hr/>
<b>MADE UP AS FOLLOWS</b>	
Vat Receivable	7,066 23
Bank 1 Current	45,336 90
Vat Payable	(1,446 36)
	<hr/>
	<b>50,956 77</b>
	<hr/>

## E Bowman & Sons Limited (In liquidation)

### Schedule of Time Costs (as per SIP 9)

	Partner	Manager	Other Senior Professional	Assistance & Support Staff	Other	Total Hours	Total Cost	Total Cost Average
Administration & Planning	4 00	8 10	-	23 50	-	35 60	3,390 00	95 22
Investigations	1 50	3 90	-	-	-	5 40	960 00	177 78
Realisation of Assets	-	13 30	-	-	-	13 30	1,995 00	150 00
Trading	-	-	-	-	-	-	-	-
Creditors	0 50	0 60	-	2 00	-	3 10	315 00	101 61
<b>Total Hours</b>	<b>6 00</b>	<b>25 90</b>	<b>-</b>	<b>25 50</b>	<b>-</b>	<b>57 40</b>	<b>6,660 00</b>	<b>116 03</b>

### Examples of Work

#### *Administration and Planning*

Case Planning  
Administrative set-up  
Appointment notification  
Maintenance of Records  
Statutory Reporting

#### *Investigations*

SIP2 Review  
CDDA Reports  
Investigating Antecedant Transactions

#### *Realisation of Assets*

Identifying, Securing and 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)


**E Bowman & Sons Limited (In Liquidation)**

Time charged for the period 15 February 2013 to 14 February 2014

	Partner	Manager	Other Professional	Support	Total Hours	Total Cost £	Average Hourly Rate £
<b>Total Hours</b>							
Administration and Planning	2 00	2 60	11 30	4 00	19 90	3,068 50	154 20
Case Control and Review		2 30	2 50		4 80	785 50	163 65
Case Accounting - General			0 10		0 10	10 50	105 00
General Administration	2 00	0 30	7 90	4 00	14 20	2,188 50	154 12
Insurance			0 80		0 80	84 00	105 00
Asset Realisation	0 30	0 20	0 60	0 10	1 20	236 50	197 08
Freehold/Leasehold Property		0 10			0 10	225 00	225 00
Debt Collection				0 10	0 10	17 50	175 00
Other Assets	0 30	0 10			0 40	133 50	333 75
Creditors		1 40	0 60		0 60	63 00	105 00
Unsecured Creditors		0 20	2 10		3 50	532 50	152 14
Employees		0 70	0 40		0 40	66 00	165 00
Unsecured Creditors - TAX/VAT		0 20			1 10	199 50	181 36
Pensions		0 30	1 50		0 20	45 00	225 00
Investigation		0 30	0 50		1 80	222 00	123 33
Investigatory work - Other			0 50		0 80	120 00	150 00
CDDA Enquiries		0 20			0 50	52 50	105 00
Legal - Investigations		0 10			0 20	45 00	225 00
Statutory Compliance	0 20	1 70	0 80	0 20	2 90	564 50	194 66
Post Appt TAX/VAT	0 20	1 60	0 50		2 30	492 50	214 13
Statutory Compliance - General		0 10	0 30	0 20	0 60	72 00	120 00
Trading			0 10		0 10	10 50	105 00
Case Accounting - Trading			0 10		0 10	10 50	105 00
<b>Total Hours</b>	<b>2 50</b>	<b>6 20</b>	<b>15 40</b>	<b>4 30</b>	<b>28 40</b>	<b>4,532 50</b>	<b>159 60</b>

**Disbursements for the period**
**15 February 2013 to 14 February 2014**

	Value £
Storage	599 38
<b>Grand Total</b>	<b>599 38</b>

Mileage is charged at the HMRC rate prevailing at the time the cost was incurred

**FRP Charge out rates**

Grade	At 1st July 2012	At 1st July 2013
Partner	275-495	275-495
Manager	225-455	225-455
Other Professional	85-275	85-275
Support	70-320	70-320

## STATEMENT OF EXPENSES

Type of Expense	Name of party with whom expense incurred	Amount incurred £	Amount paid £	Balance (to be paid) £
Legal Fees	Bond Dickinson	4,000 00	Nil	4,000 00
Quantity Surveyor	Naismiths	9,478 12	9,478 12	Uncertain

## EVOLUTION BUSINESS RECOVERY SERVICES LIMITED

### CHARGE OUT RATES AND DISBURSEMENTS

#### Charge Out Rates

It is proposed that the following charge out rates will apply -

	<u>£ / hr</u>
Director	250
Associate Director	200
Senior Manager	150
Case Manager	100
Administrator	50
Support Staff	50

#### Category 1 Disbursements

Statement of Insolvency Practice 9 defines "Category 1 Disbursements" as being expenses directly attributable to the insolvent estate, paid to an independent third party, which are recoverable from the insolvent estate (without further creditor approval)

Some examples are -

- *Statutory Searches*, from Companies House or the Land Registry,
- *Travel & Subsistence*, incurred by staff members, and
- *Statutory Advertising*, through the London Gazette or other publication

#### Category 2 Disbursements

Statement of Insolvency Practice 9 defines "Category 2 Disbursements" as being expenditure incidental to the administration of the insolvent case, which includes an element of shared or allocated costs including payments to the Insolvency Practitioner's firm or connected parties

It is no longer the policy of this firm to charge Category 2 Disbursements for instructions received from 1 March 2012



**FRP ADVISORY LLP  
EAST MIDLANDS**

**Charge Out Rates**

<u>GRADE</u>	<u>RATE (£/HOUR)</u>
Partner / Associate Director	300-495
Assistant Managers, Managers and Senior Managers	225-320
Senior Administrators, Administrators & Support Staff	90-190

On occasions it may be necessary to change the rates applicable to the work undertaken and if this occurs during the period of the assignment any material changes will be notified to creditors as part of the normal fee reporting procedures.

**Disbursements Paid to FRP Advisory LLP or Associates**

There are two types of disbursements, direct disbursements (known as Category 1) and indirect disbursements (known as Category 2).

Category 1 disbursements are defined by SIP 9, which can be specifically identified as relating to the administration of the case and will be charged to the estate at cost, with no up-lift. These include, but are not limited to such items, as case advertising, storage, bonding, Secretary of State fees and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case

Category 1 disbursements do not require approval by creditors.

**Category 1 Disbursements**

The following costs will be reimbursed to FRP Advisory LLP at cost: -

- Specific Penalty Bond
- Statutory Advertising
- Secretary of State Fees
- Company Searches
- Storage
- Any Other Costs Incurred

At the date of this report, the mileage rate approved by HMRC is 45p per mile.