

# 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

1187904

Name of Company

A G S (Home Improvements) Ltd

I,

Mark Elijah Thomas Bowen,  
Hillcarnie House,  
St Andrews Road,  
Droitwich,  
Worcestershire,  
WR9 8DJ

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

The Progress Report covers the period from 05/08/2013 to 04/08/2014

Signed



Date

18 8.14.

MB Insolvency  
Hillcarnie House  
St Andrews Road  
Droitwich  
Worcestershire  
WR9 8DJ

Ref AGS03/METB/MC/SM

THURSDAY



A26

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21/08/2014

#200

COMPANIES HOUSE

Mark Bowen appointed as liquidator on 05 August 2014

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## **A.G.S. (Home Improvements) Limited (In Liquidation)**

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

Period: 5 August 2013 – 5 August 2014

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  - 2 Liquidators' time costs, disbursements and expenses

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## 1. COMPANY AND LIQUIDATORS' DETAILS

Company registered number	01187904
Nature of business	Manufacture & Installation of Plastic Windows & Doors
Former trading address	Manor Buildings, Brunel Road, Newton Abbot, Devon, TQ12 2LG
Date winding up commenced	Previously in Administration 24/04/2013
Names of Liquidator	Mark Bowen
Date of liquidators' appointment	05/08/2014
Changes in office holder (if any).	None
Registered office address:	Hillcarnie House, St Andrews Road, Droitwich, Worcestershire WR9 8DJ

This report, which is issued under the provisions of Section 104A of the Insolvency Act 1986, should be read in conjunction with the Administrator's final report dated 7 August 2014

## 2. RECEIPTS AND PAYMENTS ACCOUNT

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

### RECEIPTS

#### *Debtors*

A further sum of £4,333.60 has been received. The debt collection agents have now confirmed they do not anticipate any further realisations from this source.

#### *Rent Contribution*

A rent/rates contribution of £20,000.00 was received from purchaser.

#### *Interest.*

Bank interest in the amount of £61.21 has been received in this period.

### PAYMENTS

#### *Pension Adviser Fees*

A payment of £950.00 was paid to Pension Advisers to review pension arrangements and provide recommendation to the Liquidator.

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*Legal Fees*

A payment of £34,873 15 was paid to legal advisers in connection with appointment, sale and property/asset issues.

*Corporation Tax.*

A payment of £18 51 was paid in respect of post appointment Corporation Tax.

*Debt Collection Fees*

A payment of £5,000 00 was paid to agents in respect of debt collection fees.

*Rates*

A payment of £1,406 55 was paid to the Council with respect to rate charges for licence period

*Bank Charges*

A payment of £10 00 was paid in respect of bank charges

*Compensation Compactor Sale*

An amount of £4,000 00 was paid in final settlement in respect of equipment included in sale that was not owned by the Company.

*Payment to AGS Southern Limited*

An amount of £15,000 00 was paid in final settlement in respect of equipment included in sale that was owned by Parent Company

*Department of Employment Arrears & Holiday Pay.*

First and final preferential dividend paid to The National Insurance Fund of £34,000.00 with regard to arrears of wages and holiday pay

*Liquidators' remuneration, disbursements and expenses*

Basis of remuneration and disbursements

Since the approval of the basis of our remuneration on 28 June 2013 by creditors at meeting to review proposals in Administration there have been no increases to our charge out rates

Remuneration and disbursements charged and drawn

Total time spent to the anniversary date on this assignment amounts to 110 30 hours at an average composite rate of £206 97 per hour resulting in total time costs to date of £22,829 00  
Total fees drawn to date in accordance with the above approval have amounted to £20,450 00 leaving outstanding unbilled time costs of £2,379 00.

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

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

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

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

#### Expenses charged and drawn

Details of the costs incurred and paid in relation to liquidation expenses [ *legal, agent's, accountancy fees etc* ] are summarised at Appendix 2.1

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

#### Creditors' Guide to Fees and statement of creditors' rights

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

## 3 INVESTIGATIONS

I have submitted my statutory report to the Department of Business, Innovation and Skills on the conduct of the directors in accordance with the Insolvent Companies (Report on Conduct of Directors) Rules 1996 and the Company Directors Disqualification Act 1986. The content of this report is, however, strictly private and confidential

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

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

## CREDITOR CLAIMS

### **Secured Creditors**

The Company has granted and all assets debenture in favour of Lloyds TSB Commercial Finance Limited created on 29 November 2011 and registered on 2 December 2011

The Company has entered into a Deed of Admission to an Omnibus Guarantee and Set-Off Agreement in favour of Lloyds TSB Bank Plc created on 15 December 2008 and registered on 16 December 2008.

The Company has entered into a Deed of Admission to an Omnibus Guarantee and Set-Off Agreement in favour of Lloyds TSB Bank Plc created on 25 May 2005 and registered on 15 June 2005

The Company has granted a Debenture in favour of Lloyds TSB Bank Plc created on 31 May 2001 and registered on 02 June 2001.

On current information it would appear there is no liability outstanding to charge holders and consequently no dividend is payable.

### **Preferential Creditors**

A claim for unpaid wages and holiday pay was received from 96 employees, a first and final dividend in the amount of £34,000 00 has been paid in respect of these claims

### **Prescribed Part**

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

As no net property was available to the holder of floating charge security, the provisions of the Insolvency Act 1986, relating to the Prescribed Part, are not applicable

### **Unsecured Creditors**

It is not anticipated that any payment will be made to unsecured creditors in this matter. In this respect the liquidator has not taken measures to adjudicate claims

### **Notice of no dividend**

Assets realised and prospective asset realisations have been and will be utilised fully in paying preferential claims in the statutory priority, contributing towards defraying the administrative costs of the liquidation including closing costs.

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

## **5. CONCLUSION**

### **Matters outstanding**

I am awaiting final report regarding debt collection from my agent. I have had verbal confirmation that there is no further prospect of realisations from this source

In view of this, I anticipate concluding the liquidation before the next anniversary

If you require any further information, please do not hesitate to contact [Name] at the above address

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

A handwritten signature in black ink, appearing to be 'M Bowen', written in a cursive style.

**M Bowen**  
Liquidator

Dated: 11 August 2014

A G S (Home Improvements) Limited (In Liquidation)		Appendix 1	
<b>LIQUIDATOR'S ACCOUNT OF RECEIPTS AND PAYMENTS INCLUDING ESTIMATED FINAL OUTCOME</b>			
<b>Period 05/08/2013 to 05/08/2014</b>			
	<b>Receipts &amp; Payments to date £</b>	<b>Estimated outcome</b>	
<b>ASSETS SUBJECT TO FLOATING CHARGE</b>			
Transfer From Administration	100,050	100,050	
Rent/Rates Contribution - Licencee	20,000	20,000	
Bank Interest	61	61	
Book Debts	4,334	4,334	
	124,445	124,445	
<b>Payments</b>			
Office Holder's post appointment fees	(20,450)	-27397	
Rates	(1,407)	-1407	
Agent's fees & expenses (post appointment)	(5,000)	-5000	
Corporation Tax	(19)	-19	
Legal fees (post appointment)	(34,873)	-34873	
Payment to AGS Southern Ltd Re Assets	(15,000)	-15000	
Compensation re Compactor Sale	(4,000)	-4000	
Pension Advisers Costs	(950)	-950	
Bank Charges	(10)	-10	
Office Holder's Disbursements		-1789	
	-		
	(81,709)	-124,445	
<b>Available for preferential creditors</b>	<b>42,736</b>	<b>0</b>	
Arrears of wages and holiday pay	(34,000)		
<b>Net property</b>	<b>8,736</b>	<b>0</b>	
Prescribed part of net property set aside for unsecured creditors	-		
<b>Available for floating charge holder</b>	<b>8,736</b>	<b>0</b>	
<b>Floating Charge Holder - Lloyds Bank TSB Plc **</b>			
	-		
<b>Summary of balances held</b>			
Fixed charge	-		
Floating charge	8,736		
	8,736		
<b>Held as:</b>			
Bank of Ireland	8,736		
VAT (Payable) / Receivable	-		
	-		
<b>Notes</b>			
<b>** no liability outstanding to charge holder</b>			



**A.G.S. (Home Improvements) Limited (In Liquidation)**  
**Summary of remuneration for Period 5 August 2013 – 5 August 2014**

Classification of work	Partner	Senior Manager	Manager	Administrator	Support	Total Units	Time Cost £	Average Rate £/h
Stat Compliance / Admin & Planning	35		140	74		249	4,960 00	199 20
Investigation	20		25			45	1,100 00	244 44
Realisation of Assets	70		285			355	7,800 00	219 72
Creditors	62		310	27		399	8,309 00	208 25
Case Specific Matters			15	40		55	660 00	120 00
<b>Total</b>						<b>1103</b>	<b>22,829 00</b>	<b>206 97</b>
<b>Fees Drawn</b>							<b>20,450 00</b>	

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

**Charge out Rates**

From 13 February 2013  
Rates depend on complexity of the case

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

£300  
£225-250  
£200  
£175  
£150  
£150  
£90

**Standard activity**

**Administration and planning**

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

**Investigations**

SIP 2 review  
CDDA reports  
Investigating antecedent transactions

**Realisation of assets**

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

**Trading**

Management of operations  
Accounting for trading  
On-going employee issues

**Creditors**

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

**Case Specific**

Property issues

**A.G.S. (Home Improvements) Limited (In Liquidation)**  
**Summary of Category 2 Disbursements for Period 5 August 2013 – 5 August 2014**  
**Category 1 disbursements**

	Incurred	Paid	Unpaid
	£	£	£
Bond			
Advertising	71		71
Postage	300		300
Telephone			
Car Mileage			
Travel			
Subsistence			
External Room Hire			
External Photocopying			
External Records Removal			
Mail Re-direction			
Swear Fee			
Company Search			
Professional Fees			
Other			

**Category 2 disbursements**

	Incurred	Paid	Unpaid
	£	£	£
Photocopying / Printing	85		85
Registered Office Fee			
IPS Charge			
Mileage			
Room Hire			
Case Specific			

**Category 2 disbursement rates**

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

**A.G.S. (Home Improvements) Limited (In Liquidation)****Summary of Administration expenses for period 5 August 2013 – 5 August 2014****Nature of expense**

	Provider	Basis of remuneration
- Debt Collection Fees	Direct Legal Services Limited	Fixed Fee
- Legal Fees	Harrison Clark Rickerbys	Time Costs & Disbursements
- Pension Advisers	Insol Financial Services Limited	Fixed Fee

**Expenses incurred and paid**

	Incurred	Paid	Unpaid
	£	£	£
Direct Legal Services Limited	5000 00	5000 00	
Harrison Clark Rickerbys	34,873 15	34,873 15	
Insol Financial Solutions Limited	950 00	950 00	



A G S (Home Improvements) Limited – In Liquidation

## **Practice fee and disbursement recovery policy**

### **Introduction**

The insolvency legislation was changed in April 2010 for insolvency appointments commenced from that time in order to allow more flexibility on how an office holder's fees are charged to a case. This sheet explains how we may apply the alternative fee bases. The new legislation allows different fee bases to be used for different tasks within the same appointment. The basis or combination of bases set for a particular appointment are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the court. Further details about how an office holder's fees are approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP9). A copy of the relevant circulation listed in reports to creditors and is also available upon request.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn and time costs incurred and will also enable the recipients to see the average rates of such costs. Under the new legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under the old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

### **Time cost basis**

This is the basis that we use in the majority of cases using charge out rates appropriate to the skills and experience of each member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken. Cashiers, secretarial and support staff charge all the time they work as such work has not been allowed for in calculating the hourly rates charged by the partners and other staff. If such time were not charged our charge out rates for Partners and other staff would be approximately 20% higher. Time billed is normally subject to Value Added Tax (VAT) at the applicable rate (see below).

### **Staff allocation and the use of sub-contractors**

The office holder's general approach to resourcing assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.



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The case team will usually consist of partner, senior manager/manager and administrator. The exact case team will depend on the anticipated size and complexity of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Office holder's charge out rate schedule below provides details of all grades of staff.

With regard to support staff, the Office Holder advises that time spent by our Treasury department in relation to specific tasks on an assignment is charged.

The following services are being provided on this assignment by external sub-contractors:

Service Type	Service Provider	Basis of fee arrangement	Cost to date£
n/a			

#### Charge out rates

Our charge out rates are reviewed periodically, our charge out rates are summarised below:

Charge out rates per hour effective from February 2013

Grade	Hourly Rate (£)
Partner	300
Managers	225-250
Assistant Managers	200
Senior Administrator	175
Administrator	150
Senior Assistant/Cashier	150
Support Staff/Secretary	90

Charge out rates per hour effective from May 2010

Grade	Hourly Rate (£)
Partner	275-350
Senior Manager	225-250
Manager/Administrator	70-160
Support Staff	50-100

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Each unit of time is 6 minutes. The work is recorded under the following categories:

Administration and planning - which includes work such as planning how the case will be administered and progressed, the administrative set up of the case, notifying creditors and others of the appointment, keeping the records relating to the case up to date, case review, case progression meetings, and reporting on progress of the case to creditors and others.



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Investigations - which includes work such as undertaking an initial review of the financial affairs of the company and bankrupt, undertaking a detailed investigation with a view to making recoveries for the benefit of creditors where matters such as preferences or wrongful trading come to light as a result of the initial review, and reporting to the Insolvency Service on the conduct of the directors

Realisation of assets - which includes work such as identifying, securing and insuring assets, dealing with retention of title claims, collecting debts, and selling assets

Employee matters - which includes work such as dealing with employees, and liaising with the redundancy payments office

Creditors - which includes work such as communicating with creditors, dealing with creditors' claims, and where funds permit, paying dividends to creditors

Trading - which includes work such as managing and controlling all aspects of the business, and maintaining financial records and information relating to that trading

#### **Percentage basis**

The new legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal. Different percentages can be used for different assets or types of assets. Where we would like to realise any asset or type of assets on a percentage basis we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

#### **Fixed fee**

The new legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. Where we would like to charge a set amount for a task or different set amounts for different tasks we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

#### **Value Added Tax**

The office holder's remuneration invoiced to the insolvent estate will normally be subject to VAT at the prevailing rate. The only exception to this is for services rendered in relation to Voluntary Arrangement assignments where a VAT Tribunal has ruled that such services are exempt supplies.

#### **Agent's costs**

Charged at cost based on the amount billed by the Agent instructed, the term Agent includes

Solicitors, Legal Advisors, Debtor recovery specialists

Auctioneers, Valuers, Accountants

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Quantity Surveyors

Estate Agents

Document Storage Agents

Other Specialist Advisors

### **Disbursements**

In accordance with Statement of Insolvency Practice 9 (SIP9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

**Category 1** expenses are directly referable to an invoice from a third party, which is either in the name of the estate or MB Insolvency, in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are postage, mail redirection, travel, swear fee, company searches, land registry searches, statutory advertising, external meeting room hire, external storage, specific bond insurance and subsistence,

**Category 2** expenses are incurred by the firm and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage.

The category 2 disbursements that MB Insolvency apply, when seeking recovery, are as follows,

<u>Type</u>	<u>Rate</u>
Photocopying	17p per sheet
Room Hire (where MB insolvency room is used for formal meetings with external parties)	£60 per hour
Registered Office Fee	£125 per annum
Mileage	45p per mile
Insolvency Practitioners System	£125 per case

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### Professional advisors

On this assignment the office holder has used the professional advisers listed below. The Office holder has also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
Harrison Clark Rickerbys LLP	Time costs and disbursements
Direct Legal Services Limited	Fixed Fee
Insol Financial Solutions Limited	Fixed Fee

The office holder's choice was based on his perception of the professional adviser's experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of his fee arrangement with them.