

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company
ABC Environments Limited

Company number
02051682

In the
Manchester District Registry
[full name of court]

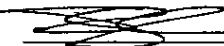
Court case number
2107 of 2014

We, Steven John Currie and Robert Michael Young of Begbies Traynor (Central) LLP, The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, ST3 6HP

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

20 March 2014

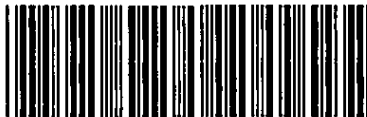
Signed 
Joint Administrator
Dated 20 March 2014

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Begbies Traynor (Central) LLP	
The Old Barn, Caverswall Park, Caverswall Lane Stoke on Trent, ST3 6HP	
	Tel 01782 394 500
Fax Number 01782 395 200	DX Number

FRIDAY



A30 21/03/2014 #144
COMPANIES HOUSE

When you have completed and signed this form please send it to the Registrar of Companies at
Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability

ABC Environments Limited (In Administration)

Statement of proposals for achieving the purpose of the administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986

Important Notice

This statement of proposals has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever. Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	ABC Environments Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Act on 28 January 2014
"the administrators", "we", "our", "us"	Steven John Currie and Steven John Currie of Begbies Traynor (Central) LLP, The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, ST3 6HP
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

1. STATUTORY INFORMATION

Name of Company	ABC Environments Limited	
Date of Incorporation	2 September 1986	
Company registered number	02051682	
Company registered office	The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, ST3 6HP	
Former registered office	Technology House Unit 1, Congleton Business Park, Congleton, CW12 1LB	
Trading address	Technology House Unit 1, Congleton Business Park, Congleton, CW12 1LB	
Principal business activities	Combined facilities support activities	
Directors and details of shares held in the Company (if any)	Name	Shareholding
	Stephen Brian Burgess	Nil
	Philip John Tantum	50 Ordinary Shares
Company Secretary and details of the shares held in Company (if any)	Name	Shareholding
	Diane Carol Smith	Nil
Auditors	DPC Accountants, Stoke on Trent	
Share capital	100 Ordinary shares of £1 each	
Shareholders	ABC Managed Contracts Limited Philip John Tantum	

2. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of appointment	28 January 2014
Court	Manchester District Registry
Court Case Number	2107 of 2014
Persons making appointment	The directors of the Company
Acts of the administrators	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency Proceedings	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.

STATUTORY PURPOSE OF ADMINISTRATION

Paragraph 3 of Schedule B1 to the Act provides as follows

- "3 (1) The administrator of a company must perform his functions with the objective of-
- (a) rescuing the company as a going concern, or
 - (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors
- (2) Subject to sub-paragraph (4), the administrator of a company must perform his functions in the interests of the company's creditors as a whole
- (3) The administrator must perform his functions with the objective specified in sub-paragraph (1)(a) unless he thinks either-
- (a) that it is not reasonably practicable to achieve that objective, or
 - (b) that the objective specified in sub-paragraph (1)(b) would achieve a better result for the company's creditors as a whole
- (4) The administrator may perform his functions with the objective specified in sub-paragraph (1)(c) only if-
- (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1)(a) and (b), and
 - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole "

3. CIRCUMSTANCES GIVING RISE TO OUR APPOINTMENT

ABC Environments Limited ("the Company") was originally incorporated on 2 September 1986 as E M O T Limited which then changed its name to Inoffice Technology Limited on 21 October 2005

E M O T Limited was purchased by ABC Digital Solutions Limited ("Digital") on 30 September 2005 and on 1 May 2011 it changed its name to ABC Environments Limited which then commenced to trade with its directors being Stephen Burgess and Philip Tantom. The Company traded as a stand alone Company within the ABC Solutions group structure

It was perceived by the directors that there was a gap in the regional market for a company that offered the combination of the building management and fit-out combined with technology solutions and with the skills and expertise of the other group companies, this would be a profitable market for them

The Company traded from shared offices with the rest of the ABC group of companies and it had an initial three employees being a managing director, project director and a design manager

Digital provided an initial £100,000 loan to the Company to assist with its original trading and capital requirements

The Company traded on various projects which were secured through commercial agents with the average contract size being approximately £70,000. The Company would project manage each contract, providing the relevant contractors each time

In March 2013, the managing director, Philip Tantom suffered hospitalisation with pneumonia which prevented him from working until August 2013. This resulted in a lack of new contracts being secured and more importantly, poor management of the existing contracts by the remaining staff. Key examples of this being the failure to achieve a lucrative NHS contract and the failure on delivery and profitability for a project at Shrewsbury College

The project at Shrewsbury College was contracted to Digital, this is because Shrewsbury College had requested for them to be named on the contract as they had a stronger trading history and balance sheet than the Company. Despite Digital being named on the contract, the Company carried out all work on the site and all contract related payments were made by the Company. The funds due under the contract were paid across to Digital who then paid all funds across to the Company as it had carried out all of the work and had engaged all of the contractors

The Company began to experience significant losses as a result of the Shrewsbury College contract and also a contract at Halifax. It later transpired that an employee had been unofficially been sending purchase orders that were never registered on the Company's accounts system resulting in unexpected results on the contract and the cash expectation modelling that it had in place

To assist with the cashflow issues that the Company was facing, Digital injected a further £51,099.79 as a loan

The directors believed that they were able to turn the Company's cashflow position around by securing further profitable contracts as Mr Tantom was back at work however a creditor of the Company threatened to issue a Winding Up petition against it and the directors were left with no alternative to seek professional insolvency advice. Accordingly, Begbies Traynor (Central) LLP were instructed and it was agreed that the best course of action for the Company and its creditors would be to place it into Administration

4. STATEMENT OF AFFAIRS

We are yet to receive a Statement of Affairs from the directors of the Company however we have provided an Estimated Financial Position as at 28 January 2014 at Appendix 2

5. THE ADMINISTRATION PERIOD

Receipts and Payments

Attached at Appendix 1 is our account of receipts and payments from the commencement of administration, 28 January 2014 to 20 March 2014

Receipts

Book Debts

To date the sum of £43,837 15 has been received in relation to the book debts due to the Company. It is anticipated that further funds shall be received shortly.

As referred to in section 3 above, the Company had worked on a project at Shrewsbury College and despite the contract being in the name of Digital, funds were received on that contract were always paid across to the Company by Digital. Included in the debtors is an amount that remains under that contract, Digital have confirmed that the funds received from that contract will be paid to us as Administrators so that it is consistent with previous dealings.

Payments

Legal Fees

The sum of £3,545 40 plus VAT has been paid to Grindeys LLP for the work that they carried out in completing our appointment as Joint Administrators of the Company.

Statutory Advertising

We have paid £75 82 plus VAT in respect of the costs that we incurred in advertising our appointment in the London Gazette.

6. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the Estimated Financial Position) are as follows:

Secured creditor

Barclays Bank Plc are registered at Companies House as holding a fixed and floating charge over the assets of the Company. The directors of the Company have advised that there are no funds outstanding to them and therefore this security is to be treated as satisfied for the purpose of the Administration.

Unsecured creditors

Claims of unsecured creditors were estimated at £847,822 of which £151,100 is due to ABC Digital Solutions Limited for funds that it has advanced in order to support the Company.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditor as follows

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a *prescribed part* of the Company's *net property* available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. *Net property* means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The *prescribed part* of the Company's *net property* is calculated by reference to a sliding scale as follows

- ☐ 50% of the first £10,000 of *net property*;
- ☐ 20% of *net property* thereafter,
- ☐ Up to a maximum amount to be made available of £600,000

An administrator will not be required to set aside the *prescribed part* of *net property* if

- ☐ the *net property* is less than £10,000 and the administrator thinks that the cost of distributing the *prescribed part* would be disproportionate to the benefit, (Section 176A(3)) or
- ☐ the administrator applies to the court for an order on the grounds that the cost of distributing the *prescribed part* would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no *net property* as defined in Section 176A(6) of the Act and, therefore, no *prescribed part* of *net property* is available for distribution to the unsecured creditors

Unsecured creditors

We are of the opinion that there will be a distribution to the unsecured creditors of the Company. As Administrators of the Company we do not have the power to distribute funds to the unsecured creditors without the consent of the court, therefore once all assets have been realised we will be looking to move the Company from Administration to Creditors' Voluntary Liquidation where we will have the power to distribute funds as Liquidators of the Company. Further details of this can be found in section 7 below

7. OUR PROPOSALS FOR ACHIEVING THE PURPOSE OF THE ADMINISTRATION

Purpose of the Administration

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above

For the reasons set out in this report, we presently consider that the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration). Whilst it may be reasonably practicable to pursue the objective of rescuing the Company as a going concern, we consider this would be unlikely to achieve a better result for the Company's creditors as a whole

We were unable to achieve objective 3(1)(a) namely rescuing the Company as a going concern as there was no interest in the business in its current form however by carrying out the actions proposed below we are confident that we shall achieve objective 3(1)(b)

In order to achieve our objective we have instructed agents to remove all of the tangible assets of the Company with a view to realising them by way of a private sale or at auction

We have appointed ABC Collections Limited to act as our agents in respect of the collection of the book debts as they have the knowledge of each individual contract which provides an advantage over any potential disputes that there may be on each contract. This appointment has been done through a legal agreement and they are to be remunerated on a commission basis being 35% of the net value of the debts and 50% of the net value of any disputed debts. These ratios being broadly in line with those we would expect to pay to other debt collection agents

Given the nature of the debts, being construction industry related, we believe that were we to instruct alternative agents who did not have the prior knowledge of the contracts, the level of return to creditors would be significantly lower due to the lack of knowledge on each individual contracts

Once all book debts have been recovered we will then look to move the Company to Creditors' Voluntary Liquidation where we shall make a distribution to the unsecured creditors. Further details of which can be found below

Exit from Administration

We confirm that there are no secured creditors in this matter and that a distribution will be made to the unsecured creditors of the Company¹

We do not have a general power to make a distribution to unsecured creditors and may only do so if the court gives permission. It is considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate. Additionally, there may be matters for enquiry concerning a company's affairs which are not within the scope of an administrator's powers and which can only be properly dealt with by a liquidator

Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to implement the provisions of Paragraph 83 of Schedule B1 to the Act whereby on the registration of a notice sent to the Registrar of Companies, our appointment as administrators shall cease to have effect and the Company will automatically be placed into creditors' voluntary liquidation. Paragraph 83(7) provides

The liquidators for the purpose of the winding up shall be-

- (a) a person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or
- (b) if no person is nominated under paragraph (a), the administrator

We confirm that as part of our proposals we propose that we act as joint liquidators in the subsequent winding up of the Company. Creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the proposals and before the proposals are approved. The appointment of a person nominated as liquidator takes effect by the creditors approval, with or without modification, of our proposals

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office

¹ Insolvency Act 1986, Sch B1, para 83(1)

8 REMUNERATION AND DISBURSEMENTS

Remuneration

We propose that the basis of our remuneration be fixed under Rule 2 106 of the Rules by reference to the time properly given by us (as administrators) and the various grades of our staff calculated at the prevailing hourly rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration

It is for the creditors' committee to approve the basis of our remuneration under Rule 2 106 of the Rules, but if no such committee is appointed it will be for the creditors to determine

Appendix 3 sets out our firm's hourly charge out rates and the time that we and our staff have spent in attending to matters arising in the administration since 28 January 2014

Disbursements

We propose that disbursements, including disbursements for services provided by our firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9) be charged in accordance with our firm's policy, details of which are set out at Appendix 3. These disbursements will be identified by us and subject to the approval of those responsible for determining the basis of our remuneration

9. OTHER INFORMATION TO ASSIST CREDITORS

Report on the conduct of directors

We have a statutory duty to investigate the conduct of the directors and any person we consider to be or have been a shadow or de facto director during the period of three years before the date of our appointment, in relation to their management of the affairs of the Company and the causes of its failure. We are obliged to submit confidential reports to the Department for Business, Innovation and Skills

As administrators of the Company we are required by best practice guidance to make enquiries of creditors as to whether they wish to raise any concerns regarding the way in which the Company's business was conducted prior to the commencement of the administration, or wish to bring to our attention any potential recoveries for the estate. If you would like to bring any such issues to our attention please do so in writing to the address detailed at Section 1 of this report. This request for information is standard practice and does not imply any criticism or cause of action against any person concerned in the management of the Company's affairs

Investigations carried out to date

We have undertaken an initial assessment of possible actions in relation to the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect


Several creditors have raised concerns in relation to the contract that was in place for work carried out at Shrewsbury College. This contract was in the name of Digital as Shrewsbury College had requested for them to be named on the contract as they had a stronger trading history and balance sheet than the Company

The Company carried out all of the work on the contract and having reviewed this position, we are satisfied that the funds were sent from Digital to the Company as and when they were received from the contractor meaning that the creditors of the Company had the benefits of the contract and the funds

10. CONCLUSION

Pursuant to paragraph 51 of Schedule B1 to the Act, our proposals will be considered at an initial meeting of the Company's creditors summoned in accordance with the Notice of meeting (Form 2 20B) accompanying this document

Subject to the approval of our proposals at the initial creditors' meeting we will report on progress again approximately six months after the commencement of the administration, or at the conclusion of the administration, whichever is the sooner



S J Currie
Joint Administrator

Date 20 March 2014

ACCOUNT OF RECEIPTS AND PAYMENTS

28 January 2014 to 20 March 2014

ABC Environments Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 20/03/2014

S of A £		£	£
	ASSET REALISATIONS		
NIL	Fixtures, Fittings & Equipment	NIL	
11,000 00	Motor Vehicle & Caravan	NIL	
300 00	Stock	NIL	
405,480 00	Book Debts	43,837 15	
6,836 00	Cash at Bank	NIL	
			43,837 15
	COST OF REALISATIONS		
	Legal Fees	3,545 40	
	Statutory Advertising	75 82	
	Bank Charges	0 40	
			(3,621 62)
	UNSECURED CREDITORS		
(689,592 00)	Trade Creditors	NIL	
(5,902 00)	HM Revenue & Customs - PAYE/NIC	NIL	
(1,228 00)	HM Revenue & Customs - VAT	NIL	
(151,100 00)	ABC Digital Solutions Limited	NIL	
			NIL
	DISTRIBUTIONS		
(100 00)	Ordinary Shareholders	NIL	
			NIL
(424,306.00)			40,215.53
	REPRESENTED BY		
	Vat Receivable		699 16
	Bank 1 Current		39,516 37
			40,215.53

**ESTIMATED FINANCIAL POSITION AS AT 28
JANUARY 2014**

ABC Environments Limited
Estimated Financial Position as at 28 January 2014

	Book Value £	Estimated to Realise £	£
ASSETS			
Fixtures, Fittings & Equipment	962 00		NIL
Motor Vehicle & Caravan	14,917 00		11,000 00
Stock			300 00
Book Debts	579,257 00		405,480 00
Cash at Bank			6,836 00
			<u>423,616 00</u>
LIABILITIES			
PREFERENTIAL CREDITORS -			
			<u>NIL</u>
			423,616 00
DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003			
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS			
			<u>NIL</u>
			423,616 00
Estimated prescribed part of net property where applicable (to carry forward)			
			<u>NIL</u>
			423,616 00
DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003			
			<u>NIL</u>
			423,616 00
Estimated prescribed part of net property where applicable (brought down)			
			<u>NIL</u>
			423,616 00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade Creditors	689,592 00		
HM Revenue & Customs - PAYE/NIC	5,902 00		
HM Revenue & Customs - VAT	1,228 00		
ABC Digital Solutions Limited	151,100 00		
			<u>847,822 00</u>
Estimated deficiency/surplus as regards non-preferential creditors			
(excluding any shortfall in respect of F C's post 14 September 2003)			
			<u>(424,206 00)</u>
			(424,206 00)
Issued and called up capital			
Ordinary Shareholders		100 00	
			<u>100 00</u>
TOTAL SURPLUS/(DEFICIENCY)			<u><u>(424,306 00)</u></u>

Begbies Traynor (Central) LLP
ABC Environments Limited
B - Company Creditors

Key	Name	Address	£
CA00	ABC Digital Solutions Limited	Technology House, Congleton Business Park, Congleton, CW12 1LB	151,099 79
CA01	Arcon Property Services Limited	23 Kingsway West, Penwortham, Preston, PR1 0JA	6,776 18
CA02	Alpha Omega Securities	1 Lawton Street, Crewe, Cheshire, CW2 7HZ	4,411 64
CA03	Alliance Flooring	Town End Works, Middleton Road, Morley, Leeds, LS27 8AP	3,672 00
CA04	Alan Mechanical Services Ltd	Commercial Brow, Hyde, Cheshire, SK14 2LW	90,698 76
CA05	Advance Decor Solutions	3 Ratten Lane, Hutton, Preston, PR4 5TE	5,980 96
CA06	A C Painting & Decorating	27 Church Lane, Hanford, Stoke on Trent, ST4 4QB	4,746 00
CA07	Alpha Business Communications Limited	Brundrett House, 19 Sandbach Road South, Alsager, Cheshire, ST7 2LT	0 00
CB00	BW Contracting Services	13 Thomas Street, Elland, West Yorkshire, HX5 9BL	10,320 00
CB01	Barclaycard Commercial	PO Box 3000, Teesdale Business Park, Stockton on Tees, TS17 6YG	1,613 38
CC00	CCF (Part of Travis Perkins)	c/o The P&A Partnership, 93 Queen Street, Sheffield, S1 1WF	16,384 40
CC01	Custom Gleam	34 Alderdale Road, Cheadle Hulme, Cheshire, SK8 5PP	1,152 00
CC02	City Solutions NW Ltd	120 Storeton Road, Wirral, Merseyside, CH42 8NA	4,234 19
CC03	Cheshire East Trade Frames Limited	1 Underwood Lane, Crewe, Cheshire, CW1 3JX	318 50
CC04	Clovenmead Limited	Chapman House, Riverside Court, Chester Road, Warrington, WA4 6AR	1,664 40
CC05	Clean Sweep Hire Ltd	Albert Street, Droylsden, Manchester, M43 7ZH	1,792 00
CC06	Cool Air Equipment Ltd	Coolair House, Broadway, Dukinfield, SK16 4UR	12,600 00
CC07	Crystal Architectural Aluminium	Unit 2 Bentinck Street, Ashton under Lyme, Lancs, OL7 0PT	8,111 39
CC08	Craig Vaughan Tiling Contractors	4 Topcliffe Fold, Morley, Leeds, LS27 9AY	8,936 00
CC09	Coretech Electrical Services	Unit 3, Brockholes Industrial Estate, Rockmill Road, Brockholes, Holmfirth, HD9 7BN	129,984 15
CC0A	Cheshire Work and Leisure Wear	Unit 6 Gateway, Crewe Gates Industrial Estate, Crewe, CW1 6YY	511 07
CC0B	County Insurance	County House, Fourth Avenue, Crewe, Cheshire, CW1 6XL	1,728 02
CC0C	C4 Consulting Limited	The Chapel, Old Cherry Lane, Lymm, Cheshire, WA13 0SZ	17,400 00
CD00	DPC Accountants	Vernon Road, Stoke on Trent, ST4 2QY	272 45
CD01	Diamond Projects (UK) Limited	Unit 6 Hammond Court, Hammond Avenue, Whitehall Industrial Estate, Reddish, Stockport, SK4 1PQ	1,440 00
CD02	Direct Data Systems Limited	38 Prescott Street, Halifax, HX1 2QW	6,780 00
CE00	EPG Fire & Security	417 - 419 Newcastle Road, Shavington, Cheshire, CW2 5EB	7,062 00
CE01	Elite Surfacing Limited	Unit 6, Pool Bank Business Park, Saighon Lane, Waverton, Cheshire, CH3 8JH	4,778 58
CF00	Formax Construction	56 Sidney Road, Manchester, M9 8AT	8,423 00

Begbies Traynor (Central) LLP
ABC Environments Limited
B - Company Creditors

Key	Name	Address	£
CF01	Fletcher Smith Architects	11 Riversay Business Village, Navigation Way, Preston, Lancs, PR2 2YP	6,000 00
CF02	Fleming Smith Associates	Brooklands House, 50 Leyland Green Road, North Ashton, WN4 0QJ	660 00
CG00	Gilks	10b Beam Street, Nantwich, Cheshire, CW5 5LP	693 90
CG01	Gradus Carpets	c/o Atradius Collections, 3 Harbour Drive, Cardiff Bay, ACF10 4WZ	9,972 58
CH00	HSS Hire Service Group Ltd	25 Willow Lane, Mitcham, Surrey, CR4 4TS	13,657 64
CH01	H Brown and Son (Recycling) Ltd	Vanguard House, Sneyd Hill, Burslem, Stoke on Trent, ST6 2DZ	872 28
CH02	Howdens Joinery Limited	Caswell House, Gowerton Road, Brackmills, Northampton, NN4 7BW	8,768 30
CH03	HSL Entertainment	Unit 7 Dalewood Road, Lyndale Business park, Newcastle under Lyme, Staffs, ST5 9QH	1,633 00
CH04	Hart Flooring UK Limited	536 Wigan Road, Hart Common, Bolton, BL5 2BX	9,032 40
CH05	HM Revenue & Customs	Debt Management Enforcement & Insol, Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4SE	7,129 50
CI00	ISS Facility Services-Security	25 King Street West, Stockport, Cheshire, SK3 0DT	420 00
CJ00	Jade Shopfitters	Unit 12 Boston Court, Kansa Avenue, Salford, Manchester, M50 2GN	23,062 20
CJ01	JN Weatherby (Heating) Ltd	133 Frankwell, Shrewsbury, SY3 8JX	1,760 40
CJ02	John Atkinson Interiors Ltd	Deansfield Mills, Asquith Avenue, Morley, Leeds, LS27 9QT	45,570 49
CK00	Kimberley Access Ltd	Unit 5 Smeaton Business Park, Went Edge Road, Pontefract, Kirk Smeaton, WF8 3LU	6,443 67
CK01	Kemp Waste Management Ltd	Balkram Edge Recycling Centre, Mount Tabor, Halifax, HX2 0UB	6,819 12
CK02	Kee Systems Limited	Unit A2 Cradley Business Park, Overend Road, Cradley Heath, West Midlands, B64 7DW	1,224 67
CM01	Mite Tilley Roofing Limited	Unit 3 Brown Place, Brown Lane West, Leeds, LS11 0EF	1,554 00
CM02	Paul Musson	7 Landsholme Court, Bradford, Yorkshire, BD4 0TG	560 00
CM03	Martin Lowndes Joinery	9 Armistead Road, Wheelock, Sandbach, Cheshire, CW11 3LP	2,784 00
CN00	North Cheshire Interiors Ltd	32 Moss Lane, Cadishead, Manchester, M44 5DE	13,216 64
CO00	Office Blinds & Glazing Ltd	Unit 6, Chichester Business Centre, Chichester Street, Rochdale, OL16 2AU	16,426 24
CP00	Price & Oliver Limited	254 Lozells Road, Birmingham, B19 1NR	3,534 40
CP01	P E T Hire Centre Limited	Earle Street, Crewe, Cheshire, CW1 2AT	12,973 40
CP02	PG Skip Hire Ltd	The Lowe, Lowe Cottage Farm, Shrewsbury, Shropshire, SY4 5UE	7,066 61
CP03	Pickenings Plant Ltd	Tollgate Drive, Tollgate Industrial Park, Stafford, ST16 3HS	268 80
CP04	PME Projects	15 Willow Court, West Quay Road, Warrington, WA2 8UF	26,046 00
CR00	RFL Healthcare	Retail Furniture, Unit E Halesfield 13, Telford, Shropshire, TF7 4PL	41,183 88

Begbies Traynor (Central) LLP
ABC Environments Limited
B - Company Creditors

Key	Name	Address	£
CR01	RMS Industrial Door Services Ltd	Units G-J, Springvale Court, Moston Road, Sandbach, Cheshire, CW11 3HL	1,635 30
CR02	RJ Corfield Wall and Floor Tiling	Sycamore , Wall Bank, Wall under Heywood, Shropshire, 6 7DR	400 00
CS00	Safetread Scaffolding Ltd	Unit 1 Quarry Knowles Ind Est, 42-43 Buxton Road, Furness Vale, High Peak, Derbyshire, SK23 7PF	300 00
CS01	Shield On-Site Services Ltd	Unit 5 Loomer Road, Chesterton, Newcastle under Lyme, Staffs, ST5 7LB	654 00
CS02	Site Contract Personnel Ltd	c/o AIG, The AIG Building, 2 - 8 Althe Road, Croydon, Surrey, CR9 2LG	35,377 47
CS03	STS Drapes Limited	Constellation Mill, Higher Ainsworth Road, Radcliffe, Manchester, M26 4AD	456 00
CS04	Servicemaster	Staffordshire & Cheshire Cleaning Services Ltd, Excalibur Industrial Estate, Fields Road, Alsager, Stoke on Trent, ST7 2LX	2,431 94
CS05	Strewfix Direct Limited	Trade UK, Selectapost 28, Sheffield, S97 3GE	2,308 15
CT00	Topps Tiles (UK) Limited	Unit Q , Oak Green Business Park, Earl Road, Cheadle Hulme, Cheshire, SK8 6QL	376 27
CT01	Temperature Control Ltd	Vulcan House, Lode Lane Industrial Estate, Solihull, B91 2JY	889 76
CT02	Telford Diamond Drilling and Grouting Limited	16 Ashtree Park, Horsehay, Telford, TF4 2LD	1,500 00
CT03	TO Tomlins	Station Road, Halfway House, Shrewsbury, SY5 9DB	408 00
CT04	The Bathstore	Second Floor, Meriden House, 69-71 Clarendon Road, Watford, Herts, WD17 1DS	38 00
CT05	Thomas Bros	Victoria Depository, Waterston Ind Est, Milford Haven, Pembrokeshire, SA73 1DP	861 84
CT06	Travis Perkins Trading Co Ltd	Barony Road, Nantwich, Cheshire, CW5 5QY	4,987 28
CT07	Trade UK	Selectapost 28, Sheffield, S97 3GE	0 00
CV00	Vanda Coatings	5A Charnwood Park, Clos Maron, Cardiff, CF10 4LJ	6,480 00
CW00	Window Films 2000 Ltd	163 Triumph Way, Triumph Business Park, Liverpool, L24 9GQ	1,500 00
CW01	Weatherspoons Hotels	The Shrewsbury Hotel, Bridge Place, Shrewsbury, Shropshire, SY1 1PU	231 15
CW02	Whiteselfstorage	Sandycroft Industrial Estate, Glendale Avenue, Sandycroft, CH5 2QP	2,500 00
CW03	Weather Proofing Advisors Ltd	Unit 2 Millbrook Business Park, Mill Lane, Rainford St Helens, WA11 8LZ	2,260 80
RB00	Mr Steve Burgess	Technology House Unit 1, Congleton Business Park, Congleton, Cheshire, CW12 1LB	0 00
RT00	Mr Philip Tantum	Technology House Unit 1, Congleton Business Park, Congleton, Cheshire, CW12 1LB	0 00
80 Entries Totalling			847,820.94

ESTIMATED FINANCIAL POSITION

Notes to the Estimated Financial Position

- 1 The fixtures, fittings and equipment had a net book value of £962 in the last set of accounts prepared by the Company, due to the age and condition of these assets it is anticipated that there will be no realisations in this regard
- 2 The motor vehicle, caravan and stock have been professionally valued by Messrs Butters John Bee on an Estimated Restricted Realisation Price basis
- 3 The book debts due to the Company are being collected by our agents, ABC Collections Limited. We have applied a general bad debt provision of 30% against these debts for reasons of commerciality
- 4 Section 176A(2) of the Act requires the administrators to set aside the prescribed part of the Company's net property for the satisfaction of unsecured debts. "**Net property**" means the amount which would, if it were not for this provision, be available to floating charge holders (i.e. after accounting for preferential debts and the costs of realisation). The **prescribed part** is 50% of the first £10,000 and 20% of the remaining net property (up to a maximum of £600,000).

We will not be required to set aside the prescribed part of net property if

- a The net property is less than £10,000 and we think that the cost of distributing the prescribed part would be disproportionate to the benefit,
 - b Or if the net property is more than £10,000, if the provision is disapplied by the court on the application of the administrator on cost-benefit grounds
- 5 The claim of HM Revenue & Customs represents PAYE and NIC outstanding
 - 6 The claim of HM Revenue & Customs represents VAT outstanding
 - 7 Creditors' claims are subject to agreement and will not be prejudiced by omission from the Statement of Affairs or by inclusion in a different amount from that claimed
 - 8 The estimated total deficiency, including the calculation of the prescribed part of the Company's net property, is subject to the costs of administration and distribution for which no provision is made in the statement of affairs

TIME COSTS AND EXPENSES

Remuneration drawn will be notified to any creditors' committee appointed under paragraph 57 of Schedule B1 to the Act. In the absence of a creditors' committee, details of time incurred and disbursements drawn will be reported to creditors in accordance with *Statement of Insolvency Practice 9* issued by the Joint Insolvency Committee on behalf of our licensing bodies.

Total time spent to 20 March 2014 on this assignment amounts to 104.6 hours at an average composite rate of £210.91 per hour resulting in total time costs to 20 March 2014 of £22,061.

To assist creditors in determining this matter, the following further information on time costs and expenses are set out:

- ☐ Begbies Traynor (Central) LLP's policy for re-charging expenses
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value

In addition, a copy of 'A Creditors Guide to Administrators' Fees (E&W) 2011' which provides guidance on creditors' rights can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting.
- Car mileage is charged at the rate of 45 pence per mile.
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Stoke office as at the date of this report are as follows

	Standard 1 May 2011 – until further notice Regional
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME ABC Environments Limited

CASE TYPE ADMINISTRATION

OFFICE HOLDERS Steven John Currie and Robert Michael Young

DATE OF APPOINTMENT 28 January 2014

1 CASE OVERVIEW

1 1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

1 2 Complexity of the case

The case has involved the removal of the tangible assets owned by the Company and also the commencement of the collection of the book debts due to the Company

There has been a high level of creditor interest and interaction on this case to date

1 3 Exceptional responsibilities

There have been no exceptional responsibilities

1 4 The office holders' effectiveness

The office holders have been effective as all tangible assets have been removed and will be realised shortly by their agents

The collection of the book debts due to the Company has commenced and payments have been received with further payments expected shortly

1 5 Nature and value of property dealt with by the office holders'

The nature and value of the assets dealt with by the office holders are detailed earlier in the attached report

1 6 Anticipated return to creditors

The unsecured creditors will receive a distribution once all assets have been realised and the Company has moved from Administration to Creditors' Voluntary Liquidation

1 7 Time costs analysis

An analysis of time costs incurred between 28 January 2014 and 20 March 2014 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type

The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment only

1 8 The views of the creditors

The views of the creditors will be sought at the meeting due to be held on 7 April 2014

1 9 Approval of fees

The office holders will be seeking approval of their fees at the meeting of creditors due to be held on 7 April 2014

1 10 Approval of Expenses and Disbursements

The office holders will be seeking approval of their expenses and disbursements at the meeting of creditors due to be held on 7 April 2014

1 11 Category 2 Disbursements

In accordance with the resolution obtained in relation to expenses and disbursements, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case since the date of my appointment

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage	38 31
TOTAL	38 31

1 12 Other professionals employed & their costs

Grindeys LLP were instructed to complete all of the necessary documentation to make the appointment of the Joint Administrators, they have received £3,545 40 plus VAT for their services. They have also been instructed to complete the legal agreement between the Company and ABC Collections Limited, we are yet to receive their costs in this regard

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 3

2 2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 3

3. SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

Since the date of our last report, the following work has been carried out

- Completed all statutory returns and documentation
- Commenced our statutory investigations
- Instructed agents to realise the tangible assets
- Instructed agents to collect the book debts due to the Company
- Dealt with a high level of creditor correspondence

ABC Environments Limited

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