

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

03407197

Name of Company

Pinnacle Heating Services Limited

✓ We

Ian J Gould, Two Snowhill, Birmingham, B4 6GA

Edward T Kerr, Two Snowhill, Birmingham, B4 6GA

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 12/11/2015 to 11/11/2016

Signed

Date

11 January 2017

BDO LLP
Two Snowhill
Birmingham
B4 6GA

Ref 00182263/IJG/ETK/SPM/AEM

THURSDAY



A16 12/01/2017 #12
COMPANIES HOUSE



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Two Snowhill
Birmingham
B4 6GA

9 January 2017

Our Ref C/C2/CVL741 - S/A6

Please ask for
Ann Moore
Tel 0121 352 6399

Dear Sirs

Pinnacle Heating Services Limited - In Creditors' Voluntary Liquidation ("the Company")
Registered Address: Two Snowhill, Birmingham, B4 6GA
Registered number: 03407197
Joint Liquidators: Ian James Gould and Edward T Kerr
Joint Liquidators' Address: Two Snowhill, Birmingham, B4 6GA
Date of Appointment: 12 November 2012

In accordance with Section 104A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986, I am pleased to provide, for your information, an annual progress report regarding the Company.

I also enclose a Receipts and Payments account showing a balance of £42,196.31 in hand as at 11 November 2016, being the day prior to the anniversary. The Receipts and Payments account also details the amounts received and paid in the year 12 November 2015 to 11 November 2016, together with the cumulative amounts.

Please note that on 25 August 2016, an order was made by the High Court of Justice, Chancery Division, Companies Court in London, No. CR-2016-004976 (copy enclosed) removing Christopher Kim Rayment as Liquidator of the Company following his retirement from BDO LLP. The court order also provided for Edward Terence Kerr to be appointed as Liquidator of the Company in place of Christopher Kim Rayment. Edward Terence Kerr is authorised and licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

Receipts

The Receipts shown are largely self-explanatory. As advised previously, there was a surplus of £234,799.96 received from the Administration and this, together with other realisations as shown on the receipts and payments account made the total realisations in the Liquidation as at 11 November 2015 to be £248,439.20. In the year to 11 November 2016, further realisations have been received in respect of a VAT bad debt relief claim of £24,761.39, a rates refund of £985.34 and bank interest of £65.08. The total realisations to 11 November 2016 were £274,251.11.



Payments

The main payments made in the year to 11 November 2016 consisted of £2,574.67 in respect of a further fee for the Liquidation, professional costs and a payment of £18,301.17 to the floating charge holder.

Progress of the Liquidation**Debt Collection**

As advised in my last report, due to the uncertainty in the recovery of any further debts and the prohibitive costs thereon, the Liquidators will not be pursuing this matter further. I would advise, however, that a claim for VAT Bad Debt Relief was submitted and £24,761.39 was received.

Rates Refund

The rates refund referred to in my last report was realised in the period to 11 November 2016, and £985.34 was received.

Creditors**Preferential Creditors**

As shown on the receipts and payments accounts, distributions totalling £44,276.79 were paid to the preferential creditors, being the former employees of the Company in respect of arrears of wages and holiday pay, as well as the National Insurance Fund ("the Fund") in respect of payments made from the Fund to the employees. The preferential creditors have been paid in full.

Secured Creditors

As reported previously, the Company granted a fixed and floating charge to the Royal Bank of Scotland plc ("the Bank") on 27 November 2008 and the Bank's outstanding indebtedness at the date of appointment was £331,774.57. As at 11 November 2015, the Bank had received £136,099.68. In the period to 11 November 2016, a further payment of £18,301.17 was made to the Bank. The Bank may receive a proportion of any further realisations, but it is not anticipated that there will be any further significant amounts paid under its floating charge.

Unsecured Creditors

Under Section 176A of the Insolvency Act 1986, where, after 15 September 2003, a company has granted to a creditor a floating charge, a proportion of the net property of the company must be made available purely for the unsecured creditors. In this instance, the Company has granted such a charge. On the basis of current realisations, the value of the Company's net property is £196,751.06, and this means that the Prescribed Part is currently £42,196.31 before final costs.

The Statement of Affairs showed that unsecured creditor claims could exceed £2 million. Whilst the process of reviewing claims has not concluded, the quantum of claims received to date is c£1.5 million. The creditor claims will be adjudicated on in the near future and a Notice of Intended Dividend will be issued to those creditors who have yet to claim. Once the claims have been agreed, a first and final distribution will be declared to the ordinary unsecured creditors.

Liquidators' Remuneration

As previously reported, pursuant to the Insolvency Rules 1986, the Joint Liquidators are obliged to fix their remuneration in accordance with Rule 4 127(2) of the Insolvency Rules 1986. This permits remuneration to be fixed either.

- (1) as a percentage of the assets realised and distributed, and/or
- (2) by reference to the time the Joint Liquidators and the staff have spent attending to matters in the liquidation; and/or
- (3) as a set amount; and/or
- (4) as a combination of the above.

The creditors approved the Joint Administrators' remuneration on a time costs basis at the meeting of creditors held on 26 January 2012 and the insolvency legislation provides that this basis also applies in the liquidation.

The enclosed schedules analyse the time costs incurred from the reporting period of 7 November 2015 to 11 November 2016, as well as the cumulative period of 12 November 2012 to 11 November 2016, being the most practicable dates in respect of the reporting periods, and indicates the work undertaken in that respect. In the period to 11 November 2016, a total of 33 85 hours at a cost of £6,355 90 had been spent on the case. This included General Administration in respect of the VAT bad debt relief claim, correspondence on the rates refund, annual reporting and general duties. The total time costs to 11 November 2016 amounted to £37,879.25. Please note that I do not expect to recover costs in full.

In the period to 11 November 2016, an invoice in respect of a fee of £2,574.67 was raised and drawn from the case.

I can confirm that no work that is usually carried out by the Joint Liquidators has been sub-contracted outside my firm.

Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. I would report that in the year to 11 November 2016 the sum of £242 88 was incurred and drawn in respect of category 1 disbursements and this related to photocopying and postage. The total category 1 disbursements in the Liquidation is £1,504.96.

Liquidators often charge expenses for, for example, postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of a specific case. There have been no category 2 disbursements in the Liquidation.

Creditors' Rights

I provide at the end of this report an extract from the Insolvency Rules 1986 setting out the rights of creditors to request further information and/or challenge the remuneration or expenses within the liquidation.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency practitioners. In the event that you make a complaint to me but are not satisfied with the response from me then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

The Liquidators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at <http://www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-d>.

If you require any further information, please contact Ann Moore in my office on 0121 352 6399.

Yours faithfully
for and on behalf of
Pinnacle Heating Services Limited



Ian J Gould
Joint Liquidator

Ian J Gould is authorised by the Institute of Chartered Accountants in England and Wales in the UK to act as an Insolvency Practitioner

Enc

Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Liquidators' fees and expenses:

Rule 4.49E Creditors' and members' request for further information

(1) If-

- (a) within the period mentioned in paragraph (2)–
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (iii) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (b) with the permission of the court upon an application made within the period mentioned in paragraph (2)–
 - (i) any unsecured creditor, or
 - (ii) any member of the company in a members' voluntary winding up,
- makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4.49B(1)(e) or (f) (including by virtue of Rule 4.49C(5)) or in a draft report under Rule 4.49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter[s] in a draft report under Rule 4.49D or a progress report required by Rule 4.108 which (in either case) was previously included in a progress report not required by Rule 4.108

(2) The period referred to in paragraph (1)(a) and (b) is-

- (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4.108, and
- (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case

(3) The liquidator complies with this paragraph by either-

- (a) providing all of the information asked for, or
- (b) so far as the liquidator considers that–
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
 - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information

Rule 4.131 Creditors' claim that remuneration is or other expenses are excessive

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

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

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

- (c) expenses incurred by the liquidator,
- is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party
- If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders-
- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
 - (b) an order fixing the basis of remuneration at a reduced rate or amount,
 - (c) an order changing the basis of remuneration,
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
 - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,
- and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation

Pinnacle Heating Services Limited
(In Creditors' Voluntary Liquidation)
Joint Liquidators Receipts and Payments for the Period
from 12 November 2012 to 11 November 2016

	ESTIMATED TO REALISE	TOTAL RECEIPTS AND PAYMENTS TO 11 NOVEMBER 2015	RECEIPTS AND PAYMENTS FROM 12 NOVEMBER 2015 TO 11 NOVEMBER 2016	TOTAL RECEIPTS AND PAYMENTS TO 11 NOVEMBER 2016
	£			
FLOATING CHARGE REALISATIONS				
Surplus from Administration	234,799 96	234,799 96	-	234,799 96
VAT Bad Debt Receipt	-	-	24,761 39	24,761 39
VAT Receivable	7,981 43	7,981 43	-	7,981 43
Book Debts	4,927 44	4,927 44	-	4,927 44
Director's Loan Account	-	167 21	-	167 21
Rates Refund	-	-	985 34	985 34
Bank Interest Gross	-	563 26	65 08	628 34
	<u>247,708 83</u>	<u>248,439 30</u>	<u>25,811 81</u>	<u>274,251 11</u>
COST OF REALISATIONS				
Joint Liquidators' Fees		15,000 00	2,574 67	17,574 67
Statutory Advertising		127 00	-	127 00
Specific Bond		30 00	-	30 00
Taxi Fares to and from Meetings		35 00	-	35 00
Legal Fees		11,512 02	500 00	12,012 02
Agents' Fees & Disb - Contract Debts		1,000 00	295 60	1,295 60
Insurance of Assets		808 25	-	808 25
Photocopying & Postage		836 58	242 88	1,079 46
Press Liaison		233 50	-	233 50
Corporation Tax		78 08	78 85	156 93
Interest on Corporation Tax		-	0 31	0 31
Bank Charges		-	2 10	2 10
Mileage and Parking		22 32	-	22 32
		<u>(29,682 75)</u>	<u>(3,694 41)</u>	<u>(33,377 16)</u>
PREFERENTIAL CREDITORS				
Distribution to Employees		19,688 06	-	19,688 06
Distribution to the National Insurance Fund		24,588 73	-	24,588 73
		<u>(44,276 79)</u>	<u>-</u>	<u>(44,276 79)</u>
FLOATING CHARGE CREDITORS				
Floating Charge Creditor		<u>136,099 68</u>	<u>18,301 17</u>	<u>154,400 85</u>
		<u>(136,099 68)</u>	<u>(18,301 17)</u>	<u>(154,400 85)</u>
BALANCE		<u><u>38,380 08</u></u>	<u><u>3,816 23</u></u>	<u><u>42,196 31</u></u>
BALANCE AS AT 11 NOVEMBER 2016 REPRESENTED BY -				
Floating Charge Monies				41,522 25
Floating Charge VAT Receivable				674 06
				<u><u>42,196 31</u></u>

Notes -

- 1 The company is registered for VAT and the above receipts and payments are shown net of VAT
- 2 All funds are held on an interest bearing account

BDO LLP
Two Snowhill
Birmingham
B4 6GA

I J Gould
Joint Liquidator
9 January 2017

Pinnacle Heating Services Limited - in Creditors' Voluntary Liquidation

Summary of Time Charged and Rates Applicable for the Period From 7 November 2015 to 11 November 2016

Description	PARTNER		MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		GRAND TOTAL		AVERAGE RATE
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
General Administration	0 85	413.90	4.50	1,084.40	2.10	254.20	11.20	1,426.05	18 65	3,178 55	170 43
Assets Realisation/Dealing	-	-	5.90	1,427 80	-	-	-	-	5 90	1,427.80	242.00
Employee Matters	-	-	0 20	51.00	-	-	-	-	0 20	51.00	255.00
Creditor Claims	-	-	1.90	461.75	-	-	0.50	81.50	2 40	543.25	226.35
Reporting	-	-	0.80	193 60	-	-	5.90	961.70	6 70	1,155 30	172 43
Totals	0 85	413 90	13 30	3,218 55	2.10	254.20	17.60	2,469.25	33.85	6,355.90	187.77

Pinnacle Heating Services Limited - in Creditors' Voluntary Liquidation

Summary of Time Charged and Rates Applicable for the Period From 12 November 2012 to 11 November 2016

Description	PARTNER		MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		GRAND TOTAL		AVERAGE RATE
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
Steps on Appointment	-	-	0 70	141 40	0 35	59 50	5 00	780 00	6 05	980 90	162 13
General Administration	2 35	1,060.40	15 65	3,630.85	6 40	1,071 60	56 05	7,217 40	80 45	12,980.25	161 35
Assets Realisation/Dealing	6 50	2,750 50	38 90	8,476 85	-	-	0 20	31 00	45 60	11,258 35	246 89
Employee Matters	-	-	0 60	131 80	-	-	15 10	2,324 25	15 70	2,456 05	156 44
Creditor Claims	-	-	19 75	4,445 85	-	-	2 95	461 75	22 70	4,907 60	216.19
Reporting	0 50	214.00	4 70	1,051.40	-	-	25 05	3,935 45	30 25	5,200 85	171 93
Distribution and Closure	-	-	0.45	95.25	-	-	-	-	0 45	95 25	211 67
Totals	9 35	4,024 90	80 75	17,973 40	6 75	1,131 10	104.35	14,749 85	201 20	37,879.25	188 27



Pinnacle Heating Services Limited - In Liquidation

In accordance with best practice I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency, follows

GRADE	£
Partner	508
Manager	224-393
Assistant Manager	202
Senior Administrator	190-202
Administrator	70-171
Other staff	69

This in no way implies that staff at all such grades will work on the case. The rates charged by BDO LLP, TWO SNOWHILL, Birmingham, B4 6GA, UNITED KINGDOM are reviewed in December and July each year and are adjusted to take account of inflation and the firm's overheads.

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. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories:-

- Pre Appointment
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management
- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues.

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

1) Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.



2) Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred.

3) Category 2

Insolvency practice additionally provides for the recharge of expenses such as postage, stationery, photocopying charges, telephone, fax and other electronic communications, which cannot be economically recorded in respect of each specific case. Such expenses, which are apportioned to cases, must be approved by the creditors in accordance with the Insolvency Rules 1986, before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP, in respect of this appointment is not to recharge any expense which is not a specific cost to the case, therefore there will be no category 2 disbursements charged.

A further disbursement under this heading is the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the Inland Revenue Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency Rules 1986 to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.

BDO LLP
9 January 2017