

**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

Christopher Kim Rayment, Two Snowhill, Birmingham, B4 6GA

Ian J Gould, 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 12/11/2014 to 11/11/2015

Signed

Date

7 January 2016

BDO LLP
Two Snowhill
Birmingham
B4 6GA

Ref 00182263/CKR/IJG/SPM/AEM

TUESDAY



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COMPANIES HOUSE



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Two Snowhill
Birmingham
B4 6GA

7 January 2016

Your Ref
Our Ref 012576/AEM/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: Christopher Kim Rayment and Ian James Gould

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 £38,380.08 in hand as at 11 November 2015, being the day prior to the anniversary. The Receipts and Payments account also details the amounts received and paid in the year 12 November 2014 to 11 November 2015, together with the cumulative amounts.

Receipts

The Receipts shown are largely self-explanatory. As previously advised, there was a surplus of £234,799.96 received from the Administration and this, together with a book debt and some bank interest, made the total realisations in the Liquidation as at 11 November 2014 £248,063.45. In the year to 11 November 2015, the only further realisations have been bank interest of some £208.64 and a receipt of £167.21 in respect of a repayment on a director's loan account.

Payments

The main payments made in the year to 11 November 2015 consisted of £15,000 in respect of a fee for the Liquidation, as well as the 100p in the £ distribution made to the preferential creditors, further details of which are detailed below, and a further payment, of £61,099.68, to The Royal Bank of Scotland plc ("the Bank") in respect of its floating charge.



Progress of the liquidation

Debt Collection

As you may recall from previous reports, the book debts were split between the two distinct divisions of the Company, the maintenance works side and the contractual debts. As previously advised, I do not anticipate any further realisations in respect of the maintenance works side.

With regard to the contractual debts, I previously reported that some £1 10m was shown as outstanding on the Company's ledger and solicitors and quantity surveyors had been engaged to assist me in my attempts to recover some or all of these funds. I would advise that despite anticipating that there may be a reasonable chance of securing some recovery in respect of these debts, no realisations have been achieved. The claims reached the stage at which these would have been necessary for the Company to initiate legal proceedings against the other parties. Having assessed the strength of the claims, including the relevant documentation and witnesses to the work done by the Company and the events that transpired, I was advised by solicitors that the chance of recovering any funds was uncertain and that the costs of doing so, including the risk of costs being awarded against the Company, would be prohibitive. I will, therefore, not be pursuing these debts any further.

Tax Refund

In respect of the Corporation Tax, a claim for terminal loss relief has been made with £19,497 being claimed. Whilst the claim has not been received as a realisation, it will have been offset by HM Revenue & Customs ("HMRC") against other HMRC debts, and, accordingly, reduce their claim in the liquidation.

Rates Refund

In September, I became aware of a potential rates refund which could be recoverable and agents were instructed to pursue this on a contingent basis. This is continuing but it is anticipated that there will be a recovery of c£1,000.

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.

Future Prospects

Secured Creditors

As previously reported, the Company granted a fixed and floating charge to 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 has received £136,099.68 including a further floating charge distribution of £61,099 68 in the reporting period. The Bank may receive a proportion of any further realisations, such as the rates refund detailed above, 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. The final outcome for the unsecured creditors will be determined by the book debt realisations. On the basis of current realisations, the value of the Company's net property is £173,875, and this means that the Prescribed Part is currently £37,775 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. In view of the minimal matters which remain outstanding, I anticipate that this process will be concluded in approximately six months, but this is dependent on the receipt of the rates refund, following which 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 then 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 8 November 2014 to 6 November 2015, as well as the cumulative period of 12 November 2012 to 6 November 2015, being the most practicable dates in respect of the reporting periods, and indicates the work undertaken in that respect. In the period 8 November 2014 to 6 November 2015, a total of 66.70 hours at a cost of £11,798.30 had been spent on the case. This included General Administration in respect of the terminal loss claim, time spent concluding the book debt pursuit, as well as agreeing the claims of and the payment to the preferential creditors, annual reporting and general duties. The total time costs to 6 November 2015 amounted to £31,523.35.

In the period to 11 November 2015, an invoice in respect of a fee of £15,000.00 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 as at 11 November 2015 the sum of £1,262.08 has been incurred and drawn in respect of category 1 disbursements and this relates to photocopying and postage, press liaison, statutory advertising and insurance.

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. The only category 2 expense drawn from the Liquidation relates to mileage incurred during the Administration, the approval of which was requested by me in my report dated 13 November 2012 and subsequently agreed by the creditors.

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.

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



C K Rayment
Joint Liquidator

Christopher Kim Rayment is authorised by the Institute of Chartered Accountants in England and Wales in the UK to act as an Insolvency Practitioner. Details of the authorising bodies of the insolvency appointment takers of BDO LLP are available at www.bdo.co.uk/services/business-restructuring/authorising-bodies-of-insolvency-appointment-takers

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 2015

	ESTIMATED TO REALISE	RECEIPTS AND PAYMENTS TO 11 NOVEMBER 2014	RECEIPTS AND PAYMENTS FROM 12 NOVEMBER 2014 TO 11 NOVEMBER 2015	TOTAL RECEIPTS AND PAYMENTS TO 11 NOVEMBER 2015
	£	£	£	
FLOATING CHARGE REALISATIONS				
Surplus from Administration	234,799 96	234,799 96	-	234,799 96
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
Bank Interest Gross	-	354 62	208 64	563 26
	<u>247,708 83</u>	<u>248,063 45</u>	<u>375 85</u>	<u>248,439 30</u>
COST OF REALISATIONS				
Joint Liquidators Fees	-	-	15,000 00	15,000 00
Statutory Advertising	-	-	127 00	127 00
Specific Bond	-	-	30 00	30 00
Taxi Fares to and from Meetings	-	-	35 00	35 00
Legal Fees	10,712 02	-	800 00	11,512 02
Agents Fees & Disb - Contract Debts	1,000 00	-	-	1,000 00
Insurance of Assets	808 25	-	-	808 25
Photocopying & Postage	579 70	-	256 88	836 58
Press Liaison	233 50	-	-	233 50
Corporation Tax	78 08	-	-	78 08
Mileage and Parking	22 32	-	-	22 32
		<u>(13,433 87)</u>	<u>(16,248 88)</u>	<u>(29,682 75)</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>(44,276 79)</u>
FLOATING CHARGE CREDITORS				
Floating Charge Creditor	75,000 00	(75,000 00)	61,099 68	136,099 68
			<u>(61,099 68)</u>	<u>(136,099 68)</u>
BALANCE		<u>159,629 58</u>	<u>(121,249 50)</u>	<u>38,380 08</u>
BALANCE AS AT 11 NOVEMBER 2015 REPRESENTED BY -				
Floating Charge Monies				33,007 34
Floating Charge VAT Receivable				5,372 74
				<u>38,380 08</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 interest bearing accounts

BDO LLP
Two Snowhill
Birmingham
B4 6GA

C K Rayment
Joint Liquidator
7 January 2016

Pinnacle Heating Services Limited - in Creditors' Voluntary Liquidation

Summary of Time Charged and Rates Applicable for the Period From 8 November 2014 to 6 November 2015

Description	PARTNER		MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		GRAND TOTAL		AVERAGE RATE
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
General Administration	1.00	461.00	6.50	1,570.10	2.75	548.70	21.25	2,271.80	31.50	4,851.60	154.02
Assets Realisation/Dealing	-	-	5.85	1,362.30	-	-	0.20	31.00	6.05	1,393.30	230.30
Employee Matters	-	-	0.20	46.00	-	-	6.10	945.50	6.30	991.50	157.38
Creditor Claims	-	-	11.25	2,601.90	-	-	1.95	302.25	13.20	2,904.15	220.01
Reporting	0.25	115.25	0.80	184.00	-	-	8.15	1,263.25	9.20	1,562.50	169.84
Distribution and Closure	-	-	0.45	95.25	-	-	-	-	0.45	95.25	211.67
Totals	1.25	576.25	25.05	5,859.55	2.75	548.70	37.65	4,813.80	66.70	11,798.30	176.89

Pinnacle Heating Services Limited - in Creditors' Voluntary Liquidation

Summary of Time Charged and Rates Applicable for the Period From 12 November 2012 to 6 November 2015

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	1.50	646.50	11.15	2,546.45	4.30	817.40	44.85	5,791.35	61.80	9,801.70	158.60
Assets Realisation/Dealing	6.50	2,750.50	33.00	7,049.05	-	-	0.20	31.00	39.70	9,830.55	247.62
Employee Matters	-	-	0.40	80.80	-	-	15.10	2,324.25	15.50	2,405.05	155.16
Creditor Claims	-	-	17.85	3,984.10	-	-	2.45	380.25	20.30	4,364.35	214.99
Reporting	0.50	214.00	3.90	857.80	-	-	19.15	2,973.75	23.55	4,045.55	171.79
Distribution and Closure	-	-	0.45	95.25	-	-	-	-	0.45	95.25	211.67
Totals	8.50	3,611.00	67.45	14,754.85	4.65	876.90	86.75	12,280.60	167.35	31,523.35	188.37



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: This in no way implies that staff at all such grades will work on the case

GRADE	£
Partner	484
Director	335
Senior Manager	285-310
Manager	213-242
Executive	119-181
Junior Executive	66-82
Cashier	181-192
Support Staff	66

The rates charged by BDO LLP, Two Snowhill, Birmingham, B4 6GA 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, with the exception of mileage as detailed below.

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