

**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

03424202

Name of Company

Novy Engineering Services Limited

I / ~~We~~

Mehmet Arkin, Maple House, High Street, Potters Bar, Hertfordshire, EN6 5BS

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 31/05/2013 to 30/05/2014

Signed



Date

30/7/14

Arkin & Co
Maple House
High Street
Potters Bar
Hertfordshire
EN6 5BS

Ref M219NO/MA

WEDNESDAY



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COMPANIES HOUSE

Novy Engineering Services Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 31/05/2013 To 30/05/2014	From 31/05/2012 To 30/05/2014
	ASSET REALISATIONS		
2,000 00	Office Furniture & Equipment	NIL	2,000 00
13,000 00	Debtors	NIL	1,808 40
	VAT Refund	1,784 16	2,984 16
16,500 00	Cash at Bank	NIL	17,056 49
		<u>1,784 16</u>	<u>23,849 05</u>
	COST OF REALISATIONS		
	Specific Bond	NIL	120 00
	Office Holders Fees	NIL	7,704 50
	Office Holders Expenses	NIL	121 50
	Secure document destruction	NIL	283 80
	Accountancy Fees	NIL	500 00
	Agents/Valuers Fees (1)	NIL	700 00
	Legal fees (2)	NIL	8 00
	Statutory Advertising	NIL	191 00
	Bank Charges	64 19	122 22
		<u>(64 19)</u>	<u>(9,751 02)</u>
	UNSECURED CREDITORS		
(3,515 00)	Trade & Expense Creditors	NIL	NIL
(2,306 00)	Director's Loan Account	NIL	NIL
(30,777 00)	H M Revenue & Customs - Corporatio	NIL	NIL
(4,378 00)	H M Revenue & Customs - PAYE/NI	NIL	NIL
(6,973 00)	H M Revenue & Customs - VAT	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(200 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(16,649 00)</u>		<u>1,719 97</u>	<u>14,098 03</u>

REPRESENTED BY

Vat Receivable	1,784 16
Bank 1 Current	12,313 87
	<u>14,098.03</u>


 Mehmet Arkin
 Liquidator

Our Ref ma m219no

Your Ref

30 July 2014

TO ALL MEMBERS AND CREDITORS

Dear Sirs

Novy Engineering Services Limited – In Liquidation (“the Company”)

I write further to my appointment as liquidator of the Company on 31 May 2012

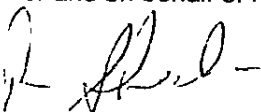
I enclose herewith my second annual progress report on the conduct of the liquidation as required by Rule 4 49C of the Insolvency Rules 1986 (as amended), together with the following documents

- Appendix A – Receipts and payments account,
- Appendix B – Schedule of liquidator's time costs,
- Appendix C – Schedule of liquidator's Category 1 and Category 2 disbursements,
- Appendix D – Liquidator's charging and disbursements policy

If you have any questions, please do not hesitate to contact me

Yours faithfully

For and on behalf of Novy Engineering Services Limited



M Arkin
Liquidator

Enc

Novy Engineering Services Limited

PROGRESS REPORT TO CREDITORS

Pursuant to Rule 4 49C of the Insolvency Rules 1986

FOR

NOVY ENGINEERING SERVICES LIMITED (IN LIQUIDATION)

Period of Report 31 May 2013 to 30 May 2014

Registered Address c/o Arkin & Co
Maple House, High Street
Potters Bar, Herts EN6 5BS

Previous Registered Address 30 City Road
London
EC1Y 2AB

Trading Address 382a Staines Road
Bedfont
Feltham
Middlesex
TW14 8BT

Company Number 03424202

Liquidator M Arkin of Arkin & Co
Maple House, High Street
Potters Bar, Herts EN6

Date of Appointment 31 May 2012

Novy Engineering Services Limited

Initial Review

I last wrote to creditors on 11 June 2013 to provide creditors with an update on the progress of the liquidation

The statement of affairs, which was affirmed by the director on 30 April 2012, detailed the following assets

Assets	Book Value (£)	Estimated to Realise (£)
Office Furnishings & Equipment	3,600	2,000
Cash at Bank	16,500	16,500
Trade Debtors	18,229	13,000

The Company's estimated liabilities were as follows

	£
Preferential Creditors	
Holiday Pay & Arrears of Pay	Uncertain
Unsecured Creditors	
Trade & Expense Creditors (7)	3,515
H M Revenue & Customs – PAYE/NI	4,378
H M Revenue & Customs – Corporation Tax	30,777
H M Revenue & Customs - VAT	6,973
Employee Claims – Redundancy & Statutory Notice Pay	Uncertain
Director's Loan Account	2,306

My initial opinion with regard to the case, based on the information disclosed by the director and on the information contained in the statement of affairs, was that it was likely that there would be sufficient funds available to declare a dividend to unsecured creditors in this matter

Asset Realisations

Office Furnishings & Equipment

These assets were professionally valued by Centaur Chartered Surveyors, Valuers & Auctioneers of Centaur House, 51 Uckfield Road, Enfield, Middlesex EN3 6AS, who estimated that they had an "in situ" value of £2,000. The agent advised that an "ex-situ" sale would have significantly reduced net realisations in view of the costs of removal, storage and marketing. The director was therefore invited to submit an offer for these assets, or to introduce a third party. The assets were subsequently sold by private treaty to the director, Ms J Kornikova, on 11 June 2012 for £2,000 plus VAT. The sale of these assets to Ms J Kornikova represented the most economical method of sale and maximised realisations for the liquidation estate.

The director was advised to seek independent legal advice with regard to the purchase of the Company's assets and with regard to Section 216 of the Insolvency Act 1986, which prohibits an officer of a wound-up company from re-using the same or similar trading name as that of the wound-up company, subject to certain exceptions.

Novy Engineering Services Limited

Cash at Bank

As per the statement of affairs there was Cash at Bank of £16,500. It was noted that this would be subject to accrued bank charges. On 27 June 2012 I received £17,056 from Barclays Bank plc in this regard.

Trade Debtors

As per the statement of affairs as at the date of liquidation there were outstanding book debts totalling £18,229 with an estimated to realise value of £13,000. All supporting documentation was provided to the debtors and, although the director considered the majority of the debts to be due and payable, a large proportion of the debts were disputed. It has been possible to realise only £1,808.40 in this regard. After pursuing these debts for some time I concluded that the cost of recovering the balance would most likely equal or exceed any benefit to the liquidation. The remaining book debts are therefore to be written off and a claim is to be made for VAT bad debt relief, which I estimate should realise in the order of £2,700.

VAT Bad Debt Relief Claim

A review of the Company's records revealed that there was a potential recovery of VAT under the VAT bad debt relief scheme. The claim was formulated and submitted to HM Revenue & Customs ("HMRC"). However, HMRC have requested further information and documentation and I am in the process of collating this.

In the course of my investigations no other assets have come to light.

Administration

I have dealt with all queries from creditors regarding their claims in the liquidation and have corresponded with Crown offices to conclude the affairs of the Company.

I have complied with obligations imposed by statute and my regulatory body, which include but are not limited to, the submission of returns to Companies House, HM Revenue & Customs and specific penalty bonding.

Outcome for Creditors

The following claims have been received from creditors:

Preferential Liabilities	£
The Insolvency Service – Employee claims	2,188.00
Unsecured Liabilities	
The Insolvency Service – Employee claims	20,442.91
Trade Creditors (2)	507.94
HM Revenue & Customs - VAT	7,860
HM Revenue & Customs – Corporation Tax	23,086.13
HM Revenue & Customs – PAYE/NI	10,247.81
Director's Loan Account	2,306
Total	64,450.79

Section 176A of the Insolvency Act 1986 requires the liquidator to set aside a prescribed part of the Company's 'net property' towards the satisfaction of the unsecured debts where a floating

Novy Engineering Services Limited

charge, created on or after 15 September 2003, relates to property of a company that has gone into liquidation. However, this shall not apply if the company's net property is less than the prescribed minimum of £10,000 and the liquidator thinks that the cost of making the distribution to unsecured creditors would be disproportionate to the benefits.

There were no charges registered against the Company and therefore the provisions of section 176A are not applicable in this instance.

Once all tax matters have been finalised I propose taking steps to make a distribution to creditors in the liquidation. I would therefore urge those creditors who have not yet submitted a claim to do so. In this regard I enclose a further proof of debt form.

Receipts and Payments

An abstract account of the liquidator's receipts and payments has been enclosed at Appendix A. The entries on the receipts and payments account are self-explanatory but should any creditor require further clarification in this regard, please do not hesitate to contact me.

Basis of Liquidator's Remuneration

The liquidator is entitled to receive remuneration for his services and as such, a resolution was tabled at the meeting of creditors held on 31 May 2012 that the liquidator's remuneration be fixed by reference to the time properly given by the insolvency practitioner (as liquidator) and his staff in attending to matters arising in the winding-up. This resolution was approved and the basis of the liquidator's remuneration was therefore fixed as such.

A Creditors' Guide to Liquidators' Fees, which provides information for creditors in relation to the remuneration of a liquidator, can be accessed at the website of the Association of Business Recovery Professionals at www.r3.org.uk > Publications > Statements of Insolvency Practice > Statement of Insolvency Practice 9 – Remuneration of Insolvency Office Holders [England & Wales]. Alternatively, I can provide you with a copy on written request to my office.

Summary of Liquidator's Time Costs

My time costs to 30 May 2014, being the latest practicable date prior to this report, are evaluated at £11,094.50 representing 50.6 hours at an average charge out rate of £219.25. Time costs incurred in this period are £2,868.50 representing 14.6 hours at an average charge out rate of £196.47. To date I have drawn fees totalling £7,704.50 against my time costs.

A breakdown of how my time costs have been derived and my firm's charge out rates applicable to the work undertaken has been set out in Appendix B attached to this report. This schedule has been prepared in accordance with the Statement of Insolvency Practice 9 issued by the Association of Business Recovery Professionals.

You will note from the schedule that my time costs have been allocated to general categories of work undertaken, which have been derived from the responsibilities placed upon me by the underlying legal and regulatory framework for work of this nature in general and the actual matters with which I have been dealing as set out in this report.

Any secured creditor, or unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or with the permission of the court, may, within 21 days of receipt of this report, request in writing to the liquidator further information about his

Novy Engineering Services Limited

remuneration or expenses as set out in this report. The liquidator will then reply to the request for further information within 14 days of receipt of that request.

If any secured creditor, or any unsecured creditor, with the concurrence of at least 10% in value of creditors (including that creditor), is (after the liquidator's clarification) still dissatisfied with the level of the liquidator's remuneration and expenses on the basis that it is excessive relative to the work undertaken, that creditor may make an application to the court to vary the basis or the amount of the liquidator's remuneration and expenses.

Liquidator's Disbursements

With regard to disbursements, specific expenditure relating to the administration of an insolvent estate and payable to an independent third party are recoverable without creditor approval. Such expenditure is made if funds are available from the insolvent estate. If funds are not available, then payment is made from this firm's account, and reimbursed from the estate should funds become available.

Payments made in respect of the above are defined as 'Category 1 Disbursements' and generally comprise statutory advertising, legal fees, agents fees, specific penalty bonding, Insolvency Service cheque fees, bank charges, Secretary of State fees, accountancy fees and debt collection charges.

Expenditure incidental to the administration of the insolvent estate, which by its nature includes an element of shared or allocated cost, are recoverable with creditor approval. Such payments are defined as 'Category 2 Disbursements'.

A schedule of Category 1 and Category 2 disbursements incurred to date has been set out in Appendix C.

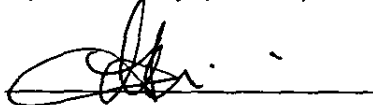
The liquidator's charging and Disbursements Policy is detailed in Appendix D.

Investigations

Following my appointment, a review was undertaken of events leading up to the liquidation of the Company and the available books and records were examined. Creditors were invited to bring to my attention any matters that were of concern to them.

Following an examination of the Company's affairs and the conduct of its directors, the appropriate report was submitted to the Secretary of State under the Company Directors Disqualification Act 1986. This report must remain confidential.

If you have any queries, please do not hesitate to contact me.




Mehmet Arkin - Liquidator
Arkin & Co
Maple House, High Street
Potters Bar, Herts EN6 5BS

Tel. 01707 828 683
Fax 01707 828 022
Email mehmet@arkinco.com

Novy Engineering Services Limited
(In Liquidation)

Summary of Receipts & Payments

Statement of Affairs (£)	RECEIPTS	From 31/05/2012 To 30/05/2013 (£)	From 31/07/2013 To 30/05/2014 (£)	Total (£)
2,000	Office Furniture & Equipment	2,000 00	0 00	2,000 00
13,000	Debtors	1,808 40	0 00	1,808 40
	VAT Refund	1,200 00	1784 16	2,984 16
16,500	Cash at Bank	17,056 49	0 00	17,056 49
		<u>22,064.89</u>	<u>1,784.16</u>	<u>23,849 05</u>
	PAYMENTS			
	Specific Bond	120 00	0 00	120 00
	Office Holders Fees	7,704 50	0 00	7,704 50
	Office Holders Expenses	121 50	0 00	121 50
	Secure document destruction	283 80	0 00	283 80
	Accountancy Fees	500 00	0 00	500 00
	Agents/Valuers Fees (1)	700 00	0 00	700 00
	Legal fees (2)	8 00	0 00	8 00
	Statutory Advertising	191 00	0 00	191 00
	Bank Charges	58 03	64 19	122 22
(3,515)	Trade & Expense Creditors	0 00	0 00	0 00
	Employee Claims - Redundancy & Statul	0 00	0 00	0 00
(2,306)	Director's Loan Account	0 00	0 00	0 00
(30,777)	H M Revenue & Customs - Corporatio Tz	0 00	0 00	0 00
(4,378)	H M Revenue & Customs - PAYE/NI	0 00	0 00	0 00
(6,973)	H M Revenue & Customs - VAT	0 00	0 00	0 00
(200)	Ordinary Shareholders	0 00	0 00	0 00
		<u>9,686 83</u>	<u>64 19</u>	<u>9,751 02</u>
	Net Receipts/(Payments)	<u>12,378 06</u>	<u>1719 97</u>	<u>14,098 03</u>
	MADE UP AS FOLLOWS			
	Bank 1 Current	12,368 06	(54 19)	12,313 87
	VAT Receivable / (Payable)	1,784 16	0 00	1,784 16
		<u>14,152.22</u>	<u>(54.19)</u>	<u>14,098 03</u>


Mehmet Arkin
Liquidator

Appendix B

Period from 1 May 2012 to 30 May 2014								
Categories	HOURS					Total	Time Cost (£)	Average Hourly Rate (£)
	Partner	Manager	Other Senior Professionals	Assistants and Support Staff				
Administration & Planning	2 60	9 90				12 50	2 682 50	214 60
Investigations	0 80	6 20				7 00	1 403 00	200 43
Asset Realisation	5 60	9 20				14 80	3,505 00	236 82
Legal								
Creditors	3 50	12 80				16 30	3 503 50	214 94
Case Specific Matters								
Total Hours	12 50	38 10	0 00	0 00		50 60	11,094 00	219 25
Charge-out Rates								
From 1 April 2014	385 00	190 00	150 00	100 00				
From 1 April 2013	325 00	190 00	150 00	100 00				
From 1 April 2012	320 00	185 00	150 00	100 00				
As at 1 October 2011	320 00	150 00	150 00	50 00				
Standard Activity	Activity Examples							
Administration & Planning	Case Planning Administrative set-up Appointment notification Maintenance of records Statutory Reporting							
Investigations	Review of Books and Records Reports under Company Directors Disqualifications Act 1986 Investigation of antecedent transactions							
Realisation of Assets	Identifying, securing, insuring assets Retention of Title Debt collection Property, business and asset sales							
Legal	Solicitors' advice Legal Action Court applications							
Creditors	Communication with creditors Creditors' claims							

NOVY ENGINEERING SERVICES LIMITED**Schedule of Category 1 and Category 2 Disbursements****Category 1 Disbursements as at 30 May 2014**

Disbursement	£
Security Bond Premium – Locktons	120 00
Statutory Advertisements – London Gazette	191 00
Accountancy Fees – Arram Berlyn Gardner	500 00
Agents/Valuers Fees - Centaur	700 00
Land Registry search	8 00
Secure document destruction – New Leaf Recycling Limited	283 80
TOTAL £	1802.80

Category 2 Disbursements as at 30 May 2014

Disbursement	£
Overhead Cost – printing, postage, stationery, telephone and fax - (£6 75 X 13 as per charging policy)	263 25
TOTAL £	263.25

ARKIN & CO
CHARGING AND DISBURSEMENTS POLICY

Time Costs

This firm's hourly charge-out rates are revised annually from 1 April. The rates currently in use are as follows:

From 1 April 2014

	£
Partners/Principal	385
Manager	190
Administrator/Secretarial Support	100

Prior to 1 April 2014

	£
Partners/Principal	325
Manager	190
Administrator/Secretarial Support	100

Disbursements

A disbursement charge relating to the recovery of overhead costs is levied at the rate of £6.75 per creditor (previously £5.00 per creditor). This sum is drawn at the outset of the case and on each anniversary thereafter and covers printing, postage, stationery, telephone and fax usage.

Outsourced printing and/or photocopying will be charged at cost in addition to the above.

Traveling expenses are charged at the rate of 45p per mile.