

**2.17B**

The Insolvency Act 1986

**Statement of administrator's proposals**

Name of Company
AAA AA All Birmingham Maintenance Limited

Company number
03715579

In the Birmingham District Registry (full name of court)
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Court case number 2178 of 2005
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(a) Insert full  
name(s) and  
address(es) of  
administrator(s)

I  
Barry J Ward  
Ward & Co  
Bank House  
Shaw Street  
Worcester  
WR1 3DT

attach a copy of my proposals in respect of the administration of the above company.

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

20 April 2005

Signed

  
Administrator

Dated

21/04/05

**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 researchers of the public record

Barry J Ward  
Ward & Co  
Bank House  
Shaw Street  
Worcester  
WR1 3DT

DX Number 716282

01905 25000

DX Exchange Worcester

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**



A39  
COMPANIES HOUSE

\*A00HM4NS\*

0205  
22/04/05

**PRIVATE & CONFIDENTIAL  
TO THE REGISTRAR OF COMPANIES  
THE CREDITORS OF THE COMPANY AND  
THE MEMBERS OF THE COMPANY**

Our Ref: BJW/AWS/RMW/A001205

Date: 18 April 2005

Dear Sirs

**AAA AA All Birmingham Maintenance Limited - In Administration  
Birmingham District Registry No 2178 of 2005**

**REPORT ON ADMINISTRATOR'S PROPOSALS PURSUANT TO THE  
PROVISIONS OF SCHEDULE B1, PARAGRAPH 49 OF THE INSOLVENCY  
ACT 1986**

**1. INTRODUCTION**

- 1.1 I was appointed Administrator of AAA AA All Birmingham Maintenance Limited (the company) by the sole director on 23 February 2005. The appropriate forms (2.10B and 2.2B) were filed at the Birmingham District Registry on 23 February 2005 in accordance with paragraph 22 of Schedule B1, Insolvency Act 1986.
- 1.2 No notice has been served as there are no debentures or charges held over the company's assets.
- 1.3 In accordance with Rule 2.48, Insolvency Rules 1986, I enclose form 2.25B, which details a number of resolutions that I wish to put before the creditors. A creditors' meeting has been convened for Wednesday 4 May 2005 at 2:00 p.m.; the appropriate proxy and proof of debt forms are attached herewith.

**2. HISTORY AND EVENTS LEADING TO THE APPOINTMENT**

- 2.1 The company was incorporated on 18 February 1999 under registered number 3715579. It commenced trading forthwith.
- 2.2 Prior to the change to my firm's offices, the registered office of the company was 2<sup>nd</sup> Floor, Bradfield House, Popes Lane, Oldbury, West Midlands B69 4PA, the office of the company's holding company.
- 2.3 The sole director of the company is David Worrall ("the director") and the company secretary is Craig Joseph Wooldridge. Steven Robert Jordan who

was a director of the company from incorporation resigned in March 2004.

- 2.3 The nominal share capital of the company is £100, divided into 100 £1 ordinary shares. These shares have been issued in their entirety and are fully paid up and held by the holding company, Locks and Leaks Limited.
- 2.4 The company is part of a group comprising four companies, which provided an emergency response plumbing, heating and ancillary maintenance service to the general public in the midlands, north-west and north-east of England.
- 2.5 The group comprised a holding company, Locks and Leaks Limited, which acted as a de facto head office and administrative centre and three 100% owned subsidiary trading companies, one for each of the trading areas. Each company had its own bank account and separate payrolls were operated. A management charge was levied to each of the trading companies. The relationship between the group companies was incestuous and costs were borne by one company on another's behalf, depending on which had funds available in its bank account at any one time. As a consequence a number of inter-company debts exist between the various group companies.
- 2.6 Each company had the same director and company secretary and each group company originally issued 100 £1 ordinary shares, which were fully paid as follows:

David Worrall	51
Stephen Jordan	<u>49</u>
	100

In October 2004, the group was re-structured, and the holding company acquired 100% of the subsidiary companies' shareholding.

- 2.7 The trading areas covered by the subsidiary companies were as follows:

AAA AA All Birmingham Maintenance Limited – Midlands, including Birmingham, Coventry and Wolverhampton.

AAA AA All Areas Maintenance Limited – North West, including Manchester, Liverpool, Chester and North Wales.

AAA AA Asterick Maintenance Limited – North East, including Newcastle, Middlesbrough and Sunderland.

- 2.8 The group obtained its business from extensive advertising campaigns in local commercial telephone directories, such as Yellow Pages and Thompson, which provided numerous 'local' telephone numbers for potential customers to call. In order to minimise overheads and avoid duplication of costs, the directors decided that all of the telephone calls emanating from the advertisements should be answered in one administrative centre by a dedicated team. The business was so arranged that, once a particular telephone call was

received, it was allocated to an appropriate operative in the relevant region and was coordinated centrally from 'head office'.

- 2.9 The trading companies used a mixture of PAYE employees and subcontractors in the approximate ratio of 60:40. These operatives were responsible for carrying out the required work and providing any materials required, for which they would be subsequently reimbursed. The operative would issue an invoice on behalf of the company and would then be responsible for collecting payment, usually by cash or cheque. The company budgeted on a mark-up of 60% on PAYE employee and 50% on subcontractors, although hourly rates were based upon the prevailing market conditions and so were frequently varied. In common with rival businesses, no charge rates are advertised.
- 2.10 The directors deliberately made no attempt to develop a brand name, as aside from the costs involved in doing so, it would have prevented the company from running a number of similar advertisements in the same edition of any particular directory.
- 2.11 The company expanded rapidly and without any significant capitalisation. Other than the shareholdings themselves, the two shareholders did not invest in the group companies and there was no bank facility. Accordingly in its formative years, the group relied upon the support of its creditors and was only able to continue to trade and develop the business due to unauthorised extended credit terms.
- 2.12 As a consequence of the rapid expansion of the group and its lack of capitalisation, the company encountered cash flow problems and was forced to enter into repayment schedules with certain creditors to enable trading to continue. *In an attempt to further alleviate the problems, in mid to late 2003 the directors instigated a number of measures to reduce costs across the group. These included a significant reduction in advertising spending and redundancies of which the most significant was that of Stephen Jordan, the co-founding director. Mr Jordan also subsequently resigned as director in March 2004.*
- 2.13 The re-scheduling of debts coupled with the additional administrative savings meant that the group was able to continue trading without capital investment or other funding, such as bank borrowing. The advertisements once placed *could not be removed and the group was able to reap the benefits of this notwithstanding the fact that they had not been paid for*
- 2.14 Throughout the group's trading history, the directors had sought to establish the optimum ratio of advertising spending to revenue generated, as it became evident to them that the two were not directly correlated. The director believes that in its formative years, the group spent significantly more on advertising than was necessary to achieve a particular level of turnover. This was borne out by the discovery in 2003 that the substantial cuts in advertising spending had resulted in a corresponding reduction in turnover, even after allowing for advertisements already placed.

- 2.15 The director believes that the group's business has suffered increasingly from the development of the emergency insurance market by banks, building societies and supermarkets. Essentially in return for a monthly premium, an insured party is covered for emergency plumbing or heating incidents and is given a help-line to call in the event of such an emergency. When the insured party calls this help-line, they are allocated from a panel, a local plumber or heating engineer to carry out the work, who, as a condition of this service, is obliged to be able to attend the insured's premises within one hour. This represents direct competition in the company's market place and has had a detrimental effect on the development of the business.
- 2.16 As part of the re-structuring agreements, the company had agreed with its principal creditor that repayments would be greater in the winter as this was the busiest time of year for the company and hence when it was most 'cash-rich'. The beginning of the winter of 2004 was unseasonably mild and consequently the company did not enjoy its usual increase in trade. This in turn meant that it was unable to maintain the agreed payment schedule.
- 2.17 The director realised in November 2004 that the company could not continue to trade and that it was insolvent in that it could not meet its liabilities as and when they fell due. Accordingly, the director consulted Ward & Co, Chartered Accountants and Licensed Insolvency Practitioners for advice in relation to the company's affairs. After due consideration, it was concluded that the holding company should enter Administration as this represented the best way of preserving the business and thus a better return to creditors than if the group was placed into Liquidation.
- 2.18 It was decided that although the holding company would enter Administration, until such time as a purchaser was found for the group, the three trading companies would not. There were two principal reasons for this. Firstly, had the three trading companies entered administration, it is a statutory requirement that relevant company documents must disclose the fact. Given the nature of the business and the amount of documentation necessarily issued, coupled with the fact that its operatives are spread across a large area, this would have engendered severe logistical and administrative difficulties and incurred significant expense. Secondly, it was considered that the company's sub-contractors would have responded badly to administration, with a strong likelihood that most would have left forthwith, fearing they were unlikely to get paid. The company has very little by way of tangible assets and this could potentially have had a devastating and immediate effect on the value of the business and hence on dividend prospects to creditors.
- 2.19 The three subsidiary companies continued to trade during the period 24 November 2004, the date when the holding company entered administration, to 23 February 2005 when the subsidiaries entered administration and the business was sold. During this period, the subsidiary companies were under the control of the director, David Worrall, although I provided advice on an ad hoc basis from time to time. In particular, I advised Mr Worrall that he should not pay any creditors existing as at 24 November 2004, other than those that were required for the ongoing trading of the company, such as lease payments

on vehicles, or relating to employees. For the period concerned, in order to maintain the workforce, employees' costs were paid in the normal way.

- 2.20 The three trading companies entered administration on 23 February 2005.

### **3. THE OBJECTIVE OF THE ADMINISTRATION**

- 3.1 Since my appointment I have endeavoured to achieve the sole purpose of my administration as defined in paragraph 11 of Schedule B1 of the Insolvency Act 1986 by performing my functions with a purpose of achieving one of the objectives of paragraph 3, Schedule B1 of the Insolvency Act 1986, namely: -

- A) Rescuing the company as a going concern or
- B) Achieving a better result for the company's creditors than would be likely to be achieved 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.

- 3.2 I did not consider that Objective A was achievable given the historic debt of the company as I considered it unlikely that an interested party would be found willing to take over this debt. I consider that Objective B is achievable for the following reasons detailed below and I also provide my reasons as to why I believe that Administration is more advantageous than any other formal insolvency procedure.

- 3.3 Prior to my appointment as Administrator, I considered the option of the company entering into a Company Voluntary Arrangement (a 'CVA'), rather than Administration. However after due consideration I did not consider that it was appropriate in this instance.

- 3.4 I do not believe that objective C is relevant in this instance.

### **4. STATEMENT OF AFFAIRS**

- 4.1 An estimated Statement of Affairs as at 23 February 2005 is attached to this report as Appendix 2. It has been prepared from information provided by the director and the accounting records insofar as they were available.

- 4.2 The book values included in the accounts represents estimates by the director based upon the company's accounting records.

- 4.3 A list of creditors of the company is attached to the Estimated Statement of Affairs. The Administrator can be responsible under the amended provisions of the Insolvency Act 1986 for dealing with the claims of unsecured creditors. It is hoped that creditors will complete the attached proof of debt form if they have not already done so and these will be used either by the Administrator or passed to any subsequently appointed Liquidator in due course.

- 4.4 For the purposes of the statement of affairs, the value of the sale of the business has been apportioned between the group companies in proportion to their turnover. I am taking professional advice from my accountants and solicitors as to whether this apportionment should be altered. I have also instructed accountants to establish the correct inter-company account balances as I am uncertain whether the company records are sufficiently reliable. It is clear from my examinations of the records that many of the creditors are common across the group and payments were often made or costs incurred by one company on behalf of another. This may be a matter requiring sanction by the Court.

## 5. STATUTORY INFORMATION

- 5.1 The statutory information relating to the company is attached to this report as Appendix 1.
- 5.2 The EC Regulation on insolvency proceedings applies to the Administration of a company and these proceedings are the main proceedings as defined in article 3 of the EC Regulation. A copy of this is attached as Appendix 3.

## 6. FINANCIAL INFORMATION

- 6.1 A summary of the company's financial statements for the year ended 31 March 2002, 2003 and 2004 is attached as Appendix 4. These are the most recent accounts available to the company, although it should be noted that only the 2002 Accounts have been audited or independently prepared.

The company is insolvent within the meaning of Section 123(1)(e) of the Insolvency Act 1986 in that it is unable to pay its debts as and when they fall due and Section 123(2) of the Act in that the value of the company assets is less than the amount of its liabilities as detailed on the estimated statement of affairs as at 24 November 2004.

## 7. EVENTS OCCURRING AFTER APPOINTMENT

- 7.1 In view of the fact that the advertising costs had already been incurred, and certain liabilities did not actually fall due in the trading period 25 November 2004 to 23 February 2005, the trading companies were able to generate a cash surplus. The balances held in the various companies' accounts were transferred to a Trust account held by my solicitors and are summarised as follows:

	£/p
AAA AA All Birmingham Maintenance Ltd	35,361.56
AAA AA All Areas Maintenance Ltd	37,019.63
AAA AA Asterick Maintenance Ltd	<u>2,046.56</u>
	74,427.75

- 7.2 As indicated above, although day to day running costs of the trading period 25 November 2004 to 23 February 2005 were paid as and well they fell due as an expense of trading, there remain, however, some liabilities that, although relating to the period concerned, did not fall due for payment within that period. I have instructed solicitors to make application to Court for directions as to whether these moneys should be treated as being held in trust for the benefit of the creditors incurred during the trading period, or whether the moneys should fall into the estate for the benefit of creditors generally; i.e. including the historic creditors.

### **7.3 Sale of the business**

- 7.3.1 Prior to my appointment as Administrator I had arranged for the tangible assets to be formally valued by SHM Stevens Champion and for the intangible assets to be valued by PKF, Chartered Accountants. I advertised the business as a group in the geographical areas in which the company traded. I received seven written expressions of interest and each party was sent a sales pack, once a signed confidentiality agreement had been received and provided with any further information they requested.
- 7.3.2 I received one offer, which was for the assets and business of the whole group, from Artcross Maintenance Services Ltd. Although not formally appointed as a director, or shareholder, I understand that the former director, David Worrall is an employee of that company. Following extensive and detailed negotiation, a sale agreement was reached and the business sold on 23 February 2005, immediately following the companies entering administration. A detailed analysis of this offer is attached as Appendix 5
- 7.3.3 As will be seen from the detailed analysis, the sales agreement incorporated a transfer of undertakings of employee rights and hence improved dividend prospects for creditors by avoiding further employee claims in these proceedings. In addition, the purchaser took over certain sub-contractors, payments and trade creditor liabilities.

### **Investments**

- 7.8 This relates to investments held in the trading companies.

### **Estimated Outcome Statement**

- 7.9 An estimated outcome statement has been prepared as at 23 February 2005. This shows a comparison of the estimated outcome to creditors in both Liquidation and Administration.

### **Antecedent transactions**

- 7.10 Since my appointment I have not become aware of any transactions that warrant further investigation in accordance with my statutory powers and duties.



## **8. ADMINISTRATOR'S REMUNERATION**

- 8.1 The basis for fixing the Administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986. This is further detailed in the Creditors Guide to Administration Fees, which is attached as Appendix 7 to this report. In addition I also attach as Appendix 8, a breakdown of the time properly spent by my staff, and myself as Administrator, which, at the time of writing, is in accordance with the statement of Insolvency Practice 9.

## **9. ADMINISTRATOR'S PROPOSALS**

- 9.1 The Administrator's proposals in accordance with Schedule B1 paragraph 49 of the Insolvency Act 1986 are as follows: -

1. That the sale of the tangible and intangible assets of the company's business in conjunction with that of its associate and holding company to Artcross Maintenance Services Limited is approved.
2. The Administrator be authorised to verify the claims of creditors and as necessary, make funds available to creditors, if sufficient funds are available, under Rule 2.95, Insolvency Rules 1986.
3. That the Administrator be authorised to investigate the company's affairs prior to administration to establish if there are any actions that he considers to be appropriate and which are within his statutory powers and which are likely to benefit the creditors of the company. To this end, the Administrator will exercise his statutory powers under Schedule 1 to the Insolvency Act 1986 to, inter alia, appoint solicitors and accountants to assist him in this regard as he sees fit.
4. That the Administrator be authorised to remain in office in order to complete the distribution to creditors over and above the initial twelve month period, if necessary. This would mean that no additional exit procedure is required. In such circumstances, it is proposed that the Administrator would make his application for discharge after distribution has taken place.
5. That the Administrator's remuneration shall be fixed by reference to the time properly spent by the Administrator and his staff in respect of the Administration and the matters arising therein and may be taken on account. This will include time costs incurred prior to the Administrator's appointment.
6. The Administrator's disbursements, defined as Category 2 Disbursements by Statement of Insolvency Practice 9 as detailed on Appendix 7 to this report, shall be paid in accordance with the standard tariff of Ward & Co.
7. That should the creditors so wish, they may vote for a Committee of Creditors in accordance with Schedule B1, paragraph 57 of the Insolvency Act 1986.

I enclose form 2.25B, which enables creditors to indicate their vote in respect of the Administrator's proposals.

In order to vote you must submit details of your claim in writing to the office. You may have already submitted a proof of debt form to this office at the commencement of Administration in which case you may refer to this in writing when you return a completed form of proxy.

- 10.3 You may only vote if you complete form 2.25B plus details of your claim before 12 noon on 3 May 2005.

Yours faithfully

A handwritten signature in black ink, appearing to be 'B J Ward', written in a cursive style.

B J Ward  
Administrator

**B J Ward acts as agent for and on behalf of the company without any personal liability.**

## **APPENDICES**

1. Statutory Information
2. Statement of Affairs and Notes
3. EC Regulations
4. Summary of Recent Results
5. Schedule of the Sale of the Business
6. Estimated Outcome Statement and Notes
7. Time Costs Summary

**APPENDIX 1****AAA AA ALL BIRMINGHAM MAINTENANCE LIMITED****STATUTORY INFORMATION****COMPANY NUMBER:** 03715579**DATE OF INCORPORATION:** 18 February 1999**PRINCIPAL ACTIVITIES:** Plumbing Services**REGISTERED OFFICE: -** 2<sup>nd</sup> Floor, Bradfield House  
Popes Lane  
Oldbury  
West Midlands  
B69 4PA**SHARE CAPITAL:** The Company has authorised share capital of 100 ordinary £1 share which have been allotted, called up and fully paid up as follows:-

£

Locks &amp; Leaks Limited 100

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100**COMPANY OFFICERS:****Directors:** **Appointed** **Resigned**

S R Jordan 15/05/1999 31/03/2004

D Worrall 01/03/1999 -

**Secretaries:** **Appointed** **Resigned**

F Thompson 01/03/1999 14/05/1999

S R Jordan 15/05/1999 31/03/2004

C J Wooldridge 31/03/2004 -

**DEBENTURES & CHARGES:** The Company has not granted any debentures, nor are there any charges outstanding.

## Insolvency Act 1986

AAA AA All Birmingham Maintenance  
Estimated Statement Of Affairs as at 23 February 2005

	Book Value £	Estimated to Realise £	£
<b>ASSETS</b>			
Current Account	35,361.56		35,361.56
Office Equipment	1,572.90		100.00
Inter Co. Debt - All Areas	47,447.01		NIL
Inter Co. Debt - Locks & Leaks	63,041.63		NIL
Goodwill	NIL		1.00
			<u>35,462.56</u>
<b>PREFERENTIAL CREDITORS:-</b>			
DE Arrears & Holiday Pay		560.00	
Employee Arrears & Hol Pay		432.00	
			<u>992.00</u>
			34,470.56
Estimated prescribed part of net property where applicable (to carry forward)			<u>NIL</u>
			34,470.56
<b>DEBTS SECURED BY FLOATING CHARGE</b>			
			<u>NIL</u>
			34,470.56
Estimated prescribed part of net property where applicable (brought down)			<u>NIL</u>
			34,470.56
<b>UNSECURED NON-PREFERENTIAL CLAIMS</b>			
Trade & Expense Creditors		83,368.90	
Employees		360.00	
Department of Employment		4,340.00	
Inland Revenue		13,057.04	
HM Customs & Excise		25,107.00	
Inter Co. Debt - Asterick		61,771.56	
Estimated deficiency after floating charge where applicable (brought down)		NIL	
			<u>188,004.50</u>
			(153,533.94)
<b>Issued and called up capital</b>			
Ordinary Shareholders		100.00	
			<u>100.00</u>
<b>TOTAL SURPLUS/(DEFICIENCY)</b>			<u>(153,633.94)</u>



		£
CB00	Broomfield Limited	135.13
CB01	BSS PTS	8,978.66
CB02	British Telecom	2,387.52
CC00	Cooke Rudling & Company	740.82
CC01	Cable Direct Limited	2,169.42
CC02	Capita Insurance Services	105.76
CD00	Doorfit Products Limited	436.88
CD01	DTS Communications Limited	171.55
CE00	Express Fixings	362.39
CH00	HM Customs & Excise	1,195.57
CH01	HM Customs & Excise	25,107.00
CH02	HSS Lift & Shift	99.94
CI00	Inland Revenue	13,057.04
CI02	Isodirect Limited	270.26
CI03	Inland Revenue	36.71
CM00	Midland News Association	109.35
CN00	Newstead Properties Investment Limited	735.58
CN01	Norcom UK Limited	5.38
CO00	O2 Communications Limited	282.02
CP00	Plumbase	3,415.74
CP01	Plumb Trade Supplies	6,262.43
CP02	Plumbase Limited	3,415.74
CR00	Rees Page Solicitors	109.35
CR01	Raymond Gibbins	13,102.00
CS00	Streamline	180.87
CT00	Thompson Directory Limited	38,659.83

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26 Entries Totalling 121,532.94

**AAA AA ALL BIRMINGHAM MAINTENANCE LIMITED**

**NOTES TO THE ESTIMATED STATEMENT OF AFFAIRS**

1. The inter-company debts are independent as between the various group companies and it is uncertain what realisations and payments will be made.
2. Goodwill has been attributed a nominal value for the purpose of the statement of the statement of affairs.
3. The creditors' claims will be subject to the agreement of the Administrator in due course.
4. The Estimated statement of Affairs does not take account of the cost of the proceedings.

### APPENDIX 3

#### AAA AA ALL BIRMINGHAM MAINTENANCE LIMITED

1. Article 1 Paragraph 1 of the EC Regulation provides that the Regulation shall apply to insolvency proceeding, which entail the partial or total divestment of a debtor and the appointment of a liquidator.
  - (a) Annex A to the EC Regulation provides that insolvency proceedings include Administration.
  - (b) Annex C to the EC Regulation provides that the definition of liquidators referred to in Article 2 (b) includes, in respect of the United Kingdom Court appointment, Administrators as envisaged by the Application herein.
2. Paragraph 12 of the preamble to the EC Regulation provides as follows:
  - (a) "This Regulation enables the main insolvency proceedings to be opened in the member state where the debtor has the centre of his main interest. These proceedings have universal scope and aim at encompassing all the debtor's proceedings to be opened to run in parallel with the main proceedings. Secondary proceedings may be opened in the member state where the debtor has an establishment. The effects of secondary proceedings are limited to the assets located in the state....".
  - (b) Article 3 of the EC Regulation provides as follows:
    - (i) "The Courts of the member state within the territory of which the centre of the debtor's main interest is situated shall have jurisdiction to open insolvency proceedings. In the case of a company or legal person, the place of its registered office shall be presumed to be the centre of its main interests in the absence of proof to the contrary"

Accordingly, it is my belief that the centre of AAA AA All Birmingham Maintenance Limited's main interests is located in the United Kingdom and specifically within the jurisdiction of this Court.



## APPENDIX 4

## AAA AA ALL BIRMINGHAM MAINTENANCE LIMITED

Profit and Loss Account for the  
periods years ended 31 March

	2004 £	2003 £	2002 £
<b>TURNOVER</b>	908,309	968,362	857,290
Cost of Sales	(739,347)	(738,390)	(499,967)
	<u>168,962</u>	<u>299,972</u>	
<b>GROSS PROFIT</b>			357,323
Administrative Expenses	(283,850)	(299,072)	(368,417)
<b>OPERATING PROFIT/(LOSS)</b>	<u>(114,888)</u>	<u>(69,100)</u>	<u>(11,094)</u>
Interest Receivable and Similar Income	-	-	1
Interest Payable	-	-	(1,238)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u>(114,888)</u>	<u>(69,100)</u>	<u>(12,331)</u>
Tax on Profit/(Loss) on Ordinary Activities	-	-	1,653
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>	<u>(114,888)</u>	<u>(69,100)</u>	<u>(10,678)</u>
Retained Profit/(Loss) brought forward	(74,452)	(5,352)	5,326
<b>RETAINED PROFIT/(LOSS) CARRIED FORWARD</b>	<u><u>(189,340)</u></u>	<u><u>(74,452)</u></u>	<u><u>(5,352)</u></u>

## ADDITIONAL INFORMATION:

	2004	2003	2002
Shareholder's Funds	100	100	100
Dividends Paid	None	None	-
Date of Auditor's Report	N/A	N/A	30/05/2003

**APPENDIX 5**

**LOCKS AND LEAKS GROUP LIMITED**

**SALES CONSIDERATION**

Cash Consideration		33,800
Direct Employees and Subcontractors payments (including materials)	34,560	
Salaried staff	4,630	
Contingent Payments		
Redundancy & Pay in lieu	<u>33,651</u>	72,841
Telephone providers		1,570
TOTAL CONSIDERATION		<u>108,211</u>

## AAA AA BIRMINGHAM MAINTENANCE LIMITED

ESTIMATED OUTCOME STATEMENT  
AS AT 23 FEBRUARY 2005

	Liquidation		Administration	
	£	£	£	£
<b><u>ASSETS</u></b>				
Cash at Bank	1,167		35,366	
Office Equipment	100		100	
Inter – Co debts	Uncertain		Uncertain	
Goodwill – Cash consideration	<u>Nil</u>		<u>6,650</u>	
		1,267		42,116
Less: Costs of realisation				
Agents fees	500			
Liquidator's fees	5,000			
Administrator's fees			5,000	
Accountant's fees			1,750	
Legal fees	<u>1,000</u>		<u>3,000</u>	
		(6,500)		(9,750)
Available for Preferential Creditors		(5,233)		32,366
Preferential Creditors		992		Nil
Available for ordinary creditors		Nil		32,366
Ordinary Creditors		<u>168,361</u>		<u>183,304</u>
Deficiency to Ordinary Creditors		(174,586)		(150,938)
Estimated Dividend to Ordinary Creditors		Nil		17.7p in the £

**AAA AA BIRMINGHAM MAINTENANCE LIMITED**

**NOTES TO THE ESTIMATED OUTCOME STATEMENT**

1. For the purposes of the estimated outcome statement, the cash consideration in respect of the sale of the group has been apportioned between the group based upon turnover, with £20,000 allocated to the holding company. It will be the Administrator's duty in due course to take the appropriate professional advice to ensure this apportionment is appropriate.
2. All employee claims have been assumed by the purchaser in accordance with the TUPE regulations.
3. The cash at bank represents the cash surplus achieved over the period 25 November 2004 and 23 February 2005. The company's holding company entered administration on 24 November 2004. Had the holding company been placed into liquidation on that date, it is almost certain that the trading companies would also have done so on that date and hence no such surplus would have been achieved.
4. 'Ordinary creditors' have been adjusted to represent the position as at 24 November 2004 and 23 February 2005; i.e. to incorporate additional creditors incurred during the period 25 November 2004 and 23 February 2005. The figure used in the case of administration excludes employee costs.

# AAA All Birmingham Maintenance PRE

## SIP 9 - Time and Cost Summary

Period from 01 Nov 2004 to 23 Feb 2005

### Time Summary

Classification of work function	Hours					Time Cost £	Average hourly rate £
	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration and planning	4.50	0.00	2.50	0.00	7.00	1,222.50	174.64
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Case specific matters (Specify)	0.00	1.00	9.60	0.00	10.60	895.00	84.43
Total hours	4.50	1.00	12.10	0.00	17.60	2,117.50	120.31
Total fees claimed (£)							
						0.00	

# AAA AA All Birmingham Maintenance

## SIP 9 – Time and Cost Summary

Period from 23 February 2005 to 4 April 2005

### Time Summary

Hours						Time Cost £	Average hourly rate £
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration and planning	0.00	8.70	0.60	3.90	13.20	1,814.00	137.42
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of assets	0.00	3.10	0.00	0.00	3.10	542.50	175.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.20	0.20	13.00	65.00
Case specific matters (Specify)	0.00	0.00	0.30	0.00	0.30	27.00	90.00
Total hours	0.00	11.80	0.90	4.10	16.80	2,396.50	142.65
Total fees claimed (£)							
						0.00	

## Rule 2.48

## Notice of conduct of business by correspondence

Name of Company

AAA AA All Birmingham Maintenance Limited

Company number

03715579

In the  
Birmingham District Registry

(full name of court)

Court case number  
2178 of 2005(a) Insert full name(s)  
and address(es) of  
administrator(s)

Notice is hereby given by (a)

Barry J Ward  
Ward & Co  
Bank House  
Shaw Street  
Worcester  
WR1 3DT(b) Insert full name and  
address of registered  
office of the companyto the creditors of AAA AA All Birmingham Maintenance Limited  
Bank House  
Shaw Street  
Worcester, WR1 3DT(c) Insert number of  
resolutions enclosedthat, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are 7  
resolutions for your consideration. Please indicate below whether you are in favour or  
against each resolution.(d) Insert address to  
which form is to be  
deliveredThis form must be received at  
Ward & Co  
Bank House Shaw Street  
Worcester WR1 3DT

(e) Insert closing date

by 12.00 hours on Tuesday 3 May 2005 in order to be  
counted. It must be accompanied by details in writing of your claim. Failure to do so  
will lead to your vote(s) being disregarded.Repeat as necessary for  
the number of resolutions  
attached.

attached.

attached.

attached.

attached.

\*Delete as appropriate

Resolution (1).....	I am *in Favour / Against
Resolution (2).....	I am *in Favour / Against
Resolution (3).....	I am *in Favour / Against
Resolution (4).....	I am *in Favour / Against
Resolution (5).....	I am *in Favour / Against
Resolution (6).....	I am *in Favour / Against
Resolution (7).....	I am *in Favour / Against

## TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor

Signature of creditor

(If signing on behalf of creditor, state capacity e.g. director/solicitor)

If you require any further details or clarification prior to returning your votes, please  
contact me/us at the address above.

Signed

Administrator

Dated 18 April 2005