

The Insolvency Act 1986

**Administrator's progress
report****2.24B**

Name of Company ABS London Limited

Company Number 03934698

In the High Court of Justice - Manchester District Registry [full name of court]

Court case number (For court use only) 1092 of 2010
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Insert full name(s) and
address(es) of the
administrator(s)

We^(a)Stephen P Holgate and Philip J Long of PKF (UK) LLP, Farringdon Place, 20 Farringdon Road,
London, EC1M 3AP

administrators of the above company attach a progress report for the period

(b) Insert dates

(b) From 14 April 2010

(b) To 13 October 2010

Signed

For the Joint Administrators

Dated

Contact Details

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

Stephen P Holgate

Farringdon Place, 20 Farringdon Road, London, EC1M 3AP

Tel 020 7065 0000

DX Number

DX Exchange



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COMPANIES HOUSE

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Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff



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TO ALL KNOWN CREDITORS, AS ADDRESSED

Our ref SPH/SAH/EJK/cl/4017146/2400

8 November 2010

Dear Sir/Madam

ABS London Limited ('the Company' or 'ABS')
In Administration

Report to creditors on the progress of the administration pursuant to Rule 2.47 of the Insolvency Rules 1986

1 INTRODUCTION

- 1 1 In accordance with Rule 2.47 of the Insolvency Rules 1986, the Joint Administrators now present their report on the progress of the administration of the Company
- 1 2 This report should be read in conjunction with our previous reports to creditors
- 1 3 We confirm that the Joint Administrators' Proposals as circulated to creditors were accepted at the meeting of creditors on 23 June 2010
- 1 4 The statutory information is attached at Appendix A

2 RECEIPTS AND PAYMENTS ACCOUNT

- 2 1 We attach a copy of our receipts and payments account up to 13 October 2010, at Appendix B

Tel 020 7065 0000 | Fax 020 7065 0650

Email steve.holgate@uk.pkf.com | www.pkf.co.uk

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3 PROGRESS OF THE ADMINISTRATION AND MATTERS PREVENTING CLOSURE

3 1 Long leasehold property ('the Property')

3 1 1 ABS traded from a commercial unit within a building at 47 Paul Street, London

3 1 2 As previously advised we instructed GVA Grimley to market the Property and we have accepted an offer subject to contract

3 1 3 We hope to be in a position to exchange contracts and complete the transaction shortly

3 1 4 In the meantime, the Property has been occupied by ABSL Maintenance Limited ('ABSL') under an excluded occupancy agreement which terminates on 18 November 2010. We recently received notification that ABSL has vacated the Property

3 2 Book debts

3 2 1 Our agents, Naismiths Quantity Surveyors ('Naismiths'), are continuing to collect the book debts and contracts in progress. The book debts are currently estimated to realise between £80k to £270k, before costs

3 3 Loans

3 3 1 We are continuing to pursue the associated debts of £300k and £17k due to the Company from Norton Heights Limited ('NHL') and Messrs Anthony Smith and Kevin Selvester ('MSS') respectively

3 3 2 We recently received a 'without prejudice' proposal from NHL and MSS however we considered this proposal to be unacceptable and we have issued NHL a statutory demand for the outstanding debt

3 4 Other outstanding matters

3 4 1 Shortly following our appointment we received notification from HM Revenue & Customs ('HMRC') of an investigation into the Share Incentive Plan and the Company's tax planning. We were obliged to comply with the information request and to assist

3 4 2 HMRC have issued a determination against the Company claiming c£2m in unpaid PAYE/NIC in relation to the scheme. We have sought a postponement and appeal pending the outcome of a test case being made by the Company's former tax advisers, Haslers

4 CREDITORS

4 1 Secured creditors

4 1 1 HSBC Bank plc ('the Bank') holds a fixed and floating charge over the Company's assets. As at the date of our appointment the Bank was owed £586k in respect of its lending to the Company (excluding post demand entries)

4 2 Preferential creditors

4 2 1 The preferential creditors consist of the employee claims for arrears of wages, subject to statutory limits, and unpaid holiday pay, and are expected to be in the region of c£20k. We currently expect a distribution may be paid to the preferential creditors, although this is dependent on final realisations and costs



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4 3 Prescribed part

4 3 1 Section 176A of the Insolvency Act 1986 requires the Joint Administrators to set aside a prescribed amount of the Company's 'net property' towards satisfaction of non-preferential claims. Net property is the amount of property that would otherwise be available for satisfaction of debentures secured by, or holders of, any floating charge created by the Company after 15 September 2003.

4 3 2 The Bank's charge was created prior to 15 September 2003 and therefore the prescribed part provisions do not apply.

4 4 Unsecured creditors

4 4 1 Unsecured creditors of the Company are estimated to total £3.4m.

4 4 2 It is currently uncertain whether there will be a distribution to unsecured creditors. The net realisations from the administration (once the costs of administration have been paid) will be available to the unsecured creditors of the Company.

5 OTHER MATTERS

5 1 The Joint Administrators have complied with all regulatory and statutory requirements under the Insolvency Act 1986 and the Company's Directors Disqualification Act 1986.

6 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

6 1 From 14 April 2010 to 13 October 2010 the Joint Administrators have incurred time costs of £107,780.46 at an average charge out rate of £217.57 per hour. The time costs are detailed at Appendix C.

6 2 Please note that it is common with most professional service firms, including PKF (UK) LLP, for charge out rates to change from time to time. The rates/costs reflect a number of such changes over the period of the administration, none of which is individually material.

6 3 Disbursements during this same period total £1,392.86. The disbursements to date are detailed as follows:

Disbursements	Category 1 £	Category 2 £
Travel	3.60	
Postage & Courier	416.28	
Advertising	144.38	
Company Search Fees	12.00	
Document Storage	149.00	
Land Registry Fees	8.00	
Insolvency Bonds and Insurances	528.00	
Room Hire		131.60
	<u>1,261.26</u>	<u>131.60</u>

6 4 Our firm's disbursements are charged on the basis of costs incurred or costs generally charged to clients for such services (which are approximate to cost and do not include any overhead recovery).



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6.5 Category 1 disbursements are those which generally comprise external supplies of incidental services specifically identifiable to the client. Category 2 disbursements are generally services supplied internally and require the approval of creditors. Approval to take Category 2 disbursements was passed as a resolution at the meeting of creditors held on 23 June 2010.

7 COMPLETION OF ADMINISTRATION

7.1 As detailed in our Proposals, on completion of the sale of the Property we intend to exit the administration via a compulsory liquidation or a creditors voluntary liquidation.

I trust the above provides you with sufficient information, however should you have any questions please contact Max Walker on 020 7065 0326.

Yours faithfully

A handwritten signature in black ink, appearing to read 'S Holgate', written over a circular stamp.

Stephen P Holgate
Joint Administrator

Enc

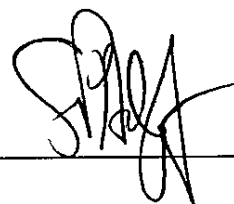
STATUTORY INFORMATION

Court details for the Administration:	High Court of Justice (Manchester District Registry), 1092 of 2010
Full name:	ABS London Limited
Trading name:	'ABS London' formerly 'Airtech'
Registered number:	03934698
Registered address:	Farringdon Place, 20 Farringdon Road, London, EC1M 3AP
Company directors:	Anthony Smith Kevin Selvester Patrick Cassidy
Company secretary:	Anthony Smith
Shareholdings held by the directors and secretary:	None
Date of the Administration appointment:	14 April 2010
Administrators' names and addresses:	Stephen Paul Holgate and Philip James Long of PKF (UK) LLP, Farringdon Place, 20 Farringdon Road, London, EC1M 3AP
Appointor's name and address:	HSBC Bank plc, 8 Canada Square, London, E14 5HQ
Objective being pursued by the Administrators.	Paragraph 3(c) of Schedule B1 to the Insolvency Act 1986 "realising property in order to make a distribution to one or more secured or preferential creditors"
Division of the Administrators' responsibilities:	Jointly and severally
Proposed end of the Administration:	Creditors' Voluntary Liquidation or Compulsory Liquidation
Estimated dividend for unsecured creditors:	Currently uncertain and dependent on final asset realisations
Estimated values of the prescribed part and net property.	Not applicable, qualifying floating charge was created prior to 15 September 2003
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	No
The European Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000 of 29 May 2000)	Main proceedings England & Wales

**ABS London Limited
(In Administration)**

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 14/04/2010 To 13/10/2010 £	From 14/04/2010 To 13/10/2010 £
RECEIPTS			
Leasehold Property Subject to a Charge	600,000 00	-	-
Hire Purchase Motor Vehicles	6,000 00	-	-
Furniture & Equipment	3,000 00	12,000 00	12,000 00
Motor Vehicles		11,500 00	11,500 00
Book Debts	275,000 00	26,598 17	26,598 17
Insurance Refund		250 00	250 00
Cash at Bank	5,057 00	5,057 60	5,057 60
Rent		18,000 00	18,000 00
Service Charge		1,813 04	1,813 04
Bank Interest Gross		0 27	0 27
Rates Refunds		125 11	125 11
VAT Payable		4,112 50	4,112 50
Suspense Account		12,117 36	12,117 36
		<u>91,574 05</u>	<u>91,574 05</u>
PAYMENTS			
Valuation Fee		1,500 00	1,500 00
Realisation cost		163 00	163 00
Leasehold Property Expenses		1,400 00	1,400 00
Office Holders Expenses		1,335 36	1,335 36
Service Charge		2,113 21	2,113 21
Agents/Valuers Fees		12,058 45	12,058 45
Non-Reclaimable VAT		51 15	51 15
Insurance of Assets		663 00	663 00
Bank Charges		18 85	18 85
VAT Receivable		2,859 86	2,859 86
Vat Control Account		2,421 47	2,421 47
		<u>24,584 35</u>	<u>24,584 35</u>
BALANCE - 13 October 2010			<u><u>66,989 70</u></u>



Stephen P Holgate
Joint Administrator

Client name ABS London Limited
Client code 4017146
Time costs for the period 14 April 2010 to 13 October 2010

[illegible]