

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

03957720

Name of Company

1st Class Building & Maintenance Limited t/a Spiller Builders

I/~~We~~

Simon Ashley Rowe, One Redcliff Street, Bristol, BS1 6NP

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 14/04/2014 to 13/04/2015

Signed



Date 10 6 15

Milsted Langdon LLP
One Redcliff Street
Bristol
BS1 6NP

Ref STCLPOST/SR/RH/JMY

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COMPANIES HOUSE

1st Class Building & Maintenance Limited t/a Spiller Builders
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs	From 14/04/2014 To 13/04/2015	From 14/04/2010 To 13/04/2015
SECURED ASSETS		
Goodwill	NIL	1,000 00
Intellectual property	NIL	3 00
	NIL	1,003 00
SECURED CREDITORS		
Natwest Bank Plc	NIL	1,003 00
	NIL	(1,003 00)
ASSET REALISATIONS		
NIL Plant & machinery	NIL	NIL
1,250 00 Furniture & equipment	NIL	6,000 00
20,631 00 Motor vehicles	NIL	17,996 00
Stock	NIL	1 00
NIL WIP	NIL	NIL
139,662 00 Book Debts	241 09	86,599 70
NIL Fixtures & fittings	NIL	NIL
Insurance refund	NIL	1,099 77
Cash at bank	NIL	4,353 37
Award Interest	53,078 59	53,078 59
Reimbursement of Costs	15,976 17	15,976 17
Bank interest gross	8 37	111 82
Sundry refunds	NIL	1,966 10
	69,304 22	187,182 52
COST OF REALISATIONS		
Specific bond	NIL	48 00
Pre-Appointment fees	NIL	10,000 00
Pre-Appointment expenses	NIL	1,004 59
Office holder's fees	NIL	29,526 16
Office holder's expenses	NIL	1,183 65
Agents/Valuers fees	NIL	1,570 00
Legal fees	68,319 76	140,267 51
Corporation tax	9 00	21 14
Re-Direction of mail	NIL	51 92
Statutory advertising	NIL	226 80
Insurance of assets	NIL	786 81
General buffer	NIL	NIL
	(68,328 76)	(184,686 58)
PREFERENTIAL CREDITORS		
(12,754 76) Employees	NIL	NIL
	NIL	NIL
FLOATING CHARGE CREDITORS		
(421,419 84) NatWest Bank Plc	NIL	NIL
(102,250 00) Etloe Limited	NIL	NIL
	NIL	NIL
UNSECURED CREDITORS		
(324,682 81) Trade & expense creditors	NIL	NIL
(53,010 80) Employees	NIL	NIL
(104,056 00) HM Revenue & Customs (VAT)	NIL	NIL

1st Class Building & Maintenance Limited t/a Spiller Builders
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 14/04/2014 To 13/04/2015	From 14/04/2010 To 13/04/2015
(141,316 00)	HM Revenue & Customs (PAYE/NI)	NIL	NIL
(59,685 00)	Inter-Company loans	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(800 00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(1,058,432 21)		975.46	2,495.94
REPRESENTED BY			
	Bank 1 Current		2,495 94
			2,495 94

**Liquidator's Annual
Report to Members and
Creditors**

**1ST CLASS BUILDING &
MAINTENANCE LIMITED T/A
SPILLER BUILDERS
- IN LIQUIDATION
4 JUNE 2015**

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- A Receipts and Payments Account from 14 April 2014 to 13 April 2015
- B Time Analysis for the period 14 April 2014 to 13 April 2015
- C Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9

1.0 Introduction and Statutory Information

- 1 1 This report provides an update on the progress in the liquidation for the year ended 13 April 2015. By way of reminder, I was appointed liquidator of the Company on 14 April 2010.
- 1 2 At Appendix A, I have provided an account of my Receipts and Payments for the year ended 13 April 2015 with a comparison to the Director's Statement of Affairs values together with a cumulative account since my appointment.

2.0 Realisation of Assets

Book Debts and Retentions

- 2 1 In my previous report I advised you that the collection of two of the Company's book debts were in the hands of my solicitor, Standish Associates. One of the debtors had made an offer of £50,000 to settle his outstanding liability. This offer was rejected and it was necessary for my solicitor to issue court proceedings against him.
- 2 2 Before the court hearing and in order to take into consideration the financial context of any offer to settle the claim, I issued a questionnaire to the debtor to request details of his assets. The debtor's solicitor requested time to provide this information, therefore, my solicitor applied to the court to have the hearing stayed whilst this information was gathered.
- 2 3 This information was not forthcoming. At a court hearing on 17 October 2014 the judge ruled that a Joint Expert be instructed to value the residual balance which was due to the Company and which was in dispute.
- 2 4 On 9 December 2014 the Joint Expert issued his findings, he advised that the summary of costs showed that the balance due to the Company was £120,886 of which £59,836 was late payment interest.
- 2 5 Our solicitor's costs in dealing with this matter are £133,820. In order to seek a negotiated resolution for payment and in order to prevent going to Court, a meeting was arranged with the debtor and his solicitor to discuss this matter. We also hoped to seek resolution of another potential debt owed by him in order to avoid yet another court application and further costs.
- 2 6 On 21 January 2015 following lengthy negotiations it was agreed that the debtor would pay £160,000 in instalments over two years in full and final settlement of all the sums due from him. In addition to this there is an additional uplift clause on the increase in value of one of the properties during this period. What, if any, value this may generate is, as yet, unknown.
- 2 7 This offer was accepted on the condition that a charge would be placed on a property owned by the debtor's wife in order to secure our debt.
- 2 8 It was agreed that instalments could be made on the proviso that should any payment not be received I could immediately apply for the balance to be paid in full.

- 2 9 I can confirm that payments are up to date and the amount of £22,250 has been received
- 2 10 In my last report I advised creditors that my solicitor was dealing with another matter which had gone to arbitration. The Arbitrator had found in the Company's favour and issued his Award which determined that the debtor must pay the Company the sum of £84,843 90 this included interest but excluded costs
- 2 11 Following a further application from my solicitor the Arbitrator subsequently published his order for Provisional Relief in which he determined that the debtor must also pay the Company £130,000, towards our costs in the Arbitration
- 2 12 The debtor's solicitor advised that his client had exhausted all available funds and was unable to pay these costs. However, my solicitor argued that the debtor was not without assets and she may have to use these in order to fund the sums due
- 2 13 Arrangements were made to have the debtor's assets valued in order to ascertain the correct value of these. Unfortunately, the debtor's assets were not as fruitful as expected and following a meeting with the debtor it was agreed that she would pay the sum of £50,000 which included VAT in the sum of £3,195 24 in full and final settlement. This sum was apportioned between award interest of £30,828 59 and reimbursement of legal costs of £15,976 17
- 2 14 I can advise that on 28 August 2014 I received the sum of £25,000 from the debtor followed by a further £25,000 on 1 September 2014 for the balance owed
- 2 15 One of the Company debtors had entered into a Voluntary Arrangement and I have been furnished with annual reports on the progress of this. In this period a dividend was received from it in the sum of £241 09
- 2 16 One of the Company's biggest debtors owed the Company £850,000. This debt was personally guaranteed by a director and I have been actively pursuing this. Unfortunately, I have been made aware that he has since been declared bankrupt. The company itself is in liquidation and I therefore consider that there are no further avenues to collect this debt
- 2 17 I have made a claim in his Bankruptcy estate for the sum due and have spoken with the Trustee. Unfortunately, I was advised that although the debtor had made prior arrangements with the Official Receiver to make regular contributions into his estate the trustee has advised me that the debtor's circumstances have since changed and these contributions have now ceased. Unfortunately, this debt will have to be written off

3.0 Investigations

- 3 1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS). As this is a confidential report, I am not able to disclose the contents

- 3 2 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting or as a response to my request to complete an investigation questionnaire. My investigations did not reveal any issues requiring further report.

4.0 Creditors

Secured Creditors

- 4 1 Natwest Bank Plc ("the Bank") holds a fixed and floating charge dated 12 December 2007 over the Company's assets. At the date of the liquidation the indebtedness was estimated at £421,419.84.
- 4 2 The Company also granted a fixed and floating charge to Etloe Limited on 9 January 2009 and it has claimed £99,000.

Based on present information, I estimate that there will be insufficient realisations to pay the preferential creditors in full, thereby it is doubtful that a distribution to the Bank or Etloe Limited will be made. As a consequence it is unlikely that there will be a prescribed part distribution to unsecured creditors.

Preferential Creditors

- 4 3 A summary of preferential claims is detailed below.

	Claim £	Statement of Affairs £	Dividend paid P in the £
Employee Claims (Total number of claims = 4)	3,982.33	12,754.76	Nil
Department for Business Innovation & Skills (BIS)	8,124.28		

Unsecured Creditors

- 4 4 I have received claims totalling £719,928 58 from 88 creditors I have yet to receive claims from 88 creditors whose debts total £676,493 04 as per the directors' statement of affairs

Dividend

- 4 5 As previously advised whilst my efforts to realise the Company's book debts continues, there are insufficient funds to enable a distribution to any class of creditor at present

5.0 Liquidator's Remuneration

- 5 1 The creditors approved that the basis of my remuneration be fixed by reference to the time properly spent by me and my staff in managing the Liquidation
- 5 2 My time costs for the period from 14 April 2014 to 13 April 2015 are £13,687 90 This represents 96 83 hours at an average rate of £141 36 per hour Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the Liquidation To date, £29,526 16 plus disbursements of £1,183 65 has been drawn on account of the costs which total £125,456, it is not anticipated that these will be cleared in full
- 5 3 As you are aware from my previous report in order to proceed with the arbitration Milsted Langdon LLP ("ML") paid the sum of £9,000 on behalf of the Company This was used to pay the Arbitrator's costs without which he was unwilling to release his findings which have resulted in receiving funds from the debtor
- 5 4 ML also paid £214 for Process Server Fees in order for court papers to be served on one of the debtors above Although the sum of £9,000 was repaid in the prior period the sum of £214 remains outstanding This is shown at Appendix B
- 5 5 Time spent is analysed into different activity codes A description of the work performed under each code is as follows -
- **Administration and Planning** – This time relates to the administration duties undertaken It includes all statutory duties in respect of obligations to Companies House and periodic reviews It also includes time spent dealing with tax and VAT matters

- **Realisations** – This time relates to the collection of the Company's book debts, dealing with the legalities of court action and mediation between the Company and its debtors
 - **Creditors** – This time relates to dealing with the creditors' claims, reporting to creditors and other general enquiries and correspondence
- 5 6 Attached as Appendix C is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade
- 5 7 Since the 14 April 2014 the following Category 2 disbursements have been incurred but not been taken
- Mailing Fee £89 00
 - Parking/Travel £11 03
- 5 8 A copy of 'A Creditors Guide to Liquidator's Fees' is available on request or can be downloaded from <http://www.milsted-langdon.co.uk/specialisms/insolvency/creditors-guides-to-remuneration/>.

6.0 Liquidator's Expenses

- 6 1 Between 14 April 2014 and 13 April 2015 the following expenses have been incurred/paid of still remain outstanding

Description	Outstanding from prior period	Incurred in this period	Paid in this period	Outstanding
Legal Fees – Standish Associates	Nil	£133,819 76*	£68,319 76	£65,500 00
Archive Management	Nil		Nil	
Company Searches	Nil		Nil	
Liquidator's Fees	£77,209 94	£13,687 90	Nil	£90,897 84
Liquidator's Disbursements	£682 02	£3,166 45	Nil	£3,848 47
Total	£77,891.96	£150,674 11	£68,319.76	£160,246.31

*As Standish Associates legal fees were under a conditional fee agreement it was not possible to assess these until the outcome of the litigation was known Standish Associates has now furnished me with its final costs

7.0 CREDITORS' RIGHTS

- 7 1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report
- 7 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive

8.0 NEXT REPORT

- 8 1 The next report is anticipated to be after the next anniversary

Yours faithfully

SIMON ASHLEY ROWE
Liquidator

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1st Class Building & Maintenance Limited t/a Spiller Builders
(In Liquidation)
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Goodwill	NIL	1,000 00
Intellectual property	NIL	3 00
	<u>NIL</u>	<u>1,003 00</u>
SECURED CREDITORS		
Natwest Bank Plc	NIL	1,003 00
	<u>NIL</u>	<u>(1,003 00)</u>
ASSET REALISATIONS		
NIL Plant & machinery	NIL	NIL
1,250 00 Furniture & equipment	NIL	6,000 00
20,631 00 Motor vehicles	NIL	17,996 00
Stock	NIL	1 00
NIL WIP	NIL	NIL
139,662 00 Book Debts	241 09	86,599 70
NIL Fixtures & fittings	NIL	NIL
Insurance refund	NIL	1,099 77
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	<u>69,304 22</u>	<u>187,182 52</u>
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Pre-Appointment fees	NIL	10,000 00
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(421,419 84) NatWest Bank Plc	NIL	NIL
(102,250 00) Etloc Limited	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
UNSECURED CREDITORS		
(324,682 81) Trade & expense creditors	NIL	NIL
(53,010 80) Employees	NIL	NIL
(104,056 00) HM Revenue & Customs (VAT)	NIL	NIL
(141,316 00) HM Revenue & Customs (PAYE/NI)	NIL	NIL

1st Class Building & Maintenance Limited t/a Spiller Builders
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 14/04/2014 To 13/04/2015	From 14/04/2010 To 13/04/2015
(59,685 00)	Inter-Company loans	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	DISTRIBUTIONS		
(800 00)	Ordinary shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(1,058,432 21)</u>		<u>975 46</u>	<u>2,495.94</u>
	REPRESENTED BY		
	Bank 1 Current		2,495 94
			<u>2,495 94</u>

Notes

This estate is VAT registered and therefore VAT should be recoverable

No dividends have been paid

1st Class Building & Maintenance Limited t/a Spiller Builders
Time and disbursement analysis
For the period 14 April 2014 to 13 April 2015

Charge group	Partner	Manager	Other Senior Professionals	Assistants and Support Staff	Total	Total cost (£)	Avg. Hourly Rate (£)
Administration & planning	5 49	4 65	14 33	3 00	27 47	3,596 80	130 94
Realisations	21 39	3 80	24 45	3 83	53 47	8,280 80	154 87
Creditors	2 07	0 70	12 87	0 25	15 89	1,810 30	113 93
Total time	28 95	9 15	51 65	7 08	96 83	13,687 90	141 36
Disbursements							
Sundry Disbursements						2,640 00	
Mileage						8 53	
Mailing Fee (Insolvency)						89 00	
Legal Fees						-8,786 00	
Archive Management (Insolvency)						203 42	
Company Searches						9 00	
Parking						2 50	
Total disbursements						-5,833 55	
Amount from previous period(s)						117,601 77	
				Grand Total		125,456 12	

N B For a more detailed explanation of the categories above please see the attached analysis

**ADDITIONAL INFORMATION IN RELATION TO THE
OFFICE HOLDER'S FEES PURSUANT TO STATEMENT OF
INSOLVENCY PRACTICE 9**

APPENDIX C

1.0 STAFF ALLOCATION AND THE USE OF SUB-CONTRACTORS

- 1 1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case
- 1 2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. Our charge-out rate schedule below provides details of all grades of staff and their experience level
- 1 3 We have not utilised the services of any sub-contractors in this case

2.0 PROFESSIONAL ADVISORS

- 2 1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis

Name of Professional Advisor	Basis of Fee Arrangement
AUA Insolvency Risk Services Ltd (Insurance of Assets)	Agreed Premium
Beachcroft LLP (Legal Fees)	Time Costs & Disbursements
Standish Associates (Construction Lawyer)	Conditional fee agreement
Soma Contract Services Limited (Arbitrator)	Hourly rate

- 2 2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them

3.0 DISBURSEMENTS

- 3 1 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case

- 3 2 Category 2 disbursements do require approval from creditors. These are the costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, faxes and photocopying
- 3 3 We would advise that Category 2 disbursements are currently charged by this firm at the following rates

Disbursement	Charge
Faxes	20p per sheet
Internal room hire for creditors' meetings	£70
Mailing fees (including postage)	
VA Proposals	£3 25 per pack
Large - over 20 pages	£1 00 per pack
Large	80p per pack
Small	60p per pack
Mileage	45p per mile
Photocopies	10p per sheet

4.0 CHARGE-OUT RATES

- 4 1 A schedule of our charge-out rates for this assignment is detailed below. These rates are reviewed on an annual basis but there have been no material increases in these rates since the commencement of this case

	£/hr
Licensed Insolvency Practitioners	200-250
Managers and Supervisors	110-180
Case Administrators and other Administrative staff	30-90

- 4 2 Please note that this firm records its time in minimum units of 1 minute

5.0 CREDITORS' GUIDE TO FEES

- 5 1 A Creditors' Guide to the manner in which remuneration charged in this case and the rules relating to this area are detailed in the guides available on our website at <http://www.milsted-langdon.co.uk/specialisms/insolvency/creditors-guides-to-remuneration/>