

**The Insolvency Act 1986****Liquidator's Progress  
Report****S.192****Pursuant to Sections 92A and 104A  
of the Insolvency Act 1986**

To the Registrar of Companies

For Official Use

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Company Number

04007476

Name of Company

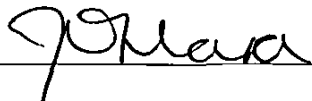
Mondeco Installations Limited Formerly 4M Flooring UK Limited

I / We  
John-Paul O'Hara  
5 Ridge House  
Festival Park  
Stoke on Trent  
ST1 5SJ

Paul Finty  
1 New Park Place  
Pride Park  
Derby  
DE24 8DZ

the liquidator(s) of the company attach a copy of my/our progress report  
under section 192 of the Insolvency Act 1986

Signed



Date

18/4/12

RSM Tenon Recovery  
5 Ridge House  
Festival Park  
Stoke on Trent  
ST1 5SJ

Ref 5513765/JO/PF/LMM/RH

For Official Use

Insolvency Sect

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**Mondeco Installations Limited Formerly 4M Flooring UK Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 24/02/2011 To 23/02/2012
	<b>ASSET REALISATIONS</b>	
40,646 00	WIP	25,877 17
21,143 00	Retentions	6,914 76
	Tax Refund	5 21
	Court Receipts	<u>80 92</u>
		32,878 06
	<b>COST OF REALISATIONS</b>	
	Specific Bond	120 00
	Statement of Affairs Fee	6,000 00
	Office Holder's Fees	18,155 16
	Agents/Valuers Fees	6,558 39
	Legal Fees	600 00
	Room Hire	50 00
	Statutory Advertising	226 80
	Bank Charges	<u>24 72</u>
		(31,735 07)
	<b>FLOATING CHARGE CREDITORS</b>	
(1,696,470 00)	J&S Seddon Limited	<u>NIL</u>
		NIL
	<b>UNSECURED CREDITORS</b>	
(55,857 00)	Trade & Expense Creditors	NIL
Uncertain	Contractual Remedial Works	<u>NIL</u>
		NIL
	<b>DISTRIBUTIONS</b>	
(2 00)	Ordinary Shareholders	<u>NIL</u>
		NIL
<u>(1,690,540.00)</u>		<u><u>1,142.99</u></u>
	<b>REPRESENTED BY</b>	
	Input VAT	720 00
	Bank 1 - Current	<u>422 99</u>
		<u><u>1,142.99</u></u>



John-Paul O'Hara  
Joint Liquidator

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**Mondeco Installations Limited Formerly 4M Flooring UK Limited  
("the Company") – In Liquidation**

**Joint Liquidators' First Progress Report  
for the Year from Appointment on 24 February 2011 to 23  
February 2012**

**Issued on: 19 April 2012**

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## **Mondeco Installations Limited Formerly 4M Flooring UK Limited ("the Company") – In Liquidation**

### **JOINT LIQUIDATORS' FIRST PROGRESS REPORT AS AT 19 APRIL 2012**

#### **1. Introduction**

John-Paul O'Hara and Paul Finnity are the Joint Liquidators of the Company and this is their first progress report to the creditors and members of the Company, showing how the liquidation has been conducted. The report covers the period from 24 February 2011 to 23 February 2012.

#### **2. Statutory Information**

Statutory information relating to the Company is attached at **Appendix I**.

#### **3. Joint Liquidators' Receipts and Payments Account**

A summary of the Joint Liquidators' receipts and payments account relating to the Company from commencement to date is attached at **Appendix II**.

#### **4. Action taken by the Joint Liquidators since Appointment**

The Company was wound up on 24 February 2011 and John-Paul O'Hara and Paul Finnity were appointed Joint Liquidators at meetings of members and creditors held on 24 February 2011.

#### **WIP & Retentions**

As set out in the Statement of Affairs on 24 February 2011, the work in progress and retentions of the Company had a book value of £119,724 and were expected to realise £61,789. On appointment, the Joint Liquidators instructed Mr Glover of the IRG Partnership to assist with collection of these amounts and to date it has been possible to realise £32,791. The remaining balances are either in dispute or held until such time as the making good of defects certificates have been issued. Mr Glover continues to pursue these amounts and report on any progress periodically.

#### **Tax Refund**

A tax refund of £5,211 was received from HM Revenue and Customs in respect of overpayments made in the period from 1 January 2009 to 31 December 2009.

#### **Court Receipts**

There was a Court Order made against an ex-employee of the Company in which the individual was required to pay £985 via monthly instalments. To date £80.92 has been received from the Court Service in this regard.

#### **Investigations**

The Joint Liquidators have a duty to submit confidential reports to the Government's Disqualification Unit on the conduct of those persons who acted as directors of the Company in the three year period before the liquidation; these have been completed.

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The Joint Liquidator's had undertaken extensive reviews of the books and records of the Company and initial enquires have been made in order to establish the nature of certain transactions which took place prior to the Liquidation. These investigations are on-going and relate to whether any preference has been created to particular creditor(s). Action will be taken if appropriate to recover monies for the benefit of creditors.

## **5. Future Actions of the Joint Liquidators**

Mr Glover is continuing to pursue all amounts outstanding from debtors in respect of work in progress and retentions.

The Joint Liquidator's are continuing to investigate whether any preference occurred within transactions which took place prior to the Liquidation.

## **6. Liabilities and Dividends**

### **Preferential Creditors**

There are no preferential creditors.

### **Floating Charge Creditors**

The floating charge creditor J&S Seddon Limited is owed £1,696,470. To date no amounts have been paid to J&S Seddon. Any distribution to the floating charge creditor will be dependant on future realisations.

The Joint Liquidators' instructed solicitors Hacking Ashton in order to have the charge documentation validated. The charge documentation was examined and the Joint Liquidators' have received confirmation that the charges are valid.

### **Prescribed Part**

The estimate of the value of the Company's net property as advised to creditors and members shortly after the commencement of the liquidation was £8,000. Due to the costs of the Liquidation to date there is no prescribed part available to unsecured creditors. A distribution to unsecured creditors via the prescribed part is dependant on further realisations and as previously noted the net property will need to exceed £10,000 for the prescribed part to be implemented.

### **Ordinary Unsecured Creditors**

At the date of Liquidation the unsecured creditors were estimated to total £55,857 however it was noted that the directors were aware there may be further claims regarding contractual remedial works on a number of contracts and these claims had not at that stage been quantified.

To date claims received total £333,632 but due to insufficient funds no distribution has been made to date. As explained above any dividend to unsecured creditors is dependant on the level of future realisations.

## 7. Joint Liquidators' Remuneration, Disbursements and Expenses

### Basis of Remuneration and Disbursements

At the initial meeting of creditors held on 24 November 2011 it was resolved that the Joint Liquidators would be remunerated by reference to the time properly spent in dealing with matters in the liquidation and that their disbursements would be drawn in accordance with the tariff outlined at **Appendix III**

### Remuneration Charged and Drawn in the Period

The Joint Liquidators' time costs were charged (exc VAT) as follows

	Incurred	Paid
For this period from appointment -24 February 2011 to 23 February 2012	£22,309 16	£18,155 16

In accordance with Statement of Insolvency Practice 9, attached at **Appendix III** is a breakdown of these time costs

Since the end of this period to the current date, further time costs have been incurred of £623 50 (primarily in relation to the annual statutory requirements) representing 3 3 hours and none of this amount has yet been drawn

### Disbursements Incurred and Drawn

The Joint Liquidators' disbursements incurred and reimbursed are summarised below Details are in the attached **Appendix III**.

	Incurred	Paid
Category 1 disbursements for this period from appointment -24 February 2011 to 23 February 2012	£346 80	£346 80
Category 2 disbursements for this period from appointment -24 February 2011 to 23 February 2012	£50 00	£50 00
<b>Total</b>	<b>£396.80</b>	<b>£396.80</b>

### Expenses (Professional Advisors) Charged and Drawn in the Period

The following professional advisors have been instructed in this matter

<i>Professional Advisor</i>	<i>Nature of Work</i>	<i>Fee Arrangement</i>
The IRG Partnership	Agents assisting with collection of work in progress and retentions	Commission of 20% on net realisations
Hacking Ashton	Solicitors who validated the charge of J&S Seddon Limited	Fixed fee

The choice of professionals was based on perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the Joint Liquidators' fee arrangement with them

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Details of the costs incurred and paid by the Joint Liquidators' in relation to liquidation expenses for the period are also attached at **Appendix III**

#### **Pre Appointment Costs**

At the initial meeting of creditors held on 24 February 2011, it was resolved that the fees of RSM Tenon Recovery for assisting the Directors in convening the statutory meetings to place the Company into liquidation, and for assistance in preparing the Statement of Affairs, would be a set fee of £6,000 plus VAT and disbursements to be paid out of the assets of the Company

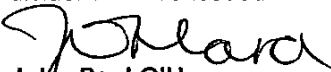
These fees have been paid as an expense of the liquidation

#### **Creditors' Guide to Fees and Statement of Creditors' Rights**

Creditors have a right to request further information from the Joint Liquidators' and additionally have a right to challenge the Joint Liquidators' remuneration and expenses time limits apply Details can be found in the document 'Remuneration Guidelines Liquidation (post 6 April 2010)' which you can access and download at <http://www.rsmtenon.com/creditorguides> Alternatively a copy is available free of charge upon request from the address above

#### **8. Conclusion of the Liquidation**

As set out above Mr Glover continues to pursue the outstanding work in progress and retentions and the Joint Liquidators' continue to investigate any preference created by transactions entered into prior to their appointment Should the future realisations allow a distribution to creditors you will be informed and a notice of intended dividend will be issued



**John-Paul O'Hara**  
Joint Liquidator

*Licensed in the United Kingdom to act as an insolvency practitioner by the Insolvency Practitioners Association*

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## **Statutory Information**

## **Appendix I**

### **Company Information**

Company Name	Mondeco Installations Limited
Previous Name	4M Flooring UK Limited
Company Number	04007476
Date of Incorporation	5 June 2000
Trading Address	55 Duke Street, Fenton, Stoke on Trent, Staffordshire, ST4 3NN
Current Registered Office	RSM Tenon, 5 Ridge House, Ridge House Drive, Festival Park, Stoke on Trent, ST1 5SJ
Former Registered Office	55 Duke Street, Fenton, Stoke on Trent, Staffordshire, ST4 3NN
Principal Trading Activity	Floor & Wall Covering

### **Appointment Details**

Joint Liquidators' name and address	John-Paul O'Hara of RSM Tenon Recovery, 5 Ridge House, Festival Park, Stoke on Trent, ST1 5SJ and Paul Finnity of RSM Tenon Recovery 1 New Park Place, Pride Park, Derby, DE24 8DZ
Commencement of liquidation	24 February 2011
Date of appointment	24 February 2011
Appointment made by	Members and creditors
The Joint Liquidators act jointly and severally	



**Mondeco Installations Limited Formerly 4M Flooring UK Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**  
**To 23/02/2012**

S of A £		£	£
	<b>ASSET REALISATIONS</b>		
40,646 00	WIP	25,877 17	
21,143 00	Retentions	6,914 76	
	Tax Refund	5 21	
	Court Receipts	80 92	
			32,878 06
	<b>COST OF REALISATIONS</b>		
	Specific Bond	120 00	
	Statement of Affairs Fee	6,000 00	
	Office Holder's Fees	18,155 16	
	Agents/Valuers Fees	6,558 39	
	Legal Fees	600 00	
	Room Hire	50 00	
	Statutory Advertising	226 80	
	Bank Charges	24 72	
			(31,735 07)
	<b>FLOATING CHARGE CREDITORS</b>		
(1,696,470 00)	J&S Seddon Limited	NIL	
			NIL
	<b>UNSECURED CREDITORS</b>		
(55,857 00)	Trade & Expense Creditors	NIL	
Uncertain	Contractual Remedial Works	NIL	
			NIL
	<b>DISTRIBUTIONS</b>		
(2 00)	Ordinary Shareholders	NIL	
			NIL
<b>(1,690,540.00)</b>			<b>1,142.99</b>
	<b>REPRESENTED BY</b>		
	Input VAT		720 00
	Bank 1 - Current		422 99
			<b>1,142.99</b>

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## **Appendix III**

### **Information relating to the Joint Liquidators' Fees and Expenses**

## Mondeco Installations Limited Formerly 4M Flooring UK Limited

### Information relating to the Joint Liquidators' Fees and Expenses

#### 1. Explanation of Liquidators' charging and disbursement recovery policies

##### 1.1. Time recording

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge-out rates are

	Rate since 01/11/2011 £	Rate since 01/01/2011 £	Rate from 01/07/2010 to 31/12/2010 £
Director and licensed Insolvency Practitioner	395	395	395
Associate Director and licensed Insolvency Practitioner	355	360	340
Senior Manager	300	295	285
Assistant Manager	220	195	175
Senior Administrator	185	175	160
Administrator	155	150	145
Junior Administrator	-	-	95
Secretarial and support staff	130 – 185	110 - 150	100
Cashier	185	150	145

##### 1.2 Disbursement recovery

Disbursements are categorised as either Category 1 or Category 2

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Where these have initially been paid by RSM Tenon Recovery and then recharged to the case, approval from creditors is not required. The amount recharged is the exact amount incurred.

Examples of Category 1 expenses are postage, case advertising, specific bond insurance, company search fees, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 disbursements include elements of shared or allocated costs incurred by RSM Tenon Recovery and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, and internal storage.

The current levels of Category 2 disbursements recovered by RSM Tenon Recovery Stoke are as follows

Room hire	£
Internal Storage	50 00
£2 50 initial cost per box, £1 00 per box per month, £2 00 per box destroyed	

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally

## **2. Description of work carried out in the current period**

This section of the Appendix outlines the time costs to date in relation to activities undertaken during this period. These can be summarised as follows

### **2.1. Administration and planning**

The following activities have been undertaken

- > Statutory duties associated with the appointment,
- > Notification of the appointment to creditors and other interested parties,
- > Setting up case files,
- > Reviewing available information to determine appropriate strategy,
- > Setting up and maintaining bank accounts,
- > Post appointment tax matters including VAT returns,
- > Progress reviews of the case

Staff of different levels were involved in the above activities depending upon the experience required

### **2.2. Investigations**

The time spent includes

- > Corresponding with the former directors and management,
- > Review of questionnaires and comments provided by interested parties,
- > Review of company documentation,
- > Completion of statutory returns to the Insolvency Service,
- > Extensive reviews of pre Liquidation transactions which may have created a preference

Due to the complex nature and importance of the investigations, the staff utilised to conduct such work involved experienced members of staff

### **2.3 Realisation of assets**

Please refer to the main body of the report but in summary the time spent includes

- > Liaison with agents and solicitors,
- > Debt collection,

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake

## 2.4. Creditors and distributions

The time spent includes the following matters

- > Recording and maintaining the list of creditors,
- > Recording creditor claims,
- > Reporting to creditors,
- > Meetings of creditors,
- > Dealing with creditor queries

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake

## 3. Time and charge out summary

For the period of this report from appointment on 24 February 2011 to 23 February 2012, a total of 97 03 hours have been spent at an average charge out rate of £229 92 bringing the total cost to £22,309 16

The table attached shows details of the time costs charged (exc VAT) in the current period

Since the end of the current period on 23 February 2012, further time costs have been incurred of £623 50, primarily in relation to annual statutory requirements. Such costs will be fully reported in my next progress report

## 4. Disbursements

Disbursements incurred and reimbursed from commencement of the liquidation to 23 February 2012 are detailed below

Disbursements	Incurred £	Paid £
<i>Category 1</i>		
Statutory advertising	226 80	226 80
Bond premium	120 00	120 00
<b>Total</b>	<b>346.80</b>	<b>346.80</b>
<i>Category 2</i>		
Internal room hire	50 00	50 00
<b>Total</b>	<b>50.00</b>	<b>50.00</b>

The above costs exclude VAT

## 5. Professional advisors and expenses

The Joint Liquidators have incurred liquidation expenses in connection with the instruction of the following parties, covering the current period,

Name & Activity	This period	
	Incurred £	Paid £
The IRG Partnership – collections of work in progress and retentions	6,558 39	6,558 39
Hacking Ashton Solicitors – Validation of J&S Seddon charge	600 00	600 00
<b>Total</b>	<b>7,158.39</b>	<b>7,158.39</b>

The above costs exclude VAT

## SIP9 Summary

5513765 Mondeco Installations Limited 002 - Post Appointment

RSM Tenon

24/02/2011 to 23/02/2012

SIP9 Subcategory	Director and Associate Appointments	Director	Other Board Members	Assistant Director	18735
Administration and planning	3.80	7.90	4.76	18.56	35.02
Creditors	1.00	5.10	0.00	0.00	6.10
Investigations	11.00	22.80	0.00	0.00	33.80
Realisation of assets	9.60	11.70	0.81	0.00	22.11
Trading	0.00	0.00	0.00	0.00	0.00
Hours	25.40	47.50	5.57	18.56	97.03
Charge	9,144.00	9,739.50	836.67	2,588.99	22,309.16