

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

04078847

Name of Company

Contromec Services Limited

I / We

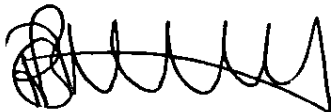
Paul Bailey, 257b Croydon Road, Beckenham, Kent, BR3 3PS

Tommaso Waqar Ahmad, 257b Croydon Road, Beckenham, Kent, BR3 3PS

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 12/09/2013 to 11/09/2014

Signed



Date

20 October 2014

Bailey Ahmad Limited
257b Croydon Road
Beckenham
Kent
BR3 3PS

Ref CO06/PB/TA/TC/LF/CF/KMB

FRIDAY



A3HQZ500

A15

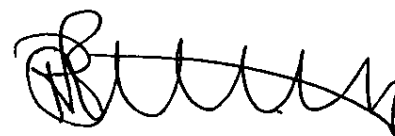
03/10/2014

#103

COMPANIES HOUSE

Contromec Services Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 12/09/2013 To 11/09/2014
	ASSET REALISATIONS	
NIL	Stock	NIL
Uncertain	Book Debts	16,576 31
Uncertain	Retentions	NIL
6,000 00	Cash at Bank	6,000 00
Uncertain	Director's loan account	5,000 00
		<u>27,576 31</u>
	COST OF REALISATIONS	
	Section 98 Meeting Fee	5,000 00
	Office Holders Fees	12,800 00
	Office Holders Expenses	465 20
	Subcontractors' fees	3,425 03
	Subcontractors' disbursements	814 00
		<u>(22,504 23)</u>
	PREFERENTIAL CREDITORS	
(10,987 29)	Employee Arrears/Hol Pay	NIL
		<u>NIL</u>
	FLOATING CHARGE CREDITORS	
(13,000 00)	Lloyds TSB	NIL
		<u>NIL</u>
	UNSECURED CREDITORS	
(78,071 42)	Trade & Expense Creditors	NIL
(67,127 83)	Employees	NIL
(23,517 75)	HM Revenue & Customs - PAYE/NI	NIL
(8,623 10)	HM Revenue & Customs - CT	NIL
(19,000 00)	HM Revenue & Customs - VAT	NIL
		<u>NIL</u>
	DISTRIBUTIONS	
(100 00)	Ordinary Shareholders	NIL
		<u>NIL</u>
(214,427 39)		<u>5,072 08</u>
	REPRESENTED BY	
	Vat Receivable	3,500 85
	Bank 2 Current	1,571 23
		<u>5,072.08</u>



Paul Bailey
Joint Liquidator

Contromec Services Limited (In Creditors' Voluntary Liquidation)

Joint Liquidators' Annual Report

2 October 2014

**Paul Bailey and Tommaso Waqar Ahmad
Joint Liquidators**

**Both licensed to act as insolvency practitioners in the UK by the
Association of Chartered Certified Accountants**

www.baileyahmad.co.uk

This document may not be copied, reproduced, republished, posted, broadcast or transmitted in any way except for your own personal use

Contents

- 1 Introduction
- 2 Statutory information
- 3 Receipts and payments
- 4 Asset realisations
- 5 Dividends to creditors
- 6 Investigations
- 7 Other work carried out by the Joint Liquidators
- 8 Joint Liquidators' remuneration and disbursements
- 9 Assistance

Appendices

- A Receipts and payments account
- B A creditors' guide to insolvency procedures and the remuneration of office holders
- C Fee resolutions
- D Notes to be read in conjunction with Statement of Insolvency Practice 9 (SIP 9) fee breakdown
- E SIP 9 summary of time costs for the period 12 September 2013 to 11 September 2014

1 Introduction

This report sets out an account of our acts and dealings and of the conduct of the liquidation for the period from 12 September 2013 to 11 September 2014

2 Statutory information

Company name	Contromec Services Limited
Registered office	257b Croydon Road, Beckenham, Kent BR3 3PS
Registered number	04078847
Date of liquidators' appointment	12 September 2013

3 Receipts and payments

We attach as Appendix A to this report a summary of our receipts and payments from 12 September 2013 to 11 September 2014

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs (HMRC) shown separately. The Company was VAT registered, and consequently VAT is recoverable from HMRC

4 Asset realisations

Cash at Bank (estimated to realise £6,000)

We have realised the sum of £6,000 in respect of cash at bank

Book debts and retentions (estimated to realise uncertain)

The director's statement of affairs disclosed an outstanding debtor ledger of £40,003 and retentions of £26,950. Following our initial correspondence with the debtors, sums totalling £5,492.86 were realised. The residual ledger was passed to a debt recovery agency and further amounts totalling £11,083.45 were realised. You will note that total debtor realisations are in the sum of £16,576.31

Limited paperwork was provided by the director to assist with the collection of the ledger and the remainder are subject to disputes. We have sought legal advice as to whether it would be economical to pursue the ledger further and have been advised that without supporting paperwork, further realisations would be highly unlikely. The remaining ledger has therefore been written off.

Director's loan account (estimated to realise uncertain)

The outstanding director's loan account at the date of our appointment was £21,839.71. Following our appointment, it was agreed that the director would make monthly repayments of £500; however, despite our initial letters and

telephone calls, the director failed to commence repayments and consequently, it was necessary to instruct a collection agent.

A total of £5,000 has been received from the director in the period of this report and he continues to make regular monthly repayments.

5 Dividends to creditors

Secured

The director's statement of affairs disclosed a secured liability of £13,000 due to Lloyds Bank (the Bank), who hold a floating charge over the Company's assets. We have yet to receive a formal claim from the Bank.

Preferential

Preferential claims totalling £10,987.29, which were detailed in the statement of affairs, have been received from five creditors.

Unsecured

We have received claims from 19 unsecured creditors totalling £176,506. The remaining 11 creditors detailed in the statement of affairs with claims estimated at £10,292 in total, have yet to submit statement of claim forms.

Dividend prospects for any class of creditor will be dependent on the level of further realisations and associated costs. However, from information currently to hand it would appear unlikely that a dividend will become payable.

Prescribed part

There are provisions of the insolvency legislation that require a liquidator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the company gave a "qualifying floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property". A company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. A liquidator has to set aside

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000

Given that the estimated net property in this case is less than the prescribed minimum of £10,000, the prescribed part provisions do not apply.

6. Investigations

We have considered the information acquired in the course of appraising and realising the Company's assets together with information provided by creditors and the Company's professional advisors. We have also made enquiries of the Company's director by sending a questionnaire.

We made an initial assessment of whether there could be any matters that might lead to recoveries for the liquidation and what further investigations may have been appropriate.

In determining the extent of the investigations in the circumstances of this case, account was taken of the public interest, potential recoveries, the funds likely to be available to fund an investigation and the costs involved. We concluded that no further investigations or action would be appropriate or likely to result in a recovery for the benefit of the liquidation.

We can confirm that we have fulfilled our statutory obligations and made the appropriate submission to the Directors Disqualification Unit of UK Department for Business Innovation & Skills under the provisions of the Company Directors Disqualification Act on all those who were directors of the Company in the three years leading up to our appointment. The contents of this report are confidential and cannot be disclosed.

7 Other work carried out by the Joint Liquidators

Administration and Planning

Following our appointment, all statutory duties were carried out in accordance with the legislation. We have also dealt with the set-up of this case on our internal systems and carried out periodic reviews. Cashiering matters have been undertaken and the designated liquidation account has been reconciled.

Creditors

An initial report to creditors was issued following our appointment as Joint Liquidators. It has also been necessary to record incoming creditor claims on our systems, deal with general creditor correspondence and telephone calls.

8. Joint Liquidators' remuneration and disbursements

Details of all resolutions passed by creditors in relation to remuneration and disbursements are included at Appendix C.

Remuneration

Pre liquidation

The sum of £5,000 plus VAT has been drawn from asset realisations in respect of the pre-liquidation costs of Bailey Ahmad Limited in accordance with the relevant resolution passed by creditors.

Post liquidation

We attach at Appendix B a creditors' guide to insolvency procedures and the remuneration of office holders for your information. The underlying basis of charging is our firm's standard charge-out rates and the guide provides details of these, both former and current. We believe that this case is of average complexity and no exceptional responsibility has fallen upon us as Joint Liquidators.

At Appendix E to this report, we attach details of the time expended during the period from 12 September 2013 to 11 September 2014. This breakdown is provided in accordance with Statement of Insolvency Practice 9.

You will note that we have incurred time costs during the period since our appointment as liquidators to 11 September 2014 of £15,850.50 plus VAT and have drawn £12,800 plus VAT in total on account of these costs.

Disbursements

Pre liquidation

Statutory advertising costs of £84.60 plus VAT were paid by our firm to Courts Advertising Limited. This cost has not been re-charged to the liquidation and will be written-off.

Post liquidation

The disbursements incurred during the period of this report, excluding VAT, are as follows:

Amounts paid by office holders' firm and subsequently recharged		
Type	Supplier	£
Category 1		
Statutory advertising	Courts Advertising Limited	169.20
Bonding	Marsh Limited	296.00
Category 2		
N/A		
Total		465.20

Amounts payable directly from case funds		
Type	Supplier	£
Category 1		
Subcontractors' fees	Carlton Business Services	3,425.03
Subcontractors' disbursements	Carlton Business Services	814.00
Category 2		
N/A		
Total		4,239.03

Statutory advertising

We are legally obliged to advertise certain information regarding the liquidation and our appointment in the London Gazette

Bonding

We are legally obliged to bond for the value of the Company's assets and the aforementioned cost represents the premium in this regard

Subcontractors' fees and disbursements

Carlton Business Services were instructed to ensure repayments in respect of the director's loan account were commenced and also to pursue the outstanding debtor and retention ledger. They were chosen as a specialist firm of collection agents and their fee was agreed on 20% commission basis of recoveries in relation to the loan account and 30% in relation to the debtor ledger. Their disbursements comprise administrative costs in relation to closure and archiving of their files and the production and serving of statutory demands.

Their fees were agreed after assessing the reasonableness of the proposed fee in the context of the level of work required to be carried out.

Creditors' rights to request further information and challenge our remuneration and expenses

Pursuant to Rule 4.49E of the Insolvency Rules 1986, creditors should note that they have the right to request further information regarding our remuneration and expenses under this Rule and to challenge our remuneration and expenses under Rule 4.131. Appendix B provides details of where creditors can access more detailed information regarding their rights to request further information and challenge our remuneration and expenses.

9. Assistance

If you require any assistance, please do not hesitate to contact a member of our team on 020 8662 6070 or email us at info@baileyahmad.co.uk

Appendix A

Receipts and payments account

Contromec Services Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 12/09/2013 To 11/09/2014	From 12/09/2013 To 11/09/2014
ASSET REALISATIONS			
NIL	Stock	NIL	NIL
Uncertain	Book Debts	16,576 31	16,576 31
Uncertain	Retentions	NIL	NIL
6,000 00	Cash at Bank	6,000 00	6,000 00
Uncertain	Director's loan account	5,000 00	5,000 00
		<u>27,576 31</u>	<u>27,576 31</u>
COST OF REALISATIONS			
	Section 98 Meeting Fee	5,000 00	5,000 00
	Office Holders Fees	12,800 00	12,800 00
	Office Holders Expenses	465 20	465 20
	Subcontractors' fees	3,425 03	3,425 03
	Subcontractors' disbursements	814 00	814 00
		<u>(22,504 23)</u>	<u>(22,504 23)</u>
PREFERENTIAL CREDITORS			
(10,987 29)	Employee Arrears/Hol Pay	<u>NIL</u>	<u>NIL</u>
FLOATING CHARGE CREDITORS			
(13,000 00)	Lloyds TSB	<u>NIL</u>	<u>NIL</u>
UNSECURED CREDITORS			
(78,071 42)	Trade & Expense Creditors	NIL	NIL
(67,127 83)	Employees	NIL	NIL
(23,517 75)	HM Revenue & Customs - PAYE/NI	NIL	NIL
(8,623 10)	HM Revenue & Customs - CT	NIL	NIL
(19,000 00)	HM Revenue & Customs - VAT	<u>NIL</u>	<u>NIL</u>
DISTRIBUTIONS			
(100 00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		<u>NIL</u>	<u>NIL</u>
<u>(214,427 39)</u>		<u>5,072.08</u>	<u>5,072 08</u>
REPRESENTED BY			
	Vat Receivable		3,500 85
	Bank 2 Current		1,571 23
			<u>5,072 08</u>

Appendix B

A creditors' guide to insolvency
procedures and the
remuneration of office holders

Creditor guides to insolvency procedures and the remuneration of office holders (England and Wales)

R3 – Association of Business Recovery Professionals

The Association of Business Recovery Professionals, is the leading professional association for insolvency, business recovery and turnaround specialists in the UK. Known by its brand name 'R3', it promotes best practice for professionals working with financially troubled individuals and businesses.

Bailey Ahmad and its practitioners are members of R3 and would like to take this opportunity to draw your attention to a set of guides produced by R3 which explain the rights of unsecured creditors during an insolvency process. Creditors are able to download these guides from the R3 website at the following web addresses:

Administration

http://www.r3.org.uk/media/documents/publications/professional/Creditors_Administration.pdf

Administrative Receivership

http://www.r3.org.uk/media/documents/publications/professional/Creditors_admin_rec.pdf

Bankruptcy

http://www.r3.org.uk/media/documents/publications/professional/Creditors_bankruptcy.pdf

Compulsory Liquidation

http://www.r3.org.uk/media/documents/publications/professional/Creditors_CL.pdf

Creditors' Voluntary Liquidation

http://www.r3.org.uk/media/documents/publications/professional/Creditors_CVL.pdf

Statement of Insolvency Practice 9 – Remuneration of Office Holders in England and Wales

Statements of Insolvency Practice give guidance as to the required practice to be adopted by authorised insolvency practitioners. Accordingly, Bailey Ahmad would draw your attention to guides in relation to Office Holders' fees which are available for download from the R3 website at the following address: <http://www.r3.org.uk/index.cfm?page=1210>

Creditors should select the "fees" link, which will direct them to a web page from which they can download the following guides:

- Guide to voluntary arrangement fees
- Guide to trustee in bankruptcy fees
- Guide to administrators' fees
- Guide to liquidators' fees

Bailey Ahmad fee and recharge rates

Where it is agreed by resolution of creditors or the creditors' committee that the office holders remuneration will be calculated by reference to the time properly arising in the administration, then such remuneration will be calculated in units of 6 minutes at the following hourly standard rates:

Grade	From 1 July 2011	Former rates
Director	£350	£300
Senior Manager	£300	-
Manager	£250	£200
Senior Case Administrator	£175	£150
Case Administrator	£150	£125
Junior Case Administrator	£125	£100
Support	£80	£75
Cashier	£80	-

These are Bailey Ahmad's current charge out rates, which are shown exclusive of VAT. If you would like details of our historic charge out rates, please contact us on 020 8662 6070.

Disbursements

There are two types of disbursements, Category 1 and Category 2 disbursements. Category 1 disbursements are generally external supplies of incidental services that are specifically identifiable to the case against which they are being charged. These include insolvency bonds, swearing fees, redirection of mail, accommodation, subsistence, company searches, hire of external meeting rooms or any other miscellaneous item which is by nature a Category 1 disbursement paid out in respect of the administration of the estate. Creditor approval of Category 1 disbursements is not required.

Category 2 disbursements are those which, whilst being in the nature of expenses or disbursements include an element of shared or allocated costs. Approval of the committee, or the creditors if there is no committee, is required before Category 2 disbursements can be drawn. Bailey Ahmad will seek to recover the following Category 2 disbursements: Storage of company books and records at the insolvency practitioners' own storage facility. The books and records will be stored in standard storage boxes and a storage fee of £5 per box per month will be charged. This charge covers the transportation of records from the company's premises, storage, retrieval of books and records in storage for administration purposes and the destruction of such books and records after expiration of the statutory retention period. The recharge of travelling by motor vehicle on business for the administration of the insolvency will be charged to the estate at 40p per mile. Other Category 2 disbursements such as photocopying will not be recharged.

Appendix C

Fee resolutions

The following resolutions were passed by creditors at the meeting of creditors held on 12 September 2013

Pre liquidation

"It was reported that Bailey Ahmad Limited's fee for convening the meetings of directors, shareholders and creditors and assisting the directors in the preparation of the report and statement of affairs was £5,000 plus VAT. The Joint Liquidators be authorised to draw this fee from asset realisations, subject to any third party contribution referred to in the notes to the statement of affairs "

Post liquidation

"In respect of post-appointment work, that the Joint Liquidators be remunerated on a time cost basis in accordance with the normal charge out rates for their practice. Any remuneration will be payable at the Liquidators' discretion from time to time out of any funds held by them "

"The Joint Liquidators to be reimbursed for any expenses or necessary disbursements properly charged and incurred in the course of carrying out their duties during the liquidation. These include category 2 disbursements as explained in the creditors' guide to fees previously despatched to creditors and are to be paid from the assets of the liquidation "

Appendix D

Notes to be read in conjunction with Statement of Insolvency Practice 9 fee breakdown

The work that we have carried out as Joint Liquidators is derived from the responsibilities placed upon us by the underlying legal and regulatory framework for work of this nature in general. The actual matters with which we have dealt are set out briefly in our report.

It is our policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.

Examples of work which fall under each type of standard activity shown in the SIP 9 breakdown are as follows:

Administration and Planning

Case planning, administrative set-up, appointment notification, maintenance of records, cashiering and statutory reporting.

Investigations

SIP 2 review and investigating antecedent transactions.

Realisation of assets

Identifying, securing and insuring assets, retention of title, debt collection and property, business and asset sales.

Creditors

Communication with creditors, dealing with creditors' claims and distributions.

Appendix E

SIP 9 summary of time costs for
the period 12 September 2013 to
11 September 2014

Time Entry - SIP9 Time & Cost Summary

CO06 - Contramec Services Limited
Project Code POST
From 12/09/2013 To 11/09/2014

Classification of Work Function	Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	4.80	7.40	7.60	15.90	35.70	6 012.00	168.40
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.40	1.50	4.20	2.10	8.20	1 378.00	168.05
Investigations	0.70	0.80	3.20	1.00	5.70	1 082.50	189.91
Non Chargeable	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.80	18.90	12.00	3.10	34.80	7 378.00	212.01
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	6.70	28.60	27.00	22.10	84.40	16 860.50	187.80