

**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

04186840

Name of Company

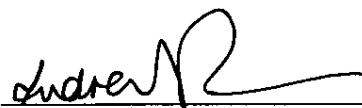
Direct Building Services Limited

I / ~~my~~  
A Turpin  
35 Ludgate Hill  
Birmingham  
B3 1EH

the liquidator(~~is~~) of the company attach a copy of my/~~my~~ Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 25/01/2012 to 24/01/2013

Signed



Date

21/3/13

Poppleton & Appleby  
35 Ludgate Hill  
Birmingham  
B3 1EH

Ref D4U/AT/TJL/MGM/JS

FRIDAY



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22/03/2013

#159

COMPANIES HOUSE

**Direct Building Services Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**

<b>Statement of Affairs</b>		<b>From 25/01/2012 To 24/01/2013</b>	
	<b>FIXED CHARGE ASSETS</b>		
22,333 00	Factored Book Debts		NIL
(15,130 00)	IGF Invoice Finance Limited - Advance		NIL
(47,920 00)	IGF Invoice Finance Limited - Loan		NIL
			<u>NIL</u>
	<b>ASSETS NOT PLEDGED</b>		
2,000 00	Cash in Hand	2,000 00	
9,000 00	Plant & Equipment	6,750 00	
115 00	Office Furniture & IT Equipment	NIL	
4,750 00	Motor Vehicles	2,750 00	
12,797 00	Book Debts	NIL	
	Sundry Refunds	335 45	
		<u>11,835 45</u>	
	<b>COST OF REALISATIONS</b>		
	Agents Costs	1,911 70	
	Statutory Advertising	209 25	
	Statement of Affairs Fee	5,495 50	
	Stationery, Printing & Carriage	79 47	
	Specific Bond	90 00	
	Storage Costs	105 00	
	Re-Direction of Mail	27 20	
	Motor Expenses	23 40	
	Liquidators Fees	500 00	
		<u>(8,441 52)</u>	
	<b>PREFERENTIAL CREDITORS</b>		
(5,604 00)	Employees - Arrears of Wages		NIL
(3,874 00)	Employees - Arrears of Holiday Pay		NIL
			<u>NIL</u>
	<b>FLOATING CHARGE CREDITORS</b>		
(625 00)	Lloyds TSB Bank plc		NIL
			<u>NIL</u>
	<b>UNSECURED CREDITORS</b>		
(120,974 00)	Trade & Expense Creditors		NIL
(100,046 00)	HM Revenue & Customs - PAYE/NIC/		NIL
(63,411 00)	HM Revenue & Customs - VAT		NIL
(23,215 00)	Employees - Redundancy		NIL
(30,170 00)	Employees - Pay in Lieu		NIL
(4,348 00)	Employees - Balance of Arrears of Wa		NIL
(22,074 00)	Directors Loan Accounts		NIL
(3,042 00)	Leasing Companies		NIL
			<u>NIL</u>
	<b>DISTRIBUTIONS</b>		
(2 00)	Ordinary Shareholders		NIL
			<u>NIL</u>
<b>(389,440 00)</b>			<b><u>3,393 93</u></b>

REPRESENTED BY

Bank  
Vat Control Account


1,733 53

1,660 40

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**3,393 93**

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A Turpin  
Liquidator

**TO ALL MEMBERS, CREDITORS AND  
THE REGISTRAR OF COMPANIES**

Our Ref AT/TJL/MGM/JS/D4U/CVLL259  
21 March 2013

Dear Sirs

**Direct Building Services Limited - In Creditors' Voluntary Liquidation ("the Company")**  
**Company Number: 04186840**  
**35 Ludgate Hill, Birmingham, B3 1EH**

In accordance with Section 104A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986, I enclose a copy of my Progress Report to Creditors. I would remind Creditors that I was appointed as Liquidator of the Company on 25 January 2012 and now report following the end of a year since my appointment.

#### **Receipts and Payments Account**

I attach a copy of my Receipts and Payments Account from 25 January 2012 to 24 January 2013.

#### **Fixed Charge Assets**

##### **Factored Book Debts**

As previously advised, the Company's debtor ledger was subject to a Debt Purchase Agreement with IGF Invoice Finance Limited (IGF) dated 12 August 2011.

At the date of liquidation, the outstanding sales ledger balance was £27,597 subject to outstanding advances of £15,130 due to IGF under the terms of their agreement excluding any termination charges and ongoing collection fees. In addition, IGF provided the Company with a Commercial Loan with an outstanding balance of £47,920.

Under its security IGF was entitled to consolidate the balances on both accounts against the outstanding sales ledger. As a result it was anticipated that there would be no prospect of any surplus available to Unsecured Creditors from the factored debts.

IGF has advised that its outstanding liability has been settled by the Director, Mr S Ashworth, under his personal guarantee and it is in the process of reassigning the balance of the outstanding ledger to the Liquidator. In addition, following fees and termination costs charged by IGF during the liquidation there was recoverable VAT of £3,052 which has subsequently been received in the period after this report.

Until the ledger has been reassigned it is uncertain as to whether there are likely to be any further debtor realisations. I will report further in due course.

Continued

## **Assets Subject to Floating Charge**

### **Chattel Assets**

Independent agents, GoIndustry Dovebid, a firm qualified to act by the Royal Institute of Chartered Surveyors of Livery Place, 25 Livery Street, Birmingham, B3 2PB were instructed to provide a valuation of the Company assets

Rajiv Kumar, B Eng (Hons), of GoIndustry Dovebid was instructed to gather data relative to the assets and provide a valuation to be used for the purposes of the Directors' Statement of Affairs

### **Plant and Machinery**

The Company owned plant and equipment consisting of two scaffolding systems

The above assets were valued by my Agents and were estimated to realise £9,000 on a forced sale basis. I can report that realisations of £6,750 plus VAT have been achieved in respect of one of the scaffolding systems sold by private treaty

The remaining scaffolding system has proved unrealisable to date as following our Agents initial valuation report they have been unable to locate the asset in question. Further enquiries are ongoing, however, recovery action may need to be considered if the asset remains unrealised

### **Motor Vehicles**

The Company owned five motor vehicles which were valued by my Agents and estimated to realise £4,750 on a forced sale basis

The vehicles were all relatively old and with high mileage and as a result have achieved realisations of £2,750 to date following the sale of four of the vehicles

One vehicle remains unsold, which again, following our Agents initial valuation, has been unable to be located. Further enquiries are ongoing, however, recovery action may be considered should the asset remain unrealised

### **Office Furniture & IT Equipment**

As previously advised, the Company owned office furniture and equipment, fixtures and fittings and stock with an estimated to realise value of £115. Due to the nominal value attached to these assets, it has been deemed uneconomical to realise

### **Book Debts**

At the date of liquidation, the Directors indicated that there were outstanding book debts estimated to realise £12,797 which were not subject to the Debt Purchase Agreement with IGF Invoice Finance Limited (IGF)

However, following further correspondence with IGF, these debts were found to be subject to their existing Debt Purchase Agreement, as a result no realisations have been received into the liquidation

Continued

## Cash in Hand

As previously reported, at the date of appointment a balance of £2,000 was held in the client account, which represented funds received from the Company prior to the meeting of Creditors

The balance in question has been subsequently transferred into the designated liquidation account for the Company following my appointment

No further funds will be realised

## Sundry Refunds

A Refund has been recovered from Birmingham City Council in respect of business rates in the sum of £335

No other refunds are anticipated

## Assets Remaining Unsold

I have been unable to realise the following assets -

Asset Description	Value on Statement of Affairs	Reason Why Not Realised
Plant and Machinery	£2,250	Unable to locate asset
Motor Vehicle	Uncertain	Unable to locate asset
Office Furniture & IT Equipment	£115	Uneconomical to realise

## Investigation

As Liquidator, I was obliged to investigate the affairs of the Company and its Officers during the three years prior to insolvency. I would confirm that my confidential report was submitted to the Insolvency Service in discharge of this duty

In addition, I have made further investigations in respect of the assets of the Company in relation to those items currently unrecoverable

## Costs of Liquidation

### Professional Fees

Agents instructed during the course of the liquidation. The scope of their engagement as well as the fees paid can be summarised as follows

Firm	Scope	Agreed fee structure	Original Budgeted Costs (£)	Professional Fees paid	Further Fees Expected (£)	Revised budget (£)
GolIndustry Dovebid	Conducting a valuation of the Company's stock and reporting/overseeing sale	Time Cost & Disbursements	1,912 70	1,912 70	Nil	1,912 70
Total			1,912 70	1,912 70	500 00	2,412 70

Continued

Subject to ongoing investigations, it may be necessary to instruct Solicitors in respect of potential recovery action

### **Liquidator's Remuneration**

The costs of the liquidation paid to date are detailed on the attached Receipts and Payments Account To date I have drawn fees of £500 against my own total time costs of £15,900 The time costs incurred by this firm in this matter equate to 99 hours at an average charge out rate of £159 per hour The basis for drawing my fees and expenses were approved by Creditors at the initial Creditors meeting and details of the date and content of the resolution passed has been circulated previously

I can also confirm that the Statement of Affairs fee of £4,745 has been settled The drawing of this fee and the basis of charge was approved at the initial meeting of Creditors In addition, Brown Scanlan & Co, Accountants have been paid fees of £750 for their assistance with the preparation of the Statement of Affairs I believe that the other costs of the procedure are self explanatory However, if any further explanation is required I would be only too happy to provide it upon request

I have attached as Appendix A, a schedule of the routine work undertaken by me as Liquidator to date

In accordance with Statement of Insolvency Practice 9 I append to this report a detailed analysis of time spent on the liquidation since 25 January 2012

### **Outcome for Creditors**

#### **Secured Creditor – Lloyds TSB Bank plc ("The Bank")**

As previously advised, the Company granted a Debenture in favour of the Bank dated 12 August 2011 which was duly registered at Companies House on 13 August 2011 comprising fixed and floating charges over the Company's assets

At the date of my appointment, the Bank was owed approximately £625

As the Bank's security was created after the Enterprise Act 2003, the Prescribed Part rules do apply to any Floating Charge realisations However, there are unlikely to be funds available for the Floating Charge Creditor

#### **Preferential Creditor Claims**

The position as regards Preferential Creditors can be summarised best as follows -

Number of Preferential Creditor Claims	Estimated Statement of Affairs Value of Preferential Claims	Final Value of Preferential Creditor Claims
1	£9,478	£3,252

There will be no return to Preferential Creditors in these proceedings after the costs associated with it

No further dividend will be payable I can also confirm that no interest has been paid on these claims

Continued

## Unsecured Creditors

The position as regards Unsecured Creditors can be summarised best as follows -

Number of Unsecured Creditor Claims	Estimated Statement of Affairs Value of Unsecured Claims	Final Value of Unsecured Creditor Claims
31	£360,443	£302,473

In accordance with Rule 11.7 of the Insolvency Rules 1986, I confirm that there will be no dividend declared for the Unsecured Creditors as funds realised have been allocated to pay the costs and fees of the procedure. There have been no returns to shareholders.

## Crown Creditors

I can confirm that the position as regards the claims from Crown Creditors was confirmed as follows -

Number of Crown Creditor Claims	Estimated Statement of Affairs Value of Crown Creditor Claims	Final Value of Crown Creditor Claims
3	£163,457	£153,240

## The Prescribed Part

In these proceedings there was not a triggering of the Prescribed Part, that is, a section of funds ring-fenced for the benefit of Unsecured Creditors.

## Conclusion

There remain certain areas as detailed within this report which require further time to fully resolve. I will continue with my functions to progress this case to closure once those various matters have been resolved.

I have attached as Appendix B, a statement of Creditors rights in relation to these proceedings.

If you should require any further information concerning this liquidation then please do not hesitate to contact either myself or my Case Manager, Tony Lozano.

Yours faithfully  
For and on behalf of  
**Direct Building Services Limited**

  
A Turpin  
Liquidator

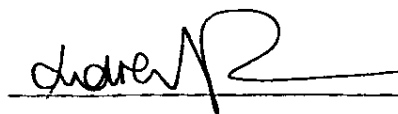


**Direct Building Services Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**  
**To 24/01/2013**

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	<b>FIXED CHARGE ASSETS</b>		
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			NIL
	<b>DISTRIBUTIONS</b>		
(2 00)	Ordinary Shareholders	NIL	
			NIL
(389,440 00)			3,393 93

**Direct Building Services Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**  
**To 24/01/2013**

S of A £	£	£
REPRESENTED BY		
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Vat Control Account		1,660 40
		<u>3,393.93</u>



A Turpin  
Liquidator

# Time Entry - Detailed SIP9 Time & Cost Summary

D4U - Direct Building Services Limited  
 From 25/01/2012 To 24/01/2013  
 Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 Administration & Planning	2 70	3 20	38 10	0 00	44 00	6,528 50	148 38
101 Case planning	0 20	0 00	17 50	0 00	17 70	2 207 00	124 69
103 Appointment notification	0 60	0 00	0 00	0 00	0 60	177 00	295 00
104 Maintenance of records	0 00	0 00	1 50	0 00	1 50	240 00	160 00
105 Statutory reporting	0 00	0 00	6 40	0 00	6 40	928 00	145 00
107 Case Monitoring	1 20	0 00	0 80	0 00	2 00	450 00	225 00
	0 70	3 20	11 90	0 00	15 80	2 526 50	159 91
Administration & Planning	2 70	3 20	38 10	0 00	44 00	6,528 50	148 38
500 Creditors	0 00	0 00	5 13	0 00	5 13	712 00	138 93
501 Communication	0 40	0 00	19 43	0 00	19 82	3 194 00	161 11
502 Claims inc emp prels	0 00	0 00	1 40	0 00	1 40	168 00	120 00
505 Final Report	0 00	0 00	0 30	0 00	0 30	36 00	120 00
Creditors	0 40	0 00	26 25	0 00	26 65	4,110 00	154 22
200 Investigations	0 40	0 00	2 80	0 00	3 20	554 00	173 13
201 SIP 2 review	0 00	0 20	0 00	0 00	0 20	39 00	195 00
202 CDDA reports	0 00	0 00	3 50	0 00	3 50	560 00	160 00
Investigations	0 40	0 20	6 30	0 00	6 90	1 153 00	167 10
300 Realisation of assets	3 20	0 00	0 00	0 00	3 20	944 00	295 00
302 ROT	0 00	0 00	0 30	0 00	0 30	48 00	160 00
303 Debt collection	0 40	0 00	9 40	0 00	9 80	1 614 00	164 89
304 Sale of prop bus and ass	0 00	0 00	2 50	0 00	2 50	364 00	145 60
305 Legal matters	0 00	0 00	0 80	0 00	0 80	96 00	120 00
314 Creditors Meetings	1 00	0 00	2 50	0 00	3 50	695 00	198 57
Realisations of Assets	4 60	0 00	15 50	0 00	20 10	3,761 00	187 11
402 Accounting for trading	0 00	0 00	0 28	0 00	0 28	44 00	160 00
403 On-going employee issues	0 00	0 00	1 90	0 00	1 90	304 00	160 00
Trading	0 00	0 00	2 17	0 00	2 17	348 00	160 00
Total Hours	8 10	3 40	88 33	0 00	99 83	15,900 50	159 28
Total Fees Claimed						500 00	

# Time Entry - SIP9 Time & Cost Summary

## Category 2 Disbursements

D4U - Direct Building Services Limited  
 Project Code POST  
 From 25/01/2012 To 24/01/2013

Other amounts paid or payable to the office holders firm or to party in which the office holder or his firm or any associate has an interest

Transaction Date	Type and Purpose	Amount
28/11/2012	Nov Storage	17 50
31/08/2012	August Storage	17 50
30/03/2012	Mileage	11 70
26/09/2012	Sept Storage	17 50
31/07/2012	Storage July 2012	17 50
31/10/2012	Storage Oct 12	17 50
31/12/2012	Storage Dec 12	17 50
30/06/2012	Storage June 2012	17 50
30/03/2012	Mileage	11 70
Total		145 90

## **APPENDIX A**

### **ROUTINE WORK ORDINARILY UNDERTAKEN IN MEMBERS AND CREDITORS VOLUNTARY LIQUIDATIONS**

#### **1 Administration & Planning**

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence, e mails and telephone calls
- Maintaining physical case files and electronic case details in our computerised systems
- Review and storage
- Case bordereau reviews and maintenance
- Case planning and administration
- Case reviews
- Preparing reports to interested parties
- Convening and holding meetings of members and creditors and, where appropriate, the Committee

#### **2 Cashiering**

- Maintaining and managing the Liquidator's cashbook and bank account(s)
- Ensuring statutory lodgements and taxation affair obligations are met

#### **3 Creditors**

- Dealing with creditor correspondence, e mails and telephone calls
- Preparing reports to Creditors and other interested parties
- Maintaining Creditor information within our computerised systems
- Reviewing and adjudicating upon proofs of debt received from Creditors

#### **4 Investigations**

- Review and storage of books and records
- Preparing a report pursuant to the Company Directors Disqualification Act (Not in a Members Voluntary Liquidation)
- Conduct investigations into suspicious transactions
- Reviewing books and records to identify any transactions or actions a Liquidator may take against a third party in order to recover funds for the benefit of Creditors

#### **5. Realisation of Assets**

- Corresponding with debtors (where appropriate) and attempting to collect outstanding book debts
- Liaising with the Company's bank regarding the closure of the accounts(s)
- Employment of Agents and Solicitors where appropriate to assist in dealing with the above

## **STATUTORY DISCLOSURE REQUIREMENTS**

Legislative requirements state that when an Insolvency Practitioner reports to Creditors, there are certain statutory statements he must make. In order to fully comply with these conditions, we have set out below the statements which apply in these proceedings in this Appendix, rather than in the report itself, with the intention of keeping the report informative for Creditors whom are more likely to be interested in the practical points arising in the insolvency.

The statements which form part of this statutory report which also need to be considered along with it are as follows -

- Please note that no funds have been held with the Insolvency Services Account at any time during the liquidation, therefore, it has been neither possible nor necessary to reconcile this account with the Secretary of State
- I can confirm that there have been no unrealised assets in this matter

### **Comments as Regards Liquidator's Remuneration:-**

- I attach details of this firm's fee and disbursement recovery policy, which includes details of our current charge out rates
- Creditors/Members should note that a request for further information regarding my fees and expenses should be made within 21 days of receipt of this report, pursuant to Rule 4.49E of the Insolvency Rules 1986, details of which can be found on our website at [www.poppletonandappleby.co.uk](http://www.poppletonandappleby.co.uk) and selecting Creditors Login, Creditors Guidance Notes, Creditor/Members Rights and Rule 4.49E. A hard copy can be provided upon written request.
- Furthermore, I am obliged to advise Creditors/Members of their right to appeal the level of my remuneration and expenses, pursuant to Rule 4.131 of the Insolvency Rules 1986, a copy of which can be found on our website at [www.poppletonandappleby.co.uk](http://www.poppletonandappleby.co.uk) and selecting Creditors Login, Creditors Guidance Notes, Creditor/Members Rights and Rule 4.131. This allows Unsecured Creditors/Members, with the permission of the Court or with the concurrence of 5% or more of the Unsecured Creditors/Members (including the Creditor/Member instigating this process) to request further details as regards remuneration and expenses within the period of 21 days from receipt of this report. Secured Creditors have identical rights.
- Unsecured Creditors/Members, with either the permission of the Court or the concurrence of at least 10% of Creditors/Members may apply to Court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of the receipt of this report. Secured Creditors have identical rights.