

**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

04235292

Name of Company

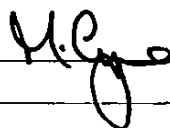
The Magna Heating Co Limited

~~I / We~~
M T Coyne
35 Ludgate Hill
Birmingham
B3 1EH

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 09/06/2011 to 08/06/2012

Signed



Date

3 AUGUST 2012

Poppleton & Appleby
35 Ludgate Hill
Birmingham
B3 1EH

Ref M7J/MTC/TJL/JT/MGM/JS

TUESDAY



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07/08/2012

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COMPANIES HOUSE

The Magna Heating Co Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 09/06/2011 To 08/06/2012	From 09/06/2010 To 08/06/2012
	ASSETS NOT PLEDGED		
NIL	Goodwill	NIL	NIL
	Cash at Bank	1,965 36	1,965 36
500 00	Plant & Machinery	2,202 50	2,900 00
900 00	Office Furniture & Computer Equipmen	244 50	1,500 00
NIL	Fixtures & Fittings	NIL	NIL
11,000 00	Motor Vehicles	650 50	11,000 00
500 00	Stock in Trade	1,902 50	2,600 00
133,440 00	Book Debts	NIL	94,612 34
	Interest Gross	170 30	2,719 02
	Interest Net	3 95	18 30
	Insurance Refund	NIL	100 00
	Refund of Legal Costs	NIL	460 00
		<u>7,139 61</u>	<u>117,875 02</u>
	COST OF REALISATIONS		
	Agents Costs	NIL	1,000 00
	Solicitors Fees	NIL	567 50
	Sub Contract Labour	NIL	435 00
	Statutory Advertising	NIL	209 25
	Statement of Affairs Fee	NIL	5,630 50
	Stationery, Printing & Carriage	NIL	63 08
	Specific Bond	NIL	260 00
	Corporation Tax	518 20	518 20
	Storage Costs	4,485 00	4,796 60
	Motor Expenses	76 28	165 08
	Liquidators Fees	29,000 00	55,000 00
		<u>(34,079 48)</u>	<u>(68,645 21)</u>
	PREFERENTIAL CREDITORS		
(34,662 00)	Wages - DTI	NIL	NIL
(7,454 00)	Wages - Employees	NIL	NIL
(10,477 00)	Holiday Pay - DTI	NIL	NIL
(2,939 00)	Holiday Pay - Employees	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	FLOATING CHARGE CREDITORS		
(28,602 00)	National Westminster Bank plc	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(171,026 00)	Trade & Expense Creditors	NIL	NIL
(273,132 00)	HM Revenue & Customs - PAYE/NIC	NIL	NIL
(142,192 00)	HM Revenue & Customs - VAT	NIL	NIL
(97,510 00)	Employees - Redundancy	NIL	NIL
(91,385 00)	Employees - Pay in Lieu	NIL	NIL
(7,000 00)	Directors Loan Accounts	NIL	NIL
(30,000 00)	Leasing Companies	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(100 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>

(750,139 00)

(26,939 87)

49,229 81

REPRESENTED BY

VAT Input

11,979 92

Bank

10,281 70

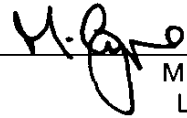
Money Market Deposit

30,118 19

VAT Output

(3,150 00)

49,229.81



M T Coyne
Liquidator

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

Our Ref MTC/TJL/JT/MGM/JS/M7J/CVLL259

3 August 2012

Dear Sirs

The Magna Heating Co Limited - In Creditors' Voluntary Liquidation ("the Company")
Company Number: 04235292
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 Second Progress Report to Creditors. I would remind Creditors that I was appointed as Liquidator of the Company on 9 June 2010 and now report following the end of another year since my appointment.

Receipts and Payments Account

I attach a copy of my Receipts and Payments Account for the current reporting period from 9 June 2011 to 8 June 2012, which also includes a breakdown of all receipts and payments made from 9 June 2010 to 8 June 2012.

Fixed Charge Assets

There are no assets that fall under a fixed charge in the liquidation.

Assets Subject to Floating Charge

In my last report of 21 July 2011, I provided in detail the asset realisations in this matter, therefore, this report will update Creditors on any movements since my last report.

Cash at Bank

I received the sum of £1,965 from National Westminster Bank plc ("the Bank") on 2 February 2012 in relation to the surplus debtor funds that the Bank had agreed to release following the retention of debtor funds in anticipation of discharging its Floating Charge liability.

No further realisations are anticipated.

Continued

Sale of Assets to MHP Installations Limited

As previously advised, the chattel assets were sold for £18,000 plus VAT (£21,150), on deferred consideration terms, to MHP Installation and Maintenance Limited ("MHP"), a company under common control of the former Directors, Mr P Lockyer and Mrs S Lockyer

I can confirm that the final payment of £8,150 due under the terms of the deferred consideration has been received from MHP

No further realisations will be achieved

Book Debts

As previously advised, it was anticipated that the majority of the book debt balances would be recoverable and these were therefore estimated to realise at approximately £133,444

Total recoveries of £94,612 have been paid directly into the liquidation account and National Westminster Bank plc has been withholding funds paid directly into the current account in anticipation of settling its Floating Charge liability

No further realisations have been achieved to date other than the surplus funds of £1,965 described above

There remains one debt outstanding in the sum of £26,525, which is subject to dispute and is being dealt with by my Solicitors. However, the debt remains disputed with no current prospect of settlement

As a result, any further realisation from the debtor ledger is uncertain

Interest Gross/Interest Net

Gross and Net interest received during this reporting period amounts to £170 and £4 respectively

The interest will be subject to Corporation tax and this will be dealt with when return has been submitted to HM Revenue & Customs

Assets Remaining Unsold

I can confirm that, other than the outstanding debtor, there are no assets which remain unrealised at this time

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

Liquidator's Actions Since Appointment

As Creditors may be aware, the Redundancy Payments Office ("RPO") had rejected the claims brought by the Company's employees upon redundancy

Continued

The RPO asserted that all employees had transferred to MHP under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) and this decision has been upheld by the Employment Tribunals

I sought advice from my Solicitors as to whether the employees would be eligible to claim against the Company due to the Employment Tribunal decision and I have been advised that these claims are no longer admissible in the liquidation of the Company as they have transferred to MHP

Costs of Liquidation

Professional Fees

Agents and Solicitors have been 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	Budgeted Costs (£)	Professional Fees paid 09/06/2011 to 08/06/2012	Total Fees Paid	Further Fees Expected (£)	Revised budget (£)
Britton & Co	Valuation of the Company Assets	Time Cost	1,000.00	Nil	1,000.00	Nil	1,000.00
Smith Partnership	Assistance with the collection of book debts.	Fixed Fee & disbursements	1,067.50	Nil	567.50	500.00	1,067.50
Total			2,067.50		1,567.50	500.00	2,067.50

Liquidator's Remuneration

The costs of the liquidation paid to date are detailed on the attached Receipts and Payments Account. Time costs for the period 9 June 2011 to 8 June 2012 amount to £21,704. This equates to a total of 115 hours at an average charge out rate of £188 per hour. During this reporting period, I have drawn fees of £29,000.

The total time costs incurred by this firm in this matter amount to £62,443, which equates to 362 hours at an average charge out rate of £172 per hour. To date, I have drawn total fees of £55,000.

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 £5,630 has been settled. The drawing of this fee and the basis of charge was approved at the initial meeting of Creditors. 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.

Continued

In accordance with Statement of Insolvency Practice 9 I append to this report a detailed analysis of time spent on the liquidation for the reporting period of 9 June 2011 to 8 June 2012 as well as the entire period of the liquidation, being 9 June 2010 to 8 June 2012

Outcome for Creditors

Secured Creditor – National Westminster Bank plc (“the Bank”)

As previously advised, the Bank was granted a Fixed and Floating charge, which was registered at Companies House on 31 October 2001

At the date of my appointment, the Bank was owed approximately £28,602. As advised earlier in my report, the Bank has been withholding debtor funds in anticipation of discharging its Floating Charge liability in full. I anticipate that this will be discharged in full shortly based on the surplus funds that have been remitted to me.

As the Bank's security was created before the provisions of the Enterprise Act 2003 came into force, the Prescribed Part rules do not apply to any Floating Charge realisations.

Preferential Creditor Claims

As previously advised, due to the recent Employment Tribunal Decision with regards to the Company's employees, no Preferential Claims are admissible in the proceedings.

Unsecured Creditors

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

Number of Unsecured Creditor Claims Received	Estimated Statement of Affairs Value of Unsecured Claims	Value of Unsecured Creditor Claims To Date
30	£812,245	£565,980

Due to the circumstances in relation to the employee claims it is now likely that there will be a dividend to Unsecured Creditors. However, the quantum and timing of this dividend will be dependent on my final appraisal of the debtor ledger.

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
2	£444,158	£423,163

The Prescribed Part

As previously advised, 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.

Continued

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

- Conclusion of debtor collections currently with instructed solicitors
- Agreement of claims and dividend to Unsecured Creditors

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, Mark Monaghan

Yours faithfully
For and on behalf of
The Magna Heating Co Limited



M T Coyne
Liquidator

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 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 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.

The Magna Heating Co Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 09/06/2011 To 08/06/2012	From 09/06/2010 To 08/06/2012
	ASSETS NOT PLEDGED		
NIL	Goodwill	NIL	NIL
	Cash at Bank	1,965 36	1,965 36
500 00	Plant & Machinery	2,202 50	2,900 00
900 00	Office Furniture & Computer Equipmen	244 50	1,500 00
NIL	Fixtures & Fittings	NIL	NIL
11,000 00	Motor Vehicles	650 50	11,000 00
500 00	Stock in Trade	1,902 50	2,600 00
133,440 00	Book Debts	NIL	94,612 34
	Interest Gross	170 30	2,719 02
	Interest Net	3 95	18 30
	Insurance Refund	NIL	100 00
	Refund of Legal Costs	NIL	460 00
		<u>7,139 61</u>	<u>117,875 02</u>
	COST OF REALISATIONS		
	Agents Costs	NIL	1,000 00
	Solicitors Fees	NIL	567 50
	Sub Contract Labour	NIL	435 00
	Statutory Advertising	NIL	209 25
	Statement of Affairs Fee	NIL	5,630 50
	Stationery, Printing & Carriage	NIL	63 08
	Specific Bond	NIL	260 00
	Corporation Tax	518 20	518 20
	Storage Costs	4,485 00	4,796 60
	Motor Expenses	76 28	165 08
	Liquidators Fees	<u>29,000 00</u>	<u>55,000 00</u>
		(34,079 48)	(68,645 21)
	PREFERENTIAL CREDITORS		
(34,662 00)	Wages - DTI	NIL	NIL
(7,454 00)	Wages - Employees	NIL	NIL
(10,477 00)	Holiday Pay - DTI	NIL	NIL
(2,939 00)	Holiday Pay - Employees	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	FLOATING CHARGE CREDITORS		
(28,602 00)	National Westminster Bank plc	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	UNSECURED CREDITORS		
(171,026 00)	Trade & Expense Creditors	NIL	NIL
(273,132 00)	HM Revenue & Customs - PAYE/NIC	NIL	NIL
(142,192 00)	HM Revenue & Customs - VAT	NIL	NIL
(97,510 00)	Employees - Redundancy	NIL	NIL
(91,385 00)	Employees - Pay in Lieu	NIL	NIL
(7,000 00)	Directors Loan Accounts	NIL	NIL
(30,000 00)	Leasing Companies	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	DISTRIBUTIONS		
(100 00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL

(750,139.00)

(26,939 87)

49,229.81

REPRESENTED BY

VAT Input

11,979 92

Bank

10,281 70

Money Market Deposit

30,118 19

VAT Output

(3,150 00)

49,229.81

M T Coyne
Liquidator

Time Entry - Detailed SIP9 Time & Cost Summary

M7J - The Magna Heating Co Limited
To 08/06/2012
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	0 00	2 80	53 00	0 00	55 80	6 966 00	124 84
101 Case planning	0 00	0 00	0 30	0 00	0 30	48 00	160 00
103 Appointment notification	0 00	0 00	2 50	0 00	2 50	400 00	160 00
104 Maintenance of records	0 20	0 20	18 70	0 30	19 40	2 357 00	121 49
105 Statutory reporting	4 80	0 00	6 70	0 00	11 50	2 440 00	212 17
107 Case Monitoring	5 20	11 80	13 10	0 00	30 10	5 875 00	195 18
Administration & Planning	10 20	14 80	94 30	0 30	119 60	18,086 00	151 22
500 Creditors	0 00	17 00	17 10	0 00	34 10	5 847 00	171 47
501 Communication	0 00	0 00	40 45	0 00	40 45	6,472 00	160 00
502 Claims inc emp. prefs	2 00	3 50	0 00	0 00	5 50	1 272 50	231 36
504 Committee Reporting	0 00	0 20	0 00	0 00	0 20	39 00	195 00
Creditors	2 00	20 70	57 55	0 00	80 25	13,630 50	169 85
200 Investigations	0 00	0 20	2 50	0 00	2 70	439 00	162 59
202 CODA reports	1 50	0 00	2 00	0 00	3 50	762 50	217 86
Investigations	1 50	0 20	4 50	0 00	6 20	1,201 50	193 79
300 Realisation of assets	1 00	4 20	0 00	0 00	5 20	1,114 00	214 23
303 Debt collection	0 00	1 50	87 30	0 00	88 80	13 184 50	148 47
304 Sale of prop. bus and ass	0 00	0 50	3 10	0 00	4 00	671 50	167 88
305 Legal matters	20 30	1 00	0 00	0 00	21 30	6 183 50	290 31
314 Creditors Meetings	2 00	0 00	0 00	0 00	2 00	590 00	295 00
Realisations of Assets	23 30	7 60	90 40	0 00	121 30	21,743 50	179 25
403 On-going employee issues	13 10	11 80	10 10	0 00	35 00	7,781 50	222 33
Trading	13 10	11 80	10 10	0 00	35 00	7,781 50	222 33
Total Hours	50 10	55 10	256 85	0 30	362 35	62,443 00	172 33
Total Fees Claimed						55,000 00	

Time Entry - SIP9 Time & Cost Summary

Category 2 Disbursements

M7J - The Magna Heating Co Limited
 Project Code POST
 To 08/06/2012

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
31/12/2011	Storage Dec 11	115 00
31/01/2012	Storage Jan 12	115 00
31/10/2011	Storage	115 00
30/11/2011	Storage 30 11 11	115 00
28/03/2012	Storage	115 00
13/10/2011	Storage charge to 31st August 2011	1 610 00
18/10/2011	Storage Charges Sept 2011	115 00
29/02/2012	Storage Feb 12	115 00
23/11/2011	Milage	19 80
06/06/2012	Storage Charges for May 2012	115 00
30/04/2012	Storage Charges to 31 03 12	115 00
Total		2,864 80

Time Entry - Detailed SIP9 Time & Cost Summary

M7J - The Magna Heating Co Limited
 From 09/06/2011 To 08/06/2012
 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	4.70	4.10	26.70	0.30	35.80	5,865.00	163.83
101 Case planning	0.00	0.50	7.80	0.00	8.30	1,093.50	131.75
104 Maintenance of records	0.00	0.00	0.30	0.00	0.30	48.00	160.00
105 Statutory reporting	2.90	0.00	6.30	0.30	9.50	771.00	116.82
107 Case Monitoring	1.80	3.60	5.60	0.00	11.00	1,879.50	195.78
						2,073.00	188.45
Administration & Planning							
500 Creditors	0.00	14.00	10.70	0.00	24.70	4,442.00	179.84
501 Communication	0.00	0.00	2.30	0.00	2.30	368.00	160.00
502 Claims inc emp prefs	0.00	3.00	0.00	0.00	3.00	585.00	195.00
Creditors	0.00	17.00	13.00	0.00	30.00	5,395.00	179.83
300 Realisation of assets	0.00	1.50	0.00	0.00	1.50	292.50	195.00
303 Debt collection	0.00	1.50	21.70	0.00	23.20	3,680.50	158.64
304 Sale of prop bus and ass	0.00	0.00	0.70	0.00	0.70	112.00	160.00
305 Legal matters	16.60	1.00	0.00	0.00	17.60	5,092.00	289.32
Realisations of Assets	16.60	4.00	22.40	0.00	43.00	9,177.00	213.42
403 On-going employee issues	0.00	6.50	0.00	0.00	6.50	1,267.50	195.00
Trading	0.00	6.50	0.00	0.00	6.50	1,267.50	195.00
Total Hours	21.30	31.60	62.10	0.30	115.30	21,704.50	188.24
Total Fees Claimed						55,000.00	

Time Entry - SLP9 Time & Cost Summary

Category 2 Disbursements

M7J - The Magna Heating Co Limited
 Project Code POST
 From 09/06/2011 To 08/06/2012

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
31/12/2011	Storage Dec 11	115 00
31/01/2012	Storage Jan 12	115 00
31/10/2011	Storage	115 00
30/11/2011	Storage 30 11 11	115 00
28/03/2012	Storage	115 00
13/10/2011	Storage charge to 31st August 2011	1 610 00
18/10/2011	Storage Charges Sept 2011	115 00
29/02/2012	Storage Feb 12	115 00
23/11/2011	Milage	19 80
06/06/2012	Storage Charges for May 2012	115 00
30/04/2012	Storage Charges to 31 03 12	115 00
Total		2,684 80