

The Insolvency Act 1986

Liquidator's Progress Report
Pursuant to Section 192 of
The Insolvency Act 1986

S.192

For Official Use

To the Registrar of Companies

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Company Number

04363708

Name of Company

ABT Mechanical Services Limited

I / We
Rob Sadler
9th Floor
Bond Court
Leeds
LS1 2JZ

Bob Maxwell
9th Floor
Bond Court
Leeds
LS1 2JZ

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

Signed



Date

26 7 11

Begbies Traynor (Central) LLP
9th Floor
Bond Court
Leeds
LS1 2JZ

Ref AB020CVL/RS/RAHM/KB/JOG/CP/DH

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Insolvency Sect

Post Room

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COMPANIES HOUSE

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

Statement of Affairs	From 21/06/2010 To 20/06/2011
ASSET REALISATIONS	
Transfer from Administration	18,019 47
Bank Interest Gross	15 75
	<u>18,035 22</u>
COST OF REALISATIONS	
Specific Bond	158 00
Corporation Tax	3 14
Statutory Advertising	75 60
Bank Charges	12 50
	<u>(249 24)</u>
	<u><u>17,785.98</u></u>
REPRESENTED BY	
Vat Receivable	13 23
Bank 1 Current	17,772 75
	<u>17,785.98</u>

Note



Rob Sadler
Joint Liquidator

ABT Mechanical Services Limited (In Creditors' Voluntary Liquidation)

Progress report pursuant to Section 104A of the Insolvency Act 1986 and Rules 4.49C and 4.54 of the Insolvency Rules 1986

Period: 21 June 2010 to 20 June 2011

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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- Details of appointment of liquidators
- Progress during the period
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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	ABT Mechanical Services Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The Company moved into creditors' voluntary liquidation from administration pursuant to Paragraph 83 of Schedule B1 to the Act
"the liquidators", "we", "our" and "us"	Rob Sadler of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ and Bob Maxwell of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Company registered number	04363708
Company registered office	9th Floor, Bond Court, Leeds, LS1 2JZ
Former trading address	Unit 9 Newtongate , Newton Reigny, Penrith, Cumbria, CA11 0AB

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	21 June 2010
Date of liquidators' appointment	21 June 2010

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 21 June 2010 to 20 June 2011

Details of the receipts and payments for the period detailed in this report are as follows

RECEIPTS

Transfer from Administration

An amount of £18,019 was transferred to the Liquidation in respect of the surplus on the Administration bank account.

Bank Interest

Bank interest in the sum of £16 has accrued on the Liquidation account held with Barclays Bank plc

PAYMENTS

Bordereau

A payment of £158 has been made in respect of the Joint Liquidators' bonding insurance

Bank Charges

Bank charges in the sum of £12 50 have been paid in respect of the Liquidation Bank account

Statutory advertising

A payment of £76 has been made to Courts Advertising Limited in respect of the requirement to advertise the Joint Liquidators' appointment.

Corporation Tax

Corporation tax of £3 has been paid to HM Revenue & Customs

Prior to the preceding Administration of the Company it was discovered that the Company's assets had been transferred to ABT Mechanical Services (Northwest) Limited ("Northwest"), with no sale consideration being paid at the time. The Administrators undertook an investigation into this matter, with the assistance of their agents Eddisons Commercial Limited, and established that the assets in question had a value of £92,000. Following this valuation contact was made with Northwest and a consideration of £92,000 was verbally agreed between the director and the Administrators. However, before a sale could take place Northwest was placed into Liquidation, with Hamsons Business Recovery ("Hamsons") being appointed Liquidators.

Certain book debts with a value in excess of £92,000, due to Northwest, were paid into the Company's pre-appointment bank account prior to Northwest entering Liquidation. These monies were withheld by the Administrators whilst they sought the agreement of Hamsons that the monies were to be retained as sale consideration.

Despite the verbal agreement, with the director of Northwest, it was claimed by Hamsons that there was in fact no contract in place and the £92,000 should not be withheld. In order to avoid any future action against the Company the Administrators contacted Hamsons with the view to resolving the position.

We have since come to an agreement with Hamsons with regards to the £92,000 sale consideration. It has been agreed that Hamsons are to be paid £15,000 in full and final settlement of their claim against the monies held by the Liquidators. However, Barclays Bank Plc ("the Bank") still holds the £92,000 and we are awaiting a distribution of funds in order that we may resolve this matter.

Book Debts

I can confirm that book debt realisations have now been finalised and no further realisations will be made from this source.

5. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment, based upon the information detailed in the director's statement of affairs submitted to the former administrators, and the work we have undertaken in the course of the liquidation are as follows:

Secured creditor

The secured creditor in this matter is Barclays Bank Plc ("the Bank") who are due an outstanding amount of £231,818.

Preferential creditors

There are no preferential creditors in this matter.

Unsecured creditors

Unsecured creditors were estimated at £283,251.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

Secured creditor

We anticipate a distribution will be made to the secured creditor in respect of their registered charge. We anticipate the return to the bank to be in the region of £30,000 therefore resulting in a shortfall to the bank of circa £250,000.

Preferential creditors

There are no preferential creditors in this matter.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of how the prescribed part for unsecured creditors is calculated were provided by the former administrators in their statement of proposals dated 11 February 2009.

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in Section 176A(6) of the Act, to be £28,229 and the prescribed part of the Company's net property to be £8,645, however at this stage these figures cannot be confirmed and are based on the figures calculated in the Liquidators' estimated outcome statement.

Unsecured creditors

We anticipate a distribution to the unsecured creditors of the Company pursuant to section 176A of the Act, however the quantum and timing of this distribution cannot yet be confirmed and will be dependant upon the release of the funds from the Bank and future realisations.

6. REMUNERATION AND DISBURSEMENTS

The Joint Liquidators have not at this time drawn any funds on account of their remuneration, nor on account of certain (Category 2) expenses. Accordingly the Joint Liquidators seek approval that their remuneration be fixed by reference to the time properly given by them (as Liquidators) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the Liquidation. The Joint Liquidators also seek approval to draw disbursements including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9) in accordance with their firm's policy.

Our time costs for the period from 21 June 2010 to 20 June 2011 amount to £6,722 which represents 37 hours at an average rate of £181.66 per hour.

In addition there are outstanding time costs still to be paid in respect of the Administration of the Company. These amount to £55,560 which represents 221.85 hours at an average rate of £250.44 per hour.

The following further information in relation to our time costs and disbursements is set out at Appendix 2.

- ☐ Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 21 June 2010 to 20 June 2011

To date, no remuneration or disbursements have been drawn.

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3

8. ASSETS THAT REMAIN TO BE REALISED

We are continuing to pursue the Bank regarding the release of the funds they hold in respect of the agreed sale consideration. However, pending the release of these funds there are no further assets which remain to be realised.

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

You may be aware that a Liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, a Liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills. We can confirm that we have discharged our duties in these respects.

Investigations carried out to date

We have undertaken an initial assessment of the manner in which the business was conducted prior to the Liquidation of the Company and potential recoveries for the estate in this respect. A further investigation was undertaken in the preceding Administration with regards to the transfer of the Company's assets at under value (which is detailed in section 4 of this report). As a result of this investigation a sale consideration of £92,000 was agreed with the director of Northwest, Andrew Beatty.

Connected party transactions

As you are aware a sale of the Company's assets was made, at under value, to a company controlled by the former director of the Company, Andrew Beatty. However, this transaction took place prior to the Administrators' appointment and as such it is not required to be disclosed as a connected party transaction. This matter has been investigated by the Administrators as detailed above.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 4.49E of the Rules, 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, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been detailed in this progress report.

Right to make an application to court

Pursuant to Rule 4.131 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate

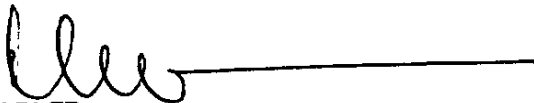
11. CONCLUSION

In conclusion, we are continuing to request the Bank to release the funds being held by it in the pre-appointment Bank account. Once these funds are realised we will proceed to pay a distribution to the unsecured creditors of the Company by way of the prescribed part with the subsequent closure of the case due to follow shortly after the distribution is made.

This report and account will be presented to the meeting of creditors of the Company summoned pursuant to Rule 4.54 of the Rules on 6 September 2011. A resolution fixing the basis of the Joint Liquidators' remuneration and expenses will be put to the meeting of creditors.

Should any creditor require further explanation of matters contained within the report, they should contact our office and speak in the first instance to the case manager who will be pleased to assist. If any creditor wishes to attend the meeting, it would assist us in making the necessary administrative arrangements if you would inform the case manager by telephone. This is particularly important for any creditor wishing to attend who considers that the proposed venue is inconvenient. In that event we will consider reconvening the meetings at an alternative venue to be agreed. Any such request should be made within the next seven days so that we may inform all creditors of the revised arrangements.

We will report again in approximately twelve months time or at the conclusion of the Liquidation, whichever is the sooner.



ROB SADLER
Joint Liquidator

Dated 4 August 2011

LIQUIDATORS' ACCOUNT OF RECEIPTS AND PAYMENTS

Period 21 June 2010 to 20 June 2011

	Period 21 June 2010 to 20 June 2011 £
ASSET REALISATIONS	
Transfer from Administration	18,019 47
Bank Interest Gross	15 75
	<u>18,035 22</u>
COST OF REALISATIONS	
Specific Bond	158 00
Corporation Tax	3 14
Statutory Advertising	75 60
Bank Charges	12 50
	<u>(249 24)</u>
	<u>17,785.98</u>
REPRESENTED BY	
Vat Receivable	13 23
Bank 1 Current	17,772 75
	<u>17,785.98</u>

LIQUIDATORS' TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred , and
- d Table of time spent and charge-out value for the period from 21 June 2010 to 20 June 2011

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear in Appendix 3.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed in Appendix 3.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 expenses (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 expenses (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval)

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 per meeting,
- Car mileage is charged at the rate of 40 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 expense*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 expense*.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)

² Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Leeds Bond Court office as at the date of this report are as follows

Grade of staff	Charge-out Rate (£ per hour)
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Junior Administrator	110
Support	110

The rates applying the Leeds office prior to May 2011 are as follows

Grade of staff	Charge-out Rate (£ per hour)
Partner	350
Director	325
Senior Manager	295
Manager	250
Assistant Manager	195
Senior Administrator	160
Administrator	130
Junior Administrator	100
Support	100

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units)

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	ABT Mechanical Services Limited
CASE TYPE	Creditors Voluntary Liquidation
OFFICE HOLDERS	Rob Sadler and Bob Maxwell
DATE OF APPOINTMENT	21 June 2010

1 CASE OVERVIEW

- 1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case
- 1.2 **Complexity of the case**
The purpose of the Liquidation is to enable a distribution to the creditors of the Company. However, the Bank has not yet released the relevant funds to enable us to make a distribution. Once this issue has been overcome we intend to make a distribution to the Company's creditors in order to achieve the purpose of the Liquidation.
- 1.3 **The office holders effectiveness**
Our strategy was to place the Company into Creditors Voluntary Liquidation in order to enable a distribution to the unsecured creditors of the Company by way of the prescribed part. We have not yet been able to make a distribution due to the lack of funds in the case. Upon the release of the funds being held by the Bank we will be in a position to enable a distribution and achieve the purpose of the Liquidation.
- 1.4 **Nature and value of property dealt with by the office holders**
The assets of the Company were dealt with prior to our appointment as Administrators and subsequent appointment as Liquidators, with the exception of book debts. The book debt collections were concluded in the Administration and there remain no assets to be realised in the Liquidation other than the release of the sale consideration.
- 1.5 **Anticipated return to creditors**
We anticipate a return to the secured creditor of the Company, Barclays Bank Plc, however the timing of this distribution is dependant upon the timing of the release of the funds held by the Bank.

We also anticipate making a distribution to the unsecured creditors of the Company by way of the prescribed part. However, the timing of the distribution can not yet be confirmed. Details of the prescribed part calculation were provided in the Joint Administrators' proposals dated 11 February 2009.
- 1.6 **Time costs analysis**
An analysis of time costs incurred between 21 June 2010 and 20 June 2011 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type.

The time costs analysis provides details of work undertaken by the Liquidators and their staff following their appointment only

17 The views of the creditors

The creditors of the Company were circulated with a copy of the Joint Administrators' final progress report prior to the Company entering Liquidation

18 Approval of fees

The Liquidators have not yet been granted approval of their fees from the creditors of the Company

19 Approval of Expenses and Disbursements

The Liquidators have not yet been granted approval of their expenses and disbursements from the creditors of the Company

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2.1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 2

2.2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 2

3. SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

3.1 Since the date of our last report, the following work has been carried out

- Correspondence with creditors
 - Correspondence with the Bank regarding the release of the funds held in the Company's pre-appointment account
 - Complying with statutory requirements
-

ABT Mechanical Services Limited
Time costs analysis for the period from 21 June 2010 to 20 June 2011

[illegible]

STATEMENT OF LIQUIDATORS' EXPENSES

The following expenses have been incurred by the Joint Liquidators for the period detailed in this report

Joint Liquidators disbursements

Since the outset of the Liquidation the following disbursements have been incurred but not yet paid

Nature of Expense	£
Companies House Search	4 00
TOTAL	4.00