

The Insolvency Act 1986

Liquidator's Statement of
Receipts and Payments
Pursuant to Section 192 of
The Insolvency Act 1986**S.192**

To the Registrar of Companies

For Official Use

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Company Number

04363708

Name of Company

ABT Mechanical Services Limited

I / We
Rob Sadler
9th Floor
Bond Court
Leeds
LS1 2JZBob Maxwell
9th Floor
Bond Court
Leeds
LS1 2JZthe liquidator(s) of the company attach a copy of my/our statement of receipts and
payments under section 192 of the Insolvency Act 1986

Signed



Date

9. 7. 12

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

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

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COMPANIES HOUSE

ABT Mechanical Services Limited (In Creditors' Voluntary Liquidation)

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

Period: 21 June 2011 to 20 June 2012

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.

Contents

- ❑ Interpretation
- ❑ Company information
- ❑ Details of appointment of liquidators
- ❑ Progress during the period
- ❑ Estimated outcome for creditors
- ❑ Remuneration and disbursements
- ❑ Liquidators' expenses
- ❑ Assets that remain to be realised
- ❑ Other relevant information
- ❑ Creditors' rights
- ❑ Conclusion
- ❑ Appendices
 - 1 Liquidators' account of receipts and payments
 - 2 Liquidators' time costs and disbursements
 - 3 Statement of Liquidators' expenses

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

Trading name	ABT Mechanical Services Limited
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 2011 to 20 June 2012

As previously advised, the Administrators undertook an investigation into the transfer of assets at under value between the Company and an associated company, ABT Mechanical Services (Northwest) Limited ("Northwest"), which took place prior to the Administration. Following this investigation, and the subsequent revaluation of the assets by our agents, Eddisons Commercial Limited, it was established that the transferred assets had a value of circa £92,000. Following the revaluation of the assets, contact was made with Northwest and a settlement of circa £92,000 was verbally agreed between the director and the Administrators. However, before the settlement took place, Northwest was placed into Liquidation with Harrison's Business Recovery ("Harrison's") being appointed Liquidators.

Several book debts with a value in excess of £92,000 were subsequently paid into the Company's bank account prior to the Administration and these funds were withheld by the Administrators in consideration of the monies due from Northwest. Harrison's contested the withholding of the funds and claimed the monies were due to Northwest. However, an agreement was subsequently reached with Harrison's and it was agreed that the sum of £15,000 would be paid to them in full and final settlement of their claim.

The monies, which were previously held by Barclays Bank Plc ("the Bank"), were released to us on 26 October 2011 and as such the matter has been resolved.

The following receipts and payments have been accounted for in the period detailed in this report.

RECEIPTS

Sale Consideration

Following the release of the funds held by the Bank, in the sum of £91,933 99, the sale consideration (detailed above) has been apportioned as follows

Asset	Sale consideration (£)
Goodwill	10,000 00
Plant & Machinery	5,000 00
Stock	25,000 00
Work in Progress	51,933 99
TOTAL	91,933 99

The sum of £15,000 was subsequently paid to Harrisons out of the above settlement funds in respect of the agreement made with them

Bank Interest

Since the date of my last report bank interest in the sum of £12 has accrued on the liquidation account

PAYMENTS

Legal Fees

For the period detailed in this report the sums of £16,630 and £370 have been paid to Walker Morris in respect of their fees and disbursements in dealing with legal matters arising in the preceding administration and subsequent liquidation

Statutory Advertising

A payment of £76 has been made to Courts Advertising Limited in respect of the fee incurred for the advertisement of the notice to creditors to prove claims

Corporation Tax

Corporation tax of £4 has been paid to HM Revenue & Customs

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

Upon our appointment the Company's secured creditor, Barclays Bank Plc ("the Bank"), was due an outstanding amount of £231,818. However, to date, the total sum of £29,016 has been distributed to the Bank by way of a fixed and floating charge distribution, resulting in a shortfall to the Bank of £202,802 on its overall lending to the Company

Preferential creditors

There are no preferential creditors in this matter as all the Company's employees were transferred to ABT Mechanical Services (Northwest) Limited prior to our appointment

Unsecured creditors

Unsecured creditors were estimated at £283,251

On the basis of the Company's realisations we estimate an outcome for each class of the Company's creditors as follows

Secured creditor

In October 2011 distributions in the sum of £9,433 and £19,583 have been paid to the Bank, in respect of their fixed and floating charges over the Company's assets

We do not anticipate making any further distributions to the secured creditor

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 £28,230 and the prescribed part of the Company's net property to be £8,646

Unsecured creditors

As you are aware we are now in a position to make a distribution to the unsecured creditors of the Company pursuant to Section 176A of the Act and as such all creditors were invited to prove their claims in the liquidation. We have now reviewed all claims received to date and have subsequently notified creditors accordingly on the status of their claim. We anticipate a final distribution of funds within one month of the date of this report.

6. REMUNERATION AND DISBURSEMENTS

Pursuant to Rule 4 127(5A)(a) of the Rules, our remuneration is treated as having been fixed on the same basis as the former administrators, by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation.

Pursuant to Statement of Insolvency Practice 9, we are also authorised to draw disbursements, including disbursements for services provided by our firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9) on the same basis as the former administrators, namely, in accordance with our firm's policy, a copy of which is attached at Appendix 2 of this report.

Our time costs for the period from 21 June 2010 to 20 June 2012 amount to £20,510 which represents 108.60 hours at an average rate of £188.86 per hour. Total remuneration drawn to date, in accordance with the above fee approval, amounts to £5,000, leaving outstanding unbilled time of £15,510.

In addition to the above, and as detailed in my previous report, there remained outstanding unbilled administration time costs in the sum of £55,560. However, following the release of the funds held by the Bank in October 2011, we have drawn administrators' remuneration in the sum of £35,063 in respect of these outstanding time costs.

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 from 21 June 2010 to 20 June 2012

To 20 June 2012 we have also incurred liquidators' expenses in the sum of £4, which have been discharged in full

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

There are no further assets which remain to be realised in respect of this case

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 regard 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, consideration of circa£92,000 was agreed with the director of Northwest, Andrew Beatty, which has subsequently been received during this reporting period.

Connected party transactions

As creditors are aware a sale of the Company's assets was made at under value to Northwest, a company controlled by the former director of the Company, Andrew Beatty. The details of this sale are as follows:

Date of sale	Asset sold and nature of transaction	Consideration (£)	Name of Purchaser	Relationship with the Company
26 November 2008	Stock	£5,000	ABT Mechanical Services (Northwest) Ltd	Both companies share same director

26 November 2008	Plant and Equipment	£6,000	ABT Mechanical Services (Northwest) Ltd	Both companies share same director
26 November 2008	Goodwill	£15,000	ABT Mechanical Services (Northwest) Ltd	Both companies share same director

This matter was subsequently investigated by the former administrators as it was apparent that the assets had not been sold in line with their true value as at the date of the sale and, in any event, no sale consideration had been paid from Northwest to the Company. The former administrators subsequently instructed professional agents, Eddisons Commercial Limited ("ECL"), to revalue the assets acquired by Northwest, following which ECL advised that the assets sold had a value of circa £92,000. As advised above, a settlement figure in the sum of £91,933.99 was subsequently agreed with Northwest.

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, the basis fixed for our remuneration is inappropriate.

11. CONCLUSION

Should any creditor require further explanation of matters contained within the report, they should contact our office and speak in the first instance to John O'Gara who will be pleased to assist.

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 9 July 2012

LIQUIDATORS' ACCOUNT OF RECEIPTS AND PAYMENTS

Period 21 June 2010 to 20 June 2012

	From 21/06/2010 To 20/06/2011 (£)	From 21/06/2011 To 20/06/2012 (£)	From 21/06/2010 To 20/06/2012 (£)
SECURED ASSET REALISATIONS			
Goodwill	-	10,000 00	10,000 00
COSTS OF REALISATIONS			
Administrators' Fees	-	(567 00)	(567 00)
SECURED CREDITOR			
Barclays Bank Plc	-	(9,433 00)	(9,433 00)
	-	-	-
FLOATING CHARGE ASSET REALISATIONS			
Plant & Machinery	-	5,000 00	5,000 00
Stock	-	25,000 00	25,000 00
Work in Progress	-	51,933 99	51,933 99
Transfer from Administration	18,019 47	-	18,019 47
Bank Interest Gross	15 75	12 52	28 27
	<u>18,035 22</u>	<u>81,946 51</u>	<u>99,981 73</u>
COSTS OF REALISATIONS			
Administrators' Fees	-	(34,496 00)	(34,496 00)
Liquidators' Fees	-	(5,000 00)	(5,000 00)
Liquidators' Expenses	-	(4 00)	(4 00)
Harrisons Settlement	-	(15,000 00)	(15,000 00)
Legal Fees	-	(16,630 00)	(16,630 00)
Legal Expenses	-	(370 00)	(370 00)
Specific Bond	(158 00)	-	(158 00)
Corporation Tax	(3 14)	(3 75)	(6 89)
Statutory Advertising	(75 60)	(76 50)	(152 10)
Bank Charges	(12 50)	-	(12 50)
	<u>(249 24)</u>	<u>(71,580 25)</u>	<u>(71,829 49)</u>
FLOATING CHARGE CREDITOR			
Barclays Bank Plc	-	(19,583 30)	(19,583 30)
	-	(19,583 30)	(19,583 30)
	<u>17,785 98</u>	<u>(9,217 04)</u>	<u>8,568 94</u>
REPRESENTED BY			
Vat Receivable			3,516 70
Bank Account			5,052 24
			<u>8,568 94</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 2012

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 45 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 to 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, initially the Bank did not release the relevant funds to enable us to make a distribution. The Bank has since released the funds and as such we are now in a position to enable a distribution to be made to the unsecured creditors of the Company.

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. I can confirm we are now 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.

1.5 Anticipated return to creditors

Distributions in the sum of £9,433 and £19,583 have been made to the secured creditor, Barclays Bank Plc.

We will also be making a distribution to the unsecured creditors of the Company by way of the prescribed part, which we anticipate to do shortly.

1.6 Time costs analysis

An analysis of time costs incurred between 21 June 2010 and 20 June 2012 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.

1 7 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

1 8 Approval of fees

Pursuant to Rule 4 127(5A)(a) of the Rules, our remuneration is treated as having been fixed on the same basis as the former administrators

1 9 Approval of Expenses and Disbursements

Pursuant to Rule 4 127(5A)(a) of the Rules, our expenses and disbursements are treated as having been approved on the same basis as the former administrators

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
- Notifying creditors of our intention to declare a dividend
- Agreeing unsecured creditor claims
- Correspondence with the Bank regarding the release of the funds held in the Company's pre-appointment account
- Complying with statutory requirements

188 86

STATEMENT OF LIQUIDATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Legal Fees	Walker Morris LLP	16,630 00	16,630 00	Nil
Legal Disbursements	Walker Morris LLP	370 00	370 00	Nil
Statutory Advertising	Courts Advertising Ltd	76 50	76 50	Nil