

Rule 2.117A

Form 2.34B

The Insolvency Act 1986

**Notice of move from administration
to creditors' voluntary liquidation**

Name of Company ABT Mechanical Services Limited	Company number 04363708
In the High Court of Justice, Chancery Division, Leeds District Registry	Court case number 1966 of 2008

(a) Insert name(s) and
address(es) of administrator(s)I/ We (a) 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(b) Insert name and address of
registered office of companyhaving been appointed administrator(s) of (b) ABT Mechanical Services Limited, Unit 9 Newtongate,
Newton Reigny, Penrith Cumbria

(c) Insert date of appointment

on (c) 17 December 2008 by (d) Barclays Bank plc

(d) Insert name of applicant /
appointor

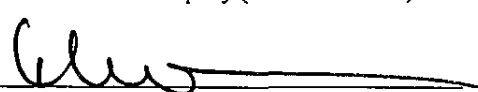
hereby give notice that

the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply,

(e) Insert name(s) and
address(es) of liquidator(s)and it is proposed that (e) 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

will be the liquidators of the Company (IP Nos 009172, 009185)

Signed


Joint Administrators

Dated 11 June 2010

Contact Details

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Begbies Traynor (Central) LLP

9th Floor, Bond Court, Leeds, LS1 2JZ

Tel Number 0113 244 0044

Fax Number 0113 244 5820

DX Number



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COMPANIES HOUSE

When you have completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

Rob Sadler and Michael E G Saville were appointed joint administrators on 17 December 2008

Michael E G Saville was replaced by Bob Maxwell on 8 March 2010 by an Order of the Court

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability

ABT Mechanical Services Limited (In Administration)

Final Progress Report of the joint administrators pursuant to Rules 2.47 and 2.110 of The Insolvency Rules 1986

Period: 17 December 2009 to 10 June 2010

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	ABT Mechanical Services Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 17 December 2008
"the joint administrators"	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
"the Rules"	The Insolvency Rules 1986
"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(a), Insolvency Act 1986)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security 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(b), Insolvency Act 1986)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

2. STATUTORY INFORMATION

Name of Company	ABT Mechanical Services Limited
Date of Incorporation	30 January 2002
Company registered number	04363708
Company registered office	c/o Begbies Traynor (Central) LLP, 9 th Floor, Bond Court, Leeds, LS1 2JZ

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of joint administrators	Rob Sadler, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ and Bob Maxwell, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ
Date of administrators' appointment	Rob Sadler and Michael E G Saville were appointed on 17 December 2008 Bob Maxwell was appointed on 8 March 2010
Date of administrators' resignation	Michael E G Saville was replaced by order of the Court on 8 March 2010
Court	Leeds District Registry
Court Case Number	1966 of 2008
Persons making appointment	Barclays Bank Plc ("The Bank")
Acts of the joint administrators	The joint administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time
EC Regulation on Insolvency	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 17 December 2009 to 10 June 2010 and cumulative from 17 December 2008 to 10 June 2010

Book debts of £13,009 have been collected in the period, bringing total realisations from this source to £25,880. Costs incurred in collecting the debts include £115 which has been paid in relation to CIS deductions and £4,314 which has settled book debt collection charges. Our agents advise that a small quantum of book debts remain outstanding and whilst it is worth pursuing these, it is uncertain as to whether any further realisations will be made.

Sundry bank interest of £3 has been received and a small Corporation Tax payment of £1 made.

The remaining balance of funds at hand, being £18,059, will be transferred into the subsequent Liquidation estate, details of which are given below.

Joint Administrators' Remuneration

To date, the Bank, in its capacity as secured creditor, has not approved any form of remuneration. However, the Joint Administrators are authorised to draw disbursements in accordance with the explanatory note on the subject, which accompanied *The Report and Proposals of the Joint Administrators*.

No remuneration has been drawn to date. Total time spent on this assignment amounts to 222 hours at an average composite rate of £250 per hour resulting in total time costs to date of £55,560. The following further information as regards time costs and expenses is set out at Appendix 3.

- ☐ 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

5. ADMINISTRATOR'S PROPOSALS

Attached at Appendix 2 is a summary of the joint administrators' proposals as deemed approved under Rule 2.33(5) of the Insolvency Rules 1986 in the absence of an initial meeting of creditors.

There have been no major deviations from the initial proposals.

6. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

Since the outset of the Administration we have been in negotiations with ABT Mechanical Services (North West) Limited ("North West") regarding its acquisition of the Company's business and assets prior to our appointment. No consideration was paid at the time of the asset transfer and we have been attempting to establish a retrospective value of the assets and to agree a purchase price with North West. However, the Director of the Company (and North

West), Andrew Beatty, has not been forthcoming with information and it has taken significant time to piece together the position from records obtained

Following our establishment of the asset value, we attempted to form a contract with North West. A document was agreed verbally, for consideration of £92,000. However, before the contract could be signed North West was placed into Liquidation, Harrison's Business Recovery being appointed as Liquidators. Harrison's had initially attempted to gain an appointment as Administrators of the Company but had attempted a Director led appointment after a Winding-up Petition had already been served.

An amount of monies due to North West, in excess of £92,000, had inadvertently been paid into the Company's pre-appointment bank account prior to North West entering Liquidation. These monies have been withheld whilst confirmation is received from Harrison's that £92,000 is to be retained as sale consideration.

Despite the agreement detailed above, Harrison's are claiming that there is no contract and that £92,000 should not be withheld. To avoid any future action against the Company, we have attempted to resolve this position rather than simply applying an offset. However, we have had no response to recent letters sent to Harrison's.

As a number of issues remain outstanding, including the likely payment of a dividend to unsecured creditors by virtue of Section 176A of the Act, we intend to move the Company to Liquidation.

7. OUTCOME

As the Notice (Form 2 34 B) accompanying this report confirms, once registered by Companies House, our appointment as joint administrators will cease to have effect and the Company will be deemed to be subject to creditors' voluntary liquidation (with the former joint administrators acting in the capacity as joint liquidators).

The matters detailed above will be resolved in the subsequent Liquidation and it is anticipated that there will subsequently be a distribution to the Bank under its floating charge. The quantum of the distribution is, however, likely to leave the Bank with a shortfall.

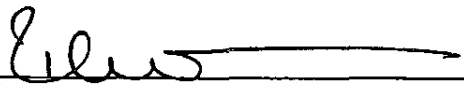
No preferential claims have been made against the Company. It is anticipated that there will be a distribution to unsecured creditors under Section 176(A) of the Act.

Details of assets to be dealt with in the liquidation in accordance with R 2.117(1) of Rules

The following assets are to be dealt with in the liquidation:

- Realisation of residual book debts
- Agreement and collection of the outstanding sale consideration

Name


Joint Administrator

Date

11 June 2010

JOINT ADMINISTRATORS' ACCOUNT OF RECEIPTS AND PAYMENTS

	From 17/12/2008 To 16/12/2009	From 17/12/2009 To 10/06/2010	From 17/12/2008 To 10/06/2010
RECEIPTS			
Book Debts	12,870 76	13,009 31	25,880 07
Bank Interest	1 20	3 45	4 65
	<u>12,871 96</u>	<u>13,012 76</u>	<u>25,884 72</u>
PAYMENTS			
Book Debt Collection Fees	1,295 00	4,314 47	5,609 47
Agents' Fees	1,926 24	-	1,926 24
Statutory Advertising	143 14	-	143 14
Construction Industry Scheme	-	115 55	115 55
Bordereau	30 00	-	30 00
Corporation Tax	0 26	0 69	0 95
Transfer to Liquidation	-	18,059 37	18,059 37
	<u>3,394 64</u>	<u>22,490 08</u>	<u>25,884 72</u>
BALANCE IN HAND	<u>9,477 32</u>	<u>(9,477 32)</u>	<u>-</u>

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SUMMARY OF ADMINISTRATORS' PROPOSALS, INCLUDING MAJOR AMENDMENTS TO AND DEVIATIONS FROM THEM

Proposals deemed approved under Rule 2.33(5) of the Insolvency Rules 1986.

- 1 That the joint administrators' proposals for achieving the purpose of the administration, as set out in the document entitled *Report and Proposals of the joint administrators under the provisions of Paragraph 49 of Schedule B1 to the Insolvency Act 1986*, be and hereby are approved
- 2 The joint administrators will seek to agree creditors' claims generally
- 3 The joint administrators, if they see fit, make an application pursuant to paragraph 65(3) of Schedule B1 of the Insolvency Act 1986, for the permission of the Court to make a payment by way of a distribution to all or any creditors where such distribution is considered to be in the best interests of creditors as a whole
- 4 The Company shall remain in administration for such period as the joint administrators deem necessary and appropriate
- 5 If necessary, the joint administrators shall have the authority to apply to Court for an extension of the duration of the administration for a period of up to six months (in accordance with the provisions of Schedule B1 paragraph 76(2) of the Insolvency Act 1986)
- 6 In the event that the joint administrators are of the view that it is appropriate for the Company to move from administration into liquidation, the joint administrators be authorised to take steps to place the Company into creditors voluntary liquidation as detailed in the 'Exit from Administration' section in the main body of the report
- 7 In the event that the Company moves to Liquidation the Joint Administrators be appointed as Joint Liquidators
- 8 If the joint administrators consider that there will be no distribution to unsecured creditors, and if they also consider that an exit from administration into liquidation is not appropriate, then the joint administrators be authorised to take the necessary procedural steps to bring about the end of the administration and move the Company into dissolution pursuant to paragraph 84 of Schedule B1 of the Act. For more details of this procedure, please refer to the 'Exit from Administration' section in the main body of the report
- 9 Upon the Company either proceeding into liquidation or dissolution as set out above, the joint administrators discharge from liability, pursuant to paragraph 98 of Schedule B1 shall take effect fourteen days following either the Company entering into liquidation or filing the Notice moving from administration to dissolution

- 10 For the purposes of Rule 2 106(2)(b) of the Insolvency Rules 1986, the joint administrators' remuneration be fixed on the basis of their hourly costs at scale rates calculated on the time properly spent in the course of the administration and that, subject to full disclosure to creditors in accordance with *Statement of Insolvency Practice 9* issued by the Joint Insolvency Committee on behalf of the administrators' licensing bodies, they may draw their remuneration on account as and when funds permit
- 11 Begbies Traynor's costs and expenses relating to planning and acceptance of the appointment be treated as an expense of the administration (albeit incurred prior to the date of appointment) and calculated by reference to the charge out rates in Appendix 3 hereto
- 12 The joint administrators shall have authority to sanction and agree the fees of any solicitors, quantity surveyors or similar agents by reference to the time given by such agents and their staff, in attending to matters arising in the administration
- 13 The joint administrators be at liberty to recharge disbursements as detailed in the circulated Guide to Administrators' Fees
- 14 The joint administrators be at liberty to pay costs and remuneration in relation to proposals in paragraphs 10, 11, 12 and 13 above as and when funds become available
- 15 Without prejudice to the provisions of section 14 of the Insolvency Act 1986, the joint administrators may carry out all other acts that they may consider to be incidental to the proposals above in order to assist in their achievement of the stated purposes of the administration order or any variation thereto

JOINT ADMINISTRATORS' TIME COSTS AND EXPENSES

- a Begbies Traynor (Central) LLP's policy for re-charging expenses,
- 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

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 below.

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 below.

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,

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)

- 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*
- 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 office as at the date of this report are as follows

Grade of staff	Charge-out Rate (£ per hour)
Partner 2	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	Administration
OFFICE HOLDERS	Bob Maxwell and Rob Sadler
DATE OF APPOINTMENT	17 December 2008

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 case has been made complex by the lack of co-operation from the Company's director and the actions which took place prior to our appointment which have not been properly documented
- 1 3 **The office holders' effectiveness**
The joint administrators have reviewed an agreement for the sale of the Company's business and assets which occurred prior to appointment and established true values for the assets. This resulted in a material increase in realisations than would otherwise have been achieved
- 1 4 **Nature and value of property dealt with by the office holders'**
Primarily, the value of the Company's assets related to work in progress. Book debts are also material in this instance
- 1 5 **Anticipated return to creditors**
It is anticipated that there will be a partial return to the secured creditor and a distribution to unsecured creditors by virtue of the Prescribed Part
- 1 6 **Time costs analysis**
An analysis of time costs incurred between 17 December 2008 and 10 June 2010 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 office holders and their staff following their appointment only
- 1 7 **The views of the creditors**
The joint administrators have, to date, received no adverse feedback from creditors with regard to the work undertaken
- 1 8 **Approval of fees**
A resolution requesting approval for the joint administrators to take fees in relation to outstanding time costs has been presented to the secured creditor. However, to date, no response has been received

1 9 Other professionals employed & their costs

Walker Morris are providing the joint administrators with legal advice. Their costs are charged on a time cost basis and currently total £16,000. It is anticipated that their costs will total £17,000 at the end of the Administration.

The Vinden Partnership are collecting the Company's debts on behalf of the joint administrators. They will receive 20% of any realisations made.

Eddisons Commercial Limited have provided valuation advice in relation to the Company's tangible assets. Their charges were levied on a time cost basis and total £1,928.

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 and forms part of this Appendix. The rates charged by the various grades of staff are included.

3. SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

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

- Continued collection of book debts
- Establishment of the value of Company's assets at the date that they were transferred to North West
- Negotiation over sale contract with North West and more latterly, its Liquidators
- Preparation of statutory documents

ABT Mechanical Services Limited

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