

Return of Final Meeting in a  
Creditors' Voluntary Winding Up  
Pursuant to Section 106 of the  
Insolvency Act 1986

# S106

For Official Use

To the Registrar of Companies

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Company Number

05206020

Name of Company

Aarnford Electrical Services Limited

† We

Peter Richard Dewey  
5th Floor  
Riverside House  
31 Cathedral Road  
Cardiff  
CF11 9HB

David Hill  
5th Floor, Riverside House  
31 Cathedral Road  
Cardiff  
CF11 9HB

give notice

- 1 that a general meeting of the company was ~~held on~~/summoned for 22 September 2011 pursuant to section 106 of the Insolvency Act 1986, for the purpose of having an account (of which a copy is attached) laid before it showing how the winding up of the company has been conducted, and the property of the company has been disposed of and that ~~the same was done accordingly~~ / no quorum was present at the meeting
- 2 that a meeting of the creditors of the company was duly held on / ~~summoned for~~ 22 September 2011 pursuant to section 106 of the Insolvency Act 1986 for the purpose of having the said account laid before it showing how the winding up of the company has been conducted and the property of the company disposed of and that the same was done accordingly / ~~no quorum was present at the meeting~~

Signed



Date 22 September 2011

Begbies Traynor (Central) LLP  
5th Floor  
Riverside House  
31 Cathedral Road  
Cardiff  
CF11 9HB

Ref AA002CVL/PRD/DH/FY/DXF

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COMPANIES HOUSE

AARNFORD ELECTRICAL SERVICES LIMITED (IN LIQUIDATION)

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## **Aarnford Electrical Services Limited (In Creditors' Voluntary Liquidation)**

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Final report and account of the liquidation pursuant to Section 106 of the Insolvency Act 1986 and Rule 4.126 of the Insolvency Rules 1986

Period: 17 August 2010 to 22 September 2011

**Important Notice**

This report has been produced solely to comply with our statutory duty to report to creditors and members of the Company pursuant to Section 106 of the Insolvency Act 1986. This 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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# 1. INTERPRETATION

<b><u>Expression</u></b>	<b><u>Meaning</u></b>
"the Company"	Aarnford Electrical Services Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Insolvency Act 1986 on 17 August 2010
"the liquidators", "we", "our" and "us"	Peter Richard Dewey of Begbies Traynor (Central) LLP, 5th Floor, Riverside House, 31 Cathedral Road, Cardiff, CF11 9HB and David Hill of Begbies Traynor (Central) LLP, 5th Floor, Riverside House, 31 Cathedral Road, Cardiff, CF11 9HB
"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(s)

Company registered number 05206020

Company registered office 5th Floor, Riverside House, 31 Cathedral Road, CF11 9HB

Former trading address 17 Pontymister Industrial Estate, Risc, Newport, NP11 6NP

## 3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced 17 August 2010

Date of liquidators' appointment 17 August 2010

Changes in liquidator (if any) None

## 4. PROGRESS SINCE APPOINTMENT

Attached at Appendix 1 is our abstract of receipts and payments for the period from 17 August 2010 to 22 September 2011

### RECEIPTS

#### **Chattel Assets**

These consisted of office equipment and furniture and a small amount of sundry electrical stock. The assets were not professionally valued as it was considered that they would be of minimal value on a forced sale basis.

In accordance with Statement of Insolvency Practice 13, we confirm that the following assets were sold to a connected party

Date of sale	Asset sold and nature of transaction	Consideration paid and date	Name of Purchaser	Relationship with the Company
17/08/2010	Chattel assets	£5,200 plus VAT paid on 09/09/2010	AES (South Wales) Ltd	Associated Company with common directors and shareholders

The consideration of £5,200 was the approximate book value of the assets sold

#### **Interest Received**

Interest of £9 net of tax has been earned on monies invested in an interest bearing current account

## PAYMENTS

Administrative costs include £283 88 for statutory advertising and £25 for the specific penalty bond

## 5. OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment based upon the information detailed in the directors' statement of affairs, are as follows

### **Preferential Creditors**

Employees' claims for arrears of wages and holiday pay were estimated at £3,976 in the statement of affairs

### **Secured creditor**

Barclays Bank plc was owed approximately £41,000 at the date of liquidation. These borrowings were secured by a debenture dated 10 March 2009 granting the Bank a floating charge over the assets of the Company.

### **Unsecured creditors**

Unsecured creditors were estimated at £1,000,866 in the statement of affairs

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

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property,
- ☐ 20% of net property thereafter,
- ☐ Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

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 £nil and the prescribed part of the Company's net property to be £nil.

### **Unsecured creditors**

As we have advised by letter dated 15 August 2011, we confirm that no dividend is available for unsecured creditors as the funds realised have already been distributed or used or allocated for defraying the expenses of the liquidation. Consequently we have not taken steps to formally agree the claims of unsecured creditors.

## 6. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act 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 and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report

Our time costs for the period from 17 August 2010 to 12 September 2011 amount to £5,589 which represents 27 2 hours at an average rate of £205 50 per hour

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

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 17 August 2010 to 22 September 2011
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

We have received £4,899 on account of the statement of affairs fee and have drawn disbursements of £1 in accordance with the approval obtained. We have not received any liquidators' remuneration leaving unbilled time costs of £5,589, which have been written off as irrecoverable

Details of the Category 2 disbursements that have been taken in accordance with the approval obtained are provided in the narrative summary of time costs incurred which is at Appendix 2

## 7. UNREALISABLE ASSETS

There are no assets that have proved to be unrealisable

## 8. 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, as explained in the report circulated prior to the meeting of creditors convened pursuant to Section 98 of the Act, 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

## 9. CONCLUSION

This report and account of receipts and payments will be laid before final meetings of the Company and the creditors to be held on 22 September 2011 in accordance with Section 106 of the Act. Formal notice of the meetings and a proxy form are enclosed with the covering letter accompanying this report

AARNFORD ELECTRICAL SERVICES LIMITED (IN LIQUIDATION)

The meetings are a formal requirement of liquidation procedure and are a prelude to the formal dissolution of the Company, which will occur automatically, approximately three months later. Unless creditors otherwise resolve, pursuant to Section 173(2) of the Act we will be released from liability at the time that we vacate office.

Although the meetings are rarely attended, 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. Alternatively, if you wish a proxy to attend on your behalf, the proxy form should be returned by 12 noon on the business day before the meeting.

Should you require further explanation of any matters contained within this report, you should contact our office and speak to the case manager, Mrs Freda Young, in the first instance, who will be pleased to assist.



**David Hill**  
Joint Liquidator

Dated 15 August 2011



AARNFORD ELECTRICAL SERVICES LIMITED (IN LIQUIDATION)

# JOINT LIQUIDATORS' ABSTRACT OF RECEIPTS AND PAYMENTS FOR THE PERIOD FROM 17 AUGUST 2010 TO 22 SEPTEMBER 2011

Estimated to  
realise per  
Statement of  
Affairs

£

Total

£

## ASSET REALISATIONS

5,000 00	Plant, Equipment, Furniture and Stock	5,200 00
	Bank Interest Net of Tax	9 00

5,000 00

5,209 00

## COST OF REALISATIONS

Specific Penalty Bond	25 00
Statutory Advertising	283 88
Statement of Affairs Fee	4,896 12
Liquidators Disbursements	4 00
	5,209 00

## PREFERENTIAL CREDITORS

(3,976 00)	Employee Arrears/Holiday Pay	0 00
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## FLOATING CHARGE CREDITORS

(41,000 00)	Barclays Bank plc	0 00
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## UNSECURED CREDITORS

(134,947 00)	Trade & Expense Creditors	0 00
(31,564 00)	Employees' Claims	0 00
(26,509 00)	H M Revenue & Customs (PAYE/NIC)	0 00
(22,846 00)	H M Revenue & Customs (VAT)	0 00
(335,000 00)	Balfour Beatty	0 00
(450,000 00)	TLS Limited	0 00

## DISTRIBUTIONS

(8 00)	Ordinary Shareholders	0 00
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(1,045,850 00)

5,209 00

## REPRESENTED BY

VAT Receivable	910 00
Bank Current Account	0 00
VAT Payable	(910 00)

0 00

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## 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 17 August 2010 to 12 September 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 guidance<sup>1</sup> 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 guidance<sup>2</sup> 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,
- 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

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

<sup>2</sup> Ibid 1

- 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 Cardiff office as at the date of appointment are as follows

<b>Grade of staff</b>	<b>Charge-out Rate (£ per hour)</b>
Partner 1	395
Partner 2	350
Director	325
Senior Manager	295
Manager	250
Assistant Manager	195
Senior Administrator	160
Administrator	130
Junior Administrator	100
Support	100

Since 1 May 2011 the following rates have applied

<b>Grade of staff</b>	<b>Charge-out Rate (£ per hour)</b>
Partner 2	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Junior Administrator	110
Support	110

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)

**1 10 Approval of fees**

It was resolved that the joint liquidators' remuneration be fixed by reference to the time properly given by them (as liquidators) and their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the winding up

**1 11 Approval of Expenses and Disbursements**

It was resolved that the joint liquidators be authorised 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 the firm's policy details of which accompanied the information presented to the creditors meeting

**1 12 Category 2 Disbursements**

In accordance with the resolution obtained in relation to expenses and disbursements, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case since the date of my appointment

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Company search	1 00

**2 SUMMARY OF WORK CARRIED OUT SINCE OUR APPOINTMENT**

2 1 Since the date of our appointment, the following work has been carried out

2 2 Realised the assets of the Company  
Processed creditors' claims  
Dealt with solicitors' queries regarding employers liability claims  
Submitted report on the conduct of the directors  
Submitted VAT and corporation tax returns to returns to H M Revenue & Customs  
Prepared draft final report to creditors  
Complied with statutory obligations

[illegible]