

**Joint Liquidators'  
Annual Report to  
Creditors and Members**

5398544

WEDNESDAY



\*A10C8EO2\*

AIQ

11/01/2012

#137

COMPANIES HOUSE

**A G Mechanical Limited  
In Compulsory Liquidation**

**A G Mechanical Limited  
(In Liquidation)  
Joint Liquidator's Abstract of Receipts & Payments**

Statement of Affairs	From 09/11/2010 To 08/11/2011
<b>MOTOR VEHICLES</b>	
Motor Vehicle	7,710 00
	<u>7,710 00</u>
<b>ASSET REALISATIONS</b>	
Petition Deposit	1,000 00
	<u>1,000 00</u>
<b>COST OF REALISATIONS</b>	
O R Cost and Disbursements	2,235 00
DTI Cheque Fees	1 00
Sec of State Fees	3,108 88
Petitioners Costs	2,327 00
Agents/Valuers Fees (1)	410 00
Bank Charges	72 00
	<u>(8,153 88)</u>
	<u><u>556.12</u></u>
<b>REPRESENTED BY</b>	
VAT Receivable	(718 00)
ISA NIB	1,274 12
	<u>556 12</u>



David Birme  
Joint Liquidator

## **CONTENTS**

- 1 Introduction and Statutory Information
- 2 Realisation of Assets
- 3 Outstanding Assets
- 4 Costs of Realisation
- 5 Investigations
- 6 Creditors
- 7 Liquidators' Remuneration
- 8 Liquidators' Expenses
- 9 Creditors' Rights
- 10 Next Report

## **APPENDICES**

- A Receipts and Payments Account for the period 9 November 2010 to 8 November 2011
- B Time Analysis for the period 9 November 2010 to 8 November 2011
- C Additional information in relation to Liquidators' fees pursuant to statement of Insolvency Practice No 9

## **1 Introduction and Statutory Information**

1 1 I, Richard Andrew Segal of Fisher Partners was appointed as Joint Liquidator of A G Mechanical Limited ("the Company") with David Birne on 9 November 2010 following the presentation of a petition for the compulsory winding up of the Company made on 7 September 2010 in the Kingston Upon Thames County Court under court reference number 591 of 2010. This report provides an update on the progress in the liquidation for the year ended 8 November 2011.

1 2 The trading address of the Company was 264 Grand Drive, Rayners Park, London, SW20 9NE.

1 3 The registered office of the Company has been changed to Fisher Partners, Acre House, 11-15 William Road, London NW1 3ER and its registered number is 05398544.

## **2 Realisation Of Assets**

### *Motor Vehicle*

2 1 The Company owned a Nissan Nivara Ventura motor vehicle. Under the instruction of the Official Receiver ("OR") this was sold at an independent auction by Cartakeback.com for £7,710.00. The valuation placed on the vehicle was £6,000.

### *Petition Deposit*

2 2 This represents the petitioning creditors deposit which has since been repaid.

## **3 Outstanding Assets**

### *Terminal Loss Relief Claim*

3 1 The Joint Liquidators reviewed the Company's books and records and obtained further information in respect of pre-appointment Corporation Tax returns from the Company's accountants. Based on this information and with the assistance from H W Fisher and Company's tax department, the Joint Liquidators submitted amended Corporation Tax returns to HM Revenue and Customs in light of a potential terminal loss claim.

3 2 The Joint Liquidators are liaising with HM Revenue and Customs in this regard.

### *Debtors*

The Company has one debtor, John Laing and Co, whose indebtedness totals £220,000 00. On contacting John Laing and Co it was discovered that on 10 October 2010, PricewaterhouseCoopers LLP were appointed Administrators. A claim has been submitted on behalf of the Company, in the Administration, and based on information received the level of return is uncertain.

3.3 I will continue to liaise with the Administrators in this regard.

### **4 Cost of Realisations**

#### *OR Cost and Disbursements*

4.1 The sum of £2,235 00 represents the OR charges for administering the liquidation during the initial stages.

#### *DTI Cheque Fee*

4.2 The sum of £1 00 relates to cheque fees charged by the Insolvency Services Account ("ISA").

#### *Secretary of State Fee*

4.3 Fees in the sum of £3,108.88 were charged by the ISA, in respect of the funds deposited in this account.

#### *Petitioners Costs*

4.4 This represents a reimbursement of the costs incurred by the petitioning creditor, BSS Group Plc, in taking steps to wind the Company up. These costs include legal costs, court fees and reimbursement of the £1,000 00 deposit, as stated above in paragraph 2.2. The petitioning creditor's cost total £2,327 00.

### *Agents Fees*

- 4.5 Prior to our appointment as Joint Liquidators, the OR instructed Rosan and Company ("Rosans") to collate the Company's books and records and recover the Company's computer. Rosans were able to sell the computer back to the director for £110, which was in excess of its market value. However, after deducting the sale proceeds from their costs, Rosans had outstanding fees amounting to £310 which was duly paid.
- 4.6 In addition, an amount of 100.00 was paid to Cartakeback in respect of the sale of the Company's vehicle, as mentioned in paragraph 2.1.

### *Bank Charges*

- 4.7 The sum of £72.00 represents quarterly charges incurred in respect of the ISA.

## **5 Investigations**

- 5.1 As you may be aware, in a compulsory liquidation the duty to investigate the Company's affairs is the responsibility of the OR. There is no requirement on the Joint Liquidators to submit a report or return on the directors' conduct to the Department for Business Innovation and Skills, however where matters are brought to the Joint Liquidators' attention these are reported as appropriate to the OR for further consideration.

## **6 Creditors**

### *Secured Creditors*

- 6.1 HSBC Bank Plc ("HSBC") holds a fixed and floating charge over the Company's assets. At the date of the liquidation the indebtedness was unknown and a proof of debt has yet to be received from HSBC in this regard.
- 6.2 Under the provisions of Section 176A of the Insolvency Act 1986, I must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the Company has granted a floating charge after 15 September 2003. The Prescribed Part shall not apply if the Company's net property, being the property subject to the floating

charge, is less than £10,000 and the Liquidator believes that the costs of making a distribution to unsecured creditors would be disproportionate to the benefits

- 6 3 Based on present information, I estimate the value of the Company's net floating charge property to be significantly below £10,000 and the costs involved in verifying claims and performing any distribution would be disproportionate to the benefit. Therefore, based on present realisations, there will not be a distribution to unsecured creditors in this regard

#### *Preferential Creditors*

- 6 4 The Joint Liquidators are not aware of any creditors in this regard.

#### *Unsecured Creditors*

- 6 5 I have received claims totalling £32,574.33 from 6 creditors. I have yet to receive claims from 14 creditors whose debts total £148,211.49 as per the director's statement of affairs as provided by the OR
- 6 6 Based on current realisations there are insufficient funds to enable a distribution to this class of creditor

### **7 Liquidators' Remuneration**

- 7 1 The Creditors approved that the basis of the Joint Liquidators' remuneration be fixed by reference to the time properly spent by him and his staff in managing the Liquidation
- 7 2 My time costs for the period from 9 November 2010 to 8 November 2011, are £24,496.50. This represents 121.65 hours at an average rate of £201.37 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the Liquidation. To date, no fees have been drawn on account
- 7 3 A significant amount of time was spent liaising with the director in respect of the Company's debtor, John Laing & Co. This involved several letters, conversations and a formal meeting to ensure that the Joint Liquidators had the required information to submit a proof of the debt
- 7 4 The director had originally stated that there was a potential insurance claim, which he valued in the statement of affairs at £30,000. Again significant time was spent collating all the information

in this regard Initially it was discovered that the Company had been pursuing 12 claims, however further review revealed that 3 claims had already been settled and a further 6 were not commercial to pursue This left 3 claims outstanding which were potentially recoverable The Joint Liquidators then consulted with the Company's insurance broker who was dealing with these claims After lengthy discussions and due to a lack of evidence to pursue these claims, it was decided that there would be no commercial value in proceeding in this regard

7 5 There was also significant dialogue required with the Company's former accountant in order to establish the Company's actual trading figures up to the point of liquidation and Corporation Tax position, in order to assess any terminal loss claim

7 6 Attached as Appendix C is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade

7 7 Since the date of appointment the Joint Liquidators have not taken any Category 2 disbursements

## **8 Liquidator's Expenses**

8 1 The following expenses have been incurred since my appointment as Joint Liquidator

Supplier/Service Provider	Nature of Expense	Amount Incurred to date (£)	Paid to date (£)	Amount Outstanding (£)
Locktons	Insurance	90 00	90 00	Nil

## **9 Creditors' rights**

9 1 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) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report

9 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may, within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Joint Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Liquidators, as set out in this progress report, are excessive



**10 Next Report**

- 10 1 I am required to provide a further report on the progress of the liquidation within two months of the end of the second anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors

Yours faithfully

A handwritten signature in black ink, appearing to read 'David Birne', with a stylized flourish at the end.

**David Birne**  
**Joint Liquidator**

Enc

**A G Mechanical Limited**  
**(In Liquidation)**  
**Joint Liquidator's Abstract of Receipts & Payments**

Statement of Affairs	From 09/11/2010 To 08/11/2011	From 09/11/2010 To 08/11/2011
<b>MOTOR VEHICLES</b>		
Motor Vehicle	7,710 00	7,710 00
	<u>7,710 00</u>	<u>7,710 00</u>
<b>ASSET REALISATIONS</b>		
Petition Deposit	1,000 00	1,000 00
	<u>1,000 00</u>	<u>1,000 00</u>
<b>COST OF REALISATIONS</b>		
O R Cost and Disbursements	2,235 00	2,235 00
DTI Cheque Fees	1 00	1 00
Sec of State Fees	3,108 88	3,108 88
Petitioners Costs	2,327 00	2,327 00
Agents/Valuers Fees (1)	410 00	410 00
Bank Charges	72 00	72 00
	<u>(8,153 88)</u>	<u>(8,153 88)</u>
	<u>556.12</u>	<u>556.12</u>
<b>REPRESENTED BY</b>		
VAT Receivable		(718 00)
ISA NIB		1,274 12
		<u>556 12</u>



David Birne  
Joint Liquidator

AG Mechanical Limited - In Liquidation

Appendix B

Joint Liquidators' Time Costs for the period 9 November 2010 to 8 November 2011

Service	Partner / Senior Consultant	Manager / Principal	Administrator	Support Staff	Total Hours	Total Cost
Acct/bookkeeping	-	-	-	-	-	-
Asset Realisation - Floating Charge	0 15	0 45	9 40	8 00	18 00	2,897 75
Asset realisation - non-charged assets	-	0 50	1 60	-	2 10	410 50
Case Admin	0 90	6 55	31 00	-	38 45	7,714 75
General Advice	0 50	3 45	19 85	1 45	25 25	4,884 75
Investigations	-	-	-	3 90	3 90	1,054 50
Landlord/Creditor Correspondence	0 20	-	4 60	1 00	5 80	1,048 50
Proof/claims - Unsecured	-	0 80	4 00	-	4 80	941 50
Reports & Meetings	-	0 50	-	-	0 50	125 50
Review	-	-	0 30	1 00	1 30	135 50
	3 85	4 30	13 40	-	21 55	5,283 25
Total Time	5 60	16 55	84 15	15 35	-	121 65
Total Cost (£)	2,212 00	4,181 25	15,738 25	2,365 00	-	24,496 50
Average rate per hour (£)	395 00	252 64	187 03	154 07	-	201 37

## Appendix D

### ADDITIONAL INFORMATION IN RELATION TO LIQUIDATOR'S FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)

#### 1 Policy

Detailed below is Fisher Partners' policy in relation to

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

##### 1.1 Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, Manager, Senior Administrator or Administrator and Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several Seniors/Assistants may be allocated to meet the demands of the case.

With regard to support staff, we would advise that time spent by cashiers in relation to specific tasks on an assignment is charged.

We have not utilised the services of any subcontractors in this case.

##### 1.2 Professional advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Rosans and Company (legal advice)	Hourly rate & disbursements
Cartakeback (asset sale)	Percentage Commission
Locktons (insurance)	Hourly rate & disbursements

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

1 3 Disbursements

1 4 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

2 **Charge-out rates**

A schedule of Fisher Partners charge-out rates effective from 1 January 2011 is detailed below

Partners	£395
Group Leaders	£255
Senior Administrators	£205
Administrators	£170-£185
Junior Administrators	£125
Support Staff	£85-£125