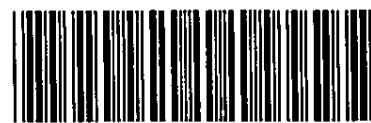

KSB Plumbing & Heating Limited (In Compulsory Liquidation)

County Court at Gloucester and Cheltenham
No. 183 of 2015

Progress report

Period. 11 December 2015 to 10 December 2016

THURSDAY



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COMPANIES HOUSE

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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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	KSB Plumbing & Heating Limited (In Compulsory Liquidation)
"the liquidation"	The appointment of Joint Liquidators by the Secretary of State pursuant to Section 137 of the Act on 11 December 2015
"the liquidators", "we", "our" and "us"	Ashleigh William Fletcher and Joanne Louise Hammond of Begbies Traynor (SY) LLP, Kendal House, 41 Scotland Street, Sheffield, S3 7BS, Sheffield North@Begbies-Traynor.com
"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)	KSB Plumbing & Heating Limited
Company registered number	05902998
Company registered office	Kendal House, 41 Scotland Street, Sheffield, S3 7BS
Former trading address	Unit 6, Speculation Road, Forest Vale Industrial Estate, Cinderford, Gloucs, GL14 2YD

3. DETAILS OF APPOINTMENT OF JOINT LIQUIDATORS

Date of winding up order	28 September 2015
Date of Liquidators' appointment	11 December 2015
Changes in liquidator (if any)	None

4 PROGRESS DURING THE PERIOD COVERED BY THIS REPORT

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 11 December 2015 to 10 December 2016, which includes a comparison with the Statement of Affairs submitted by the director to the Official Receiver

Receipts

Surplus from factoring company

The company operated a factoring agreement with Ultimate Finance and after discharging the amount due to them, there remained a surplus of £10,301 31 which was subsequently paid into the Liquidation

Deposit on Creditors Petition

The company was placed into compulsory liquidation following a petition presented to Court by Jewson Limited. Upon filing the petition, the petitioning creditor was required to deposit a fee with the Court of £1,250 and such funds were subsequently paid into the liquidation estate.

Bank Interest

All funds realised in the Liquidation are deposited in an account held with The Insolvency Service and bank interest has been received on such funds amounting to £10 60

Payments

Official Receiver's Fee

The Official Receiver charges a set fee in liquidation matters of £2,400. The amount due to the Official Receiver was transferred to us, upon our appointment, and was discharged from the realisations made in the liquidation.

Ad Valorem Fees

The Insolvency Service charge a fee on all monies deposited with them. The fee charged is a sliding scale percentage based on the amount of money paid into the account. The fees for the period covered by this report amount to £3,516 47

Cheque Fees

The Insolvency Service charge a fee of £1 10 on the issue of each cheque drawn from the account.

Petitioning Creditor's Costs

Jewson Limited were the petitioning creditors in this matter and the costs incurred by them in obtaining a winding-up order are an expense of the Liquidation. The costs of Jewson Limited in the sum of £2,820 were agreed and paid from the funds in hand.

Specific Bond

We are required to obtain a specific bond, the value of which depends on the value of the company's assets. The premium for obtaining such a bond was £98.

Corporation Tax

We are obliged to pay corporation tax on any bank interest received in the estate and the tax paid during the period covered by this report amounts to £2 12

Statutory Advertising

We are required to advertise our appointment in the London Gazette and the costs of the advertisement were £73 74 plus VAT

Bank Charges

The Insolvency Service charge a quarterly fee of £22 for any account held with them Bank charges totalling £88 00 have been incurred during the reporting period

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2

General case administration and planning

Following our appointment in this matter, we have carried out a review of the handover papers received from the Official Receiver We have notified all relevant parties of our appointment and have recorded the relevant statutory information on our files

We are required to maintain records to demonstrate how the liquidation is administered and to document the reasons for any decisions that materially affect the case

A bank account has been opened with The Insolvency Service and records have been maintained in relation to all receipts and payments from that account

We have prepared a case strategy outlining all matters which require dealing with in the liquidation which will be reviewed on a regular basis to ensure that the case is progressing satisfactorily

Effective case management and planning benefits the creditors as it ensures that the liquidation is progressing in a strategic manner Extracting and maintaining relevant information enables us to perform our duties correctly and efficient planning will ensure all assets are realised for the benefit of the creditors

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Act, Rules and recognised best practice requires us to undertake various actions during the course of the liquidation, which include the following

- Carrying out a conflict check to ensure that we are able to act in this matter,
- Obtaining a bond to protect the interests of the creditors,
- Carrying out a case strategy to ensure that all assets are dealt with,
- Reporting to creditors and allowing them the opportunity to form a creditors committee or obtaining the consent from creditors to various resolutions, including how we are to be remunerated,
- Maintaining and reconciling a bank account,
- Carrying out regular reviews,
- Advertising in the London Gazette

Whilst there is no direct financial benefit to creditors in us undertaking these duties, creditors will benefit from the information they will receive as a result. The aim of these statutory and best practice requirements is to ensure that creditors are kept informed of the liquidation proceedings and are able to effectively participate in proceedings should they wish to do so.

Investigations

A review of the limited bank statements and correspondence in our possession has revealed that a credit was paid into an account operated by the company on 8 October 2015 in the sum of £27,613.59, which was after the winding up of the company. The payment of this money into the account had the effect of reducing the company's overdrawn account held with the Bank.

Correspondence was subsequently sent to the bank requesting the repayment of the monies. The bank has responded by stating that the monies were received by them during the period 5 August 2015 to 28 August 2015, which was prior to the making of the winding-up order, and were paid into a separate account opened by themselves. They further state that the funds in the account were then transferred by way of an internal inter-account transfer to the company's own account on 8 October 2015 and as a result, they are entitled to retain these funds.

We have requested further bank statements for both the company account and the account operated by the bank to enable this matter to be investigated further and we are waiting for these to be supplied.

Once received, we will review the transactions referred to above but will also review any transactions that have occurred on the account both shortly prior to the winding-up petition being issued and thereafter to establish whether there are any transactions which require further investigation.

Realisation of assets

Retentions

The director has indicated in his questionnaire form that there are a number of retentions that are due to the company but has stated that there is a chance that no funds will be realised.

We have written to the director asking him to provide further details of all monies due to the company but to date, no details have been provided. We will continue to pursue the director for this information.

Trading

No trading has taken place.

Dealing with all creditors' claims (including employees), correspondence and distributions

We have received details of the claims in the liquidation from the Official Receiver and such information has been entered on to the case.

We have written to all creditors advising of our appointment in this matter and have allowed creditors the opportunity to consider whether they wish to form a creditors committee or in the alternative, to vote on various resolutions, one of which was the basis upon which we are to be remunerated

Corresponding with creditors and dealing with any queries will benefit the creditors by helping them understand the process and allow them to engage in it

Other matters which includes meetings, tax, litigation, pensions and travel

We have been required to assist the Department of Employment with regards to the claims of the former employees and to carry out a review to establish whether the company operated a pension scheme for the benefit of its employees which we were required to deal with

We have also been required to deal with the completion of VAT forms to enable the company to be de-registered for VAT. This will allow us to reclaim any VAT that has been incurred during the course of the liquidation

5. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (based upon the information detailed in the Statement of Affairs submitted by the director to the Official Receiver) are as follows

Secured creditors

There were no known secured creditors in this matter

Preferential creditors

There were no known preferential creditors in this matter

Unsecured creditors

We have received claims from unsecured creditors totalling £40,493.44

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 creditors

There are no known secured claims

Preferential creditors

Following the payment of the employee claims by the Redundancy Payments Office, a preferential claim has been received from them in the sum of £1,823.89

It is not yet known whether the realisations in this matter will be sufficient to enable a dividend to be declared to the preferential creditors as this will be dependent upon whether we are able to realise further monies for payment into the liquidation estate and the costs associated with the liquidation

Unsecured creditors

It is not yet known whether the realisations in this matter will be sufficient to enable a dividend to be declared to the unsecured creditors as this will be dependent upon whether we are able to realise further monies for payment into the liquidation estate and the costs associated with the liquidation

6 REMUNERATION & DISBURSEMENTS

Remuneration

Our remuneration has been fixed by creditors by way of a resolution by correspondence with reference to the time properly given by us (as Joint Liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (SY) LLP in attending to matters arising in the winding up as set out in our fees estimate dated 9 February 2016 in the sum of £14,393.99

Our time costs for the period from 11 December 2015 to 10 December 2016 amount to £9,929 which represents 54.4 hours at an average rate of £182.52 per hour

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

- ☐ Time Costs Analysis for the period 11 December 2015 to 10 December 2016
- ☐ Begbies Traynor (SY) LLP's charging policy

As at the date of this report, we have drawn remuneration of £1,700 plus VAT

Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only

As can be seen from the information above, our estimate has not been exceeded

Category 2 Disbursements

In accordance with the approval obtained from creditors by way of a resolution by correspondence, the following Category 2 disbursements have been incurred since the date of our appointment in accordance with our firm's policy, a copy of which is at Appendix 2

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Postage	13.77
Total	13.77

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2015' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy

7 JOINT LIQUIDATORS' EXPENSES

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

Expenses actually incurred compared to those that were anticipated

Creditors will recall from my circular dated 9 February 2016 that we provided an estimate of the expenses that we believed that we would incur during the course of the liquidation. We would confirm that the estimate has not been exceeded.

8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

We will continue to complete works that are required to maintain the Liquidation. This will include the periodic review of our files and the Liquidation strategy to ensure compliance with our statutory requirements and to ensure that sufficient case progression is being made. These reviews are also aimed to highlight any changes which are required to the strategy we are pursuing.

Effective case management and planning benefits the creditors as it ensures that the Liquidation is progressed in a strategic manner. Extracting and maintaining relevant information enables us to perform our duties correctly and efficient planning will ensure all assets are realised for the benefit of the creditors.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Act and Rules requires us to produce progress reports to the creditors on an annual basis, as well as produce a final report and convene and hold a final meeting of creditors once the case has been completed. We are also required to ensure that the case is adequately bonded.

Whilst there is no direct financial benefit to creditors in us undertaking these duties, creditors will benefit from the information they will receive as a result. The aim of these statutory and best practice requirements is to ensure that creditors are kept informed of the Liquidation proceedings and are able to effectively participate in proceedings should they wish to do so.

Investigations

We will continue with our investigations into the affairs of the company and will report our findings to creditors in our next annual report. These investigations will deal with the payment of the monies to the bank in reduction of their overdraft as well as any other potential transactions that have occurred on the company's account which may be challenged under the provisions of the Insolvency Act 1986.

Realisation of assets

We will continue to pursue the director of the company for details of the outstanding monies due to the company.

We will also continue with our investigations as referred to above which may result in further funds being realised for the benefit of the liquidation estate

Trading

No trading will take place by the Joint Liquidators

Dealing with all creditors' claims (including employees), correspondence and distributions

We will continue to liaise with the company's creditors and respond to any queries which are raised in a timely manner

If sufficient funds are realised to enable a distribution to preferential and/or unsecured creditors, we will advertise for claims, issue dividend exclusion notices and review and adjudicate on all claims

Whilst the work undertaken does not directly financially benefit the creditors, no distribution can be made unless the claims are assessed and agreed. In addition, corresponding with creditors and dealing with any queries will benefit creditors by helping them understand the process and allowing them to be engaged in it

Other matters which includes meetings, tax, litigation, pensions and travel

Our review of the company's bank statements may reveal transactions which we are able to challenge, requesting the parties concerned to repay the monies back to the company. In the event that the monies are not forthcoming, we may be required to instruct solicitors to assist in the collection of the same

Further details will be issued to creditors in our next annual report

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses sent to creditors on 9 February 2016 which included all of the expenses that we anticipate that we will incur throughout the liquidation

9. 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 incurred during the period of 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 during the period of this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate

10 CONCLUSION

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



Ashleigh William Fletcher
Joint Liquidator

Dated 14 December 2016

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 11 December 2015 to 10 December 2016

KSB Plumbing & Heating Limited
(In Liquidation)

Joint Liquidators' Summary of Receipts and Payments
To 10 December 2016

RECEIPTS	Statement of Affairs (£)	Total (£)
Cash at Bank	27,000 00	0 00
Insolvency Service Account Interest		10 60
Factoring Surplus - Ultimate	10,301 00	10,301 31
Deposit on Creditors Petition		1,250 00
		<hr/>
		11,561 91
		<hr/>
PAYMENTS		
O R Debit Balance		—2,400 00✓
DTI Cheque Fees		— 4 40✓
Department of Trade Fees		— 3,516 47✓
Petitioners Costs		— 2,820 00✓
Specific Bond		— 98 00✓
Office Holders Fees		— 1,700 00
Disbursements		— 13 77
Corporation Tax		— 2 12✓
Statutory Advertising		73 74✓
Bank Charges		88 00
Trade & Expense Creditors	(171,802 00)	0 00
Ordinary Shareholders	(100 00)	0 00
		<hr/>
		10,716 50
		<hr/>
Net Receipts/(Payments)		845 41
		<hr/>

MADE UP AS FOLLOWS

Insolvency Services A/C	487 90
VAT Receivable / (Payable)	357 51
	<hr/>
	845 41
	<hr/>

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (SY) LLP's charging policy,
- b Time Costs Analysis for the period from 11 December 2015 to 10 December 2016

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. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates 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 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(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 disbursement*) 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.
- Postage.

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

² Ibid 1

(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 disbursement*

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

Grade of staff	Charge-out Rate (£ per hour) 1 March 2011 – until further notice
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units

Staff Grade	Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	N/A	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning		0.1		1.6		3.7					5.4	1 108 00	204.81
Administration		2.3		1.2		5.4	0.1		0.6		9.6	2 108 00	219.38
Total for General Case Administration and Planning		2.4		2.8		9.1	0.1		0.6		15.0	3,212.00	214.13
Compliance with the Insolvency Act, Rules and best practice						19.4			0.5		19.9	3 425 00	172.11
Appointment									2.9		3.3	425 00	128.79
Banking and Bonding				0.4									0.00
Case Closure													0.00
Statutory reporting and statement of affairs						1.8	0.1		0.5	0.4	2.8	420 50	150.18
Total for Compliance with the Insolvency Act, Rules and best practice				0.4		21.2	0.1		3.9	0.4	28.0	4,270.50	164.25
Investigations						1.3			0.2		1.5	239 50	159.67
CDDA and investigations						1.3			0.2		1.5	239 50	159.67
Total for investigations				0.8		1.0					1.8	387 00	215.00
Realisation of assets				0.3							0.3	79 50	265.00
Debt collection													0.00
Property business and asset sales													0.00
Retention of Title/Third party assets													0.00
Total for Realisation of assets				1.1		1.0					2.1	468 50	222.14
Trading													0.00
Total for Trading													0.00
Dealing with all creditors claims (including employees), correspondence and distributions				0.5							0.5	132 50	265.00
Secured													
Others				0.4		6.9	1.2		0.3		8.8	1 493 50	169.72
Creditors committee													0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions				0.9		6.9	1.2		0.3		9.3	1,626.00	174.84
Meetings													0.00
Other						0.2					0.2	35 00	175.00
Tax				0.3							0.3	79 50	265.00
Litigation													0.00
Total for Other matters				0.3		0.2					0.5	114 50	229.00
Total hours by staff grade		2.4		5.6		39.7	1.4		5.0	0.4	54.4		
Total time cost by staff grade		828 00		1,457 50		6,947 50	189 00		445 00	62 00		9,929 00	
Average hourly rate £	0.00	345 00	0.00	265 00	0.00	176 00	135 00	0.00	89 00	155 00			182.52
Total fees drawn to date £												0.00	

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Official Receiver's Fees	The Insolvency Service	2,400 00	2,400 00	Nil
Cheque Fees	The Insolvency Service	4 40	4 40	Nil
Ad Valorem Fees	The Insolvency Service	3,516 47	3,516 47	Nil
Petitioning Creditor's Costs	Jewson Limited	2,820 00	2,820 00	Nil
Specific Bond	Willis Limited	98 00	98 00	Nil
Corporation Tax	HM Revenue & Customs	2 12	2 12	Nil
Statutory Advertising	TMP Reynells	73 74	73 74	Nil
Bank Charges	The Insolvency Service	88 00	88 00	Nil