

# Liquidator's Progress Report

# S.192

Pursuant to Sections 92A and 104A and 192  
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

06102717

Name of Company

SJP Mechanical Services Limited

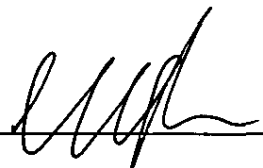
I / We

Mark Upton, 2nd Floor, Platinum Building, St John's Innovation Park, Cowley Road, Cambridge, CB4 0DS

the liquidator(s) of the company attach a copy of my/~~our~~ Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 10/06/2013 to 09/06/2014

Signed



Date

26 June 2014

Ensors  
Platinum Building  
St John's Innovation Park  
Cowley Road  
Cambridge  
CB4 0DS

Ref S0058/M11/11 R/IR/SSP

FRIDAY



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27/06/2014

COMPANIES HOUSE

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**Liquidator's Annual  
Progress Report to  
Creditors & Members**

**SJP Mechanical Services Limited**

**- In Liquidation**

**18 June 2014**

## **CONTENTS**

- 1 Introduction and Statutory Information
- 2 Realisation of Assets
- 3 Investigations
- 4 Creditors
- 5 Liquidator's Remuneration
- 6 Liquidator's Expenses
- 7 Creditors' Rights
- 8 Next Report

## **APPENDICES**

- A Receipts and Payments Account from 10 June 2013 to 9 June 2014
- B Time Analysis for the period 10 June 2013 to 9 June 2014
- C Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9

## **1 Introduction and Statutory Information**

- 1 1 I, Mark Upton of Ensors, The Platinum Building, St John's Innovation Park, Cowley Road, Cambridge, CB4 0DS, was appointed Liquidator of SJP Mechanical Services Limited, (the Company) on 10 June 2013. This report provides an update on the progress in the liquidation for the year ended 9 June 2014.
- 1 2 The principal trading address of the Company was Unit 7, Royce Court, Burrell Road, St Ives, Cambridgeshire, PE27 3NE.
- 1 3 The registered office of the Company has been changed to c/o Ensors, The Platinum Building, St John's Innovation Park, Cowley Road, Cambridge, CB4 0DS and its registered number is 06102717.

## **2 Realisation of Assets**

- 2 1 Attached at Appendix A is my Receipts and Payments Account for the period from 10 June 2013 to 9 June 2014.

### ***Cash at Bank***

- 2 2 This amount represents the credit balance held in the Company's account at the date of Liquidation. The balance was transferred into the Liquidation estate shortly after my appointment.

### ***Plant, Machinery & Equipment***

- 2 3 The Company's chattel assets comprised of a variety of tools such as drills, saws and grinders and other equipment including racking, pipes and aluminium trestle. I instructed W&H Peacock Auctioneers & Valuers, to collect the assets and these were sold at public auction on 6 July 2013. Net realisations of £1,582 have been received. No further realisations are expected.

Following the sale of the Company's chattel assets, I was able to disclaim the lease of Company's trading premises on 15 July 2013.

### ***Motor Vehicles***

- 2 4 As detailed in my report to creditors at the outset of the Liquidation a Freelander motor vehicle was purchased by the Company by way of a finance agreement. For the purposes of the statement of affairs this was shown to have a book value of £10k with an estimated to realise

value of nil. The balance of finance had been paid by the directors and transferred to them personally. The transaction required investigation by the Liquidator once in office.

Following my appointment, I obtained an independent valuation of the vehicle and in its condition and with its then current mileage it was deemed to have a value of c£10k. This was in keeping with the figure shown in the Company's accounts. Taking into consideration that the directors had personally paid the balance of the finance, £4,800 and had maintained the vehicle to keep it in a road worthy condition a balance of £3,875 was requested from the directors for this vehicle. I can confirm that the funds have been received.

Therefore, in accordance with Statement of Insolvency Practice No 13 (SIP13), I can confirm that the Company's motor vehicle was sold to the directors, Mr & Mrs Pendle, in September 2013.

#### **Book Debts and Retentions**

- 2.4 The value of the book debts as shown on the statement of affairs totalled £29,812. This had allowed for a 10% write down against bad and doubtful debts.

Prior to my involvement the Company had utilised the services of Brant Associates to assist them with the collection of book debts and where necessary any arbitration process. On this basis I have continued to utilise the services of Brant Associates to collect the remaining book debts and retentions outstanding. To date, recoveries have totalled £6,500 and negotiations with the three remaining debtors is on going.

### **3 Investigations**

- 3.1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS). As this is a confidential report, I am not able to disclose the contents.
- 3.2 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting or as a response to my request to complete an investigation questionnaire. My investigations have not revealed any issues requiring further report.

#### 4 Creditors

##### *Secured Creditors*

4.1 There are no secured creditors

##### *Preferential Creditors*

4.2 A summary of preferential claims is detailed below

Preferential claim	Agreed Claim £	Statement of Affairs Claim £	Dividend paid p in the £1
Employee claims (Total number of claims = 8)	419.39	2,101	100p in the £ paid
Department for Business Innovation & Skills (BIS)	5,380.25		100p in the £ paid

4.3 Preferential creditors were paid in full on 6 February 2014

##### *Unsecured Creditors*

4.4 I have received claims totalling £229,973.71 from 15 creditors. I have yet to receive claims from 14 creditors whose debts total £117,022.82 as per the directors' statement of affairs. If you have not already submitted a claim, I should be grateful if you would complete and return the claim form which accompanied the letter sent to creditors.

4.5 The Company granted a floating charge to NatWest Bank plc (the Bank) on 21 June 2007. Accordingly, I am required to create a fund out of the Company's net floating charge property for unsecured creditors (the Prescribed Part). However, on the basis that there is no indebtedness to the Bank, all net funds will become available to the unsecured creditors, and the provisions relating to the Prescribed Part fund will not apply.

The quantum and timing of any unsecured dividend will be dependant on the extent of further debtor realisations and the agreement of creditor claims.

## **5 Liquidator's Remuneration**

- 5 1 The Creditors approved that the basis of the Liquidator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the Liquidation
- 5 2 My time costs for the period from 10 June 2013 to 9 June 2014 are £21,235 52 This represents 121 90 hours at an average rate of £174 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
- 5 3 I would confirm that the amount of £20,810 02 plus disbursements of £543 80 (both plus VAT) has been drawn on account
- 5 4 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <http://www.icaew.com/en/technical/insolvency/creditors-guides>
- 5 5 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

## **6 Liquidator's Expenses**

I can confirm that no costs have been incurred during the period of this report, other than those disclosed in the Receipts and Payments account at Appendix A

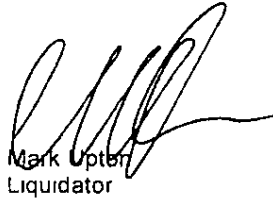
## **7 Creditors' rights**

- 7 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
- 7 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 Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive

**8 Next Report**

- 8.1 I am required to provide a further report on the progress of the liquidation within two months of the next 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



Mark Upton  
Liquidator



# APPENDIX A

## SJP Mechanical Services Limited - in Liquidation

### Receipts and Payments Account for the period 10 June 2013 to 9 June 2014

	Statement of Affairs £	Liquidation From 10/06/2013 To 09/06/2014 £
<b>RECEIPTS</b>		
Plant, Machinery & Equipment	Nil	1,582 00
Motor Vehicles	Nil	3,875 00
Book Debts and Retentions	29,812	6,500 00
Cash at Bank	108,946	108,797 68
Bank Interest Net of Tax	-	223 76
	<u>138,758</u>	<u>120,978 44</u>
<b>PAYMENTS</b>		
Specific Bond		316 80
Office Holders Fees		20,810 02
Agents/Valuers Fees		601 62
Storage Costs		216 86
Statutory Advertising		304 00
Employee - Arrears of Wages & Holiday Pay		5,799 64
HM Revenue & Customs - PAYE & NIC		197 19
		<u>28,246 13</u>
<b>BALANCE - 9 June 2014</b>		<u><u>92,732.31</u></u>

APPENDIX B

SJP MECHANICAL SERVICES LIMITED - IN LIQUIDATION

TIME AND CHARGE OUT SUMMARY FROM 10 JUNE 2013 TO 9 JUNE 2014

Classification of work	Partner hours	Managers hours	Assistant Managers hours	Administrators & support staff hours	Total hours	Time cost £	Average hourly rate £
Realisation of assets	0.5	11.3	20.5	4.7	37.0	7,070.00	191
Creditors	3.0	0.5	0.5	1.6	5.6	1,153.92	207
Administration & planning	1.5	11.7	3.3	24.3	40.8	7,057.50	173
Investigations / Debtor / Directors	-	1.9	0.1	3.2	5.2	828.10	159
Employees	-	5.0	0.4	27.9	33.3	5,126.00	154
<b>Total hours</b>	<b>5.0</b>	<b>30.4</b>	<b>24.8</b>	<b>61.7</b>	<b>121.9</b>		
<b>Hourly rate</b>	<b>£315</b>	<b>£215-285</b>	<b>£150</b>	<b>£50-105</b>			
<b>Total time costs £</b>	<b>1,452.50</b>	<b>6,931.60</b>	<b>4,378.00</b>	<b>8,473.42</b>		<b>21,235.52</b>	<b>174</b>

Please note that time has been recorded in units of 6 minutes

## Appendix C

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

#### 1 Policy

Detailed below is Ensors 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, Administrator and/or an Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case

We are not proposing to utilise the services of any sub-contractors 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
W&H Peacock Auctioneers & Valuers (disposal of assets)	15% of realisations and disbursements
Brant Associates Quantity Surveyors (debt collection)	Fixed charged commission and disbursements
Willis (insurance)	Risk based premium

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

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.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

To date, we have not incurred any Category 2 disbursements.

### 2 Charge-out rates

A schedule of Ensors charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved. A schedule of Ensors charge-out rates for this assignment, effective from 1 April 2014, is detailed below.

Staff	(per hour) £
Partner	305
Manager	240
Assistant Manager	185
Senior Administrator / Investigator	135-150
Administrator	60-100

Please note that this firm records its time in minimum units of 6 minutes.