

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 10/06/2014 to 09/06/2015

Signed



Date

17 July 2015

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

Ref S0058/MU/JLR/JB/SSP

TUESDAY
FRIDAY



A4CSS94J

A04 31/07/2015 #311

COMPANIES HOUSE

A4C33V09

A24 21/07/2015 #60

COMPANIES HOUSE

Liquidator's Annual Progress Report to Creditors & Members

SJP Mechanical Services Limited
- In Liquidation
17 July 2015

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1 Introduction and Statutory Information

- 1 1 I, Mark Upton of Ensors Accountants LLP, 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 2015.
- 1 2 The business of Ensors was transferred to Ensors Accountants LLP on 1 April 2015 as part of an internal re-organisation. For work up to and including 1 April 2015 references in the report are to Ensors. Any reference to work undertaken or firm policies after that date, refer to Ensors Accountants LLP.
- 1 3 The principal trading address of the Company was Unit 7, Royce Court, Burrell Road, St Ives, Cambridgeshire, PE27 3NE.
- 1 4 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 2014 to 9 June 2015 and cumulative from 10 June 2013 to 9 June 2015.

Plant, Machinery, Equipment and Motor Vehicle

- 2 2 The Company's chattel assets were dealt with during the first year of liquidation. Details of these realisations are included in my annual report dated 18 June 2014. Plant and machinery realised £1,582.

A copy of my last report can be downloaded from my firm's website as follows:

www.ensors.co.uk/creditor-gateway

User name: SJP-Reports

Password: zz9g4yn3

Download: Annual Report 2014

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

Cash at Bank

- 2 3 As advised in my previous report, the Company's cash at bank was realised in full shortly after my appointment

Motor Vehicle

- 2 4 The Director's Estimated Statement of Affairs showed a motor vehicle with a book value of c£10,000. The vehicle had been purchased by the Company by way of a finance agreement. Following cessation of trade the Directors had paid the balance of the finance and transferred the vehicle to them personally. After appointment an independent valuation was obtained and in its then condition and with its then current mileage it was deemed to have a value of £10,000. The directors had paid the balance of the finance and had maintained the vehicle to keep it in a roadworthy condition at their expense. After deduction of these costs, estimated to be £6,125 it was considered that a balance of £3,875 was due against the car and this was duly paid by the directors. There are no further realisations expected against this asset.

Book Debts and Retentions

- 2 5 The estimated to realise value of the Company's book debts (retentions) shown on the directors' statement of affairs totalled £29,812. This allowed for a 10% write off against bad and doubtful debts.

Prior to my involvement the Company utilised the services of Brant Associates ("Brant") to assist them with the collection of book debts and where necessary any arbitration process. On this basis I continued to utilise their services to collect the four outstanding retentions and agreed a 10% commission fee on any debt collected.

After some negotiation Brant were able to agree a settlement on two of the retention amounts due and the sum of £10,166 has been realised.

The two remaining retentions were due from one sub contractor and these proved more difficult to collect. Brant were unable to get the sub contractor to engage with them and in order to avoid a possibly long and costly arbitration process we engaged the services of Birketts LLP ("Birketts") to assist us with the collection. The sub contractor was reticent to provide a final account until he had received a guarantee that the liquidator would rectify any defects that were identified on the two contracts at a later date. Birketts advised that the liquidator is unable to agree to any such provision and has no ability to rectify any defects at anytime. Negotiations continued and in order to avoid further costs a full and final settlement of £10,000 was agreed for the two remaining contracts.

Book debt realisation is complete and I can confirm that £20,667 has been realised The balance has been written off as irrecoverable

- 2 6 Of the realisations held in the liquidation estate, £75k is being held in a Building Society Account that has higher interest rates Gross bank interest received in the last year totals £973

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 £242,694 62 from 13 creditors I have not received claims from 9 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

5 Notice of Intended Dividend

- 5 1 A Notice of Intended Dividend was advertised in the London Gazette on 11 June 2015 and the deadline for creditor claims was 3 July 2015
- 5 2 In accordance with the Insolvency Rules the dividend to unsecured creditors must be paid within two months of the deadline date for submission of claims It is estimated that a first and final dividend of c34p in the £ will be paid to unsecured creditors This will be dealt with under separate cover
- 5 3 Please note that if you have not submitted a claim in the Liquidation you will be excluded from the dividend payable

6 Liquidator's Remuneration

- 6 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
- 6 2 My time costs for the period from 10 June 2014 to 9 June 2015 are £16,063 50 This represents 93 10 hours at an average rate of £173 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
- 6 3 My total time costs from 10 June 2013 to 9 June 2015 are £37,223 52 This represents 215 40 hours at an average rate of £173 per hour Attached as Appendix C is a cumulative Time Analysis which provides details of our time costs since my appointment
- 6 4 To date, £36,873 52 plus disbursements of £620 80 has been drawn on account

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>

- 6 4 Attached as Appendix D 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 Liquidator's Expenses

- 7 1 I 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

8 Creditors' rights

- 8 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
- 8 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

9 Next Report

- 9 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 year ending 9 June 2015

	Statement of Affairs £	Period From 10/06/2013 To 09/06/2014 £	Period From 10/06/2014 To 09/06/2015	Cumulative From 10/06/2013 To 09/06/2015 £
RECEIPTS				
Balance brought forward			92,732 31	
Plant, Machinery & Equipment	Nil	1,582 00	0 00	1,582 00
Motor Vehicles	Nil	3,875 00	0 00	3,875 00
Book Debts and Retentions	29,812	6,500 00	13,666 86	20,166 86
Cash at Bank	108,946	108,797 68	0 00	108,797 68
Bank Interest Gross	-	223 76	973 35	1,197 11
	<u>138,758</u>	<u>120,978 44</u>	<u>107,372 52</u>	<u>135,618 65</u>
PAYMENTS				
Specific Bond		316 80	0 00	316 80
Office Holders Fees		20,810 02	16,063 50	36,873 52
Agents/Valuers Fees		601 62	0 00	601 62
Debt Collection Costs		0 00	950 00	950 00
Corporation Tax		0 00	44 75	44 75
Storage Costs		216 86	66 45	283 31
Statutory Advertising		304 00	0 00	304 00
Employee - Arrears of Wages & Holiday Pay		5,799 64	0 00	5,799 64
HM Revenue & Customs - PAYE & NIC		197 19	0 00	197 19
		<u>28,246 13</u>	<u>17,124 70</u>	<u>45,370 83</u>
BALANCE		<u>92,732 31</u>	<u>90,247 82</u>	<u>90,247 82</u>

APPENDIX B

SJP MECHANICAL SERVICES LIMITED - IN LIQUIDATION

TIME AND CHARGE OUT SUMMARY FOR THE PERIOD 10 JUNE 2014 TO 9 JUNE 2015

Classification of work	Partner hours	Managers hours	Administrators & support staff hours	Total hours	Time cost £	Average hourly rate £
Realisation of assets	1 0	4 3	24 6	29 9	6,053 50	202
Creditors	0 6	4 3	18 9	23 8	3,887 50	163
Administration & planning	1 0	2 2	26 1	29 3	4,264 50	146
Investigations / Debtor / Directors	-	0 3	-	0 3	72 00	240
Employees	-	3 6	0 7	4 3	959 50	223
Reporting	-	0 8	4 7	5 5	826 50	150
Total hours	2 6	15.5	75 0	93.1		
Hourly rate	£305-315	£240-250	£60-190			
Total time costs £	793.50	3,740 00	11,530.00		16,063 50	173

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

APPENDIX C

SJP MECHANICAL SERVICES LIMITED - IN LIQUIDATION

TIME AND CHARGE OUT SUMMARY FOR THE PERIOD 10 JUNE 2013 TO 9 JUNE 2015

Classification of work	Partner hours	Managers hours	Administrators & support staff hours	Total hours	Time cost £	Average hourly rate £
Realisation of assets	15	156	499	670	12,947 00	193
Creditors	36	48	208	292	5,041 42	173
Administration & planning	27	139	540	706	11,423 00	162
Investigations / Debtor / Directors	-	22	33	55	900 10	164
Employees	-	86	290	376	6,085 50	162
Reporting	-	08	47	55	826 50	150
Total hours	78	45.9	1617	215.4		
Hourly rate	£305-315	£240-250	£60-190			
Total time costs £	2,301.50	10,671.60	24,250.42		37,223 52	173

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

Appendix D

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

10 Policy

Detailed below is Ensors Accountants LLP policy in relation to

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

10.1 *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.

10.2 *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)	10% commission on realisations
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.

10.3 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.

11 Charge-out rates

A schedule of Ensors Accountants LLP charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved. A schedule of Ensors Accountants LLP charge-out rates for this assignment, effective from 1 April 2015, is detailed below.

Staff	(per hour) £
Partner	315
Manager	250
Assistant Manager	190
Senior Administrator / Investigator	140-155
Administrator	65-105

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