

The Insolvency Act 1986

**Liquidator's Progress  
Report****Pursuant to Sections 92A, 104A  
and 192 of the  
Insolvency Act 1986****S.192**

To the Registrar of Companies

Company Number

06230310

(a) Insert full name  
of Company

Name of Company

(a)

**AQUEDUCT SERVICES LIMITED**(b) Insert full name(s) and  
address(es)~~IAA~~ (b)**RUSSELL JOHN CARMAN,  
BATES WESTON LLP,  
THE MILLS,  
CANAL STREET,  
DERBY  
DE1 2RJ**

(c) Insert date

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 25 July 2013 to 24 July 2014

Signed



Date 28 August 2014

Presenter's name,  
Address and reference  
(if any)**INS/RJC/AAA/A252  
Bates Weston LLP  
The Mills  
Canal Street  
Derby  
DE1 2RJ**

For Official Use

Liquidation  
Section

Post Room



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COMPANIES HOUSE

#19

FRIDAY

**AQUEDUCT SERVICES LIMITED**

**In Liquidation**

**ANNUAL PROGRESS REPORT OF THE LIQUIDATOR  
FOR THE YEAR ENDED 24 JULY 2014**

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## 1. Introduction

This is my first Annual Progress Report in this Liquidation

On the 16 February 2012 a resolution was passed placing Aqueduct Services Limited ("the Company") into Creditors' Voluntary Liquidation. On the same date Carl Stuart Jackson and Steven John Parker were appointed Joint Liquidators of the Company. On 20 November 2012 Carl Stuart Jackson was replaced by Alexander Kinninmonth.

The Joint Liquidators called a final meeting of creditors for 15 February 2013, having made no realisations save for the cash at bank of £17. A major creditor of the Company was not satisfied with the progress of the liquidation and on 25 July 2013 I, Russell John Carman, was appointed Liquidator by a meeting of creditors in place of the former Joint Liquidators.

The Company had carried on business supplying staff to a related company from premises situated at Milton Keynes.

The Statement of Affairs, as presented to the Creditors' Meeting held on 16 February 2012, showed the following position of the Company at the date of the winding up as advised by the directors:

	£	£
<b>Assets</b>		
Cash at Bank		59
<b>Liabilities</b>		
HM Revenue & Customs	702,812	
Aqueduct Plc	971,000	1,673,812
	<hr/>	<hr/>
<b>Estimated Deficiency as Regards Creditors</b>		(1,673,753)
Share Capital		1
		<hr/>
<b>Estimated Total Deficiency</b>		<hr/> (1,673,754) <hr/>

## **2. Progress of the Liquidation since the 25 July 2013 (the date of my appointment)**

### **2.1 Receipts and Payments Account**

I have no receipts or payments to report

### **2.2 Statement of Affairs Asset Realisations**

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

The sum of £17 was realised by the former Joint Liquidators prior to my appointment

### **2.3 Investigation**

#### **2.3.1 *Investigation Work***

The Company traded for around two and a half years and during this time its only activity was the supply of staff to the related company Aqueduct Plc

The Company failed to raise invoices to recharge the supply of staff to Aqueduct Plc and Aqueduct Plc paid only the net wages to the Company resulting in cash flow problems and an inability to pay PAYE and NIC contributions to HM Revenue & Customs ("HMRC") when they fell due

I have investigated the affairs of the Company, including the insolvent position and inability to pay its debts as they fell due. My investigations have resulted in a claim being made against the former directors, pursuant to Section 212 of the Insolvency Act 1986

I am also investigating the validity of the claim by Aqueduct Plc

### 3. Summary of Unrealised Assets

I am not aware of any unrealised assets, save for the claim against the directors

## 4 Liabilities and Dividends

### 4.1 Preferential Creditors

There are no preferential creditors

### 4.2 Prescribed Part

Under Section 176A of the Insolvency Act 1986 where, after 15 September 2003, a company has granted to a creditor a floating charge, a proportion of the net property of the company must be available purely for the non-preferential creditors. The Company did not grant a floating charge to any creditor after 15 September 2003 and consequently there will be no prescribed part in this Liquidation.

### 4.3 Non-Preferential Creditors

The position as regards non-preferential creditors is as follows

	Claims Received	Value £
Claims Received	3	1,682,586
	<hr/>	<hr/>
Claims per Statement of Affairs not received	-	-
	<hr/>	<hr/>

#### **4.4 Dividends**

There are insufficient funds to pay a dividend to the non-preferential creditors at the present time

### **5. Liquidator's Policy Regarding Charges and Disbursements**

#### **5.1 Charges Policy**

Time is recorded and charged to the case on a daily basis in units of not less than one-tenth of one hour (i.e. 6 minutes)

Time spent by all grades of staff is charged to the case

#### **5.2 Disbursements Policy**

Payments are made to the Liquidator's firm to reimburse amounts specifically paid on behalf of the case (e.g. advertisements and bonding costs)

Payments are made to the Liquidator's firm to recover other costs incurred in relation to the case. These include cost of postage, stationery and photocopying and travelling expenses

The amounts paid are calculated by reference to the specific usage of facilities in relation to the case

#### **5.3 Legal Fees**

Solicitors' fees are considered in view of the work undertaken and the effectiveness of action taken

Where proposed fees are considered to be excessive, a reduction in the fee payable is negotiated

## 5.4 Professional Advisers

I have used the following professional advisers in this Liquidation

Name	Nature of Business	Description of Service Provided	Amount Paid £
Actons	Solicitors	Advising on an issuing claims against the former directors	Nil

The choice of professionals is based on the perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them

## 6. Liquidator's Fee

At a General Meeting of Creditors held on 5 September 2013 it was resolved that that the Liquidator's fee should be calculated by reference to time properly spent on the case pursuant to Rule 4.127(2)(b) of the Insolvency Rules 1986

No fees have been charged to date as there are no funds available

Details of work carried out during the period of this Report are shown at 6.1 below

Summaries of time spent and hourly charge out rates covered by the period of this Report are given at 6.2 below

The grade of staff used was appropriate to the case



A Creditors' Guide to Liquidators' Fees is available on request from this office or a copy can also be found on the R3 website using the link below

[www.r3.org.uk/media/documents/publications/professional/Guide to Liquidators Fees Nov2011.pdf](http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Liquidators_Fees_Nov2011.pdf)

## 6.1 Narrative description of work carried out since the 25 July 2013 (the date of my appointment)

Activity	Work Carried Out
<b>Administration and Planning</b>	
Case Planning	<ul style="list-style-type: none"> <li>• Consideration of specific aspects of the case for further review and investigation</li> <li>• Six monthly review of the case</li> </ul>
Administrative Set-Up	<ul style="list-style-type: none"> <li>• Obtaining Specific Penalty Cover</li> <li>• Setting up case in line with standard office procedure</li> <li>• Replying to general correspondence</li> </ul>
Appointment Notification	<ul style="list-style-type: none"> <li>• Notifying creditors of appointment and circulating report of meeting of creditors held on 5 September 2013</li> <li>• Arranging notification of appointment and notice to creditors in the London Gazette</li> </ul>
Maintenance of Records	<ul style="list-style-type: none"> <li>• Maintaining Practitioners Record (Regulation 13)</li> <li>• Cataloguing and recording Company's books and records</li> <li>• Maintenance of financial records including all banking and requisitions</li> <li>• Reconciliation of local bank accounts</li> <li>• Submission of forms CT600 to the H M Revenue &amp; Customs</li> </ul>
Statutory Reporting	<ul style="list-style-type: none"> <li>• Filing statutory forms with Companies House</li> </ul>

### **Investigations**

#### **Investigations into Company's affairs**

- Review of Company's books and records to identify areas requiring further investigation
- Investigation into affairs of the Company to identify any rights of action
- Obtaining information from auditors
- Investigating a potential Wrongful Trading claim pursuant to Section 214 of the Insolvency Act 1986
- Instructing solicitors to make an application pursuant to Section 212 of the Insolvency Act 1986 against the directors
- Interviews with directors
- General correspondence to obtain supporting information
- Review of last accounts

### **Creditors**

#### **Communication with Creditors**

- General correspondence
- Investigating and querying claim from related party
- Receiving and acknowledging creditors claims
- Scheduling creditors' claims to rank for dividend

## **6 2 Summaries of hourly charge out rates and time spent since the 25 July 2013 to (the date of my appointment)**

### **6 2 1 Hourly charge out rates**

	Insolvency Practitioner	Manager	Assistant and Support Staff
	£	£	£
2013/14	250	125	16-50
2014/15	250	130	24-80

Annual Progress Report of the Liquidator  
*Aqueduct Services Limited In Liquidation*  
For the year ended 24 July 2014

6 2 2 Summary of time spent

Classification of work function	Hours				Time Cost £	Average hourly rate £
	Insolvency Practitioner	Manager	Assistant and Support Staff	Total Hours		
Administration and Planning	2 00	7 00	-	9 00	1,375	153
Investigations	60 20	31 80	-	92 00	19,025	207
Realisation of Assets	-	-	-	-	-	-
Trading	-	-	-	-	-	-
Creditors (including Annual Progress Report to Creditors)	2 40	-	-	2 40	600	250
Total Hours	64 60	38 80	-	103 40		
Total Time Cost					21,000	
Total Fees paid to date					Nil	

## 7. Expenses incurred by the Liquidator during the course of the Liquidation to 24 July 2014

During the period covered by this report I have incurred expenses totalling £13,861 (inclusive of VAT) The expenses can be summarised as follows

Amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest	
Type and Purpose	£
Category 1 (Payments made to reimburse Office Holder's firm)	
Incurred still to be <i>paid</i>	
Specific Penalty Insurance (Bond)	25
London Gazette (Advertising)	154
Travel Expenses	427
Land Registry Searches	18
Company Searches	105
Legal Fees	10,822
Irrecoverable VAT	2,310
	<hr/>
Total	13,861
	<hr/>

## 8. Creditors' rights to further information about, and challenge remuneration and expenses

In certain circumstances, creditors are entitled to request further information about my remuneration and expenses, or apply to court if creditors think the costs to be excessive Further information is provided at Appendix 1

## 9. Statutory Information

Information required to be given pursuant to Rule 4 49C Insolvency Rules 1986 and which is not given in this Report is set out on Appendix 2



R J Carman  
Liquidator

28 August 2014

## RULE 4.49E OF THE INSOLVENCY RULES 1986

**4 49E Creditors' and members' request for further information****4 49E(1) [Duty of liquidator re remuneration or expenses] If**

- (a) within the period mentioned in paragraph (2)
  - (i) a secured creditor, or
  - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
  - (iii) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or
- (b) with the permission of the court upon an application made within the period mentioned in paragraph (2)
  - (i) any unsecured creditor, or
  - (ii) any member of the company in a members' voluntary winding up,

makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4 49B(1)(e) or (f) (including by virtue of Rule 4 49C(5)) or in a draft report under Rule 4 49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of a matter in a draft report under Rule 4 49D or a progress report required by Rule 4 108 which (in either case) was previously included in a progress report not required by Rule 4 108

**4 49E(2) [Period for compliance with r.4 49E(1)] The period referred to in paragraph (1)(a) and (b) is-**

- (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4 108, and
- (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case

**4 49E(3) [How liquidator to comply] The liquidator complies with this paragraph by either-**

- (a) providing all of the information asked for, or
- (b) so far as the liquidator considers that-
  - (i) the time or cost of preparation of the information would be excessive, or
  - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
  - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,

giving reasons for not providing all of the information

**4 49E(4) [Application to court by creditors and members]** Any creditor, and any member of the company in a members' voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the court within 21 days of—

- (a) the giving by the liquidator of reasons for not providing all of the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just

**4 49E(5) [Court may extend period in rr.4131(1B), 4.148C(2)]** Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4 131(1B) or 4 148C(2) by such further period as the court thinks just

**4 49E(6) [Non-application to official receiver]** This Rule does not apply where the liquidator is the official receiver

## RULE 4.131 OF THE INSOLVENCY RULES 1986

### 4 131 Creditors' claim that remuneration is or other expenses are excessive

**4 131(1) [Secured or certain unsecured creditors may apply to Court]** Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

**4 131(1A) [Grounds for application]** Application may be made on the grounds that—

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
- (c) expenses incurred by the liquidator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

**4 131(1B) [Time limit for application]** The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")

**4 131(2) [Power of court to dismiss etc ]** The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice. If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly but which is without notice to any other party

**4 131(3) [Notice to liquidator]** The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it

**4 131(4) [Court order]** If the court considers the application to be well-founded, it must make one or more of the following orders—

- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
- (b) an order fixing the basis of remuneration at a reduced rate or amount,
- (c) an order changing the basis of remuneration,
- (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
- (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

**4 131(5) [Costs of application]** Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable [as an expense of the liquidation]

## APPENDIX 2

### AQUEDUCT SERVICES LIMITED (IN LIQUIDATION)

#### STATUTORY INFORMATION

Registered Office	The Mills Canal Street Derby DE1 2RJ	
Registered Number	06230310	
Liquidator's Full Name	Russell John Carman	
Liquidator's Address	Bates Weston LLP The Mills Canal Street Derby DE1 2RJ	
Date of Appointment	25 July 2013	
Changes of Liquidator	16 February 2012	Carl Stuart Jackson and Steven John Parker
	20 November 2012	Carl Stuart Jackson was replaced by Alexander Kinninmonth