

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 2014 to 24 July 2015

Signed



Date 3 September 2015

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

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**AQUEDUCT SERVICES LIMITED**

**In Liquidation**

**ANNUAL PROGRESS REPORT OF THE LIQUIDATOR  
FOR THE YEAR ENDED 24 JULY 2015**

 **bates weston**  
chartered accountants & business advisors

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## 1. Introduction

This is my second 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>		(1,673,754)
		<hr/>

## **2. Progress of the Liquidation for the year to 24 July 2015**

### **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 a 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 when they fell due

My investigations have resulted in proceedings being issued against the directors and a former director for misfeasance / breach of duty pursuant to Section 212 of the Insolvency Act 1986. The claim is in the sum of £703,211. The proceedings were issued shortly after the period covered by this Report

### 3. Assets Not Realised

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	714,288
	_____	_____
Claims per Statement of Affairs not received	-	-
	_____	_____

A claim received from a related company Aqueduct PLC (now in Liquidation) in the sum of £971,000 was formerly rejected. No appeal has been received against that rejection.

#### **4.4 Dividends**

There are insufficient funds to pay a dividend to the non-preferential creditors at the present time. Any dividend payable is dependent upon a successful outcome of the claims against the directors.

### **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

Both solicitors and counsel are acting upon a Conditional Fee Agreement ("CFA")

### 5.4 Professional Advisers

I have used the following professional advisers in this Liquidation

Name	Nature of Business	Description of Service Provided	Amount Paid £	Work in Progress (subject to CFA) £
Actons	Solicitors	Claim against Directors	Nil	30,000
James Barker	Counsel	Claim against Directors	Nil	5,000

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 paid 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



Details of hourly charge out rates are given at 6.2 below

A summary of time spent for the year ended 24 July 2015 are given at 6.3 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 for the year ended 24 July 2015**

<b>Activity</b>	<b>Work Carried Out</b>
<b>Administration and Planning</b>	
Case Planning	<ul style="list-style-type: none"><li>• Six monthly review of the case</li></ul>
Administrative Set-Up	<ul style="list-style-type: none"><li>• Replying to general correspondence</li></ul>
Maintenance of Records	<ul style="list-style-type: none"><li>• Maintaining Practitioners Record (Regulation 13)</li><li>• Submission of forms CT600 to the H M Revenue &amp; Customs</li></ul>
Statutory Reporting	<ul style="list-style-type: none"><li>• Preparation of Annual Progress Report and submitting to Members, Creditors and Companies House</li></ul>

### **Investigations**

Investigations into  
Company's affairs

- Fully investigating the Company's Affairs

### **Realisations**

- Instructing solicitors and Counsel to issue proceedings against the directors and a former director pursuant to Section 212 Insolvency Act 1986

### **Creditors**

Communication with  
Creditors

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

## **6.2 Hourly charge out rates since the 25 July 2014**

	Insolvency Practitioner	Manager	Assistant and Support Staff
	£	£	£
2013/14	250	125	16-50
2014/15	250	130	24-80
2015/16	250	136	24-82

### 6.3 Summary of time spent during the course of the Liquidation

Classification of work function	AS PER PREVIOUS REPORT		TIME COSTS INCURRED FOR THE PERIOD 25.07.14 TO 24.07.15					TOTAL FOR THE PERIOD 25.07.13 TO 24.07.15		
	Hours	£	Hours					Total hours	Total cost £	Average hourly rate £
			Insolvency Practitioner	Manager	Assistant and Support Staff	Total Hours	Time Cost £			
Administration and Planning	9 00	1,375	-	0.80	-	0.80	104	9.80	1,479	151
Investigations	92 00	19,025	7 70	18.20	-	25.90	4,387	117 90	23,412	198
Realisation of Assets	-	-	10.70	4.60	-	15 30	3,279	15.30	3,279	214
Trading	-	-	-	-	-	-	-	-	-	-
Creditors (including Annual Report to Creditors)	2.40	600	1 30	2 80	-	4.10	690	6.50	1,290	198
Total Hours	103 40		19.70	26.40	-	46.10		149 50		
Total Time Cost		21,000					8,460		29,460	197
Fees Drawn									Nil	

## 7. Expenses incurred by the Liquidator during the course of the Liquidation to 24 July 2015

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	£	£
<b>Category 1 (Payments made to reimburse Office Holder's firm)</b>		
<b>Paid</b>		Nil
<b>Incurred Not Paid</b>		
Specific Penalty Insurance (Bond)	25	
London Gazette (Advertising)	154	
Travel Expenses	436	
Land Registry Searches	24	
Company Searches	105	
Legal Fees	14,322	
Sundry	58	
Irrecoverable VAT	3,024	
		18,148
<b>Category 2 (Expenses incurred in reimbursing Office Holder's firm for services provided)</b>		
<b>Paid</b>		Nil
<b>Incurred Not Paid</b>		
Travelling Expenses	157	
Irrecoverable VAT	31	
		188
<b>Total</b>		<b>18,336</b>

## **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

3 September 2015

## 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]

**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