

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

06557598

Name of Company

AB Airconditioning Limited

I / We

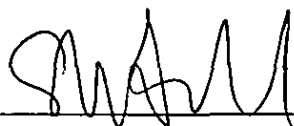
Stephen Powell
12/14 Carlton Place
Southampton
SO15 2EA

Gordon Johnston
12/14 Carlton Place
Southampton
SO15 2EA

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 18/08/2012 to 17/08/2013

Signed



Date

1/10/13

hjs Recovery
12/14 Carlton Place
Southampton
SO15 2EA

Ref 4308ABAX/SP/GJ/AK/JP/DS/HS

SATURDAY



A21D3UKB

A16

05/10/2013

#128

COMPANIES HOUSE

**Joint Liquidators'
Annual Progress
Report to Creditors
and Members**

AB Airconditioning Limited

- In Liquidation

1 October 2013

CONTENTS

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

APPENDICES

- A Receipts and Payments Account from 18 August 2012 to 17 August 2013 and Cumulative Receipts and Payments Account from date of appointment to 17 August 2013
- B Time Analysis for the period from 18 August 2012 to 17 August 2013
- C Cumulative Time Analysis for the period from date of appointment to 17 August 2013
- D Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9
- E Tasks undertaken by the Joint Liquidators

1 Introduction and Statutory Information

1 1 I, Stephen Powell of HJS Recovery, 12-14 Carlton Place, Southampton, Hampshire, SO15 2EA, was appointed as Joint Liquidator of AB Airconditioning Limited ("the Company") on 18 August 2011 together with my colleague Gordon Johnston. This report provides an update on the progress in the Liquidation for the year ended 17 August 2013.

1 2 The principal trading address of the Company was Bank Chambers, 2 Church Street, Reigate, Surrey, RH2 0AN.

1 3 The registered office of the Company has been changed to c/o HJS Recovery, 12-14 Carlton Place, Southampton, Hampshire, SO15 2EA and its registered number is 06557598.

2 Realisation of Assets

Book Debts

2 1 As previously reported, there were book debts due to the Company with a book value of £315,000 of which it was estimated that approximately £207,000 would be realised. The sum of £4,670 was received in this regard during the first year of the Liquidation. The remaining debtor ledger was passed to solicitors, Paris Smith LLP, for legal action to commence.

After a substantial review of the Company's records, a claim for £193,848.66 was filed against the Company's major debtor in the Northampton (CCMC) County Court to which a defence and counterclaim was received. After lengthy negotiations between parties, a settlement was agreed and the sum of £115,150 was paid in full and final settlement of the debt due to the Company.

Of the remaining debtors, there are a number that are small, and taking into account various disputes, are uneconomical to pursue.

However, there are two remaining substantial debtors which our solicitors are reviewing before proceeding with recovery action. It is anticipated that a further £40,000 of book debts may be realised, but this matter is ongoing.

The Joint Liquidators will provide further updates on this matter in future reports.

2 2 Details of the realisation of a sundry refund and directors' contributions were provided in my last annual progress report to creditors. Please refer to the report dated 28 September 2012 for further details.

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 As previously reported, there were two fixed and floating debentures registered against the Company at the commencement of the Liquidation in favour of Lloyds TSB Commercial Finance Limited and Bibby Financial Services Limited The Company's liabilities in respect of both of these debentures have been discharged in full

Preferential Creditors

4 2 No preferential claims have been received in this matter

Unsecured Creditors

4 3 I have received claims totalling £594,281.02 from 23 creditors I have yet to receive claims from 15 creditors whose debts total £194,102.41 as per the directors' statement of affairs

4 4 The Company granted floating charges to Lloyds TSB Commercial Finance Limited on 11 November 2010 and to Bibby Financial Services Limited on 10 June 2011 As previously stated, both of these liabilities have been discharged in full and therefore there is no requirement for the Joint Liquidators to set aside a 'Prescribed Part' fund from the Company's net floating charge property for the benefit of unsecured creditors

4 5 It is anticipated that there should be sufficient funds available to distribute to the unsecured creditors Therefore please submit your claims to the Joint Liquidators if not already submitted

4 6 If there are sufficient funds to distribute to the unsecured creditors, the Joint Liquidators will circulate a notice of intended dividend to creditors notifying them of the proposed distribution if and when applicable

5 Joint Liquidators' Remuneration

- 5 1 The Creditors approved that the basis of the Joint Liquidators' 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 18 August 2012 to 17 August 2013 are £11,269 25 This represents 53 97 hours at an average rate of £208 81 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 During this reporting period, no fees have been drawn but disbursements of £650 have been drawn on account during this reporting period
- 5 3 Also attached as Appendix C is a cumulative Time Analysis for the period from the date of appointment, being 18 August 2011, to 17 August 2013 which provides details of my total time costs since appointment I can advise that since the date of my appointment on 18 August 2011 to the end of this reporting period, no fees have been drawn but disbursements of £650 in total have been drawn
- 5 4 Since the end of this reporting period to the date of this report, the Joint Liquidators have drawn fees totalling £25,000 on account
- 5 5 The sum of £10,000 has been drawn in relation to the costs incurred in placing the Company into Liquidation as agreed by creditors at the initial meeting of creditors held on 18 August 2011
- 5 6 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from www.hjsrecovery.co.uk/publications
- 5 7 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
- 5 8 Since the date of the last progress no Category 2 disbursements have been charged or drawn in this matter

6 Joint Liquidators' Expenses

The following expenses have been incurred since my last progress report to creditors

Supplier / Service Provider	Nature of expense incurred	Amount incurred £	Paid £	Amount Outstanding £
Pans Smith LLP	Legal costs relating to the collection of the Company's book debts	24,530 50	23,230 50	1,300 00

In addition to the above, expenses incurred during the previous reporting period have been paid during this reporting period as per the following

Supplier// Service Provider	Nature of expense incurred	Amount incurred £	Paid £	Amount Outstanding £
Premier Inn	Meeting Room Hire	125 00	125 00	0 00
AUA Insolvency Risk Services Ltd	Bordereau	330 00	330 00	0 00
Legal & Public Notices	Statutory Advertising	195 00	195 00	0 00

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 Joint Liquidators 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 Joint Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Liquidators, 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



Stephen Powell FCCA MABRP
Joint Liquidator

Enc

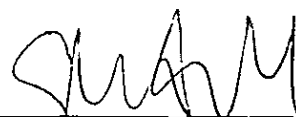
AB Airconditioning Limited
(In Liquidation)

JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 18/08/2012 To 17/08/2013 £	From 18/08/2011 To 17/08/2013 £
RECEIPTS			
Book Debts	207,840 10	115,150 00	119,820 26
Sundry Refund		0 00	270 40
Bank Interest Gross		1 65	2 33
Director contributions		0 00	6,000 00
		<u>115,151 65</u>	<u>126,092 99</u>
PAYMENTS			
Specific Bond		330 00	330 00
Preparation of S of A		0 00	10,000 00
Office Holders Expenses		125 00	125 00
Legal Fees (1)		23,230 50	23,230 50
Statutory Advertising		195 00	195 00
Trade & Expense Creditors	(476,814 78)	0 00	0 00
Employees	(2,902 00)	0 00	0 00
Directors	(11,623 00)	0 00	0 00
NatWest Bank Plc	(23,613 08)	0 00	0 00
HM Revenue & Customs - PAYE/NIC/CIS	(122,986 00)	0 00	0 00
HM Revenue & Customs - VAT	(15,901 00)	0 00	0 00
Ordinary Shareholders	(100 00)	0 00	0 00
		<u>23,880 50</u>	<u>33,880 50</u>
Net Receipts/(Payments)		<u>91,271 15</u>	<u>92,212 49</u>

MADE UP AS FOLLOWS

Vat Receivable	4,751 10	6,751 10
Bank 1 Current	87,451 39	87,451 39
Bank 2 Current	(931 34)	0 00
Vat Control Account	0 00	(1,990 00)
	<u>91,271 15</u>	<u>92,212 49</u>



Stephen Powell
Joint Liquidator

TIME AND CHARGE OUT SUMMARIES

Hours							
Classification of work function	Insolvency Practitioner	Manager/ Senior Manager	Supervisor	Assistants & Support Staff	Total Hours	Time Cost	Average hourly rate
Administration & Planning	0 00	0 00	12 40	3 74	16 14	£2,189 25	£135 64
Realisations of assets	20 50	0 00	16 00	0 08	36 58	£9,582 50	£261 96
Creditors	0 00	0 00	0 50	1 50	2 00	£210 00	£105 00
Tax reviews	0 25	0 00	0 00	1 50	1.75	£275 00	£157 14
<u>Total</u>	<u>20 75</u>	<u>0 00</u>	<u>28 90</u>	<u>6 82</u>	<u>56 47</u>	<u>£12,256 75</u>	<u>£208 81</u>
Current Chargeout rates	£350	£200 - £275	£150 - £175	£50 - £125			

TIME AND CHARGE OUT SUMMARIES

Hours							
Classification of work function	Insolvency Practitioner	Manager/ Senior Manager	Supervisor	Assistants & Support Staff	Total Hours	Time Cost	Average hourly rate
Administration & Planning	0 50	0 00	18 77	28 88	48 15	£6,001 84	£124 65
Investigations	0 00	0 00	0 00	13 75	13 75	£1,718 75	£125 00
Realisations of assets	46 50	0.00	22.70	29 83	99 03	£23,403 75	£236 33
Creditors	0 00	0 00	1 70	30 91	32 61	£4,048 75	£124 16
Tax reviews	0 70	0 00	0 00	3 41	4 11	£631 25	£153 59
<u>Total</u>	<u>47 70</u>	<u>0 00</u>	<u>43 17</u>	<u>106 78</u>	<u>197 65</u>	<u>£35,804 34</u>	<u>£178 41</u>
Current Chargeout rates	£350	£200 - £275	£150 - £175	£50 - £125			

Appendix D

ADDITIONAL INFORMATION IN RELATION TO LIQUIDATOR'S FEES

PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)

1 Policy

Detailed below is HJS Recovery's 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
Paris Smith LLP (legal advice) – settled debtor collection	Hourly rate and disbursements
Paris Smith LLP (legal advice) – ongoing debtor collection	Conditional fee arrangement

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.

We would confirm that this firm does not seek to charge any Category 2 disbursements.

2 Charge-out rates

A schedule of HJS Recovery's charge-out rates for this assignment effective from 31 May 2011 is detailed below.

	£
Insolvency Practitioners	350
Senior Managers & Managers	200-275
Supervisors	150-175
Administrators & Support Staff	50-125

Specialist departments with HJS Accountants, such as Tax, VAT and Pensions, do sometimes charge a small number of hours to an assignment should the Insolvency Practitioners require their expert advice. Their rates do vary however and the figures given below provide an indication of the rates charged per hour.

	£
Directors	110-175
Senior Managers & Managers	82-120
Supervisors	42-70
Administrators & Support Staff	20-40

Please note that we reserve the right to amend these rates from time to time during the course of the assignment. However, any material amendments to these rates will be advised to creditors in the next statutory report.

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

Appendix E

An indication of the tasks undertaken by the Joint Liquidators and their staff are detailed below

Administration and Planning

- Statutory duties associated with the appointment including the filing of relevant notices,
- Notification of appointment to creditors, members, employees and other interested parties,
- Reviewing available information to determine appropriate strategy,
- Setting up case files,
- Setting up and maintaining bank accounts,
- Progress reviews of the case, and
- Statutory reporting to creditors

Realisation of Assets

Please refer to section 2 of this report, but in summary the time spent includes

- Liaising with agents and solicitors,
- Correspondence and meetings with interested parties,
- Identifying, securing and insuring of assets, and
- Debt collection

Creditors

- Recording and maintaining the list of creditors,
- Dealing with employee related matters,
- Meetings with creditors,
- Recording creditor claims,
- Dealing with creditor queries, and
- Reviewing and evaluation creditor claims and providing responses

Investigations

- Corresponding with the former directors and management,
- Recovery and scheduling of the Company's books and statutory records,
- Conducting an analytical review of the Company records,
- Reviewing questionnaires and comments provided by interested parties,
- Questioning of directors and other key personnel, and

- Completing statutory report to the Department for Business, Innovation and Skills

Tax Reviews

- Completing post appointment VAT returns and Corporation Tax returns, and
- Reviewing post appointment tax matters