

## 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

We

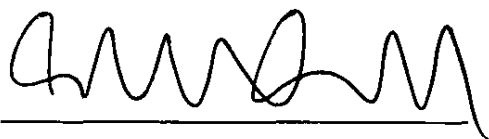
Stephen Powell, 12/14 Carlton Place, Southampton, SO15 2EA

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 August 2014 to 17 August 2015

Signed



Date

15/10/2015

HJS Recovery (UK) Ltd  
12/14 Carlton Place  
Southampton  
SO15 2EA

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

THURSDAY



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22/10/2015  
COMPANIES HOUSE


#36

**AB Airconditioning Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs	From 18/08/2014 To 17/08/2015	From 18/08/2011 To 17/08/2015	
	ASSET REALISATIONS		
207,840 10	Book Debts	NIL	119,430 26
	Sundry Refund	NIL	270 40
	Bank Interest Gross	29 31	73 20
	Third party funds	NIL	195 00
	Director contributions	NIL	6,000 00
		<u>29 31</u>	<u>125,968 86</u>
	COST OF REALISATIONS		
	Specific Bond	NIL	409 20
	Preparation of S of A	NIL	10,000 00
	Office Holders Fees	15,437 17	70,192 51
	Office Holders Expenses	NIL	125 00
	Legal Fees (1)	NIL	24,405 50
	Corporation Tax	9 34	9 34
	Third party funds received in error	NIL	195 00
	Statutory Advertising	NIL	195 00
		<u>(15,446 51)</u>	<u>(105,531 55)</u>
	UNSECURED CREDITORS		
(476,814 78)	Trade & Expense Creditors	NIL	NIL
(2,902 00)	Employees	NIL	NIL
(11,623 00)	Directors	NIL	NIL
(23,613 08)	NatWest Bank Plc	NIL	NIL
(122,986 00)	HM Revenue & Customs - PAYE/NIC/	NIL	NIL
(15,901 00)	HM Revenue & Customs - VAT	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(100 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(446,099 76)</u>		<u>(15,417 20)</u>	<u>20,437 31</u>

**REPRESENTED BY**

Vat Receivable	576 95
Bank 1 Current	19,860 36
	<u>20,437 31</u>

  
 \_\_\_\_\_  
 Stephen Powell  
 Joint Liquidator

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

**AB Airconditioning Limited  
- In Liquidation  
12 October 2015**

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## **CONTENTS**

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- 2 Realisation of Assets
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## **APPENDICES**

- A Receipts and Payments Account from 18 August 2014 to 17 August 2015
- B Cumulative Receipts and Payments Account for Period from 18 August 2011 to 17 August 2015
- C Time Analysis for the period 18 August 2014 to 17 August 2015
- D Cumulative Time Analysis for the Period from 18 August 2011 to 17 August 2015
- E Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9
- F Tasks undertaken by the Joint Liquidators

## **1 Introduction and Statutory Information**

- 1 1 I, Stephen Powell and Gordon Johnston of HJS Recovery, 12-14 Carlton Place, Southampton, SO15 2EA, was appointed as Joint Liquidator of AB Airconditioning Limited (the **Company**) on 18 August 2011. This report provides an update on the progress in the liquidation for the year ended 17 August 2015.
- 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, SO15 2EA and its registered number is 06557598.

## **2 Realisation of Assets**

### **Book Debts**

- 2 1 As reported previously, there were book debts with a book value of £315,000 due to the Company of which it was estimated that approximately £207,000 would be realised. £119,430 has been realised during earlier reporting periods. The majority of the remaining debts appear to be uneconomical to pursue. However, there are two which, having taken legal advice, may be recoverable. Our appointed solicitors are currently reviewing the available information with a view to proceeding with recovery action. Creditors will be updated accordingly in due course.

### **Bank Interest Gross**

- 2 2 During the reporting period the sum of £29.31 has been received in the respect of gross interest earned on the liquidation bank account.

## **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 ("LTSBCF") and Bibby Financial Services Limited ("Bibby") 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 £618,919 10 from 24 creditors I have yet to receive claims from 14 creditors whose debts total £170,489 33 as per the directors' statement of affairs
- 4 4 The Company granted floating charges to LTSBCF and Bibby on 11 November 2010 and 10 June 2011 respectively As previously stated, both of these liabilities have been discharged in full 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 enable a distribution to be made to the unsecured creditors However, the quantum and timing of this distribution is not yet known **Creditors are requested to submit their claims to the Joint Liquidators if they have not already done so. Please complete the attached proof of debt form and return it as soon as possible**
- 4 6 If there are sufficient funds available 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 available

## 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 them and their staff in managing the Liquidation
- 5 2 My time costs for the period from 18 August 2014 to 17 August 2015 are £14,934 92 This represents 55 55 hours at an average rate of £268 86 per hour Attached as Appendix C 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 Also attached as Appendix D is a cumulative time analysis for the period 18 August 2011 to 17 August 2015 which provides details of my time costs since appointment. To date, the sum of £70,192.51 have been drawn on account. Disbursements have been incurred and drawn relating to Specific Bond and Statutory Advertising for the sum of £409.20 and £195 respectively.
- 5.4 In addition to the above, 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.
- 5.5 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from [www.hjsrecovery.co.uk/publications](http://www.hjsrecovery.co.uk/publications).
- 5.6 Attached as Appendix E 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.
- 5.7 Since the date of the last progress report no Category 2 disbursements have been charged or drawn.

## 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 to date £	Paid to date £	Amount Outstanding £
<i>Pans Smith Solicitors</i>	<i>Legal assistance relating to recovery of book debts and retentions</i>	<i>24,405.50</i>	<i>24,405.50</i>	<i>Nil</i>

## 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

A handwritten signature in black ink, appearing to read 'Stephen Powell', written over the printed name.

**Stephen Powell FCCA MABRP**  
Joint Liquidator

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**AB Airconditioning Limited**  
**(In Liquidation)**  
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	<b>DISTRIBUTIONS</b>		
(100 00)	Ordinary Shareholders	NIL	NIL
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	<b>REPRESENTED BY</b>		
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**(In Liquidation)**  
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	Bank 1 Current	19,860 36
		<u><u>20,437 31</u></u>

## TIME AND CHARGE OUT SUMMARIES DATED 18 August 2014 to 17 august 2015

Hours							
Classification of work function	Insolvency Practitioner	Manager/ Senior Manager	Supervisor	Assistants & Support Staff	Total Hours	Time Cost	Average hourly rate
Administration, Planning & Statutory Duties	4 25	0 00	5 10	9 10	18 45	£3,021 17	£163 75
Realisations of assets	19 75	0 00	0 00	0 00	19 75	£6,912 50	£350 00
Creditors	11 90	0 00	1 60	1 00	14 50	£4,480 00	£308 97
Tax reviews	0 85	0 00	0 00	2 00	2 85	£521 25	£182 89
<u>Total Hours</u>	<u>36 75</u>	<u>0 00</u>	<u>6 70</u>	<u>12 10</u>	<u>55 55</u>	-	-
<u>Total Costs</u>	<u>£12,862 50</u>	<u>£0 00</u>	<u>£1,005 00</u>	<u>£1,067 42</u>	-	<u>£14,934 92</u>	<u>£268 86</u>
Current Chargeout rates	£350	£200 - £275	£150 - £175	£50 - £125			
Previous Chargeout rates	£275 - £500	£150 - £200	£125	£50 - £105			

## TIME AND CHARGE OUT SUMMARIES DATED 18 August 2011 to 17 August 2015

Hours							
Classification of work function	Insolvency Practitioner	Manager/ Senior Manager	Supervisor	Assistants & Support Staff	Total Hours	Time Cost	Average hourly rate
Administration, Planning & Statutory Duties	13 00	0 00	46 17	47 72	106 89	£16,132 01	£150 92
Investigations	0 00	0 00	1 00	13 75	14 75	£1,868 75	£126 69
Realisations of assets	84 15	0 00	35 70	29 83	149.68	£38,531 25	£257 42
Creditors	18 65	0 00	8 90	31 99	59 54	£11,737 50	£197 14
Distributions	0 50	0 00	0 00	0 00	0 50	£175 00	£350 00
Tax reviews	2 20	0 00	0 00	9 26	11 46	£1,782 50	£155 54
<b>Total Hours</b>	<b>118 50</b>	<b>0 00</b>	<b>91 77</b>	<b>132 55</b>	<b>342 82</b>	-	-
<b>Total Costs</b>	<b>£41,475 00</b>	<b>£0 00</b>	<b>£13,848 34</b>	<b>£14,903 67</b>	-	<b>£70,227 01</b>	<b>£204 85</b>
Current Chargeout rates	£350	£200 - £275	£150 - £175	£50 - £125			
Previous Chargeout rates	£275 - £500	£150 - £200	£125	£50 - £105			

## Appendix E

### 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 (debt collection - ongoing)	Hourly rate and disbursements
Paris Smith LLP (debt collection – settled)	Conditional Fee Agreement

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

### 13 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 and Support Staff	50 - 125

Specialist departments within HJS accountants, such as Tax, VAT and Pensions, do sometimes charge a small number of hours to an assignment, should the Insolvency Partners require their expert advice. Their rates do vary however, 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 and 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 F**

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,
- Statutory reporting to creditors

### **Realisation of Assets**

Please refer to section 2 of the 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,
- 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,
- Reviewing and evaluating creditor claims and providing responses

### **Investigations**

- Corresponding with the former directors and management,
- Recovery and schedule of the company's books and statutory records,
- Conduct an analytical review of company records,
- Review of questionnaires and comments provide by interested parties,
- Questioning of directors and other key personnel,
- Completion of statutory report to the Department for Business, Innovation and Skills

### **Tax Reviews**

- Completion of post-appointment VAT returns and Corporation Tax returns,
- Review of post appointment tax matters