

Rule 1 26A/1 54

The Insolvency Act 1986

Notice to Registrar of Companies of
Supervisor's Progress ReportPursuant to Rule 1.26A(4)(a) or
Rule 1 54 of the
Insolvency Rules 1986**R.1.26A(4)(a)/**
R.1.54

For Official Use

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To the Registrar of Companies

Company Number

07089235

Name of Company

Absolute Electrical & Mechanical Solutions Ltd

-/- We

Gary Birchall, Skull House Lane, Appley Bridge, Wigan, WN6 9DW

Anthony Benjamin Fisher, Skull House Lane, Appley Bridge, Wigan, WN6 9DW

supervisor(s) of a voluntary arrangement taking effect on

02 October 2012

Attach my progress report for the period

02 October 2013

to

01 October 2014

Number of continuation sheets (if any) attached

☐

Signed



Date

27/10/14.

Debtfocus
Skull House Lane
Appley Bridge
Wigan
WN6 9DW

Ref J1204/NH

Insol

WEDNESDAY

*A3JJ4PIU*
A13 29/10/2014 #215
COMPANIES HOUSE

Gary James Birchall and Anthony Benjamin Fisher appointed Joint Supervisors on 02 October 2012

**ABSOLUTE ELECTRICAL & MECHANICAL SOLUTIONS LIMITED
COMPANY VOLUNTARY ARRANGEMENT**

Annual Report and account of the Joint Supervisors Pursuant to Rule 1 26A of the Insolvency Rules 1986

Period 02 October 2013 to 01 October 2014

Contents

- Company and Joint Supervisors' details
- Receipts and payments account
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1. COMPANY AND JOINT SUPERVISORS' DETAILS

| | |
|---|--|
| Date of Incorporation | 27 November 2009 |
| Company Number | 07089235 |
| Date of appointment of Joint Supervisor | 02 October 2012 |
| Registered Office and Centre of Main Interest | 14 Westerdale Drive Banks Southport PR9 8DG |
| Trading address | 14 Westerdale Drive Banks Southport PR9 8DG |
| Nature of Business | Electrical & Mechanical Contractor |

This report is issued under the provisions of Rule 1 26A of the Insolvency Rules 1986

2. RECEIPTS AND PAYMENTS ACCOUNT

Attached at Appendix 1 is my account of receipts and payments from the commencement of the arrangement to the end of the second anniversary

My comments on items appearing in the account are as follows -

Contributions

As per modification number 14, the Company was to make monthly contributions of £700 for sixty months.

In June 2013 the Directors of the Company contacted me to advise that due to the recession the company has lost several of its contracts. The directors also advised that the contracts have also changed since the arrangement was accepted in that the company is now required to buy/supply the materials up front which had a direct impact on their working capital. This has had a massive effect on the company cashflow and the directors have been forced to buy the materials using personal funds.

The directors provided me with projections in terms of new contracts and were confident that they could get the company back on track and trading at a profit within the next 6 months.

The directors therefore requested that creditors allow a 6 months payment break on the arrangement and that the term of the arrangement be extended by 9 months in order to facilitate repayment of the accrued arrears.

A meeting of Creditors was held on 12th August 2013 and I can confirm that creditors rejected this request and instructed the Supervisor to commence Winding Up proceedings.

However, since the variance proposal was circulated to creditors, the company made a payment that brought the arrears back within the default period and as such the arrangement was to continue as per the original terms.

The company fought hard and maintained payments for a number of months following the above meeting. However in June 2014, the company had arrears on the arrangement totalling £3,490 and accordingly was back in default of the terms agreed with creditors.

I held a meeting with the director of the company at my office in order to discuss the future of the arrangement. The director advised me that work had been extremely quiet however, he had bid for several new contracts and had been successful in his applications.

The director therefore respectfully requested that creditors allow a 2 month payment break on the arrangement, up to and including August 2014, in order that the company be prepared to start the above work on the contracts, and that creditors agree to the term of the arrangement being extended by a total of 7 months in order to facilitate repayment of the accrued arrears upon cessation of the payment break.

An adjourned meeting of creditors was held on 29 July 2014 and I can confirm that the majority of creditors rejected the company's proposal and instructed me to commence Winding Up proceedings. A copy of this report is enclosed for your information.

I therefore instructed my Solicitor to commence Winding Up proceedings on 31st July 2014.

The hearing has been listed for 26th November 2014 at 11.30am at Preston County Court.

PAYMENTS

The Joint Supervisor has discharged the following Category 1 disbursements to date.

| <u>Description</u> | £ |
|--------------------|----------------|
| Specific Bond | 147 |
| Storage Costs | 180 |
| TOTAL | <u>327</u> |

All other payments have been made in accordance with the rules and regulations generally as to the payment of costs and expenses in the Arrangement and are detailed within Appendix 1

There have been no payments other than Joint Nominees and Supervisor's Fees as detailed in Paragraph 4 below

3. CREDITOR CLAIMS

Unsecured Creditor Claims

To date I have received claims of £121,612 32

The Supervisor is required to retain sufficient funds to be able to petition for Winding Up Proceedings, and is therefore not in a position to declare a dividend to proving creditors at this stage. Any dividend to creditors will be entirely dependent on the costs of Winding up the Company.

4. OTHER RELEVANT INFORMATION

Nominees' fee

As detailed in the proposal and as was agreed with creditors on 02 October 2012, the Nominees' fee agreed totals £4,500 of which £4,500 has been drawn to date

Joint Supervisors' remuneration

As detailed in the proposal and as was agreed with creditors on 02 October 2012 the Joint Supervisors' remuneration was agreed on a time cost basis

Total time spent to 01 October 2014 on this assignment amounts to 80 58 hours at an average composite rate of £173 86 per hour resulting in total time costs to date of £14,009. However modification number 22 restricts the Supervisor's remuneration and expenses to 20% on all future realisations. Supervisor's fees and expenses totalling £2,102.24 have been drawn to date.

To assist creditors in determining this matter, the following further information as regards time costs and expenses is set out at Appendix 2

- Debtfocus Business Recovery & Insolvency Limited policy for re-charging expenses and charge out rates
- Narrative summary of time costs incurred and summary by staff grade and work activity
- A creditors guide to Joint Supervisor's fees

5. CONCLUSION

My final report will follow is due course

A handwritten signature in black ink, appearing to read 'Gary Birchall', with a long horizontal stroke extending to the right.

Gary Birchall
Joint Supervisor

Dated 27 October 2014

**Absolute Electrical & Mechanical Solutions Ltd
(Under a Voluntary Arrangement)
In The Preston County Court**

**Report on the application from the Directors of Absolute Electrical &
Mechanical Solutions Ltd to vary the terms of the Proposal**

I, Gary Birchall, Joint Supervisor and Chairman of the Meeting, of Debtfocus Business Recovery & Insolvency Ltd, Skull House Lane, Appley Bridge, Wigan, WN6 9DW make the following report on the adjourned meeting of Creditors held on 29 July 2014 at 10 30am

The Director made an application to Creditors on 16 June 2014 as above as permitted by Paragraph 16 20 of the proposal

The following resolutions were put to Creditors

- 1) To allow a 2 month payment break on the arrangement with a 7 month extension on the term of the arrangement in order to facilitate repayment of the accrued arrears

AND

- 2) To allow the Supervisors fees to be calculated on a time cost basis

OR

- 3) Issue a Certificate of Termination

OR

- 4) Issue Winding up proceedings

No Creditors were present in person Gary Birchall and Wayne Mackenzie of DebtFocus were present at the meeting and received the following votes via proxy

The following votes in favour of resolutions 1 and 2 were received

| Creditor | Amount of Claim (£) |
|----------------------------|---------------------|
| HIBU Formally Yellow Pages | 1,543 88 |
| TOTAL | 1,543.88 |

The following votes against resolutions 1 and 2 were received

| Creditor | Amount of Claim (£) |
|-----------------------------------|---------------------|
| County Electrical Wholesalers Ltd | 1,944 62 |
| HMR&C | 81,030 95 |
| TOTAL | 82,975.57 |

Summary of voting for resolutions 1 and 2

| | £ | % |
|--------------|------------------|------------|
| In Favour | 1,543 88 | 02 |
| Against | 82,975 57 | 98 |
| Total | 84,519 45 | 100 |

No votes were received in favour of resolution 3

The following votes in favour of resolution 4 were received

| Creditor | Amount of Claim (£) |
|--------------|---------------------|
| HMR&C | 81,030 95 |
| TOTAL | 81,030.95 |

The following votes against resolution 4 were received

| Creditor | Amount of Claim (£) |
|----------------------------|---------------------|
| HIBU Formally Yellow Pages | 1,543 88 |
| TOTAL | 1,543.88 |

Summary of voting for resolution 4

| | £ | % |
|--------------|------------------|------------|
| In Favour | 81,030 95 | 98 |
| Against | 1,543 88 | 02 |
| Total | 82,574 83 | 100 |

A vote was received from Jewson Ltd however, this was invalid as the voting instructions were not clear

Paragraph 16 20 of the Proposal requires a majority in value of voting creditors to approve any resolutions

Accordingly, I can confirm that the requisite majority of Creditors voting have rejected the variance proposal and have instructed the Supervisor to Issue Winding up proceedings



Gary Birchall, MIPA, MABRP
Joint Supervisor and Chairman of the Meeting

29 July 2014

APPENDIX 1

**ABSOLUTE ELECTRICAL & MECHANICAL SOLUTIONS LIMITED
COMPANY VOLUNTARY ARRANGEMENT**

**JOINT SUPERVISORS' ACCOUNT OF RECEIPTS AND PAYMENTS FOR THE PERIOD
02 OCTOBER 2013 TO 01 OCTOBER 2014 WITH STATEMENT OF AFFAIRS
COMPARITIVE.**

Absolute Electrical & Mechanical Solutions Ltd
(Under a Voluntary Arrangement)

JOINT SUPERVISORS' RECEIPTS AND PAYMENTS ACCOUNT

| | Statement of affairs £ | From 02/10/2013 To 01/10/2014 £ | From 02/10/2012 To 01/10/2014 £ |
|----------------------------------|------------------------------|---------------------------------------|---------------------------------------|
| RECEIPTS | | | |
| Debtor Contributions | | 4,200 00 | 10,510 00 |
| Bank Interest Gross | | 1 98 | 2 09 |
| | | <u>4,201 98</u> | <u>10,512 09</u> |
| PAYMENTS | | | |
| Specific Bond | | 0 00 | 147 00 |
| Nominee Fees | | 0 00 | 4,500 00 |
| Supervisor Fees | | 1,775 24 | 1,775 24 |
| Nominee Disbursements | | 0 00 | 350 00 |
| Storage Costs | | 180 00 | 180 00 |
| | | <u>1,955 24</u> | <u>6,952 24</u> |
| BALANCE - 01 October 2014 | | | <u><u>3,559.85</u></u> |

Note



Gary Birchall
Joint Supervisor

APPENDIX 2

ABSOLUTE ELECTRICAL & MECHANICAL SOLUTIONS LIMITED COMPANY VOLUNTARY ARRANGEMENT

CREDITOR CLAIMS

Company Number 07089235

List of Proofs
Absolute Electrical & Mechanical Solutions Ltd

I HEREBY CERTIFY that the following is a correct list of all proofs tendered to me in the above matter



Joint Supervisor
20 Oct 2014

| Name of claimant | | Amount of Proof |
|------------------|---------------------------------------|-----------------|
| CC00 | County Electrical Wholesalers Ltd | 1,944 62 |
| CC01 | Creditsafe Business Solutions Limited | 630 00 |
| CH00 | HM Revenue & Customs | 81,030 95 |
| CJ00 | Jewsons | 17,955 39 |
| CW00 | Wolseley UK Ltd | 16,507 48 |
| CW01 | Warrington Electrical Supplies | 2,000 00 |
| CY00 | Yell Ltd | 1,543 88 |
| Totals | | 121,612 32 |

* Denotes different payee name from claimant
~ Denotes Associated Creditor/Excluded Debt

APPENDIX 3

ABSOLUTE ELECTRICAL & MECHANICAL SOLUTIONS LIMITED COMPANY VOLUNTARY ARRANGEMENT

JOINT SUPERVISOR'S TIME COSTS AND EXPENSES

- a Debtfocus Business Recovery & Insolvency Limited policy for re-charging expenses and charge out rates,
- b Summary of time costs incurred and summary by staff grade and work activity, and

Time Entry - SIP9 Time & Cost Summary

J1204 - Absolute Electrical & Mechanical Solutions Ltd
 Project Code POST
 From 02/10/2012 To 01/10/2014

| Classification of Work Function | Partner | Manager | Other Senior Professionals | Assistants & Support Staff | Total Hours | Time Cost (£) | Average Hourly Rate (£) |
|------------------------------------|--------------|-------------|----------------------------|----------------------------|--------------|------------------|-------------------------|
| Administration & Planning | 2.20 | 0.00 | 0.00 | 1.00 | 3.20 | 784.00 | 245.00 |
| Case Specific Matters | 8.90 | 0.00 | 0.00 | 20.70 | 29.60 | 5,588.00 | 188.78 |
| Cashier/ Banking | 0.00 | 0.00 | 0.00 | 3.70 | 3.70 | 484.00 | 130.81 |
| Creditors | 1.70 | 0.00 | 0.00 | 2.70 | 4.40 | 864.00 | 196.36 |
| Employees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Finalisation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Investigations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Legal | 1.00 | 0.00 | 0.00 | 0.00 | 1.00 | 320.00 | 320.00 |
| Pensions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Realisation of Assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Reviews | 1.95 | 1.20 | 0.00 | 26.40 | 29.55 | 4,506.00 | 152.49 |
| Statutory | 2.10 | 0.00 | 0.00 | 7.03 | 9.13 | 1,463.00 | 160.33 |
| Trading | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Hours | 17.85 | 1.20 | 0.00 | 61.53 | 80.58 | 14,009.00 | 173.86 |
| Total Fees Claimed | | | | | | 5,000.00 | |
| Total Disbursements Claimed | | | | | | 0.00 | |

Focus Insolvency Group

Fee Charging, Expenses and Disbursement Policy Statement

Fee Charging Policy

In accordance with the provisions of the Statement of Insolvency Practice 9 ("SIP9"), the firm's current charge out rates applicable to this appointment, exclusive of VAT, are as follows -

| Grade of Staff | UP TO 31.12.2013 (£ per hour) | FROM 01.01.2014 (£ per hour) |
|-------------------------|--|---|
| Insolvency Practitioner | 280 | 320 |
| Manager | 180 | 220 |
| Administrator / Cashier | 120 | 160 |

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units)

Time billed is subject to Value Added Tax at the applicable rate

Time spent by partners and insolvency staff in relation to the insolvency estate is charged to the estate

Expenses and Disbursement Policy

Direct Expenses (Category 1 Disbursements)

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case, will be charged to the estate at cost, with no uplift. These include, but are not limited to, such items as advertising, bonding and other insurance premiums and properly reimbursed expenses.

Indirect Expenses (Category 2 Disbursements)

Category 2 disbursements cannot, or cannot easily be directly identified as relating to the administration of the case, usually because there is an element of shared or allocated cost. These include stationery / photocopying, postage and travel.

Mileage is recovered at 40p per mile.

A creditors' guide to Office Holder's fees can be downloaded from the following site -

http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP_9_EW_Nov_2011.pdf

Should you require a hard copy of this guide, please contact Focus Insolvency Group on 0800 157 7330