

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

08868420

Name of Company

(a) Insert full
name of company

(a) ELECTROSERVE UK LIMITED

(b) Insert full
name(s)
and
address(es)

+/ We (b) Sean Williams and Phil Deyes

of Leonard Curtis, 36 Park Row, Leeds, LS1 5JL

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 5 February 2016 to 4 February 2017

Signed

Date

4 April 2017



Presenter's
name, address
and reference (if
any)

Leonard Curtis,
36 Park Row,
Leeds,
LS1 5JL
Ref: E/34/KH/NE708L/115

WEDNESDAY



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05/04/2017

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COMPANIES HOUSE



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**Electroserve UK Limited
(In Creditors' Voluntary Liquidation)**

Company Registration Number: 08868420

Former Registered Office & Trading Address:

Unit 19B White Rose Way, Follingsby Park, Gateshead, Tyne and Wear NE10 8YF

**Joint Liquidators' First Progress Report
prepared pursuant to Section 104A of the Insolvency Act 1986
(as amended) and Rule 4.49C of the Insolvency Rules 1986 (as amended)**

4 April 2017

Leonard Curtis

Leonard Curtis House, Elms Square, Bury New Road, Whitefield, Manchester M45 7TA

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Ref: DO/E708L/1000

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TO ALL MEMBERS, CREDITORS, DIRECTORS AND THE REGISTRAR OF COMPANIES

1 INTRODUCTION

- 1.1 S Williams and P Deyes were appointed joint liquidators of Electroserve UK Limited ("the Company") at meetings of members and creditors held on 5 February 2016.
- 1.2 Mr Williams and Mr Deyes are licensed in the UK by the Institute of Chartered Accountants in England and Wales.
- 1.3 There has been no change in office holder since the date of liquidation.
- 1.4 This report provides an update on the conduct of the liquidation for the period from 5 February 2016 to 4 February 2017, as required by Section 104A of the Insolvency Act 1986 (as amended) ("the Act"). It contains details of the progress made, the expected outcome for creditors and other information that the joint liquidators are required to disclose.
- 1.5 All figures are stated net of VAT.

2 CONDUCT OF THE LIQUIDATION

- 2.1 The Company's registered office was changed to Leonard Curtis, 6th Floor, 36 Park Row, Leeds LS1 5JL on 23 February 2016.

Assets Realised

Book Debt Surplus

- 2.2 The book debt surplus relates to the book debts of the Company which were subject to a factoring agreement with Skipton Business Finance Limited ("Skipton"). The book debts had an estimated to realise value of £94,955, as per the statement of affairs. Skipton were owed £114,566 as at the date of liquidation. Following the joint liquidators' appointment, Skipton collected the amount owed to them in full and a surplus of £3,441 has been passed to the joint liquidators.

Bank Interest

- 2.3 Bank interest of £5 has been received.

VAT Refund

- 2.4 A VAT refund of £6,657 has been received, in relation to the VAT element of the factoring and termination charges which were applied by Skipton in relation to the book debts.

Cash in Hand

- 2.5 The estimated to realise value for the cash in hand was £7,200, as per the statement of affairs. The cash in hand relates to the proceeds of a sale of the Company's assets which included office equipment, fixtures, fittings and motor vehicles, which was completed on 19 January 2016 for £15,000 to Centalec Limited, a connected party by way of a common director. It is understood that Centalec Limited did not seek independent legal advice in relation to the transaction. £7,200 has been received in this regard.

DVLA Refund

- 2.6 A DVLA refund has been received totalling £339.

Connected Party Debtor

- 2.7 The estimated to realise value for the connected party debtor was £10,800, as per the statement of affairs. The connected debtor relates to an outstanding balance of the asset sale described at paragraph 2.5 above, which included office equipment, fixtures, fittings and motor vehicles, which was completed prior to the liquidation. Independent valuation agents, Charles Taylor, have reviewed this transaction and are of the opinion that it was a sale which exceeded any realisable value which could have been achieved from any other method of sale and therefore was in the best interests of creditors. £10,800 has been received in this regard and this matter is now closed.

Assets Still to be Realised

- 2.8 The following assets are still to be realised:

Description	£
Pump-Serve UK Ltd	<u>Uncertain</u> <u>Uncertain</u>

Pump-Serve UK Limited

- 2.9 Pump-Serve UK Limited relates to an intercompany debtor with an uncertain estimated to realise value, as per the statement of affairs. The joint liquidators are in correspondence with Pump-Serve UK Limited regarding the realisation of this debt. Any realisation made will be reported to creditors in due course.

3 RECEIPTS AND PAYMENTS ACCOUNT

- 3.1 A summary of the joint liquidators' receipts and payments for the period from 5 February 2016 to 4 February 2017 is attached at Appendix A.

4 OUTCOME FOR CREDITORS

Secured Creditors

- 4.1 Skipton hold fixed and floating charges created on 14 July 2014 and registered on 15 July 2014. As at the date of liquidation, Skipton were owed £114,566. Skipton collected the book debts of the Company and Skipton have confirmed that they have repaid their liability and a surplus has been forwarded to the joint liquidators.

Preferential Creditors

- 4.2 As at the date of liquidation, there were 10 preferential creditors, with estimated claims totalling £7,800.
- 4.3 No claims have been received.

Ordinary Unsecured Creditors

- 4.4 As at the date of liquidation, there were 43 unsecured creditors, with estimated claims totalling £170,411. Claims totalling £2,714 have been received.
- 4.5 The funds realised have already been distributed or used or allocated for defraying the expenses of the liquidation. As a result, there will be no dividend to ordinary unsecured creditors.
- 4.6 The joint liquidators have collated and acknowledged (where requested) the claims of the ordinary unsecured creditors, although, in view of the fact that there will be no distribution to this class of creditor, unsecured claims have not been formally agreed.
- 4.7 No monies were paid to ordinary unsecured creditors by virtue of the application of Section 176(A) of the Act ("the prescribed part").

5 INVESTIGATIONS

- 5.1 Since the commencement of the liquidation, the joint liquidators considered the information acquired in the course of appraising and realising the business and assets of the Company, together with information provided by the Company's directors and its creditors, to identify any further possible realisations for the estate and what further investigations, if any, might be appropriate.
- 5.2 That assessment did not identify any possible further realisations. In addition, the joint liquidators concluded that no further investigations were required. If, however, any creditor is aware of any particular matters which they consider requires investigation, they should send full details to this office.
- 5.3 Notwithstanding the above, the joint liquidators have complied with their statutory obligations under the Company Directors Disqualification Act 1986 and the appropriate report has been submitted to the relevant authority.

6 JOINT LIQUIDATORS' REMUNERATION, EXPENSES AND DISBURSEMENTS AND CREDITORS' RIGHTS

Remuneration

- 6.1 A fee of £15,000 in respect of the preparation of the statement of affairs was approved by creditors at the meeting of creditors held on 5 February 2017. £15,000 has been drawn and of this amount, £3,500 has been paid to SRG Business Solutions Limited, for assistance provided in this respect.
- 6.2 No resolution was taken at the meeting with regard to the joint liquidators' remuneration. Based on present information, the Company has sufficient assets to enable the payment of the joint liquidators' remuneration from the estate and correspondence will be sent to creditors in due course to request their agreement to the basis of such remuneration.

Expenses

- 6.3 A summary of the joint liquidators' expenses from 5 February 2016 to 4 February 2017 is attached at Appendix B. To assist creditors' understanding of this information, it has been separated into the following two categories:
- *Standard Expenses*: this category includes expenses payable by virtue of the nature of the liquidation process and / or payable in order to comply with legal or regulatory requirements.

- *Case Specific Expenses:* this category includes expenses likely to be payable by the joint liquidators in carrying out their duties in dealing with issues arising in this particular liquidation. Included within this category are costs that are directly referable to the liquidation but are not paid to an independent third party (and which may include an element of allocated costs). These are known as 'category 2 disbursements' and they may not be drawn without creditor approval.

- 6.4 No resolution was taken at the meeting of creditors with regard to the joint liquidators' category 2 disbursements.
- 6.5 Attached at Appendix C is additional information in relation to the firm's policy on staffing, the use of subcontractors, disbursements and details of current charge-out rates by staff grade.
- 6.6 During the liquidation, the following professional advisors and / or subcontractors have been used:

Name of Professional Advisor	Service Provided	Basis of Fees
SRG Business Solutions Limited	Statement of Affairs	Fixed Fee
SRG Business Solutions Limited	Security Review	Fixed Fee
EK Employment Law	Employment Consultancy	Fixed Fee
Charles Taylor	Valuation Service	Fixed Fee
Cerberus Receivables Management	Debtor Review	Fixed Fee

Creditors' Rights

- 6.7 Within 21 days of receipt of this report, a creditor may ask the joint liquidators to provide further information about the remuneration and expenses set out in this report. A request must be in writing, and may be made by a secured creditor, or an unsecured creditor with the concurrence of at least five per cent in value of the creditors (including that creditor), or the permission of the court.
- 6.8 Any secured creditor, or any unsecured creditor with either the concurrence of at least 10 per cent in value of the creditors (including that creditor) or the permission of the court, may apply to the court, on the grounds that the basis fixed for the joint liquidators' remuneration is inappropriate, or the remuneration or expenses charged by the joint liquidators is excessive.
- 6.9 The application must, subject to any order of the court under paragraph 6.8 above, be made no later than eight weeks after receipt of the progress report that first reports the fee basis, the charging of the remuneration or the incurring of the expenses in question.
- 6.10 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.

7 OTHER MATTERS

- 7.1 For your information, a creditor's guide to liquidators' fees, which sets out the rights of creditors and other interested parties under the insolvency legislation, may be accessed from the Leonard Curtis website via the following link:

<http://www.leonardcurtis.co.uk/resources/creditorsguides>

- 7.2 If you would prefer this to be sent to you in paper format, please contact Kieran Higson of this office on 0161 413 0930.

- 7.3 Creditors are also encouraged to visit the following website, which provides a step by step guide designed to help creditors navigate through an insolvency process:

<http://www.creditorinsolvencyguide.co.uk>

- 7.4 The joint liquidators are bound by the Insolvency Code of Ethics, which can be found at:

<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

Yours faithfully
for and on behalf of
ELECTROSERVE UK LIMITED

SEAN WILLIAMS
JOINT LIQUIDATOR

Licensed in the UK by the Institute of Chartered Accountants in England and Wales

APPENDIX A

SUMMARY OF JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS FROM
5 FEBRUARY 2016 TO 4 FEBRUARY 2017

	Estimated to Realise	As at 4 February 2017
	£	£
RECEIPTS		
Pump-Serve UK Limited	Uncertain	-
Cash in Hand	7,200	7,200.00
Connected Party Debtor	10,800	10,800.00
	<u>18,000</u>	<u>18,000.00</u>
Bank Interest		5.88
VAT Refund		6,657.94
DVLA Refund		339.16
Book Debt Surplus		<u>3,441.67</u>
		<u>28,444.65</u>
PAYMENTS		
Debt Collection Fees and Expenses		500.00
Valuation Fees and Expenses		1,500.00
Employment Consultant Fees		50.00
Solicitor's Fees and Expenses		1,500.00
Accountancy Fees and Expenses		1,000.00
Statutory Advertising		239.85
Report Upload		7.00
IT Licence Fee		87.00
Bordereau Fee		40.00
Parking		22.91
Statement of Affairs Fee		<u>15,000.00</u>
TOTAL COSTS AND CHARGES PAID		<u>19,946.76</u>
BALANCE		<u>8,497.89</u>
MADE UP AS FOLLOWS		
Balance at Bank c/f		4,708.54
VAT Receivable		<u>3,789.35</u>
		<u>8,497.89</u>

APPENDIX B

SUMMARY OF JOINT LIQUIDATORS' EXPENSES FROM 5 FEBRUARY 2016 TO 4 FEBRUARY 2017

Standard Expenses

Type	Charged by	Description	Total Amount Incurred to Date £	Amount Incurred in This Period £	Amount Paid £	Amount Unpaid £
AML Checks	-	Electronic client verification	-	-	-	-
Bond Fee	Amlin – Syndicate 2001	Insurance bond	40.00	40.00	40.00	-
Company Searches	-	Extraction of company information from Companies House	-	-	-	-
Document Hosting	Pelstar	Hosting of documents for creditors	7.00	7.00	7.00	-
Software Licence Fee	Pelstar	Case management system licence fee	87.00	87.00	87.00	-
Statutory Advertising	Courts Advertising	Advertising	239.85	239.85	239.85	-
Storage Costs	-	Storage of books and records	-	-	-	-
	-	Total standard expenses	373.85	373.85	373.85	-

Case Specific Expenses

Type	Charged by	Description	Total Amount Incurred to Date £	Amount Incurred in This Period £	Amount Paid £	Amount Unpaid £
Professional Services	Phil Norman	Accountancy Fees	1,000.00	1,000.00	1,000.00	-
Professional Services	SRG Business Solutions Limited	Security Review	1,500.00	1,500.00	1,500.00	-
Professional Services	EK Employment Law	Employment Consultant	50.00	50.00	50.00	-
Professional Services	Charles Taylor	Valuation Service	1,500.00	1,500.00	1,500.00	-
Professional Services	Cerberus Receivables Management	Debtor Review	500.00	500.00	500.00	-
Insurance	-	Insurance of the freehold property , plant and machinery and motor vehicles	-	-	-	-
Parking	NCP	Staff Parking	22.91	22.91	22.91	-
Mileage	Leonard Curtis Employees	Staff Mileage	68.55	68.55	-	68.55
Bank Charges	-	CHAPS Fee	-	-	-	-
		Total case specific expenses	4,641.46	4,641.46	4,572.91	68.55

APPENDIX C

LEONARD CURTIS CHARGE-OUT RATES AND POLICY REGARDING STAFF ALLOCATION, SUPPORT STAFF, THE USE OF SUBCONTRACTORS AND THE RECHARGE OF DISBURSEMENTS

The following Leonard Curtis policy information is considered to be relevant to creditors:

Staff Allocation and Charge-Out Rates

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution of the secured creditors, a creditors’ committee or creditors generally, that the office holders’ remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters arising in the appointment, then such remuneration will be calculated in units of six minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

The following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

	Standard £	Complex £
Director	450	562
Senior Manager	410	512
Manager 1	365	456
Manager 2	320	400
Administrator 1	260	325
Administrator 2	230	287
Administrator 3	210	262
Administrator 4	150	187
Support	0	0

Subcontractors

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holders or their staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below.

APPENDIX C (CONT'D)

- Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

Type	Description	Amount																								
AML checks	Electronic client verification in compliance with the Money Laundering Regulations 2007	£5.00 plus VAT per individual																								
Bond / Bordereau fee	Insurance bond to protect the insolvent entity against and losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case																								
Company searches	Extraction of company information from Companies House	£1.00 per document																								
Document hosting	Hosting of documents for creditors	<table><tr><th>Type</th><th>100 creds</th><th>Every addtl 10</th></tr><tr><td>ADM</td><td>£14.00</td><td>£1.40</td></tr><tr><td>CVL</td><td>£7.00</td><td>£0.70</td></tr><tr><td>MVL</td><td>£7.00</td><td>£0.70</td></tr><tr><td>CPL</td><td>£7.00</td><td>£0.70</td></tr><tr><td>CVA</td><td>£10.00</td><td>£1.00</td></tr><tr><td>BKY</td><td>£10.00</td><td>£1.00</td></tr><tr><td>IVA</td><td colspan="2">£10 p.a. or £25 for life of case</td></tr></table>	Type	100 creds	Every addtl 10	ADM	£14.00	£1.40	CVL	£7.00	£0.70	MVL	£7.00	£0.70	CPL	£7.00	£0.70	CVA	£10.00	£1.00	BKY	£10.00	£1.00	IVA	£10 p.a. or £25 for life of case	
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Post redirection	Redirection of post from Company's premises to office holders' address	0-3 months £160.00 3-6 months £240.00 6-12 months £390.00																								
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case																								
Statutory advertising	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£83.03 plus VAT per advert Dependent upon advert and publication																								
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges																								

- Case-Specific Expenses – this category includes expenses (other than office holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a percentage of realisations plus disbursements plus VAT
Legal fees	Costs of appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See disbursements section below	See disbursements section below

Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements.

- Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£70.40 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.