

The Insolvency Act 1986**Liquidator's Progress
Report****S.192****Pursuant to Sections 92A and 104A
of the Insolvency Act 1986**

To the Registrar of Companies

For Official Use

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Company Number

00482257

Name of Company

Central Electrical Installations Limited
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I / ~~We~~
Stephen James Hobson
Vantage Point
Woodwater Park
Pynes Hill
Exeter
EX2 5FD

the liquidator^(s) of the company attach a copy of my/~~our~~ progress report
under section 192 of the Insolvency Act 1986

Signed



Date

9 December 2011

Francis Clark LLP
Vantage Point
Woodwater Park
Pynes Hill
Exeter
EX2 5FD

Ref 10147/SJH/LZP

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Insolvency Sect

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Central Electrical Installations Limited - In Liquidation

For the year ended 25 November 2011

**Liquidator's Annual Progress Report
to Creditors and Members**

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- C Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9

1 Introduction and Statutory Information

- 1 1 I, Stephen James Hobson of Francis Clark LLP Vantage Point, Woodwater Park, Pynes Hill, Exeter, EX2 5FD, was appointed as Liquidator of Central Electrical Installations Limited (the **Company**) on 26 November 2010. This report provides an update on the progress in the liquidation for the year ended 25 November 2011.
- 1 2 The principal trading address of the Company was Bradley Mill, Bradley Lane, Newton Abbot, TQ12 1NF. The business traded under the name Central Electrical Installations Limited.
- 1 3 The registered office of the Company has been changed to Francis Clark LLP, Ground Floor, Vantage Point, Woodwater Park, Pynes Hill, Exeter and its registered number is 00482257.

2 Realisation of Assets

- 2 1 Attached at Appendix A is my Receipts and Payments Account for the year to 25 November 2011.

Plant & Machinery

- 2 2 Creditors will note that £3,195 has been realised for Plant and Machinery compared to the Directors' estimated to realise value of £2,100. The majority of Plant and Equipment was sold by my agents, Asset Management Services by auction. A small amount of Plant was sold to a former Director – see paragraph 2 13 for further details. No further realisations are anticipated.

Office Furniture & Equipment

- 2 3 Office Furniture and Equipment has been sold for £237 compared to the Directors' estimated to realise value of £785. I was advised by my agents that the cost to uplift and sell a lot of the office desks and chairs etc would outweigh any benefit and therefore these items were abandoned. Any items of value were sold by my agents, Asset Management Services via an auction. No further realisations are anticipated.

Motor Vehicles

- 2 4 Motor Vehicles realised £15,645 compared to the Directors' estimate of £14,350. A vehicle was sold to a former Director – see paragraph 2 13 for further details. The other vehicles were sold by my agents by auction. No further realisations are anticipated.

Stock / WIP

- 2 5 The Directors' Statement of Affairs disclosed a small amount of stock with an estimated to realise value of £600. This consisted of a large quantity of low value items and I was advised by my agents that the cost to uplift these would outweigh any benefit. Therefore the new tenant of the property was contacted and they agreed to buy the remaining stock for £600.
- 2 6 It also came to light that there was a small amount of work in progress that had been omitted from the Statement of Affairs in error. This work equated to £5,000 plus VAT which was duly collected from the customer. No further stock/ WIP realisations are anticipated.

Book Debts

- 2 7 The most significant asset in the Statement of Affairs is the book debts of the Company which the Directors estimated to realise £91,468. I am pleased to report that £140,255 has been collected to date.
- 2 8 Construction industry debtors are notoriously difficult to realise in a liquidation situation, as counter claims are often raised by customers. The higher than anticipated receipts have been facilitated by the assistance received from a former director and staff of the holding company of the company.
- 2 9 I instructed solicitors to deal with the collection of resisting debtors and to date they have obtained debtor receipts of £38,254 and have incurred fees of £1,800.
- 2 10 My solicitors continue to pursue 3 debtors who have a combined book value of circa £25k. Proceedings have been issued against 1 of these debtors and a defence has been filed in the court. I am likely to issue proceedings against the remaining 2 debtors shortly.
- 2 11 There are also some small retention monies outstanding (maximum £5k) and I am awaiting final accounts in respect of these (long delays are common in the construction industry).

Miscellaneous Assets

- 2 12 I have also recovered a small amount of cash in hand (£16.27), a rates refund (£781.90) and some bank interest (£155.00).

Statement of Insolvency Practice No.13 Disclosure

- 2 13 In accordance with Statement of Insolvency Practice No 13 (SIP13), I would advise you that the following assets were sold to D C Electrical (SW) Limited which is connected to Chris Tombs, a former director of the Company

Date of transaction	Asset	Consideration	Date Paid
1 December 2010	Vehicle WG56 YKV	£2,000 00	8 December 2010
1 December 2010	OKI Colour Printer	£1,00 00	8 December 2010
1 December 2010	Cable Crimper	£30 00	8 December 2010
1 December 2010	Fluke Tester	£75 00	8 December 2010
1 December 2010	Megger Tester	£75 00	8 December 2010
1 December 2010	Portable Appliance Tester	£50 00	8 December 2010
1 December 2010	Contents of Store at Bradley Mill including removal of all rubbish etc	£500 00	8 December 2010

- 2 14 No liquidation committee has been appointed and therefore no consultation took place My agent advised me that the sales price was good and an in situ sale resulted in no costs of sale and therefore produced the best realisation for creditors

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 for information My investigations have not revealed any issues requiring further report

4 Creditors

Secured Creditors

- 4 1 HSBC Bank PLC holds a fixed and floating charge over the Company's assets. At the date of the liquidation the indebtedness was £191,918 to which interest will be added. To date £40k has been paid on account and I expect to make a further on account payment of £20k shortly.

Preferential Creditors

- 4 2 Preferential creditors are for employee wage claims up to a maximum of £800 per employee and all employee holiday pay claims. The Redundancy Payments Service has already made some payments to employees for their claims and they now stand in their shoes in the Liquidation. The bank may also have a subrogated claim for wages advanced.

- 4 3 A summary of preferential creditors is detailed below

Preferential claim	£
The Redundancy Payments Office – claim received	14,762
Estimated excess employee claims	8,474
Estimated bank subrogated claim	8,782
Estimated Total Preferential Creditors	32,018

- 4 4 I am now in a position to pay a preferential dividend of 100p in £. See paragraph 5.1 of this report for further details and Notice of the Intended Dividend.

Unsecured Creditors

- 4 5 I have received claims totalling £338,636 from 38 creditors. I have yet to receive claims from 57 creditors whose debts total £267,983 as per the directors' statement of affairs.

- 4 6 The Company granted a floating charge to HSBC Bank PLC on 23 January 2006. Accordingly, I am required to create a fund out of the Company's net floating charge property for unsecured creditors.

- 4 7 Based on realisations to date, I estimate the value of the Company's net floating charge property to be £100k. Arising from this, the value of the unsecured creditors' fund is estimated to be £23k before costs. I do not anticipate any assets beyond this prescribed fund being available to the unsecured creditors.

- 4 8 Based on unsecured creditors disclosed in the Statement of Affairs and claims received to date, I estimate a distribution in the region of 3 pence in the £.

4 9 I am not yet in a position to pay a dividend to unsecured creditors as the final rate of dividend will depend on actual further realisations of outstanding debtors. In the meantime, if you have not already submitted a claim in the Liquidation please complete and return the enclosed Statement of Claim form as soon as possible

5 Notice of Intended Dividend

5 1 At present, I have net funds of approximately £97,663 in hand. It is my intention to pay a first dividend to preferential creditors (see paragraph 4.2 above) within the next two months and I attach for your attention a Notice of Intended Dividend and a Statement of Claim form for those preferential creditors who have still to register their claim

5 2 If you have not already submitted a preferential claim in the Liquidation can you please complete and return the enclosed Statement of Claim form and return it to me before 6 January 2012, otherwise you will be excluded from any preferential dividend payable after that date

5 3 Alternatively, I should be obliged if you would inform me if you have no claim in the liquidation

6 Liquidator's Remuneration

6 1 The Creditors approved that the basis of the Liquidator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the Liquidation

6 2 My time costs for the period from 26 November 2010 to 25 November 2011 are £20,317.45. This represents 140.01 hours at an average rate of £145.11 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 in managing the Liquidation. To date, £18,041.90 plus disbursements of £248.49 has been drawn on account

6 3 Creditors will note that a large proportion of time cost has been spent dealing with the realisation of assets. Of this time, £9,452 is in relation to the collection of book debts and work in progress where realisations are £145,255. There were over 30 individual debtors to correspond with and in most cases immediate payment was not forthcoming, therefore I had to engage in (often protracted) negotiations in order to secure payment

6 4 I have also incurred time costs of £4,854 in dealing with creditors which includes sending the necessary information to The Redundancy Payments Service to enable them to process employee claims, dealing with queries, logging creditor claims and preparing and processing reports and distributions to the secured creditor

- 6 5 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <http://www.francisclark.co.uk/corporate/business-recovery-and-insolvency>. At the insolvency creditor login button please use CGF as the email address and CGF001 as the password. The document will be found in "My Accounts".
- 6 6 Attached as Appendix C 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.

7 Liquidator's Expenses

- 7 1 The following expenses have been incurred since my appointment:

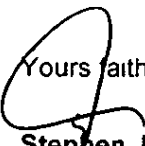
Supplier / Service Provider	Nature of expense incurred	Amount incurred £	Amount Paid £	Amount Outstanding £
Foot Anstey LLP	Legal costs (relating to debtor collection)	1,800 00	NIL	1,800 00
Asset Management Services	Valuation and sale of company's assets	3,917 42	3,917 42	NIL
AUA Insolvency Risk Services	Specific Bond	135 00	90 00	45 00

8 Creditors' rights

- 8 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 Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report.
- 8 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 Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

9 Next Report

- 9 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 James Hobson
Liquidator

8 December 2011

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Appendix A

Receipts and Payments Account for the period from 26 November 2010 to 25 November 2011

S of A £		£	£
	ASSET REALISATIONS		
2,100 00	Plant & Machinery	3,195 00	
785 00	Office Furniture & Equipment	237 00	
14,350 00	Motor Vehicles	15,645 00	
600 00	Stock	600 00	
	Stock/WIP	5,000 00	
91,468 07	Book Debts	140,255 32	
1 00	Book Debts - ROK (In Administration)	NIL	
	Cash in Hand	16 27	
	Bank Interest Gross	155 00	
	Rates Refund	781 90	
109,304 07			165,885 49
	COST OF REALISATIONS		
	Specific Bond	90 00	
	Preparation of S of A	6,000 00	
	Office Holders Fees	18,041 90	
	Travel Costs	14 44	
	Agents/Valuers Fees	3,917 42	
	Company Search	1 00	
	Re-Direction of Mail	30 94	
	Statutory Advertising	126 55	
			(28,222 25)
	PREFERENTIAL CREDITORS		
(28,029 03)	Employee Arrears/Hol Pay	NIL	
			NIL
	FLOATING CHARGE CREDITORS		
(191,918 40)	HSBC Bank plc	40,000 00	
			(40,000 00)
	UNSECURED CREDITORS		
(395,167 82)	Trade & Expense Creditors	NIL	
(135,143 95)	Employees - Redundancy/Notice Pay	NIL	
(1 00)	HM Revenue & Customs (Corp Tax)	NIL	
(31,477 00)	HM Revenue & Customs (PAYE/NIC)	NIL	
(39,975 00)	HM Revenue & Customs (VAT)	NIL	
			NIL
	DISTRIBUTIONS		
(4,850 00)	Ordinary Shareholders	NIL	
			NIL
<u>(717,258 13)</u>			<u>97,663 24</u>
	REPRESENTED BY		
	VAT on Payments	5,494 45	
	Bank 1 Current	114,425 15	
	VAT on Receipts	(22,256 36)	
		<u>97,663 24</u>	

Appendix B

Time Analysis for the period from 26 November 2010 to 25 November 2011

Work type	Hours				Total Hours	Time Cost £	Average hourly rate £
	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff			
Administration	2 13	15 25		3 90	21 28	2,859 05	134 35
Realisations of Assets	3 75	63 50	0 46		67 71	10,194 50	150 56
Creditors	0 79	32 73	0 68	0 35	34 55	4,853 95	140 49
Investigation	0 32	16 15			16 47	2,409 95	146 32
Total hours	6 99	127 63	1 14	4 25	140 01	20,317 45	145 11
Less Fees drawn at 25 November 2011						(18,041 90)	
Work in Progress						2,275 55	

Charge out rates per hour for grade (reviewed w e f 1 January annually)

Current range £	260-220	175-145	100-125	57
2009/10 range £	240-210	140	75-125	55
2008 range £	215-195	120	73-105	50
2007 range £	205	120	58-100	46
2006 range £	195	105	50-90	44

Standard Activity Administration and planning

Examples of work
Case planning
Administrative set up
Appointment notification
Maintenance of records
Statutory reporting

Realisation of assets

Identifying, securing, insuring assets
Retention of title
Debt collection
Property, business and asset sales

Creditors

Communications with creditors
Creditors' claims (including employees and other preferential creditors)

Investigation

SIP 2 review
CDDA reports
Investigating antecedent transactions

Appendix C

Additional Information in Relation to Liquidator's Fees Pursuant to Statement of Insolvency Practice 9 (Sip9)

1 Policy

Detailed below is Francis Clark LLP'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
Foot Anstey LLP (legal advice)	Hourly rate and disbursements
AUA insolvency Risk Services Limited (Specific Bond)	Risk based premium
Asset Management Services (valuation and disposal advice)	Hourly rate and disbursements

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.

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.

2 Charge-out rates

A schedule of charge-out rates of Francis Clark LLP was issued to creditors at the time the basis of the Liquidator's remuneration was approved. There have been no material increases in charge-out rates since that date. Details of current and historic charge-out rates are set out in Appendix B of this report.