

**SERVOSTEEL LIMITED
(IN LIQUIDATION)
("the Company")**

SATURDAY



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A09 12/01/2013 #15
COMPANIES HOUSE

Court No. 232 of 2011 and 1452 of 2003

**ANNUAL PROGRESS REPORT TO CREDITORS PURSUANT TO RULE 4.49B OF THE
INSOLVENCY RULES 1986 (AS AMENDED)**

10 January 2013

**This report has been prepared for the sole purpose of updating the Creditors for information purposes
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in whole or in part, by Creditors for any purpose other than updating them for information purposes, or by
any other person for any purpose whatsoever**

**Christopher James Farrington and William Kenneth Dawson were appointed Joint Liquidators of
Servosteel Limited on 12 November 2010**

**All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency
Practitioners**

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ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used

"the Act"	Insolvency Act 1986 (as amended)
"the Rules"	Insolvency Rules 1986 (as amended)
"the Liquidators"	Christopher James Farrington and William Kenneth Dawson of Deloitte LLP
"the Company"	Servosteel Limited (in Liquidation)
"Deloitte"	Deloitte LLP
"SIP7 (E&W)"	Statement of Insolvency Practice 7 (England & Wales)
"SIP13 (E&W)"	Statement of Insolvency Practice 13 (England & Wales)

1. INTRODUCTION

1.1 Introduction

This report has been prepared in accordance with Rule 4 49B of the Rules to provide creditors with an update on the progress of the Liquidation of the Company since our appointment as Joint Liquidators

A schedule of statutory information in respect of the Company is attached at Appendix 1

1.2 Details of the appointment of the Liquidators

Christopher James Farrington and William Kenneth Dawson of Deloitte were appointed Joint Liquidators of the Company by the Court following cessation of the Administration on 12 November 2010

For the purposes of section 231 of the Act the Liquidators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally

2. JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

2.1 Introduction

Attached at Appendix 2 is a Receipts and Payments account covering the periods from 12 November 2010 to 11 November 2011, from 12 November 2011 to 11 November 2012 and the total for the period from 12 November 2010 to 11 November 2012 in accordance with SIP7 (E&W)

In this section, we have summarised the main asset realisations during the 12 month period

Asset realisations

During the period bank interest of £68 77 was received

2.2 Estimated future realisations

No further realisations are anticipated

2.3 Estimated outcome for creditors

During the period a distribution of 2 4388p in the £ was made to the Company's preferential creditors (see section 3 2 below)

There will be no distribution to the Company's unsecured creditors

3. DISTRIBUTIONS TO CREDITORS

3.1 Secured creditors

The Company's secured creditors were paid in full from realisations in the preceding Administration

3.2 Preferential creditors

The claims of the Company's preferential creditors were agreed as follows

	£
HM Revenue & Customs (PAYE and NIC)	411,170 86
HM Revenue & Customs (VAT)	
- Group registration, joint and several liability	218,711 05
Redundancy Payments Office ("RPO")	10,568 36
Employees (2 claims not submitted to the RPO)	776 57
	<hr/>
	641,226 84
	<hr/>

The directors' Statement of Affairs in the Administration indicated total preferential claims of £521,541 as follows

	£
HM Revenue & Customs (PAYE and NIC)	221,470 00
HM Revenue & Customs (VAT)	256,565 00
Employee claims	43,506 00
	<hr/>
	521,541 00
	<hr/>

A dividend of 2 4388p in the £ was paid to the preferential creditors on 5 January 2012

3.3 Unsecured creditors

As stated above there will be no funds available for distribution to the unsecured creditors

4. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

4.1 Investigations

The Joint Administrators submitted confidential reports on the directors' conduct in accordance with the requirements of the Company Directors Disqualification Act 1986. As the Company is now in compulsory liquidation it falls to the Official Receiver to submit reports in the liquidation.

As you are aware the Joint Administrators obtained Judgement against Mr Fabb but following his bankruptcy were unable to make any recovery.

4.2 SIP13 (E&W) – Transactions with connected parties

In accordance with the guidance given in SIP13 (E&W), we confirm that there have been no transactions with connected parties during the period of this report or in the two years prior to our appointment.

4.3 EC Regulations

Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

5. JOINT LIQUIDATORS' REMUNERATION AND EXPENSES

5.1 Joint Liquidators' Remuneration

5.1.1 Basis of Remuneration

The Liquidators' remuneration was fixed on a time cost basis on 21 January 2011 by the creditors at a meeting of creditors held on that date

5.1.2 Remuneration

Remuneration charged during the period from the date of appointment to 11 November 2012 is summarised at Appendix 3. Total time costs amount to £24,307 over 80.11 hours, giving an average hourly rate of £303.42.

The work has been categorised into the following task headings and sub categories

- **Administration and planning** includes case planning, case set-up, notification of appointment, maintenance of our case files and insolvency case record, statutory reporting, compliance, cashing and accounting
- **Realisation of Assets** includes VAT and taxation matters
- **Creditors** includes set-up of creditor records, creditor communications, preferential claims, unsecured claims, secured and employee claims

"A Creditors' Guide to Liquidators' Remuneration" is available for download at

http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP-9-EW-INTER.pdf

Should you require a paper copy, please send your request in writing to the Liquidators at the address on the front of this report and this will be provided to you at no cost

5.1.3 Expenses

The Liquidators' have not incurred any direct expenses during the period of this report

5.2 Charge out rates

The range of charge out rates for the separate categories of staff is based on our 2011 and 2012 charge out rates as summarised below. Manager rates include all grades of assistant manager.

Grade	2011 (Jan – Dec) £	2012 (Jan – Aug) £	2012 (From 1 September) £
Partners/Directors	560 to 895	585 to 920	606 to 950
Managers	280 to 670	295 to 700	305 to 720
Assistants and Support Staff	175 to 280	150 to 295	155 to 305

The above bands are specific to the Restructuring Services department partners and staff. In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Corporate Finance or Drivers Jonas Deloitte may be required on the case. These departments may charge rates that fall outside the Restructuring Services department bands.

quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands

All partners and technical staff (including cashiers) assigned to the case record their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

With effect from 1 September 2012, charge out rates were increased by an average 3% and the charge out rate bandings have been amended, where applicable, to reflect this change.

5.3 Creditors' right to request further information

Any secured creditor or, unsecured creditor with the support of at least 5% in value of the unsecured creditors or, with leave of the Court, may, in writing, request the Liquidators to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 4.49E(2)(b) of the Rules.

5.4 Creditors' right to challenge Remuneration and/or Expenses

Any secured creditor or, unsecured creditor with the support of at least 10% in value of the unsecured creditors or, with leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 4.131 of the Rules), reducing the amount or the basis of remuneration which the Liquidators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 4.131(1B) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.

SERVOSTEEL LIMITED (IN LIQUIDATION)**STATUTORY INFORMATION**

Company Name	Servosteel Limited
Previous Names	Fabb Group Transport Limited
Proceedings	In Liquidation
Court	High Court of Justice, Manchester District Registry
Court Reference	232 of 2011 and 1452 of 2003
Date of Appointment	12 November 2010
Joint Liquidators	Christopher James Farrington and William Kenneth Dawson Deloitte LLP Four Brindleyplace Birmingham B1 2HZ
Registered office Address	c/o Deloitte LLP Four Brindleyplace Birmingham B1 2HZ
Company Number	01654321
Incorporation Date	27 July 1982
Company Secretary	Pauline J Bailey
Bankers	National Westminster Bank plc
Auditors	BDO Stoy Hayward
Appointment by	The Court
Directors at date of Appointment	David L Fabb Pauline J Bailey
Directors' Shareholdings	N/A

**Servosteel Limited
In Liquidation**

Summary of Receipts & Payments

RECEIPTS	Notes	From 12/11/2010 to 11/11/2011 £	From 12/11/2011 to 11/11/2012 £	Total £
Book Debts		20,966 82	-	20,966 82
VAT Refund		5,588 46	-	5,588 46
Cash at Bank		10,319 78	-	10,319 78
Bank Interest Gross	2	-	68 77	68 77
Petitioning Creditor's Deposit		1,000 00	-	1,000 00
		37,875.06	68.77	37,943 83
PAYMENTS				
O R Remuneration		2,235 00	-	2,235 00
DTI ISA Cheque Issue Fee		1 45	5 30	6 75
Secretary of State Fee		6,662 99	8 25	6,671 24
Liquidators Fees		5,072 40	7,004 80	12,077 20
Liquidators Expenses		36 00	-	36 00
Corporation Tax	2	-	13 75	13 75
Statutory Advertising		76 50	-	76 50
Bank Charges		54 00	58 00	112 00
Preferential Claims		-	15,697 14	15,697 14
		14,138.34	22,787 24	36,925 58
Net Receipts/(Payments)		23,736.72	(22,718.47)	1,018 25
MADE UP AS FOLLOWS				
VAT on Payments	1	1,036.98	(236.98)	800 00
ISA NIB	2	22,699.74	(22,481 49)	218.25
		23,736.72	(22,718.47)	1,018 25

Notes

- 1 The Company was formerly registered for VAT and all transactions shown above are net of VAT The VAT refund due to the Company is awaited
- 2 All funds have been held on an interest bearing account at The Insolvency Service Corporation tax has been deducted at source on the interest received
- 3 At a meeting of creditors held on 21 January 2011 the creditors passed a resolution authorising the Liquidators to draw fees on a time cost basis

Time costs for the period from 12 November 2010 to 11 November 2012

Servosteel Limited
(In Liquidation)

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hourly Rate
Administration and Planning									
Cashiering and Statutory Filing	-	-	6 70	2,478 00	11 10	3,063 00	17 80	5,541 00	311 29
Case Supervision, Management and Closure	0 50	297 50	15 45	4,897 00	1 66	255 50	17 61	5,450 00	309 48
Initial Actions (e.g. Notification of Appointment, Securing Assets)	-	-	7 70	2,117 50	-	-	7 70	2,117 50	275 00
General Reporting	0 70	437 50	10 20	3,034 50	-	-	10 90	3,472 00	318 53
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-
	1 20	735 00	40 05	12,527 00	12 76	3,318 50	54 01	16,880 50	306 99
Investigations									
Investigations	-	-	-	-	-	-	-	-	-
Reports on Directors' Conduct	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Trading									
Day 1 Control of Trading	-	-	-	-	-	-	-	-	-
Ongoing Trading	-	-	-	-	-	-	-	-	-
Monitoring Trading	-	-	-	-	-	-	-	-	-
Closure of Trade	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Realisation of Assets									
Book Debts	-	-	-	-	-	-	-	-	-
Other Assets (e.g. Stock)	-	-	-	-	-	-	-	-	-
Plant and Equipment, Fixtures and Fittings and Vehicles	-	-	-	-	-	-	-	-	-
Property - Freehold and Leasehold	-	-	-	-	-	-	-	-	-
Retention of Title	-	-	-	-	-	-	-	-	-
Sale of Business / Assets	-	-	-	-	-	-	-	-	-
Third Party Assets	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Creditors									
Employees	-	-	4 20	1,275 00	-	-	4 20	1,275 00	303 57
Preferential	-	-	16 60	4,848 50	-	-	16 60	4,848 50	292 08
Secured	-	-	-	-	-	-	-	-	-
Shareholders	-	-	-	-	-	-	-	-	-
Unsecured	-	-	1 80	544 50	-	-	1 80	544 50	302 50
	-	-	22 60	6,668 00	-	-	22 60	6,668 00	295 04
Other Matters Include									
Litigation	-	-	-	-	-	-	-	-	-
Pensions	-	-	-	-	-	-	-	-	-
Tax and VAT	-	-	3 50	1,058 50	-	-	3 50	1,058 50	302 43
	-	-	3 50	1,058 50	-	-	3 50	1,058 50	302 43
	-	-	-	-	-	-	-	-	-
TOTAL HOURS & COST	1 20	735 00	66 15	20,253 50	12 76	3,318 50	80 11	24,307 00	303 42

TOTAL FEES DRAWN TO DATE

12,077 20