

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company
Clevedon Electrical Services Limited formerly
A + R Services Limited

Company number

2664717

In the
Bristol County Court
(full name of court)

Court case number
3355 of 2009

(a) Insert full
name(s) and
address(es) of
administrator(s)

I/We (a)
Simon Ashley Rowe
Milsted Langdon LLP
One Redcliff Street
Bristol
BS1 6NP

administrator(s) of the above company attach a progress report for the period

(b) Insert date

From

(b) 7 December 2009

To

(b) 6 June 2010

Signed

Joint-/ Administrator(s)

Dated

22 6 10



MILSTED LANGDON LLP
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Our Ref: ARSF/RAI/SLL/pl/100P

22 June 2010

**When calling please
ask for: Sarah Lomax
or e-mail:
slomax@milsted-langdon.co.uk**

TO ALL CREDITORS

CLEVEDON ELECTRICAL SERVICES LIMITED FORMERLY A + R SERVICES LIMITED - IN ADMINISTRATION

Further to my letter dated 20 January 2010 enclosing my proposals in respect of the above named company, I am now pleased to provide my first progress report on this administration, in accordance with Rule 2.47 of the Insolvency Rules 1986.

This report should be read in conjunction with the proposals and my letter to you of 10 December 2009 which include more detailed information relating to the administration.

1. SUMMARY OF THE PROPOSALS

- 1.1 For the reasons set out in my earlier report, the objective in this administration was that stated in sub-paragraph 3(1)(b), namely achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration). It was proposed that the administration be brought to an end by the company entering liquidation in order to enable a distribution to creditors. I am not yet in a position to place the company into liquidation for the reasons below but I anticipate being able to do so soon.

Also at TAUNTON and YEOVIL

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2. ASSETS

2 1 Business Assets

2 1 1 Details of the sale of the tangible assets goodwill and intellectual property rights of the company were detailed in my proposals

2 2 Book Debts

2 2 1 The book debts of the company were sold to A & R Services (M&E) Limited for full value I confirm that all of the deferred consideration payments have been received

2 3 WIP

2 3 1 The following assets were sold by me to A & R Services (M & E) Limited ("Sale 1")

- i) Fixed Plant
- ii) Goodwill
- iii) Intellectual Property Rights
- iv) Plant and Equipment
- v) Book Debts
- vi) WIP Contracts Excluding the WIP contracts for which Gary Bailey was the principle client contact

2 3 2 To date I have received £18,967 23 towards the WIP of £71,799 50 in respect of sale 1 One of the conditions of sale is that the company is to pay the WIP two business days after it is received I have found myself chasing for the WIP list on numerous occasions

2 3 2 My staff attended the company's premises on 23 March 2010 to do an audit of the WIP list Following this visit a payment of £15,088 01 was made Since then the company has provided regular updates albeit that they still need reminding to do so

2 3 3 The sale contract provided a backstop in relation to the receipt of the WIP payments which means that all sums must be paid within 9 months of the date of the administration, even if they have not been invoiced or paid

2 3 4 The WIP Contracts for which Gary Bailey was the principle client contact, including those for Bristol International Airport and Weston College were sold to GWB Electrical Services (South West) Limited ("Sale 2") Collection of the WIP in sale 2 has been much easier To date £16,000 of the net WIP due of £25,411 53 has been paid Creditors will note that this figure is different to that in paragraph 3 3 6 of the proposals as it came to light that there was £996 11 in respect of cross over works that should not have been included

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2.4 Breach of Fiduciary duties

- 2.4.1 As part of my investigations into the affairs of the company I received a copy of the company's credit card statements. Some of these payments caused me concern and I investigated whether they related to business expenditure. In particular there were references to travel agents and high street fashion stores as well as veterinary centres and a hair and beauty salon.
- 2.4.2 I contacted Natwest Bank Plc and requested copies of all of the statements for the 2 years preceding the administration. These were received and analysed by me following which I took advice from my solicitor. He advised me that the expenditure appeared to be a breach of the directors' fiduciary duties. I am conscious that I am only able to take action under Section 212 of The Insolvency Act 1986 once the company was in liquidation. I have therefore only recently approached the directors regarding these payments and at present they are co-operating with me and have agreed to repay any amounts which they cannot evidence as a legitimate business expense.
- 2.4.3 Consequently, no further action has been taken in connection with this at the moment and the directors have been given 21 days to produce the funds. Should funds not be forthcoming I shall continue to pursue this as a Section 212 misfeasance offence once the company is in liquidation.

3. CREDITORS' CLAIMS

3.1 Secured creditors

- 3.1.1 There are no secured creditors.

3.2 Preferential creditors

- 3.2.1 All employees were transferred in accordance with the Transfer of Undertakings and Protection of Employment Regulations 2006 and so no preferential claims are anticipated.

3.3 Unsecured creditors

- 3.3.1 The statement of affairs showed that the company owed £1,033,843 to 102 creditors. To date I have received claims from 39 creditors totalling £590,791.
- 3.3.2 This means that a large number of creditors have not claimed and I have attached a statement of claim form to allow them to do so.

- 3 3 3 I have recently been made aware of an employment tribunal claim that has been brought by a former employee of the company who was made redundant prior to the administration. My solicitors and I have discussed a settlement and the employee has 14 days to accept or reject my offer. Once this matter has been settled I can proceed to place the company into liquidation.

4. DIVIDENDS

- 4 1 A dividend will be paid to unsecured creditors once the company is in liquidation. At present there are too many unknowns to confirm the quantum or timing of the dividend.

5. RECEIPTS AND PAYMENTS ACCOUNT

- 5 1 Attached to this report is a receipts and payments summary for the company for the period 7 December 2009 to 6 June 2010, showing the amounts realised from the assets and the payments made by me as administrator.

6. PRESCRIBED PART

- 6 1 There is no payment under the prescribed part due as there were no secured liabilities at the date of my appointment.

7. CORPORATION TAX

- 7 1 I have agreed with HM Revenue & Customs that the company's corporation tax liability to the date of my appointment can be treated on a no profit, no loss basis as it was only four trading days. I have also calculated and agreed the liability for the period of my appointment to date and sought tax clearance to place the company into liquidation.

8. EXIT FROM ADMINISTRATION

- 8 1 As previously mentioned it is proposed that the administration will end by the company going into Creditors' Voluntary Liquidation.

9. ADMINISTRATOR'S REMUNERATION

- 9 1 Creditors approved that the basis of my remuneration be fixed by reference to the time properly spent by my staff and I in managing the administration.
- 9 2 The time costs to 6 June 2010 are £29,113.20. This represents 240.20 hours at an average rate of £121.20 per hour. Attached is a time analysis which provides details of the activity costs incurred by staff grade during this period.

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9 3 Also attached is additional information in relation to my policy on staffing, the use of sub-contractors, disbursements and details of current charge-out rates by staff grade. Further information, including a guide to fees, is available on our website at www.milsted-langdon.co.uk

Should creditors require any further information please do not hesitate to contact either me or my colleague, Sarah Lomax

Yours faithfully



SIMON ROWE
Administrator
Clevedon Services Limited
formerly A + R Services Limited

Encs Statutory Information
SIP9 Report and analysis
Receipts and Payments Account
Form 2 24B

Clevedon Electrical Services Limited formerly A + R Services Limited
(In Administration)
Administrator's Abstract of Receipts & Payments

Statement of Affairs	From 07/12/2009 To 06/06/2010	From 07/12/2009 To 06/06/2010
SECURED ASSETS		
Fixed Plant	1 00	1 00
Goodwill	1 00	1 00
Intellectual Property	1 00	1 00
	<u>3 00</u>	<u>3 00</u>
ASSET REALISATIONS		
5,495 00 Plant & Machinery	5,495 00	5,495 00
500 00 Stock	500 00	500 00
94,892 00 WIP	34,968 23	34,968 23
124,514 00 Book Debts	124,514 48	124,514 48
Other assets	1 00	1 00
Bank Interest Gross	100 01	100 01
Sundry Refunds	978 43	978 43
	<u>166,557 15</u>	<u>166,557 15</u>
COST OF REALISATIONS		
Specific Bond	260 00	260 00
Office Holder's Fees	24,153 60	24,153 60
Office Holder's Expenses	797 68	797 68
Agents/Valuers Fees (1)	100 00	100 00
Legal Fees	8,880 92	8,880 92
Corporation Tax	21 00	21 00
Statutory Advertising	151 20	151 20
	<u>(34,364 40)</u>	<u>(34,364 40)</u>
UNSECURED CREDITORS		
Trade & Expense Creditors	<u>NIL</u>	<u>NIL</u>
	<u>NIL</u>	<u>NIL</u>
225,401.00	<u>132,195 75</u>	<u>132,195 75</u>

REPRESENTED BY

Vat Receivable	5,785 88
Bank 1 Current	126,409 87
	<u>132,195.75</u>

Simon Ashley Rowe
Administrator

Clevedon Electrical Services Limited formerly A + R Services Limited
Time and disbursement analysis
For the period 1 October 2009 to 6 June 2010

Charge group	Partner	Manager	Other Senior Professionals	Assistants and Support Staff	Total	Total cost (£)	Avg. Hourly Rate (£)
Pre Appointment Time	14 75	0 00	19 40	0 00	34 15	5,084 00	148 87
Administration & planning	1 69	0 50	44 05	35 20	81 44	6,690 75	82 16
Investigations	10 45	0 00	13 60	9 55	33 60	3,937 60	117 19
Realisations	24 71	0 00	16 90	2 50	44 11	6,927 75	157 06
Creditors	14 74	0 65	31 01	0 50	46 90	6,473 10	138 02
Total time	66 34	1 15	124 96	47 75	240 20	29,113 20	121 20
Disbursements							
Faxes						5 50	
Photocopying						477 50	
Sundry Disbursements						5 00	
Travel Costs						0 50	
Mileage						53 40	
Mailing Fee (Insolvency)						281 75	
Company Searches						2 00	
Total disbursements						825 65	
Grand Total						29,938.85	

INFORMATION IN SUPPORT OF OFFICE HOLDERS' REMUNERATION

Case name	Clevedon Electrical Services Limited formerly A + R Services Limited
Court and number	Bristol County Court No 3355 of 2009
Office Holder Firm	Simon Ashley Rowe Milsted Langdon LLP
Address Telephone Reference	One Redcliff Street, Bristol, BS1 6NP 0117 945 2500 ARSF
Type of Appointment	Administrator
Date of Appointment	7 December 2009
Wording of fee authority	In the absence of a creditors' committee the remuneration of the administrator shall be fixed by reference to time properly spent by him and his staff in attending to matters arising from the administration and that he be authorised to draw remuneration as and when funds are available on account of his time costs The administrator's disbursements shall be payable on the basis of the firm's published tariff, details of which have been disclosed to creditors
Date authority given	8 February 2010

These notes should be read in conjunction with the forgoing report which sets out details of the conduct of the administration of this case and gives an indication of the anticipated outcome, if known. The report highlights any matters of complexity or exceptional circumstances and those on which a significant proportion of time has been spent and explains the nature, extent and effectiveness of the associated work undertaken.

Statement of Insolvency Practice 9 outlines what information should be provided in support of Office Holder's remuneration. This includes information on disbursements, including the policies for the selection of agents and advisors, and details of the tasks undertaken in respect of each category of activity included in the analysis of time that is provided with this report. The details of these and "Creditors' Guide to Fees" can be found at www.milsted-langdon.co.uk or are available on request.

Current charge out rates for different grades of staff are given below along with our rates for recharging disbursements incurred. These are subject to periodic review and historic details are also provided on the website above.

	£/hr	
Partners	200-220	plus VAT
Managers and Administrators	70-150	plus VAT
Other administrative staff	28-60	plus VAT

Disbursement	Charge
Archive storage	55p per box per week
Faxes	50p per sheet
Internal room hire for creditors' meetings	£70
Mailing fees (including postage) - Large	75p per mailed pack
Mailing fees (including postage) - Small	50p per mailed pack
Mileage	40p per mile
Photocopies	10p per sheet
Record boxes	£1.50 per box

Creditors' attention is also drawn to the accompanying account of receipts and payments. This reflects any payments that may have been made to agents and advisers, and in accordance with the above policy.

The table that follows seeks to set out a summary of the time spent on this case. Where appointments pre-date 31 December 2002 it may have been necessary to make estimations of time allocations between work classifications as the firm's time costing systems were not matched to the disclosure requirements introduced after that date.

A + R SERVICES LIMITED - IN ADMINISTRATION

DETAILS OF APPOINTMENT OF ADMINISTRATOR

Name of administrator	Simon Rowe
Date of administrator's appointment	7 December 2009
Court and reference	Bristol County Court No 3355 of 2009
Persons making appointment/ application	Graham Harvey 23 Beckington Road Bristol BS3 5DZ
Acts of the administrator	The Administrator acts as officer of the Court and as agent of the Company without personal liability Any act required or authorised under any enactment to be done by an Administrator may be done by any one or more persons holding the office of Administrator from time to time
EC Regulation on Insolvency	The EC Regulation on Insolvency Proceedings (Council Regulation [EC] No 1346/2000) applies to these proceedings which are main proceedings within the meaning of Article 3 of the Regulation

A + R SERVICES LIMITED - IN ADMINISTRATION

DETAILS OF APPOINTMENT OF ADMINISTRATOR

Paragraph 3 of Schedule B1 to the Act provides as follows

1. "The Administrator of a company must perform his functions with the objective of
 - a) rescuing the company as a going concern, or
 - b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
 - c) realising property in order to make a distribution to one or more secured or preferential creditors
- 2 Subject to sub-paragraph 4, the Administrator of a company must perform his functions in the interests of the company's creditors as a whole
- 3 The Administrator must perform his functions with the objective specified in sub-paragraph 1(a) unless he thinks either
 - a) that it is not reasonably practicable to achieve that objective, or
 - b) that the objective specified in sub-paragraph 1(b) would achieve a better result for the company's creditors as a whole
4. The Administrator may perform his functions with the objective specified in sub-paragraph 1(c) only if
 - a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph 1(a) and (b), and
 - b) he does not unnecessarily harm the interests of the creditors of the company as a whole."

A + R SERVICES LIMITED - IN ADMINISTRATION

STATUTORY INFORMATION

NAME OF COMPANY:	A + R Services Limited
PREVIOUS NAME(S):	A + R Electrical Services Limited
REGISTERED NUMBER:	2664717
VAT NUMBER:	139 2091 47
DATE OF INCORPORATION:	21 November 1991
PRINCIPAL OBJECTS:	Electrical Contractors
REGISTERED OFFICE:	One Redcliff Street Bristol BS1 6NP
PREVIOUS REGISTERED OFFICE:	38 Walliscote Road Weston Super Mare Somerset TA11 7PS
TRADING ADDRESS:	Leased Premises at 3 Tweed Road Clevedon Somerset BS21 6RR
DIRECTORS:	Gary Wayne Bailey Appointed on 18 May 2004 Graham Anthony Harvey Appointed on 1 July 1996
COMPANY SECRETARY	Philip Burland-Beach Appointed on 29 October 2007
AUTHORISED SHARE CAPITAL:	1,000- £1 Ordinary Shares
ISSUED SHARE CAPITAL:	1,000- £1 Ordinary Shares
SHAREHOLDERS:	Gary Wayne Bailey 500 Shares Graham Anthony Harvey 500 Shares
BANKERS:	National Westminster Bank Plc The Triangle Clevedon North Somerset
CHARGES:	Fixed and Floating Charge held by Bibby Financial Services Plc created on 19 August 2005 and registered on 25 August 2005 and satisfied on 4 December 2009
PRESCRIBED PART:	Does not apply in this instance as the charge has been satisfied

A + R SERVICES LIMITED - IN ADMINISTRATION

FINANCIAL INFORMATION

Detailed below are extracts from the accounts for the year ended 30 November 2007 and 30 November 2008

	Year ending 2008	Year ending 2007
	£'000	£'000
Turnover	1,852	2,382
Cost of sales	(989)	(1,485)
Gross profit	863	897
Administrative expenses	(636)	(674)
Interest Received	2	2
Directors remuneration	(105)	(105)
Tax	(1)	(1)
Net profit/(loss)	123	119

Balance sheet as at 31 August 2009

	£	£
Fixed assets		19,850
Current assets		
Stock and work in progress	166,585	
Debtors	223,531	
Cash balances	<u>(59,331)</u>	
	330,785	
Current liabilities		
Creditors < 1 year	<u>(646,069)</u>	
Net current assets/(liabilities)		(315,284)
Creditors > 1 year		(140,000)
Total net assets/(liabilities)		<u>(435,434)</u>
Capital		
Share capital		(1,000)
Retained profits/(losses)		<u>(434,434)</u>
		<u>(435,434)</u>

A + R Services Limited - In Administration

ARSF/SR/SLL/370

Creditor's Statement of Claim

Name and address of creditor

Amount claimed (including VAT)

£

Signature

Print name

Date

Telephone

Fax

E-mail

Reference

Please provide appropriate supporting documentation for your claim. Claims submitted without supporting documentation may be rejected.

If you are registered for VAT the amount claimed should include VAT even if VAT bad relief has been claimed under the Value Added Tax Act 1994.

Please return this form when you have completed it to Milsted Langdon LLP, One Redcliff Street, Bristol, BS1 6NP