

The Insolvency Act 1986

**Statement of
administrator's proposals****2.17B**

Name of Company Airedale Environmental Services Limited	Company number 02869912
In the High Court of Justice Chancery Division Birmingham District Registry [full name of court]	Court case number 8066 of 2012

- (a) Insert full name(s) and address(es) of administrator(s) I/We(a) Costas Morfakis of Axiom Recovery LLP, Suite 2 – 1st Floor, Turnpike Gate House, Birmingham Road, Alcester B49 5JG

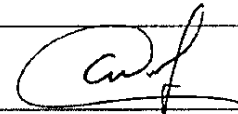
attach a copy of *my proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

* Delete as applicable

(b) Insert date (b) 16 April 2012

Signed



Costas Morfakis - Administrator

Dated 16 April 2012

Contact Details

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Axiom Recovery LLP	
Suite 2 -1 st Floor, Turnpike Gate House, Birmingham Road, Alcester	
B49 5JG	Tel 01789 766406
DX Number	DX Exchange



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18/04/2012

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COMPANIES HOUSE

you have completed and signed this form please send it to the Registrar of Companies at
Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

**AIREDALE ENVIRONMENTAL SERVICES LIMITED
(IN ADMINISTRATION)
Registered Number: 02869912
Court Ref: 8066 of 2012
High Court of Justice
Chancery Division
Birmingham District Registry**

Administrator's Report and Statement of Proposals

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**TO: THE REGISTRAR OF COMPANIES
ALL CREDITORS
ALL SHAREHOLDERS**

1 INTRODUCTION

- 1.1 I refer to my appointment as Administrator ("the Administrator") of Airedale Environmental Services Limited ("the Company") on 27 February 2012 and now write to present my proposals ("the Proposals") (Appendix A) for the Company pursuant to the Insolvency Act 1986 ("the Act")
- 1.2 I do not propose to convene a meeting of creditors in this instance. It is the Administrator's intention to seek approval to the Administrator's proposals and certain resolutions by correspondence, as provided for by Paragraph 58 of Schedule B1 to the Act. Form 2.25B is attached at Appendix I for this purpose. This form should be completed and returned to this office by no later than 12.00 hours on 3 May 2012 with a completed statement of claim form (attached at Appendix J) or your vote will be disregarded, as will any forms returned after the closing date.
- 1.3 The outcome of the voting will be reported to creditors shortly after 3 May 2012.
- 1.4 Creditors whose debts amount to at least 10% of the total debts of the Company, may request a meeting. Any requests for an initial creditors' meeting must be made in writing to this office using Form 2.21B (available on request) by 23 April 2012. Security for the costs of holding the meeting must also be provided.

2 STATUTORY INFORMATION

- 2.1 The Administration proceedings are under the jurisdiction of the Birmingham District Registry under Court reference 8066 of 2012.
- 2.2 The Company's registered office was changed from 7-9 Harrogate Road, Rawdon, Leeds, LS19 6HW to Axiom Recovery LLP, Suite 2 -1st Floor, Turnpike Gate House, Birmingham Road, Alcester, B49 5JG on 8 March 2012. The registered number is 02869912.
- 2.3 The Company operated from premises at 7-9 Harrogate Road, Rawdon, Leeds, LS19 6HW.
- 2.4 The Company's director and secretary are

Name	Role	Date Appointed
Helen Mary Ayres	Company secretary	8 November 1993
Philip William Ayres	Director	8 November 1993

- 2.6 The Company's authorised share capital is 50,000 Ordinary £1 Shares. The issued share capital comprises 50,000 Ordinary £1 shares, the shares being owned as follows:

Name	Class of Share	No. of Shares	% of Total Owned
Philip William Ayres	Ordinary £1 Shares	50,000	100
		<u>50,000</u>	<u>100%</u>

- 2.7 According to the information registered at Companies House, the Company has the following registered charges. The director has confirmed that there is no liability to HSBC Bank Plc.

Chargeholder	Date created	Description	Amount secured £	Assets Charged
HSBC Bank Plc	26 October 1999	Legal Mortgage	All monies due or to become due	7 Park Road, Rawdon Leeds
HSBC Bank Plc	4 March 2005	Legal Mortgage	All monies due or to become due	7 – 9 Harrogate Road, Rawdon, Leeds
HSBC Bank Plc	18 October 2005	Legal Mortgage	All monies due or to become due	7 & 9 Harrogate Road, Rawdon

- 2 8 The EC Regulation on Insolvency Proceedings 2000 applies to this Administration. The proceedings are proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

3 HISTORICAL BACKGROUND AND EVENTS LEADING UP TO ADMINISTRATION

- 3 1 The Company was incorporated in 1993 and began trading in early 1994. The Company traded as a provider and installer of refrigeration and air conditioning units in both the retail and commercial sectors. The Company also designed and constructed air conditioning systems for all types of rooms including conservatories, offices, computer rooms and clean-rooms.
- 3 2 The Company carried out work throughout the UK. Having traded since 1994, the Company was well known in the local area and had a good reputation with the air conditioning industry. The Company's retail clients have included Virgin Megastores, Laura Ashley, The Disney Store, Holiday Inn, Tate & Lyle Sugars and Spec Savers.
- 3 3 The Company initially traded profitably but began to struggle during 2009 as a result of a number of bad debts. Consequently, in January 2010, the director sought professional advice from Ideal Corporate Solutions Limited. In an attempt to resolve the Company's financial problem, the director took the decision to place the Company into a Company Voluntary Arrangement ("CVA"). The Company entered a CVA on 8 January 2010.
- 3 4 The terms of the CVA proposal provided that the Company would make monthly contributions of £3,000 per month for a period of five years. The Company made contributions of £30,010 into the CVA. Towards the middle of 2011, the Company fell behind with its contributions into the CVA. This was a result of a difficult trading time and the Company not being paid in full on a significant project. In falling behind with its contributions, the Company was in breach of the terms of the CVA. The CVA Supervisor gave the Company a period of time within which to remedy the breach and make payment of the arrears of the contributions. The Company was unable to do so and consequently the CVA was terminated by the Supervisor on 1 September 2011.
- 3 5 Since the failure of the CVA, the Company continued to trade by carrying out maintenance and support work for existing customers. At the start of this year, the Company commenced work on a project at Leeds University to assist in the refurbishment of the University's conference rooms. The Company also had several potential contracts and future projects which it was in the process of tendering for. The director anticipated that if successful in its tenders, the Company could have generated £25,000 profit from these potential contracts.
- 3 4 The Company had eight full-time employees who were employed on a full-time basis. However, the employees were working reduced hours as and when required.

- 3 5 At the time of the failure of the CVA the Company had an outstanding liability to H M Revenue & Customs ("HMRC") of £14,406 97 for post CVA liabilities. As a result of this debt, HMRC issued a winding up petition which was due to be heard on 5 September 2011. This petition was dismissed on 14 November 2011 as the Company had made strenuous efforts to settle the amount claimed. The Company attempted to enter into a payment plan with HMRC, however HMRC was not prepared to consent to this course of action. The director attended the hearing of the petition and the Court agreed that as the Company had paid a substantial amount it should be given the opportunity to try again to negotiate a payment plan for the balance.
- 3 6 HMRC would not agree to a payment plan to reduce the liability to them and subsequently presented a further winding up petition against the Company on 6 December 2011.
- 3 7 The director sought the advice of Axiom Recovery LLP and from the information given, it was evident that the Company was insolvent on a cash flow basis, pursuant to s123 of the Insolvency Act 1986, as it was unable to pay its debts as and when they fell due. The Company had also been presented with a winding up petition against it by HMRC. The director was advised that immediate steps should be taken to place the Company into administration.
- 3 8 An Administration Application was filed in court on 3 February 2012 and following a hearing on 27 February 2012, the Administrator was appointed.

4 RECENT TRADING RESULTS AND CURRENT FINANCIAL POSITION

- 4 1 The balance sheets as at 31 March 2008 are detailed below

	Signed 31 March 2008 £	Signed 31 March 2007 £
Fixed Assets		
Tangible Assets	344,736	598,545
Current Assets		
Stocks	29,487	18,245
Debtors	600,706	687,693
Cash	1,687	1,113
	<u>631,880</u>	<u>707,051</u>
Creditors Amounts Falling due within one year	815,327	1,049,118
	<u></u>	<u></u>
Net Current Assets/(Liabilities)	(183,447)	(342,067)
Total Assets less Current Liabilities	161,289	256,478
Creditors falling due after > 1 year	197,021	212,430
Net Assets	<u>(35,732)</u>	<u>44,048</u>
Represented by		
Called up share capital	50,000	50,000
Revaluation reserve	-	133,626
Profit and Loss account	(85,732)	(139,578)
Shareholders' Funds	<u>(35,732)</u>	<u>44,048</u>

4.2 Statement of Affairs

The directors are required to lodge a statement of affairs as at 27 February 2012 which has to be filed with the Registrar of Companies. The statement of affairs has not yet been submitted. In the meantime, an estimate of the financial position as at the date of the Administrator's appointment is enclosed at Appendix B, together with a list of creditors including their names, addresses and details of their debts, including any security held.

Please note that no provision has been made for costs and expenses of realisation, costs of the Administration and any corporation tax which may be payable.

4.3 Secured Creditor

HSBC Bank Plc ("HSBC") holds the legal mortgages detailed at paragraph 2.7. It is understood that there is no liability to HSBC.

4.4 Preferential Claims

The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay. There are no preferential creditors of the Company.

4.5 Prescribed Part

As the Company has no unsatisfied post-Enterprise Act charges, there will be no requirement to set aside a prescribed part in this case.

4.6 Unsecured Claims

All unsecured non-preferential claims will be subject to agreement by a subsequently appointed Liquidator in due course, should liquidation be the appropriate exit route from the administration process. At the date of the Administrator's appointment it is estimated that unsecured creditors' claims total approximately £457,380.

4.7 Receipts and Payments

A receipts and payments account for the period of Administration to date is enclosed at Appendix C.

5 EVENTS FOLLOWING THE ADMINISTRATOR'S APPOINTMENT

5.1 Sale of Business

Prior to and upon appointment, the administrator investigated the possibility of concluding a sale of what remained of the business and assets as it was considered that a sale of all or part of the business as a going concern would allow the following:

- Enhanced asset values,
- The potential of customer continuity and resultant improved debtor collections,
- Minimise preferential creditor claims,
- Mitigate any finance creditor shortfall.

The business and assets of the Company were valued by MGR Appraisals ("MGR"), independent valuers of Birmingham.

An offer of £60,065 80 was received from Airedale ES Limited ("the Purchaser") and on the advice of MGR the offer was accepted. The sale completed on 4 April 2012 however the effective date of transfer was 27 February 2012.

The consideration for the sale was allocated as follows

Asset	Consideration (£)
Debtors	20,065 80
Vehicles (owned)	3,500
Vehicles (subject to hire purchase)	5,000
Work In Progress	10,000
Goodwill, Intellectual Property Rights	20,500
Office Furniture & Equipment	1,000
Total	60,065 80

The consideration for the sale of the business and assets is £60,065 80. A further £2,500 will be paid as a contribution towards costs. The sum of £2,000 was paid on completion and a further £5,065 80 together with the contribution towards legal costs will be paid within 10 days of completion. The balance of the consideration will be paid by way of seven monthly instalments of £7,500. A personal guarantee has been obtained in the event that the Purchaser defaults on the payments.

The Purchaser is a connected company. Philip Ayres is a director and shareholder of the Company and is also a shareholder of the Purchaser.

The Purchaser was advised to take its own independent legal advice with regard to the sale.

Attached at Appendix D is my disclosure statement in accordance with Statement of Insolvency Practice 16 ("SIP 16").

5.4 Professional Advisors Used

On this assignment the Administrator has used the professional advisors listed below

Name of Professional Advisor	Service Provided	Basis of Fees
Lewis Onions Solicitors	Legal advice	Time costs
MGR Appraisals	Valuers	Time costs

6 ACHIEVING THE PURPOSE OF ADMINISTRATION

6.1 The Administrator must perform his functions with the purpose of achieving one of the following objectives

- (a) rescuing the Company as a going concern, or (if this cannot be achieved),
- (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 (if (a) and (b) cannot be achieved),
- (c) realising property in order to make a distribution to one or more secured or preferential creditors

6.2 The first objective is not capable of being achieved given the extent of historic liabilities

6 3 The second objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in Administration) In the opinion of the Administrator, this objective is likely to be achieved as there is a reasonable prospect of a dividend being available to unsecured creditors which would not have been the case if the Company had been wound up without first being in administration

6 4 The Administration has been, and will continue to be, financed by monies received from asset realisations

7 ADMINISTRATOR'S PROPOSALS AND EXIT ROUTE

7 1 The Administrator's Proposals for achieving the objective of Administration are attached at Appendix A

7 2 The Administrator has considered the various options available to the Company Based on information currently available, the Administrator considers that realisations may be sufficient to enable a dividend to be paid to unsecured creditors In this situation, on completion of the Administration, the Administrator will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation ("CVL")

7 3 The Proposals provide for the appointment of myself and / or Michaela Heeley as (Joint) Liquidator(s) Creditors may nominate a different person to be Liquidator provided that the nomination is made after receipt of the Proposals and before they are approved

8 EXTENSION OF ADMINISTRATION

8 1 The appointment of an administrator ordinarily ceases to have effect at the end of the period of one year from the date of their appointment

8 2 In certain circumstances it may be necessary to extend the Administrator's term of office In the circumstances of this case, this may be done for a specified period not exceeding six months with the consent of

- each secured creditor of the Company, and
- unsecured creditors whose debts amount to more than 50% of the Company's unsecured debts, disregarding debts of any creditor who does not respond to an invitation to give or withhold consent

8 3 Creditors will be contacted in due course should an extension be required

9 PRE-ADMINISTRATION COSTS

9 1 Pre-administration costs are defined as

- Fees charged, and
- Expenses incurred

by the Administrator, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so) "Unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration

9 2 Axiom Recovery LLP incurred fees based on time spent dealing with formalities of appointment and negotiating the sale of the Company's assets. A summary of the costs incurred prior to the Administrator's appointment is enclosed at Appendix E

9 3 Pre-appointment fees charged and expenses incurred by the Administrator in the period prior to his appointment are summarised below

Charged by	Services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
Axiom Recovery LLP	Pre-appointment formalities	8,764 00	Nil	N/a	8,764 00

9 4 The payment of unpaid pre-administration costs (set out above) as an expense of the Administration is subject to the approval of the appropriate class of creditors, separately to the approval of the Administrator's Proposals. In this case, the Administrator is required to seek the approval of the unsecured creditors to this resolution

10 ADMINISTRATOR'S REMUNERATION AND DISBURSEMENTS

10 1 Included within the resolutions to be considered on 4 May 2012 is a resolution which asks the general body of creditors to determine the basis upon which the remuneration of the Administrator is fixed

10 2 The remuneration of the Administrator may be fixed either as a percentage of the value of the property with which they have to deal, as a set amount or by reference to the time spent. In this case Administrator is requesting creditors to agree to the latter

10 3 Enclosed at Appendix F is a summary of the Administrator's time costs to date. The summary shows that time costs of £13,957 00 have been incurred which represents 44 90 hours at a rate of £310 85 per hour. Further details of my firm's charge-out rates and policy regarding the recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix G. Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which is available upon request

10 4 Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as a "category 1 disbursement". Category 1 disbursements will generally comprise items such as case advertising and travel costs. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and storage of company records

10 5 Attached at Appendix G is further information in relation to our charge out rates by staff grade

11 ANTICIPATED OUTCOME AND RELEASE OF ADMINISTRATOR FROM LIABILITY

11 1 It is considered likely that there will be a return to the Company's unsecured creditors in this instance although the extent of any return is dependant upon the consideration being received in accordance with the terms laid out in the asset sale agreement and the discharge of the costs associated with the Administration

11 2 As soon as all outstanding matters in the Administration have been attended to it is anticipated that I will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically to Creditors' Voluntary Liquidation

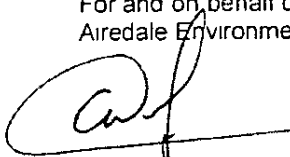
- 11 3 On the registration of the relevant notice with the Registrar of Companies the Administration and the appointment of the Administrator will automatically cease
- 11 4 It is for the creditors to fix the date upon which I am discharged from liability in respect of any action of mine during the Administration and Form 2 25B at Appendix I contains a resolution that I be discharged from liability immediately upon my appointment ceasing to have effect

12 VOTING PROCEDURE AND CONCLUSION

- 12 1 It is important that you give careful attention to this report and its Appendices
- 12 2 As I am seeking approval to the Administrator's proposals and certain resolutions by correspondence, in order for your vote to count you should complete and return Form 2 25B (attached at Appendix I) by the deadline of 3 May 2012 or your vote will be disregarded, as will any forms returned after the closing date. All forms should be accompanied by a statement of claim. A claim form has been attached at Appendix J for your use.
- 12 3 Creditors will be notified of the outcome of voting in due course.

Should you have any queries or require any further clarification please contact Michaela Heeley or Nicky Blackman at my office, **in writing**. Electronic communications should also include a full postal address.

For and on behalf of
Airedale Environmental Services Limited



Costas Morfakis
Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators who act as agents of the Company without personal liability.

APPENDIX A

ADMINISTRATOR'S STATEMENT OF PROPOSALS

It is proposed that

- 1 The Administrator continues to manage the business, affairs and property of the Company in such a manner as he considers expedient with a view to achieving the statutory purposes of the Administration
- 2 If appropriate, the Administrator file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors Voluntary Liquidation. It is further proposed that Costas Morfakis and/or Michaela Heeley be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved
- 3 In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Administrator file a Notice with the Registrar of Companies that the Company should be dissolved
- 4 The Administrator investigate and, if appropriate, pursue any claims that he or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company
- 5 The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that Costas Morfakis and/or Michaela Heeley be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them
- 6 The Administrator shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration

APPENDIX B

ESTIMATED STATEMENT OF AFFAIRS AS AT 27 FEBRUARY 2012

Assets not specifically pledged	Notes	In Administration (£)
Equipment	1	1,000 00
Contracts & Work in Progress	1	10,000 00
Goodwill & Intellectual Property	1	20,500 00
Vehicles	1	8,500 00
Debts	1	<u>20,065 80</u>
		<u>60,065 80</u>
Preferential Creditors	2	<u>Nil</u>
Net property available for prescribed part		60,065 80
Total prescribed part fund available	3	Nil
Available for floating charge creditor		60,065 80
Floating Charge Holder	4	<u>Nil</u>
Surplus as regards floating charge holder		60,065 80
Add back prescribed part		<u>Nil</u>
Available for unsecured creditors		60,065 80
Unsecured creditors		
Trade & Expense Creditors	5	(191,062 05)
H M Revenue & Customs - VAT	6	(192,401 21)
H M Revenue & Customs - PAYE & NIC	7	(45,665 56)
H M Revenue & Customs - Corporation Tax	8	<u>(28,251 99)</u>
Total value of unsecured claims		<u>(457,380 80)</u>
Estimated deficiency as regards unsecured creditors		<u>(397,315)</u>

NOTES TO THE ESTIMATED STATEMENT OF AFFAIRS / ESTIMATED FINANCIAL POSITION

No provision has been made for the costs and expenses of the administration

1. The assets of the Company have been sold to Airedale ES Limited for £60,065 80 Full details of the sale can be found at paragraph 5 1 of my Proposals
- 2 There are no preferential creditors of the Company
3. As there are no amounts outstanding to secured creditors there is no requirement to set aside a prescribed part in this case
- 4 There are no floating charge creditors
- 5 The figures for the trade and expense creditors have been provided by the director and are not agreed amounts
- 6 According to the director the Company owes £192,401 21 in respect of VAT
- 7 According to the director the Company owes £45,665 56 in respect of PAYE and National Insurance Contributions
- 8 The Company owes £28,251 99 in respect of Corporation Tax

Axiom Recovery LLP
Airedale Environmental Services Limited
B - Company Creditors

Key	Name	Address	£
CA00	AMP Air Conditioning Limited	Blenheim House, Blenheim Court, Brownfields, Welwyn Garden City, Herts, AL7 1AD	44,947 40
CA01	A-Plant Hire Co Limited	102 Dalton Avenue, Birchwood Park, Birchwood, Warrington, WA3 6YT	2,826 65
CC01	Christopher James General Contr	Office 20, Bradford Chamber Business Park, Bradford, West Yorkshire, BD4 4BX	95 04
CC02	Clearwater Technology Limited	Minster Court, Tuscam Way, Camberley, Surrey, GU15 3YY	730 00
CC03	Cubicle Centre	Smith House, PO Box 50, Feltham, Middlesex, TW12 7QD	4,889 20
CD00	Dakin Air Conditioning Limited	The Heights, Brooklands, Weybridge, Surrey, KT13 0NY	29,407 95
CF00	Fridge Spares Wholesale Limited	Delta House, Fairway, Bridgton, Cannock, WS11 0DJ	15,094 83
CG00	GJS Transport & Logistics	Regus House, Victory Way, Crossways Business Park, Dartford, Kent, DA2 6QD	336 00
CH00	HM Revenue & Customs - VAT	Insolvency Operations, 3rd Floor, Queens Dock, LIVERPOOL L74 4AA	192,401 21
CH01	HMRC CT	3rd Floor North, South West Wing, Bush House, Strand, London, WC2B 4RD	28,251 99
CI02	HM Revenue & Customs - PAYE/NIC	Insolvency Department, Durrington Bridge Hse, Barrington Road, WORTHING, West Sussex BN12 4SE	45,665 56
CJ00	JDS Duckworth Installations	29 Moorside Vale, Drighlington, BD11 1DW	12,074 00
CL00	LINDAB - Fans & Grilles Limited	10 Woodall Road, Redburn Industrial Estate, Enfield, Middlesex, EN3 4LE	5,027 33
CR00	Ruskin Air Management Limited	Stourbridge Road, Bridgnorth, Shropshire, WV15 5BB	689 96
CR01	RW Electronics	85 Malthouse Lane, Earlswood, Solihull, B94 5RZ	17,112 00
CR02	Ryder Building Services Limited	17 Byedaes, Bempton, Bridlington, East Yorkshire, YO15 1JW	33,540 00
CS00	Systemair Fans & Spares Limited	Head Office, Cheston Road, Birmingham, B7 5EJ	2,175 11
CS01	Sentient	49 - 51 Pegholme, Wharfedale Business Centre, Ilkley Road, Otley, LS21 3JP	4,841 68
CT00	Towergate Risk Solutions	5 Airport West, Lancaster Way, Leeds, LS19 7ZA	16,108 07
CV00	Ventilation Centre	8 Downgate Drive, Sheffield, S4 8BT	1,166 83
20 Entries Totalling			457,380.81

Signature _____

APPENDIX C

**SUMMARY OF ADMINISTRATOR'S RECEIPTS AND PAYMENTS FROM
27 FEBRUARY 2012 TO 16 APRIL 2012**

	Statement of Affairs £	Received to date £
RECEIPTS		
Equipment	1,000	Nil
Contracts & Work in Progress	10,000	2,000
Goodwill & Intellectual Property	20,500	Nil
Vehicles	8,500	Nil
Debts	20,065 80	Nil
		<u>2,000</u>
PAYMENTS		Nil
		<u>Nil</u>
BALANCE IN HAND - FUNDS HELD BY SOLICITOR		<u>2,000</u>

APPENDIX D

**INFORMATION IN RELATION TO THE PRE-PACKAGED SALE
OF THE BUSINESS AND ASSETS IN ACCORDANCE WITH
THE PROVISIONS OF STATEMENT OF INSOLVENCY PRACTICE 16**

Below is information in relation to the pre-packaged sale of the Company's business and assets which the Administrator is required to disclose in accordance with the requirements of Statement of Insolvency Practice 16

In this case, it was considered that a pre-packaged sale was necessary in order to maximise asset realisations and to ensure the continuity of the business thereby, protecting debtor realisations, which should result in a better outcome for the Company's creditors

Background

The Company was incorporated in 1993 and began trading in early 1994. The Company traded as a provider and installer of refrigeration and air conditioning units in both the retail and commercial sectors. The Company also designed and constructed air conditioning systems for all types of rooms including conservatories, offices, computer rooms and clean-rooms.

The Company carried out work throughout the UK. Having traded since 1994 the Company was well known in the local area and had a good reputation with the air conditioning industry. The Company's retail clients have included Virgin Megastores, Laura Ashley, The Disney Store, Holiday Inn, Tate & Lyle Sugars and Spec Savers.

The Company initially traded profitably but began to struggle during 2009 as a result of a number of bad debts. Consequently in January 2010 the director sought professional advice from Ideal Corporate Solutions Limited. In an attempt to resolve the Company's financial problem, the director took the decision to place the Company into a Company Voluntary Arrangement ("CVA"). The Company entered a CVA on 8 January 2010.

The terms of the CVA proposal provided that the Company would make monthly contributions of £3,000 per month for a period of five years. The Company made contributions of £30,010 into the CVA. Towards the middle of 2011 the Company fell behind with its contributions into the CVA. This was a result of a difficult trading time and the Company not being paid in full on a significant project. In falling behind with its contributions, the Company was in breach of the terms of the CVA. The CVA Supervisor gave the Company a period of time within which to remedy the breach and make payment of the arrears of the contributions. The Company was unable to do so and consequently the CVA was terminated by the Supervisor on 1 September 2011.

Since the failure of the CVA the Company continued to trade by carrying out maintenance and support work for existing customers. At the start of this year the Company commenced work on a project at Leeds University to assist in the refurbishment of the University's conference rooms. The Company also had several potential contracts and future projects which it was in the process of tendering for. The director anticipated that if successful in its tenders the Company could have generated £25,000 profit from these potential contracts.

The Company had eight full time employees who were employed on a fulltime basis. However the employees were working reduced hours and when required.

At the time of the failure of the CVA the Company had an outstanding liability to H M Revenue & Customs ("HMRC") of £14,406.97 for post CVA liabilities. As a result of this debt, HMRC issued a winding up petition which was due to be heard on 5 September 2011. This petition was dismissed on 14 November 2011 as the Company had made strenuous efforts to settle the amount claimed. The Company attempted to enter into a payment plan with HMRC, however HMRC was not prepared to consent to this course of action. The director attended the hearing of the petition and the Court agreed that as the Company had paid a substantial amount it should be given the opportunity to try again to negotiate a payment plan for the balance.

HMRC would not agree to a payment plan to reduce the liability to them and subsequently presented a further winding up petition against the Company on 6 December 2011

Source of Administrator's initial introduction

The Administrator was introduced to the Company by an employee of Axiom Recovery LLP

The director of the Company met with Andy Johnson of Axiom Recovery LLP on 13 January 2012. From the information given by the director at that meeting, it was evident that the Company was insolvent on a cash flow basis, pursuant to s123 of the Insolvency Act 1986, as it was unable to pay its debts as and when they fell due. The Company had also been presented with a winding up petition against it by HMRC. The director was advised that immediate steps should be taken to place the Company into administration.

Extent of Administrator's involvement prior to appointment

The Administrator has had no prior involvement with the Company or its director prior to their initial introduction on 13 January 2012.

After this date, MGR Appraisals ("MGR"), independent valuers were instructed to undertake a valuation of the business and its assets.

The Administrator does not believe that there is any significant personal or professional relationship between the Company or its director and the Administrator or Axiom Recovery LLP and confirm that the appropriate conflict review has been carried out.

Marketing activities conducted by Company and / or the proposed Administrator

It is understood that the director did not market the business for sale.

The Administrator considered it to be inappropriate to openly market the business for the following reasons:

1. It became apparent that no funding was available to trade the Company in Administration to allow for marketing to take place.
2. If the business and assets were marketed there would have been a high risk of the value in the assets depreciating, particularly in respect of goodwill. A pre-pack has therefore preserved the value of the assets.

Valuations obtained

The business and tangible assets of the Company were valued by independent agents MGR. An offer of £60,065.80 for the business and assets of the Company was received and on the advice of MGR the offer was accepted.

The Administrator is satisfied that a sale of the Company's assets on a pre-packaged basis will result in the best outcome for creditors in the circumstances. The following table demonstrates the comparative outcome:

	<u>In Situ (£)</u>	<u>Ex Situ (£)</u>	<u>Anticipated realisations (£)</u>
Office Furniture & Equipment	1,000	500	1,000
Vehicles (Owned)	3,200	2,000	3,500
Vehicles (Subject to Hire Purchase)	5,000	4,000	5,000

Goodwill & IPR	25,000	Nil	20,500
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In addition, the Company had an outstanding debtor ledger of £40,131 59 of which £20,065 80 is recoverable in the Administration MGR also indicated that it would not be unreasonable to realise £10,000 for the work in progress in the Administration

Alternative courses of action considered by the proposed Administrator

- Administrative Receivership

There are no secured creditors of the Company

- Liquidation

The Company was subject to a winding up petition and the director could have allowed the Company to go into compulsory liquidation or alternatively the director could have taken steps to place the Company into voluntary liquidation. These options would have resulted in the termination of employment contracts and would have been detrimental to the preservation of any goodwill. Liquidation, would also have had an impact on the recoverability of the Company's book debt ledger

- Company Voluntary Arrangement ("CVA")

In order for a CVA to be viable, the Company would have required an injection of funds and the support of its creditors. The Company had previously been subject to a CVA and had been unable to maintain the payments due under it. As a result of the Company's financial problems it would have been highly unlikely that it would have been able to meet the commitments of another CVA and because of the failure of the previous CVA, it would have been unlikely that the creditors would have approved another CVA proposal. A CVA was therefore not capable of implementation and approval

- Administration

Administration has prevented creditor enforcement action enabling a better realisation of assets including debtors, office furniture and equipment and goodwill. The Company's liabilities have also been mitigated as a going concern sale has preserved the employment contracts of the eight employees

Why it was not appropriate to trade the business and offer it for sale as a going concern during the Administration

It was considered that trading following the appointment of the Administrator would not have been profitable, particularly after the Administrator's fees and other costs had been considered. It was likely that trading would have reduced the net realisations available to creditors

In addition it was likely that funding to enable trading to continue would only have been given on the provision of a personal guarantee by the Administrator. In the circumstances, this was considered to be an unacceptable risk

Requests made to potential funders to fund working capital requirements

In light of the above, no requests for funding were made to finance trading the Company in administration

Efforts made to consult with major creditors

No creditors were consulted regarding the pre-packaged sale

Identity of the Proposed Purchaser and the date of the transaction

The purchaser of the business is Airedale ES Limited ("the Purchaser") The sale completed on 4 April 2012 with the effective date of transfer the date of the Administrator's appointment

Details of the assets involved and the nature of the transaction

The Purchaser has acquired all of the owned assets of the Company The consideration of £60,065 80 is apportioned as follows

Asset	Consideration (£)
Debtors	20,065 80
Vehicles (owned)	3,500
Vehicles (subject to hire purchase)	5,000
Work In Progress	10,000
Goodwill, Intellectual Property Rights	20,500
Office Furniture & Equipment	1,000
Total	<u>60,065 80</u>

Consideration to be paid, terms of payment and any condition of the contract that could materially affect the consideration

The consideration for the sale of the business and assets is £60,065 80 A further £2,500 will be paid as a contribution towards costs The sum of £2,000 was paid on completion and a further £5,065 80 together with the contribution towards legal costs will be paid within 10 days of completion The balance of the consideration will be paid by way of seven monthly instalments of £7,500 A personal guarantee has been obtained in the event that the Proposed Purchaser defaults on the payments

Names of directors (or former directors) who are involved in the management or ownership of the purchaser, or of any other entity into which any of the assets are transferred

Philip Ayres is a director and shareholder of the Company and is also a shareholder of the Purchaser

Detail whether the directors had given guarantees for amounts due from the company to a prior financier.

The director has not given any personal guarantees to the creditors of the Company

Options, buy-back arrangements or similar conditions attached to the contract of sale

There are no contract options or buy-back arrangements in place concerning the sale of the Company's assets to the Purchaser Additionally there are no related transactions to the sale outlined above

SUMMARY OF ADMINISTRATOR'S PRE APPOINTMENT TIME COSTS

Time Entry - SIP9 Time & Cost Summary

A0819 - Airedale Environmental Services Limited
 Project Code PRE
 From 01/01/2012 To 26/02/2012

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	12.00	0.00	0.00	12.80	24.80	7,689.00	310.04
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	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
Realisation of Assets	2.50	0.00	0.00	0.00	2.50	1,075.00	430.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	14.50	0.00	0.00	12.80	27.30	8,764.00	321.03
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

APPENDIX F

SUMMARY OF ADMINISTRATOR'S TIME COSTS FROM 27 FEBRUARY 2012

Time Entry - SIP9 Time & Cost Summary

A0819 - Airedale Environmental Services Limited
Project Code POST
From 27/02/2012 To 16/04/2012

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	5.30	0.10	0.00	15.00	20.40	5,672.00	278.04
Case Specific Matters	0.30	0.00	0.00	0.20	0.50	166.00	332.00
Creditors	1.60	0.00	0.00	2.20	3.80	1,114.00	293.16
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	12.70	0.00	0.00	7.50	20.20	7,005.00	346.78
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	19.90	0.10	0.00	24.90	44.90	13,957.00	310.85
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

AXIOM RECOVERY CHARGE OUT RATES

AXIOM RECOVERY LLP HOURLY CHARGE OUT RATES

AS AT 6TH DECEMBER 2011

(A)	PARTNER	£400 - £500 PER HOUR
(B)	MANAGER	£250 - £400 PER HOUR
(C)	SENIOR PROFESSIONALS	£200 - £250 PER HOUR
(D)	ASSISTANT AND SUPPORT STAFF	£ 80 - £200 PER HOUR

FORM 2 20B – NOTICE OF A MEETING OF CREDITORS BY CORRESPONDENCE

Notice of a meeting of creditors

Name of Company Airedale Environmental Services Limited	Company number 02869912
In the High Court of Justice Chancery Division Birmingham District Registry <small>[full name of court]</small>	Court case number 8066 of 2012

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

Notice is hereby given by (a) Costas Morfakis of Axiom Recovery LLP, Suite 2 – 1st Floor, Turnpike Gate House, Birmingham Road, Alcester, B49 5JG

(b) Insert full name and address of registered office of the company

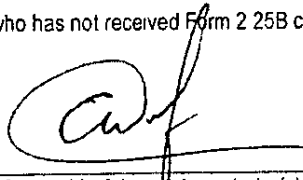
that, under paragraph 58 of Schedule B1 of the Insolvency Act 1986 and Rule 2 48 of the Insolvency Rules 1986, the business of an Initial Creditors' Meeting of (b) Airedale Environmental Services Limited c/o Suite 2 – 1st Floor, Turnpike Gate House Birmingham Road, Alcester, B49 5JG will be conducted by correspondence

The resolutions to be considered include resolutions specifying the bases upon which the Administrators remuneration and disbursements are to be calculated, requesting that unpaid pre-administration costs may be paid as an expense of the Administration, and specifying the date upon which the Administrators are discharged from liability in respect of any action of theirs as Administrators

The closing date for receipt of Forms 2 25B by the Administrator is 3 May 2012 The form must be accompanied by a statement of claim, if one has not already been lodged, and sent to the Administrator's office

Any creditor who has not received Form 2 25B can obtain one from the Administrator's office

Signed


Costas Morfakis - Administrator(s)

Dated

16 April 2012

* Delete as applicable

A copy of the *proposals / revised proposals is attached

FORM 2.25B – NOTICE OF CONDUCT OF BUSINESS BY CORRESPONDENCE

Notice of conduct of business by correspondence

Name of Company Airedale Environmental Services Limited	Company number 02869912
In the High Court of Justice Chancery Division Birmingham District Registry <small>(full name of court)</small>	Court case number 8066 of 2012

- (a) Insert full name(s) and address(es) of administrator(s)
 Notice is hereby given by (a) Costas Morfakis of Axiom Recovery LLP, Suite 2 – 1st Floor Turnpike Gate House,
Birmingham Road, Alcester, B49 5JG
- (b) Insert full name and address of registered office of the company
 to the creditors of (b) Airedale Environmental Services Limited, c/o Suite 2 – 1st Floor Turnpike Gate House
Birmingham Road, Alcester, B49 5JG
 that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are (c) Four
 resolutions for your consideration Please indicate below whether you are in favour or against each resolution
- (c) Insert number of resolutions enclosed
 This form must be received at (d) Axiom Recovery LLP Suite 2 – 1st Floor, Turnpike Gate House, Birmingham Road,
Alcester, B49 5JG
- (d) Insert address to which form is to be delivered
 by 12 00 hours on (e) 3 3 May 2012 in order to be counted It must be accompanied by
 details in writing of your claim Failure to do so will lead to your vote(s) being disregarded
- (e) Insert closing date

Resolution 1

The Administrator's Proposals are approved

I am *in Favour / Against

Resolution 2

Under Rule 2 106 of the Insolvency (Amendment) Rules 2010 and in the absence of a Creditors' Committee, the remuneration of the Administrator be fixed by reference to time properly spent by him and his staff in attending to matters arising from the Administration and the Administrator be authorised to draw remuneration as and when funds are available on account of his time costs

I am *in Favour / Against

Resolution 3

That unpaid pre-administration costs may be paid as an expense of the Administration

I am *in Favour / Against

Resolution 4

That the Administrator be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment ceasing to have effect

I am *in Favour / Against

If you require any further details or clarification prior to returning your votes, please contact me / us at the address above

Signed



Costas Morfakis
Administrator

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM

Name of creditor

Dated

16/4/12

Signature of creditor

Capacity

(if signing on behalf of creditor state capacity eg director /

secretary

STATEMENT OF CLAIM FORM

Date of administration order: 27 February 2012

Name of creditor.

Address of creditor

Gross amount of claim
(ie including VAT)

Amount of VAT

Details of any document by
reference to which the debt can
be substantiated
(eg invoices)

Particulars of how and when
debt incurred

Particulars of any security held,
the value of the security and the
date it was given.

Signature of creditor or person
authorised to act on his behalf

Name in BLOCK CAPITALS:

Position with or relation to
creditor.
