

# Liquidator's Progress **S.192**

## Report

**Pursuant to Sections 92A and 104A and 192  
of the Insolvency Act 1986**

To the Registrar of Companies

Company Number

02869912

Name of Company

Airedale Environmental Services Limited

I / We

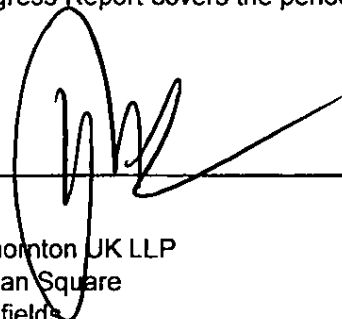
Kevin J Hellard  
30 Finsbury Square  
London  
EC2P 2YU

Stephen Hunt  
Tavistock House South  
Tavistock Square  
London  
WC1H 9LG

the liquidator(s) of the company attach a copy of my/our Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 23/07/2012 to 22/07/2013

Signed

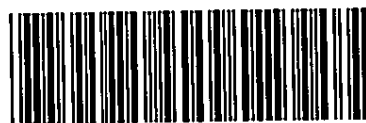


Date 12 August 2013

Grant Thornton UK LLP  
4 Hardman Square  
Spinningfields  
Manchester  
M3 3EB

Ref A00848/KJH/TPB/JZH/CES

TUESDAY



A14

\*A2EN94CR\*

13/08/2013

#162

COMPANIES HOUSE

Our Ref KJH/TPB/JZH//  
Your Ref

TO ALL KNOWN CREDITORS AND MEMBERS

Recovery and Reorganisation

Grant Thornton UK LLP  
4 Hardman Square  
Spinningfields  
Manchester M3 3EB

T +44 (0)161 953 6900  
F +44 (0)161 953 6901  
www.grant-thornton.co.uk

31 July 2013

Dear Sirs

**Airedale Environmental Services Limited - In Liquidation ("the Company")**

**1 Introduction**

- 1 1 I was appointed joint liquidator of the Company, together with Stephen Hunt of Griffins, by Order of the High Court of Justice on 8 March 2013 in place of Mr Costas Morfakis of Axiom Recovery LLP. Mr Morfakis was appointed as liquidator on 23 July 2012 and had previously been appointed administrator on 27 February 2012.
- 1 2 I now report on the progress of the liquidation in accordance with section 104A of the Insolvency Act 1986. I have also convened a meeting of creditors to be held at my offices at Grant Thornton UK LLP, 4 Hardman Square, Spinningfields, Manchester, M3 3EB on 11 September 2013 pursuant to Rule 4.54 of the Insolvency Rules 1986.
- 1 3 I now report for the period from 23 July 2012 to 22 July 2013 and attach
- Appendix A, a receipts and payments account for the period from 23 July 2012 to 22 July 2013,
  - Appendix B, a statement of the remuneration charged by the joint liquidators in the period to 22 July 2013 and a statement of expenses incurred in the period,
  - Appendix C, an analysis of time costs as required by Statement of Insolvency Practice 9,
  - Appendix D, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator (rule 4.49E),
  - Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive (rule 4.131).
- 1 4 I am authorised by The Insolvency Practitioners Association and Mr Hunt is licensed by the Institute of Chartered Accountants in England and Wales.

**2 Statutory information**

- 2 1 The company's statutory details are as follows

Registered number 02869912

Registered office

30 Finsbury Square, London, EC2P 2YU

### **3 Progress report**

#### **Assets**

- 3 1 In his final report to creditors in the administration, Mr Morfakis reported that he had sold the business and assets of the Company to Airedale ES Limited for £60,066. The sale completed on 4 April 2012 and the effective date of transfer was 27 February 2012. The sale consideration was allocated as follows:

Asset	Consideration £
Debtors	20,066
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
<b>Total</b>	<b>60,066</b>

- 3 2 Airedale ES Limited was a connected party in that Mr Philip Ayres was both a director and shareholder of the Company and of Airedale ES Limited. Mr Morfakis reported that he had accepted the offer of £60,066 on the advice of MGR Appraisals, independent valuers, who had valued the Company's business and assets.
- 3 3 £2,000 was payable on completion and a further £5,066 within 10 days of completion. The balance was payable in seven monthly instalments of £7,500 beginning on 30 April 2012. The agreement was personally guaranteed by Mr Ayres. Mr Morfakis reported that £12,066 had been received during the administration, as well as a contribution of £3,000 to legal costs.
- 3 4 Mr Morfakis transferred a balance of £2,480 from the administration to the liquidation and during his period in office as liquidator, a further £5,600 was received from the purchaser.
- 3 5 Following my appointment as joint liquidator the purchaser has made one payment of £1,500. There is currently a balance due under the sale agreement of £40,900 and I am continuing to seek payment from the purchaser and Mr Ayres as guarantor.

#### **Investigations**

- 3 6 I am currently carrying out investigations into the manner in which the Company traded pre-administration and the conduct of the previous administrator and liquidator.

### **4 Creditors and dividend prospects**

- 4 1 Three legal mortgages are registered against the Company in favour of HSBC Bank Plc. However, there is no evidence that there is any liability to HSBC Bank Plc.

- 4 2 In his previous report to creditors, Mr Morfakis stated that there were no preferential creditors and unsecured creditors' claims totalled £457,380
- 4 3 Between 8 January 2010 and 1 September 2011 the Company had been in a Company Voluntary Arrangement ("CVA") of which Mr Andrew Rosler of Ideal Corporate Solutions was Supervisor. The CVA was terminated because the Company did not pay the contributions due under the terms of the CVA. It appears that most of the creditors in the CVA were not shown as creditors by Mr Morfakis in the administration and liquidation.
- 4 4 The prospects of a dividend will be dependent on the outcome of my investigations.

## **5 Liquidator's remuneration and disbursements**

- 5 1 Office holders are obliged to provide creditors with information pertaining to fees and expenses drawn from the estate over which they are appointed.
- 5 2 At a meeting of creditors on 3 May 2012 in the administration, creditors passed a resolution that the remuneration of the administrator be fixed on a time costs basis. Under Rule 4 127(5A) of the Insolvency Rules 1986, this basis carries over into the liquidation. Mr Morfakis has drawn liquidator's fees of £7,000 against this resolution.
- 5 3 In accordance with Rule 4 131A of the Insolvency Rules 1986, a review of remuneration may take place where there is a material and substantial change in the circumstances which were taken into account when fixing it. Due to the circumstances of the change of liquidator, the creditors could not have envisaged the particular situation when agreeing the basis of the liquidator's remuneration. Accordingly, the liquidator may request a new resolution by convening a creditors meeting in accordance with Rule 4 54 of the IA1986. At the meeting creditors are able to approve the basis of the liquidator's remuneration, which I would ask to be on the basis of time costs.
- 5 4 I have therefore convened a meeting of creditors to be held at my offices at Grant Thornton UK LLP, 4 Hardman Square, Spinningfields, Manchester, M3 3EB on 11 September 2013 at 10 00 am.
- 5 5 In accordance with Statement of Insolvency Practice (SIP 9), I attach at Appendix C a summary of my time costs and those of Griffins, by grade of staff and the type of work. This shows total time costs for Grant Thornton UK LLP to 22 July 2013 of £13,745 represented by 56 hours at an average charge out rate of £245.33 per hour. Griffins have not charged any time to the case. Neither Mr Hunt nor I have drawn any remuneration to date. Time costs of £13,745 which have been incurred in the period but not drawn are disclosed in Appendix B.
- 5 6 I have not recovered time-recording information in respect of Mr Morfakis's period in office and so I am unable to provide the information required by SIP 9 in respect of his time costs.
- 5 7 No expenses have been drawn on account in the period. I have incurred expenses totalling £39 and Griffins have incurred expenses totalling £40 which are disclosed in Appendix B.

**6 Other expenses incurred by the liquidators**

- 6 1 I attach at Appendix B a statement of costs incurred and paid and costs accrued and not yet paid relating to matters in the liquidation

**7 Notice of meeting of creditors**


- 7 1 Notice is hereby given pursuant to Rule 4 54 of the Insolvency Rules 1986, that a meeting of creditors will be held at 10 00 am on 11 September 2013 at Grant Thornton UK LLP, 4 Hardman Square, Spinningfields, Manchester M3 3EB to consider the following resolution

"That the basis of the joint liquidators' remuneration be agreed by reference to the time properly given by the joint liquidators and their staff in attending to matters arising in the liquidation "

- 7 2 A creditor entitled to vote at the above meetings may appoint a proxy to attend in his place It is not necessary for the proxy to be a member or creditor of the Company in order to attend I enclose a proxy form to be returned to the offices of Grant Thornton UK LLP, 4 Hardman Square, Spinningfields, Manchester M3 3EB by not later than 12 noon on 10 September 2013

- 7 3 If further information or clarification is required regarding this report, please contact John Hall on 0161 953 6484 or email [john.hall@uk.gt.com](mailto:john.hall@uk.gt.com)

Yours faithfully  
for and on behalf of Airedale Environmental Services Limited

  
pp Kevin J Hellard  
Joint Liquidator

Enc

## A Abstract of the joint liquidators' receipts and payments

<b>Airedale Environmental Services Limited</b> <b>in Creditors' Voluntary Liquidation</b> <b>Liquidator's receipts and payments account</b>				
Receipts	Statement of Affairs	From 23/7/2012	From 9/3/13	
	Estimated to Realise	to 8/3/2013	to 22/7/13	Total
		Previous Liquidator	Current Liquidators	
		(£)	(£)	(£)
Equipment	1,000			-
Contracts & Work in Progress	10,000			-
Goodwill & Intellectual Property	20,500	5,600	1,500	7,100
Vehicles	8,500			-
Debts	20,066			-
Money from administration		2,480		2,480
Bank interest gross		1		1
	60,066	8,081	1,500	9,581
Payments				
Specific bond		45		45
Liquidator's fees		7,000		7,000
Statutory advertising		131		131
Agents/valuers fees		35		35
Unknown payment		870		870
		8,081	-	8,081
Balance				1,500
				9,581
The figures for the previous liquidator's period in office from 23 July 2012 to 8 March 2013 have not been verified				

## B Remuneration charged and expenses incurred by the joint liquidators in the period

	Paid in period of report	Charged/accrued in period but not yet paid	Total
Liquidators' fees			
Axiom Recovery LLP Time costs	£7,000	Unknown	£7,000
Grant Thornton UK LLP Time costs ( <i>or agreed basis</i> )	-	£13,743	£13,743
Expenses	-	£39	£39
Griffins Time costs ( <i>or agreed basis</i> )	-	£NIL	£NIL
Griffins Expenses	-	£40	£40
Total	£7,000	£13,822	£20,822

## C SIP 9 information

Grant Thornton UK LLP

Airedale Environmental Services Ltd - In Liqu - A30200848 - SIP 9 TIME COST ANALYSIS

Job(s) CVL

Transaction period 08/03/2013 to 22/07/2013

[Export version - standard](#)

[Export version - detail](#)

[Detailed Version](#)

Standard				Partner			Manager			Executive			Administrator			Total		
	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate
Administration and Planning	90	67.50	75.00	100	530.00	530.00	4.60	1555.50	338.15	2.82	686.20	243.33	2.05	344.95	168.27	1137	3184.15	280.05
Creditors																00	00	
Hiatus period																00	00	
Investigations							1.50	465.00	310.00	42.50	9913.00	233.25				44.00	10378.00	235.86
Realisation of Assets				05	29.00	580.00	10	3100	310.00	50	12100	242.00				.65	18100	278.46
Trading																00	00	
<b>Total</b>	<b>90</b>	<b>67.50</b>	<b>75.00</b>	<b>105</b>	<b>659.00</b>	<b>632.38</b>	<b>6.20</b>	<b>2,061.50</b>	<b>332.89</b>	<b>45.82</b>	<b>10,720.20</b>	<b>233.86</b>	<b>2.05</b>	<b>344.95</b>	<b>168.27</b>	<b>66.02</b>	<b>13,743.15</b>	<b>246.33</b>

Total fees billed to date (Time) £

The day to day conduct of the liquidation is under the control of partners and staff of Grant Thornton UK LLP. The routine administration of the case will be at the level of administrator, who is responsible to a manager is experienced in insolvency matters and, together with the appointed partner who is licensed to act as an insolvency practitioner will deal with technical complex matters as they arise. The extent to which time will be incurred by managers and partners will depend on issues which arise as our investigations continue. Details of the hourly rates are made available to creditors or creditor's committees at the time of fixing the basis of our fees. Personnel carrying the Treasury, secretarial and filing functions are charged separately to the professional staff on the case based on the time they work on it.

My charge out rates and those of Griffins are as follows -

Grant Thornton UK LLP	From 1/7/12	From 1/7/13
Grade	£/hour	£/hour
Partners	465-580	480-600
Directors	440-480	455-500
Managers	270-440	280-455
Other Senior Professionals	220-285	230-295
Administrator	150-210	155-220
Support Staff	140-165	145-170



<b>Griffins</b>	<b>From</b>
<b>Grade</b>	<b>1/10/12</b>
	<b>£/hour</b>
Partners	495-545
Managers/Senior investigators	325-380
Administrators/investigators	200-300
Junior Administrator/ junior investigators	145-190
Support staff	70-180

### **Disbursements**

Out of pocket expenses are charges at cost Mileage is charged at standard rates which comply with HM Revenue & Customs limits or AA recommended rates VAT is added to disbursement charges as necessary

## D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator

Rule 4 49E edited for application to a progress report in a creditors' voluntary liquidation

- (1) If
  - (a) within the period mentioned in paragraph (2)
    - (i) a secured creditor, or
    - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
  - (b) with the permission of the court upon an application made within the period mentioned in paragraph (2), any unsecured creditor makes a request in writing to the liquidator for further information about remuneration or expenses set out in the progress report, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of a matter which was previously included in a progress report
- (2) The period referred to in paragraph (1)(a) is 21 days of receipt of the progress report
- (3) The liquidator complies with this paragraph by either -
  - (a) providing all of the information asked for, or
  - (b) so far as the liquidator considers that
    - (i) the time or cost of preparation of the information would be excessive, or
    - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
    - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,
 giving reasons for not providing all of the information
- (4) Any creditor, who need not be the same as the creditor who requested further information, may apply to the court within 21 days of -
  - (a) the giving by the liquidator of reasons for not providing all of the information asked for, or
  - (b) the expiry of the 14 days provided for in paragraph (1),
 and the court may make such order as it thinks just
- (5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 4 131(1B) by such further period as the court thinks just

## E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive

### Rule 4 131

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application by a creditor may be made on the grounds that -
  - (a) the remuneration charged by the liquidator,
  - (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
  - (c) expenses incurred by the liquidator,
 is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice, but which is without notice to any other party  
If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders -
  - (a) an order reducing the amount of remuneration which the liquidator was entitled to charge
  - (b) an order fixing the basis of remuneration at a reduced rate or amount
  - (c) an order changing the basis of remuneration
  - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation
  - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify
 and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation

**Rule 8.1**

**IN THE MATTER OF  
AIREDALE ENVIRONMENTAL SERVICES LIMITED (THE  
COMPANY)  
AND  
IN THE MATTER OF THE INSOLVENCY ACT 1986**

**Notes to help completion of  
form**

Please give full name and address for  
communication

Name of creditor/member

Address

Please insert name of person (who  
must be 18 or over) or the "chairman  
of the meeting" (see note below) If  
you provide for alternative proxy-  
holders in the circumstances that your  
first choice is unable to attend please  
state name(s) of the alternatives as  
well

Name of proxy-holder

1

2

3

Please delete words in brackets if the  
proxy-holder is only to vote as  
directed i.e. he has no discretion

I appoint the above person to be my/the creditor's/member's proxy-holder at  
the meeting of creditors/members to be held on 11 September 2013 or at any  
adjournment of that meeting The proxy-holder is to propose or vote as  
instructed below and in respect of any resolution for which no specific  
instruction is given, may vote or abstain at his/her discretion

Any resolutions which the proxy-  
holder is to propose or vote in favour  
of or against should be set out in  
numbered paragraphs in the space  
provided. If more room is required  
please use the other side of this form

**Voting instructions for resolutions**

Resolution 1. "The basis of the liquidators' remuneration be  
agreed by reference to the time properly given by the liquidators  
and their staff in attending to matters arising in the liquidation "

Yes

☐

No

☐

**This form must be signed**

Signature

Date

Name in CAPITAL LETTERS

Only to be completed if the  
creditor/member has not signed in  
person

Position with creditor/member or relationship to creditor/member of other authority  
for signature

**Please note that if you nominate the chairman of the meeting to be your proxy-  
holder, he will be the liquidator or his representative.**

Remember there may be resolutions on the other side of this form

**PROOF OF DEBT - GENERAL FORM**

**In the matter of Airedale Environmental Services Limited  
and in the matter of The Insolvency Act 1986**

**Date of Liquidation 23 July 2012**

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show:  (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	
9	Particulars of how and when debt incurred	

10	Particulars of any security held, the value of the security, and the date it was given	
11	Particulars of any reservation of title claimed, including details of goods supplied, their value and when supplied	
12	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

Admitted to Vote for

£

Date

Liquidator

---

Admitted preferentially for

£

Date

Liquidator

---

Admitted non-preferentially for

£

Date

Liquidator

**NOTE:** A company goes into liquidation if it passes a resolution for voluntary winding up or an order for its winding up is made by the court at a time when it has not already gone into liquidation by passing such a resolution