

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

2869912

Name of Company

Airedale Environmental Services Ltd

I / We

Kevin J Hellard, 30 Finsbury Square, London, EC2P 2YU

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 23/07/2013 to 22/07/2014

Signed

Date

5/8/14

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

Ref A00848/KJH/JZH/KZE/CES



Our Ref KJH/JZH/KZE
Your Ref

TO ALL KNOWN CREDITORS AND MEMBERS

Recovery and Reorganisation

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5 August 2014

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. Please note that Mr Hunt resigned as joint liquidator on 27 November 2013.
- 1.2 I now report on the progress of the liquidation from 23 July 2013 to 22 July 2014 in accordance with section 104A of the Insolvency Act 1986 and attach
- Appendix A, a receipts and payments account for the period from 23 July 2013 to 22 July 2014,
 - Appendix B, a statement of the remuneration charged by the joint liquidators in the period to 22 July 2014 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).
- 1.3 I am authorised by The Insolvency Practitioners Association.

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

Sale of the Company's business and assets

- 3 1 As advised in my previous report, the Company's business and assets were sold to Airedale ES Limited ("the purchaser") for £60,066. The purchaser has made one payment of £1,500. The balance of £40,900 remains outstanding and I am continuing to seek payment from the purchaser and Mr Ayres, the director, as guarantor.

- 3 2 I have instructed Harrison Clarke Rickerbys Limited to assist me in recovering the balance. A judgement Order was made against the purchaser and Mr Ayres on 5 June 2014 for £49,336.60, to be paid at £750 per month. The first payment is due on 28 July 2014. I have instructed my solicitors to seek charging orders over properties registered in the name of Mr Ayres in order to secure the balance due.

4 Investigations

Bond claim

- 4 1 Insolvency practitioners are obliged to obtain an insurance policy when taking insolvency appointments up to the value of the assets within the estate, to cover any fraudulent or dishonest conduct of the officeholder.
- 4 2 A claim has been submitted against Mr Morfakis' insolvency bonding in relation to a possible sale of assets at an undervalue and fees drawn in the administration by Mr Morfakis. The surety has not yet reviewed the claim and it is not possible at present to estimate the likelihood or amount of any recoveries.
- 4 3 The claim also includes a request that the bondsman reimburse the current office holders for the duplication costs incurred in progressing the case and the costs of compilation and negotiation of the bond settlement itself. It is not possible at present to ascertain with any certainty what proportion, if any, of these costs will ultimately be agreed and therefore what proportion, if any, of these costs will fall to be paid through the estate.

5 Creditors and dividend prospects

- 5 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.
- 5 2 In his previous report to creditors, Mr Morfakis stated that there were no preferential creditors and unsecured creditors' claims totalled £457,380. To date, I have received unsecured creditors' claims totalling £463,878.
- 5 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.
- 5 4 The prospects of a dividend will be dependent on the outcome of my investigations.

6 Liquidator's remuneration and disbursements

- 6 1 Office holders are obliged to provide creditors with information pertaining to fees and expenses drawn from the estate over which they are appointed
- 6 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
- 6 3 At a meeting dated 11 September 2013 creditors approved
- "That the basis of the liquidators' remuneration be agreed by reference to the time properly given by the liquidator and their staff in attending to matters arising in the liquidation "
- 6 4 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 time costs for the period of this report, from 23 July to 22 July 2014, to be £13,173 represented by 43 25 hours at an average charge out rate of £305 per hour. Total time costs for the whole period of the liquidation is £27,808 represented by 102 57 hours and an average of £271 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 £27,808 which have been incurred in the period but not drawn are disclosed in Appendix B
- 6 5 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
- 6 6 No expenses have been drawn on account in the period. I have incurred expenses totalling £71 and Griffins have incurred expenses totalling £40 which are disclosed in Appendix B

7 Other expenses incurred by the liquidators

- 7 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 2 Harrison Clark Rickerbys have incurred time costs and disbursements of £6,277 and £1,115 respectively in the period of this report. The costs relate to assistance in recovering the deferred consideration for the sale for the Company's business and assets mentioned above

- 73 If further information or clarification is required regarding this report, please contact Kim Edwards on 0161 953 6490 or email kim.edwards@uk.gt.com

Yours faithfully

for and on behalf of Airedale Environmental Services Limited



pp Kevin J Hellard
Liquidator

Enc

A Abstract of the joint liquidators' receipts and payments

Airedale Environmental Services Limited in Creditors' Voluntary Liquidation Liquidator's receipts and payments account					
Receipts	Statement of Affairs	From 23/7/2012	From 9/3/13	From 23/7/13	
	Estimated to Realise	to 8/3/2013	to 22/7/13	to 22/7/2014	Total
		Previous	Current	Current	
		Liquidator	Liquidators	Liquidator	
		(£)	(£)	(£)	(£)
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
VAT refund				850	850
Bank interest gross		1		1	1
	60,066	8,081	1,500	851	10,431
Payments					
Specific bond		45	-	-	45
Liquidator's fees		7,000	-	-	7,000
Statutory advertising		131	-	85	216
Agents/valuers fees		35	-	-	35
Unknown payment		870	-	-	870
		8,081	-	85	8,166
Balance					2,265
					10,431
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	Cumulative charged/incurred to 22/7/2014
Liquidators' fees			
Grant Thornton UK LLP Time costs (<i>or agreed basis</i>)	NIL	£13,173	£27,808
Expenses	NIL	£71	£71
Gniffins Time costs (<i>or agreed basis</i>)	NIL	£NIL	£NIL
Gniffins Expenses	NIL	£40	£40
Legal fees and disbursements			
Harrison Clark Rickerbys fees	NIL	£6,277	£6,326
Harrison Clark Rickerbys disbursements	NIL	£1,115	£1,115
Total	NIL	£20,676	£35,360

C SIP 9 information

Grant Thornton UK LLP

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

Job(s) CVL

Transaction period 08/03/2013 to 22/07/2014

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	255	70'50	28137	3'0	1680'00	536'74	11'00	4'085'00	37136	17'10	4'435'80	259'40	6'29	925'25	147'10	40'07	11843'55	295'57
Creditors										40	102'00	255'00				40	102'00	255'00
Hiatus period																00	00	00
Investigation	10	28'00	280'00				8'40	2'835'00	337'50	52'85	12'618'00	242'08				6145	15'881'00	255'81
Realisation of Assets				05	28'00	560'00	10	3100	310'00	50	12'100	242'00				65	8'100	276'46
Trading																00	00	00
Total	286	746'50	28132	3'18	1,708'00	537'42	19'60	6'861'00	368'48	70'96	17'476'80	246'33	6'29	926'26	147'10	102'87	27'807'88	271'11

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

Job(s) CVL

Transaction period 23/07/2013 to 22/07/2014

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	255	70'50	28137	2'10	1'180'00	539'91	6'40	2'620'50	395'23	10'88	2'858'00	260'35	3'34	512'80	153'53	25'40	7'768'40	305'84
Creditors										40	102'00	255'00				40	102'00	255'00
Hiatus period																00	00	00
Investigations	10	28'00	280'00				6'90	2'370'00	343'48	10'45	2'905'00	277'89				17'45	5'303'00	303'90
Realisation of Assets																00	00	00
Trading																00	00	00
Total	286	746'50	28132	2'12	1,180'00	539'91	12'30	4'899'50	398'58	21'83	6'865'80	268'69	3'34	512'80	153'53	43'28	13'173'40	304'89

Narrative description of work carried out

Activity	Examples of work
Administration and planning	Case reviews and annual reports, administrative set up, dealing with practitioners' bank account Storage, filing, bonding, tax and VAT issues Correspondence with solicitors Dealing with company tax position Treasury statutory work
Investigations	Reviewing previous officeholders records Sending enquiry letters to various parties to establish company's trading position Reviewing bond claim position
Realisation of assets	Dealing with bank transfers, treasury duties
Creditors	Correspondence with creditors

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	From 1/7/14
Grade	£/hour	£/hour	£/hour
Partners	465-580	480-600	495-615
Directors	440-480	455-500	470-515
Managers	270-440	280-455	290-470
Other Senior Professionals	220-285	230-295	240-305
Administrator	150-210	155-220	160-230
Support Staff	140-165	145-170	150-175

Griffins	From 1/10/12
Grade	£/hour
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 charged 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

Liquidator's ref KJH/JZH/KZE/CES/A00848/7
Claimant's ref

Airedale Environmental Services Ltd - In Liquidation

Creditor's Claim Form

Name and address of creditor _____

Amount claimed in the liquidation £ _____

Particulars of any security held _____

Value of security £ _____

Signature _____

Name and position of signatory
(if not personally the creditor) _____

Telephone _____

E-mail _____

Date _____

Please provide appropriate documentation in support of your claim

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

Please return this form when you have completed it to

Kevin J Hellard
Grant Thornton UK LLP, 4 Hardman Square, Spinningfields, Manchester M3 3EB