

Liquidator's Progress Report

S.192

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

To the Registrar of Companies

Company Number

03663699

Name of Company

Ocean Air Distribution Limited

I / We
Barry David Lewis FCA FABRP
2 Mountview Court
310 Friern Barnet Lane
Whetstone
London
N20 0YZ

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 15/02/2012 to 14/02/2013

Signed

Date

04-04-2013

Harris Lipman LLP
2 Mountview Court
310 Friern Barnet Lane
Whetstone
London
N20 0YZ

Ref O3117/BDL/MXG

SATURDAY



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COMPANIES HOUSE

#271

Ocean Air Distribution Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments


Statement of Affairs		From 15/02/2012 To 14/02/2013	From 15/02/2011 To 14/02/2013
ASSET REALISATIONS			
200,000 00	Freehold Land & Property	NIL	NIL
400 00	Furniture & Equipment	NIL	NIL
2,000 00	Plant & Machinery	NIL	NIL
16,000 00	Motor Vehicles	NIL	26,050 00
1,000 00	Stock/WIP	NIL	NIL
79,604 86	Book Debts	NIL	60,905 00
NIL	BEKC Limited - in liquidation	8,970 81	8,970 81
9,975 27	VAT Refund	NIL	NIL
10,852 95	Insurance claim	NIL	11,716 50
171,279 80	Cash at Bank	NIL	206,149 07
NIL	Goodwill & IPR	NIL	8,000 00
	Bank Interest Gross	23 01	23 01
	Sundry Refunds - Pitney Bowes	NIL	500 00
		<u>8,993 82</u>	<u>322,314 39</u>
COST OF REALISATIONS			
	DTI Cheque/BACS Fees	NIL	105 00
	Specific Bond	NIL	400 00
	Preparation of S of A	NIL	10,000 00
	Liquidators Fees	27,000 00	133,000 00
	Joint Administrators Fees	NIL	NIL
	Liquidators Expenses	NIL	120 00
	Tax preparation fees	NIL	200 00
	Agents Commission	NIL	3,405 00
	Agents/Valuers Fees	NIL	8,160 00
	Agents Disbursements	NIL	897 50
	Debt Collection Costs	NIL	5,967 50
	Delivery charges	NIL	260 00
	Statutory Advertising	NIL	314 31
	Insurance of Assets	NIL	3,299 78
		<u>(27,000 00)</u>	<u>(166,129 09)</u>
PREFERENTIAL CREDITORS			
	HM Revenue and Customs - TAX & NI	NIL	1,508 95
	Redundancy Payments Office	NIL	5,982 30
Uncertain	Employees Claims	NIL	4,294 80
		<u>NIL</u>	<u>(11,786 05)</u>
UNSECURED CREDITORS			
(978,793 88)	Trade & Expense Creditors	93,525 20	93,525 20
Uncertain	Employees	254 10	254 10
	Redundancy Payments Office	3,304 42	3,304 42
(32,504 32)	HM Revenue and Customs - PAYE &	2,916 28	2,916 28
(45,468 32)	HP Unsecured Claims	NIL	NIL
(39,322 62)	Warranty Provisions	NIL	NIL
		<u>(100,000 00)</u>	<u>(100,000 00)</u>
DISTRIBUTIONS			
(100,000 00)	100,000 £1 ordinary shares	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(704,976 26)		<u>(118,006 18)</u>	<u>44,399 25</u>

VAT Receivable
Brown Shipley - Floating Account

1,100 00

43,299 25

44,399 25



Barry David Lewis FCA FABRP
Liquidator

our ref BDL/MXG/BSS/O3117

your ref

date 4 April 2013

please reply to Matthew Galloway

**HARRIS
LIPMAN**

TO ALL MEMBERS AND CREDITORS

2 Mountview Court
310 Friern Barnet Lane
Whetstone London N20 0YZ
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e-mail mail@harris-lipman.co.uk
website www.harris-lipman.co.uk

Dear Sirs

OCEAN AIR DISTRIBUTION LIMITED - IN LIQUIDATION (the "Company")

This is the Liquidator's second annual progress report ("the report") for the year ended 14 February 2013

1. Statutory information

The Company's registered name is Ocean Air Distribution Limited and traded as distributor and provider of air condition units and ancillary services

The Company was incorporated on 6 November 1998 under company number 03663699

The registered office of the Company was formerly Unit 3, Burns Way, Holmbush, Potteries Estate, Faygate, Horsham, West Sussex and was changed on 4 February 2011 to 2 Mountview Court, 310 Friern Barnet Lane, Whetstone, London, N20 0YZ for the purposes of the Liquidation

I, Barry David Lewis FCA FABRP of Harris Lipman LLP, 2 Mountview Court, 310 Friern Barnet Lane, Whetstone, London, N20 0YZ was appointed Liquidator of the above-named Company by a resolution of the members of the Company on 15 February 2011

There have been no changes of Liquidator in the period to which this report relates

2. Liquidator's progress during the period of this report

During the period under review there has been only one receipt in respect of BEKC Ltd, which is discussed further below

Administrative matters

The largest single debtor, BEKC Ltd entered into liquidation shortly prior to the liquidation of Ocean Air Distribution Ltd and was effectively written off. However, it was ascertained that there was an action to be undertaken

against the beneficial owners of BEKC Ltd and during the year under review I have received the benefit of a first and final dividend paid to the unsecured creditors in respect of that matter

Please advise me as soon as possible if you are aware of any other assets of the Company that have not been referred to above or previously

Investigative matters

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation

The Company's books and records have been recovered, listed and analysed, it transpired that there was an action to be undertaken against the beneficial owners of BEKC Ltd for a breach of the Insolvency Act. After liaising with the liquidator of BEKC Ltd it was agreed that they would pursue the beneficial owners, a settlement was reached in respect of this matter and during the period under review I have received the amount of £8,970.81 in full and final settlement of this matter

In accordance with my statutory duties, a conduct report on the director has been submitted to the Insolvency Service pursuant to the Company Directors Disqualification Act 1986

If you are aware of any matters which you believe require my investigation, please advise me accordingly, in writing, providing as much detail as possible with regard to those matters. Any such contact will, of course, be kept confidential

General matters

In addition to the work undertaken to result in the asset realisations referred to above, throughout the period of my administration I have responded to the queries of creditors and noted creditor claims

As appropriate, I have liaised with the employees and the Redundancy Payments office with regard to employee matters

Specific tasks such as the agreement of creditor claims, VAT and tax issues, cashiering, statutory returns and insurance, have been allocated to team members who have specialist knowledge in the relevant areas

Additionally, I have complied with obligations imposed by statute and my regulatory body which include, but are not limited to, the submission of returns to Companies House, HM Revenue and Customs, insuring assets and specific penalty bonding

3. Abstract of the Liquidator's receipts and payments

I attach at Appendix 3 an abstract of my receipts and payments for the period of this report

Please note that all items detailed on the receipts and payments account are shown net of VAT as the Company was registered for VAT and the VAT can therefore be recovered for the benefit of the insolvent estate

4. Assets which remain to be realised

I have yet to realise a portion of the Company's outstanding book debts. However, the collection of the last remaining debtors would not be economical to pursue and in the circumstances I intend declare a second and final dividend to the unsecured creditors and to conclude my administration of this matter shortly thereafter.

5. Liquidator's remuneration

At the first meeting of creditors held on 15 February 2011, the creditors authorised the payment of a fee of £15,000 plus VAT and disbursements for assistance with the statement of affairs and producing and circulating the notices for meetings of members and creditors prior to my appointment. This fee was paid partly from first realisations with a portion personally paid by the director, Mr Stephen Shoubridge, the amount paid from realisations is shown in the enclosed receipts and payments account.

My remuneration was fixed by reference to the time properly spent by myself and my staff in attending to matters arising in the Liquidation at a meeting of creditors on 15 February 2011.

For creditor's information, the charge out value of time costs incurred during the period to which this report relates amounts to **£135,222.40** made up of **750.45** hours at an average charge out rate of approximately **£180.19** per hour.

This cost has primarily been incurred in the administration of the Liquidation and the investigation into the causes of failure of the business as well as the nature of the company's assets, full details of which are covered in section 2 above.

I attach at Appendix 1 a breakdown of the time costs between the grades of staff allocated to this case, which includes details of the current charge out rates of myself and my team who have been and will be dealing with the Liquidation.

You will note from the attached breakdown of time costs that I have recovered £133,000 in respect of my time costs to date.

A copy of "A Creditors' Guide to Liquidator's Fees", issued by the Association of Business Recovery Professionals, which sets out the basis of fixing the Liquidator's Remuneration, is available on our website at

<http://www.harris-lipman.co.uk/r3-insolvency-guides.htm>

You should then choose the appropriate creditor guide for the type of appointment after 6 April 2010.

Please let me know if you do not have access to the internet and would prefer a hard-copy of this guide

6. Liquidator's expenses

The payments made from the estate during the period of this progress report are largely self-explanatory

The following agents or professional advisors have been utilised in this matter

Professional Advisor	Nature of Work	Fee Arrangement
Southern Insolvency Group (UK) Ltd	Valuer/Auctioneer	Percentage of realisations/Fixed Fee & Disbursements
Abacus Accounting	Book Debt collection	Percentage of realisation
Abacus Accounting	Tax	Fixed fee
Debenhams Ottaway	Book debt collection	Percentage of realisations

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case

Below is a table which details what disbursements have been incurred and paid in the Liquidation

Nature of Expense	Paid (£)	Remains Outstanding (£)	Total Paid by the Liquidation (£)
Agents/Valuers Fees	897 50	Nil	897 50
Specific Penalty Bond	400 00	Nil	400 00
DTI cheque/BACS fees	105 00	Nil	500 00
Delivery charges	260.00	Nil	260 00
Statutory Advertising	313 31	Nil	313 31
Tax preparation fees	200 00	Nil	200 00
Insurance	3,299 78	Nil	3,299 78

A charge of £120 + VAT has been paid from the estate in respect of the cost of storing the Company's books & records, being a category 2 disbursement. I have also incurred expenses in respect of search fees of £20, statutory advertising of £75, which were borne by this firm due to lack of funds and which will be recharged to the estate in due course.

A statement with regard to my disbursements recovery policy is attached at Appendix 2

7. Return to creditors pursuant to Section 176A

The provisions of Section 176A of the Act require a calculation to be made of the prescribed part of the company's net property for distribution to unsecured creditors. The prescribed part must be calculated and provided for where debentures of the company have been created after 15th September 2003.

In dealing with realisations under the prescribed part, I am entitled to take into account the claims of the preferential creditors and the costs and expenses associated in dealing with the prescribed part

The company's net property comprises floating charge realisations less preferential claims and the costs of dealing with the prescribed part

Although the Company's bank did have a relevant floating charge, their account was settled prior to liquidation and therefore, the provisions of Section 176A do not apply in this matter

8. Outcome for creditors

I have received and admitted a claim from the Redundancy Payments Service in respect of payments made to former employees of the company, in the sum of £6,137 87 preferential and £34,243 91 non-preferential

There are additional claims of £5,803 75 preferential and £2,633.32 non-preferential in relation to claims of former members of staff which have been calculated to rank for dividend, these being over and above the statutory maximum limited paid by the Redundancy Payments Office under current legislation

I have received claims in respect of PAYE, NI, Corporation Tax and VAT totalling £65,594 66 to rank for dividend. However, I have applied set off to a portion of this amount under Rule 4 90 Insolvency Rules as a result of the VAT refund due to the Company

Trade and Expense creditor claims agreed to date total £969,208 64 against total creditors' claims shown on the Company's statement of affairs of £978,793 88. There are, therefore, creditors of approximately £9,585 24 yet to prove their claims

I can advise that preferential creditors have received a dividend of 100 pence in the pound on their claims in this matter

During the period under review I declared and paid a first and interim dividend to the unsecured creditors, equivalent to approximately 10p in the £

I intend to declare a second and final dividend to the unsecured creditors, albeit at this stage I am unable to confirm the quantum or timing of such dividend. To that end I attach a proof of debt and would request that all creditors who have not done so now lodge their claims in respect of this matter

9. Creditors' right to information

A creditor may make a request for further information regarding my remuneration and expenses. Any such request must be in writing and should be made within 21 days of receipt of this report. Where the request is made by an unsecured creditor, it must be supported by at least 5% in value of the unsecured creditors, or with the permission of the Court

If the information requested is either prejudicial to my conduct of this case, might lead to violence against any person, may be confidential or the costs of preparing the requested information would be excessive, I may not be obliged to provide it

Any unsecured creditor may make an application to the Court in respect of any information provided following such a request, or my failure to provide same, after 14 days of my receipt of that request

Additionally, creditors may make an application to Court to challenge the amount or basis of my remuneration and expenses, which must be supported by at least 10% in value of the creditors, including the applicants claim. The application must be made with 8 weeks of receipt of this report. The costs of the application must also be paid the creditors making the application

Further details with regard to these provisions form part of the guidance notes relating to fees referred to previously

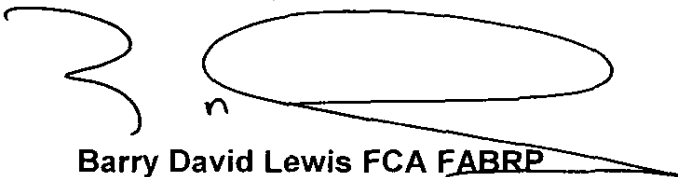
10. Next report

I am required to provide a further progress report within two months of the end of the next anniversary of the Liquidation. However, I would envisage that the case will be concluded prior to the next anniversary and thus a final report will supersede the annual report

The liquidation of the above Company will remain open until the second and final dividend to unsecured creditors has been declared and paid. Once this has been dealt with, the liquidation will be finalised and my files will be closed

Should you have any further queries in relation to the contents of this report, or with regard to other matters arising, please do not hesitate to contact me

Yours faithfully

A handwritten signature in black ink, appearing to read 'Barry David Lewis', is written over a large, empty oval shape. The signature is stylized with a large 'B' and a long horizontal stroke.

Barry David Lewis FCA FABRP

Licensed as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

Liquidator

APPENDIX I

TIME CHARGE OUT SUMMARY FOR THE PERIOD ENDED 15 02 2013

Classification of work function	HOURS					Total Hours	Time Costs	Average Hourly Rate
	Partner	Senior Manager	Manager	Senior	Semi-Senior			
Admin and Planning	11 10	10 60	0 00	143 00	2 80	239 30	40,440 90	169 00
Investigations	7 70	0 00	2 30	47 50	0 00	57 50	11,836 00	205 84
Realisation of Assets	44 10	0 00	0 00	263 20	0 00	308 60	65,759 50	213 09
Creditors	2 50	0 00	0 80	36 10	0 00	50 25	8,738 50	173 90
Support	0 00	0 00	0 00	0 00	56 80	94 80	8,447 50	89 11
Total Hours	65 40	10 60	3 10	489 80	59 60	750 45		
Total Costs	30,656 00	2,762 00	683 00	85,305 90	7,012 50		135,222 40	
Total Fees claimed (£)	0 00	0 00	0 00	0 00	0 00		0 00	

CHARGE OUT RATE OF INSOLVENCY TEAM MEMBERS 2012

	£ per hour
Partner	315-495
Senior Manager	295
Manager	250
Senior	200
Semi-Senior	150
Junior	100
Support Staff	50-100

CURRENT CHARGE OUT RATE OF INSOLVENCY TEAM MEMBERS

	£ per hour
Partner	350-525
Senior Manager	310
Manager	265
Senior	210
Semi-Senior	160
Junior	105
Support Staff	50-100

Note 1

There may have been a number of promotions through the various grades during the period of the administration

Note 2

It is the policy of this firm to account for secretarial staff as an overhead cost Overhead costs are reflected in the charge out rates detailed

Note 3

The charge-out rate of the Insolvency Practitioner for this assignment is currently £525 per hour, and the administrator is £210 per hour

Note 4

Time is recorded in minimum units of 6 minutes

APPENDIX 2

DISBURSEMENTS RECOVERY POLICY

Category 1 Disbursements

Specific expenditure relating to the administration of the insolvent estate and payable to an independent third party are recoverable without creditor approval. Such expenditure is made if funds are available from the insolvent estate. If funds are not available then payment is made from this firm's office account and reimbursed from the estate should funds become available.

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Typical items include statutory advertising, insurance of assets, search fees, specific penalty bonding, telephone calls, postage, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case.

All such disbursements such as, insurance of assets, search fees and specific penalty bonding will be paid initially by Harris Lipman LLP and will be recharged through the estate as and when funds are available.

All such disbursements that have been paid from the estate are shown on the enclosed summary of my receipts and payments.

Category 2 Disbursements

Expenditure incidental to the administration of the insolvent estate, which by its nature includes an element of shared or allocated cost is recoverable with creditor approval.

Payments in respect of the above are defined as 'Category 2 Disbursements'. They are as follows:

Storage at £40 per box per annum or part thereof plus VAT

Destruction at £3.50 per box plus VAT,

being the current rates applicable.

Professional advisors have been selected on the basis that they have the appropriate experience and qualifications to effectively deal with the issues arising in a case of this nature. Solicitors have been instructed on a time costs basis, and the agents have been instructed on the basis that they receive a percentage of realisations plus disbursements.

All disbursements are shown as net of VAT. As the company was registered for VAT purposes VAT can be recovered for the benefit of the insolvent estate.

Appendix 3
Ocean Air Distribution Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 15/02/2012 To 14/02/2013	From 15/02/2011 To 14/02/2013
ASSET REALISATIONS			
200,000 00	Freehold Land & Property	NIL	NIL
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COST OF REALISATIONS			
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(39,322 62)	Warranty Provisions	NIL	NIL
		<u>(100,000 00)</u>	<u>(100,000 00)</u>
DISTRIBUTIONS			
(100,000 00)	100,000 £1 ordinary shares	NIL	NIL
		<u>NIL</u>	<u>NIL</u>

(704,976 26)

(118,006 18)

44,399.25

REPRESENTED BY

VAT Receivable
Brown Shipley - Floating Account

1,100 00
43,299 25

44,399 25

Barry David Lewis FCA FABRP
Liquidator