

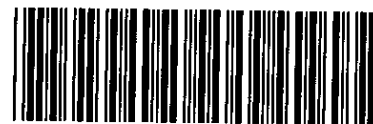
AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

THURSDAY



A22 *A863EYIH* 23/05/2019 #432
COMPANIES HOUSE

1 Company details

Company number 0 3 8 7 8 6 6 1
Company name in full AAC Air Conditioning and Refrigeration Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Court details

Court name High Court of Justice

Court case number 2 0 1 8 - 8 0 1 4 2 0 1 8

3 Administrator's name

Full forename(s) Andrew J

Surname Cordon

4 Administrator's address

Building name/number Church House

Street 13-15 Regent Street

Post town Nottingham

County/Region

Postcode N G 1 5 B S

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

5 Administrator's name ^①

Full forename(s)

Surname

① Other administrator

Use this section to tell us about another administrator.

6 Administrator's address ^②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other administrator

Use this section to tell us about another administrator.

7 Appointor/applicant's name

Give the name of the person who made the appointment or the administration application.

Full forename(s)

Surname

LLoyds Bank

plc

8 Proposed liquidator's name

Full forename(s)

Surname

Insolvency practitioner number

Andrew J

Cordon

0 0 9 6 8 7

9 Proposed liquidator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

Church House

13-15 Regent Street

Nottingham

N G 1 5 B S

AM22

Notice of move from administration to creditors' voluntary liquidation

10 Proposed liquidator's name¹

Full forename(s)

Surname

Insolvency practitioner
number**1 Other liquidator**Use this section to tell us about
another liquidator.**11 Proposed liquidator's address²**

Building name/number

Street

Post town

County/Region

Postcode

Country

2 Other liquidatorUse this section to tell us about
another liquidator.**12 Period of progress report**

From date

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To date

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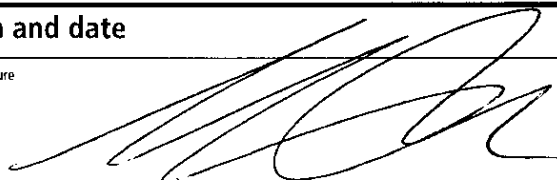
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13 Final progress report☒ I have attached a copy of the final progress report.**14 Sign and date**Administrator's
signature

Signature

X



X

Signature date

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y

0

y

1

y

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**Presenter information**

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

Contact name **Andrew J Cordon**

Company name **CFS Restructuring LLP**

Address **Church House**

13-15 Regent Street

Post town **Nottingham**

County/Region

Postcode **N G 1 5 B S**

Country

DX

Telephone **0115 838 7330**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

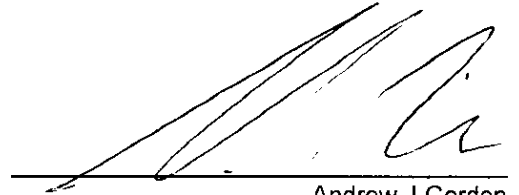
**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

AAC Air Conditioning and Refrigeration Limited
(In Administration)
Joint Administrator's Summary of Receipts & Payments

Statement of Affairs £		From 19/01/2018 To 20/05/2019 £	From 19/01/2018 To 20/05/2019 £
	SECURED ASSETS		
165,000.00	Freehold Land & Property	165,000.00	165,000.00
	Rent	1,546.29	1,546.29
		<u>166,546.29</u>	<u>166,546.29</u>
	COSTS OF REALISATION		
	Agents/Valuers Fees	1,210.00	1,210.00
		<u>(1,210.00)</u>	<u>(1,210.00)</u>
	SECURED CREDITORS		
(140,602.00)	Lloyds Bank plc	141,836.35	141,836.35
		<u>(141,836.35)</u>	<u>(141,836.35)</u>
	ASSET REALISATIONS		
	Bank Interest Gross	NIL	NIL
2,000.00	Book Debts	18,000.00	18,000.00
560.00	Furniture & Equipment	968.00	968.00
	Insurance Refund	112.00	112.00
1,052.00	Motor Vehicles	1,052.00	1,052.00
2,500.00	Plant & Machinery	3,415.00	3,415.00
2,650.00	Stock	2,620.00	2,620.00
41,970.00	Work in Progress	40,500.00	40,500.00
		<u>66,667.00</u>	<u>66,667.00</u>
	COST OF REALISATIONS		
	Agents/Valuers Fees (1)	500.00	500.00
	Bank Charges	69.28	69.28
	Document Upload	42.00	42.00
	Insurance of Assets	596.43	596.43
	Legal Fees (1)	13,319.64	13,319.64
	Office Holders Expenses	785.95	785.95
	Office Holders Fees	40,000.00	40,000.00
	Pre- Appointment Costs	15,770.00	15,770.00
	Professional Fees	7,000.00	7,000.00
	Specific Bond	276.00	276.00
	Statutory Advertising	81.45	81.45
	Storage Costs	223.00	223.00
		<u>(78,663.75)</u>	<u>(78,663.75)</u>
	UNSECURED CREDITORS		
(39,461.00)	Customs & Excise	NIL	NIL
(64,000.00)	Directors	NIL	NIL
(94,000.00)	Funding Circle	NIL	NIL
(65,913.00)	Inland Revenue	NIL	NIL
(659,936.00)	Trade & Expense Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(200.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(848,380.00)		11,503.19	11,503.19
	REPRESENTED BY		
	Bank 1 Current		8,033.59
	Vat Receivable		3,469.60
			<u>11,503.19</u>



Andrew J Cordon
Joint Administrator

No. 8014 of 2018

**AAC Air Conditioning and Refrigeration Limited
(In Administration)**

The Joint Administrators' Final Progress Report to 21 May 2019

Andrew J Cordon

Business Sustainability Limited

Church House, 13-15 Regent Street, Nottingham, NG1 5BS

0115 838 7330

info@business-sustainability.com

This report has been prepared for the sole purpose of updating the creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

Andrew J Cordon was appointed Administrator of AAC Air Conditioning and Refrigeration Limited on 19 January 2018. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

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Appendices

- I. Statutory Information and Definitions
 - I. Summary of the Joint Administrators' Proposals as Approved
 - II. The Joint Administrators' Receipts and Payments Account
 - III. Estimated Outcome Statement for the Liquidation
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 - V. Charge-out Rates and Bases of Disbursements
 - VI. Details of Work Undertaken
 - VII. Proof of Debt form
-

1. EXECUTIVE SUMMARY

This report describes the progress since the last progress report dated 4 March 2019 ("the review period") as well as summarising the progress of the Administration as a whole.

A summary of key information in this report is detailed below.

Asset realisations

Asset	Estimated to realise per Statement of Affairs	Realisations to date
Freehold Property	£165,000	£165,000
Plant & Machinery	£2,500	£3,415
Furniture & Equipment	£560	£968
Motor Vehicles	£1,052	£1,052
Stock	£2,650	£2,620
Work in Progress	£41,970	£40,500
Book Debts	£2,000	£18,000
Insurance Refund	-	£112

Expenses

Expense	Estimated per Proposal's Estimated Outcome Statement	Total expense incurred	Total expense paid
Joint Administrators' fees	£31,851	£40,000	£40,000
Solicitors' fees	£14,074	£13,320	£13,320
Agents' fees	£4,000	£1,710	£1,710
Statement of Affairs Fee	£6,000	£6,000	£6,000
Capital Gains Tax Computation	Nil	£1,000	£1,000
All other Expenses	£1,500	£2,084	£2,084

Dividends

Creditor class	Distribution / dividend paid in the Administration
Secured creditor	£141,836
Preferential creditors	N/A
Unsecured creditors	N/A

1.1 Outcome of the Administration

It had been envisaged that the second Administration objective would be achieved, namely that there would be a better result for creditors as a whole than would be likely if the Company were wound up (without first being in Administration). However, the third Administration objective, namely that property would be realised in order to make a distribution to one or more secured or preferential creditors, was achieved.

The Company is now being moved from Administration to Creditors' Voluntary Liquidation to enable a dividend to be paid to unsecured creditors. The Joint Liquidators will also continue to pursue the remaining assets and other matters described in this report. As noted in Appendix II, the Joint Administrators' approved Proposals included that, absent any alternative nomination, the Joint Administrators

would take the appointment as Joint Liquidators without further recourse to the creditors. There were no other nominations and therefore the Joint Administrators shall be appointed Joint Liquidators.

1. THE PROGRESS OF THE ADMINISTRATION

Attached at Appendix II is a receipts and payments account for the Review Period.

The rest of this report describes the key developments in the Administration over the Review Period. For a detailed list of work undertaken by the Joint Administrators as a whole, see Appendix V.

An estimated outcome statement is attached.

Given that Lloyds Bank plc recovered their indebtedness from the sale of the freehold property, the Administration estate, after successfully recovering some debtor monies, is holding a surplus of assets. As the assets do not form of part of the prescribed part, the Administration estate is unable to distribute these funds from direct from the administration estate and therefore to enable an exit from the Administration process, the Company is being placed into creditors voluntary liquidation as per the Administrators proposals. There are no further assets to realise other than the recovery of the VAT refund due to the Administration estate. After settlement of the agreed liquidation costs, there is likely to be a nominal distribution to the unsecured creditors in this matter. The appointed Liquidator will provide updates to the unsecured creditors in due course.

It was agreed that a set amount of £10,000 in settlement of the Liquidators fees would be paid in the event that the Company exits into Creditors' Voluntary Liquidation. Below is the estimate of expenses that was approved by the creditors in the Administrators proposals.

Expenses Category 1	Basis	Estimate of total
Advertising	Cost Basis	210
Bonding	Cost Basis	£80
Total		£290

Expenses Category 2	Basis	Estimate of total
Total		£nil

1.1 The Joint Administrators' final receipts and payments account

Attached at Appendix III is a receipts and payments account covering the period from 20 July 2018 to 21 May 2019 together with a summary of the transactions in the previous review period.

In this section, we have summarised the main asset realisations during the Review Period and in the Administration as a whole, together with details of the associated costs incurred. For a detailed list of work undertaken by the Joint Administrators as a whole, see Appendix VII.

1.2 Administration (including statutory reporting)

The Joint Administrators have met a considerable number of statutory and regulatory obligations. Whilst many of these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the administration, which has ensured that the Joint Administrators and their staff have carried out their work to high professional standards.

During the Review Period, primarily these tasks have included:

- Drafting and issuing the progress report to creditors;
- Considering which exit route from Administration is appropriate and drafting this final report;
- Liaising with Accountants concerning a possible Capital Gains Tax Liability on the sale of the freehold property;
- Consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
- Maintaining case files, which must include records to show and explain the administration and any decisions made by the Joint Administrators that materially affect the administration;
- Monitoring and maintaining an adequate statutory bond;
- Conducting periodic case reviews to ensure that the administration is progressing efficiently, effectively and in line with the statutory requirements;
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments; and
- Completing periodic tax returns.

1.3 Realisation of assets

Most of the Company's assets were included with the sale that was completed immediately upon our appointment to AAC Air Conditioning Limited. The freehold property and debtors were excluded from the sale and these were realised separately. Steve Cooper and Neil Cooper, who were directors of the insolvent Company, are directors and shareholders of AAC Air Conditioning Limited.

The freehold property was sold to Steve Cooper and Neil Cooper, both of whom were directors of the Company in Administration. The purchase price was £165,000 and was in accordance with the independent professional valuations sought. The agents concerned held appropriate professional indemnity insurance and were suitably qualified to provide the advice given. The sale completed on 23 August 2018.

1.4 Estimated future realisations

There are no anticipated future realisations.

1.5 Costs incurred but remaining unpaid

All costs incurred in the administration estate have now been settled.

1. CREDITORS: CLAIMS AND DISTRIBUTIONS

2.1 Secured creditors

The Company granted a fixed and floating charge to Lloyds Bank plc on 25 April 2002, who was owed £140,602 on appointment. The Joint Administrators' legal advisors, Gateley plc, have confirmed the validity of the charge and a first and final distribution has been made under its fixed charge.

2.2 Preferential creditors

Given the sale of the business and assets, there are no known preferential creditors.

2.3 Prescribed Part

The secured creditor's claim has been discharged in full from the sale of the freehold property and consequently there was no prescribed part in this Administration.

2.4 Unsecured creditors

Unsecured claims were estimated at £923,310 in the Director's Estimated Statement of Affairs. A dividend to unsecured creditors is expected and this will be paid by the Joint Liquidators.

2.5 Claims process

Due to the possible distribution to unsecured creditors, you are requested to submit claims to the address on the front of this report.

A Proof of Debt form is attached at Appendix VIII.

2. INVESTIGATIONS

3.1 Investigations

As part of the Joint Administrators' statutory duties, an investigation into the conduct of the Company Directors was completed.

In this regard, a confidential report was submitted to The Insolvency Service in accordance with the statutory requirements.

3.2 Initial Assessment of Potential Recoveries

As part of our duties as Joint Administrators, we reviewed shortly after appointment all the information available to us and conducted an initial assessment of whether there were any matters which may have led to any recoveries for the benefit of creditors.

We confirm that we did not identify any further assets or actions which would lead to a recovery for creditors.

2.1. THE JOINT ADMINISTRATORS' FEES AND EXPENSES

Pre-Administration Costs

Included within the Joint Administrators' Proposals was a Statement of Pre-Administration Costs.

These costs were approved as detailed below:

Party instructed	Amount approved (£)	Date approved
Business Sustainability Limited	£15,770	23/03/18
Gateley plc	£9,074	23/03/18
John Pye & Sons Ltd	£1,500	23/03/18

2.2. The Joint Administrators' Fees

The basis of the Joint Administrators' fees were fixed on 23 March 2018 following the agreement of the Administrators proposals as follows:

1. By reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rates used by CFS Restructuring LLP at the time when the work is performed;

A breakdown of the time costs incurred during the Review Period and for the Administration as a whole is provided at Appendix V and further information regarding the charge-out rates of the Joint Administrators and their staff is provided at Appendix VI.

"A Creditors' Guide to Administrators' Remuneration" is available for download at www.r3.org.uk/media/documents/publications/professional/Administration%20Creditor%20Fee%20Guide%20April%202017.pdf.

Should you require a paper copy, please send your request in writing to the Joint Administrators at the address on the front of this report and this will be provided to you at no cost.

2.3. Comparison of estimates

The Joint Administrators' time costs incurred to date (whether or not they have been charged to the Administration estate) are compared with the original fees estimate as follows:

	Original fees estimate			Actual time costs incurred during the Review Period			Actual time costs incurred to date		
Work category	Number of hours	Blended hourly rate £ per hour	Total fees £	Number of hours	Average hourly rate £ per hour	Total time costs £	Number of hours	Average hourly rate £ per hour	Total time costs £
Administration (including statutory reporting)	91	216.54	19,705	10.60	295.00	3,127	83.10	287.11	23,858.50
Realisation of assets	29	295.00	8,555	-	-	-	54.40	293.37	15,959.50
Creditors (claims and distribution)	24	180.42	4,330	-	-	-	8.10	295.00	2,389.50
Investigations	16	295.00	4,720	-	-	-	5.90	295.00	1,740.50

The expenses incurred to date are compared with the original expenses estimate as follows:

Expenses	Original expenses estimate £	Actual expenses incurred in the Review Period £	Actual expenses incurred to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Category 1 expenses				
Legal costs	11,574	Nil	13,320	Sale of freehold property taking longer than anticipated
Agents' Chattel Assets	1,500	500	500	
Agents Fees – Property	2,500	Nil	1,210	
Statement of Affairs Fee	6,000	Nil	6,000	
Advertising	150	Nil	81	
Capital Gain Tax Advice	Nil	1,000	1,000	Unforeseen expenditure arising following sale of freehold property
Insurance	1,000	Nil	596	
Bonding	275	Nil	276	
Storage Costs	250	Nil	223	
Website Document Access	50	Nil	42	
Category 2 expenses				
Mileage	250	64	355	
Photocopying	Nil	Nil	370	
Postage	Nil	Nil	60	

The bases on which the expenses defined as Category 2 disbursements are calculated are explained in Appendix IV.

As can be seen above:

- the original fees estimate has been exceeded; and
- the original expenses estimate has not been exceeded.

The Joint Administrators fees have exceeded the original estimate following the protracted sale of the freehold property taking significantly longer than anticipated.

2.4. Payment of the Joint Administrators' unpaid fees and costs

In accordance with the Insolvency Act 1986, all unpaid fees (subject to any approved fees estimate) and costs, as described in the sections above, are charged on and payable out of the Company's property. Thus, the Joint Liquidators will be responsible for discharging these sums from the assets and funds handed over to them by the Joint Administrators.

2.5. Creditors' right to request information

Any secured creditor, or unsecured creditor with the support of at least 5% in value of the unsecured creditors or with permission of the Court, may request in writing the Joint Administrators to provide additional information regarding fees or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report.

2.6. Creditors' right to challenge fees and/or expenses

Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the Court, may apply to the Court for one or more orders, reducing the amount or the basis of fees which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the fees and/or expenses being complained of.

Please note that such challenges may not disturb fees or expenses (whether or not discharged from the estate) disclosed in prior progress reports.

3. THE OUTCOME OF THE ADMINISTRATION

3.1. Comparison of the outcome with the Joint Administrators' Proposals

Attached at Appendix II is a summary of the Joint Administrators' Proposals as approved.

It had been envisaged that the second Administration objective would be achieved, namely that there would be a better result for creditors as a whole than would be likely if the Company were wound up (without first being in Administration). As described above, it can be seen that this Administration objective was achieved

The balance in the Joint Administrators' account of £8,033.59, together with control of a VAT refund as yet to be realised as described above, is being transferred to the Joint Liquidators. An Estimated Outcome Statement as at 18 January 2019 is attached at Appendix IV. This illustrates the anticipated outcome of the subsequent liquidation.

The Joint Administrators are now moving the Company from Administration to Creditors' Voluntary Liquidation to enable a dividend to be paid to unsecured creditors. The Joint Liquidators will also continue to pursue the remaining assets and other matters described in this report. As noted in Appendix II, the Joint Administrators' approved Proposals included that, absent any alternative nomination, the Joint Administrators would take the appointment as Joint Liquidators without further recourse to the creditors. There were no other nominations and therefore the Joint Administrators will be appointed Joint Liquidators.

If you require any further information, please contact this office.



Andrew J Cordon
Administrator

**AAC Air Conditioning and Refrigeration Limited
(IN ADMINISTRATION)**

STATUTORY INFORMATION

Company Name	AAC Air Conditioning and Refrigeration Limited
Previous Names	N/A
Proceedings	In Administration
Court	High Court of Justice
Court Reference	8014 of 2018
Date of Appointment	19 January 2018
Administrator	Andrew J Cordon Business Sustainability Limited Church House, 13-15 Regent Street, Nottingham, NG1 5BS
Registered office Address	Church House, 13-15 Regent Street, Nottingham, NG1 5BS
Company Number	03878661
Appointment by	Lloyds Bank plc
Changes in Office Holder	Richard A B Saville resigned as an office holder on 14 November 2018 as part of his retirement planning and him ceasing to act as an Insolvency Practitioner on 31 December 2018

DEFINITIONS

The Act	Insolvency Act 1986
The Rules	Insolvency Rules 1986 or Insolvency (England & Wales) Rules 2016 (whichever applied at the time of the event)
The Administrator	Andrew J Cordon Business Sustainability Limited
The Company	AAC Air Conditioning and Refrigeration Limited (in Administration)
The Court	
SIP	Statement of Insolvency Practice
Review Period	Period covered by the report from 20 July 2018 January 2019

**AAC Air Conditioning and Refrigeration Limited
(IN ADMINISTRATION)**

THE JOINT ADMINISTRATORS' PROPOSALS, AS APPROVED

**AAC Air Conditioning & Refrigeration Limited
In Administration**

THE JOINT ADMINISTRATORS' PROPOSAL

**Andrew J Cordon and Richard A B Saville
Joint Administrators**

Business Sustainability Limited

Church House, 13-15 Regent Street, Nottingham, NG1 5BS

0333 358 3506

info@business-sustainability.com

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- 2. Statement of Pre-Administration Costs**
- 3. The Joint Administrators' Fees**
- 4. The Joint Administrators' Expenses**
- 5. Proposed Work to be Undertaken**
- 6. Other Information to Support the Proposed Fees**
- 7. The Joint Administrators' Discharge**
- 8. Invitation to Form a Creditors' Committee**
- 9. Approval Process**

Appendices

- I. The Statement of Proposals**
- II. Breakdown of Pre-Administration Time Costs for Business Sustainability Limited**
- III. Charge-out Rates and Bases of Disbursements ("Business Sustainability Limited")**
- IV. Breakdown of the Joint Administrators' Time Costs from 19 January 2018 to 7 March 2018**
- V. Information to Support the Joint Administrators' Fee Proposal**
- VI. Notice of Decision Procedure / Voting Form / Proxy Form / Proof of Debt**
- VII. Notice Seeking Deemed Consent**
- VIII. Notice of Invitation to Form a Creditors' Committee**

1. Executive Summary

- 1.1** This Proposal incorporates the Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act attached at Appendix I.
- 1.2** The business was established in November 1999 and the principal activity of the Company was installation of commercial air conditioning, and traded from freehold premises at Lancaster Court, Lancaster Park, Newborough Road, Needwood, Burton on Trent, DE13 9PD. On 19 January 2018, Andrew J Cordon and Richard A B Saville of Business Sustainability Limited were appointed Joint Administrators of the Company by Lloyds Bank plc.
- 1.3** As explained in more detail in the Statement of Proposals, the Joint Administrators are currently pursuing the third statutory objective of realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.4** A summary of the current and anticipated future positions are detailed below.

Assets

Asset	Realisations to date	Anticipated future realisations	Total anticipated realisations
Work in Progress	28,500	13,470	41,970
Plant & Machinery	3,415	Nil	3,415
Fixtures & Fittings	968	Nil	968
Stock	2,620	Nil	2,620
Motor Vehicles	1,052	Nil	1,052
Debtors	Nil	Nil	Nil
Freehold Property	Nil	150,000	150,000

Expenses

Expense	Expense incurred to date	Anticipated further expense	Total anticipated expense
Joint Administrators' fees	Nil	29,981	29,981
Solicitors' fees	6,713	4,861	11,574
Agents' fees (chattel)	Nil	1,500	1,500
Agents' fees (property)	Nil	2,500	2,500
Statement of Affairs Fee	Nil	6,000	6,000
All other expenses	Nil	1,725	1,725

Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend
Secured creditor (fixed charge)	Nil	141,000
Secured creditor (floating charge)	Nil	Nil
Preferential creditors	N/A	N/A

Unsecured creditors	Nil	Nil
---------------------	-----	-----

- 1.5 The Statement of Proposals at Appendix I provides explanations of the events leading to the Administration and the progress of the Administration to date, as well as other statutory information.
- 1.6 This Proposal provides more detailed information on the work that the Joint Administrators anticipate they will undertake to complete the Administration together with their proposed basis of fees. To put this request into context, this Proposal provides further information on the Joint Administrators' costs to date, including the costs incurred prior to Administration. It also explains other matters for creditors' consideration, such as the proposed timing of the Joint Administrators' discharge on conclusion of the Administration.
- 1.7 Definitions of the terms used in this Proposal are provided in Appendix I together with all statutory information pertaining to the Company.

2. Statement of Pre-Administration Costs

- 2.1 Business Sustainability Limited incurred fees based on time costs incurred by the insolvency practitioners and their staff at their standard charge-out rates plus VAT and related expenses for the following tasks and matters that were considered to be necessary to placing AAC Air Conditioning & Refrigeration Limited into Administration.

Upon our first introduction to the Directors and the Company, it was clear that the Company was insolvent as a result of the issues that it had suffered on the three contracts that are referred to in the narrative of this report.

The various options available to the Company were discussed with the Directors and their financial advisors.

As part of the consideration of the options that were available to the Company, agents were instructed to provide a formal valuation of the Company's chattel assets. This detail was necessary to provide a comprehensive review of the options that were available.

Discussions were had with certain debtors and extensive negotiations were undertaken with several customers with a view to them agreeing to allow a novation of certain work in progress.

In addition, given the Company's financier, Lloyds Bank plc, has security over the Company's assets, continued dialogue with the Bank was provided to ensure the best outcome could be achieved.

With the novation of certain contracts, a sale of the business, thus preserving jobs and maintaining an occupancy at the property in the short term, has led to better realisations overall.

All this work was undertaken prior to appointment as it was necessary to provide the Directors with the options that were available to them and to ensure that a sale of the business and certain assets was achieved.

2.2 In conducting the above work, the following costs were incurred:

	£
Business Sustainability Limited time costs (see Appendix II)	15,770
Business Sustainability Limited disbursements	175
Chattel Agents' costs	1,500
Solicitors' costs	9,074

2.3 Attached at Appendix II is a breakdown of the time costs of the Joint Administrators and their staff incurred prior to Administration and included within Appendix III are Business Sustainability Limited charge-out rates and bases of disbursements.

2.4 All the above costs remain unpaid with exception of the solicitors who have received payment of £6,713 on account.

2.5 Consequently, the unpaid pre-Administration costs are as follows:

	£
Business Sustainability Limited time costs (see Appendix II)	15,770
Business Sustainability Limited disbursements	175
Agents' costs	1,500
Solicitors' costs	4,861

2.6 The payment of the unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Rules and is not part of the Statement of Proposals subject to approval under Paragraph 53 of Schedule B1 of the Act.

3. The Joint Administrators' Fees

3.1 The Joint Administrators propose to fix their fees on the following basis:

- (i) the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, such time to be charged at the prevailing standard hourly charge out rates used by Business Sustainability Limited at the time the work is performed (plus VAT);

3.2 Attached at Appendix IV is a breakdown of the time costs incurred in the Administration to 7 March 2018. The Statement of Proposals provides an account of the work undertaken to date and Appendix V provides a detailed list of work undertaken and proposed to be undertaken by the Joint Administrators and their staff.

3.3 The charge-out rates of the Joint Administrators and their staff are detailed in Appendix III. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and claims being

agreed. The grades of staff instructed to assist in this matter and their key responsibilities include:

- Support Staff: maintenance of the creditors' contacts database, assisting with creditors' queries and routine correspondence
- Administrators: assisting in the realisation of assets, employee matters, liaising with creditors and debtors, preparing reports to creditors and other statutory matters, and managing the cashiering function

3.4 Creditors may access a Guide to Administrators' Fees at [https://www.r3.org.uk/media/documents/publications/professional/Guide to Administrators Fees Oct 2015.pdf](https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_Fees_Oct_2015.pdf) or a hard copy will be provided on request.

3.5 Further information is set out below and, in the appendices, to explain the future time costs that the Joint Administrators anticipate incurring in this Administration.

4. The Joint Administrators' Expenses

4.1 The Joint Administrators' expenses may be divided into two categories:

- Category 1 expenses are costs that can be specifically identified as relating to the administration of the case. These are charged to the estate at cost with no uplift. These include, but are not limited to, such items as advertising, bonding and other insurance premiums and properly reimbursed expenses. Legislation provides that administrators may discharge Category 1 expenses from the funds held in the insolvent estate without further recourse to creditors.
- Category 2 expenses are costs that are also directly referable to the appointment in question but not to a payment to an independent third party. Payments may only be made in relation to Category 2 expenses after the relevant creditors have approved the bases of their calculation.

4.2 Appendix III provides details of the bases of Category 2 expenses that the Joint Administrators propose to recover from the insolvent estate.

5. Proposed Work to be Undertaken

5.1 Set out in Appendix V is a detailed list of tasks that the Joint Administrators propose that they and their staff will undertake.

Administration (including Statutory Reporting)

5.2 The Joint Administrators are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration, which ensures that the Joint Administrators and their staff carry out their work to high professional standards.

5.3 Primarily, these tasks include:

- Meeting all statutory reporting and filing requirements, including 6-monthly reports, seeking an extension where necessary, and issuing a final report and notices;
- Consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
- Maintaining case files, which must include records to show and explain the administration and any decisions made by the Joint Administrators that materially affect the administration;
- Conducting periodic case reviews to ensure that the administration is progressing efficiently, effectively and in line with the statutory requirements; and
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments.

Investigations

5.4 The Joint Administrators examine the conduct of the Company and its directors prior to the Administration with two main objectives:

- To identify what assets are available for realising for the benefit of creditors, including any potential actions against directors or other parties, such as challenging transactions at an undervalue or preferences; and
- To enable the Joint Administrators to report to the Insolvency Service on the conduct of the directors so that the Insolvency Service may consider whether disqualification proceedings are appropriate ("CDDA" work).

5.5 In the early stages of the Administration, this work involves examining the Company's books and records, considering information received from creditors and the Company's accountants and seeking information from the Company's directors and other senior staff by means of questionnaires and/or interviews.

5.6 In the event that questionable transactions are identified, it may be necessary to conduct further investigations and instruct solicitors to assist in deciding the Joint Administrators' next steps in pursuing a recovery. If a potential recovery action is identified, it may be necessary to instruct professional agents in gathering evidence and in exploring further the existence and value of assets to target. If the Joint Administrators encounter resistance in making a recovery, formal legal action may be appropriate.

5.7 In addition, if the Insolvency Service decides to proceed with a disqualification, the Joint Administrators will be required to assist the Insolvency Service's investigators in their work, which may include providing the investigators with access to the Company's books and records and agreeing statements to be given in evidence of those proceedings.

Realisation of assets

5.8 The Statement of Proposals summarises the work carried out by the Joint Administrators to date in realising the Company's assets. The principal matters that require further work are:

- Collecting the deferred consideration for the sale of the business and assets as and when it becomes due;
- Monitoring the purchaser's licence occupy;
- Progressing a sale of the Company's freehold property;
- Continuing to pursue the Company's outstanding book debts;

Creditors (claims and distributions)

5.9 As the Statement of Proposals explains, there a number of different classes of creditor involved in the Administration that require the Joint Administrators' attention. In particular, the Joint Administrators anticipate conducting the following key tasks:

- Liaising with the secured creditors in relation to the sale of assets subject to their security;
- With the assistance of solicitors, examining the validity of the secured creditors' claims and, where relevant, paying distributions to the secured creditors;
- Reviewing claims submitted by the tax departments and, where it is appropriate, examining the Company's records to appeal assessments or adjudicate on the Crown's claims;
- Responding to creditors' queries and logging their claims and supporting information;
- Maintaining the database as regards creditors' contact details and claims;
- Dealing with a creditors' committee, if one is appointed;
- If a prescribed part dividend is to be paid in the Administration, adjudicating on all unsecured creditors' claims, including seeking further information where necessary; and
- Where relevant, calculating and paying the prescribed part dividend and dealing with unclaimed dividends.

Proposed work to be undertaken by the Joint Liquidators

5.10 At present, it does not appear that there will be sufficient funds to pay a dividend to unsecured creditors. In the event that there is a surplus of funds to pay a distribution to the unsecured creditors this will be carried out once the Company has moved from Administration to CVL, separate Fees and Expenses Estimates for the Liquidation have been provided at Appendix V.

5.11 Creditors will appreciate that it is difficult to estimate the time and expenses likely to be incurred by the Joint Liquidators at this time, not least because it is difficult to know when and if the Company will move from Administration to CVL and consequently what work will have been done by the Joint Administrators by the time that the move takes place. Therefore, although much of the time estimated to be

incurred in the activities listed above has been included in the Joint Administrators' Fees Estimate, in the event that the Administration does move to a CVL, the Joint Liquidators might incur a proportion of the time currently allocated to the Joint Administrators, for example in concluding the book debt collections.

5.12 In any event, the Joint Liquidators will be required to carry out the following activities in addition to continuing to realise the Company's assets and conduct investigations, where these have not been completed in the Administration:

- Meeting statutory requirements including: issuing notices on appointment; issuing annual progress reports and a final account to creditors; and completing periodic tax returns;
- Maintaining case files, which must include records to show and explain the administration of the liquidation and any decisions made by the Joint Liquidators that materially affect the administration;
- Conducting periodic case reviews to ensure that the liquidation is progressing efficiently, effectively and in line with the statutory requirements;
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments;
- Adjudicating on all creditors' claims with the assistance of solicitors where necessary;
- Giving notice of the intention to declare a dividend; and
- Calculating, declaring and paying dividends to creditors and dealing with unclaimed dividends.

6. Other Information to Support the Proposed Fees

6.1 Attached at Appendix V is an estimate of the time that the Joint Administrators envisage the above work will take to complete. Appendix V also provides their estimate of the expenses that have been or are likely to be incurred.

6.2 Please note that the estimates have been provided on the assumptions given below. In the event that it proves necessary for the Joint Administrators to incur additional expenses in performing their duties, they will provide further details in their progress reports, but there is no statutory obligation to ask creditors to approve any adjusted Expenses Estimate. In the event that the Joint Administrators incur time costs in excess of the Fees Estimate, they will only revert to the relevant creditors for approval if they propose to draw any fees in addition to those estimated from the insolvent estate.

6.3 In summary, the Joint Administrators propose that their fees be fixed on the basis of time costs and they estimate that they and their staff will spend time totalling £37,310 in conducting the tasks described. This estimate includes the time spent to date of £22,984, as described in Appendix IV. Further, they estimate that their time costs for the Liquidation will total £15,365.

6.4 The Fees and Expenses Estimates have been compiled on the assumptions set out below. Please note that these are assumptions only for the purposes of preparing the Estimates in accordance with the statutory provisions. It has been assumed that:

- investigations to the extent described in section 5 above will be carried out;
- no exceptional work will need to be conducted in order to realise the remaining assets;
- there will be no requirement to hold a physical creditors' meeting or additional decision procedure to consider the matters covered by this Proposal; and
- there will be no need to extend the Administration for more than one year, approval for which will be sought from the relevant creditors at an appropriate time.

6.5 On the basis of these assumptions, the Joint Administrators do not anticipate that it will be necessary to seek additional approval from the relevant creditors for fees in excess of the Fees Estimate. However, in the event that the Administration does not proceed as envisaged, the Joint Administrators will seek approval for any fees in addition to those estimated that they wish to draw from the insolvent estate.

7. The Joint Administrators' Discharge

7.1 The Act requires that the timing of the Joint Administrators' discharge from liability will be decided by the secured creditors. The Joint Administrators propose that this discharge will take effect when their appointment ceases to have effect, unless the court specifies a time.

8. Invitation to Form a Creditors' Committee

8.1 Attached at Appendix VIII is a Notice of Invitation to Form a Creditors' Committee. The purpose of the Committee is to assist the Joint Administrators in discharging their functions. In particular, a Creditors' Committee takes on the responsibility for approving the basis of the Joint Administrators' fees and other costs described above.

8.2 In the absence of a Committee, this responsibility falls to the secured and unsecured creditors. The Joint Administrators do not see a need for a Committee to be formed in this case.

8.3 Notwithstanding this, creditors are entitled to seek the formation of Committee, provided that there are sufficient nominations to form a Committee. At least three nominations would be required, and the requisite majority of creditors would also need to object to the proposed decision not to form a Committee. Appendices VII and VIII provide further information on these steps.

9. Approval Process

9.1 The Joint Administrators are proposing the decisions set out below by means of the process set out in Rule 15.7 (Deemed Consent) of the Rules. Creditors are not required to vote on these proposed decisions, but they may object to their approval. Please see the Notice Seeking Deemed Consent attached at Appendix VII for further information.

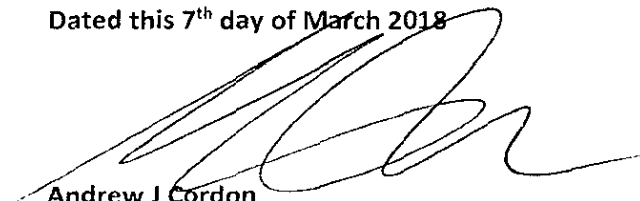
- That the Joint Administrators' Proposals (i.e. the statutory Statement of Proposals at Appendix I), be approved;
- That a Creditors' Committee will not be established; and
- That the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of Joint Administrators ceases to have effect, as defined by the Act, unless the court specifies a time.

8.4 In addition, the Joint Administrators are proposing the decisions set out below by means of a virtual meeting. Should creditors wish to attend and/or vote at the meeting, they should complete and return the enclosed proxy form together with a proof of debt form, if one has not already been submitted. These forms are attached at Appendix VIII together with a Notice of Decision Procedure setting out the following proposed decisions:

- That the unpaid pre-Administration costs set out in the Joint Administrators' Proposal be approved.

If any creditor has any queries in relation to the above, please do not hesitate to contact either of the Joint Administrators on 0333 358 3506 or by email to info@business-sustainability.com.

Dated this 7th day of March 2018



Andrew J Cordon
Joint Administrator

Andrew J Cordon and Richard A B Saville were appointed Joint Administrators of AAC Air Conditioning & Refrigeration Limited on 19 January 2018. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

AAC Air Conditioning & Refrigeration Limited (In Administration)

**STATEMENT OF THE JOINT ADMINISTRATORS' PROPOSALS
PURSUANT TO SCHEDULE B1 OF THE INSOLVENCY ACT 1986**

High Court of Justice

No. 8014 of 2018

**AAC Air Conditioning & Refrigeration Limited
In Administration**

**STATEMENT OF THE JOINT ADMINISTRATORS' PROPOSALS
PURSUANT TO SCHEDULE B1 OF THE INSOLVENCY ACT 1986**

**Andrew J Cordon and Richard A B Saville
Joint Administrators**

Business Sustaibability Limited

Church House, 13-15 Regent Street, Nottingham, NG1 5BS

0333 358 3506

info@business-sustainability.com

Disclaimer Notice

- This Statement of Proposals has been prepared by Andrew J Cordon and Richard A B Saville, the Joint Administrators of AAC Air Conditioning & Refrigeration Limited, solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes of the Administration and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- Any estimated outcomes for creditors included in this Statement of Proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this document for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Statement of Proposals.
- The Joint Administrators act as agent for AAC Air Conditioning & Refrigeration Limited and contract without personal liability. The appointment of the Joint Administrators is personal to them and, to the fullest extent permitted by law, Business Sustainability Limited does not assume any responsibility and will not accept any liability to any person in respect of this Statement of Proposals or the conduct of the Administration.
- All licensed Insolvency Practitioners of Business Sustainability Limited are licensed in the UK to act as Insolvency Practitioners.

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Attachments

- A** Definitions
- B** Statutory Information and SIP16 Statement
- C** Director's Statement of Affairs as at 19 January 2018 and Creditors' Details
- D** Estimated Outcome Statement
- E** The Joint Administrators' Receipts and Payments Account 19 January 2018 to 7 March 2018

1. Introduction

- 1.1 This Statement of Proposals is prepared pursuant to Schedule B1 of the Act in relation to the Company, the purposes of which are to provide creditors with a full update as to the present position and to set out the Joint Administrators' proposals for achieving an Administration objective. The proposals have not been issued prior to today as there was a deferred element to the sales contract which, in the event of non-payment, would result in the work-in-progress included in the sale being re-assigned back to the Company. As a proportion of the deferred element has not been paid as set out in the sale agreement, some work-in-progress has been reassigned and has been reviewed by the appointed quantity surveyors.
- 1.2 The Statement of Proposals also includes information required to be provided to creditors pursuant to the Rules. Definitions of the terms used in the Statement of Proposals are provided in Attachment A and statutory information pertaining to the Company is set out in Attachment B.
- 1.3 This Statement of Proposals is being delivered to creditors on 1 March 2018. The Joint Administrators think that there is insufficient property for a distribution to the unsecured creditors. Consequently, and in accordance with Paragraph 52(1)(b) of Schedule B1 of the Act, creditors are not being asked to decide on the Joint Administrators' proposals, although they may ask the Joint Administrators to request such a decision. Please see section 8 for further details.

2. Background to the Company

- 2.1 The business was established in November 1999 and the principal activity of the Company was installation of commercial air conditioning, and traded from freehold premises at Lancaster Court, Lancaster Park, Newborough Road, Needwood, Burton on Trent, DE13 9PD.

The Company has always been relatively successful, reporting profits on an annual basis. Following a successful year in 2016, the Company went into 2017 with a full order book and the directors were confident that another successful year lay ahead.

The Company then suffered aggregate losses of £312,937 during the period to 31 August 2017.

The losses were suffered because of three contracts that the Company entered. One contract has had variations more than twice the original contract value and whilst some of the costs could be claimed on the variations, it became clear to the Company that large losses were going to be suffered. The two other contracts that suffered losses have been because of non-performance by the Company, primarily led by the cash flow issues that the first contract has placed upon the business.

The Directors continued to work hard at resolving the issues on the contracts in the hope of funds being released to enable the business's survival. Despite the efforts of the Director to recover the position, the Company's creditors became increasingly frustrated at the position and on 15 November 2017 the Company was issued with

a winding up petition. The Director continued in dialogue with the petitioning creditors, but was unable to provide a suitable repayment schedule

By 4 January 2018, it had become apparent that the Company required funding above the level available to it by its bank and neither the Company nor its investors were able to advance the necessary funding to pay ongoing supplies and settle the amounts due to the petitioning creditors.

Overview of Financial Information

- 2.2** Please note that this information has not been verified by the Joint Administrators or by Business Sustainability Limited. Furthermore, the comments below each table reflect management's explanations of the amounts included in the profit and loss account and balance sheet.

Summary Profit and Loss Account

	Draft Management Accounts for period to 31/08/17 £
Turnover	1,439,971
Cost of Sales	(1,661,111)
	<hr/>
Gross Profit	(226,140)
Gross Margin %	(15.70%)
Other Expenses	(68,384)
	<hr/>
(L)/EBIT	(275,774)
	<hr/>

Source: Management/Audited Accounts

Summary Balance Sheet

	Draft Management Accounts for year to 31/08/17 £	Audited Statutory Accounts for year to 30 November 2016 £	Audited Statutory Accounts for year to 30 November 2015 £
Tangible assets	131,938	137,028	126,142
Intangible assets	-	-	-
Fixed assets	131,938	137,028	126,142
Current Assets			
stock	6,490	24,490	38,940
debtors	684,152	439,665	452,484
other	23,990	6	22
	714,632	464,161	491,446
Liabilities			
Trade creditors	(800,488)	(385,964)	(423,625)
Other	(195,903)	(47,344)	(44,733)
Bank	(111,454)	(113,263)	(125,447)
Total Liabilities	(1,107,845)	(546,571)	(593,805)
Net Assets	(261,275)	51,661	23,521

Management and Employees

2.3 As at 19 January 2018, the Company employed approximately 7 staff including the two directors.

2.4 Statutory information on the Company, including details of the Directors, Company Secretary, and Shareholders is provided at Attachment B.

3. Events leading to the Administration

3.1 The Company had suffered aggregate losses of £312,937 during the period to 31 August 2017. The losses were suffered because of three contracts that the Company entered. One contract had variations more than twice the original contract value and whilst some of the costs could be claimed on the variations, it became clear to the Company that large losses were going to be suffered. The two other contracts that suffered losses have been because of non-performance by the Company, primarily led by the cash flow issues that the first contract has placed upon the business. It is estimated that the Company's losses on these three contracts was in the region of £384,000.

- 3.2 On 19 January 2018, Richard A B Saville, and Richard A B Saville of Business Sustainability Limited were appointed Joint Administrators of the Company following an Administration Order granted by the Court on the application of Lloyds Bank plc.
- 3.3 The Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either one or both of them.
- 3.4 For creditors' general information, the EU Regulation on insolvency proceedings applies in this case, and these proceedings are the main proceedings.

4. The Purpose of the Administration

- 4.1 The purpose of an Administration is set out in Schedule B1, Paragraph 3(1) of the Act. In short, this provides that an Administrator of a company must perform his functions with the objective of:
- rescuing the company as a going concern, or
 - achieving a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration), or
 - realising property in order to make a distribution to one or more secured or preferential creditors.
- 4.2 These objectives form a hierarchy. The rescue of a company is the priority. If this is not possible, the Administrator seeks to achieve a better result for the creditors as a whole. In the event that this cannot be achieved, then the Administrator is permitted to realise assets for the benefit of the preferential or secured creditors.
- 4.3 The Joint Administrators would comment that due to a lack of working capital they did not consider it possible to restructure the existing business or propose a Company Voluntary Arrangement.
- 4.4 The second objective is normally achieved by means of a sale of the business and assets as a going concern (or a more orderly sales process than in liquidation). The Joint Administrators would comment that the Administration has enabled a sale of the business and certain assets to be achieved and provided a moratorium against creditor action.
- 4.5 A detailed account of how the Joint Administrators have sought to achieve the objective of the Administration is set out below.

5. Management of the Company's Affairs since the Joint Administrators' Appointment

The sale of the Company's business and assets

- 4.5 A pre-pack sale was undertaken and the information relating to this sale is attached at Attachment B.

Sales to connected parties

- 4.6 There have been no other sales of any of the Company's assets to connected parties since the Joint Administrators' appointment. Detail of the transaction completed so far to connected parties were provided in our initial notification to creditors, the content of which is included in the appendices to this report.
- 4.7 The Joint Administrators had instructed John Pye & Sons Limited, who are professional independent agents with adequate professional indemnity insurance, to value the Company's chattel assets and freehold property. John Pye & Sons Limited concluded that purchaser's offer was very likely to represent the best net realisation for the chattel assets included in the pre-pack sale and they recommended to the Joint Administrators that the offer be accepted.
- 4.8 Consequently, the Company's motor vehicles', stock, fixtures & fittings and plant & machinery was sold to AAC Air Conditioning Limited on 19 January 2018 for £8,055 (exclusive of any VAT), which was received in full on 19 January 2018. The freehold property has not yet been realised. The purchaser of the chattel assets has a license to occupy the freehold property for a period of three months with a view to securing funding that will enable them to purchase the property at market value.

Assets remaining to be realised

As detailed above, the Company has a freehold property that is subject to lending provided by Lloyds Bank plc. The property has been professionally valued by John Pye & Sons Limited and it is anticipated that the Bank will recover their indebtedness, in full, from the sale of the property. The purchaser of the business, AAC Air Conditioning Limited, have a license to occupy the premises for a period of three months whilst they try and determine whether they can secure funding to purchase the property. If they are unable to do so, we will liaise with Lloyds Bank plc to sell the property on the open market.

- 4.9 In addition, on the Joint Administrators' appointment, the value of the Company's sales ledger was £228,067. Leslie Keats Limited, quantity surveyors, have attended the Company's premises and undertaken a review of the Company's sales ledger upon the Joint Administrators instruction. Given the nature of the works the Company undertook, and the issues that it faced in the period leading up to the appointment of Joint Administrators, Leslie Keats have advised that the best possible realisations achievable would be £10,000. As a result of this professional and qualified report, the purchaser of the business has advised that they will continue to assist the Joint Administrators in pursuing the debtors concerned. The Joint Administrators have agreed to the purchaser receiving a 20% commission on any amount that are

collected from the sales ledger. Given that Leslie Keats report found that on a best-case scenario £10,000 would be collectable, with zero on a worst-case scenario, subject to a minimum fee, the Joint Administrators consider that allowing the purchaser to pursue on a no win no fee basis with commissions payable dependent upon success, represents the best net outcome for the creditors of the Company. For the purposes of the Estimated Outcome Statement at Attachment D, and based on current information, we have estimated that book debt collections will total £nil for the reasons highlighted in the report prepared by Leslie Keats.

Post appointment strategy

- 4.10** Immediately following the appointment of the Joint Administrators on 19 January 2018, members of the Joint Administrators' staff attended the Company's to advise employees of the Joint Administrators' appointment. Staff were briefed with regards to the Administration and informed that a sale of the business and assets had been completed to AAC Air Conditioning Limited. Staff were then informed that their employment had been transferred under TUPE.
- 4.11** The Joint Administrators' staff are in the process of collating creditors' claims and have handled creditors' queries as they have arisen which include telephone calls and correspondence.
- 4.12** The Joint Administrators' legal advisors, Gateley plc, advised in respect of all legal issues arising on the sale of business and assets and have been assisting the Joint Administrators with post appointment matters.
- 4.13** Legal advice has been required in relation to the property and leases. AAC Air Conditioning Limited was granted a licence to occupy the freehold property of the Company on completion of the sale of business and certain assets whilst it seeks additional funding to purchase aid property at market value. The Joint Administrators have instructed their legal advisers to manage the sale of the property and this process is ongoing. Although John Pye & Sons Limited have provided a valuation of the property, they have not been, at this stage, formally instructed to proceed with a sale.
- 4.14** To advise on appropriate legal matters and to prepare required legal documentation, the Joint Administrators instructed Gateley plc, a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations.
- 4.15** In addition, John Pye & Sons Limited, a firm of chattel agents, was instructed by the Joint Administrators to undertake inventories and valuations of stock, plant and equipment, fixtures and fittings and other chattel assets where appropriate together with the freehold property.
- 4.16** All professional fees are based upon the parties' recorded time costs incurred at their standard charge out rates and will be reviewed by the Joint Administrators' staff before being approved for payment.

Investigation into the Company's Affairs Prior to the Administration

- 4.17 The Joint Administrators are undertaking a review of the Company's trading activities in order to establish whether or not there are actions that may be taken for the benefit of the Administration and consequently to enable a conduct report to be submitted in respect of Company directors in office at the commencement of the Administration and any who resigned in the three years prior to the Administration.
- 4.18 Should any creditor have any concerns about the way in which the Company's business has been conducted or information on any potential recoveries for the estate, they are invited to bring them to the attention of the Joint Administrators as soon as they are able.

6. The Statement of Affairs and the Outcome for Creditors

- 6.1 A Statement of Affairs as at 19 January 2018 has been submitted by the Directors of the Company, a copy of which is attached at Attachment C.
- 6.2 In accordance with the standard format of a Statement of Affairs, no provision has been made in the Statement for the costs of the Administration (including agents, legal and other professional fees).
- 6.3 The Joint Administrators have not carried out any work of the nature of an audit on the information.

Secured creditors

- 6.4 The Company's Bank debt at the date of the appointment of the Joint Administrators, and as set out in the Statement of Affairs, can be summarised as follows:

	£
Term loan (mortgage)	36,265
Overdraft facility	104,337
 TOTAL	 £140,602

Lloyds Bank plc provided the Company with an authorised overdraft of £100,000. In addition, the Bank provided the Company with a mortgage against the freehold property. The Bank's lending is supported by personal guarantees provided by the two directors.

- 6.5 The anticipated recovery to the secured creditor is shown on the Estimated Outcome Statement at Attachment C.

Preferential claims

- 6.6 Section 176A of the Act requires Administrators to make a prescribed part of the company's net property, which is the balance remaining after discharging the

preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts.

- 6.7** In this case, it is anticipated that the prescribed part provision will not apply, as it is likely that the secured creditor will be paid in full from the sale of the freehold property and thus there will be no residual liability due under its floating charge. In addition, there are no preferential claims following the sale of the business.
- 6.8** As demonstrated in the Estimated Outcome Statement attached at Attachment D, on the basis of the costs incurred to date and the estimated further costs to be incurred in bringing the Administration to a conclusion, it is anticipated that there will be insufficient funds to pay a distribution to unsecured creditors.
- 6.9** Attached at Attachment D is the Joint Administrators' receipts and payments account for the period from 19 January 2018 to 7 March 2018.

7. The Joint Administrators' Fees

- 7.1** The Joint Administrators propose to be remunerated on the basis of the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, such time to be charged at the prevailing standard hourly charge out rates used by CFS Restructuring LLP at the time the work is performed (plus VAT); for the Administration and a set amount of £10,000 for the Liquidation in the event that the Company exits into Creditors' Voluntary Liquidation or Compulsory Liquidation and the Joint Administrators become the Joint Liquidators.
- 7.2** The Joint Administrators will seek approval for the basis of their fees from the secured creditors, unless a Creditors' Committee is established.
- 7.3** The Joint Administrators will seek the approval for their pre-appointment fees from the unsecured creditors, unless a Creditors' Committee is established.
- 7.4** Information to support the proposed basis of the Joint Administrators' fees, together with the Statement of pre-Administration costs, is provided in the Joint Administrators' Proposal, to which this Statement of Proposals forms an appendix.

8. Approval of the Statement of Proposals

- 8.1** The Joint Administrators are seeking creditors' approval of the Statement of Proposals, which are summarised in Section 9, by means of the process set out in Rule 15.7 (Deemed Consent) of the Rules.
- 8.2** Attached to the Joint Administrators' Proposal, to which this Statement of Proposals forms an appendix, is a Notice Seeking Deemed Consent, which describes how creditors may object to the acceptance of the Statement of Proposals or to the other proposed decisions.
- 8.3** Creditors who meet a statutory threshold as set out in the Notice can require that a physical meeting of creditors be convened. Such a request must be made to the

Joint Administrators within 5 business days of the date on which the Statement of Proposals was delivered.

8.4 Unless the Joint Administrators receive the requisite number of objections to the proposed decision to approve the Statement of Proposals or of requests to convene a physical meeting as set out in the Notice, creditors will have deemed to have consented to approve the Statement of Proposals.

8.4 In addition, the Joint Administrators are proposing the decisions set out below by means of a virtual meeting. Should creditors wish to attend and/or vote at the meeting, they should complete and return the enclosed proxy form together with a proof of debt form, if one has not already been submitted. These forms are attached at Appendix VIII together with a Notice of Decision Procedure setting out the following proposed decisions:

- That the unpaid pre-Administration costs set out in the Joint Administrators' Proposal be approved.

9. Summary of the Joint Administrators' Proposals

9.1 The Statement of Proposals is summarised below.

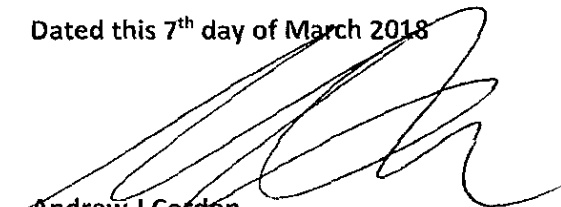
9.2 In order to achieve the purpose of the Administration, the Joint Administrators formally propose to creditors that:

- the Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
 - (i) they sell the Company's remaining assets at such times and on such terms as they consider appropriate;
 - (ii) they continue to liaise with various parties in an attempt to collect the Company's debtors and work in progress.
 - (iii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
 - (iv) they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
- the Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further,

they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.

- the Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
 - (i) in the event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
 - (ii) however, in the unlikely event that the Joint Administrators think that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Andrew J Cordon and Richard A B Saville will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved. Information about the process of approval of the Statement of Proposals is set out at Section 8; or
 - (iii) alternatively, and should there be no likely funds to distribute to unsecured creditors, the Joint Administrators may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate. In such circumstances, Andrew J Cordon and Richard A B Saville may ask the court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator.

Dated this 7th day of March 2018


Andrew J Cordon
Joint Administrator

Andrew J Cordon and Richard A B Saville were appointed Joint Administrators of AAC Air Conditioning & Refrigeration Limited on 19 January 2018. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

DEFINITIONS

The Act	The Insolvency Act 1986
The Rules	The Insolvency Rules 1986 or the Insolvency (England & Wales) Rules 2016 (whichever applied at the time of the event described)
The Statement of Proposals	The Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act
The Joint Administrators	Andrew J Cordon and Richard A B Saville
The Company	AAC Air Conditioning & Refrigeration Limited (in Administration)
The Court	High Court of Justice
EBIT	Earnings before interest and tax
RPO	The Redundancy Payments Office
HMRC	HM Revenue & Customs
ROT	Retention of Title
EOS	Estimated Outcome Statement
PP or Prescribed Part	The Prescribed Part of the Company's net property subject to Section 176A of the Insolvency Act 1986
QFCH	Qualifying Floating Charge Holder
SIP	Statement of Insolvency Practice (England & Wales)
TUPE	Transfer of Undertakings (Protection of Employment) Regulations

AAC Air Conditioning & Refrigeration Limited (IN ADMINISTRATION)

STATUTORY INFORMATION

Company Name	AAC Air Conditioning & Refrigeration Limited
Previous Name(s)	N/A
Trading Name(s)	AAC Air Conditioning & Refrigeration Limited
Proceedings	In Administration
Court	High Court of Justice
Court Reference	8014 of 2018
Date of Appointment	19 January 2018
Joint Administrators	Andrew J Cordon and Richard A B Saville Business Sustainability Limited Church House, 13-15 Regent Street, Nottingham, NG1 5BS
Registered office Address	c/o Business Sustainability Limited, Church House, 13-15 Regent Street, Nottingham, NG1 5BS
Company Number	03878661
Incorporation Date	17 November 1999
Company Secretary	Janet Cooper
Appointment by	Lloyds Bank plc
Directors at date of Appointment	Steve Cooper & Neil Cooper
Directors' Shareholdings	Steve Cooper holds 60 Ordinary A shares and 50 Ordinary B shares. Neil Cooper holds 40 Ordinary A shares and 50 Ordinary B shares.

AAC Air Conditioning & Refrigeration Limited (IN ADMINISTRATION)

PRE-PACK SALE DISCLOSURE

PRE-PACKAGED SALE

The Company's business and some assets have been sold following a pre-packaged sale. The primary function of an administrator is to achieve one of the objectives set out in the Insolvency Act. In this case, the statutory purpose pursued is to realise the Company's property in order to make a distribution to one or more secured or preferential creditors. This transaction enables the statutory purpose to be achieved and in my view the outcome achieved was the best available outcome for creditors as a whole in all the circumstances. I provide below an explanation and justification of why a pre-packaged sale was undertaken.

The Roles of the Insolvency Practitioners

Prior to commencement of the Administration, we acted as advisors to the Board of Directors in relation to the options for the Company. For the avoidance of doubt, neither Business Sustainability nor its insolvency practitioners advised the directors personally or any parties connected with the purchaser, who were encouraged to take independent advice. At all times prior to Administration, the Board of Directors remained responsible for and in control of the Company's affairs.

During this time, the insolvency practitioners of Business Sustainability Limited took their own steps to prepare for their potential appointment as Joint Administrators. At this point, there were clear advantages in looking to sell the Company's business and certain assets swiftly on appointment, as this strategy would significantly reduce the ongoing costs of securing and maintaining the ongoing work in progress and therefore protecting the business and asset's realisable values and it would avoid the substantial risks that the value and continued viability of the business and assets would deteriorate due to the commencement of a formal insolvency regime. Therefore, the insolvency practitioners, with the assistance of professional and independent agents, considered the most effective method of securing a sale represented the best outcome for creditors as a whole and negotiated with parties interested in acquiring the business and certain assets of the Company to a point whereby a sale could be concluded shortly after the Administration had commenced.

Immediately on their appointment, the Joint Administrators, as officers of the court and as agents of the Company, took over from the Board the responsibilities of managing the affairs, business and property of the Company. In the interests of the creditors as a whole and mindful of the need to achieve a statutory purpose of an Administration, they concluded the Sale.

Insolvency practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. The Joint Administrators observed the Code in all their activities both prior to and after their appointment.

Initial Introductions

The Company's directors were referred to Business Sustainability Limited by Johnson Tidsall, the Company's accountants, on 18 December 2017 to help advise on the options available for the Company, as it was deemed to be insolvent. We were not formally instructed until 4th January 2018.

Pre-appointment Matters

In addition to advising on the Company's options, our advice covered marketing the business and also involved negotiating and agreeing the contract to be completed following the Joint Administrators' appointment. No fees have been agreed in respect of our pre-appointment advice. The time costs properly incurred by staff at Business Sustainability Limited's standard charge out rates equate to the sum of £15,635. The Joint Administrators intend to seek these fees approved and paid from the insolvent estate in due course.

A signed engagement letter was received from the directors of the Company on 4 January 2018.

The Company traded as an air conditioning installator from Lancaster Court, Lancaster Park, Newborough Road, Derby, DE13 9PD.

The directors advised that the Company had become insolvent due to the following factors: -

- The Company had suffered aggregate losses of £312,937 during the period to 31 August 2017.
- The losses were suffered because of three contracts that the Company entered. One contract had variations more than twice the original contract value and whilst some of the costs could be claimed on the variations, it became clear to the Company that large losses were going to be suffered. The two other contracts that suffered losses have been because of non-performance by the Company, primarily led by the cash flow issues that the first contract has placed upon the business.
- It is estimated that the Company's losses on these three contracts was in the region of £384,000.

The Directors of the Company have worked in the air conditioning industry for many years and set up the Company in November 1999.

The Company has always been relatively successful, reporting profits on an annual basis. Following a successful year in 2016, the Company went into 2017 with a full order book and the directors were confident that another successful year lay ahead.

The Company was successful in winning a large contract in London, which had an original value of around £152,000. The project was given to AAC on the 13th December 2016 for the value of £152,000. The project had already started, and this was a second phase. The Company started on site start after the Christmas with the supply and installation of all duct work for the ventilation systems and the installation of free issue items, i.e. attenuator and all supply and return air grilles.

The project started well but the Company soon found out that they had to complete installation works whilst major building works were being undertaken so clashes for space/access became a problem.

The drawings issued as construction drawings detailed install heights, positions and sizes of duct work. These drawings were found to be totally useless and the Company had to re-measure and re-manufacture duct work on a regular basis. These problems started to affect the programme requiring additional labour to catch up and keep pace,

The additional labour and materials started to affect costs and the Company started to look for variations which proved difficult to claim and, although some payments came forward, they were small and not covering anywhere near the ongoing costs.

Changes to design caused further delays and continued to escalate the ongoing costs. As the project was nearing completion applications were made again for more variations but were not forthcoming. With the project now finished, additional costs came to £385,400, a significant gap between tender and actual costs.

Not long afterwards, another more local project was started, but a lack of performance caused delays which in turn then started to increase costs. This then eventually ended in the termination of the sub-contract with no payments being made at all, culminating in yet more pressure on cash flow.

With the losses being suffered, and hopeful of resolving the issues on the larger London contract, the directors took a loan of £120,000 from Funding Circle to help bridge the gap to keep the business moving forward.

This helped for a short while but again cash flow soon became a problem, with the starvation of cash causing supply problems, which then led to productivity and efficiency issues on other ongoing contracts.

A further project being completed then also started to falter, mainly down to labour reliability. Labour was either not productive or worse, not turning up at all. This led to productivity issues and the client becoming increasingly frustrated at the lack of performance and, after several meetings, resulted in the termination of the sub contract.

By this time, coming into September, things had gone further downhill and the Company was beginning to struggle to keep supplies going, with supply of materials and plant being virtually cut off. The Directors continued to work hard at resolving the issues on the contacts in the hope of funds being released to enable the business's survival.

Despite the efforts of the Director to recover the position, the Company's creditors became increasingly frustrated at the position and on 15 November 2017 the Company was issued with a winding up petition. The Director continued in dialogue with the petitioning creditors but was unable to provide a suitable repayment schedule.

The Company has granted the following security:

<u>Type of security</u>	<u>Name of charge-holder</u>	<u>Date of creation of</u>
<u>Security</u>		
Debenture	Lloyds Bank plc	24 March 2017
Mortgage	Lloyds Bank plc	25 April 2012

By 4 January 2018, it had become apparent that the Company required funding above the level available to it by its bank and neither the Company nor its investors were able to advance the necessary funding to pay ongoing supplies and settle the amounts due to the petitioning creditors. In addition to the creditor who petitioned on 15 November 2017, two further creditors have supported the first petitioner.

A review of the Company's cash-flow revealed that there would be insufficient working capital available to allow the Company to continue to trade in the short to medium term for a purchaser to be found. There were no requests made to potential funders because of the Company's financial standing. The Directors had already injected personal funds into the business in recent months, totalling £62,000 and, as detailed above, in the summer of 2017 they sourced additional funding from Funding Circle with a loan of £120,000 which has since been utilised. The loan from Funding Circle has been personally guaranteed by the Directors.

The options listed below were considered with the directors.

Continuing to trade outside insolvency

The Company had exhausted its available cash resources and its cash constraints were impacting on its ability to continue trading.

The Company's shareholders and bank confirmed that they were not able to provide the level of additional funding necessary to support the Company to trade, and therefore this option was not viable.

Company Voluntary Arrangement ("CVA")

Although a CVA would have given the Company some immediate relief from creditor pressure, without securing additional funding, the directors were not confident that the Company would be successful in trading through its difficulties.

Liquidation

The possibility of placing the Company into Liquidation was considered. However, it was decided that this was not the best course of action to take, as Liquidation would mean that all employees would be made redundant leading to an increase in the level of creditors. There would also have been no realisation for goodwill and work in progress realisations would have been greatly affected. As detailed in the body of the report above, the Company was issued with a winding up petition that was being supported by a further two creditors. The original petitioning creditor was asked, if in the event it would serve in the best interests of creditors for a CVL to proceed, if they would withdraw the petition to allow the CVL to proceed. Given that no firm decision of a CVL was given, the request for a formal withdrawal was not made. Details of the two supporting creditors were requested from the first petitioning creditor, but these have not been provided to us.

Pre-packaged Administration Sale

There was insufficient working capital and no prospect of persuading new funding to allow short-term trading to continue in order that the business and certain assets could be exposed thoroughly to the market. The benefits of achieving a pre-packaged sale were the transfer of the employees and certain work in progress without the absence of a break in the supply of goods and services, which would enable a value to be achieved for goodwill and ensure a more effective debt collection process.

The Joint Administrators' Options on Appointment

Immediately prior to appointment, the proposed Joint Administrators had considered whether the first Administration purpose might be achieved by continuing to trade the business within Administration in order that a proposal for a CVA might be put to creditors. However, it was considered that trading the business during the Administration could not continue, as the Company had insufficient finance to do so and it was not clear that the business would trade profitably. For these reasons also, the Joint Administrators considered it would not be in the interests of creditors as a whole to continue to trade the business in Administration in the short term with a view to exploring whether the existing offer for the purchase of the business and assets could be improved upon.

The Company's major creditor was contacted, and the Company's circumstances and proposed strategy were explained. The creditor did not raise objections to the proposed pre-pack strategy.

Marketing of the Business and Assets

The directors were asked to provide information on any parties, of which they were aware, who would be interested in purchasing the business and assets of the Company.

The directors were asked to advise of any marketing conducted by the Company prior to approaching Business Sustainability Limited and we were advised that none had been undertaken by the Company. We were advised of no interested party apart from the directors.

Our agents, John Pye & Sons Limited, were then instructed to market the business and assets of the Company and were advised of all known interested parties.

The Marketing Strategy

It was agreed with the agents that the marketing and media coverage would include marketing the business as widely as possible which involved advertising on the agents' website including circulation of their vast database of customers across a breadth of industries. This was done via electronic means and any interested parties were requested to speak, initially, directly with the appointed agents. Given the nature of the business and the industry in which it operated, and because of the ongoing contractual issues that had been suffered, it was decided that it would not be cost effective or beneficial to circulate the Company's particulars via an additional online marketing tool given that this is an exercise that the appointed agents undertake as part of their process of seeing expressions of interest.

Marketing was undertaken for a period of 10 days after we had spoken and with the secured creditors about the intended realisation strategy. The length of time had been enforced due to the winding up petition to be heard on 22 January 2018. It had not been possible to elongate the marketing exercise for this reason and, for the avoidance of doubt, we do not feel that any longer period of marketing would have resulted in any further interests. We are satisfied that this length of marketing achieved the best available outcome for creditors as a whole in all the circumstances.

The reasons for the marketing and media strategy adopted were to ensure that as much exposure to as many people through the agents' database was done in the timescales that were available.

The agents' marketing led to no party expressing an interest. The only interest shown is that of the former Directors.

The marketing strategy has achieved the best available outcome for creditors as a whole in all the circumstances because the offer which has been accepted ensures a novation of certain contracts which would probably, ultimately have had a nil realisation for the Administration estate.

Valuation of the Business and Assets

John Pye & Sons Limited of Nottingham were instructed on 18 December 2018 to value the assets of the Company. They confirmed their independence and are qualified by RICS (the Royal Institute of Chartered Surveyors) and NAVA (National Association of Valuers and Auctioneers) and have adequate professional indemnity insurance.

Their valuation was received on 4 January 2018 and is detailed below: -

	Forced Sale £	Going Concern £	Actual Sale Price £
Assets Specifically Pledged			
Freehold Property	145,000 160,000	190,000 200,000	Excluded
Assets Not Specifically Pledged			
Stock	1,080	2,620	2,620
Plant & Machinery	2,500	3,415	3,415
Motor Vehicles	1,052	1,052	1,052
Furniture & Equipment	560	968	968

The goodwill has not been valued as, given the Company's position, it is not felt that it has any realisable value. However, for the purchases of the sales contract, consideration of £1 was provided for.

A going concern valuation reflects the estimated amount for which the assets could be sold as a whole in their working places. The forced sale basis reflects a sale whereby the assets are removed from the premises at the expense of the purchaser. The Joint Administrators considered the bases of the valuations appropriate, as they were able to consider offers with the objective of selling the business and assets as a going concern, but it was also necessary to understand what the assets might realise in the event that sale negotiations deteriorated, and a forced sale of the assets became a real possibility.

The sale price achieved for the business and certain assets compares favourably with the above valuation.

The Company's actual invoiced debtors had not, at the time of sale, been valued by agents as they were for works complete and therefore they did not have a value to be realised through

the sale. The Administrators have, since appointment, instructed quantity surveyors to review the Company's debtor book which is commented upon in the main body of the report.

The Transaction

The purchaser and related parties

A sale of the business and certain assets was completed on 19 January 2018 with AAC Air Conditioning Limited.

Steve Cooper and Neil Cooper, who were directors of the insolvent Company, are directors and shareholders of AAC Air Conditioning Limited.

Steve Cooper and Neil Cooper, Company directors, have given guarantees for amounts due from the insolvent Company to Lloyds Bank plc, and to our knowledge, the Bank are not financing the new business.

The assets

The Sale included the assets listed below and was completed by means of a sale and purchase agreement.

The sale consideration

The sale consideration totalled £50,025 and required £8,055 to be paid on completion and the remainder to be paid on the dates listed below. The sale consideration has been allocated to the following asset categories: -

Stock (floating charge)	£2,620
Furniture & Equipment (floating charge)	£968
Motor Vehicles (floating charge)	£1,052
Plant & Machinery (floating charge)	£3,415
Work in Progress (floating charge)	£41,970

The validity of the charges has yet to be verified, however the allocation above has been reached by reference to the charge documents and in consultation with the agents.

The freehold property and book debts were excluded from the Sale.

There were 7 employees who were transferred as part of the Sale.

Sale consideration of £8,055 was received on completion and the remainder was to be received by way of deferred consideration and was payable as follows: -

24 January 2018 £41,970 (£28,500 has been paid to date)

Despite the Joint Administrators' insistence that a personal guarantee or debenture be given in respect of the deferred consideration, the purchaser's directors refused to agree to this condition. Considering the lack of interest in the business and assets from other parties, the likely significant reduction in sale proceeds if a going concern sale could not be concluded, and

the quantum of payment expected on completion, the Joint Administrators considered that the Sale should be completed in the interests of creditors as a whole.

If the deferred element of the consideration was not paid by the close of business on 24 January 2018, the work in progress, to which the deferred element relates, was to be reassigned to the Company to allow the Administrators to then appoint quantity surveyors to work on their behalf to determine whether there are any sums realisable from the contracts concerned. The quantity surveyors, Leslie Keats, have been instructed, but their initial report and findings indicate that maximum realisations will achieve £10,000, before costs. The Joint Administrators have therefore taken the decision to allow the purchaser to continue working with them to collect the remaining work in progress. It is envisaged that the Administration estate will recover the anticipated realisations as was estimated at the date of sale, being 19 January 2018.

A licence to occupy was granted in respect of Lancaster Court, Lancaster park, Newborough Road, Needwood, Burton on Trent, Staffs, DE13 9PD for a period of 3 months whilst negotiations with the landlord of the property are progressed. It is envisaged that the freehold property will be sold within 3 months of the Administrators appointment. No sale has been agreed nor has any offer been provided in respect of the freehold property. The Administrators are continuing to consult with the secured creditor, being Lloyds Bank plc, to determine as to how they wish to sell the property to recover their indebtedness in the event that the purchaser of the business cannot secure funding to purchase the property.

The Sale is not part of a wider transaction

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Connected Party Transactions

Pre-pack pool

The pre-pack pool has not been approached by the connected party although all the relevant details were provided to the purchasers for them to make an informed decision in this regard.

Viability statement

The Joint Administrators requested a viability statement from the connected party, however this has not been provided.

**AAC Air Conditioning & Refrigeration Limited AAC Air Conditioning & Refrigeration Limited
(IN ADMINISTRATION)**

DIRECTORS' STATEMENT OF AFFAIRS AS AT 19 JANUARY 2018 AND CREDITORS' DETAILS

Insolvency Act 1986

AAC Air Conditioning & Refrigeration Limited
Estimated Statement Of Affairs as at 19 January 2018

	Book Value £	Estimated to Realise £	£
ASSETS			
Freehold Land & Property	119,198.00	165,000.00	
Lloyds Bank plc		(140,602.00)	
		24,398.00	24,398.00
Plant & Machinery	443.00		2,500.00
Furniture & Equipment	2,817.00		560.00
Motor Vehicles	9,480.00		1,052.00
Stock	6,490.00		2,650.00
Work in Progress	167,881.00		41,970.00
Book Debts	133,205.00		2,000.00
			<u>75,130.00</u>
LIABILITIES			
PREFERENTIAL CREDITORS:-			
			<u>NIL</u>
			75,130.00
DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003			
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS			
			<u>NIL</u>
			75,130.00
Estimated prescribed part of net property where applicable (to carry forward)			<u>7,879.60</u>
			67,250.40
DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003			
			<u>NIL</u>
			67,250.40
Estimated prescribed part of net property where applicable (brought down)			<u>7,879.60</u>
			75,130.00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade & Expense Creditors		659,936.00	
Directors		64,000.00	
Inland Revenue		65,913.00	
Customs & Excise		39,461.00	
Funding Circle		94,000.00	
			<u>923,310.00</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)			<u>(848,180.00)</u>
			(848,180.00)
Issued and called up capital			
Ordinary Shareholders		200.00	
			<u>200.00</u>
TOTAL SURPLUS/(DEFICIENCY)			<u>(848,380.00)</u>

CFS Restructuring LLP
AAC Air Conditioning & Refrigeration Limited
B - Company Creditors

Key	Name	Address	£
CA00	A-Line Technical Services Limited	Unit 6, Old Mining College, Queen Street, Chasetown, Staffordshire, WS7 4QH	374.40
CA01	Ace Fabricators Ltd	Unit 2 Abrac Works, Albright Industrial Estate, Ferry Lane, Rainham, Essex, DE13 9PD	10,820.40
CA02	Advanced Air (UK) Ltd	Burrell Way, Thetford, Norfolk, IP24 3QU	1,704.00
CA03	AEC Air Conditioning Services Ltd	4 New Street, Morton, Derbyshire, DE55 6GR	2,700.00
CA04	AES Allduct Equipment Sales Ltd	Unit 3, Bromley Ind. Centre, Waldo Road, Bromley, Kent, BR1 2WD	5,029.04
CA05	Air Handling Systems Ltd	3-5 Furnace Ind. Estate, Shildon, County Durham, DL4 1QB	14,248.80
CA06	Albion Power	Unit 2, 79 High Street, Burton-on-Trent, Staffordshire, DE14 1LD	330.00
CA07	ALKA IT Services Ltd	Suite 6 Chatsworth House, Prime Business Centre, Raynesway, Derbyshire, DE21 7SR	1,055.93
CA08	Alpha Wholesale	Unit 10 Goudhurst Road, Marden, Tonbridge, TN12 9NW	1,440.31
CA09	Amp Air Conditioning Ltd	Blenheim House, Blenheim Court, Brownfields, Welwyn Garden City, Herts, AL7 1AD	54,375.03
CA0A	Andrews Sykes Hire Ltd	St Davis Court, Union Street, Wolverhampton, WV1 3JE	742.74
CA0B	Asstead Plant Hire Co. Ltd	PO Box 119, Warrington, WA3 6YT	22,211.70
CB00	Bradwood Couriers Ltd	128 Pear Tree Road, Derby, Derbyshire, DE23 6QD	232.50
CB01	BSB Engineering Services Ltd	Unit E Tribune Drive, Trinity Trading Estate, Sittingbourne, Kent, ME10 2PD	444.85
CB02	BSRIA Instrument Solutions	Old Bracknell Lane West, Bracknell, Berkshire, RG12 7AH	2,444.85
CC00	CAICE Acoustic Air Movement Ltd	Riverside House, 3 Winnersh Fields, Gazelle Close, Winnersh, RG41 5QS	4,344.66
CC01	Free2Move Lease - PSA Finance	Quadrant House, Princess Way, Redhill, Surrey, RH1 1QA	5.00
CC02	Capita plc	Accounts Receivable, PO Box 212, Faverdale Industrial Estate,, Darlington, DL1 9HN	363.49
CC03	Crane Hire Solutions Ltd	Holywell Farm, Smisby Road, Ashby-de-la-Zouch, Leicestershire, LE65 2UG	3,120.00
CC04	Steve& Neil Cooper	c/o 81 Burton Road, Derby, DE1 1TJ	64,000.00
CD00	Daikin Air Conditioning UK Ltd	The Heights, Brooklands, Weybridge, Surrey, KT13 0NY	24,597.17
CD01	Derbyshire Refrigeration Ltd	Unit E2 Giltway, Giltbrook Ind Estate, Giltbrook, Nottingham, NG16 2GN	4,638.34
CE00	Edmundson Harding Electrical	Maybrook Road, Minworth, Sutton Coldfield, B76 1AL	17,479.05
CE01	Eurocom Technical Services Ltd	Eurocom House, 271 Walsall Road, Great Wyrley, Walsall, WS6 6DR	2,898.00
CE02	EMDO Universal Drilling	Churchfields House, 1 Lockwood Close, Top Valley, Nottingham, NG5 9JN	384.00
CE03	Energas Ltd	Westmorland Street, Hull, HU2 0HX	183.37
CE04	EE Ltd	Trident Place, Mosquito Way, Hatfield, AL10 9BW	133.96
CE05	Edmundson Electrical Limited	Unit 5, Clarke Ind. Estate, Wetmore Road, Burton on Trent, Staffordshire, DE14 1QT	16.01
CF00	Furward Duct Erection Ltd		21,379.16
CF01	Fresh (Air Conditioning)Ltd	87 Vicarage Lane, Water Orton, West Midlands, B46 1RY	11,400.00

Signature _____

CFS Restructuring LLP
AAC Air Conditioning & Refrigeration Limited
B - Company Creditors

Key	Name	Address	£
CF02	Flakt Woods Limited	Axial Way, Colchester, Essex, CO4 5ZD	8,554.86
CF03	Fridge Spares Wholesale Ltd	Delta House, Fairway, Bridgtown, Cannock, WS11 0DJ	2,540.86
CF04	Fletcher Associates	Network House, 71 Campbell Street, Brockmoor, Brierley Hill, DY5 3YD	234.00
CF05	FP Teleset	Lakeside House, 74 Questor, Powdermill Lane, Dartford, Kent, DA1 1EF	102.00
CF06	Free2Move Lease - PSA Finance	Quadrant House, Princess Way, Redhill, Surrey, RH1 1QA	5.00
CF07	Funding Circle	71 Queen Victoria Street, London, EC4V 4AY	94,000.00
CG00	Greenmill Supply Company Ltd	Emerald House, Whitehall Road, Colchester, CO2 8HA	5,469.53
CG01	GD L Air Systems Ltd	Air Diffusion Works, Wooley Bridge Road, Hadfield, Glossop, SK13 1AB	5,307.82
CG02	Gilberts (Blackpool) Ltd	Gilair Works, Clifton Road, Blackpool, FY4 4QT	1,274.74
CH00	Haden Ductwork Ltd	253 Conniburrow Boulevard, Conniburrow, Milton Keynes, MK14 7AE	31,543.32
CH01	HRP Limited	15 Bruntcliffe Avenue, Leeds 27 Ind. Estate, Morley, LS27 0LL	18,562.20
CH02	Hotchkiss Air Supply	Heath Mill Road, Wombourne, Wolverhampton, WV5 8AP	15,847.81
CH03	HSS Hire Service Group PLC	Oakland House, 76 Talbot Road, Manchester, M16 0PQ	2,729.48
CH04	HM Revenue & Customs	Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4SE	105,374.12
CI00	Instalair (Midlands) Ltd	7 Sapcote Industrial Estate, Powke Lane, Cradley Heath, West Midlands, B64 5QR	57,335.60
CJ00	J & B Insulations Ltd	Unit 1, Stanley Street, Burton on Trent, Staffordshire, DE14 1DY	10,452.00
CJ01	Johnson Tidsall	81 Burton Road, Derby, DE1 1TJ	3,636.20
CJ02	JT Payroll	81 Burton Road, Derby, DE1 1TJ	636.00
CK00	Kooltech	Strathard, 12 Mossland Road, Hillington Park, Glasgow, G52 4XZ	21,094.85
CK01	Kings Office Supplies	Ivy Lodge, Twyford Road, Willington, Derbyshire, DE65 6DE	35.95
CK02	Knight Associates	1 Willoughby Avenue, Long Eaton, Nottingham, NG10 4JL	0.10
CL00	LH Electrical Ltd	23 Northside Business Park, Hawkins Lane, Burton upon Trent, Staffordshire, DE14 1DB	2,990.62
CL01	L Smeesters	12 Yantlet Drive, Rochester, Kent, ME2 2TJ	2,914.80
CL02	Lloyds Bank plc	Staffs Business Centre, Lloyds Bank Commercial, PO Box 1000, BX1 1LT	140,602.36
		Security Given: All Assets Debiture; Date Given: 25/04/2012; Amount: 0	
CM00	Mansfield Pollard	Edward House, Parry Lane, Bradford, BD4 8TL	22,920.00
CM01	Mainline (1982) Ltd	George Holmes Way, Heathcote Road, Swadlincote, Derbyshire, DE11 9DF	5,404.73
CM02	Macquarie Corporate and Asset Finance	2 Blagrove Street, Reading, RG1 1AZ	826.44
CM03	Midland Ventilation Supplies Ltd	7 Claymill Road, Leicester, LE4 9JJ	323.52
CM04	Mobile Mini UK Ltd	28 Falcon Court, Preston Farm Business Park, Stockton on Tees, TS18 3TX	267.23

Signature _____

CFS Restructuring LLP
AAC Air Conditioning & Refrigeration Limited
B - Company Creditors

Key	Name	Address	£
CN00	Nowell & Richards	Carfax House, 4-5 Ferranti Court, Staffordshire Technology Park, Stafford, ST18 0LQ	3,216.25
CN01	New College Nottingham	Fees and Charges Team, NCN City, 1 Broadway, Lace Market, Nottingham	1,500.00
CP00	Protrade Ltd	Pride Parkway, Pride Park, Derby, DE24 8HX	7,401.95
CP01	Pasquale Gibbons	84 Highgate Road, Sileby, Leicestershire, LE12 7PR	3,500.00
CP02	Purified Air Ltd	Lyon House, Lyon Road, Romford, RM1 2BG	1,365.38
CR00	RW Refrigeration Wholesale Limited	Administration Centre, 15 Bruntcliffe Avenue, Leeds 27 Industrial Estate, Morley, LS27 0LL	20,166.57
CR01	Robert Hurst Group Limited	Vickers House, Priestly Road, Basingstoke, RG24 9NP	12,142.20
CS00	Smith Brothers Stores Ltd	Unit B, St Vincents Trading Estate, Feeder Road, Bristol, BS2 0UY	108,555.71
CS01	Swegon Air Management	Joseph Wilson Ind. Estate, South Street, Whitstable, Kent, CT5 3DU	5,057.06
CS02	Systemair Ltd	Unit 28, Gravelly Ind. Park, Birmingham, B24 8HZ	3,573.25
CS03	S Killworth	9 Forrester Close, Fradley, Lichfield, WS13 8SF	2,410.00
CS04	Synapsys Solutions Ltd	No 1 Woodlands Court, Albert Drive, Burgess Hill, West Sussex, RH15 9TN	540.00
CS05	Siemens Financial Services Ltd	Sefton Park, Bells Hill, Stoke Poges, Buckinghamshire, SL2 4JS	513.16
CT00	Tool & Fastener Solutions Limited	Fastener Solutions House, Unit 4, Clarke Ind. Estate, Wetmore Road, Burton upon Trent, DE14 1QT	18,351.23
CT01	Toshiba Carrier UK Ltd	Toshiba Air Conditioning, Porsham Close, Belliver Industrial Estate, Roborough, Plymouth, PL6 7DB	2,995.57
CT02	The Fuelcard Company	St James Business Park, Grimbald Crag Court, Knaresborough, North Yorkshire, HG5 8QB	0.01
CU00	Ultraflo Environmental Services Ltd	Eagle Close, Chandlers Ford Ind Estate, Eastleigh, Hants, SO53 4NF	5,496.00
CV00	VES Andover Ltd	8 Downgate Drive, Sheffield, S4 8BT	14,420.95
CV01	Ventilation Centre	PO Box 68, Boroughbridge Road, Ripon, North Yorkshire, HG4 1XY	14,250.28
CW00	Wolseley UK Limited		3,517.68
79 Entries Totalling			1,063,056.15

Signature _____

CFS Restructuring LLP
AAC Air Conditioning & Refrigeration Limited
B1 - Company Creditors - Employees & Directors

Key	Name	Address	Pref £	Unsec £	Total £
0	Entries Totalling		0.00	0.00	0.00

Signature _____

CFS Restructuring LLP
AAC Air Conditioning & Refrigeration Limited
B2 - Company Creditors - Consumer Creditors

Key	Name	Address	£
0	Entries Totalling		0.00

Signature _____

AAC Air Conditioning & Refrigeration Limited

Schedule of Secured Creditors

Secured Creditors

Secured creditor's name and address	Amount of claim (estimated)	Details of security	Date security was given	Value of security (per Statement of Affairs)
Lloyds Bank plc	£140,602	Debenture	24 March 2017	£150,000
		Mortgage	25 April 2012	

Special Creditor Groups

Creditor Group	Number of creditors in group	Total amount of claims (estimated)
Employees and former employees	Nil	Nil
Consumers claiming amounts paid in advance for the supply of goods and services	Nil	Nil

AAC Air Conditioning & Refrigeration Limited
in Administration

Joint Administrators' Estimated Outcome Statement as at 7 March 2018

	NBV at 19-Jan-18	Estimated Realisations	Realised paid to date £'000	Estimated future Movements £'000	Total £'000
Assets subject to a fixed charge					
Freehold Property	119,198	150,000	0	150,000	150,000
Goodwill		1	1		1
Intellectual Property		1	1		1
	<u>119,198</u>	<u>150,002</u>	<u>2</u>	<u>150,000</u>	<u>150,002</u>
Less:					
Costs of Realisation					
Administrators' fees and expenses				(4,400)	(4,400)
Legal Fees			0	(2,500)	(2,500)
Agents Fees			0	(2,500)	(2,500)
			<u>0</u>	<u>(9,400)</u>	<u>(9,400)</u>
Fixed charge funds in hand/estimated to be received			<u>2</u>	<u>140,600</u>	<u>140,602</u>
Indebtedness to Lloyds Bank plc (fixed charge holder)					(140,602)
Estimated surplus/(deficit) as regards fixed charge holder					<u>0</u>
Assets subject to floating charge					
Work in Progress	167,881	41,970	28,000	13,970	41,970
Debtors	228,067	0	0	0	0
Plant & Machinery	443	3,415	3,415	0	3,415
Stock	6,490	2,620	2,620	0	2,620
Fixtures & Fittings	2,817	968	968	0	968
Motor Vehicles	<u>9,480</u>	<u>1,052</u>	<u>1,052</u>	<u>0</u>	<u>1,052</u>
	<u>415,178</u>	<u>50,025</u>	<u>36,055</u>	<u>13,970</u>	<u>50,025</u>
Less:					
Costs of Realisation					0
Administrators Fees (including pre-appointment fees)			0	(27,451)	(27,451)
Administrators Disbursements			0	(1,500)	(1,500)
Legal Fees			(6,713)	(4,861)	(11,574)
Chattel Agents Fees			0	(1,500)	(1,500)
Quantity Surveyor Fees			0	(2,000)	(2,000)
Statement of Affairs Fee			0	(6,000)	(6,000)
			<u>(6,713)</u>	<u>(43,312)</u>	<u>(50,025)</u>
Floating Charge funds in hand/estimated to be received			<u>29,342</u>	<u>(29,342)</u>	<u>0</u>
Fixed charge surplus (from above)					<u>0</u>
Estimated to be available for unsecured creditors					<u>0</u>
Unsecured Creditors					
Trade & Expense Creditors					(803,613)
Directors					(64,000)
HM Revenue & Customs					<u>(105,374)</u>
					<u>(972,987)</u>
Estimated surplus/(deficit) as regards unsecured creditors					<u>(972,987)</u>

Summary return to creditors

Estimated Dividend to:

Fixed and floating charge holder	100 p in the £
Unsecured Creditors	0 p in the £

**AAC Air Conditioning & Refrigeration Limited AAC Air Conditioning & Refrigeration Limited
(IN ADMINISTRATION)**

THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT TO 7 MARCH 2018

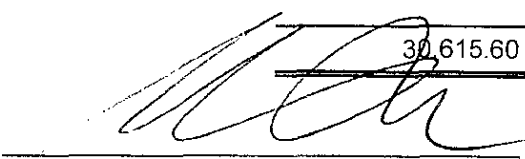
AAC Air Conditioning & Refrigeration Limited
(In Administration)

Joint Administrators' Summary of Receipts and Payments
To 07 March 2018

RECEIPTS	Statement of Affairs (£)	Total (£)
Freehold Land & Property	165,000.00	0.00
Rent		773.10
Plant & Machinery	2,500.00	3,415.00
Furniture & Equipment	560.00	968.00
Motor Vehicles	1,052.00	1,052.00
Stock	2,650.00	2,620.00
Work in Progress	41,970.00	28,500.00
Book Debts	2,000.00	0.00
		<hr/>
		37,328.10
		<hr/>
PAYMENTS		
Lloyds Bank plc	(140,602.00)	0.00
Legal Fees (1)		6,712.50
Trade & Expense Creditors	(659,936.00)	0.00
Directors	(64,000.00)	0.00
Inland Revenue	(65,913.00)	0.00
Customs & Excise	(39,461.00)	0.00
Funding Circle	(94,000.00)	0.00
Ordinary Shareholders	(200.00)	0.00
		<hr/>
		6,712.50
		<hr/>
Net Receipts/(Payments)		30,615.60
		<hr/>

MADE UP AS FOLLOWS

Bank 1 Current	29,273.10
VAT Receivable / (Payable)	1,342.50
	<hr/>
	30,615.60
	<hr/>



Andrew J Cordon
Joint Administrator

AAC Air Conditioning & Refrigeration Limited (In Administration)

BREAKDOWN OF PRE-ADMINISTRATION TIME COSTS FOR BUSINESS SUSTAINABILITY
LIMITED

Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

AA152ADM - AAC Air Conditioning & Refrigeration Limited
To: 07/03/2018
All Pre Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Avg Hourly Rate (£)	Hours Cum (POST Only)	Time Costs Cum (POST Only)
601 - Pre appointment matters	53.00	0.00	0.00	1.50	54.50	15,770.00	289.36	0.00	0.00
Case Specific Matters	53.00	0.00	0.00	1.50	54.50	15,770.00	289.36	0.00	0.00
Total Hours	53.00	0.00	0.00	1.50	54.50	15,770.00	289.36	0.00	0.00
Total Fees Claimed	0.00								

** - Denotes codes included in cumulative data that are not present in the period.

AAC Air Conditioning & Refrigeration Limited (In Administration)**CHARGE-OUT RATES AND BASES OF DISBURSEMENTS ("Business Sustainability Limited SUMMARY")**

Staff	Charge out rates £ per hour
Senior Partner	395
Partner	295
Senior Manager	250
Manager	225
Senior Administrator	195
Administrator	150
Support	90

AAC Air Conditioning & Refrigeration Limited (In Administration)

BREAKDOWN OF THE JOINT ADMINISTRATORS' TIME COSTS FROM 19 JANUARY 2018 to 7 MARCH 2018

Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

AA152ADM - AAC Air Conditioning & Refrigeration Limited
To: 07/03/2018
All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Avg Hourly Rate (£)	Hours Cum (POST Only)	Time Costs Cum (POST Only)
600 : Case Specific	0.70	0.00	0.00	0.00	0.70	206.50	295.00	0.70	206.50
603 : Administration	21.80	0.00	0.00	0.00	21.80	6,431.00	295.00	21.80	6,431.00
604 : Post Appointment Notifications	11.20	0.00	0.00	2.00	13.20	3,484.00	263.94	13.20	3,484.00
Case Specific Matters	33.70	0.00	0.00	2.00	35.70	10,121.50	283.52	35.70	10,121.50
501 : Unsecured Creditors	6.40	0.00	0.00	0.00	6.40	1,888.00	295.00	6.40	1,888.00
504 : Statutory Reporting to Creditors	18.40	0.00	0.00	0.00	18.40	5,428.00	295.00	18.40	5,428.00
Creditors	24.80	0.00	0.00	0.00	24.80	7,316.00	295.00	24.80	7,316.00
302 : Property	7.50	0.00	0.00	0.00	7.50	2,212.50	295.00	7.50	2,212.50
303 : Book Debts	11.30	0.00	0.00	0.00	11.30	3,333.50	295.00	11.30	3,333.50
Realisation of Assets	18.80	0.00	0.00	0.00	18.80	5,546.00	295.00	18.80	5,546.00
Total Hours	77.30	0.00	0.00	2.00	79.30	22,983.50	289.83	79.30	22,983.50
Total Fees Claimed						0.00			

** - Denotes codes included in cumulative data that are not present in the period.

AAC Air Conditioning & Refrigeration Limited (In Administration)**INFORMATION TO SUPPORT THE JOINT ADMINISTRATORS' FEE PROPOSAL****a) The Joint Administrators' Fees Estimate**

Please note that this estimate reflects the work undertaken and time anticipated to be incurred for the full period of the Administration and thus it includes the time already incurred, details of which are provided in Appendix IV.

b) The Joint Administrators' Expenses Estimate

Below is the expenses estimate in respect of category 1 direct expenses and category 2 expenses, which will have an element of shared or allocated costs.

Please note that this estimate reflects the expenses anticipated to be incurred for the full period of the Administration and thus it includes expenses already incurred, details of which are provided elsewhere in this document.

Expenses Category 1	Basis	Estimate of total
Legal costs Gateley plc has been instructed to provide advice in respect of validity of security and appointment, sale of the business, and sale of freehold property	Time-costs	£11,574
Agents and Valuers John Pye & Sons has been instructed to provide a valuation and to assist with a sale of the company's chattel assets	Time-costs/%	£1,500
Agents and Valuers Agents to be instructed to provide a valuation and to assist with a sale of the company's freehold property	Time Costs/%	£2,500
Quantity Surveyors Leslie Keats are to be instructed to assist with collect the book debts	Time Costs/%	£2,500
Debt Collection Fees AAC Air Conditioning Limited to be instructed to assist with the collection of book debts if the need arises.	% of realisations	Not known
Accounting fees to include corporation tax returns, dealing with any profit on sale of assets, providing advice and calculating any termination loss claim, and any VAT advice required and completion of the statement of affairs	Time-costs	£6,000
Advertising	Cost basis	£150
Bonding	Cost basis	£275
Document storage	Cost Basis	£250
Cost of website document access	Cost Basis	£50
Insurance	Cost Basis	£1,000
Total		£23,725

Expenses Category 2	Basis	Estimate of total
Mileage (own car usage)	45p per mile	£250
Total		£250

Please note that this estimate has been provided on the assumptions given in Section 6. In the event that it proves necessary for the Joint Administrators to incur additional expenses in

performing their duties, they will provide further details in their progress reports, but there is no statutory obligation to ask creditors to approve any adjusted estimate.

c) The Joint Liquidators' Fees Estimate

Whilst it is not anticipated that the Company will move from Administration to CVL in order to pay a dividend to creditors, in the unlikely event that a surplus does arise, then it is likely that a move to a CVL will be required. The timing of that move is currently unknown and therefore it is not known what work will remain to be carried out by the Joint Liquidators once the Administration is terminated. Despite these uncertainties, to ensure that the Joint Liquidators can act immediately to administer the winding up without needing to incur additional costs in reverting to creditors with information on their estimates. The Joint Liquidators' Fees Estimate is attached.

The Joint Administrators do not anticipate that it will be necessary to seek approval for fees in excess of this estimate. However, should additional work be necessary beyond what is contemplated, further approval may be sought from creditors. **The Joint Liquidators' Expenses Estimate**

Below is the estimate of expenses that will be incurred by the Joint Liquidators once the Company has moved from Administration to CVL.

Expenses Category 1	Basis	Estimate of total
Advertising	Cost Basis	210
Bonding	Cost Basis	£80
Total		£290

Expenses Category 2	Basis	Estimate of total
Total		£nil

FEES ESTIMATE SUMMARY

Case name: AAC Air Conditioning & Refrigeration Limited

The hourly charge out rates that will be used on this case are:

£

Senior Partner - Appointment Taker	395.00
Partner – Appointment Taker	295.00
Senior Manager	250.00
Manager	225.00
Supervisor/Senior Administrator	195.00
Case Administrator	150.00
Cashier/Support Staff	90.00

The expenses that will be incurred on this case are:

£

Statutory Advertising	150.00
Archive & Storage Costs	250.00
Bond	275.00

ADMINISTRATION AND PLANNING

These tasks are of no financial benefit to creditors but are required to be completed by statute

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work
		£
Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.	-	-
Setting up physical/electronic case files (as applicable).	3.00	680.00
Setting up the case on the practice's electronic case management system and entering data.	9.00	1,340.00
Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment (as applicable).	14.00	3,020.00
Obtaining a specific penalty bond.	1.00	250.00
Convening and holding general meetings of creditors and members (as applicable).	-	-
Dealing with all routine correspondence and emails relating to the case.	28.00	6,800.00
Opening, maintaining and managing the office holder's estate bank account (if applicable).	3.00	450.00
Creating, maintaining and managing the office holder's cashbook.	2.00	300.00
Undertaking regular bank reconciliations of the bank account containing estate funds.	1.00	150.00
Reviewing the adequacy of the specific penalty bond on a quarterly basis.	1.00	295.00
Undertaking periodic reviews of the progress of the case.	4.00	1,180.00
Overseeing and controlling the work done on the case by case administrators.	2.00	590.00
Preparing, reviewing and issuing annual progress reports to creditors and members (as applicable).	8.00	1,745.00
Filing returns at Companies House and/or Court (as applicable).	3.00	475.00
Preparing and filing VAT returns (if applicable).	1.00	150.00
Preparing and filing Corporation Tax returns (if applicable).	1.00	150.00
Seeking closure clearance from HMRC and other relevant parties.	-	-
Preparing, reviewing and issuing final reports to creditors and members (if applicable).	8.00	1,745.00

Convening and holding final meeting meetings of creditors and members (as applicable).	-	-
Filing final returns at Companies House and/or Court (as applicable).	2.00	385.00
Total:	91.00	£19,705.00
Average Hourly Charge Out Rate:		£216.54

INVESTIGATIONS

These tasks are of financial benefit to creditors, subject to costs

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work
		£
Recovering the books and records for the case.	1.00	295.00
Listing the books and records recovered.	-	-
Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act (delete if not applicable).	3.00	885.00
Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.	5.00	1,475.00
Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors	7.00	2,065.00
Total:	16.00	£4,720.00
Average Hourly Charge Out Rate:		£295.00

REALISATION OF ASSETS

These tasks are of financial benefit to creditors but are subject to costs

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work
		£
Arranging suitable insurance over assets.	2.00	590.00
Regularly monitoring the suitability and appropriateness of the insurance cover in place.	2.00	590.00
Corresponding with debtors and attempting to collect outstanding book debts.	8.00	2,360.00
Liaising with the bank regarding the closure of the account.	-	-
Instructing agents to value known assets.	1.00	295.00
Liaising with agents to realise known assets.	5.00	1,475.00
Instructing solicitors to assist in the realisation of assets.	1.00	295.00
Registering a caution in respect of freehold property owned by the debtor/company (where applicable).	-	-
Obtaining details from mortgagees about debts secured over the debtor's/company's freehold/leasehold property (where applicable).	5.00	1,475.00
Determining the joint owner's/spouse's interest in the freehold/leasehold matrimonial home (delete if not applicable).	-	-
Instructing solicitors to assist in the realisation of the freehold/leasehold property (where applicable).	1.00	295.00
Liaising with the secured creditors over the realisation of the assets subject to a mortgagee or other charge.	4.00	1,180.00
Total:	29.00	£8,555.00
Average Hourly Charge Out Rate:		£295.00

TRADING

These tasks are of financial benefit to creditors, subject to costs

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work
--------------------------------------------------------------------	--------------------------------------------------	---------------------------------------------------------

		£
Obtaining appropriate information about the business and preparing a business plan and cash flow forecasts.	-	-
Arranging suitable insurance for the business	-	-
Setting up suitable systems and controls in respect of purchases and sales for the business	-	-
Liaising with staff and trade unions	-	-
Setting up a new RTI registration for the business with HMRC and submitting relevant information in respect of wages and salaries paid	-	-
Monitoring and controlling the day to day trading of the business	-	-
Monitoring compliance with Health and Safety obligations in respect of the business	-	-
Total:	0.00	£0.00
Average Hourly Charge Out Rate:		£0.00

CREDITORS

These tasks are of no financial benefit to creditors but are required to be completed by statute

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work
		£
Obtaining information from the case records about employee claims.	-	-
Completing documentation for submission to the Redundancy Payments Office.	-	-
Corresponding with employees regarding their claims.	-	-
Liaising with the Redundancy Payments Office regarding employee claims.	-	-
Dealing with creditor correspondence, emails and telephone conversations regarding their claims.	15.00	3,110.00
Maintaining up to date creditor information on the case management system.	9.00	1,220.00
Issuing a notice of intended dividend and placing an appropriate gazette notice.	-	-
Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.	-	-
Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.	-	-
Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.	-	-
Paying tax deducted from the dividends paid to employees.	-	-
Total:	24.00	£4,330.00
Average Hourly Charge Out Rate:		£180.42

Please note: Based on the asset information received to date, there is no prospect of a dividend being payable to unsecured creditors in this instance.

CASE SPECIFIC MATTERS

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work
		£
Total:	0.00	£0.00
Average Hourly Charge Out Rate:		£0.00

GRAND TOTAL FOR ALL CATEGORIES OF WORK	160.00	£37,310.00
Average Hourly Charge Out Rate:		£233.19

**AAC Air Conditioning and Refrigeration Limited
(IN ADMINISTRATION)**

THE JOINT ADMINISTRATORS' FINAL RECEIPTS AND PAYMENTS ACCOUNT

AAC Air Conditioning and Refrigeration Limited
(In Administration)
Joint Administrator's Summary of Receipts and Payments

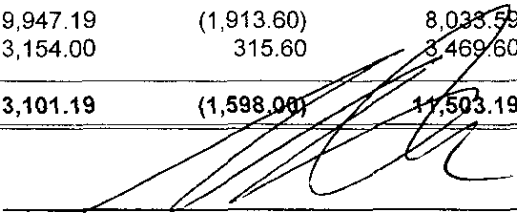
RECEIPTS	Statement of Affairs (£)	From 19/01/2018 To 19/01/2019 (£)	From 20/01/2019 To 21/05/2019 (£)	Total (£)
Freehold Land & Property	165,000.00	165,000.00	0.00	165,000.00
Rent		1,546.29	0.00	1,546.29
Plant & Machinery	2,500.00	3,415.00	0.00	3,415.00
Furniture & Equipment	560.00	968.00	0.00	968.00
Motor Vehicles	1,052.00	1,052.00	0.00	1,052.00
Stock	2,650.00	2,620.00	0.00	2,620.00
Work in Progress	41,970.00	40,500.00	0.00	40,500.00
Book Debts	2,000.00	18,000.00	0.00	18,000.00
Insurance Refund		112.00	0.00	112.00
		233,213.29	0.00	233,213.29

PAYMENTS

Agents/Valuers Fees		1,210.00	0.00	1,210.00
Lloyds Bank plc	(140,602.00)	141,836.35	0.00	141,836.35
Specific Bond		276.00	0.00	276.00
Pre- Appointment Costs		15,770.00	0.00	15,770.00
Office Holders Fees		40,000.00	0.00	40,000.00
Office Holders Expenses		721.95	64.00	785.95
Agents/Valuers Fees (1)		0.00	500.00	500.00
Professional Fees		6,000.00	1,000.00	7,000.00
Legal Fees (1)		13,319.64	0.00	13,319.64
Document Upload		28.00	14.00	42.00
Storage Costs		223.00	0.00	223.00
Statutory Advertising		81.45	0.00	81.45
Insurance of Assets		596.43	0.00	596.43
Bank Charges		49.28	20.00	69.28
Trade & Expense Creditors	(659,936.00)	0.00	0.00	0.00
Directors	(64,000.00)	0.00	0.00	0.00
Inland Revenue	(65,913.00)	0.00	0.00	0.00
Customs & Excise	(39,461.00)	0.00	0.00	0.00
Funding Circle	(94,000.00)	0.00	0.00	0.00
Ordinary Shareholders	(200.00)	0.00	0.00	0.00
		220,112.10	1,598.00	221,710.10
Net Receipts/(Payments)		13,101.19	(1,598.00)	11,503.19

MADE UP AS FOLLOWS

Bank 1 Current	9,947.19	(1,913.60)	8,033.59
VAT Receivable / (Payable)	3,154.00	315.60	3,469.60
	13,101.19	(1,598.00)	11,503.19


Andrew J Cordon
Joint Administrator

**AAC Air Conditioning and Refrigeration Limited
(IN ADMINISTRATION)**

ESTIMATED OUTCOME STATEMENT FOR THE LIQUIDATION

AAC Air Conditioning & Refrigeration Limited
in Administration

Administrator's Estimated Outcome Statement as at 21 May 2018

	NBV at 19-Jan-18	Realised paid to date £'000	Estimated future Movements £'000	Total £'000
Assets subject to a fixed charge				
Freehold Property	119,198	165,000	0	165,000
Rent	0	1,546	0	1,546
	119,198	166,546	0	166,546
Less:				
Costs of Realisation				
Administrator's fees and expenses		0	0	0
Legal Fees		0	0	0
Agents Fees		(1,210)	0	(1,210)
		(1,210)	0	(1,210)
Fixed charge funds in hand/estimated to be received		165,336	0	165,336
Indebtedness to Lloyds Bank plc (fixed charge holder)				(141,836)
Estimated surplus/(deficit) as regards fixed charge holder				23,500
Assets subject to floating charge				
Work in Progress	167,881	40,500	0	40,500
Debtors	228,067	18,000	0	18,000
Plant & Machinery	443	3,415	0	3,415
Stock	6,490	2,620	0	2,620
Fixtures & Fittings	2,817	968	0	968
Motor Vehicles	9,480	1,052	0	1,052
Insurance Refund	0	112	0	112
	415,178	66,667	0	66,667
Less:				
Costs of Realisation				
Administrators Fees (including pre-appointment fees)		(55,770)	0	(55,770)
Administrators Disbursements		(1,478)	0	(1,478)
Legal Fees		(13,320)	0	(13,320)
Chattel Agents Fees		(500)	0	(500)
Quantity Surveyor Fees		0	0	0
Statement of Affairs Fee		(6,000)	0	(6,000)
Capital Gains Tax Advice		(1,000)	0	(1,000)
Insurance		(596)	0	(596)
		(78,664)	0	(78,664)
Floating Charge funds in hand/estimated to be received		(11,997)	0	(11,997)
Fixed charge surplus (from above)				23,500
Estimated to be available for unsecured creditors				11,503
Unsecured Creditors				
Trade & Expense Creditors				(803,613)
Directors				(64,000)
HM Revenue & Customs				(105,374)
				(972,987)
Estimated surplus/(deficit) as regards unsecured creditors				(961,484)

Summary return to creditors

Estimated Dividend to:

Fixed and floating charge holder	100 p in the £
Unsecured Creditors	1 p in the £

**AAC Air Conditioning and Refrigeration Limited
(IN ADMINISTRATION)**

THE JOINT ADMINISTRATORS' TIME COSTS

Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

AA152ADM - AAC Air Conditioning and Refrigeration Limited
From: 20/01/2019 To: 21/05/2019
All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Avg Hourly Rate (£)	Hours Cum (POST Only)	Time Costs Cum (POST Only)
** 600 : Case Specific	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.70	206.50
603 : Administration	0.20	0.00	0.00	0.00	0.20	59.00	295.00	27.30	8,053.50
** 604 : Post Appointment Notifications	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.40	3,592.00
Case Specific Matters	0.20	0.00	0.00	0.00	0.20	59.00	295.00	42.40	11,852.00
** 501 : Unsecured Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.80	2,006.00
504 : Statutory Reporting to Creditors	10.40	0.00	0.00	0.00	10.40	3,068.00	295.00	40.70	12,006.50
** 505 : Report / Secured Creditor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.30	383.50
Creditors	10.40	0.00	0.00	0.00	10.40	3,068.00	295.00	48.80	14,396.00
** 201 : CDDA Reports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00	885.00
** 204 : Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.90	855.50
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.90	1,740.50
** 300 : Ident / Securing & Insuring	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.80	236.00
** 302 : Property	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.60	11,977.00
** 303 : Book Debits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.70	3,746.50
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	NAN	54.10	15,959.50
Total Hours	10.60	0.00	0.00	0.00	10.60	3,127.00	295.00	151.20	43,948.00
Total Fees Claimed	40,000.00								

** - Denotes codes included in cumulative data that are not present in the period.

**AAC Air Conditioning and Refrigeration Limited
(IN ADMINISTRATION)**

THE JOINT ADMINISTRATORS' CHARGE-OUT RATES AND BASES OF CATEGORY 2 DISBURSEMENTS

CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate, although will delegate tasks to members of staff. Such delegation assists the office holder as it allows him to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 per meeting;
- Car mileage is charged at the rate of 45 pence per mile;

- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged at the rate of £3 per box per month.

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

- Telephone and facsimile
- Printing and photocopying
- Stationery

STANDARD CHARGEOUT RATES AND CHARGING POLICY FOR INSOLVENCY CASES

The rates applying as at 1 April 2017:

Senior Partner	395
Partner	295
Senior Manager	250
Manager	225
Senior Administrator	195
Administrator	150
Support	90

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units).

**AAC Air Conditioning and Refrigeration Limited
(IN ADMINISTRATION)**

DETAILED LIST OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS

Below is detailed information about the tasks undertaken by the Joint Liquidators.

General Description	Includes
Statutory and General Administration	
Statutory/advertising	Filing of documents to meet statutory requirements including annual receipts and payments accounts Annual corporation tax returns Quarterly VAT returns Advertising in accordance with statutory requirements Bonding the case for the value of the assets
Document maintenance/file review/checklist	Filing of documents Periodic file reviews documenting strategy Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / Review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Books and records / storage	Dealing with records in storage Sending job files to storage
Pension scheme	Identifying whether there is a pension scheme Submitting the relevant notices if a pension scheme is identified Instructing agents to wind up any pension scheme Liaising and providing information to be able to finalise winding up the pension scheme
Reports	Circulating initial report to creditors upon appointment Preparing progress reports, investigation and general reports to creditors Disclosure of sales to connected parties
Creditors' decisions	Preparation of decision procedure notices, proxies/voting forms and advertisements Notice of decision procedure to all known creditors Collate and examine proofs and proxies/votes to conclude decisions For virtual or physical meetings: preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Responding to queries and questions following decisions
Closure	Review case to ensure all matters have been finalised Obtain clearance to close case from HMRC together with submitting final tax return Obtain final accounts from agents solicitors and others instructed Issue final account to creditors File documents with Registrar of Companies
Investigations	
SIP 2 Review	Collection and making an inventory of company books and records Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Reconstruction of financial affairs of the company Reviewing company's books and records Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with the committee/creditors or major creditors about further action to be taken
Statutory reporting on conduct of director(s)	Preparing statutory investigation reports Liaising with Insolvency Service Submission of report with the Insolvency Service Preparation and submission of supplementary information if required Assisting the Insolvency Service with its investigations
Examinations	Preparing brief to solicitor Liaising with solicitor(s) regarding examinations Attendance at examination Reviewing examination transcripts Liaising with solicitor(s) regarding outcome of examinations and further actions available

General Description	Includes
Realisation of Assets	
Sale of Business as a Going Concern	<ul style="list-style-type: none"> Instructing and liaising with agents Preparing an information memorandum Liaising with potential purchasers Agreeing licences to trade/occupy Assessment and review of offers received Negotiating with intended purchaser Liaising with secured creditors and seeking releases Exchanges with solicitors to agree sale and purchase agreement Surrender of lease (where appropriate) Pursuing deferred sale consideration
Plant and Equipment	<ul style="list-style-type: none"> Liaising with valuers, auctioneers and interested parties Reviewing asset listings Liaising with secured creditors and landlords
Freehold/Leasehold Property	<ul style="list-style-type: none"> Liaising with valuers and agents on marketing strategy and offers received Dealing with tenant issues (if any) Liaising with secured creditors and landlords Agreeing assignment, surrender or disclaiming property
Debtors	<ul style="list-style-type: none"> Collecting supporting documentation Correspondence with debtors Reviewing and assessing debtors' ledgers Receiving updates from factoring companies and liaising reassignment of ledger Liaising with debt collectors and solicitors Agreeing debt collection agency agreements Dealing with disputes, including communicating with directors/former staff
Creditors and Distributions	
Creditor Communication	<ul style="list-style-type: none"> Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Corresponding with the PPF and the Pensions Regulator
Dealing with proofs of debt ("POD")	<ul style="list-style-type: none"> Receiving and filing POD when not related to a dividend Corresponding with RPO regarding POD when not related to a dividend
Processing proofs of debt	<ul style="list-style-type: none"> Preparation of correspondence to potential creditors inviting submission of POD Receipt of POD Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication Seeking solicitors' advice on the validity of secured creditors' claims and other complex claims

**AAC Air Conditioning and Refrigeration Limited
(IN ADMINISTRATION)**

PROOF OF DEBT

PROOF OF DEBT - GENERAL FORM

AAC Air Conditioning & Refrigeration Limited - (in Administration)

Date of Administration: 19 January 2018

DETAILS OF CLAIM		
1.	Name of Creditor (if a company, its registered name)	
2.	Address of Creditor (i.e. principal place of business)	
3.	If the Creditor is a registered company: <ul style="list-style-type: none"> For UK companies: its registered number For other companies: the country or territory in which it is incorporated and the number if any under which it is registered The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act 	
4.	Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25	£
5.	If the total amount above includes outstanding uncapitalised interest, please state	YES (£) / NO
6.	Particulars of how and when debt incurred	
7.	Particulars of any security held, the value of the security, and the date it was given	
8.	Details of any reservation of title in relation to goods to which the debt relates	
9.	Details of any document by reference to which the debt can be substantiated. [The administrator may call for any document or evidence to substantiate the claim at his discretion.]	
10.	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	Category Amount(s) claimed as preferential £
11.	If you wish any dividend payment that may be made to be paid in to your bank account please provide BACS details. Please be aware that if you change accounts it will be your responsibility to provide new information	Account No.: Account Name: Sort code:
AUTHENTICATION		
Signature of Creditor or person authorised to act on his behalf		
Name in BLOCK LETTERS		
Date		
If signed by someone other than the Creditor, state your postal address and authority for signing on behalf of the Creditor		
Are you the sole member of the Creditor?		YES / NO