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liquidate  
liquidator's  
Progress  
Report.

TARVAIL ENGINEERING LIMITED - IN LIQUIDATION  
LIQUIDATOR'S PROGRESS REPORT

20/5/13 - 19/5/14



ANTONY BATTY & COMPANY LLP  
3 FIELD COURT  
GRAYS INN  
LONDON  
WC1R 5EF

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## **TARVAIL ENGINEERING LIMITED - IN LIQUIDATION**

This report is prepared in accordance to the provisions of the Insolvency Act 1986, which require the Liquidator to provide creditors with an update of the progress of the liquidation. The report has been prepared for the purpose of advising creditors. The report is private and confidential and may not be relied upon, referred to, copied or quoted from, in whole or in part, by creditors for any purpose other than advising them, or by any other person for any purpose whatsoever.

W A Batty was appointed as Liquidator of Tarvail Engineering Limited on 20 May 2013.

WA Batty, SJ Evans and HF Jesseman are licensed as Insolvency Practitioners in the UK by The Institute of Chartered Accountants in England & Wales under S 390 (2) of the Insolvency Act 1986.

### **Abbreviations used in this report**

- Tarvail Engineering Limited - ("Tarvail" or "the Company")
  - W A Batty - ("the Liquidator")
  - HM Revenue & Customs - ("HMRC")
  - Redundancy Payments Office - ("RPO")
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## **TARVAIL ENGINEERING LIMITED - IN LIQUIDATION**

### **CONTENTS**

- 1 Introduction
- 2 Asset realisations
- 3 Liabilities
- 4 Liquidator's receipts and payments
- 5 Liquidator's remuneration & expenses
- 6 Further Information for creditors
- 7 Conclusion of the Liquidation

### **Appendices**

- I Statutory Information
- II Details of Liquidator
- III Liquidator's Receipts and Payments account
- IV Summary of Liquidator's time costs
- V Summary of Liquidator's expenses
- VI Schedule of charge out rates and disbursements policy

## **TARVAIL ENGINEERING LIMITED - IN LIQUIDATION**

### **1. INTRODUCTION**

#### **1.1 Purpose of Report**

This report is prepared pursuant to the provisions of the Insolvency Act 1986, which require me as Liquidator to provide creditors and members with an update on the progress of the Liquidation

This report covers the period from 20 May 2013 to 19 May 2014

The following information is included in this report

- Details of asset realisations
- Details of any distributions made to creditors and likely further distributions
- Details of the Liquidator's receipts and payments including details of assets realised and any costs paid
- Information regarding fees and expenses
- Other information for creditors

#### **1.2 Progress of the Liquidation**

The Company designed, manufactured and installed pipework systems for the pharmaceutical and refrigeration industries

At the date of the winding up order on 20 May 2013 I have been in communication with a number of trade creditors regarding the demise of the Company. The Company director had advised that there were a significant amount of book debts to collect. The director was assisting in the collection of these debts as the relations held with the debtor was considered to be good and advised that they would be no reason these debts approximately £30,000 could not be received into the estate.

This process has been slow with debtors with the main debtor advising that owing to faults and defects which had to be corrected, they consider themselves as creditors as these costs outweighed the retentions held. Documentation to support these claims has been requested to verify the situation.

I have also now dealt with the Company's employees and all these claims have been processed.

I am still communicating with various trades that are believed to be creditors.

If you are aware of any potential creditors please request that they contact me directly.

### **2. ASSET REALISATIONS**

I have made the following realisations during the period of this report.

#### **2.1 Book Debts**

At the date the Company entered Liquidation the sales ledger showed an amount due of £63,462.

As detailed above the Company directors had been assisting us in our attempts to recover these book debts, to date they have been unsuccessful with all the debts being disputed. We have requested supporting documentation and will evaluate this upon receipt.

### **3. CREDITORS – CLAIMS AND DISTRIBUTIONS**

There are a number of different classes of creditors in insolvency matters. These include

Secured Creditors are creditors who hold fixed and or floating charge debenture security; they are paid in priority to other creditors, subject to preferential creditors and unsecured creditors under the prescribed part

Preferential creditors comprise employees' claims for holiday pay and some arrears of wages. Preferential creditors are paid in priority to the prescribed part, floating chargeholders and unsecured creditors

Unsecured creditors rank behind secured and preferential creditors. Unsecured creditors receive the surplus from net realisations after secured and preferential creditors and any payment which is made under the prescribed part

#### **3.1 Secured Creditors**

I am not aware of any secured creditors in this matter

#### **3.2 Preferential creditors**

The only known preferential creditors are the former employees of the Company for unpaid wages and holiday pay. These claims are subject to a maximum limit set by the insolvency legislation

#### **3.3 Prescribed Part**

There are provisions of the insolvency legislation that require a liquidator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property". A Company's net property is that left after paying the preferential creditors and the costs of the liquidation, but before paying the lender who holds a floating charge. A liquidator has to set aside

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000

As there is no Qualifying Floating Charge Holder in this matter the prescribed part provision does not apply

#### **3.4 Unsecured Creditors**

Based on the information from the Company's statement of affairs, unsecured creditors are estimated to total £417,709 from 21 known creditors

To date I have received claims from unsecured creditors totalling £750,151 from 29 creditors, HM Revenue & Customs have submitted their final claim in sum of £239,577, in respect of Tax NIC/PAYE

Based on current information there will be insufficient funds to make a distribution to unsecured creditors

### **4. LIQUIDATOR'S RECEIPTS AND PAYMENTS**

A summary of my receipts and payments relating to the Company for the period from report 20 May 2013 to 19 May 2014 is enclosed at Appendix III. I confirm that the account has not been reconciled with that which is held by the Secretary of State in respect of the winding up

During the period of this report there has been no significant payments

All funds in a compulsory liquidation must be paid into an account operated by The Insolvency Services. Deposits into these accounts attract a Secretary of State realisation fee and quarterly account fees of £22 will be applied. The Insolvency Service levied a fee of £1 10 for the issue of each cheque from the account.

Details of the significant receipts are shown in the Asset section of this report.

## **5 LIQUIDATOR'S REMUNERATION & EXPENSES**

### **5.1 Approval of Basis of Remuneration & Expenses**

My fees as Liquidator have been approved on a time cost basis, by reference to time properly given by me and my staff in attending to matters arising in the Liquidation, together with category 2 expenses, by the creditors at the creditors' meeting held on 17 June 2013.

Category 1 expenses are payable without approval from creditors.

### **5.2 Liquidator's Time Costs**

Time costs for the period 20 May 2013 to 19 May 2014 amount to £4,927, representing over eighteen hours work, at an average charge out rate of £264.

To date I have not drawn any funds in respect of my remuneration.

Appendix IV contains further information about time spent on the Liquidation and has been categorised into the following headings:

- **Administration and Planning** includes case planning, administrative set-up, appointment notification, statutory reporting, compliance, cashiering, accounting and administrative functions.
- **Realisation of Assets** includes identifying, securing, insuring assets, retention of title issues, debt collection, property, business and asset sales.
- **Investigations** includes reporting on the conduct of directors, investigating antecedent transactions and any other investigations that may be deemed appropriate.
- **Trading** includes planning, strategy, trading accounting, managing operations on site, corresponding with suppliers and customers, and on-going employee matters.
- **Creditors** includes creditor set up, communication and meetings, reviewing and agreeing preferential and unsecured claims, corresponding with secured creditors, reviewing and obtaining advice in relation to security granted by the Company.

For the period of this report the time in this matter has predominantly been spent on dealing with the employee claims with the RPO and trade creditors.

Considerable time has been spent on our attempts to collect book debts and liaising with the Company directors, further time has been spent the initial set up and statutory tasks of the Liquidation.

Work such as preparing the necessary reports to the creditors and case management on this assignment has predominantly been carried out by a manager with the suitable level of experience and authority necessary to progress the Liquidation. Less complex areas of work such as administrative functions have been carried out by junior grades of staff.

A Guide to Liquidators' fees may be found at <http://www.antonybatty.com/resource>. I would also be pleased to send you a copy by e-mail or post on request. Details of current charge out rates are given at Appendix VI.

### **5.3 Liquidator's Expenses**

A summary of my expenses for the period of this report is given at Appendix V. I have not drawn any funds in respect of my expenses during the period of this report.

Details of the disbursements policy are given at Appendix VI.

### **5.4 Creditor's Request for Further Information about Remuneration & Expenses**

Under insolvency legislation, creditors have the right to request in writing further information regarding the remuneration or expenses set out in this report. The request can be made by either

- a) a secured creditor, or
- b) an unsecured creditor with concurrence of at least 5% in value of unsecured creditors (including that creditor) or the permission of the Court.

The request must be made in writing within 21 days of receipt of this report.

### **5.5 Creditor's Claim that Remuneration and/or Expenses are Excessive**

Under insolvency legislation, creditors have the right to challenge my remuneration and expenses by making an application to court. The application can be made by either

- a) a secured creditor, or
- b) an unsecured creditor with concurrence of at least 10% in value of unsecured creditors (including that creditor) or the permission of the Court.

The application may be made on the grounds that my remuneration is, in all the circumstances, excessive, the basis of fixing the remuneration is inappropriate, or my expenses are, in all the circumstances, excessive.

Any such application must be made within 8 weeks of receipt of this report.

If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not out of the assets.

## **6 FURTHER INFORMATION FOR CREDITORS**

### **6.1 Investigations**

I am required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. To date I have conducted a review of the books & records to see if there are any matters which could lead to further realisations.

If there are any matters which may not have already been brought to my attention, please contact John Baalham at my office.

### **6.2 EC Regulation on Insolvency Proceedings**

I consider that the EC Regulation on Insolvency Proceedings apply to the Liquidation of the Company. I also consider that they are "main" proceedings since the Company's registered office and trading address are in the United Kingdom.

**6.3 Third Party Assets**

Should any creditor believe that they own assets that may have been in the Company's possession, they should contact my office as soon as possible

**7 CONCLUSION OF THE LIQUIDATION**

The Liquidation cannot be finalised until the book debt collection is concluded. If significant book debts are recovered then I shall contact creditors to progress the distribution of surplus funds.

Should you require any further information please contact John Baalham

A handwritten signature in black ink, appearing to be 'W A Batty', written in a cursive style.

**W A Batty**  
Liquidator



## APPENDIX I

### TARVAIL ENGINEERING LIMITED - IN LIQUIDATION

#### STATUTORY INFORMATION

Company Number	04937621
Date of Incorporation	20 October 2003
Trading Name	Tarvail Engineering Ltd
Registered Office	3 Field Court, Gray's Inn, London, WC1R 5EF
Formerly	Radbourne, 56 Kenilworth Road, Leamington Spa, Warwickshire, CV32 6JW
Trading Address	7 Applegarth Drive, Questor, Hawley Road, Dartford, Kent DA1 1JD
Principle business activity	Construction and Building Renovations

#### Directors

<u>Name</u>	<u>Appointed</u>	<u>Resigned</u>
C W Dalton	09/10/2007	In Office
M J Shepard	20/10/2003	In Office
M Rickards	22/02/2011	15/11/2011
N McGowen	27/03/2007	08/02/2010
J Parson	27/03/2007	08/02/2010

#### Company Secretary

<u>Name</u>	<u>Appointed</u>	<u>Resigned</u>
CF Secretaries Ltd	09/11/2010	In Office

Issued Share Capital 100 ordinary shares of £1 each

#### Shareholders

<u>Name</u>	<u>Ordinary Shares</u>	<u>Percentage</u>
CFC 0085 Limited	100	100%

#### Chargeholders

<u>Name</u>	<u>Type of Charge</u>	<u>Date of Charge</u>
No registered charge at companies house		

**APPENDIX II****TARVAIL ENGINEERING LIMITED - IN LIQUIDATION****DETAILS OF APPOINTMENT OF THE LIQUIDATOR**

Name and address of Liquidator	W A Batty of Antony Batty & Company LLP 3 Field Court, Gray's Inn, London, WC1R 5EF
Date of Appointment	20/05/2013
By Whom Appointed	Secretary of State
Court	Companies Court, Chancery Division, London
Court Number	2557 of 2013
Date of winding up order	20/05/2013

**APPENDIX V****TARVAIL ENGINEERING LIMITED - IN LIQUIDATION****SUMMARY OF LIQUIDATOR'S EXPENSES**

	Category 1	Category 2
Photocopying		£137
Postage		£42
Faxes		£1
Companies House		£20
Statutory advertising	£75	
Sundry		£50
	<u>£75</u>	<u>£250</u>
Drawn	<u>£Nil</u>	<u>£Nil</u>
Outstanding	<u>£75</u>	<u>£250</u>

**Tarvail Engineering Limited  
(In Liquidation)  
Liquidator's Abstract of Receipts & Payments**

Statement of Affairs	From 20/05/2013 To 19/05/2014
ASSET REALISATIONS	
Bank Interest Gross	NIL
Deposit on creditor's petition	1,165 00
	<u>1,165 00</u>
COST OF REALISATIONS	
O R Remuneration	2,235 00
Sec of State Fees	88 00
	<u>(2,323 00)</u>
	<u>(1,158 00)</u>
REPRESENTED BY	
ISA NIB	(1,158 00)
	<u>(1,158.00)</u>

**Antony Batty & Company LLP****Time Costs – Charge out rates per hour and disbursements policy.****1 April 2013 – 31 March 2014**

	2013\14
Office Holder (e g Liquidator)	£399
Senior Manager	£335
Case Manager	£295
Senior Administrator	£235
Administrator	£145
Junior Administrator	£80
	2012\13
Office Holder (e g Liquidator)	£399
Senior Manager	£325
Case Manager	£295
Senior Administrator	£225
Administrator	£135
Junior Administrator	£80

Please note that these rates may be increased from time to time. Creditors will be notified of changes in the annual report.

Time is recorded in units of six minutes, the minimum unit of time is therefore six minutes.

Members of staff with the appropriate level of experience and authority have been and will be used for the various aspects of work necessary in this assignment.

**Disbursement Policy**

Please note that the liquidator's disbursements are charged out at the following rates -

**Category 1** - represent recovery of necessarily incurred disbursements at the cost incurred

Sundry disbursements, such as advertising, where incurred appropriately, are recharged at 100% of the cost incurred.

Insurance and bonding is recharged at 100% of the relevant charge to the office holder.

Travel costs with the exception of mileage costs are recharged at 100% of the cost incurred.

VAT is charged as appropriate.

**Category 2**

Photocopying	15p per sheet
Postage	Royal Mail postage rates (non-franked mail)
Faxes UK	£1 per sheet
International	£2 per sheet
Internal meeting room hire -	£100 per hour, (minimum 1 hour)
Storage	£35 per box per annum
File set up, stationery & record retention	£50 per folder
Companies House search	£20 per case
Travel where Antony Batty & Company LLP staff use their own vehicles in the course of their duties in this matter, the mileage is recharged at 45p per mile.	
VAT is charged as appropriate	

**TARLIQ Tarvail Engineering Limited**

20 May 2014

**SIP 9 - Time & Cost Summary**

Period 20/05/13 19/05/14

## Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	0 90	0 60	6 90	0 00	8 40	2,181 60	259 71
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisations of assets	2 00	0 20	0 00	0 00	2 20	865 00	393 18
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 00	0 00	8 00	0 00	8 00	1 880 00	235 00
Case specific matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Pre Jan 2003 Time	0 00	0 00	0 00	0 00	0 00	0 00	0 00
<b>Total Hours</b>	<b>2 90</b>	<b>0 80</b>	<b>14 90</b>	<b>0 00</b>	<b>18 60</b>	<b>4,926 60</b>	<b>264 87</b>
<b>Total Fees Claimed</b>						<b>0 00</b>	