

Liquidator's Progress Report

S.192

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

To the Registrar of Companies

Company Number

08694734

Name of Company

Air Distribution Installations Limited

I / We

Lloyd Biscoe, The Old Exchange, 234 Southchurch Road, Southend on Sea, Essex, SS1 2EG

Dominik Thiel Czerwinke, The Old Exchange, 234 Southchurch Road, Southend on Sea, Essex, SS1 2EG

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

The Progress Report covers the period from 09/12/2015 to 08/12/2016

Signed

Date

26TH January 2017

Begbies Traynor (Central) LLP
The Old Exchange
234 Southchurch Road
Southend on Sea
SS1 2EG

Ref AI042CVL/LCB/DTC/DCF/RTK

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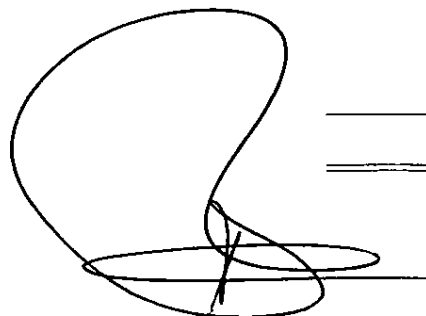
COMPANIES HOUSE

Air Distribution Installations Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

| Statement of Affairs | | From 09/12/2015 To 08/12/2016 |
|----------------------|-------------------------------|----------------------------------|
| | ASSET REALISATIONS | |
| 38,029 43 | Book Debts | NIL |
| 11,242 31 | Retentions | 623 63 |
| 6,000 00 | Cash in hand | 6,000 00 |
| | Bank Interest Gross | 0 15 |
| | | <u>6,623 78</u> |
| | COST OF REALISATIONS | |
| | Specific Bond | 67 50 |
| | Statement of Affairs Fee | 5,000 00 |
| | Stationery & Postage | 23 54 |
| | Statutory Advertising | 310 40 |
| | | <u>(5,401 44)</u> |
| | PREFERENTIAL CREDITORS | |
| (2,815 00) | RPO re Arrears/Holiday Pay | NIL |
| (2,017 00) | Employees re Arrears/Hol Pay | NIL |
| | | <u>NIL</u> |
| | UNSECURED CREDITORS | |
| (7,851 40) | Trade Creditors | NIL |
| (1,141 80) | Employees | NIL |
| (60,004 30) | RPO | NIL |
| (19,990 59) | Banks/Institutions | NIL |
| (130,112 15) | HMRC (non VAT) | NIL |
| (5,000 00) | HMRC (VAT) | NIL |
| | | <u>NIL</u> |
| | DISTRIBUTIONS | |
| (100 00) | Ordinary Shareholders | NIL |
| | | <u>NIL</u> |
| <u>(173,760.50)</u> | | <u><u>1,222.34</u></u> |

REPRESENTED BY

| | |
|----------------|-----------------|
| Vat Receivable | 1,080 29 |
| Bank 1 Current | 272 25 |
| Vat Payable | (130 20) |
| | <u>1,222.34</u> |



Lloyd Biscoe
Joint Liquidator

Air Distribution Installations Limited (In Creditors' Voluntary Liquidation)

Progress report

Period: 09 December 2015 to 08 December 2016

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. 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 and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

| <u>Expression</u> | <u>Meaning</u> |
|---|--|
| "the Company" | Air Distribution Installations Limited (In Creditors' Voluntary Liquidation) |
| "the liquidation" | The appointment of liquidators pursuant to Section 98 of the Act on 9 December 2015 |
| "the liquidators", "we", "our" and "us" | Lloyd Biscoe of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG and Dominik Thiel Czerwinke of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, Essex, SS1 2EG |
| "the Act" | The Insolvency Act 1986 (as amended) |
| "the Rules" | The Insolvency Rules 1986 (as amended) |
| "secured creditor" and "unsecured creditor" | Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act) |
| "security" | (i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act) |
| "preferential creditor" | Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act |

2. COMPANY INFORMATION

| | |
|---------------------------|---|
| Trading name(s) | N/A |
| Company registered number | 08694734 |
| Company registered office | The Old Exchange, 234 Southchurch Road, Southend-on-Sea, Essex, SS1 2EG |
| Former trading address | Dovers Corner Industrial Estate, New Road, Rainham, Essex, RM13 8QT |

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

| | |
|---------------------------|------------------|
| Date winding up commenced | 09 December 2015 |
|---------------------------|------------------|

| | |
|----------------------------------|------------------|
| Date of liquidators' appointment | 09 December 2015 |
| Changes in liquidator (if any) | None |

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 09 December 2015 to 08 December 2016

ASSET REALISATIONS

Book Debts and Retentions

In respect of the book debts and retentions due to the Company, we have instructed Leslie Keats LLP to act as our agents and assist in the realisation of these assets. We have realised the sum of £623 63 in the period

Cash in hand

The sum of £6,000 has been realised in respect of cash held in hand

Bank Interest Gross

The sum of £0 15 has been realised in respect of bank interest gross

COSTS OF REALISATIONS

Specific Bond

The sum of £18 00 has been paid in respect of this Category 1 disbursement

Statement of Affairs Fee

The sum of £5,000 has been paid to Begbies Traynor (Central) LLP for discharging our agreed statement of affairs fee

Stationery & Postage

The sum of £23 54 has been paid in respect of these Category 1 disbursements

Statutory Advertising

The sum of £310 40 has been paid in respect of this statutory Category 1 disbursement, including a provisional sum of £79 40 in respect of the costs of the final London Gazette advert that is to be incurred

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details>. Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2

General case administration and planning

- Updating the electronically held information at this office,
- General filing and printing of incoming communications,
- Setting up and maintaining physical case files,
- Review of background and identifying areas requiring action and formulating a case strategy plan
- Updating case strategy plan
- Creation, review and update of case compliance checklists
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories
- General case updates to include internal meetings on case strategy and effect of instruction
- Overseeing and controlling the work undertaken on this engagement by junior staff,
- Creation of file notes where necessary,
- Completion of one month case compliance and progression checklist,
- Completion of three month case compliance and progression checklist,
- Completion of six monthly compliance and progression checklists,
- Ensure time recording data is compliant with Statement of Insolvency Practice 9,
- Establishing the location of and subsequent collection (if applicable) of some of the Company's statutory and financial books and records from both the director of the Company and the Company's former accountants
- Communication with the insolvent's bank to obtain copy bank statements

On this engagement, the work identified above does not hold direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

Compliance with the Insolvency Act, Rules and best practice

- Preparing documentation and dealing with formalities of appointment (both statutory and best practice),
- Preparing, reviewing and issuing initial report to creditors following appointment,
- Submission of forms to Companies House and the London Gazette advertising,
- Obtaining specific penalty bond,
- Reviewing the adequacy of the specific penalty bond periodically,
- Ongoing consideration to ethical practice,
- Ongoing consideration to money laundering regulations,
- Updating case checklists and statutory diaries where necessary,
- Submission of forms to Companies House,

Banking

- Opening, maintaining and managing the insolvent estate bank account
- Creating, maintaining and managing the officer holders' cash book on this assignment
- Undertaking regular bank reconciliations of the insolvent estate bank account
- Complying with risk management procedures,
- Accounting for accruing interest on the cash book,
- Preparing and processing cheque requisition forms for the payment of post-appointment invoices,
- Preparing and processing remittance advises for incoming funds,
- Processing of BACS/electronic payments where applicable,

On this engagement, the work identified above does not hold direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

Investigations

- Corresponded with relevant directors of the insolvent entity to advise of the effect on them of insolvency and issue directors' questionnaires,
- Written to accountant for delivery up of company's files to include accounts and tax returns,
- Written to bank to obtain copy statements and their subsequent review if received,
- Review of books and records held,
- Reporting to relevant authorities,
- Completion of internal Company Directors Disqualification Act ("CDDA") investigations and form,
- Reviewing available records to determine any pre-appointment antecedent transactions,
- The office holders have made an appropriate submission to the Department for Business Innovation and Skills

Further specific information will not be provided to creditors' at this time to reduce the risk of prejudicing any claims that may be brought.

The office holders are obliged under the CDDA to conduct certain investigations into the affairs and conduct of the Company and its directors. A report is subsequently submitted. This work does not directly commercially benefit creditors and is a statutory requirement. However, sometimes this work overlaps with investigations on antecedent transaction which the office holders may pursue.

On this engagement, there will not be a direct commercial benefit to creditors in relation to the above matters as the office holders have not identified any commercially viable actions to bring which would lead to recovery/contributions to estate assets.

Realisation of assets

- The sum of £6,000 has been realised in respect of cash held in hand at the date of liquidation.
- We have reviewed the Company's records and schedule of book debts and retentions that are outstanding. We have formally instructed Leslie Keats to assist us in the collection of the Company's outstanding book debts and retentions and we have continued to monitor the position of these assets on a frequent basis, holding conversations and corresponding with our agents and making file notes of the progress made at stages.

On this engagement, there is expected to be no direct commercial benefit to creditors in relation to the above matters as there is expected to be insufficient asset realisations to enable a dividend to creditors.

Dealing with all creditors' claims (including employees), correspondence and distributions

Creditors

- Creating and updating schedules of preferential and unsecured creditor claims,
- Preparing all necessary notices and forms and subsequently sending initial circular to creditors,
- Receipt of creditor claims and input on internal case management software,
- Review of creditor claim supporting information,
- Taking and dealing with phone calls from creditors,
- Acknowledgment of creditor claims correspondence and/or dealing with further queries on claims,
- Receipt of, consideration of and response to creditor correspondence,
- Where necessary, consideration of issues to reject claims and issue of appropriate letter to creditor(s) affected in accordance with statutory requirements concerning rejection of all or part claims,

On this engagement, the work detailed above has not had any direct financial benefit to creditors from the insolvent estate and has been undertaken to comply with the Insolvency Act and Rules together with best practice and enabling creditors to have evidence of their loss for tax and VAT purposes

Employees

- Sending initial circular to employees,
- Liaising with the Redundancy Payments Office ("RPO") in relation to the claims of the employees,
- Review of payroll information and input of same into the electronic software for submission online,
- Completion of RP14 and RP14A information after verification procedures with books and records,
- Review of RP1 claims and comparing them to payroll information and assisting with any discrepancies
- Liaison with the RPO and dealing with their queries
- Taking phone calls from employees in relation to the progress of the case and their claims
- Dealing with any discrepancies or queries from the RPO or employees

On this engagement, the work detailed above has had a direct financial benefit to the preferential creditors. The work has been required to be done in order for the claims lodged by former employees of the business to be met by the redundancy payments office in the first instance, irrespective of the value of assets in the insolvent estate. The work is required to be done under Employment legislation and claim agreement in accordance with the Insolvency Act and Rules.

Other matters which includes meetings, tax, litigation, pensions and travel

Tax / VAT

- Submitting relevant initial notification to HM Revenue & Customs,
- Post appointment VAT compliance – submission of VAT returns

On this assignment, the reconciliation of input and output VAT and the subsequent submission of VAT returns has enabled further realisation of assets for the estate but of insufficient value from which creditors may directly benefit. It is a requirement of the office holders to complete and file VAT returns until conclusion of the matter.

Pensions

- Establishing if a pension exists, to include online checks,

There is no direct financial benefit to creditors of this work on this assignment. It is required by statute for the office holders to identify any possible pension schemes in place and deal with their closure or otherwise. Where schemes exist, we engage pension trustee services to deal with this on our behalf.

Meetings/travel

- Attendance at the Section 98 meeting and general meeting to place the Company into liquidation including travel to and from these meetings

There is no direct financial benefit to creditors of this work on this assignment but it has been necessary in order to progress the insolvency process.

5. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the director's statement of affairs) are as follows

Secured creditors

There are no secured creditors in this case

Preferential creditors

There are eight known preferential creditors who are estimated to be owed the sum of £2,412 51. Preferential creditor information has been supplied to the Redundancy Payments Office to enable the former employees of the Company receive redundancy payment.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

Unsecured creditors

As detailed in the director's statement of affairs included within the report sent to creditors further to our appointment as liquidators, there are eight known unsecured creditors who are owed the total estimated sum of £224,100 24 for which we have agreed claims in the sum of £183,855 93.

Based upon realisations to date and estimated future realisations it is anticipated there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

6. REMUNERATION & DISBURSEMENTS

Remuneration

We have not at this time drawn any funds on account of our remuneration, nor on account of certain expenses.

Accordingly, we are seeking approval that our remuneration be fixed by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the winding up. We are also seeking approval to draw disbursements, including disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy.

Our time costs for the period from 09 December 2015 to 08 December 2016 amount to £6,535 50 which represents 30 5 hours at an average rate of £214 28 per hour. Please note that this time is included in the fees estimate which appears at Appendix 3.

Details of the work that the Liquidators consider that they will need to undertake to administer the liquidation are detailed at Section 8 of this report.

The following further information in relation to our time costs and disbursements is set out at Appendix 2:

- ☐ Time Costs Analysis for the period 09 December 2015 to 08 December 2016
- ☐ Begbies Traynor (Central) LLP's charging policy

In addition, Appendix 3 contains the following:

- Estimate of expenses

Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only

Work undertaken prior to appointment

In addition to the post appointment time costs detailed in the Time Costs Analysis, the costs relating to work undertaken prior to our appointment in summoning, advertising and holding the creditors' meeting and assisting the directors in preparing the statement of affairs were approved by the creditors at the Section 98 meeting

Disbursements

To 08 December 2016, we have drawn disbursements in the sum of £401 44

Why have subcontractors been used?

Due to the age and nature of the book debts and retentions outstanding to the Company, the office holders have deemed it necessary to instruct agents in the realisation of these assets. Leslie Keats LLP have been formally instructed by Begbies Traynor (Central) LLP to assist in the collection of the Company's outstanding book debts and retentions. Leslie Keats LLP have been instructed on the basis of their remuneration being the first £1,500 00 plus VAT of realisations then 15% of all recoveries of the general book debts and retentions plus VAT and disbursements thereafter.

Category 2 Disbursements

No resolution has been passed to enable post-appointment Category 2 disbursements to be charged to this case and so none have been drawn

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2015' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3

8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

Book Debts and Retentions

In the period of this report, we have formally instructed Leslie Keats LLP to assist us in the collection of the Company's outstanding book debts and retentions. Although some of these assets have proved to be irrecoverable, Leslie Keats LLP have advised that there is one book debt remaining which they expect to realise in January 2017.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

- The preparation, drafting and issue of this report to creditors and members to include all necessary information,
- Obtaining up to date estimates from Leslie Keats LLP in relation to their costs,
- Updating case strategy plan,
- Update of case compliance checklists,
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories,
- General case updates to include internal meetings on case strategy and effecting instruction,
- Ongoing maintenance of up to date information on the electronic case information,
- Periodic reviews of the case generally,
- Overseeing and controlling the work undertaken on this engagement by junior staff,
- Completion of six monthly compliance and progression checklists,
- Ensure time recording data is compliant with Statement of Insolvency Practice 9

There is no direct commercial benefit to creditors in relation to the above matters, but creditors benefit from case progression and accuracy. This work is necessary to progress the case and comply with best practice and statute.

Compliance with the Insolvency Act, Rules and best practice

- Reviewing the adequacy of the specific penalty bond periodically,
- Ongoing consideration to ethical practice,
- Ongoing consideration to money laundering regulations,
- Updating case checklists and statutory diaries where necessary,
- Submission of forms to Companies House,
- Maintain accurate account of receipts and payments,
- Issuing annual progress reports for submission at Companies House and copies sent to all known creditors

Banking

- Maintaining and managing the insolvent estate bank account
- Maintaining and managing the officer holders' cash book on this assignment
- Undertaking regular bank reconciliations of the estate bank account
- Complying with risk management procedures,
- Accounting for accruing interest on the cash book,
- Preparing and processing cheque requisition forms for the payment of post-appointment invoices,
- Preparing and processing remittance advises for incoming funds,
- Processing of BACS/electronic payments where applicable

Closure

- Preparing, reviewing and issuing final report to members and creditors,
- Preparation and issue of advert convening final meetings of members and creditors to London Gazette,
- Convening and holding the final meeting of members and creditors,

- Completion of minutes of final meeting,
- Filing of final return at Companies House,
- Update physical and electronic case records following closure

On this engagement, the work identified above does not hold direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

Investigations

There are expected to be no further investigations in this case.

Realisation of assets

- Leslie Keats LLP have advised that there remains book debts outstanding which they are pursuing. We will continue to monitor the position of the book debts and retentions and will continue seeking updates from our instructed agents with regard to the progress being made in this respect.
- We shall look to discharge our instructed agents in respect of their fees and incurred costs.

On this engagement, the work detailed above is not expected to have any direct financial benefit to creditors as there is expected to be insufficient asset realisations to enable a dividend to creditors.

Dealing with all creditors' claims (including employees), correspondence and distributions

Creditors

- The issue of this report and associated required documents,
- Updating schedules of preferential and unsecured creditor claims,
- Receipt of creditor claims and input on internal case management software,
- Review of creditor claim supporting information,
- Taking and dealing with phone calls from creditors,
- Acknowledgment of creditor claims correspondence and/or dealing with further queries on claims,
- Receipt of, consideration of and response to creditor correspondence,
- Where necessary, consideration of issues to reject claims and issue of appropriate letter to creditor(s) affected in accordance with statutory requirements concerning rejection of all or part claims,

On this engagement, the work detailed above is not expected to have any direct financial benefit to creditors from the insolvent estate and has been undertaken to comply with the Insolvency Act and Rules together with best practice and enabling creditors to have evidence of their loss for tax and VAT purposes.

Employees

- Ongoing liaison with the Redundancy Payments Office ("RPO") in relation to the claims of the employees,
- Review of RP1 claims and comparing them to payroll information and assisting with any discrepancies,
- Liaison with the RPO and dealing with their queries,
- Taking phone calls from employees in relation to the progress of the case and their claims,
- Dealing with any discrepancies or queries from the RPO or employees,
- Attending to any employee pension scheme related matters,
- Agreeing preferential and unsecured claims from employees and RPO.

On this engagement, the work detailed above is of a direct financial benefit to the preferential creditors. The work is required to be done in order for the claims lodged by former employees of the business to be met by the redundancy payments office in the first instance, irrespective of the value of assets in the insolvent estate. The work is required to be done under Employment legislation and claim agreement in accordance with the Insolvency Act and Rules.

Other matters which includes meetings, tax, litigation, pensions and travel

- The completion of VAT forms in order to reclaim outstanding VAT,
- The Completion of Corporation Tax returns,
- Attending meetings that may arise along with travel to and from those meetings,
- Filing of final Corporation Tax return,
- Seeking closure clearance from HMRC

Some of the above have no direct financial benefit to creditors but have to be done in order to comply with the Insolvency Rules such as creditors and members meetings, as well as a legal requirement, such as completion of corporation tax returns. Others do have a direct financial benefit to creditors. These include the provision of VAT returns after the liquidation as the majority of VAT will be recoverable and therefore an asset of the insolvent estate.

How much will this further work cost?

We estimate that we shall incur a further £3,500 in completing the above tasks.

Expenses

Details of the expenses that we expect to incur are listed at Appendix 3 of this report.

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, as explained in the report circulated at the meeting of creditors convened pursuant to Section 98 of the Act, such report having also been sent to creditors following the meeting, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Energy and Industrial Strategy. We can confirm that we have discharged our duties in these respects.

Investigations carried out to date

We have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect.

Connected party transactions

We have not been made aware of any connected party transactions.

10. CREDITORS' RIGHTS

Right to request further information

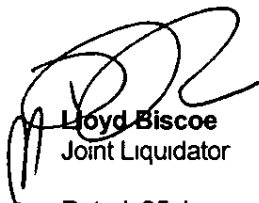
Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report

Right to make an application to court

Pursuant to Rule 4.131 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate

11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner



Lloyd Biscoe
Joint Liquidator

Dated 25 January 2017

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 09 December 2015 to 08 December 2016

Air Distribution Installations Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments
To 08/12/2016

| S of A £ | | £ | £ |
|---------------------|-------------------------------|----------|-----------------|
| | ASSET REALISATIONS | | |
| 38,029 43 | Book Debts | NIL | |
| 11,242 31 | Retentions | 623 63 | |
| 6,000 00 | Cash in hand | 6,000 00 | |
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| | COST OF REALISATIONS | | |
| | Specific Bond | 67 50 | |
| | Statement of Affairs Fee | 5,000 00 | |
| | Stationery & Postage | | |
| | pre-app postage | 0 63 | |
| | post app postage | 22 91 | |
| | Statutory Advertising | | |
| | pre-app advertising | 77 00 | |
| | post app advertising | 154 00 | |
| | final advert provision | 79 40 | |
| | | | (5,401 44) |
| | PREFERENTIAL CREDITORS | | |
| (2,815 00) | RPO re Arrears/Holiday Pay | NIL | |
| (2,017 00) | Employees re Arrears/Hol Pay | NIL | |
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| (130,112 15) | HMRC (non VAT) | NIL | |
| (5,000 00) | HMRC (VAT) | NIL | |
| | | | NIL |
| | DISTRIBUTIONS | | |
| (100 00) | Ordinary Shareholders | NIL | |
| | | | NIL |
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| | Vat Receivable | | 1,080 29 |
| | Bank 1 Current | | 272 25 |
| | Vat Payable | | (130 20) |
| | | | 1,222 34 |


Lloyd Biscoe
Joint Liquidator

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's charging policy,
- b Time Costs Analysis for the period from 09 December 2015 to 08 December 2016

BEGBIES TRAYNOR 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 guidance¹ 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. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates 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. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her 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 and 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 expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation but which are not payable to an independent third party.

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 (London £150) 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).

In addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements. The following items of expenditure which relate to services provided by entities within the Begbies Traynor Group are to be charged to the case (subject to approval):

Services provided by other entities within the Begbies Traynor group

The following items of expenditure which relate to services provided by entities within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Instruction of Eddisons Commercial Limited to provide assistance with the sale of assets. Their charges will be based on a percentage of realisations plus disbursements.

Instruction of Eddisons Commercial Limited to provide a valuation of the Company's physical assets. Their charges will be based on a fixed fee to be agreed plus disbursements.

In addition to the services detailed above, it may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time cost basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

| Grade of staff | Charge-out rate (£ per hour) |
|----------------|------------------------------|
| Director | £275 |
| Associate | £180 |
| Surveyor | £120 |
| Graduate | £100 |
| Administration | £80 |
| Porters | £35 |

Instruction of Eddisons Insurance Services Limited to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the

case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case. Eddisons Insurance Services Limited is not paid from the assets of the estate for the services it provides. In accordance with standard insurance industry practice, Eddisons Insurance Services Limited will receive payment of commission for the services it provides directly from the open cover insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

Services provided by an entity in which an Office Holder has an interest

The following items of expenditure which relate to services provided by an entity that a licensed insolvency practitioner within the firm has an interest in, are also to be charged to the case (subject to approval):

Storage of books and records (when not rechargeable as a Category 1 expense) is charged by Archive Facilities (Southend) Limited, an associated company. The rates applying as at the date of this report are: Minimum charge of £40 per quarter for up to three boxes. Four to Two Hundred Boxes charged at £11 per quarter per box, over two hundred boxes are charged at half the aforementioned price (£5.50 per box per quarter). Mileage for collection of books and records is charged at 55p per mile. Provision of cardboard box charged at £2.75 per box. Where Archive Facilities (Southend) Limited are required to physically pack the books and records, there is a minimum charge of 2 hours at £15 per hour per person required, and at £15 per hour for each hour thereafter. All figures stated are net.

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

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally but vary to suit local market conditions. The rates applying to the Southend-on-Sea as at the date of this report are as follows:

| Grade of staff | Charge-out rate (£ per hour) | Charge-out rate (£ per hour) |
|-----------------------|------------------------------|-----------------------------------|
| | 1 May 2011 – 30 Apr-16 | 1 May 2016 – until further notice |
| Partner | 495 | 495-550 |
| Director | 395 | 395 |
| Senior Manager | 365 | 365 |
| Manager | 315 | 315 |
| Assistant Manager | 270 | 285 |
| Senior Administrator | 235 | 250 |
| Administrator | 185 | 220 |
| Trainee Administrator | 160 | n/a |
| Junior Administrator | n/a | 160 |
| Support | 160 | n/a |
| cashier | n/a | 160 |
| secretarial | n/a | 160 |

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 6 minute units.

The office holder may use the services of BTG Contentious Insolvency Division during the course of the case. BTG Contentious Insolvency Division is a specialist department of the office holder's firm which provides forensic investigating services. The current charge-out rates applying to work carried out by BTG Contentious Insolvency Division are as follows:

| Grade of staff | Charge-out rate (£ per hour) | Charge-out rate (£ per hour) |
|-------------------|------------------------------|-----------------------------------|
| | 1 May 2011 – 30-Apr-16 | 1 May 2016 – until further notice |
| Director | 395 | 395 |
| Senior Manager | 365 | 365 |
| Assistant Manager | 270 | 285 |

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

| Staff Grade | Consultant/Partner | Director | Snr Mngr | Mngr | Asst Mngr | Snr Admin | Admin | Jr Admin | Support | Total Hours | Time Cost £ | Average hourly rate £ |
|--|--------------------|----------|----------|----------|-----------|-----------|--------|----------|---------|-------------|-------------|-----------------------|
| General Case Administration and Planning | 0.6 | 3.0 | | | | | | | | 3.6 | 1,422.00 | 395.00 |
| | 0.5 | | | 0.3 | | | | 2.6 | | 3.4 | 708.00 | 208.24 |
| | 1.1 | 3.0 | | 0.3 | | | | 2.6 | | 7.0 | 2,130.00 | 304.29 |
| Compliance with the Insolvency Act Rules and best practice | | | | | | | | 5.1 | | 5.1 | 816.00 | 160.00 |
| | 0.2 | | | | | | 4.1 | 0.2 | 0.6 | 5.1 | 965.50 | 189.31 |
| | | | | | | | | | | | | 0.00 |
| | | | | | | | | | | | | 0.00 |
| | 0.2 | | | | | | 4.1 | 5.3 | 0.6 | 10.2 | 1,781.50 | 174.66 |
| Investigations | | | | | | | | 3.2 | | 3.2 | 512.00 | 160.00 |
| | | | | | | | | 3.2 | | 3.2 | 512.00 | 160.00 |
| Realisation of assets | | | | 1.6 | | | | 1.4 | | 3.2 | 791.00 | 247.19 |
| | | | | | | | | | | | | 0.00 |
| | | | | | | | | | | | | 0.00 |
| | | | | | | | | | | | | 0.00 |
| | | | | 1.6 | | | | 1.4 | | 3.2 | 791.00 | 247.19 |
| Trading | | | | | | | | | | | | 0.00 |
| | | | | | | | | | | | | 0.00 |
| Dealing with all creditors claims (including employees) correspondence and distributions | | | | | | | | 4.0 | | 5.4 | 1,081.00 | 200.19 |
| | | | | | | | | 4.0 | | 5.4 | 1,081.00 | 200.19 |
| Other matters which includes meetings tax litigation pensions and travel | | | | | | | | | | | | 0.00 |
| | | | | | | | | | | | | 0.00 |
| | | | | | | | | 0.2 | | 0.2 | 32.00 | 160.00 |
| | | | | | | | | 1.3 | | 1.3 | 208.00 | 160.00 |
| | | | | | | | | | | | | 0.00 |
| | | | | | | | | 1.5 | | 1.5 | 240.00 | 160.00 |
| | 1.3 | 3.0 | | 3.5 | | | 4.1 | 18.0 | 0.6 | 30.5 | | |
| | 513.50 | 1,185.00 | | 1,102.50 | | | 758.50 | 2,880.00 | 96.00 | | 6,335.50 | |
| | 385.00 | 395.00 | 0.00 | 315.00 | 0.00 | 0.00 | 185.00 | 160.00 | 160.00 | | | 214.28 |
| | | | | | | | | | | | 0.00 | |

THE LIQUIDATORS' ESTIMATE OF THE TOTAL FEES THAT THEY WILL INCUR

Further to the information set out in the report, the Liquidators are seeking to be remunerated on a time costs basis. Details of our firm's hourly charge-out rates are set out in the charging policy which accompanies this estimate. Prior to creditors determining the basis upon which we are to be remunerated, we are obliged to produce a fees estimate and to provide it to each creditor of whose details we are aware so that it can be approved at the same time as the basis of our remuneration.

Our fees estimate for the liquidation is attached. Please note that blended hourly rates have been used which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column.

Although the fees estimate indicates that the total time costs for this matter will be £11,024.50, we are aware that there are limited assets to realise and so the time costs that we will be able to draw will be limited to the amount that is realised for the assets. This is expected to be in the region of £9,547.82. However, please note that should there be additional or unexpected asset realisations, we will look to draw our fees from those too.

Should creditors require further information on how this estimate has been produced this can be obtained from our website at <http://www.begbies-traynorgroup.com/fee-estimates>

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>

Dated 25 January 2017

FEES ESTIMATE

| | Total hours | Time cost £ | Average hourly rate £ |
|--|--------------|------------------|-----------------------|
| General case administration and planning | 9 30 | 3,211 50 | 345 32 |
| Compliance with the Insolvency Act, Rules and best practice | 19 50 | 4,194 50 | 215 10 |
| Investigations | 3 20 | 512 00 | 160 00 |
| Realisation of assets | 5 20 | 1,204 00 | 231 54 |
| Trading | 0 00 | 0 00 | |
| Dealing with all creditors' claims (including employees), correspondence and distributions | 7 80 | 1,527 00 | 195 77 |
| Other matters which includes meetings, tax, litigation, pensions and travel | 3 80 | 678 50 | 178 55 |
| Total hours by staff grade | 48 80 | | |
| Total time cost by staff grade | | 11,024 50 | |
| Average hourly rate £ | | | 225 91 |

STATEMENT OF EXPENSES

| Type of expense | Name of party with whom expense incurred | Amount incurred £ | Amount discharged £ | Balance (to be discharged) £ |
|---|--|----------------------|------------------------|---------------------------------|
| Expenses incurred with entities not within the Begbies Traynor Group | | | | |
| Advertisement | The Stationery Office Limited | 231 00 | *310 40 | 0 |
| Bonding | Insolvency Risk Services | 67 50 | 67 50 | 0 |
| Postage | The Post Office | 23 54 | 23 54 | 0 |
| Total: | | 322 04 | 401 44 | 0 |
| Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Charging Policy</i>) | | | | |
| Photocopying | Begbies Traynor (Central) LLP | 90 00 | 0 | 90 00 |

*Includes provisional £79 40 drawn in respect of the final advertising cost that will be incurred for case closure

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as follows

- Estimated Postage for sending out this report and final report £0 93 x 8 creditors = £14 88
- Estimated Photocopying for this report and final report £0 20 per page x 8 creditors = £11 20