

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



A25 \*A7I73JSH\* 07/11/2018 #71  
COMPANIES HOUSE

### 1 Company details

Company number 0 3 6 8 6 6 8 0

Company name in full South Lincs Plumbing And Heating Services Limited

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

### 2 Liquidator's name

Full forename(s) Christopher

Surname Brown

### 3 Liquidator's address

Building name/number Europa Link

Street Sheffield Business Park

Post town Sheffield

County/Region

Postcode S 9 1 X U

Country

### 4 Liquidator's name ①

Full forename(s) Emma

Surname Legdon

① Other liquidator  
Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number Europa Link

Street Sheffield Business Park

Post town Sheffield

County/Region

Postcode S 9 1 X U

Country

② Other liquidator  
Use this section to tell us about  
another liquidator.

# LIQ03

## Notice of progress report in voluntary winding up


### 6 Period of progress report

From date	<sup>d</sup> 1	<sup>d</sup> 4	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7
To date	<sup>d</sup> 1	<sup>d</sup> 3	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8

### 7 Progress report

☐ The progress report is attached

### 8 Sign and date

Liquidator's signature	Signature	
	X 	X

Signature date	<sup>d</sup> 0	<sup>d</sup> 6	<sup>m</sup> 1	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

## LIQ03

### Notice of progress report in voluntary winding up



#### 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 **Mark wharin**

Company name **Hart Shaw LLP**

Address **Europa Link**

**Sheffield Business Park**

Post town **Sheffield**

County/Region

Postcode **S 9 1 X U**

Country

DX

Telephone **0114 251 8850**



#### 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 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

**South Lincs Plumbing And Heating Services Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs ALL	From 14/10/2017 To 13/10/2018 ALL	From 14/10/2015 To 13/10/2018 ALL
	<b>COSTS OF REALISATION</b>	
	Room Hire	NIL
		13.33
		(13.33)
	<b>ASSET REALISATIONS</b>	
150.00	Furniture & Equipment	NIL
12,000.00	Motor Vehicles	NIL
500.00	Stock	NIL
20,444.70	Book Debts	NIL
2,814.74	Retentions	NIL
1,952.14	VAT Refund	NIL
44,339.55	Cash at Bank	NIL
	Electricity Refund	NIL
	Interest on Natwest Account	NIL
	Road Tax Refund	NIL
	Bank Interest Gross	39.13
		58.09
		58,271.48
	<b>COST OF REALISATIONS</b>	
	Specific Bond	NIL
	Preparation of S. of A.	NIL
	Office Holders Fees - Post 13/10/16	NIL
	Office Holders Fees - Pre 13/10/16	NIL
	Agents/Valuers Fees (1)	NIL
	Agents/Valuers Fees (2)	NIL
	Corporation Tax	NIL
	Confidential Destruction Charges	NIL
	Re-Direction of Mail	NIL
	Statutory Advertising	NIL
		189.06
		(34,816.96)
	<b>PREFERENTIAL CREDITORS</b>	
(1,900.00)	Employees Holiday Pay	NIL
		NIL
	<b>UNSECURED CREDITORS</b>	
(69,000.00)	Jackson B.C. - 2001 Legacy Debt	NIL
(5,740.09)	Jackson B.C. - Current Debt	NIL
(28,382.29)	Wolseley UK	NIL
(2,274.56)	Trade & Expense Creditors < £1,000	NIL
(90,092.38)	Employees - Redundancy & Notice Pa	NIL
(10,041.33)	HM Revenue & Customs - PAYE	NIL
		NIL
	<b>DISTRIBUTIONS</b>	
(2.00)	Ordinary Shareholders	NIL
		NIL
<b>(125,231.52)</b>		<b>39.13</b>
	<b>REPRESENTED BY</b>	
	Bank 2 - Current	23,441.19
		<b>23,441.19</b>



Christopher Brown  
Joint Liquidator

**SOUTH Lincs PLUMBING AND HEATING SERVICES LIMITED - IN LIQUIDATION**  
**("THE COMPANY")**  
**LIQUIDATORS' THIRD ANNUAL REPORT TO MEMBERS AND CREDITORS**  
**FOR THE YEAR ENDING 13 OCTOBER 2018**

**STATUTORY INFORMATION**

Company Name: South Lincs Plumbing And Heating Services Limited.

Company Registration Number: 03686680.

Registered Office: The Hart Shaw Building, Europa Link Sheffield Business Park, Sheffield, S9 1XU.

Former Registered Office: 14 Beacon Court, Newark Road, Ollerton, Nottinghamshire, NG22 9QL.

Former Trading Address: 14 Beacon Court, Newark Road, Ollerton, Nottinghamshire, NG22 9QL.

Liquidators' Names: Christopher John Brown and Emma Louise Legdon ("the Liquidators").

Liquidators' Office Holder No's: 8973 and 10754 respectively.

Liquidators' Address: Hart Shaw LLP, Europa Link, Sheffield Business Park, Sheffield, S9 1XU.

Liquidators' Contact Details: Tel: 0114 2518850, Email: [advice@hartshaw.co.uk](mailto:advice@hartshaw.co.uk).

Liquidators' Date of Appointment: 14 October 2015 in respect of both appointees.

**INTRODUCTION.**

At meetings of members and creditors held on 14 October 2015 it was resolved that Christopher John Brown and Emma Louise Legdon of Hart Shaw LLP, Chartered Accountants, be appointed joint liquidators of South Lincs Plumbing And Heating Services Limited.

**RECEIPTS AND PAYMENTS ACCOUNT**

A Receipts & Payments Account for the period from 14 October 2015 to 13 October 2018, showing transactions in the period since the Liquidators' last report, being 14 October 2017 to 13 October 2018, is attached at Appendix 1.

## **LIQUIDATOR'S ACTIONS SINCE APPOINTMENT**

The nature of the assignment was to realise the assets of the Company. The Liquidators' strategy was to seek to realise the best value with minimum costs. The assets comprised of furniture and equipment, motor vehicles, stock, book debts and retentions, a VAT refund and cash at bank.

The Liquidators' actions to 13 October 2017 have been fully detailed in the previous report.

In the period commencing 14 October 2017, the Liquidators have prepared and distributed the second annual report to creditors, submitted a statutory receipts and payments account to the Registrar of Companies and have prepared and submitted the second year's Corporation Tax Return to H M Revenue and Customs ("HMRC"). The Liquidators have continued to correspond with Begbies Traynor (SY) LLP ("Begbies") regarding the collection of the outstanding book debts and retentions.

## **ASSETS**

I refer to my previous correspondence and report as follows:-

### **UNCHARGED ASSETS.**

#### **Furniture and Equipment**

As previously reported, the director's statement of affairs included furniture and equipment with a book value of £254.25 and an estimated to realise value of £150. The furniture and equipment was valued by Ellis Willis & Beckett of Sheffield ("EWB") and was sold by EWB to DH Heating & Plumbing Ltd, a connected company by way of common director, for £60 plus VAT on 15 October 2015. The Liquidators are not aware of whether DH Heating & Plumbing Ltd was independently advised in respect of this purchase. EWB advised the Liquidators that the offer from DH Heating & Plumbing Ltd should be accepted as this represented the best offer that could be achieved in respect of the furniture and equipment. Details of the furniture and equipment sold to DH Heating & Plumbing Ltd are attached at Appendix 2.

Furniture and equipment was also sold by EWB, at auction in the sum of £21 plus VAT on 20 October 2015.

The remaining furniture and equipment with any value was collected by an agent, The Handyman, and delivered to EWB who sold it at auction in the total sum of £135 plus VAT on 1 December 2015.

The remaining furniture and equipment was abandoned as it was not cost effective to remove it for sale.

The total amount realised in respect of furniture and equipment is therefore £216 and no further realisations will be achieved from this asset source.

## **Motor Vehicles**

As previously reported, the director's statement of affairs included six motor vehicles with a book value of £13,215 and an estimated to realise value of £12,000. The motor vehicles were valued by EWB and one vehicle, Renault Traffic, registration number YP59 OAE, with a book value of £3,300 was sold by EWB to DH Heating & Plumbing Ltd, a connected company by way of common director, for £3,300.00 plus VAT on 15 October 2015. The Liquidators are not aware of whether DH Heating & Plumbing Ltd was independently advised in respect of this purchase. EWB advised the Liquidators that the offer from DH Heating & Plumbing Ltd should be accepted as this represented the best offer that could be achieved in respect of the motor vehicle. Details of the motor vehicle sold to DH Heating & Plumbing Ltd are attached at Appendix 2.

Three motor vehicles were sold by EWB, at public auction in the total sum of £2,625 plus VAT on 20 October 2015. This consisted of Renault Kangoo, registration number HN60 EVP, with a book value of £2,900 which realised £1,400, Vauxhall Corsa, registration number FC57 VKD, with a book value of £700 which realised £650 and Ford Transit Connect, registration number BX55 ZPB, with a book value of £900 which realised £575.

One motor vehicle, Ford Transit Connect, registration number CX58 XFZ, with a book value of £2,200 was sold by EWB to Mr C Aukland, a former employee of the Company, for £2,200 plus VAT on 15 October 2016.

The final motor vehicle, Ford Transit Connect, registration number KG57 OSF, with a book value of £2,000 was sold by EWB to Mr A English, another former employee of the Company, for £2,000 plus VAT also on 15 October 2016.

The total amount realised in respect of motor vehicles is £10,125 and no further realisations will be achieved from this asset source.

## **Stock**

As previously reported, the director's statement of affairs included stock with a book value of £2,800 and an estimated to realise value of £500. The stock was valued by EWB and useable stock was sold by EWB to DH Heating & Plumbing Ltd, a connected company by way of common director, for £500.00 plus VAT on 15 October 2015. The Liquidators are not aware of whether DH Heating & Plumbing Ltd was independently advised in respect of this purchase. EWB advised the Liquidators that the offer from DH Heating & Plumbing Ltd should be accepted as this represented the best offer that could be achieved in respect of the stock. Details of the stock sold to DH Heating & Plumbing Ltd are attached at Appendix 2.

Subsequently, the Liquidators removed and scrapped brass fittings and copper pipes at Ronald Hull Jnr. Limited realising the total sum of £471.44.

The remaining stock with any value was collected by an agent, The Handyman, and delivered to EWB who sold it at public auction in the total sum of £145 plus VAT on 1 December 2015.

The remaining stock was abandoned as it was not cost effective to remove it for sale.

The total amount realised in respect of stock is £1,116.44 and no further realisations will be achieved from this source.

## **Book Debts and Retentions**

As you are aware, the director included book debts in the statement of affairs with a book value of £26,133.05 and an estimated to realise value of £20,444.70 and also retentions with a book value of £17,750.63 and an estimated to realise value of £2,814.74.

Following the Liquidators' appointment, they instructed Begbies to collect the outstanding book debts and retentions in the total sum of £43,883.68 on a commission basis of 10% on the Davidsons debt, (as it was anticipated that this would be paid shortly following the liquidation) and 20% on all remaining debtors.

Begbies advised the Liquidators that they anticipated realising a total sum of £21,907 from two debtors in respect of outstanding debts and retentions. Of the remaining balance of £21,976.68 owed by three debtors, one debt in the sum of £860.93 has been written off due to contra charges and the other two totalling £21,115.75 remain likely to be written off due to contra charges and extended warranty periods.

In the period commencing 14 October 2017, the Liquidators have continued to correspond with Begbies regarding the collection of the outstanding book debts and retentions and have now been advised by Begbies that in September 2016 it instructed an agent to collect the debtor and retention monies. Further investigations by Begbies have shown that the agent did collect funds of £19,087.35 in respect of the debts and retentions from two debtors but subsequently ceased to trade without accounting for the funds to Begbies. Investigations have also show that one of the cheques received by the agent my have been fraudulently altered by the agent with regards to the payee details. Therefore, the matter has been reported to the police by Begbies. The Liquidators are in the process of taking advice on how they should proceed in these circumstances.

## **VAT Refund**

As previously reported, included in the director's statement of affairs was a VAT refund with a book value and estimated to realise value of £1,952.14. Following the Liquidators' appointment, the VAT refund was received into the Company's bank account and these funds were transferred into the liquidation account. No further realisations will be achieved from this asset source.

## **Cash at Bank**

As previously reported, included in the director's statement of affairs was cash at bank with a book and estimated to realise value of £44,339.55. Following correspondence with National Westminster Bank Plc ("Natwest"), it was confirmed that the credit balances on the Company accounts as at the date of liquidation totalled £44,541.85 and that balance has been received, in addition to £0.49 of gross interest, applied after the date of liquidation.

The bank accounts were closed and no further realisations will be achieved from this asset source.

## **Other Assets**

### **Electricity Refund**

As previously reported, although not included in the director's statement of affairs, £99.39 was received from Eon Energy Solutions Ltd in respect of a credit balance on the Company's electricity account.



## **Road Tax Refund**

As previously reported, although not included in the director's statement of affairs, £162.08 was received from DVLA in respect of various road tax refunds.

## **Interest**

All monies received have been held in an interest bearing account and total gross interest of £58.09 has been received, of which £39.13 was received in the period since the last report.

## **LIABILITIES**

### **Secured Liabilities**

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has no outstanding securities.

A Mortgage Debenture in favour of National Westminster Bank Plc was created on 27 January 1999 but this is shown as being Satisfied.

### **Preferential Creditors**

The director's statement of affairs anticipated preferential creditors in the sum of £1,900.00 in respect of holiday pay due to the former employees of the Company. A preferential claim of £2,737.61 was received from Redundancy Payments at the Insolvency Service in respect of holiday pay paid to former employees from the National Insurance Fund. The preferential claims of the former employees in respect of the same totalled £844.32.

### **Crown Creditors**

The director's statement of affairs included the total sum of £10,041.33 owed to H M Revenue & Customs ("HMRC") in respect of PAYE.

The final claim of HMRC in the sum of £8,536.98 has been received in respect of PAYE/NIC.

### **Unsecured Creditors**

Unsecured creditors with an estimated total liability of £205,530.65 were included in the director's statement of affairs. This sum comprised trade and expense creditors (with balances less than £1,000) in the sum of £2,274.56, debts due to HMRC of £10,041.33 as detailed above, £69,000.00 owed to Jackson B.C. in respect of a legacy debt, £5,740.09 owed to Jackson B.C in respect of current debts, £28,382.29 owed to Wolseley UK and £90,092.38 owed to former employees in respect of redundancy pay and pay in lieu of notice.

The Liquidators have received twelve claims in the total sum of £357,938.48, including three claims in the total sum of £244,524.83 which were not included in the director's statement of affairs, the largest of which is for £240,000 from Plumbing Pensions (UK) Ltd in respect of its claim against the Company for its share of the discontinuance deficit in the scheme. These claims remain in the process of being agreed for dividend purposes. Two unsecured creditors, with total estimated claims as included in the statement of affairs in the sum of £69,002.96, have not yet submitted a claim. Any creditor wishing to claim in the Liquidation that has not yet done so, should complete and return a proof of debt form by return.

## **PRE-APPOINTMENT REMUNERATION**

At the meetings held on 14 October 2015, the members and creditors authorised the payment of a fee of £7,000 plus VAT plus disbursements plus VAT to Hart Shaw LLP for assistance with the statement of affairs and producing and circulating the notices for the meetings of members and creditors prior to the Liquidators' appointment. In addition a fee of £1,800 plus VAT was authorised to be paid to Darbys Limited, the Company's accountant, for its assistance in preparing the statement of affairs.

Following the appointment of the Liquidators, a fee of £7,000 plus VAT for the statement of affairs and meetings was paid to Hart Shaw LLP and a fee of £1,800 plus VAT for assistance in preparing the statement of affairs was paid to Darbys Limited. These payments were made from first realisations of the Company's assets and are shown in the enclosed receipts and payments account.

## **LIQUIDATORS' REMUNERATION**

The Liquidators' post-appointment remuneration was approved by creditors by correspondence on 16 November 2016, to be drawn on a time cost basis in the sum of £18,657.20 in respect of time already incurred to 13 October 2016 and for their anticipated further post-appointment remuneration, to closure of the liquidation, to be drawn on a time cost basis restricted to the fee estimate of £14,707 plus VAT.

The fee estimate was issued to creditors on 24 October 2016, was based upon information available to the Liquidators at that time and is summarised below:

<b>Classification of Work Function</b>	<b>Estimated Cost £</b>
Liquidators' Remuneration from 14/10/15 to 13/10/16	18,657.20
Administration & Planning from 14/10/16 to closure	7,442.00
Realisation of Assets from 14/10/16 to closure	2,265.00
Creditors from 14/10/16 to closure	5,000.00
<b>Total</b>	<b>33,364.20</b>

To 13 October 2018, time costs of £31,901.60, amounting to 150.85 hours of chargeable time, have been incurred. Of the total time costs, £5,659.40 has been incurred in the period since the Liquidators' last report, being the period 14 October 2017 to 13 October 2018. As at 13 October 2018, the total sum of £23,457.20 has been drawn in remuneration, of which £18,657.20 is in respect of remuneration for the period 14 October 2015 to 13 October 2016 and £4,800.00 has been drawn on account in respect of the period post 14 October 2016.

Below is a summary of the time spent by the Liquidators and their staff in dealing with this case since the date of appointment.

**From 14 October 2015 to 13 October 2018**

Classification Of Work Function	Hours				Total Time Costs £	Average Hourly Rate £
	Partner	Manager / Senior	Semi-Senior/Junior / Support	Total Hours		
Administration & Planning	7.75	29.90	48.40	86.05	18,607.40	216.24
Investigations	-	0.50	8.40	8.90	1,642.00	184.49
Realisation of Assets	1.00	13.70	17.70	32.40	7,209.20	222.51
Trading	-	-	-	-	-	-
Creditors	0.60	1.20	21.70	23.50	4,443.00	189.06
<b>Total</b>	<b>9.35</b>	<b>45.30</b>	<b>96.20</b>	<b>150.85</b>	<b>31,901.60</b>	<b>211.48</b>

**From 14 October 2017 to 13 October 2018 (the period since the Liquidators' last report).**

Classification Of Work Function	Hours				Total Time Costs £	Average Hourly Rate £
	Partner	Manager / Senior	Semi-Senior/Junior / Support	Total Hours		
Administration & Planning	1.40	5.10	10.40	16.90	3,473.00	205.50
Investigations	-	-	-	-	-	-
Realisation of Assets	0.70	6.00	-	6.70	1,874.80	279.82
Trading	-	-	-	-	-	-
Creditors	-	0.60	0.80	1.40	311.60	222.57
<b>Total</b>	<b>2.10</b>	<b>11.70</b>	<b>11.20</b>	<b>25.00</b>	<b>5,659.40</b>	<b>226.38</b>

The Liquidators' initial fee estimate for the liquidation in the sum of £33,364.20 will likely be exceeded due to the length of time that the case has remained open in order to attempt to realise the Company's book debts and retention monies, which has to date proved to be more protracted than was initially anticipated. This matter has now been further frustrated by the fact that the agent instructed by Begbies has ceased to trade without first accounting to Begbies for the funds realised. The Liquidators have had to and continue to have to spend more time than initially anticipated in corresponding with Begbies in respect of the book debts and retention monies. As the liquidation has remained open past the third anniversary in order to bring a resolution to this matter, additional statutory progress reports are also required.

Although the Liquidators consider that the initial fee estimate will be insufficient to complete their duties they are not seeking approval from creditors to increase the fee estimate at this time.

It is the policy of the Liquidators to delegate routine work to more junior grades of staff in order to maximise the cost effectiveness of the work performed, such staff being supervised by senior staff and the Liquidators, with any complex or significant matters to be dealt with by senior staff or the Liquidators. Consideration is given to the skills and experience of staff to meet the specific requirements and the anticipated size and complexity of the case.

In common with all professional firms, scale rates increase from time to time over the period of the administration of each insolvency case and full details of current charge out rates and disbursements are enclosed with this report.

A description of the routine work undertaken in the liquidation is as follows:

#### Administration and Planning

- Preparing the documentation and dealing with the formalities of appointment.
- Statutory notifications and advertising.
- Preparing documentation required.
- Dealing with all routine correspondence.
- Maintaining physical case files and electronic case details on IPS.
- Review and storage.
- Case bordereau.
- Case planning and administration.
- Preparing reports to members and creditors.
- Convening and holding meetings of members and creditors.

#### Cashiering

- Maintaining and managing the Liquidator's cashbook and bank account.
- Ensuring statutory lodgements and tax lodgement obligations are met.

#### Creditors

- Dealing with creditor correspondence and telephone conversations.
- Preparing reports to creditors.
- Maintaining creditor information on IPS.
- Reviewing and lodging proofs of debt received from creditors and agreeing claims.

#### Investigations

- Review and storage of books and records.
- Prepare a return pursuant to the Company Directors Disqualification Act.
- Conduct investigations into suspicious transactions.
- Review books and records to identify any transactions or actions a liquidator may take against a third party in order to recover funds for the benefit of creditors.

#### Realisation of Assets

- Corresponding with National Westminster Bank plc regarding the transfer of the credit balance of the Company's bank account as at the date of liquidation.
- Corresponding with Begbies regarding the collection of the outstanding book debts and retentions.
- Correspondence and telephone calls with the agents dealing with the disposal of the physical assets.
- Corresponding with Eon Energy Solutions Ltd regarding the electricity refund and with insurers regarding any potential return of premium

A copy of 'A Creditors Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals can be found in the download section of our website at [www.hartshaw-bri.co.uk](http://www.hartshaw-bri.co.uk).

## LIQUIDATORS' EXPENSES

An estimate of expenses and disbursements, which were anticipated at the first anniversary of the liquidation, was included with the fee estimate that was issued to creditors on 24 October 2016 and is summarised below:

<b>Expense:</b>	<b>Estimated Cost £</b>
<b>Category 1:</b>	
Legal Fees	2,500
Debt Collection Commission Fees	2,500
Postage	65.00
Advertising	326.02
Room Hire	13.33
Re-direction fee	160.00
<b>Category 2:</b>	
Photocopying	35.00
Mileage / Travel	78.66
<b>Total</b>	<b>5,678.01</b>

The Liquidators' disbursements to 13 October 2018 amount to £546.95, of which £17.69 was incurred in the period since the Liquidators' last report, being 14 October 2017 to 13 October 2018. To date, and as was the position at the time of the last report, the Liquidators have drawn £362.39, being £13.33 in respect of room hire, £160.00 in respect of mail re-direction fees and £189.06 in respect of statutory advertising fees. The Liquidators' anticipate drawing the balance in the sum of £184.56 in due course.

### Summary of Category 1 Disbursements Incurred by Hart Shaw LLP:

Classification of Expenses.	Description.	Total £	Period 14.10.17 to 13.10.18
Postage	In respect of circulars to members and creditors.	63.40	14.79
Room Hire	In respect of room hire for meeting of members and creditors	13.33	Nil
Royal Mail	In respect of mail re-direction fees.	160.00	Nil
Advertising	Fees for placing the advertisement of the meeting of creditors, the Winding up of the Company and the Liquidators appointment in the London Gazette.	189.06	Nil
<b>Total £</b>		<b>425.79</b>	<b>14.79</b>

### Summary of Category 2 Disbursements Incurred for services provided by Hart Shaw LLP:

Classification of Expenses.	Rate.	Total £	Period 14.10.17 to 13.10.18
Photocopying	10 pence per sheet for circulars and other bulk copying.	42.50	2.90
Mileage	Up to 40 pence per mile.	78.66	Nil
Document Storage	£5 per bankers box per year.	Nil	Nil
<b>Total £</b>		<b>121.16</b>	<b>2.90</b>

Category 1 disbursements do not require approval by creditors and are the costs of external suppliers for services specifically identifiable to the case. Category 2 disbursements do require approval from creditors and the details of the Category 2 disbursements charged by Hart Shaw LLP were provided at the time the Liquidators' fees were approved by creditors.

As previously reported, in addition to the above expenses the Liquidators have paid £237.00 to Willis Limited in respect of the Specific Penalty Bond premium. The Liquidators have paid to EWB £275 plus VAT in respect of the valuation report prepared, £1,244.90 plus VAT in respect of its commission for the assets sold and £255.00 in respect of its asset removal charges and HPI check charges. The Liquidators have also paid £60.00 to The Handyman in respect of its asset removal charges and £135.00 to Ron Hull Jnr Ltd in respect of confidential destruction charges.

Also, as previously reported, the Liquidators have paid £3.80 in respect of Corporation Tax for the period 14 October 2015 to 13 October 2016.

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

Professional Advisor	Nature of Work	Fee Arrangement
Ellis Willis & Beckett	Valuer/Auctioneer	Fixed fee for valuation report plus sales commission at 10% on private treaty sale proceeds and 15% on auction sale proceeds.
The Handyman	Asset Removal	Fixed fee.
Begbies Traynor	Collection of book debts and retentions	10% commission on Davidsons realisations and 20% commission on all other debtor realisations.

No commission fees have yet been paid to Begbies. The choice of professionals was based on the Liquidators' perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. The fees charged have been reviewed and the Liquidators are satisfied that they are reasonable in the circumstances of this case.

As you are aware, the Liquidators' initial estimate of expenses and disbursements for the liquidation was exceeded due to additional photocopying and postage costs but the initial estimate for advertising will likely not be reached as there is now no requirement to advertise the notice of a final meeting of creditors. Therefore, a revised estimate of expenses and disbursements was included with the progress report for the year ending 13 October 2017, which was issued to creditors on 23 October 2017, remains sufficient and is detailed below:-

Expense:	Estimated Cost £
<b>Category 1:</b>	
Legal Fees	2,500
Debt Collection Commission Fees	2,500
Postage	107.77
Advertising	270.65
Room Hire	13.33
Re-direction fee	160.00
<b>Category 2:</b>	
Photocopying	68.60
Mileage / Travel	78.66
<b>Total</b>	<b>5,699.01</b>

## **FURTHER INFORMATION**

Pursuant to Rule 18.9 of the Insolvency (England and Wales) Rules 2016, an unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

Pursuant to Rule 18.34 of the Insolvency (England and Wales) Rules 2016, an unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

## **DIVIDENDS**

### **Preferential Creditors.**

The assets of the Company should be sufficient to allow preferential creditors to be paid in full in due course.

### **Unsecured Creditors**

The assets of the Company should be sufficient to allow a distribution to be made to the unsecured creditors, however this is dependent on the realisation of the book debts and retention monies and legal costs and time costs in respect of the same.

As the Company did not create a floating charge on or after 15 September 2003, it will not be necessary for the Liquidators to consider whether, by virtue of Section 176A of the Insolvency Act 1986, as amended, the prescribed part shall be applied in this case. That is, where a floating charge, created on or after 15 September 2003, relates to property of a company that has gone into liquidation, the liquidator shall make a prescribed part of that company's net property available for the satisfaction of unsecured creditors. However, this shall not apply if the company's net property is less than the prescribed minimum of £10,000 and the liquidator thinks that the cost of making a distribution to unsecured creditors would be disproportionate to the benefits.

## **SUMMARY AND MATTERS STILL TO BE DEALT WITH**

As mentioned earlier in this report, the Liquidators are continuing to try and realise the book debt and retention monies.

If the Liquidators are unable to conclude the realisation of the book debt and retention monies and to declare a dividend to preferential and unsecured creditors prior to the next anniversary of the liquidation on 13 October 2019, then the Liquidators will provide a further progress report to creditors within 2 months of the anniversary.

Once the Liquidators are in a position to conclude the administration of this liquidation a final account will be prepared and sent to creditors.

Due to the nature of the ongoing realisations, the Liquidators are uncertain at this time as to when the liquidation will be closed.

Should you have any queries regarding this matter please contact Mark Wharin on 0114 251 8850 or by email [advice@hartshaw.co.uk](mailto:advice@hartshaw.co.uk).

A handwritten signature in black ink, appearing to be 'CJ Brown', with a long horizontal line extending to the right.

Christopher J Brown  
Joint Liquidator  
6 November 2018



# APPENDIX 1

## SOUTH Lincs PLUMBING AND HEATING SERVICES LIMITED - IN LIQUIDATION

### RECEIPTS AND PAYMENTS ACCOUNT TO 13 OCTOBER 2018

	£	£	£
	Statement of	Period	Total as at
	Affairs as at	14.10.2017	13.10.2018
	14.10.2015	to 13.10.2018	
<b>Receipts</b>			
Furniture & Equipment	150.00	0.00	216.00
Motor Vehicles	12,000.00	0.00	10,125.00
Stock	500.00	0.00	1,116.44
Book Debts	20,444.70	0.00	0.00
Retentions	2,814.74	0.00	0.00
VAT Refund	1,952.14	0.00	1,952.14
Cash at Bank	44,339.55	0.00	44,541.85
Electricity Refund	N/a	0.00	99.39
Road Tax Refund	N/a	0.00	162.08
Interest on Natwest Account	N/a	0.00	0.49
Bank Interest Gross of Tax	N/a	39.13	58.09
	<u>82,201.13</u>	<u>39.13</u>	<u>58,271.48</u>

### Payments

Specific Penalty Bond	0.00	237.00
Room Hire - Meeting of Creditors	0.00	13.33
Preparation of Statement of Affairs - Hart Shaw LLP	0.00	7,000.00
Preparation of Statement of Affairs - Darbys Limited	0.00	1,800.00
Liquidators Fees pre 13/10/16 - Hart Shaw LLP	0.00	18,657.20
Liquidators Fees post 13/10/16 - Hart Shaw LLP	0.00	4,800.00
Valuers Fees - Ellis Willis & Beckett	0.00	275.00
Agents Commission - Ellis Willis & Beckett	0.00	1,244.90
Asset Removal Charges & HPI - Ellis Willis & Beckett	0.00	255.00
Asset Removal Charges - The Handyman	0.00	60.00
Confidential Destruction Charges - Ron Hull Jnr Ltd	0.00	135.00
Re-direction of Mail	0.00	160.00
Statutory Advertising - London Gazette	0.00	189.06
Corporation Tax - HM Revenue & Customs	0.00	3.80
	<u>0.00</u>	<u>34,830.29</u>
Balance at Bank	39.13	23,441.19
	<u>39.13</u>	<u>58,271.48</u>

### Notes.

The basis of the office holder's remuneration is disclosed in the main body of the report.

The Company was registered for VAT. Receipts & Payments have been shown net of VAT and the relevant amount of VAT payable or receivable has either been accounted for or is shown above and will be accounted for in due course.

## SOUTH Lincs PLUMBING &amp; HEATING LTD

<b>Furniture and Equipment</b>
Old pc, keyboard + monitor
<b>Motor Vehicle</b>
YP59 OAE Renault Traffic SL27 DCI 115 2770kg 1995cc diesel, 102,000 miles
<b>Stock</b>
Allowance for residual stock of plumbing fittings, connectors + Pipework

**HART SHAW CHARTERED ACCOUNTANTS.  
BUSINESS RECOVERY & INSOLVENCY.**

**Disclosure Of Charge Out Rates And Disbursements In Accordance With Statement Of Insolvency Practice 9 (SIP9).**

**From 1 June 2016.**

---

***Charge Out Rates For Staff Who May Be Involved With This Case.***

<b>Grade Of Staff.</b>	<b>Current Hourly Rate (excluding VAT)</b>	<b>Previous Hourly Rate (from 01/06/2015) (excluding VAT)</b>
Partner.	£364 per hour.	£296 per hour.
Senior Administrator.	£270 per hour.	£240 per hour.
Semi-Senior Administrator	£187 per hour.	£165 per hour.
Junior Administrator.	£140 per hour.	£140 per hour.
Support Staff.	£88 per hour.	£85 per hour.

Time costs are calculated using 6 minute units.

Time spent by support and secretarial staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead of the firm. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

**Agent's Costs**

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

## **Disbursements**

In accordance with Statement of Insolvency Practice 9 (SIP9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Hart Shaw LLP; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and company search fees.

Category 2 expenses are incurred by Hart Shaw LLP and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements are recovered by Hart Shaw LLP:

<b>Type.</b>	<b>Rate (excluding VAT)</b>
Woskow Brown LLP, solicitors	Should this firm of solicitors be instructed then since Christopher Brown, a member in Hart Shaw LLP, is a close relative of members in Woskow Brown LLP then the payment of any fees to Woskow Brown will constitute a category 2 expense for which approval is required. Woskow Brown will apply their normal charge out basis and rates charged to their clients.
Photocopying.	10 pence per sheet, but only charged for circulars and other bulk copying.
Mileage.	Up to 45 pence per mile depending upon engine capacity.
Meeting Room Hire	£120 for the initial creditors meeting, £60 for subsequent meetings.
Document Storage.	£5 per bankers box per month.

---

**STATEMENT OF INSOLVENCY PRACTICE 9  
(ENGLAND AND WALES)**

---

**PAYMENTS TO INSOLVENCY OFFICE HOLDERS AND THEIR ASSOCIATES**

**INTRODUCTION**

1. *The particular nature of an insolvency office holder's position renders transparency and fairness of primary importance in all their dealings. Creditors and other interested parties<sup>1</sup> with a financial interest in the level of payments from an insolvent estate should be confident that the rules relating to approval and disclosure of fees and expenses have been properly complied with.*
2. This statement applies to all forms of proceedings under the Insolvency Act 1986. Nothing within this SIP obligates a practitioner to provide a fee estimate where one is not required by statute.

**PRINCIPLES**

3. Payments to an office holder or their associates, and expenses incurred by an office holder, should be fair and reasonable reflections of the work necessarily and properly undertaken.
4. Those responsible for approving payments to an office holder or their associates should be provided with sufficient information to make an informed judgement about the reasonableness of the office holder's requests.
5. Information provided by an office holder should be presented in a manner which is transparent, consistent throughout the life of the case and useful to creditors and other interested parties, whilst being proportionate to the circumstances of the case.

**KEY COMPLIANCE STANDARDS**

**PROVISIONS OF GENERAL APPLICATION**

6. An office holder should disclose:
  - a) payments, remuneration and expenses arising from an insolvency appointment to the office holder or his or her associates;
  - b) any business or personal relationships with parties responsible for approving his or her remuneration or who provide services to the office holder in respect of the insolvency appointment where the relationship could give rise to a conflict of interest.
7. An office holder should inform creditors and other interested parties of their rights under insolvency legislation. Creditors should be advised how they may access suitable information setting out their rights within the first communication with them and in each subsequent report. An insolvency practitioner is not precluded from providing information, including a fee estimate, within pre-appointment communications (such as when assisting directors in commencing an insolvency process).
8. Where an office holder sub-contracts out work that could otherwise be carried out by the office holder or his or her staff, this should be drawn to the attention of creditors with an explanation of why it is being done.
9. The key issues of concern to those who have a financial interest in the level of payments from the insolvency estate will commonly be:

---

<sup>1</sup> "other interested parties" means those parties with rights pursuant to the prevailing insolvency legislation to information about the office holder's receipts and payments. This may include a creditors' committee, the members (shareholders) of a company, or in personal insolvency, the debtor.

- a) the work the office holder anticipates will be done and why that work is necessary;
- b) the anticipated cost of that work, including any expenses expected to be incurred in connection with it;
- c) whether it is anticipated that the work will provide a financial benefit to creditors, and if so what anticipated benefit (or if the work provides no direct financial benefit, but is required by statute);
- d) the work actually done and why that work was necessary;
- e) the actual costs of the work, including any expenses incurred in connection with it, as against any estimate provided;
- f) whether the work has provided a financial benefit to creditors, and if so what benefit (or if the work provided no direct financial benefit, but was required by statute);

When providing information about payments, fees and expenses to those with a financial interest in the level of payments from an insolvent estate, the office holder should do so in a way which facilitates clarity of understanding of these key issues. Narrative explanations should be provided to support any numerical information supplied. Such an approach allows creditors and other interested parties to better recognise the nature of an office holder's role and the work they intend to undertake, or have undertaken, in accordance with the key issues. Where it is practical to do so, the office holder should provide an indication of the likely return to creditors when seeking approval for the basis of their remuneration.

10. When approval for a fixed amount or a percentage basis is sought, the office holder should explain why the basis requested is expected to produce a fair and reasonable reflection of the work that the office holder anticipates will be undertaken.
11. When providing a fee estimate the office holder should supply that information in sufficient time to facilitate that body making an informed judgement about the reasonableness of the office holder's requests. Fee estimates should be based on all of the information available to the office holder at the time that the estimate is provided and may not be presented on the basis of alternative scenarios and/or provide a range of estimated charges.
12. Each part of an office holder's activities will require different levels of expertise, and therefore related cost. It will generally assist the understanding of creditors and other interested parties to divide the office holder's narrative explanations and any fee estimate provided into areas such as:
  - a) Administration (including statutory reporting);
  - b) Realisation of assets;
  - c) Creditors (claims and distribution);
  - d) Investigations;
  - e) Trading (where applicable);
  - f) Case specific matters (where applicable)

These are examples of common activities and not an exhaustive list. Alternative or further sub-divisions may be appropriate, depending on the nature and complexity of the case and the bases of remuneration sought and/or approved. It is unlikely that the same divisions will be appropriate in all cases and an office holder should consider what divisions are likely to be appropriate and proportionate in the circumstances of each case.

13. When providing a fee estimate of time to be spent, creditors and other interested parties may find a blended rate<sup>2</sup> (or rates) and total hours anticipated to be spent on each part of the anticipated work more easily understandable and comparable than detail covering each grade or person working on the case. The estimate should also clearly describe what activities are anticipated to be conducted in respect of the estimated fee. When subsequently reporting to creditors, the actual hours and average rate (or rates) of the costs charged for each part should be provided for comparison purposes.
14. Where remuneration is sought on more than one basis, it should be clearly stated to which part of the office holder's activities the basis relates. In all cases, an office holder should endeavour to use consistent divisions throughout the duration of the case. The use of additional categories or further division may become necessary where a task was not foreseen at the commencement of the appointment.

## REPORTS TO CREDITORS AND OTHER INTERESTED PARTIES

15. Any disclosure by an office holder of payments, remuneration and expenses should be of assistance to those who have a financial interest in the level of payments from an insolvent estate in understanding what was done, why it was done, and how much it costs.
16. Irrespective of the basis or bases of remuneration approved, reports to creditors and interested parties should include a narrative update in respect of the office holder's activity during the period being reported upon, using consistent divisions for each part of the work reported upon, as far as possible.
17. When reporting the amount of remuneration charged or expenses incurred during a period, the office holder should use a consistent format throughout the life of the case and provide figures for both the period being reported upon and on a cumulative basis.
18. Requests for additional information about payments to an office holder or their associates, or about expenses incurred by an office holder, should be treated by an office holder in a fair and reasonable way. The provision of additional information should be proportionate to the circumstances of the case.

## EXPENSES

19. Expenses are amounts properly payable by the office holder from the estate which are not otherwise categorised as the office holder's remuneration or as a distribution to a creditor or creditors. These may include, but are not limited to, legal and agents' fees, trading expenses and tax liabilities. When providing details of the expenses an office holder anticipates will, or are likely to be, incurred it is acceptable to provide a range, or repeat a range quoted by a third party (for instance for legal costs in litigation).

## DISBURSEMENTS

20. Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment and will fall into two categories; Category 1 and Category 2.
21. **Category 1 disbursements:** These are payments to independent third parties where there is specific expenditure directly referable to the appointment in question. Category 1 disbursements can be drawn without prior approval, although an office holder should be prepared to disclose information about them in the same way as any other expenses.
22. **Category 2 disbursements:** These are expenses that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holder's remuneration. When seeking approval, an office holder should explain, for each category of cost, the basis on which the charge is being made. If an office holder has obtained approval for the basis of Category 2 disbursements, that basis may continue to be used in a sequential appointment where further approval of the basis of remuneration is not required, or where the office holder is replaced.

---

<sup>2</sup> "A blended rate" is calculated as the prospective average cost per hour for the case (or category of work in the case), based upon the estimated time to be expended by each grade of staff at their specific charge out rate.

23. The following are not permissible as disbursements:

- a) a charge calculated as a percentage of remuneration;
- b) an administration fee or charge additional to an office holder's remuneration;
- c) recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges.

#### **PRE-APPOINTMENT COSTS**

25. Where recovery of pre-appointment cost is expressly permitted and approval is sought for the payment of outstanding costs from the estate, disclosure should follow the principles and standards contained in this statement. Disclosure should also be made of amounts already paid to the office holder in respect of pre-appointment costs, giving the amounts paid, the name of the payor and its relationship to the estate and the nature of the payment.

#### **PAYMENTS TO ASSOCIATES**

26. Where services are provided from within the practice or by a party with whom the practice, or an individual within the practice, has a business or personal relationship, an office holder should take particular care to ensure that the best value and service is being provided. An office holder should also have regard to relationships where the practice is held out to be part of a national or international network.

27. Payments that could reasonably be perceived as presenting a threat to the office holder's objectivity by virtue of a professional or personal relationship should not be made unless disclosed and approved in the same manner as an office holder's remuneration or category 2 disbursements.

#### **PROVISION OF INFORMATION TO SUCCESSIVE OFFICE HOLDERS**

28. When an office holder's appointment is followed by the appointment of another insolvency practitioner, whether or not in the same proceedings, the prior office holder should provide the successor with information in accordance with the principles and standards contained in this statement.

#### **PROVISION OF INFORMATION**

29. In order to facilitate information requests under statute or to support the reporting of remuneration, time recording systems used by insolvency practitioners should record time units of not greater than 6 minutes for each grade of staff used.

30. Where realisations are sufficient for payment of creditors in full with interest, the creditors will not have the principal financial interest in the level of remuneration. An office holder should provide the beneficiaries of the anticipated surplus, on request, with information in accordance with the principles and standards contained in this statement.

**Effective Date: 01 December 2015**



## Proof of Debt Form

### South Lincs Plumbing And Heating Services Limited

1	Creditor Name  Company Registration Number (if applicable)	
2	Address of creditor for correspondence	
3	Email address for creditor	
4	Total amount of claim, including VAT and outstanding uncapitalised interest <i>Note: Any trade or other discounts (except discount for immediate or early settlement) which would have been available to the company but for the insolvency proceedings should be deducted from the above claim where relevant. Where any payment is made in relation to the claim or set-off applied after date of winding-up, this should be deducted</i>	£
5	If the amount in 4 above includes outstanding uncapitalised interest, please state the amount	£
6	Details of documents by reference to which the debt can be substantiated (please attach copies)	
7	Particulars of how and when the debt was incurred by the Company	
8	Particulars of any security held, the value of the security, and the date it was given	Value = £ Date given      /      /
9	Particulars of any reservation of title claimed, in respect of goods supplied to which the claim relates	
10	Signature of creditor or person authorised to act on his behalf	
11	Name in BLOCK CAPITALS	
12	Position with or in relation to creditor  Address of person signing (if different from 2 above)	
13	Date	