

**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

03686680

Name of Company

South Lincs Plumbing And Heating Services Limited

I / We

Christopher Brown, Europa Link, Sheffield Business Park, Sheffield, S9 1XU

Emma Legdon, Europa Link, Sheffield Business Park, Sheffield, S9 1XU

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 14/10/2015 to 13/10/2016

Signed



Date

24/10/16

Hart Shaw LLP
Europa Link
Sheffield Business Park
Sheffield
S9 1XU

Ref S09509/CJB/EL/PU/MW

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COMPANIES HOUSE

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

Statement of Affairs		From 14/10/2015 To 13/10/2016
COSTS OF REALISATION		
	Room Hire	13 33
		(13 33)
ASSET REALISATIONS		
150 00	Furniture & Equipment	216 00
12,000 00	Motor Vehicles	10,125 00
500 00	Stock	1,116 44
20,444 70	Book Debts	NIL
2,814 74	Retentions	NIL
1,952 14	VAT Refund	1,952 14
44,339 55	Cash at Bank	44,541 85
	Electricity Refund	99 39
	Interest on Natwest Account	0 49
	Road Tax Refund	162 08
	Bank Interest Gross	18 96
		58,232 35
COST OF REALISATIONS		
	Specific Bond	237 00
	Preperation of S of A	8,800 00
	Agents/Valuers Fees (1)	1,499 90
	Agents/Valuers Fees (2)	335 00
	Confidential Destruction Charges	135 00
	Re-Direction of Mail	160 00
	Statutory Advertising	189 06
		(11,355 96)
PREFERENTIAL CREDITORS		
(1,900 00)	Employees Holiday Pay	NIL
		NIL
UNSECURED CREDITORS		
(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
DISTRIBUTIONS		
(2 00)	Ordinary Shareholders	NIL
		NIL
(125,231.52)		46,863.06
REPRESENTED BY		
	Bank 2 - Current	46,863 06
		46,863.06



Christopher Brown
Joint Liquidator

**SOUTH Lincs PLUMBING AND HEATING SERVICES LIMITED - IN LIQUIDATION
("THE COMPANY")
LIQUIDATOR'S FIRST ANNUAL REPORT TO MEMBERS AND CREDITORS
FOR THE YEAR ENDING 13 OCTOBER 2016**

STATUTORY INFORMATION

Company Name.	South Lincs Plumbing And Heating Services Limited
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
Registered Number.	03686680.
Liquidators' Names	Christopher John Brown and Emma Louise Legdon ("the Liquidators").
Liquidators' Address	Hart Shaw LLP, Europa Link, Sheffield Business Park, Sheffield, S9 1XU
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 ("the Liquidators") 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 2016 is attached at Appendix 1

ASSETS

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

UNCHARGED ASSETS.

Furniture and Equipment

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

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

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

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 Traynor (SY) LLP ("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, subject to creditor approval.

The Liquidators have corresponded with Begbies regarding the collection of the outstanding book debts and retentions but no realisations have been achieved to date.

However, Begbies have advised the Liquidators that they anticipate 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 already been written off due to contra charges and the other two totalling £21,115.75 are likely to be written off due to contra charges and extended warranty periods.

Therefore, anticipated realisations in respect of outstanding debts and retentions will be less than the directors' estimates and these matters remain ongoing.

VAT Refund

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.

Cash at Bank

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 subsequently closed and no further realisations will be achieved from this asset source.

Other Assets

Electricity Refund

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

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 £18.96 has been received.

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 eleven claims in the total sum of £357,017 75, 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 are in the process of being agreed for dividend purposes. Three unsecured creditors, with total estimated claims as included in the statement of affairs in the sum of £69,296 26, 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.

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 instructed EWB to value and sell the physical assets of the Company.

The Liquidators instructed The Handyman to collect some remaining assets from the Company premises and deliver these to EWB for sale at auction.

The Liquidators instructed Begbies to collect the outstanding book debts and retentions and have corresponded with Begbies on this matter.

The Liquidators corresponded with Natwest regarding the transfer of the credit balance of the Company's bank accounts as at the date of liquidation.

The Liquidators corresponded with Eon Energy Solutions Ltd regarding the refund of a credit balance on the Company's electricity account

The Liquidators wrote to the Company insurance brokers to establish whether there was any return of premium due in respect of the insurance policies or any outstanding claims, there were none

The Liquidators attended site to remove confidential books and records, such as wages records, and took them to Ron Hull Jnr Ltd for confidential destruction.

The Liquidators corresponded with the Landlord of the Company property and an informal surrender effective on 13 October 2015 was agreed

The Liquidators have corresponded with Plumbing Pensions (UK) Ltd to ensure they have no duties in respect of the pension scheme

The Liquidators have logged and have begun agreeing creditor claims

The Liquidators have corresponded with HMRC regarding VAT deregistration and have submitted VAT 193 to deal with post-liquidation VAT matters. The Liquidators have also considered whether any terminal loss claim could be made for Corporation Tax but concluded that no such claim is possible.

The Liquidators have carried out their investigations into the affairs of the Company during the three years prior to insolvency in connection to their duties under CDDA and have prepared and submitted their report accordingly

The RP14 and RP14A were submitted to The Redundancy Payments Service

The Liquidators have complied with their statutory duties

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

Investigations have been carried out into the affairs of the Company and its directors during the three years prior to insolvency and a confidential report has been submitted to the Department for Business, Energy and Industrial Strategy, formerly the Department for Business Innovation and Skills, in accordance with the Liquidators' duties under the Company Directors Disqualification Act 1986

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

LIQUIDATOR'S REMUNERATION

In the period from the date of the Liquidators' appointment on 14 October 2015 no steps have been taken by the Liquidators to fix the basis of the remuneration of the Liquidators. Therefore, the Liquidators are now seeking approval of their post-appointment remuneration, by resolution 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. The Liquidators are also seeking approval 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. A separate letter to creditors dated 24 October 2016 deals with this matter.

To 13 October 2016, time costs of £18,657.20, amounting to 87.70 hours of chargeable time, have been incurred.

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.

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.

In accordance with the provisions of SIP9, 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 2016

Classification Of Work Function	Hours				Total Time Costs £	Average Hourly Rate £
	Partner	Manager / Senior	Semi-Senior/Junior / Support	Total Hours		
Administration & Planning	5.40	18.60	18.30	42.30	9,850.10	232.86
Investigations	-	0.50	8.40	8.90	1,642.00	184.49
Realisation of Assets	0.20	5.30	17.80	23.30	4,677.00	200.73
Trading	-	-	-	-	-	-
Creditors	0.30	0.30	12.60	13.20	2,488.10	188.49
Total	5.90	24.70	57.10	87.70	18,657.20	212.74

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

LIQUIDATOR'S EXPENSES

The Liquidators' expenses to 13 October 2016 amount to £469 19 To date, 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 adverting fees The Liquidators' anticipate drawing the balance in the sum of £106.80 in due course and following the resolution of creditors for the Liquidators to recover category 2 expenses.

Summary of Category 1 Disbursements Incurred by Hart Shaw LLP:

Classification of Expenses.	Description	Total £
Postage	In respect of circulars to members and creditors	19 54
Room Hire	In respect of room hire for meeting of members and creditors	13 33
Royal Mail	In respect of mail re-direction fees	160.00
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
Total £		381.93

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

Classification of Expenses.	Rate.	Total £
Photocopying	10 pence per sheet for circulars and other bulk copying.	8.60
Mileage	Up to 40 pence per mile.	78 66
Document Storage	£5 per bankers box per year	Nil
Total £		87.26

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

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 been paid to Begbies yet as no debtor/retention monies have been realised

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

FURTHER INFORMATION

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.

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 are sufficient to allow preferential creditors to be paid in full in due course.

Unsecured Creditors

The assets of the Company are sufficient to allow a distribution to be made to the unsecured creditors. The level of dividend is however dependent on the realisation of outstanding debts and retentions and the final value of claims received from unsecured creditors.

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

The Liquidators will be in a position to be able to conclude the administration of this liquidation once the collection of the book debts and retentions have been concluded, a preferential dividend has been declared and paid and unsecured claims have been received and agreed, to allow an unsecured dividend to creditors to be declared and paid. Once these matters have been concluded, a draft final report will be prepared and a final meeting of members and creditors will be convened. 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 Wharın on 0114 251 8850



Christopher J Brown
Joint Liquidator
24 October 2016

SOUTH Lincs PLUMBING AND HEATING SERVICES LIMITED - IN LIQUIDATION

RECEIPTS AND PAYMENTS ACCOUNT TO 13 OCTOBER 2016

	£	£
	Statement of	Total as at
	Affairs as at	13.10.2016
Receipts	14.10.2015	
Furniture & Equipment	150 00	216.00
Motor Vehicles	12,000.00	10,125 00
Stock	500 00	1,116 44
Book Debts	20,444 70	Nil
Retentions	2,814.74	Nil
VAT Refund	1,952 14	1,952 14
Cash at Bank	44,339.55	44,541 85
Electricity Refund	N/a	99 39
Road Tax Refund	N/a	162 08
Interest on Natwerst Account	N/a	0 49
Bank Interest Gross of Tax	N/a	18 96
	<u>82,201.13</u>	<u>58,232 35</u>

Payments

Specific Penalty Bond	237 00
Room Hire - Meeting of Creditors	13 33
Preparation of Statement of Affairs - Hart Shaw LLP	7,000 00
Preparation of Statement of Affairs - Darbys Limited	1,800.00
Valuers Fees - Ellis Willis & Beckett	275 00
Agents Commission - Ellis Willis & Beckett	1,244 90
Asset Removal Charges & HPI - Ellis Willis & Beckett	255 00
Asset Removal Charges - The Handyman	60.00
Confidential Destruction Charges - Ron Hull Jnr Ltd	135 00
Re-direction of Mail	160 00
Statutory Advertising - London Gazette	189 06
	<u>11,369.29</u>
Balance at Bank	46,863 06
	<u>58,232 35</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 & HEATING LTD

Furniture and Equipment
Old pc, keyboard + monitor
Motor Vehicle
YP59 OAE Renault Traffic SL27 DCI 115 2770kg 1995cc diesel, 102,000 miles
Stock
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.

Grade Of Staff.	Current Hourly Rate (excluding VAT)	Previous Hourly Rate (from 01/06/2015) (excluding VAT)
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

Type.	Rate (excluding VAT)
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 parties¹ 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

¹ "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 rate² (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.

² "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 - General Form

In the matter of South Lincs Plumbing And Heating Services Limited - In Liquidation

and in the matter of the Insolvency Act 1986

Date of Resolution for Voluntary Winding Up - 14 October, 2015

1	Name of Creditor Company Registration Number	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (See Note)	£
4	Details of any documents by reference to which the debt can be substantiated [Note the Liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If box 3 includes uncapitalised interest, please state the amount of interest	£
6	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with Schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
7	Particulars of how and when debt incurred	
8	Particulars of any security held, the value of the security, and the date it was given Give details of how you have valued your security	
9	Details of any reservation of title in respect of goods to which the debt refers	
10	Signature of creditor or person authorised to act on his behalf Name in BLOCK LETTERS Date Position with or relation to creditor	

NOTE A company goes into liquidation if it passes a resolution for voluntary winding up or an order for its winding up is made by the court at a time when it has not already gone into liquidation by passing such a resolution

Office Use Only -

Admitted to Vote for	Admitted preferentially for	Admitted non-preferentially for
£	£	£
Date	Date	Date
Signed	Signed	Signed