

The Insolvency Act 1986

Statement of administrators' proposals

Name of Company ABBEY HOUSE SERVICES LIMITED – IN ADMINISTRATION	Company Number 06372967
In the HIGH COURT OF JUSTICE, CHANCERY DIVISION, LEEDS DISTRICT REGISTRY [full name of court]	Court case number 1201 of 2012

(a) Insert full name(s) and address(es) of administrator(s) **I / We (a) John William Butler and Andrew James Nichols**
Redman Nichols Butler, Westminster Business Centre, Nether Poppleton, York, YO26 6RB

* Delete as applicable attach a copy of ~~my~~ / our proposals in respect of the administration of the above company
 A copy of these proposals was sent to all known creditors on

(b) Insert date **(b) 5 November 2012**

Signed *JW Butler*
J W Butler
 Joint / Administrator(s)

Dated **5 November 2012**

Contact Details:

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

	Tel
DX Number	DX Exchange

Companies House receipt date barcode

When you have completed and signed this form please send it to the Registrar of Companies at
Companies House, Crown Way, Cardiff, CF14 3UZ **DX 33050 Cardiff**

WEDNESDAY



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 COMPANIES HOUSE


Abbey House Services Limited – in administration

Our proposals are as follows:

It is proposed that the joint administrators continue to manage the affairs of the company in order to achieve the objectives of the administration. In the circumstances it is proposed that.

1. The Administrators will continue to realise all known assets along with any other assets that may come to our attention during the course of the Administration
2. The Administrators will pursue the second and third objectives of administration.
3. If having realised the assets of the Company, the Administrators think that a distribution will be made to the unsecured creditors, they shall take steps to place the Company into Liquidation, ideally Creditors' Voluntary Liquidation (CVL) The Administrators shall file a notice with the Registrar of Companies which will have the effect of bringing the appointment of the Administrators to an end and will move the Company automatically into CVL in order that the distribution can be made. In these circumstances, it is proposed that the Administrators, John William Butler and Andrew James Nichols, will become the Liquidators of the CVL in accordance with Paragraph 83 of Schedule B1 of the Insolvency Act 1986 Creditors are permitted to nominate their own proposed Liquidator(s) provided that the nomination is made after the receipt of these proposals and before these proposals are approved
4. If the joint administrators consider that interests of creditors would be served (perhaps because there are insufficient funds to pay a dividend to unsecured creditors as well as insufficient funds to carry out detailed investigations into the affairs of the company, which investigations are, however, worthy of being carried out), then they may take steps to place the company into compulsory liquidation and the Official Receiver will then become the liquidator
5. If the Administrators think that the Company has no property which might permit a distribution to its creditors, they will file a notice with the Court and the Registrar of Companies for the dissolution of the Company
6. The Administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as they consider desirable or expedient to achieve the statutory purpose of the Administration
7. The creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Administrators' remuneration and any proposed act on the part of the Administrators without the need to report back to a further meeting of creditors generally, to include any decision regarding the most appropriate exit route from the Administration.
8. Where no Creditors' Committee is appointed, the remuneration of the Administrators shall be fixed by reference to time properly spent by them and their staff in managing the Administration.

- 9 The Administrators be authorised to draw remuneration on a time cost basis and are authorised to draw fees on account whilst acting as Administrators.
- 10 The Administrators are to be reimbursed for any expenses or necessary disbursements properly charged or incurred in the course of carrying out their duties. These expenses include category 1 and category 2 disbursements. The basis on which the category 2 disbursements are charged is disclosed within "A creditor's guide to the fees and disbursements charged by Redman Nichols Butler". The Administrators are at liberty to draw and pay these expenses and disbursements in accordance with the foregoing resolution without further reference to creditors.
11. The pre-Administration professional costs, including those incurred by Redman Nichols Butler, in forming an opinion as to whether the purposes of the Administration can be achieved and the work undertaken in making the appointment are to be treated as an expense of the Administration.
12. The Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.
- 13 The Administrators will do all other such things and generally exercise all our powers as Administrators as they consider desirable or expedient at our discretion in order to achieve all purposes of the Administration, to protect and preserve the assets of the Company, to maximise the realisations of those assets or for any other purpose incidental to these proposals.
- 14 If the administrators consider it appropriate, they may summon a creditors' meeting to consider any revisions to the proposals in accordance with paragraph 54 of Schedule B1 of the Insolvency Act 1986, provided that the proposed revision is substantial.
15. As the company's main centre of interest is based in England, EC Regulations do apply. These proceedings will be main proceedings as defined in Article 3 of the EC Regulations.


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J W Butler
Joint Administrator

In the High Court of Justice, Chancery Division, Leeds District Registry

Case No 1201 of 2012

Abbey House Services Limited - in administration (“the Company”)

Report of the joint administrators incorporating a statement of the joint administrators’ proposals pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986

I, John William Butler and my partner Andrew James Nichols, both of Redman Nichols Butler, Westminster Business Centre, Nether Poppleton, York, YO26 6RB were appointed joint administrators of Abbey House Services Limited (“the company”) with effect from 11 September 2012 following an application by the director of the company.

Statutory information

The directors and shareholders of the company are as follows:-

Directors	Comments
Stephen Raymond Moseley	Appointed 27 September 2007

Shareholders	Shares held
Stephen Raymond Moseley	2

The company was incorporated on 17 September 2007 and we believe commenced trading about the same time. The company number is 06372967.

The registered office of the company was The Old Fire Station, 1 Abbey Road, Barrow in Furness, Cumbria, LA14 1XH, but has been changed to my York office for the sake of these proceedings. The trading address is Abbey House, Church Avenue, Selby, YO8 4PG

The Joint Administrators act jointly and severally so that all functions may be exercised by either Administrator.

Background

Abbey House Services Limited used to process payroll on a weekly basis for up to 1,000 subcontractors working in the construction industry. It also operated as an umbrella company employing people directly.

The company traded from leased premises in Selby, along with various other companies trading from the same address.

At the date of our appointment, there were 4 members of staff, including the director

The company had failed to pay across PAYE / NI for a considerable period of time, thus resulting in pressure from HM Revenue & Customs for immediate payment. HMRC had threatened to issue winding up proceedings against the Company.

As the company was not in a position to pay these debts immediately the director sought advice from Redman Nichols Butler.

Circumstances leading to my appointment and the source of my initial introduction

My firm was formally instructed to assist the director to put the company into administration on 30 August 2012. Shortly prior to this date, I had had a number of discussions with Stephen Moseley about the affairs of the company and the function and duties of an administrator.

Prior to my appointment, the director had indicated that the Company was still trading albeit on a limited basis.

Manner in which the company's affairs have been conducted since the date of my appointment

Following my appointment, I took control of the company's business and assets with a view to establishing a strategy to meet one of the objectives of the administration process which are:

- a) Firstly, rescuing the company as a going concern. If that cannot be achieved,
- b) Secondly, achieving a better result for the company's creditors as a whole than would be likely if the company were to be wound up (without first being in administration). If that cannot be achieved;
- c) Thirdly, realising property in order to make a distribution to one or more secured or preferential creditors.

Immediately following my appointment as joint administrator, I met my agents, Leonards and Practical Network Solutions Limited, at the Company's premises to review the Company's financial position.

Trading during the administration

At the date of my appointment it appears that the Company had wound down its trading operation prior to my appointment as joint administrator. The Company employed a small number of employees who were owed one week's wages.

These employees were dismissed on 12 September 2012.

Marketing and sale of business

My agents carried out a valuation of the company's assets which consisted of office equipment and fixtures and fittings. The agents valued the assets known to be free of any possible retention of title claim at £480.

My agents have been instructed to arrange for the sale of the company's assets in order to maximise recoveries.

My staff and I also attended the Company's trading premises to remove any books and records immediately following my appointment as joint administrator. Practical Network Solutions Limited were instructed to back-up and obtain copies of the company's IT systems and the Company's computer has been removed at the joint administrator's request for safeguarding.

The Company director has made an offer of £500 to purchase certain chattel assets which my agents have recommended be accepted, with the remainder being collected and sold elsewhere.

Statement of Insolvency Practice 13 provides that I am required to disclose to creditors and members at the first available opportunity after my appointment any transactions with connected parties made after my appointment.

No such transactions have been made, to date.

Retention of title ("ROT") / consignment stock

I am not aware of there being any ROT claims in this case.

Debts due to the company

Upon my appointment there were various debts outstanding of which two related to intercompany debts and one was in respect of a directors loan account.

I have written to the debtors requesting payment. However, to date, no money has been received. My solicitors have been instructed to pursue the outstanding balances.

Following my investigations into the Company's affairs, it appears that;

- £1,203,775 is due to the Company from GMH Management Services UK Limited ("GMH"). Mr Moseley, the Company director, is also a director of this company.
- £4,639,990 is due to the Company from Surepay Limited ("Surepay"). Mr Moseley, the Company director, is also a director of this company.
- £20,299 is owed from the director Mr Moseley. Mr Moseley had been given until 31 October 2012 to repay these funds. However, to date, no monies have been received and my solicitors, Newtons, have been instructed to serve a statutory demand on Mr Moseley demanding the monies due.

My solicitors have been instructed to collect the monies due from GMH and Surepay. GMH and Surepay had been given until 31 October 2012 to repay these monies in full.

To date no funds have been received.

Mr Moseley has not provided a satisfactory explanation as to how the debts have arisen and nor has he taken any steps to repay these monies despite promising to do so. I will now take steps to recover the funds due from GMH and Surepay.

Cash at bank

As there are outstanding debts, the company's bank account has not been closed, but it has been frozen in respect of any outgoing payments.

Investigations into the affairs of the company

I am commencing my investigations into the affairs of the company prior to my appointment. If creditors would like to bring any matter to the attention of the joint administrators, please notify me in writing by return.

It appears that the Company's business has been transferred / sold prior to my appointment as joint administrator. My investigations into these transfers / sales are ongoing. I would be grateful if any creditor with information concerning the transfer / sale of the businesses will provide details in writing by return.

I have instructed an independent firm of chartered accountants, JWP Creers, to produce accounts up to the date of my appointment as joint administrator. I have requested that JWP Creers undertake this work to an audit standard in order to assist with the identification of any potential assets.

Objectives of the administration

As previously advised, the objectives of the administration are to meet one of the following. -

- a) Firstly, rescuing the company as a going concern. If that cannot be achieved,
- b) Secondly, achieving a better result for the company's creditors as a whole than would be likely if the company were to be wound up (without first being in administration). If that cannot be achieved;
- c) Thirdly, realising property in order to make a distribution to one or more secured or preferential creditors.

In this case, the administration minimizes the costs of the insolvency compared to the alternative which would have been compulsory liquidation as it avoids significant ad-valorem fees. Consequently objective b) has been achieved.

It is likely that because of the preferential claims for arrears of wages and holiday pay, objective c) realising property in order to make a distribution to one or more secured or preferential creditors will be achieved.

Creditors should note that, in an administration, the administrators have a statutory duty to agree and admit only preferential unsecured creditors' claims and pay dividends on

them. The administrators do not have a duty to agree and admit non preferential unsecured creditors' claims and pay dividends in an administration, unless the court orders otherwise.

Directors' statement of affairs

The directors' statement of affairs as at 11 September 2012 has recently been submitted and a copy is enclosed with this report.

The prescribed part

The provisions of Section 176A of The Insolvency Act 1986 relating to a prescribed part are relevant in these proceedings as there is a floating charge created after 15 September 2003.

However, it is understood that the bank are no longer owed any monies so there will be no prescribed part distribution in this case.

Receipts and payments account

An account of my receipts and payments to date is attached to this report.

Statement of Insolvency Practice 9 – Remuneration of insolvency office holders

Statement of Insolvency Practice 9 provides that we are required to disclose to creditors our firm's time costs to date, together with an analysis of the types of work that we have undertaken in administering this case.

In addition, we are required to disclose how much has been drawn by our firm from estate funds in respect of remuneration and on what basis these sums were drawn as well as who and when these sums were sanctioned.

We are also required to advise creditors what disbursements have been recovered from the administration estate. Category 1 disbursements are disbursements which are directly referable to the insolvent estate and relate to a payment to an independent third party. Category 2 disbursements are directly referable to the insolvent estate in question but the payment is not to an independent third party.

A creditors' guide to Redman Nichols Butler fees and disbursements is attached.

A copy of the creditors' guide to administrator's fees is available at www.insolvency-practitioners.org.uk. This guide sets out how the basis of the remuneration of an administrator is assessed, who agrees the quantum and drawing of that remuneration and various other matters relating to an administrator's remuneration and recovery of disbursements generally.

Fixing the administrators' remuneration

The basis for fixing the administrators' remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed.

- as a percentage of the value of the property which the administrator has to deal with,
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration, or
- as a set amount.

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the administrator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the administrator.

It is for the creditors' committee (if there is one) to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the committee to determine the percentage or percentages to be applied, and where it is a set amount, to determine that amount. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters: -

- the complexity (or otherwise) of the case,
- any responsibility of an exceptional kind or degree which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties,
- the value and nature of the property which the administrator has to deal with.

If there is no creditors' committee, or the committee does not make the requisite determination (and provided the circumstances described below do not apply), the administrators' remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as apply in the case of the committee. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrators, but the administrators may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment.

There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets.

In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of -

- each secured creditor of the company, or
- if the administrators have made or intends to make a distribution to preferential creditors -

- each secured creditor of the company; and

- preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval,

having regard to the same matters as the committee would

Our firm's current charge out rates

Our firm's current charge out rates are as follows:-

Grade	Rate (£) from 1 May 2011
Partner	280
Senior manager	250
Manager	230
Assistant Manager	205
Administrator	155
Support staff	90

Pre administration order costs

Our firm's costs in assisting the directors to place the company into administration for the period to 11 September 2012, based on our time costs at our usual rates, total £5,374. The Company instructed my firm to assist on 30 August 2012 and that my firm's costs were to be based on a time cost basis. The company also instructed Newtons solicitors to assist to place the company into administration at this time on a time cost basis. Newtons are owed £840 46 plus VAT. To date, these costs remain unpaid

Our firm's time costs to date in administering this case and an estimated analysis of the types of work carried out on it

Our firm's time costs, to date, in dealing with the proper administration of this case total £19,300. An estimated analysis by reference to the types of work carried out on this administration can be found on the attached schedule

The description of the types of work involved in each category is detailed below:

- Administration and Planning – Includes dealing with all statutory matters required by legislation and professional guidelines including periodic returns and reports, internal case review and case progression matters including planning, set-up and maintenance of records.
- Realisation of Assets – Includes dealing with agents regarding the realisation of the Company assets as well as obtaining valuations of any assets and the collection of assets.

- Investigation – Review of the Company records and the general investigation required towards the submission of returns pursuant to the Company Directors Disqualification Act 1986.
- Trading – Communication with employees, suppliers and customers and monitoring the ongoing trading position.
- Creditors – General communication, receipt and agreement of claims.

Funds drawn to date on account of remuneration

We have not drawn any sums on account of our firm's remuneration to date.

Who will determine the basis of the joint administrators' remuneration

Our proposals make provision for creditors to agree the basis of our firm's remuneration on the basis of our firm's time costs as detailed above. However, creditors should note the points raised above regarding the fixing of fees.

These proposals will be considered and voted on at the meeting of creditors to be held on 19 November 2012.

Creditors' request for further information

Rule 2.48A of the Insolvency Rules 1986 states that, within 21 days of receipt of this progress report -

- i) a secured creditor; or
- ii) a unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or

with the permission of the court upon an application made within the 21 days any unsecured creditor may make a request in writing to the liquidator for further information about remuneration or expenses set out in the draft report.

The administration must, within 14 days of receipt of the request, respond accordingly.

Right of challenge

If a creditor believes that the office holders' remuneration is, in all the circumstances excessive, the basis inappropriate, or the expenses incurred by the office holder are, in all the circumstances, excessive he may, provided certain conditions are met, apply to the court.

The application to court may be made by.

- Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court.

The application must, subject to any order of the court, be made no later than 8 weeks, after receipt by the applicant of this progress report.

Administrators / Redman Nichols Butler expenses

To date, we have recovered no funds in respect of Category 1 or 2 disbursements. Category 1 and Category 2 disbursements incurred to date are summarised within this report and on the attached schedule.

Professionals engaged to assist the administrators to carry out their duties

<i>Firm</i>	<i>Fees paid to date (£)</i>	<i>Basis of those fees</i>	<i>Brief description of work carried out</i>	<i>Basis of review of reasonableness of fees</i>
Leonards - agents	0	Time cost basis plus expenses	Assistance and advice re valuation, marketing and realisation of the company's assets	N/A at this stage
Newtons - solicitors	0	Time cost	To assist the administrators in discharging duties generally and in assisting in the realization of the outstanding intercompany debts and director's loan account	N/A at this stage

This concludes my report, but if creditors have any queries, please do not hesitate to contact Stephanie Coulter of my office



J W Butler
Joint Administrator

02 November 2012

"The Administrators acts as agents of the Company and without personal liability"

HOURS							
Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	0 00	23 58	8 00	6 95	38 53	7,689 66	199 56
Investigations	13 50	6 00	0 00	0 00	19 50	5,160 00	264 62
Realisation of Assets	14 42	3 58	0 00	0 00	18 00	4,860 84	270 05
Creditors	0 00	3 00	4 17	0 50	7 67	1,589 16	207 28
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	7,816 68	8,318 32	2,494 16	670 50		19,299 66	
Total Hours	27 92	36 17	12 17	7 45	83 70		
Average Rate	280 00	230 00	205 00	90 00			

CATEGORY 1 + 2 DISBURSEMENTS

Type & Purpose	Amount £
05/10/2012 Category 1 - Company Search	3 00
14/09/2012 Category 2 - Printing & Photocopying notice of appointment to creditors	8 40
14/09/2012 Category 2 - Postage notice of appointment to creditors	7 20
05/10/2012 Category 1 - Advertising Appointment of administrator	60 00
11/10/2012 Category 1 - Bordereau	562 50
16/10/2012 Category 2 - Mileage MT mileage	30 50
	671 60

Abbey House Services Limited - in administration

Receipts and payments account from 11 September 2012 to 5 November 2012

Receipts	£	£
Cash at bank	50,000	
Cash in hand of accountants	2,000	
Sundry receipt	712	
Total receipts		52,712
 Costs and expenses of administration		
None	0	
Total payments		<u>0</u>
Balance in hand		52,712