

The Insolvency Act 1986

Liquidator's Progress Report

S.192

Pursuant to section 192 of the Insolvency Act 1986

To the Registrar of Companies

For official use



Company Number

02036424

Name of Company

(a) Insert full name of company

(a) Integrated Building Services Engineering Consultants Limited, t/a Operon

(b) Insert full name(s) and address(es)

I/We, (b) Robert Hunter Kelly and Charles Graham John King of Ernst & Young LLP,

1 Bridgewater Place, Water Lane, Leeds, LS11 5QR

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

Signed

*[Handwritten Signature]*

Date

25 MARCH 2013

Presenter's name, address and reference (if any)

Sophie Hill  
Ernst & Young LLP  
1 Bridgewater Place  
Water Lane  
Leeds  
LS11 5QR

For Official Use

Liquidation Section

Post Room

THURSDAY



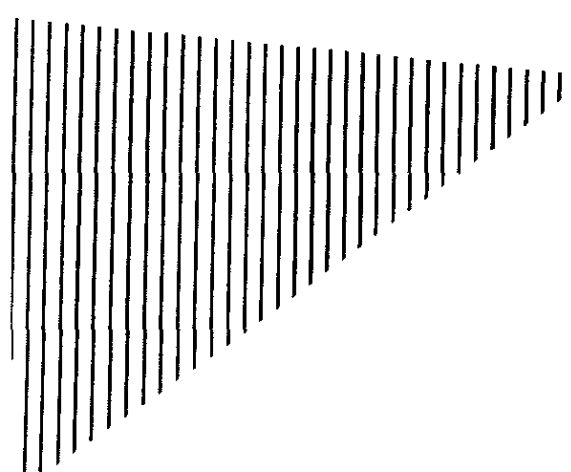
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COMPANIES HOUSE



Integrated Building Services Engineering  
Consultants Limited, t/a Operon  
In Creditors' Voluntary Liquidation ("the Company")

Report to Creditors  
Pursuant to Section 104A of the Insolvency Act  
1986

25 March 2013  
Ernst & Young LLP

## Contents

<b>1</b>	<b>Introduction</b>	<b>1</b>
<b>2</b>	<b>Progress of the Liquidation</b>	<b>2</b>
2.1	Remaining assets	2
2.2	Secured creditors	2
2.3	Preferential creditors	2
2.4	Non-preferential creditors	2
2.5	Receipts and Payments	2
<b>3</b>	<b>Liquidators' remuneration</b>	<b>3</b>
<b>4</b>	<b>Reporting</b>	<b>4</b>
<b>Appendix A</b>	<b>Summary of the Joint Liquidators' Receipts and Payments from 27 January 2011 to 26 January 2013</b>	<b>5</b>
<b>Appendix B</b>	<b>Summary of Joint Liquidators' time costs from 27 January 2011 to 26 January 2013</b>	<b>6</b>
<b>Appendix C</b>	<b>Statement of Liquidators' Charging Policy on Remuneration and Disbursements</b>	<b>7</b>
	Remuneration	7
	Disbursements	7
	Payments to other professionals	8

## 1. Introduction

I write in accordance with Section 104A of the Insolvency Act 1986, to provide members and creditors with my annual report on the progress of the Liquidation

R H Kelly and C G J King of Ernst & Young LLP were appointed Joint Liquidators to Integrated Building Services Engineering Consultants Limited, t/a Operon on 27 January 2011

## 2. Progress of the Liquidation

### 2.1 Remaining assets

#### *Dolerite Loan*

The likely quantum and timing of any dividend from our accepted claim of £2.25m remains uncertain

#### *Contract sales*

We are in discussion with Europa regarding the £5,000 remaining in the account

#### *Europa Facilities Management Limited ("Europa")*

Debtor collections have been finalised at £2.05m, excluding the £0.3m of BACS receipts received on 29 January 2010 but retained by the Bank

We do not anticipate any further realisations

### 2.2 Secured creditors

National Westminster Bank has received distributions during the Administration totalling £410,053.47 including accrued interest and charges in full and final settlement of the Bank's secured claim

### 2.3 Preferential creditors

Payments totalling £132,074 have been paid in full

### 2.4 Non-preferential creditors

We anticipate there will be a dividend to unsecured creditors based on present calculations. The timing of this dividend will be dependent on the agreement on non-preferential creditors' claims and the settlement of outstanding liabilities incurred during the Liquidation.

Non-preferential creditors' claims continue to be submitted and based on our estimates of contingent creditor claims and costs of the Liquidation, we currently estimate that the dividend to unsecured creditors will be in the region of 6 pence in the £. This estimate, however, will remain subject to the quantum of unsecured creditor claims received.

A *proof of debt form* is enclosed to enable any creditors who have not yet proved to submit their claims. Please be advised, you will be required to provide documentation (such as invoices, statements, proof of delivery and copies of contracts if applicable) to support your claim.

### 2.5 Receipts and Payments

I enclose a receipts and payments account for the Company for the period of the Liquidation to date, 27 January 2012 to 26 January 2013, at Appendix A. Please note this does not reflect estimated future realisations or costs.

### 3. Liquidators' remuneration

To 26 January 2013, the Liquidators have incurred time costs of £172,000 against which £80,000 has been drawn

The Liquidators were also authorised to draw remuneration totalling £29,799 in respect of the Administration, as voted in favour of at the meeting of creditors on 6 December 2011. This fee was drawn on 30 November 2012.

Set out at Appendix 2 is an analysis of the time spent and charge out rates for each grade of staff for the various areas of work carried out as required by the Statement of Insolvency Practice 9 ("SIP9")

Our time costs to date relate principally to the following matters:

- ▶ Statutory requirements including reporting to creditors,
- ▶ Reviewing and agreeing the claims of c 1,600 unsecured creditors,

To date, disbursements of £4,523 have been incurred during the Liquidation against which £4,418 has been drawn.

A creditors' guide to Liquidators fees is available at the R3 (Association of Business Recovery Professionals) website, [www.r3.org.uk](http://www.r3.org.uk)

## 4. Reporting

The next report to creditors will be delivered within two months from the next anniversary date being 27 January 2014, or at the finalisation of the Liquidation, whichever is earlier

Should you wish to discuss any aspect of this report, please do not hesitate to contact Carly Howard on 0113 298 2438

Yours faithfully  
for the Company



C G J King  
Joint Liquidator

R H Kelly is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland and C G J King is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in England and Wales

We may collect, use, transfer, store or otherwise process (collectively, "Process") information that can be linked to specific individuals ("Personal Data") We may Process Personal Data in various jurisdictions in accordance with applicable law and professional regulations including (without limitation) the Data Protection Act 1998

## Appendix A Summary of the Joint Liquidators' Receipts and Payments from 27 January 2011 to 26 January 2013

### Summary of the Joint Liquidators' Receipts and Payments to 26 January 2013

<i>Estimated to realise per Administrators' final progress report</i>		27 January 2011 to 26 January 2012	27 January 2012 to 26 January 2013	Total
£	Receipts	£	£	£
1 210 230	Administrators' surplus	1 394 236		1 394 236
	Corporation tax terminal loss relief	195 739		195 739
	Europa debts	181 682		181 682
	Intercompany debtor	148 508		148 508
	Settlement of Pihl claim	124 070		124 070
	Utilities refund	124 045	1 259	125 304
	Contract sales	70 000		70 000
	Prepayments & other debts	45 820		45 820
	Sundry income	21 140		21 140
	Sundry debtors	15 552		15,552
	Pension refund	12 750		12 750
	Bank interest	7 257	9 905	17 162
	ISA interest		110	110
	<b>Total receipts</b>	<b>2,340,799</b>	<b>11 274</b>	<b>2,352,074</b>
	<b>Payments</b>			
	Legal fees	161 281	7 520	168 801
	Preferential creditors	132 074		132 074
	Liquidators fees		80 000	80 000
	Debt collection commission	60 222		60 222
	Administrators fees		29 779	29 779
	Liquidators disbursements		4 418	4 418
	Corporation tax	2 074	1 880	3 954
	Legal disbursements	1 150	7	1 157
	Storage charges	891	682	1 574
	Other professional fees	500		500
	ISA cheque/banking fees	187	96	283
	Administrators disbursements		93	93
	Public notices	76	77	152
	Bank charges	20		20
	<b>Total payments</b>	<b>358,475</b>	<b>124,552</b>	<b>483,027</b>
	<b>Net realisations</b>	<b>1,982 324</b>	<b>(113,278)</b>	<b>1,869 047</b>
	<b>Distributions</b>			
	<b>Funds held</b>			
	Cash at bank	1 978 190	(135 698)	1 842 492
	ISA account	2 739	(8)	2 730
	VAT receivable	521	22 428	22 949
	VAT payable	875		875
		<b>1,982,324</b>	<b>(113,278)</b>	<b>1,869,047</b>



## Appendix B Summary of Joint Liquidators' time costs from 27 January 2011 to 26 January 2013

### Joint Liquidators' Time Costs for the period from 27 January 2012 to 26 January 2013 Summary of time spent and charge-out rates

Hours	Partner/ Exec Director	Assistant Director	Senior Executive	Executive	Analyst	Support	Total Hours
Accounting & Administration		3.0	0.1	1.0	10.5	118.7	133.3
Bank & Statutory Reporting	4.0	6.5			36.5	2.5	49.5
Creditors	26.0	28.0	21.4	48.5	396.3	4.0	524.2
Debtors	10.3	9.7	1.0	1.0	7.7		29.7
Employee Matters			0.4	14.0	9.8		24.2
General	0.3		-		7.5		7.8
Immediate Tasks							
Investigations & CDDA			-	0.5			0.5
IT	-	-			-		
Legal Issues	23.0				14.5		37.5
Other Assets	-	1.5					1.5
Other Matters		0.2		3.5	26.0		29.7
Property	1.5	-	-	19.3			20.8
Retention of Title	-				9.0		11.0
Statutory Duties		2.0	-		10.8	8.9	41.2
VAT & Taxation	-	7.3	1.9	12.3			
<b>Total Hours</b>	<b>65.1</b>	<b>58.2</b>	<b>24.8</b>	<b>100.1</b>	<b>528.6</b>	<b>134.1</b>	<b>910.9</b>
<b>Time Costs (£)</b>	<b>30,970</b>	<b>23,942</b>	<b>7,714</b>	<b>24,148</b>	<b>69,210</b>	<b>16,017</b>	<b>172,000</b>
<b>Average Hourly Rate (£)</b>	<b>476</b>	<b>411</b>	<b>311</b>	<b>241</b>	<b>131</b>	<b>119</b>	<b>189</b>

## Appendix C Statement of Liquidators' Charging Policy on Remuneration and Disbursements

### Remuneration

The Joint Liquidators have engaged managers and other staff to work on the liquidation. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the company's bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the liquidators.

All time spent by staff working directly on case-related matters is charged to a time code established for the case. Each member of staff has a specific hourly rate, which is subject to change over time. The average hourly rate for each category of staff over the period is shown at Appendix C, with the current hourly rates used displayed below.

Grade Description	Standard hourly rates	From 1 July	From 1 July	From 1 July
	to 30 June 2010	2010	2011	2012
	£	£	£	£
Partner	495	520	545	570
Executive Director	-	-	520	545
Director	405	425	445	465
Assistant Director	350	370	390	410
Senior Executive	275	290	305	320
Executive	200	210	240	250
Analyst	85 - 120	90 - 125	125 - 175	130 - 185
Accounting and Treasury Executive	100	105	110	115

### Disbursements

Statement of Insolvency Practice No. 9 divides disbursements into two categories.

Category 1 disbursements are defined as specific expenditure relating to the Administration or Liquidation of the insolvent's affairs and referable to payment to an independent third party. Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

Category 2 disbursements are charges made by the office holder's firm that include elements of shared or overhead costs. Statement of Insolvency Practice No. 9 provides that such disbursements are subject to approval as if they were remuneration.

It is our policy, in line with the Statement, to seek approval for Category 2 disbursements before they are drawn. To date, no Category 2 expenses have been incurred in the Liquidation.

**Payments to other professionals**

The Liquidators have engaged the following other professionals to assist them. The professionals have been chosen on the basis of their experience in similar insolvency assignments and to utilise the ongoing trading relationships of the Purchasers with the contract customers

Name of firm	Nature of service	How contracted to be paid
Walker Morris	Legal advice in respect of Aberdeen School dispute and Dolerite (UK) Ltd intercompany debtors and general advice	Time cost basis
DLA Piper LLP	Advice regarding the Aberdeen Schools dispute relating to Scottish Jurisdiction	Time cost basis
GVA Grimley	Realisation of rating valuation refund relating to the Company's head office	Percentage of realisations
The Purchasers	Collection of outstanding debtors relating to transferred contracts	Percentage of realisations

Details of fees paid to date are included in the receipts and payments account attached at Appendix A