

**In the Matter of B.J. Bates Electrical Limited
And in the Matter of the Insolvency Act and Rules 1986**

Company Number: 04122175
Trading As: B.J. Bates Electrical Ltd
Formerly: No previous names
Registered Office: 446-450 Kingstanding Road, Birmingham, West Midlands, B44 9SA
Trading Address: 446-450 Kingstanding Road, Birmingham, West Midlands, B44 9SA

In accordance with Rule 4.106, We, Eric Walls of KSA Group Limited C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU and Joseph Sadler of Elwell Watchorn & Saxton LLP, 109 Swan Street, Sileby, Leicestershire, LE12 7NN give notice that on 22 June 2011 we were appointed joint liquidators of B.J. Bates Electrical Limited by resolutions of members and creditors.

Notice is hereby given that the creditors of the above named company, which is being voluntarily wound up, are required, on or before 30 September 2011 to send in their full forenames and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned E Walls (IP No. 9113) of KSA Group Limited and Joseph Sadler of Elwell Watchorn & Saxton LLP (IP No. 9048), C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, Alternative Contact: E Walls, insolvency@ksagroup.co.uk, 0191 482 3343, the Liquidators of the said company, and, if so required by notice in writing from the said liquidators, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution.

Dated: 23 June 2011

E Walls
Joint Liquidator of B.J. Bates Electrical Ltd

Insolvency Act 1986

B.J. Bates Electrical Limited
Estimated Statement Of Affairs as at 22 June 2011



	Book Value £	Estimated to Realise £
ASSETS		
Plant and Machinery	13,589.00	250.00
Book Debts	23,031.12	11,515.56
Cash held in liquidator's client account	3,990.40	3,990.40
		<u>15,755.96</u>
LIABILITIES		
PREFERENTIAL CREDITORS:-		
Employees - Holiday Pay		3,215.00
		<u>3,215.00</u>
		12,540.96
DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003		
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS		
Barclays Bank plc		9,769.91
		<u>9,769.91</u>
		2,771.05
Estimated prescribed part of net property where applicable (to carry forward)		<u>NIL</u>
		2,771.05
DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003		
		<u>NIL</u>
		2,771.05
Estimated prescribed part of net property where applicable (brought down)		<u>NIL</u>
		2,771.05
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors	101,025.34	
Employees - Redundancy & Notice Pay	20,670.32	
		<u>121,695.66</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		<u>(118,924.61)</u>
		(118,924.61)
Issued and called up capital Ordinary Shareholders	1,000.00	
		<u>1,000.00</u>
TOTAL SURPLUS/(DEFICIENCY)		<u><u>(119,924.61)</u></u>

B.J. Bates Electrical Limited – In Liquidation

Notes to the Estimated Statement of Affairs

1. Plant and Machinery

- 1.1 The chattel assets of the company consist of plant and machinery. No professional valuation of the assets has been obtained in order to mitigate cost. Book values attributed to those assets in the statement of affairs have been taken from the most recent set of annual account for the year ended 31 January 2010.

2. Book Debts

- 2.1 The book value figure for debtors has been taken from the books and records of the company as at the date of liquidation. In assessing the amounts estimated to realise the director has written off those debts which are known, or are thought to be, irrecoverable.
- 2.2 The director has valued the book debts on this basis in order to present a prudent view of the affairs of the company. Following liquidation the liquidator will endeavour to collect all amounts due to the company.

3. Prescribed Part of Net Property

- 3.1 As a result of the Enterprise Act 2002 the preferential creditor status of HM Revenue and Customs, in respect of PAYE, NIC deductions and VAT, was abolished. This change in legalisation also introduced provisions for the liquidator to set aside a certain proportion of the company's net property to deal with the claims of unsecured creditors in advance of the claims of the holder of a floating charge. **These provisions only apply if the floating charge was created on or after 15 September 2003.** The prescribed part does not apply in this case.

4. Amounts due to Employees

- 4.1 In some instances it has been necessary to estimate the amounts due to employees in respect of arrears of wages, holiday pay, pay in lieu of notice and redundancy.

5. Trade and Expense Creditors

- 5.1 Details of amounts due to creditors have been taken from the books and records of the company. Inclusion in the statement of affairs of the company does not constitute agreement that these amounts are, or were at any time, owed by the company and does not entitle a creditor to participate in any future distribution.

6. Costs and Expenses of Liquidation and Asset Realisations

- 6.1 The statement of affairs takes no account of the costs and expenses of the liquidation or realising the assets of the company.

1. Statutory Information

1.1 Detailed below is information extracted either from the statutory books of the company or from records held by the Registrar of Companies.

Previous Names:	None known
Company Number:	04122175
Date of Incorporation:	11 December 2000
Registered Office:	Was 446-450 Kingstanding Road, Birmingham, West Midlands, B44 9SA but recently changed to C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU
Shareholdings:	1,000 Ordinary Shares of £1, all of which have been issued and fully paid.
Shareholders:	Gary Michael Bates £1 Ordinary Share 1,000
Directors in the last 3 years:	Gary Michael Bates B J Bates (Resigned 15/12/2009)
Company Secretary:	Gary Michael Bates
Nature of Business:	Installation of electrical wiring and fittings
Trading Address:	446-450 Kingstanding Road, Birmingham, West Midlands, B44 9SA

2. History of the Company

- 2.1 The company was incorporated on 11 December 2000 but had previously operated as a partnership since 1975. The company installed electrical wiring and fittings.
- 2.2 The company had operated reasonably well since incorporation mainly working for a large supermarket chain. In 2004 to 2005 the supermarket chain was taken over and all work was put on hold while the group underwent a period of re-organisation. At this point, the director undertook freelance work and the business became dormant.
- 2.3 The supermarket chain began offering work again however, this was lower than the level the company had previously been given. In 2008 the supermarket chain purchased 50 stores for conversion. The company tendered for those contracts but found because of increasing competition and lower prices, many of those contracts were generating little profit.
- 2.4 During 2009 and 2010 the company's turnover continued to decline. The director's long-term partner and bookkeeper of the business suffered a major accident. The company's main computer hard drive lost its data resulting in the director's partner having to re-enter all accounting data for the period. Contracts from the supermarket chain declined further and payments for completed work were delayed creating cash flow difficulties for the business.
- 2.5 During 2011, the company suffered an unexpected bill from its main lighting supplier who had not supplied invoices to the company for a significant period. The director contacted the supplier and arranged to repay this amount over a period of time. Work levels with the

supermarket chain began to increase and the company sought its supplies from its main supplier. However, due to the outstanding amount the supplier would not supply the company without a significant payment. The company's cash flow was already severely restricted and this payment could not be made.

2.6 With no option to raise additional finance and with increasing pressure from creditors, a meeting was arranged with representatives of KSA Group Ltd. Based on financial information provided by the director it was evident that the company was insolvent. After consulting further with representatives of KSA Group Ltd the director felt he had no option but to call the meetings of shareholders and members necessary to place the company into voluntary liquidation.

2.7 The director considers that the main reasons for the company's failure were as follows:

1. The decline in the level of work from its major customer; and
2. The increased competition for work which resulted in reduced profit margins.

3. Meetings of Members and Creditors

3.1 At a meeting of the board of directors held on 27 May 2011 it was agreed that meetings of members and creditors should be summoned for the purposes of placing the company into Creditors Voluntary Liquidation. Notices were signed summoning the meetings for 22 June 2011. The notices were issued to shareholders and creditors on 27 May 2011.

3.2 Accordingly, on 22 June 2011 at a meeting of the shareholders, duly convened at MRC Community Action, 85 Belvoir Road, Coalville, Leicestershire, LE67 3PH resolutions were passed placing the company into Voluntary Liquidation and appointing E Walls, who is licensed in the UK to act as an insolvency practitioner by the Insolvency Practitioners Association, liquidator.

3.3 Prior to being asked to advise the directors on the affairs of the company the partners and staff of KSA Group Limited had had no material professional relationship with the company, its directors or shareholders.

4. Transactions with Associated Companies or Trading Organisations

4.1 The company may be associated with B.J. Bates Electrical Contractor. Following liquidation the liquidator will review whether these companies are associated and whether there have been any transactions between them.

5. Extracts from Accounts and other Financial Information

5.1 A summary of the company's recent financial history is attached to this report.

6. Statement of Affairs

6.1 A statement of affairs of the company as at 22 June 2011 has been prepared by the directors. A summary of the statement of affairs is attached to this report, along with accompanying notes, and an estimated deficiency account in respect of the period of trading.

6.2 The statement of affairs takes no account of the cost and expenses of the liquidation or of realising the company's assets.

7. Business conducted at the meeting

7.1 A number of creditors attended the meeting and a number of proxies had been received in favour of the chairman.

7.2 The chairman opened the meeting and E Walls of KSA Group Ltd, who had been appointed liquidator of the company by the shareholders of B.J. Bates Electrical Limited,

presented a brief report to the meeting and reviewed the statement of affairs of the company which had been drawn up to the date of liquidation on his behalf.

7.3 A number of issues were discussed including the past trading of the company, the amounts due to the company from its main debtor and the amounts due to creditors. These and other matters will need to be reviewed by the joint liquidators in due course.

7.4 There being no further issues raised by the creditors the chairman moved to the formal business of the meeting. Accordingly, creditors approved the following resolutions:

- the appointment of E Walls of KSA Group Ltd, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, and Joseph Sadler of Elwell Watchorn & Saxton LLP, 109 Swan Street, Sileby, Leicestershire, LE12 7NN was confirmed.
- a creditors' committee was not established.

In the absence of a creditors committee:

- The meeting was informed that an agreed fee of £4,500 plus VAT plus disbursements will be paid to KSA Group Limited in respect of the costs of assisting the director in preparing the statement of affairs and summoning and holding the meetings of members and creditors.
- The meeting was also informed that KSA Group Ltd had received funds of £3,990.40 including VAT.
- it was agreed that liquidators' remuneration would be calculated by reference to time costs incurred by the liquidators and their staff and authorisation was given for the liquidators to draw remuneration on account of those time costs when they felt it was appropriate.
- The liquidators informed the meeting that the current charge out rates for staff likely to deal with matters pertaining to this liquidation were as follows:

	£ per hour
Administrators	40 – 100
Managers	100 – 175
Partners	175 – 300

- It was agreed that all disbursements incurred by the liquidators' firm should be reimbursed at direct cost save in the case of postage, stationery and telephone for which a charge of £7.50 per creditor would be levied, and motor travel where a charge of 50p per mile would be made.
- it was agreed that the level of the liquidators' specific performance bond should be set at £25,000

B - List of Creditors

Secured Creditors

Name	Address	£
Barclays Bank plc Secured by a debenture registered on 31 July 2003	Business Banking, Leicester, LE87 2BB	9,769.91

Unsecured Creditors

Name	Address	£
Acorn Wate management	Coniston A , Upton Magna Bus Park, Upton Magna, Shrewsbury, SY4 4TT	178.80
Airdri Ltd	Technology House, Oakfield Estate, Eynsham, Oxford, OX29 4AQ	300.00
Ashby Image & Print	76B Market St, Ashby, LE65 1AP	984.61
Ashby Life	16 Moira Raod, Adby de la Zouch, Leicestershire, LE67 2GA	340.20
Barclaycard commercial	P.O. Box 3000, Teesdale Business Park, Stockton on Tees, TS17 6YG	1,433.18
B.J. Bates Electrical Contractors	7 Church Road, Shenstone, Lichfield, WS14 0NG	4,506.00
Carlyle Bus and Coach Ltd	Carlyle Bus Park, Great Bridge Street, Swan Village, West Bromwich, B70 0XA	419.71
Contacta Systems Ltd	11 Tower View, Kings Hill, West Mailing, Kent, ME19 4UY	306.24
Edmundson Electrical Ltd	Avon House, 435 Stratford Road, Shirley, Solihull, West Midlands, B90 4AA	25,976.21
HM Revenue and Customs	8th Floor NW Alexander House, 21 Victoria Avenue, Southend on Sea, SS99 1AA	200.00
HM Revenue and Customs	Durrington Bridge House, Barrington Road, Worthing, BN12 4SE	2,500.00
HM Revenue and Customs	Queens Dock, Liverpool, L74 4AA	8,000.00
HSS Hire Service Group	25 Willow Lane, Mitcham, Surrey, CR4 4TS	104.70
Human Interface	5 Jacks Walk, Huggles Cote, Leicester, LE67 2XA	120.00
Llumarlite Ltd	Unit 30 Anglo Business Park, Smeaton Close, Aylesbury, Bucks, HP19 8UP	53,323.10
Malcolm Piper & Co	Business Service Centre, 446-450 Kinstanding Road, Birmingham, B44 9SA	252.00
P Warrington Engravers Ltd	7 Key Hill Drive, Birmingham, B18 5NY	150.00
Partquest Elec Systems Ltd	3 Rovex Business Park, Hay Hall Road, Birmingham, B11 2AG	458.40
Rexel Seante Elec Supplies	PO Box 28 Barry House, Potters Bar, Herts, EN6 5ZD	1,234.34
Segen Ltd	Barracl Road, Barrack Road, Aldershot, Hampshire, GU11 3NP	81.85
Windsor Associates	Kirkgate Hse, Amy Johnson Way, Blackpool Business Park, Blackpool, FY4 2RP	156.00

101,025.34

Signature _____ Date _____

B.J. Bates Electrical Limited
Summary of Recent Financial History

Accounting Information

The following information has been extracted from the Company's annual accounts for the period ended 31 January 2009 and the period 31 January 2010.

	Annual Accounts 31 January 2010 £	Annual Accounts 31 January 2009 £
Profit and Loss Account		
Turnover	926,626	508,669
Gross Profit	174,129	132,065
Directors' Remuneration	6,500	6,500
Dividends	65,000	55,000
Net profit/ (Loss) After Taxation & Dividends	47,591	43,890
	<hr/>	<hr/>
Balance Sheet		
Fixed Assets	13,589	16,017
Current Assets	124,273	60,300
Liabilities	(120,874)	(41,920)
Total Assets Less Liabilities	<hr/> <u>16,988</u>	<hr/> <u>34,397</u>
Capital and reserves	1,000	1,000
Profit and loss account	15,988	33,397
Shareholders Reserves	<hr/> <u>16,988</u>	<hr/> <u>34,397</u>

B.J. Bates Electrical Limited

Estimated Deficiency Account For the period from 1 February 2010 to 22 June 2011.

	£	£
Reserves Balance at 31 January 2010		15,988
Amounts written off for the purposes of the statement		
Plant & Machinery	13,339	
Book Debts	11,516	
	<hr/>	<hr/>
		(24,855)
		(8,867)
Extraordinary Items		
Employees Claims - Redundancy / notice pay		(20,670)
		<hr/>
		(29,537)
ASSUMED TRADING PROFIT/(LOSS) FOR THE PERIOD		<hr/>
		(89,388)
CREDITORS DEFICIENCY PER STATEMENT OF AFFAIRS		<hr/>
		(118,925)