

**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

00827981

Name of Company

A&O Systems + Services UK Limited

I / We
William Antony Batty
3 Field Court
Grays Inn
London
WC1R 5EF

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 16/03/2012 to 15/03/2013

Signed



Date

15/4/13

Antony Batty & Company LLP
3 Field Court
Grays Inn
London
WC1R 5EF

Ref A&O/WAB/SH

THURSDAY



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COMPANIES HOUSE

A&O Systems + Services UK Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 16/03/2012 To 15/03/2013
	ASSET REALISATIONS	
	Cash at Bank	86,138 85
	Bank Interest Gross	187 53
1,261,951 04	Long Term Loan	42,000 00
		<u>128,326 38</u>
	COST OF REALISATIONS	
	Specific Bond	1,800 00
	Fees for convening S98 Meetings	7,000 00
	Statement of affairs fees	500 00
	Liquidators' pre appointment disburse	191 87
	Legal Fees (1)	5,000 00
		<u>(14,491 87)</u>
	UNSECURED CREDITORS	
(5,700 00)	Trade & Expense Creditors	NIL
(763,292 45)	H M Revenue & Customs VAT	NIL
(498,658 59)	H M Revenue & Customs Tax	NIL
		<u>NIL</u>
	DISTRIBUTIONS	
(4,250,400 70)	Ordinary Shareholders	NIL
		<u>NIL</u>
<u>(4,256,100.70)</u>		<u><u>113,834.51</u></u>
	REPRESENTED BY	
	Vat Receivable	2,538 37
	Bank 1 Current	111,296 14
		<u>113,834.51</u>



William Antony Batty
Liquidator

A&O SYSTEMS + SERVICES UK LIMITED - IN LIQUIDATION

LIQUIDATOR'S PROGRESS REPORT

ANTONY BATTY & COMPANY LLP
3 FIELD COURT
GRAYS INN
LONDON
WC1R 5EF

A&O SYSTEMS + SERVICES UK LIMITED - IN LIQUIDATION

This report is prepared in accordance to the provisions of the Insolvency Act 1986, which require the Liquidator to provide creditors with an update of the progress of the liquidation. The report has been prepared for the purpose of advising creditors. The report is private and confidential and may not be relied upon, referred to, copied or quoted from, in whole or in part, by creditors for any purpose other than advising them, or by any other person for any purpose whatsoever.

W A Batty was appointed as Liquidator of A&O Systems + Services UK Limited on 16/03/2012

WA Batty, SJ Evans and HF Jesseman are licensed as Insolvency Practitioners in the UK by The Institute of Chartered Accountants in England & Wales under S 390 (2) of the Insolvency Act 1986

Abbreviations used in this report

- A&O Systems + Services UK Limited - ("A&O" or "the Company")
- W A Batty - ("the Liquidator")
- HM Revenue & Customs - ("HMRC")
- Creditors Voluntary Arrangement - ("CVA")

A&O SYSTEMS + SERVICES UK LIMITED - IN LIQUIDATION

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- 2 Asset realisations**
- 3 Liabilities**
- 4 Liquidator's receipts and payments**
- 5 Liquidator's remuneration & expenses**
- 6 Further Information for creditors**
- 7 Conclusion of the Liquidation**

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- II Details of Liquidator**
- III Liquidator's Receipts and Payments account**
- IV Summary of Liquidator's time costs**
- V Summary of Liquidator's expenses**
- VI Schedule of charge out rates and disbursements policy**

A&O SYSTEMS + SERVICES UK LIMITED - IN LIQUIDATION

1 INTRODUCTION

1 1 Purpose of Report

This report is prepared pursuant to the provisions of the Insolvency Act 1986, which require me as Liquidator to provide creditors and members with an update on the progress of the Liquidation

This report covers the period from 16 March 2012 to 15 March 2013

The following information is included in this report

- Details of asset realisations
- Details of any distributions made to creditors and likely further distributions
- Details of the Liquidator's receipts and payments including details of assets realised and any costs paid
- Information regarding fees and expenses
- Other information for creditors

1 2 Progress of the Liquidation

On appointment it was anticipated that the Liquidator would collect the long term loan to the Company from Wildfield Limited and distribute the proceeds to creditors

Wildfield Limited subsequently encountered financial difficulties and a Creditors Voluntary Arrangement was proposed. The Liquidator put forward modifications to increase the potential distribution to all creditors in the CVA. The arrangement including the proposed modifications was accepted by creditors at a meeting on 3 December 2012

The Liquidator will now collect dividends paid out of the CVA

2 ASSET REALISATIONS

I have made the following realisations during the period of this report

2 1 Long Term Loan

At the date of appointment it was anticipated that a long term loan to Wildfield Limited in the sum of £1,261,951 would be repaid to A&O during the course of the Liquidation

Wildfield made payments totalling £42,000 prior to entering into the CVA. If the CVA completes successfully it is estimated that A&O will receive approximately 30 pence in the pound of the remaining balance owed, meaning total realisations in respect of the loan should exceed £350,000

2 2 Cash at Bank

I have received £86,139 being the balance in the Company's accounts on the date of my appointment, the balance realised includes four payments from Wildfield in respect of the long term loan mentioned above

2 3 Shares and Investments

At the date of my appointment the company was sole shareholder of Memorex Pension Trustee Limited, the shares had no value

In order to replace A&O as trustee, the pension scheme offered to purchase the company for £1,000 plus associated legal fees. The offer was accepted and the shares have been transferred

3 CREDITORS – CLAIMS AND DISTRIBUTIONS

There are a number of different classes of creditors in insolvency matters. These include

Secured Creditors are creditors who hold fixed and or floating charge debenture security, they are paid in priority to other creditors, subject to preferential creditors and unsecured creditors under the prescribed part

Preferential creditors comprise employees' claims for holiday pay and some arrears of wages. Preferential creditors are paid in priority to the prescribed part, floating chargeholders and unsecured creditors

Unsecured creditors rank behind secured and preferential creditors. Unsecured creditors receive the surplus from net realisations after secured and preferential creditors and any payment which is made under the prescribed part

3.1 Secured Creditors

Bank of Scotland Plc hold a fixed and floating charge dated 01/11/2007 over the assets of the Company. Bank of Scotland Plc was not a creditor at the date the Company entered liquidation and have not made a claim in the liquidation

3.2 Preferential creditors

I am not aware of any preferential creditors in this matter

3.3 Prescribed Part

There are provisions of the insolvency legislation that require a liquidator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property". A Company's net property is that left after paying the preferential creditors and the costs of the liquidation, but before paying the lender who holds a floating charge. A liquidator has to set aside

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000

The Company gave a fixed and floating charge to Bank of Scotland on 1 November 2007. The money due has been fully repaid. As a result, I will not have to pay them any money under their floating charge, and the prescribed part provisions will not apply

3.4 Unsecured Creditors

Based on the information from the Company's books and records and claims received, unsecured creditors are estimated to total £1,327,243

To date I have received claims from unsecured creditors totalling approximately £1,900,309 including claims from HM Revenue & Customs for £1,261,320 in respect of VAT and £578,764 in respect of PAYE & NIC

Based on current information I anticipate that there will be sufficient funds to make distribution to creditors although at present they are unable to indicate the likely dividend

4 LIQUIDATOR'S RECEIPTS AND PAYMENTS

A summary of my receipts and payments relating to the Company for the period from 16 March 2012 to 15 March 2013 is enclosed at Appendix III. I confirm that no account was held with the Secretary of State, therefore the account has not been reconciled with the Insolvency Services Account. Please note that receipts and payments in the account are shown net of VAT

During the period of this report I have made the following significant payments not detailed elsewhere in this report

Judge Sykes Frixou have been paid £5,000 Plus VAT in respect of advice given in respect of the CVA proposed by Wildfield Limited and with their help in finalising the sales of the company's shareholding in Memorex Pension Trustee Limited. Judge Sykes Frixou are a firm of solicitors experienced in providing advice in insolvency situations. Their fee was based on their time costs.

The choice of professionals was based on the Liquidator's perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the agreed fee arrangement with them. The fees charged have been reviewed and the Liquidator is satisfied that they are reasonable in the circumstances of this case.

Details of the significant receipts are shown in the Asset section of this report.

5 LIQUIDATOR'S REMUNERATION & EXPENSES

5.1 Approval of Basis of Remuneration & Expenses

My fees as Liquidator have been approved on a time cost basis, by reference to time properly given by me and my staff in attending to matters arising in the Liquidation, together with category 2 expenses, by the creditors at the creditors' meeting held on 16 March 2012.

Category 1 expenses are payable without approval from creditors.

5.2 Liquidator's Time Costs

Time costs for period of the report amount to £28,118 representing one hundred and two hours work, at an average charge out rate of £276.

To date I have not drawn any funds in respect of my remuneration.

Appendix IV contains further information about time spent on the Liquidation and has been categorised into the following headings:

- **Administration and Planning** includes case planning, administrative set-up, appointment notification, statutory reporting, compliance, cashiering, accounting and administrative functions.
- **Realisation of Assets** includes identifying, securing, insuring assets, retention of title issues, debt collection, property, business and asset sales.
- **Investigations** includes reporting on the conduct of directors, investigating antecedent transactions and any other investigations that may be deemed appropriate.
- **Trading** includes planning, strategy, trading accounting, managing operations on site, corresponding with suppliers and customers, and on-going employee matters.
- **Creditors** includes creditor set up, communication and meetings, reviewing and agreeing preferential and unsecured claims, corresponding with secured creditors, reviewing and obtaining advice in relation to security granted by the Company.

For the period of this report the time spent on this matter has predominantly been spent on monitoring the payments due in from the long term loan and on the initial set up and statutory tasks of the Liquidation. Further time has been spent on reviewing the CVA proposals and monitoring the progress of the approved arrangement.

Work such as preparing the necessary reports to the creditors and case management on this assignment has predominantly been carried out by a case administrator with the suitable level of experience and authority necessary to progress the Liquidation and who have worked on the assignment since the appointment, which avoids unnecessary duplication. Less complex areas of work such as administrative functions have been carried out by junior grades of staff.

A Guide to Liquidators' fees may be found at <http://www.antonybatty.com/resource>. I would also be pleased to send you a copy by e-mail or post on request. Details of current charge out rates are given at Appendix VI.

5.3 Liquidator's Expenses

A summary of my expenses for the period of this report is given at Appendix V. To date I have not drawn and fees in respect of my expenses.

Details of the disbursements policy are given at Appendix VI.

5.4 Creditor's Request for Further Information about Remuneration & Expenses

Under insolvency legislation, creditors have the right to request in writing further information regarding the remuneration or expenses set out in this report. The request can be made by either

- a) a secured creditor, or
- b) an unsecured creditor with concurrence of at least 5% in value of unsecured creditors (including that creditor) or the permission of the Court.

The request must be made in writing within 21 days of receipt of this report.

5.5 Creditor's Claim that Remuneration and/or Expenses are Excessive

Under insolvency legislation, creditors have the right to challenge my remuneration and expenses by making an application to court. The application can be made by either

- a) a secured creditor, or
- b) an unsecured creditor with concurrence of at least 10% in value of unsecured creditors (including that creditor) or the permission of the Court.

The application may be made on the grounds that my remuneration is, in all the circumstances, excessive, the basis of fixing the remuneration is inappropriate, or my expenses are, in all the circumstances, excessive. Any such application must be made within 8 weeks of receipt of this report.

If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not out of the assets.

5.6 Pre-Appointment Costs

I have drawn £7,500.00 plus VAT in respect of my Section 98 fee and Statement of Affairs fees as agreed at the creditors' meeting held on 16 March 2012.

6 FURTHER INFORMATION FOR CREDITORS

6.1 Investigations

I am required to submit a report to the Department for Business, Innovation, and Skills concerning the conduct of those who have been directors of the Company at any time in the three years preceding the Liquidation. Whilst the content of this report is confidential, I confirm that this report has been submitted. This is a standard part of my duties and does not imply any criticism of the directors.

I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. To date, I am not aware of any such matters.

If there are any matters which may not have already been brought to my attention, please contact Stephen Hole at my office.

6.2 EC Regulation on Insolvency Proceedings

I consider that the EC Regulation on Insolvency Proceedings apply to the Liquidation of the Company. I also consider that they are "main" proceedings since the Company's registered office and trading address are in the United Kingdom.

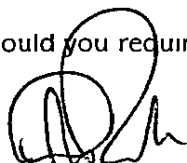
6.3 Third Party Assets

Should any creditor believe that they own assets that may have been in the Company's possession, they should contact my office as soon as possible.

7 CONCLUSION OF THE LIQUIDATION

The Liquidator will continue to monitor the progress of the CVA, once the arrangement has been concluded the Liquidator will be in a position to finalise this matter.

Should you require any further information please contact Stephen Hole.



W A Batty
Liquidator
Dated 22 April 2013

APPENDIX I

Company Number	00827981
Date of Incorporation	19 November 1964
Nature of Business	Information Technology Service Activities
Registered Office	3 Field Court, Gray's Inn, London, WC1R 5EF
Formerly	Prescott Road, Colnbrook, Slough, Berks, SL3 0AE
Trading Address	Dormant
Issued Share Capital	6,072,001 ordinary shares of £0.70 each

Shareholders

<u>Name</u>	<u>No of Shares</u>	<u>%</u>
Valgate Limited	6,072,001	100

Directors in Last 3 Years

<u>Name</u>	<u>Appointed</u>	<u>Resigned</u>
Christopher John Bamforth	21/12/2011 01/09/2010	Present 01/12/2010
Satish Kannan	01/12/2010	21/12/2011
Stephen Ball	31/08/2001	01/09/2010
Udo Hermann Kuhnle	28/03/2008	07/12/2009

Secretary

<u>Name</u>	<u>Appointed</u>	<u>Resigned</u>
Christopher John Bamforth	22/04/2005	Present

Registered Charges

<u>Name of Charge Holder</u>	<u>Date</u>	<u>Type</u>
Bank of Scotland Plc	01/11/2007	Fixed & Floating

APPENDIX II

A&O SYSTEMS + SERVICES UK LIMITED - IN LIQUIDATION

DETAILS OF APPOINTMENT OF THE LIQUIDATOR

Name and address of Liquidator	W A Batty of 3 Field Court, Grays Inn, London, WC1R 5EF
Date of Appointment	16/03/2012
By Whom Appointed	Members and creditors


APPENDIX V

A&O SYSTEMS + SERVICES UK LIMITED - IN LIQUIDATION

SUMMARY OF LIQUIDATOR'S EXPENSES

	Category 1	Category 2
Photocopying		£14
Postage		£2
	<u>£Nil</u>	<u>£16</u>
Drawn	<u>£Nil</u>	<u>£Nil</u>
Outstanding	<u>£Nil</u>	<u>£16</u>

APPENDIX III

S of A £		£	£
	ASSET REALISATIONS		
	Cash at Bank	86,138 85	
	Bank Interest Gross	187 53	
1,261,951 04	Long Term Loan	42,000 00	128,326 38
	COST OF REALISATIONS		
	Specific Bond	1,800 00	
	Fees for convening S98 Meetings	7,000 00	
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	Liquidators' pre appointment disburse	191 87	
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(763,292 45)	H M Revenue & Customs VAT	NIL	
(498,658 59)	H M Revenue & Customs Tax	NIL	NIL
	DISTRIBUTIONS		
(4,250,400 70)	Ordinary Shareholders	NIL	NIL
(4,256,100.70)			113,834.51
	REPRESENTED BY		
	Vat Receivable		2,538 37
	Bank 1 Current		111,296 14
			113,834.51
			 <hr/> William Antony Batty Liqudator

SIP 9 - Time & Cost Summary

Period 16/03/12 15/04/13

APPENDIX IV

Time Summary

Classification of work function	Hours					Time Cost (£)	Average hourly rate (£)
	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	7 60	3 10	33 90	1 70	46 30	11,577 00	250 04
Investigations	2 50	0 00	11 50	0 00	14 00	3 585 00	256 07
Realisations of assets	12 80	0 30	2 30	0 00	15 40	5,719 70	371 41
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	7 80	0 00	18 50	0 00	26 30	7 235 90	275 13
Case specific matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Pre Jan 2003 Time	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	30 70	3 40	66 20	1 70	102 00	28,117 60	275 66
Total Fees Claimed						0 00	

Antony Batty & Company LLP

Time Costs – Charge out rates per hour and disbursements policy

1 April 2013 – 31 March 2014

	2013\14
Office Holder (e g Liquidator)	£399
Senior Manager	£335
Case Manager	£295
Senior Administrator	£235
Administrator	£145
Junior Administrator	£80

	2012\13
Office Holder (e g Liquidator)	£399
Senior Manager	£325
Case Manager	£295
Senior Administrator	£225
Administrator	£135
Junior Administrator	£80

Please note that these rates may be increased from time to time. Creditors will be notified of changes in the annual report.

Time is recorded in units of six minutes, the minimum unit of time is therefore six minutes.

Members of staff with the appropriate level of experience and authority have been and will be used for the various aspects of work necessary in this assignment.

Disbursement Policy

Please note that the liquidator's disbursements are charged out at the following rates -

Category 1 - represent recovery of necessarily incurred disbursements at the cost incurred

Sundry disbursements, such as advertising, where incurred appropriately, are recharged at 100% of the cost incurred.

Insurance and bonding is recharged at 100% of the relevant charge to the office holder.

Travel costs with the exception of mileage costs are recharged at 100% of the cost incurred.

VAT is charged as appropriate.

Category 2

Photocopying	15p per sheet
Postage	Royal Mail postage rates (non-franked mail)
Faxes	UK £1 per sheet
	International £2 per sheet
Internal meeting room hire -	£100 per hour, (minimum 1 hour)
Storage	£35 per box per annum
File set up, stationery & record retention	£50 per folder
Companies House search	£20 per case
Travel where Antony Batty & Company LLP staff use their own vehicles in the course of their duties in this matter, the mileage is recharged at 45p per mile.	
VAT is charged as appropriate.	