

LIQ03

Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



A30 *A6LNDX82* 20/12/2017 #295
COMPANIES HOUSE

1 Company details

Company number 0 0 9 2 3 1 8 2
Company name in full Rowecord Engineering Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Alistair
Surname Wardell

3 Liquidator's address

Building name/number 11/13 Penhill Road
Street
Post town Cardiff
County/Region South Glamorgan
Postcode C F 1 1 9 U P
Country

4 Liquidator's name ①

Full forename(s) Nigel
Surname Morrison

① Other liquidator
Use this section to tell us about
another liquidator.

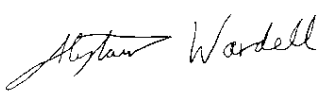
5 Liquidator's address ②

Building name/number Hartwell House
Street 55-61 Victoria Street
Post town Bristol
County/Region
Postcode B S 1 6 F T
Country

② Other liquidator
Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report											
From date	^d 2	^d 9	^m 1	^m 0	^y 2	^y 0	^y 1	^y 6				
To date	^d 2	^d 8	^m 1	^m 0	^y 2	^y 0	^y 1	^y 7				
7	Progress report											
	<input checked="" type="checkbox"/> The progress report is attached											
8	Sign and date											
Liquidator's signature	<div>Signature</div> <div> X  X </div>											
Signature date	^d 1	^d 4	^m 1	^m 2	^y 2	^y 0	^y 1	^y 7				

**Presenter information**

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

Contact name	Alistair Wardell									
Company name	Grant Thornton UK LLP									
Address	11/13 Penhill Road									
Post town	Cardiff									
County/Region	South Glamorgan									
Postcode	C	F	1	1		9	U	P		
Country										
DX										
Telephone	Tel/Fax									

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



Our Ref AGW/PAM/KLM/EZF/R01118/7

To the creditors and members

14 December 2017

Dear Sirs

Recovery and Reorganisation

Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester M3 3EB

T +44 (0)161 953 6900
F +44 (0)161 953 6901
grantthornton.co.uk

Rowecord Engineering Limited (the Company)
In Liquidation

1 Introduction

1.1 Following my appointment as joint liquidator of the Company with Nigel Morrison on 29 October 2014, in accordance with section 104A of the Insolvency Act 1986 I now report on the progress of the liquidation for the year ended 28 October 2017 and attach:

- Appendix A, an account of our receipts and payments for the year ended 28 October 2017 and also for the whole liquidation to date
- Appendix B, a statement of the remuneration charged by the joint liquidators in the period 29 October 2016 to 28 October 2017 and a statement of expenses incurred in the period
- Appendix C, an analysis of time costs as required by Statement of Insolvency Practice 9
- Appendix D, an extract from the Insolvency (England and Wales) Rules 2016 relating to creditors' rights to request additional information from the liquidator (rule 18.9)
- Appendix E, an extract from the Insolvency (England and Wales) Rules 2016 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive (rule 18.34).

1.2 Please note that we are both authorised by the Insolvency Practitioners Association to act as insolvency practitioners. We are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

2 Statutory information

The Company's registered number is 00923182.

3 Progress report

Debtors and work in progress

- 3.1 During the year ended 28 October 2017, we have secured further realisations totalling £230,956 with the assistance of Craigdam Services Ltd (Craigdam). This includes a further receipt of £146,950 from Careys Group Plc.
- 3.2 Total debtor and WIP realisations received by the liquidators are £892,013. A further balance of £16,825 is being held in the Craigdam client account. Craigdam's costs to date in the liquidation total £72,726 and are included in Agents/Valuers fees in the R&P at Appendix A.
- 3.3 Alongside Craigdam, we have appointed Geldards LLP (Geldards) a firm of solicitors which is also assisting the liquidators in realising outstanding debtors. To date Geldards' fees in the liquidation total £83,046.

- 3.4 We have previously engaged DJM Solicitors to pursue a significant claim against a customer of the Company. Our advisors are confident that there will be a successful outcome, which could produce a significant recovery.

Other realisations

- 3.5 During this reporting period we have received further rates relief of £9,272 from Caerphilly County Borough Council.

4 Liabilities

Secured creditors

- 4.1 The Company has no secured creditors.

Preferential creditors

- 4.2 A distribution totalling £422,729 was paid to preferential creditors in December 2016.

Unsecured creditors

- 4.3 We currently estimate that a dividend will be paid to unsecured creditors but the quantum and timing of any dividend will depend on the level of unsecured claims agreed. Creditor claims of £10,663,585 have been agreed to date.
- 4.4 The directors' statement of affairs estimates unsecured claims at c£23.7 million. However, as reported previously we have received a number of significant counter-claims from customers which, if valid, could increase the level of unsecured claims to over £40 million. As part of the process of agreeing unsecured creditor claims, the validity of these counter-claims is being reviewed and we are currently in correspondence with some of the Company's larger creditors to assess the level of their claims.

5 Joint liquidators' remuneration and expenses

- 5.1 At the initial creditors' committee meeting held on 4 July 2013 it was resolved that the joint administrators draw remuneration by reference to time costs.
- 5.2 Pursuant to rule 4.127(5A) of the Insolvency Rules 1986, this basis applies also in the liquidation.
- 5.3 You will note from the SIP 9 table attached at Appendix C that our time costs to date in the liquidation are £354,174 and from the receipts and payments account attached at Appendix A, that we have drawn £260,000 on account, of which £60,000 has been drawn in the period. Time costs incurred in the period but not drawn as remuneration to date of £78,981 are disclosed in Appendix B.
- 5.4 The time costs incurred during the period relate to:
- Correspondence with solicitors and agents to manage final realisations
 - Consideration of commerciality of pursuing potential further realisations in certain asset classes
 - Correspondence with HMRC regarding VAT bad debt relief relating to the pre-appointment period

- Correspondence with HMRC regarding pre-appointment VAT group claim and impact on estate
 - On-going VAT and Corporation Tax compliance
 - Liaising with all creditors and stakeholders of the Company
 - Calculating, agreeing and signing-off of preferential distribution
 - Review and agree unsecured claims
 - Maintenance and making available company records
- 5.5 As previously advised, administrators' final fees of £446,042 have been drawn in the liquidation, bringing administrators' total fees to £811,042.
- 5.6 Time is charged in units of 6 minutes. Background information regarding the fees of liquidators can be found at [https://www.r3.org.uk/media/documents/publications/professional/Guide to Liquidators Fees - April 2017.pdf](https://www.r3.org.uk/media/documents/publications/professional/Guide%20to%20Liquidators%20Fees%20-%20April%202017.pdf). Alternatively, I will supply this information by post on request free of charge.
- 5.7 A summary of work carried out to support time costs incurred in the period is included in Appendix C.
- 5.8 In addition, we have drawn expenses of £975 in the period as indicated in Appendix A and have further expenses to take in due course as set out in Appendix B.

6 Other expenses incurred by the joint liquidators

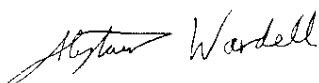
- 6.1 As disclosed at Appendix B, payments totalling £600 were made to Aspect Business Communications Ltd for holding the Company's servers to allow Craigdam and my solicitors access to information to assist with the collection of outstanding debts and to also assist in determining the validity of significant creditor claims.
- 6.2 Temple Tax Chambers has been paid £6,300 regarding specialist VAT legal advice in relation to bad debts.

As mentioned in paragraph 3.2, Craigdam has been paid £72,726, of which £16,668 was paid during the period.

7 Contact

- 7.1 If you have any queries about this report please contact Matthew Drinkwater on 0161 953 6386.

Yours faithfully
for and on behalf of Rowecord Engineering Limited



Alstair Wardell
Joint Liquidator

Rowecord Engineering Limited - in liquidation
Summary of receipts and payments
from 29 October 2014 to 28 October 2017

Statement of Affairs £	From 29/10/2014 to 28/10/2016 £	From 29/10/2016 to 28/10/2017 £	Total £
Receipts			
Craigdam Sales Control a/c	661,057.82	230,955.57	892,013.39
Admin/Receivers Surplus	1,758,558.28	0.00	1,758,558.28
Bad Debt Relief	42,787.35	(4,947.29)	37,840.06
Rates Refund	45,210.83	9,272.16	54,482.99
Cash at Bank	170,272.64	0.00	170,272.64
Bank/ISA InterestGross	14,556.45	15,236.62	29,793.07
Vat on Sales	42,076.37	31,651.79	73,728.16
HMRC - VAT received/paid	88,892.50	2,905.37	91,797.87
	2,823,412.24	285,074.22	3,108,486.46
Payments			
Book Debts	(57.12)	57.12	0.00
Administrators' expenses	2,445.20	0.00	2,445.20
Administrators' fee	446,042.35	0.00	446,042.35
Liquidators Fees	200,000.00	60,000.00	260,000.00
Liquidators Expenses	2,367.19	974.54	3,341.73
Agents/Valuers Fees (1)	58,834.52	16,667.95	75,502.47
Legal Fees (1)	83,046.00	6,300.00	89,346.00
Professional Fees	17.86	0.00	17.86
Corporation Tax	1,576.78	2,636.20	4,212.98
Stationery & Postage	0.00	558.83	558.83
Hosting Servers	1,150.00	550.00	1,700.00
Storage Costs	691.10	0.00	691.10
Statutory Advertising	84.60	0.00	84.60
Insurance of Assets	12,720.00	0.00	12,720.00
Preferential Creditors (All)	0.00	422,728.74	422,728.74
Vat on Purchases	148,325.32	12,416.68	160,742.00
	957,243.80	522,890.06	1,480,133.86
Net Receipts/(Payments)	1,866,168.44	(237,815.84)	1,628,352.60

Made up as follows

Rowecord Engineering Limited - in liquidation
 Summary of receipts and payments
 from 29 October 2014 to 28 October 2017

Statement of Affairs £	From 29/10/2014 to 28/10/2016 £	From 29/10/2016 to 28/10/2017 £	Total £
Floating Current Account	249,922.28	(4,722.59)	245,199.69
Floating Business Reserve Account	1,616,246.16	(233,093.25)	1,383,152.91
	1,866,168.44	(237,815.84)	1,628,352.60

B Remuneration charged and expenses incurred by the joint liquidators in the period

	Charged/incurred in period 29/10/2016 to 28/10/2017	Cumulative charged/incurred to 28/10/2017	Of which paid to 28/10/2017
	£	£	£
Joint liquidators' fees:			
Time costs	78,981	354,174	260,000
Expenses	975	5,589	3,342
Professional fees:			
Effective Communication	0	18	18
Aspect Business Communications Limited	600	1,800	1,800
P A Miller	0	691	691
Legal fees:			
Geldards LLP	0	83,046	83,046
Temple Tax Chambers	6,300	6,300	6,300
Agents/valuers:			
Craigdam Services Limited	16,668	72,726	72,726
Cooke & Arkwright	0	2,776	2,776
Insurance:			
JLT	0	2,120	2,120
Thomas Carroll (Brokers) Limited	0	10,600	10,600

C SIP 9 information

Introduction

The following information is provided in connection with the liquidators' remuneration and disbursements in accordance with Statement of Insolvency Practice 9.

Explanation of Grant Thornton UK LLP charging and disbursement recovery policies

Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown below. Tasks are allocated to staff at the appropriate level. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it.

Current rates from 1 October 2017	£
	up to
Partner	745
Director	595
Associate director	485
Manager	410
Assistant manager	300
Executive	290
Administrator	200
Support staff	180

Disbursements

Out of pocket expenses are charged at cost. Mileage is charged at 45p a mile. VAT is added to disbursement charges as necessary.

Rowecord Engineering Limited - In Liquidation - R30201118 - SIP 9 TIME COST ANALYSIS

Transaction period All transactions

	Partner		Manager		Executive		Administrator		Total	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£ Avg. Hrly Rate
Administration and Planning	125.00	61,875.00	50.35	17,500.50	31.45	7,469.80	98.70	14,925.75	305.50	101,771.05 333.13
Creditors	9.00	4,455.00	31.95	11,043.50	188.58	47,331.50	97.75	10,918.00	327.28	73,748.00 225.34
Hiatus period										
Investigations			40	132.00	.50	90.00	1.05	168.00	1.95	390.00 200.00
Pensions			1.80	908.00					1.80	908.00 504.44
Realisation of Assets	4.10	2,421.50	231.40	95,342.00	1.35	375.75	20.20	2,384.00	257.05	100,523.25 391.06
Taxation	.40	296.00	153.25	68,107.00	12.65	3,543.50	34.75	4,887.50	201.05	76,834.00 382.16
Trading										
Total	138.50	69,047.50	469.15	193,033.00	234.53	58,810.55	252.45	33,283.25	1,094.63	354,174.30 323.56

Total fees billed to date (Time) : £ 260,000

Rowecord Engineering Limited - In Liquidation - R30201118 - SIP 9 TIME COST ANALYSIS

Transaction period 29/10/2016 to 28/10/2017

	Partner		Manager		Executive		Administrator		Total	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£ Avg. Hrly Rate
Administration and Planning (Incl statutory reporting)	29.25	14,478.75	8.85	3,325.50	8.70	2,485.25	26.05	4,015.50	73.85	24,305.00 329.11
Chargeholders (Incl bank reporting)									.00	
Corporation Tax			33.20	17,257.00	5.60	1,568.00	.30	36.00	39.10	18,861.00 482.38
Hiatus period									.00	
Investigations and reports on directors Legal			.70	231.00	.50	90.00			.50	90.00 180.00
PAYE and VAT			28.50	11,982.50	5.70	1,618.00	1.15	152.00	.70	231.00 330.00
Pensions			20	104.00					.20	104.00 520.00
Preferential creditors			1.90	627.00	44.32	10,911.80	5.30	846.00	51.52	12,384.80 240.39
Realisation of Assets: Debtors			.90	347.00					.90	347.00 385.56
Realisation of Assets: Other assets			50	215.00					.50	215.00 430.00
Realisation of Assets: Property plant vehicles etc (Incl HP leasing and third party)			1.40	482.00	.35	85.75	4.00	640.00	5.75	1,187.75 206.57
Realisation of Assets: Stock and WIP (Incl ROT)									.00	
Sale of business									.00	
Trading									.00	
Unsecured creditors			8.15	2,989.50	13.85	4,007.50	4.90	496.00	26.90	7,493.00 278.55
Total	29.25	14,478.75	84.30	37,550.50	80.02	20,766.30	41.70	6,185.50	235.27	78,981.05 335.70

Total fees billed to date (Time) : £ 260,000

Rowecord Engineering Limited - In Liquidation

Costs incurred in the period 29 October 2016 to 28 October 2017

TASKS	Incurred to date		
	Av Hrlly Rate	Hrs	£
STATUTORY AND ADMINISTRATIVE TASKS	329	75	24,536
File reviews Bank account administration (treasury) Maintenance and making available company records Reports to creditors Review and signing-off preferential distribution Review of advice from solicitors and agents final realisations Consideration of commerciality of pursuing potential further realisations in certain asset classes Maintenance of case records			
REALISATION OF ASSETS	245	7	1,750
Correspondence with agents to manage debt recovery Collection of book debts			
CREDITORS	253	78	19,878
Calculating and agreeing preferential claims Correspondence regarding preferential creditors Review and agree unsecured claims Taking and responding to creditor queries			
INVESTIGATION	180	1	90
Investigate pre-appointment transactions in response to creditor queries			
TAXATION	438	74	32,624
On-going VAT compliance Correspondence with HMRC regarding VAT bad debt relief relating to the pre-appointment period Correspondence with HMRC regarding pre-appointment VAT group claim and impact on estate Instructing Counsel for advice on VAT position and assessing advice On-going Corporation Tax compliance			
Pensions	520	0.20	104
Issue statutory reports			
Total costs	336	235	78,981

D An extract from the Insolvency (England and Wales) Rules 2016 relating to creditors' rights to request additional information from the liquidator

Rule 18.9

- (1) The following may make a written request to the office-holder for further information about remuneration (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report or account under rule 18.14 -
 - (a) a secured creditor;
 - (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
 - (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
 - (d) any unsecured creditor with the permission of the court; or
 - (e) any member of the company in a members' voluntary winding up with the permission of the court.
- (2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report or account by the person, or by the last of them in the case of an application by more than one member or creditor.
- (3) The office holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by-
 - (a) providing all of the information requested;
 - (b) providing some of the information requested;
 - (c) declining to provide the information requested.
- (4) The office-holder may respond by providing only some of the information requested or decline to provide the information if-
 - (a) the time or cost of preparation of the information would be excessive; or
 - (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
 - (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
 - (d) the office-holder is subject to an obligation of confidentiality in relation to the information.
- (5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.
- (6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of –
 - (a) the office holder giving reasons for not providing all of the information requested; or
 - (b) the expiry of the 14 days within which an office-holder must respond to the request.
- (7) The court may make such order as it thinks just on an application under paragraph (6).

**E An extract from the Insolvency (England and Wales) Rules
2016 relating to creditors' rights to challenge the liquidator's
remuneration or expenses if excessive**

Rule 18.34

- (1) This rule applies to an application in an administration, a winding up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that:
 - (a) the remuneration charged by the office-holder is in all the circumstances excessive;
 - (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
 - (c) the expenses incurred by the office-holder are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable-
 - (a) a secured creditor;
 - (b) an unsecured creditor with either-
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or
 - (c) in a members' voluntary winding up-
 - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (ii) a member of the company with the permission of the court.
- (3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3 or final report or account under rule 18.14 which first reports the charging of remuneration or the incurring of the expenses in question ("the relevant report").