

**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

02048227

Name of Company

A W I Limited

~~I/We~~Alexander Kinninmonth  
Highfield Court, Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire, SO53 3TZDavid James Green  
Highfield Court, Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire, SO53 3TZthe 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 27/01/2012 to 26/01/2013

Signed

*Alexander Kinninmonth*

Date

14 / 3 / 13

RSM Tenon Restructuring  
Highfield Court, Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire, SO53 3TZ

Ref 5011852/ASK/DG/AR/LD

SATURDAY



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16/03/2013

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COMPANIES HOUSE

**A.W.I. Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 27/01/2012 To 26/01/2013	From 27/01/2011 To 26/01/2013
	<b>SECURED ASSETS</b>		
900,000 00	Freehold Land & Property	NIL	NIL
NIL	Goodwill	NIL	NIL
NIL	Intellectual Property	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>SECURED CREDITORS</b>		
(1,186,000 00)	NatWest Bank plc	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>ASSET REALISATIONS</b>		
900 00	Office Furniture & Equipment	NIL	525 00
5,200 00	Stock	NIL	2,975 00
NIL	Work In Progress	NIL	NIL
20,000 00	Book Debts	10 35	17,753 36
1,600 00	Prepayments	NIL	NIL
NIL	Research and Development	NIL	NIL
5,000 00	Cash at Bank	NIL	NIL
	Bank Interest Gross	NIL	2 01
	Miscellaneous Refund	NIL	120 33
		<u>10 35</u>	<u>21,375 70</u>
	<b>COST OF REALISATIONS</b>		
	Preparation of S of A	NIL	6,000 00
	Liquidators Fees	NIL	7,818 49
	Liquidators Expenses	NIL	358 85
	Mail Redirection	NIL	74 75
	Agents/Valuers Fees	NIL	1,373 81
	Debt Collection Fees	NIL	5,359 86
	Statutory Advertising	NIL	187 50
	Insurance of Assets	NIL	106 00
		<u>NIL</u>	<u>(21,279 26)</u>
	<b>PREFERENTIAL CREDITORS</b>		
(906 25)	Employee Holiday Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>UNSECURED CREDITORS</b>		
(116,360 13)	Trade & Expense Creditors	NIL	NIL
(60,833 22)	Employees	NIL	NIL
(43,508 28)	Directors	NIL	NIL
(4,213 06)	HM Revenue & Customs - VAT	NIL	NIL
(51,142 86)	HM Revenue & Customs - PAYE/NIC	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>DISTRIBUTIONS</b>		
(144,325 00)	Revaluation Reserve	NIL	NIL
(102 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>(674,690.80)</b>		<u><b>10.35</b></u>	<u><b>96.44</b></u>

REPRESENTED BY

Vat Receivable  
Interest Bearing Current Account

86 09

10 35

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**96.44**

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**A.W.I. Limited (“the Company”) – In Liquidation**

**Joint Liquidators’ Second Progress Report  
for the period from 27 January 2012 to 26 January 2013**

**Issued on: 7 February 2013**

## **A.W.I. Limited ("the Company") – In Liquidation**

### **JOINT LIQUIDATORS' SECOND PROGRESS REPORT AS AT 10 JANUARY 2013**

Alexander Kinninmonth and David James Green are the Joint Liquidators of the Company and this is their second progress report, to the creditors and members of the Company, showing how the liquidation has been conducted. The report covers the period from 27 January 2012 to 26 January 2013. This report should be read in conjunction with the previous progress report.

#### **1. Statutory Information**

Statutory information relating to the Company is attached at **Appendix I**.

#### **2. Joint Liquidators' Receipts and Payments Account**

A summary of the Joint Liquidators' receipts and payments account relating to the Company for the relevant period from 27 January 2012 to 26 January 2013 and cumulatively from commencement of liquidation on 27 January 2011 to 26 January 2013 is attached at **Appendix II**.

#### **3. Action taken by the Joint Liquidators since last report**

##### **Assets**

##### **Freehold Property**

National Westminster Bank plc ("Natwest"), under the terms of its charge, appointed an LPA Receiver on 11 January 2011.

The Company's total estimated indebtedness to Natwest, which is made up of a loan account, overdraft and termination charges, is £1,200,000 and is fully secured against the property.

The LPA Receiver has informed the Joint Liquidators that the property was sold in October 2012 for £475,000, meaning that the Bank has suffered a shortfall of some £725,000.

##### **Book Debts**

The director's statement of affairs showed £20,000 of book debts as realisable. The total amount now recovered amounts to £17,753. Of this sum, the Joint Liquidators' agent, Husband Collection Services Limited, held £5,000 pre-appointment as cash at bank, which represented pre-appointment recoveries. No further recoveries will be made.

## **Potential Assets**

### **Hedging Claim**

In September 2012 Natwest advised that it is to review the sale of interest rate hedging products sold to the Company as part of an agreement with the Financial Services Authority ('FSA') to undertake a review of all such products sold after 1 December 2001. The FSA considers that the main review should be completed within 6 months and the Joint Liquidators will continue to monitor the position.

### **Investigations**

As previously reported, there are no outstanding lines of enquiry and the Joint Liquidators' confidential report/return on the Directors has been submitted to the government's Disqualification Unit.

## **4. Future Actions of the Joint Liquidators**

As set out above, the Joint Liquidators will continue to monitor the position regarding the potential hedging claim.

## **5. Liabilities and Dividends**

### **Secured Creditors**

#### **National Westminster Bank plc**

The Company granted fixed and floating charge debentures to NatWest on 2 March 1994 and 11 March 2004. At the date of the Joint Liquidators' appointment the Company's indebtedness to NatWest was £1,200,000.

The directors have provided NatWest with personal guarantees of £40,000 for which they are jointly and severally liable. NatWest has also obtained further security by registering a charge against the Company secretary's (directors' mother's) home and the value of this security is estimated at £215,000.

As reported above, Natwest has suffered a shortfall in respect of the sale of the freehold property. Furthermore, there are insufficient realisations to enable a payment to be made to Natwest under its floating charge.

### **Preferential Creditors**

Preferential creditors are estimated to be owed £1,271. On present information it is unlikely sufficient funds will be realised from the Company's assets to enable a distribution to be made to preferential creditors.

## **Floating Charge Creditors**

### **Prescribed Part**

The estimate of the value of the Company's net property as advised to creditors and members shortly after the commencement of the liquidation was £NIL

On present information, the position remains that it is unlikely that a dividend will be available for the unsecured creditors by way of the prescribed part

### **Ordinary Unsecured Creditors**

Claims totalling £312,317 have been received from 25 creditors. There are further potential claims which could be received from unsecured creditors.

It is unlikely sufficient funds will be realised from the Company's assets to enable a distribution to be made to unsecured creditors, including by way of the prescribed part. As such, the claims received have not been agreed

## **6. Joint Liquidators' Remuneration, Disbursements and Expenses**

### **Basis of Remuneration and Disbursements**

At the initial meeting of creditors held on 27 January 2011 it was resolved that the Joint Liquidators would be remunerated by reference to the time properly spent in dealing with matters in the Liquidation and that their disbursements would be drawn in accordance with the tariff outlined at **Appendix III**

### **Remuneration Charged and Drawn in the Period**

The Joint Liquidators' time costs were charged (exc VAT) as follows

	Incurred	Paid
For this period from 27 January 2012 to 26 January 2013	£1,117	£NIL
Since appointment on 27 January 2011 to January 2013	£21,998	£7,818

In accordance with Statement of Insolvency Practice 9, attached at **Appendix III** is a breakdown of these time costs

## Disbursements Incurred and Drawn

The Joint Liquidators' disbursements incurred and reimbursed are summarised below Details are in the attached Appendix III

	Incurred	Paid
Category 1 disbursements for this period from 27 January 2012 to 26 January 2013	£NIL	£NIL
Category 2 disbursements for this period from to 27 January 2012 to 26 January 2013	£NIL	£NIL
Category 1 disbursements since appointment on 27 January 2011 to 26 January 2012	£142	£142
Category 2 disbursements since appointment on 27 January 2011 to 26 January 2012	£217	£217
<b>Total</b>	<b>£359</b>	<b>£359</b>

## Pre appointment costs

At the initial meeting of creditors held on 27 January 2011, it was resolved that the fees of RSM Tenon for assisting the Directors in convening the statutory meetings to place the Company into liquidation, and for assistance in preparing the Statement of Affairs, would be a set fee of £6,000 plus disbursements plus VAT to be paid out of the assets of the Company

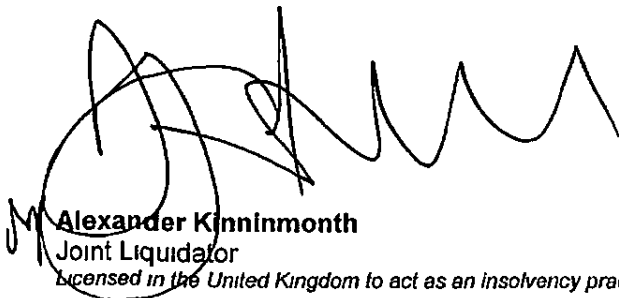
These fees have been paid as an expense of the liquidation.

## Creditors' Guide to Fees and Statement of Creditors' Rights

Creditors have a right to request further information from the Joint Liquidators and additionally have a right to challenge the Joint Liquidators' remuneration and expenses time limits apply Details can be found in the document 'Remuneration Guidelines Liquidation (post 6 April 2010)' which you can access and download at [www.rsmtenon.com/creditorguides](http://www.rsmtenon.com/creditorguides) Alternatively a copy is available free of charge upon request from the address above

## 7. Conclusion of the Liquidation

The Joint Liquidators will continue to monitor the position regarding Natwest's review of the sale of interest rate hedging products to the Company to ascertain whether any recovery will be achieved



Alexander Kinninmonth  
Joint Liquidator  
*Licensed in the United Kingdom to act as an insolvency practitioner by the Association of Chartered Certified Accountants*



## **Statutory Information**

### **Company Information**

Company Name	A W I Limited
Previous Name	None
Company Number	02048227
Date of Incorporation	26 April 1986
Trading Address	Cothey Way, Ryde, Isle of Wight, PO33 1QT
Current Registered Office	Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire, SO53 3TZ
Former Registered Office	Cothey Way, Ryde, Isle of Wight, Hampshire PO33 1QT
Principal Trading Activity	Microwave Engineers

### **Appointment details**

Joint Liquidators' name and address	Alexander Kinninmonth of RSM Tenon Restructuring, Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire SO53 3TZ
	and
	David James Green of RSM Tenon Restructuring, Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire SO53 3TZ

Commencement of liquidation	27 January 2011
Date of appointment	27 January 2011
Appointment made by	Members and Creditors

**The Joint Liquidators act jointly and severally**

On 21 April 2011, Duncan Kenric Swift was removed from the office of Joint Liquidator by order of the High Court of Justice, Chancery Division, Companies Court and David James Green of RSM Tenon was appointed in his place with effect from that date

## **Appendix II – Receipts and Payments Account**

- 1 This account of receipts and payments should be read in conjunction with the report to creditors dated 7 February 2013
- 2 The Company is VAT registered and the account is exclusive of VAT
- 3 Funds are currently held in an interest bearing account with Clydesdale Bank Plc

**A.W.I. Limited  
(In Liquidation)**

**JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT**

	Statement of affairs £	From 27/01/2012 To 26/01/2013 £	From 27/01/2011 To 26/01/2013 £
<b>RECEIPTS</b>			
Freehold Land & Property	900,000 00	0 00	0 00
Goodwill	NIL	0 00	0 00
Intellectual Property	NIL	0 00	0 00
Office Furniture & Equipment	900 00	0 00	525 00
Stock	5,200 00	0 00	2,975 00
Work In Progress	NIL	0 00	0 00
Book Debts	20,000.00	10 35	17,753 36
Prepayments	1,600 00	0 00	0 00
Research and Development	NIL	0 00	0 00
Cash at Bank	5,000.00	0 00	0 00
Bank Interest Gross		0 00	2 01
Miscellaneous Refund		0 00	120 33
		<u>10 35</u>	<u>21,375 70</u>
<b>PAYMENTS</b>			
NatWest Bank plc	(1,186,000 00)	0 00	0 00
Preparation of S of A		0 00	6,000 00
Liquidators Fees		0 00	7,818.49
Liquidators Expenses		0 00	358 85
Mail Redirection		0 00	74 75
Agents/Valuers Fees		0 00	1,373 81
Debt Collection Fees		0 00	5,359 86
Statutory Advertising		0 00	187 50
Insurance of Assets		0 00	106 00
Employee Holiday Pay	(906 25)	0 00	0 00
Trade & Expense Creditors	(116,360 13)	0 00	0 00
Employees	(60,833 22)	0 00	0 00
Directors	(43,508 28)	0.00	0 00
HM Revenue & Customs - VAT	(4,213 06)	0.00	0 00
HM Revenue & Customs - PAYE/NIC	(51,142 86)	0 00	0.00
Revaluation Reserve	(144,325 00)	0 00	0 00
Ordinary Shareholders	(102 00)	0 00	0 00
		<u>0 00</u>	<u>21,279 26</u>
Net Receipts/(Payments)		<u>10 35</u>	<u>96 44</u>

**MADE UP AS FOLLOWS**

Vat Receivable	0 00	4,149 72
Interest Bearing Current Account	10 35	10 35
Vat Payable	0 00	(700 00)
Vat Control Account	0 00	(3,363 63)
	<u>10 35</u>	<u>96 44</u>

## **Appendix III – Information relating to the Joint Liquidators' Fees and Expenses**

## **A.W.I. Limited**

### **Information relating to the Joint Liquidators' Fees and Expenses**

#### **1. Explanation of Liquidators' charging and disbursement recovery policies**

##### **1.1. Time recording**

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge-out rates are

	Rate from 23 November 2011 £
Partner and Director	350 – 435
Senior Manager, Manager and Supervisor	235 – 310
Other Senior Professionals	160 – 195
Administration	105

##### **1.2. Disbursement recovery**

Disbursements are categorised as either Category 1 or Category 2.

###### **Category 1 disbursements**

External supplies of incidental services specifically identifiable to the case. Where these have initially been paid by RSM Tenon Restructuring and then recharged to the estate, approval from creditors is not required.

Examples of category 1 disbursements include postage, case advertising, specific bond insurance, company search fees, external room hire, storage, case management software system, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case (including business mileage up to HMRC approved rate for cases commenced before 1 November 2011).

###### **Category 2 disbursements**

These include elements of shared or allocated costs incurred by RSM Tenon Restructuring and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance.

Category 2 disbursements charged by RSM Tenon Restructuring are as follows

<b>Category</b>	<b>Cost</b>	<b>Basis</b>
Stationery	4p, 3p ,35p	Per envelope, letterhead or label
Photocopying	5p	Per page
Faxes	50p	Per page
Storage	£7 20p	Per box per year
Room hire	£100	Fixed charge
Car Mileage	45p	Per mile
Other Travelling		Actual

## **2. Description of work carried out in the current period**

Section 3 of this appendix outlines the time costs to date in relation to activities undertaken during this period  
These can be summarised as follows

### **2.1. Administration and planning**

The following activities have been undertaken

- > Statutory duties associated with the appointment,
- > Notification of the appointment to creditors, employees and other interested parties,
- > Setting up case files,
- > Reviewing available information to determine appropriate strategy,
- > Maintaining bank accounts,
- > Progress reviews of the case

Staff of different levels were involved in the above activities depending upon the experience required

### **2.2. Investigations**

The time spent includes

- > Corresponding with the former directors and management,
- > Review of questionnaires and comments provided by interested parties,
- > Review of company documentation,
- > Completion of statutory returns to the Insolvency Service

### **2.3. Realisation of assets**

Please refer to the main body of the report but in summary the time spent includes

- > Liaising with agents,
- > Identifying, securing and insuring of assets,
- > Debt collection

## 2.4. Creditors and distributions

The time spent includes the following matters

- > Recording and maintaining the list of creditors,
- > Dealing with employee related matters,
- > Recording creditor claims,
- > Reporting to creditors,
- > Dealing with creditor queries

## 3. Time and charge out summary

For the period of this report from 27 January 2012 to 26 January 2013, a total of 6 hours have been spent at an average charge out rate of £186 bringing the total cost to £1,117

From appointment to the end of the current period, 26 January 2013, the total time costs incurred are £21,998, with 123 hours spent bringing the average charge out rate to £178

The tables at the end of this appendix shows details of the time costs charged, exclusive of VAT, in the current period and cumulatively to 26 January 2013

## 4. Disbursements.

Disbursements incurred during the period of this report and cumulatively, and those reimbursed in the period and cumulatively to end of current period, are detailed below

Disbursements	This period		Cumulatively	
	Incurred	Paid	Incurred	Paid
	£	£	£	£
Category 1				
Postage			96.59	96.59
Travel & Mileage			45.00	45.00
Case management software system				
Courier costs				
<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>141.59</b>	<b>141.59</b>
Category 2				
Internal room hire			100.00	100.00
Copying			103.75	103.75
Stationery			13.51	13.51
<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>217.26</b>	<b>217.26</b>

The above costs exclude VAT

### Professional advisors and expenses

The Joint Liquidators have incurred liquidation expenses in connection with the instruction of the following parties shown below. Expenses incurred during the period of this report and cumulatively, and those paid in the period and cumulatively, to end of current period, are detailed

Name & Activity	Incurring	This period	Incurring	Cumulatively
	£	Paid	£	£
Proudley Associates Limited			1,024	1,024
Valuation				
Husband Collection Services			5,360	5,360
Limited Debt Collection				
Syren Forensic Services			350	350
Limited Data Recovery				
<b>Total</b>			<b>6,734</b>	<b>6,734</b>

The above costs exclude VAT.



## SIP9 Summary

5011852 A.W.I. Limited

Creditors' Voluntary Liquidation/ Post Appt

RSM Tenon

27/01/2011 to 26/01/2013

SIP9 Subcategory	Partner and Director	Partner	Client Salar Professional	Assistant and Support Staff	Total Hours	Charge £	Average
Administration and planning	1 60	6 10	31 25	9 95	48 90	9,120 50	186 51
Creditors	0 00	3 80	28 95	12 00	44 75	7,298 75	163 10
Investigations	0 00	0 80	5 70	0 00	6 50	1,181 00	181 69
Realisation of assets	0 00	4 70	18 15	0 00	22 85	4,397 25	192 44
Trading	0 00	0 00	0 00	0 00	0 00	0 00	NaN
Hours	1 60	15.40	84.05	21 95	123.00		
Charge	696 00	4,094 50	14,443.75	2,763 25		21,997 50	

## SIP9 Summary

5011852 A.W.I. Limited

Creditors' Voluntary Liquidation/ Post Appt

RSM Tenon

27/01/2012 to 26/01/2013

SIP Subcategory	Partner/ Director	Director	Other Senior Professionals	Assistant and Support Staff	Total Hours	Charge	AvgRate
Administration and planning	0.00	0.10	0.95	0.00	1.05	216.25	205.95
Creditors	0.00	0.10	2.25	0.00	2.35	469.75	199.89
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	NaN
Realisation of assets	0.00	0.10	2.05	0.00	2.15	430.75	200.35
Trading	0.00	0.00	0.00	0.00	0.00	0.00	NaN
Hours	0.00	0.30	5.25	0.00	5.55		
Charge	0.00	93.00	1,023.75	0.00		1,116.75	