

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

02402477

Name of Company

ACW Technology Limited

by We

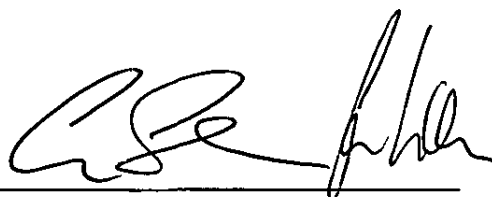
James Richard Tickell, Eagle Point, Little Park Farm Road, Segensworth, Fareham, Hampshire, PO15 5TD

Carl Derek Faulds, Eagle Point, Little Park Farm Road, Segensworth, Fareham, Hampshire, PO15 5TD

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 29/11/2013 to 28/11/2014

Signed



Date

23 JAN 2015

Portland Business & Financial Solutions
Eagle Point
Little Park Farm Road
Segensworth
Fareham
Hampshire
PO15 5TD
Ref A7931/JT/CF/NL/MIF/CSR/DJM

THURSDAY



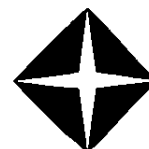
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COMPANIES HOUSE

**ACW Technology Limited
(In Liquidation)
Joint Liquidators' Trading Account**

Statement of Affairs	From 29/11/2013 To 28/11/2014
TRADING EXPENDITURE	
Rates	9,936 16
Internet	252 00
Telephone	<u>(2,293 46)</u>
	<u>(7,894 70)</u>
TRADING SURPLUS/(DEFICIT)	<u><u>(7,894 70)</u></u>

ACW Technology Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 29/11/2013 To 28/11/2014
COSTS OF REALISATION		
	Agents/Valuers fees	950 00
		(950 00)
HIRE PURCHASE		
	Factory - Tonypandy, Wales	NIL
	GE Capital interest repayment	14,522 75
		14,522 75
ASSET REALISATIONS		
NIL	Motor vehicles (included in sale)	NIL
NIL	Goodwill (included in sale)	NIL
	Tangible assets (excluded from sale)	1,876 90
NIL	Debts due from ACW International Ltd	NIL
NIL	Debts due from ACW Technology (Zuh	NIL
NIL	Debts due from ACW Global Sourcing	44,886 13
NIL	Debts due from ACW Technology Inc (NIL
	Trade debts	672 00
	Refund of bank charges	13 96
	Tonypandy insurance	14,380 18
	Cash at bank	7 80
	Rent (Tonypandy)	125,000 00
	Loan to company to fund admin trading	(250,000 00)
	Bank interest gross	259 17
	Ericsson stock	55,000 00
	Cash held with solicitors	2,042 29
	Trading Surplus/(Deficit)	(7,894 70)
	Transfer from administration	62,732 21
	Telephone account refund	87 38
		49,063 32
COST OF REALISATIONS		
	Pre administration fee	30,000 00
	Corporate finance advisory fee	30,791 00
	Office Holders Fees	NIL
	Office holders expenses	901 97
	Loan to ACW International Ltd	(21,940 72)
	Corporation tax	77 00
	Accountants fees	5,125 00
	Travel expenses	100 10
	Storage costs	37 50
	Statutory advertising	70 00
	Insurance of assets	9,659 06
		(54,820 91)
		7,815.16
REPRESENTED BY		
	VAT receivable	6,024 57
	Current account	2,086 99
	VAT payable	(296 40)



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TO THE MEMBERS AND CREDITORS

NL/CSR/A7931/C Gen

23rd January 2015

Annual progress report to members and creditors

ACW Technology Limited in liquidation

We have recently passed the anniversary of our appointment as joint liquidators on 29th November 2013 following the administration of the company which commenced on 12th December 2012. We are therefore providing you with a report on the progress of the winding up.

We enclose a schedule giving statutory details of our appointment.

Progress to date in realising assets

We enclose a summary of our receipts and payments during the year.

TT Electronics Integrated Manufacturing Systems Limited acquired the business and principle assets of ACW Technology Limited (ACW) from us as administrators. It has subsequently made an offer of £55,000 to purchase the remaining stock that was excluded from the sale of business. This was in line with the estimated value of the stock and the offer was accepted on 12th February 2014. These funds have been received.

There are significant debts owed to ACW from its parent company, ACW International Limited, (AIL) and AIL's overseas subsidiaries. These overseas businesses have been wound down in their respective countries and their assets realised and distributed. We have reviewed the activities to ensure that funds are correctly passed to ACW. We have received £44,886 in relation to the debt due from ACW Global Sourcing Limited in Hong Kong and £21,941 has been received from AIL. There remains significant sums due from AIL and its subsidiaries but these companies do not have further assets. AIL was placed into liquidation on 13th March 2014 and this liquidation was closed in October 2014.

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As part of the sale of the business, TT entered into a five year lease in December 2012 in respect of the freehold property owned by ACW. The rent is £125,000 per annum payable quarterly in advance and TT is up to date with all rental and insurance payments. TT ceased operations at the site earlier this year and as a result has vacated the premises. TT instructed agents to market the remainder of the lease in order to find an alternative tenant to the premises but if unsuccessful, they have advised us that TT will look to enact the break clause in the lease after three years, which would bring the lease to an end in December 2015. There is a significant cost in managing the property and providing security whilst looking for a buyer when it is empty, which TT is currently paying.

We instructed independent property consultants and they have advised us on the current market value. We are unable to disclose this at present as it could adversely affect a future sale. We have agreed with TT and its agents that the agents will notify interested parties to the lease that the freehold is available by separate negotiation.

Three parties have expressed an interest in buying the freehold. Two offers have been received. The offers are well below that considered acceptable by the agents and so these have been rejected.

The third interested party is a Government department that needs to be in the property by March 2015. It has presented its recommendations to its internal approval board and we are waiting to hear back from this party if they wish to proceed. Before any offer is accepted we shall discuss the quantum with the major creditors.

We have secured a repayment of charges from GE Capital of £14,523 in respect of a historical overcharge of interest and £2,042 from funds held with solicitors formerly acting with regard to the company.

There has also been refunds and interest received on the balances held.

Funding facilities

We previously reported that Portland provided a £600k facility to the administration which is secured on the Tonypandy freehold property. This money was applied along with funds from the TT sale to enable the administration to complete its transitional obligations to TT under the sale agreement, which provided a significant uplift to all creditors compared to closure. The facility agreement, as subsequently approved by creditors, allows for Portland to charge the same rate of interest that RBS would have charged if its facility remained in place.

Portland has now been repaid its loan in full. No interest has yet been paid and the cost accrued to the repayment of the loan is about £30k.

Investigation

In our first report, we invited creditors to bring to our attention any matters that they believe require further investigation. We have also conducted an investigation into the affairs of the company in order to identify matters that would lead to a cost-effective recovery for creditors. We have concluded that there are no matters of concern that merit pursuing.

In addition, a report has been submitted to the Insolvency Service as required under the provisions of the Company Directors Disqualification Act 1986.

Creditors' claims and dividends

A summary of the position regarding creditors' claims is set out below -

	Creditor totals			Dividend totals	
	Statement of affairs £000	Claims received £000	Claims agreed £000	Paid to date £000	%
Secured claims	Settled in administration				
Preferential claims	--	--	--	n/a	n/a
Unsecured creditors	1,904	3,816	See note	--	--

We comment further as follows -

- GE Capital and the Royal Bank of Scotland Plc held valid security over the company's assets. These were settled on appointment in the administration from part of the sale proceeds.
- All of the company's employees, bar five, were transferred over to TT as part of the sale agreement. The remaining five employees were transferred to AIL to facilitate the transitional services agreement with TT. As a result, there will be no employee claims against the company.
- TT required as part of the UK business acquisition that it assumed the obligation to settle all the trade supply obligations direct and immediately, in order to protect the supply chain and avoid customer disruption. This involved settling some £4.7m of claims from unsecured creditors in full without their having to wait for the liquidation process. We projected that overall the TT arrangement still provided a better outcome for those creditors not taken on by TT, over half of which in value was represented by a shareholder loan, compared to the likely outcome if the TT transaction had not happened.
- The company held leasehold premises in Hedge End, Southampton. We established that there was no realisable premium which could be achieved from an assignment of the lease. The lease came to an end during the administration and so the property has been vacated. A dilapidations claim of £223,564 in relation to the property has been received. This is being reviewed as it is believed to be significantly over estimated.

- HMRC provisionally claimed £398k for VAT and PAYE We instructed the company's accountants to submit a corporation tax terminal loss relief claim, which was agreed at £262k and offset from the provisional claim A further claim has since been received in respect of a contingent liability relating to a 2004 tax assessment which is dependent on appeals to be heard in the court on other cases
- We will independently verify the claim by the director of £1 1m to ensure that it is valid and accurately stated

Our projection of the next dividend and likely timescale is as follows -

	Next dividend		Projected total dividend %
	Amount %	Projected date	
Secured claims	-	Full dividend already paid	100
Preferential claims	n/a	No claims	n/a
Unsecured claims	10-30	Uncertain	10-30

The dividend prospects for creditors are dependent upon the following factors

- The agreement of creditor claims, particularly HMRC
- The sale of the freehold property

Liquidators' fees, disbursements and expenses

At the first meeting of creditors held in the administration it was resolved that our remuneration should be based on our time costs for both the administration and liquidation We are required to provide creditors with details relating to those time costs and the disbursements that we have incurred to date in the liquidation This is analysed on the attached schedule, along with a schedule of our current charge-out rates and disbursements policy, and the totals are summarised below

	Liquidation total (£)
Time costs	59,312
Average hourly rate	187
Fees drawn	-

In the attached analysis, we have recorded time in the following categories of work that we have handled -

- **Asset realisations** – Taking appropriate measures to realise the assets of the company, as more fully explained under the heading 'Progress to date in realising assets'
- **Administration and planning** - Internal management of the case to ensure it is completed in an efficient manner and in accordance with good practice Maintaining the estate accounts and ensuring compliance and statutory filing requirements

- **Reporting** – Communicating with creditors about initial appointment, and preparing and distributing reports
- **Investigation** - Carrying out a review of the events leading up to failure and completing the CDDA reports, which is explained in more detail under the heading of 'Investigation' above
- **Creditors' claims** – Corresponding with creditors about their claims, as more fully described under the 'Creditor claims and dividends' above

We have also instructed agents to handle certain aspects of the liquidation on our behalf where it was either more cost-effective for them to do so or where they have a particular expertise that was required. A summary of the name of agents, the work handled, the basis of the fees paid and the amounts paid and accrued is given below

Name and profession	Nature of work handled	Basis of fees paid	Paid to date £
James Cowper Chartered accountants	Securing purchaser for business during administration	Fixed fee	30,791
KPMG Chartered accountants	Terminal tax relief claim	Time costs	5,125

We have drawn a fee of £30,000 for our services prior to the administration that preceded the liquidation on account of the amount due of £62,623. The fees for the administration period amounting to £193,390 remain entirely outstanding and these will be drawn when funds become available.

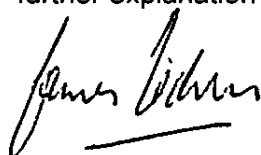
The basis of these fees was approved at the meeting of creditors in the administration.

Anticipated timescale for completion of the winding up

At this stage we are unable to estimate when we will be able to complete the winding up of the company. Prior to that, we need to address these outstanding issues upon which we have commented in this report -

- Sale of freehold property
- Agreement of creditor claims
- Payment of a dividend to unsecured creditors

We hope that the contents of this report have provided you with a clear and detailed explanation of the conduct of the winding up. If you should have any queries or require further explanation please do not hesitate to contact us.



James Tickell
Joint Liquidator

Within twenty-one days of receipt of this progress report, a creditor may make a written request for further information in relation to the report, including information about the liquidators' remuneration or expenses. If a creditor believes that this remuneration is excessive, the basis is inappropriate, or the expenses incurred by the liquidators are excessive, the creditor may, provided certain conditions are met, apply to court within eight weeks of receiving the progress report to challenge these.

Further information regarding liquidators' fees can be found by visiting the following website link

<http://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees>

Attachments

- Statutory information
- Summary of receipts and payments
- SIP 9 time analysis (administration)
- SIP 9 time analysis (liquidation)
- Schedule of charge out rates

ACW Technology Limited in liquidation

Statutory details relating to the liquidation

This section provides background information about the company and the liquidation appointment

Details of the company

Full registered name	ACW Technology Limited	Registered office	Eagle Point Little Park Farm Road Segensworth, Fareham Hampshire PO15 5TD
Registered number	02402477	Former trading address	Strategic Park Comines Way Hedge End Southampton Hampshire SO30 4XX
Other trading names			

Details about the liquidation appointment

Name of liquidators and their licensing bodies	James Richard Tickell	Insolvency Practitioners Association	
	Carl Derek Faulds	Insolvency Practitioners Association	
Liquidators' address	Eagle Point, Little Park Farm Road, Segensworth, Fareham, Hampshire, PO15 5TD		
Date of appointment	29th November 2013	Appointed by	Schedule B1 para 83 of Insolvency Act 1986
Type of appointment	Creditors' voluntary liquidation		

ACW Technology Limited
(In Liquidation)

JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

	From 29/11/2013 To 28/11/2014 £	From 29/11/2013 To 28/11/2014 £
RECEIPTS		
Transfer from administration	62,732	62,732
Stock	55,000	55,000
Debts due from subsidiary companies	66,827	66,827
GE Capital interest repayment	14,523	14,523
Sale of chattel assets	1,877	1,877
Trade debts	672	672
Rent (Tonypany premises)	125,000	125,000
Insurance reimbursement (Tonypany premises)	14,380	14,380
Cash held with solicitors	2,042	2,042
Telephone refund	2,381	2,381
Bank interest gross	259	259
Refund of bank charges	14	14
Cash at bank	8	8
	<u>345,715</u>	<u>345,715</u>
PAYMENTS		
Repayment of loan from Portland	250,000	250,000
Rates	9,936	9,936
Internet	252	252
Agents Fees	950	950
Corporate finance advisory fee	30,791	30,791
Corporation tax	77	77
Accountant's fees	5,125	5,125
Travel expenses	100	100
Storage costs	38	38
Statutory advertising	70	70
Insurance of assets	9,659	9,659
Pre administration advisory fee (Portland)	30,000	30,000
Administrators' expenses	902	902
	<u>337,900</u>	<u>337,900</u>
Balance 28th November 2014	<u>7,815</u>	<u>7,815</u>
MADE UP AS FOLLOWS		
Current account	2,087	2,087
VAT receivable/(payable)	5,728	5,728
	<u>7,815</u>	<u>7,815</u>

ACW Technology Limited in administration

SIP9 Time and cost summary

From 12/12/2012 To 29/11/2013

Classification of work function	Partner	Manager	Other senior professionals	Assistants and support staff	Total hours	Time cost (£)	Average hourly rate (£)
Advice	10 50	-	-	-	10 50	3,255 00	310 00
Realisation of assets	104 10	44 70	63 80	1 70	214 30	49,949 00	233 08
Administration and planning	44 20	9 60	5 70	7 40	66 90	17,227 00	257 50
Creditors	36 30	78 40	143 10	6 30	264 10	45,736 00	173 18
Investigations	1 00	1 50	13 80	-	16 30	2,072 50	127 15
Reporting	48 10	22 50	10 00	-	80 60	21,588 50	267 85
Trading	132 20	37 20	30 10	-	199 50	53,562 00	268 48
Total Hours	376 40	193.90	266.50	15.40	852.20	193,390.00	226.93
Total Fees Claimed						-	

Category 2 Disbursements	Accrued in period	Paid in period	Total accrued	Total paid
	£	£	£	£
Postage and stationery	478 28	478 28	478 28	478 28
Photocopying and printing	121 00	121 00	121 00	121 00
Mileage	329 85	329 85	329 85	329 85
Room hire	120 00	120 00	120 00	120 00
Storage (Portland archive)	99 83	99 83	99 83	99 83
Facsimile	24 00	24 00	24 00	24 00
Company searches	30 00	30 00	30 00	30 00
Debt collection fees	-	-	-	-
	1,202.96	1,202.96	1,202.96	1,202.96

ACW Technology Limited in liquidation

SIP9 Time and cost summary

From 29/11/2013 To 28/11/2014

Classification of work function	Partner	Manager	Other senior professionals	Assistants and support staff	Total hours	Time cost (£)	Average hourly rate (£)
Realisation of assets	31 30	58 90	52 70	0 60	143 50	30,040 00	209 34
Administration and planning	-	5 20	27 20	0 10	32 50	4,070 50	125 25
Creditors	9 90	42 80	68 80	1 70	123 20	21,064 00	170 97
Investigations	-	0 50	0 20	0 90	1 60	212 50	132 81
Reporting	9 00	2 30	5 60	-	16 90	3,925 00	232 25
Total Hours	50.20	109.70	154.50	3.30	317.70	59,312.00	186.69
Total Fees Claimed						-	

Category 2 Disbursements	Accrued in period £	Paid in period £	Total accrued £	Total paid £
Postage and stationery	96 18	-	96 18	-
Photocopying and printing	96 30	-	96 30	-
Mileage	193 05	-	193 05	-
Room hire	-	-	-	-
Storage (Portland archive)	-	-	-	-
Facsimile	11 00	-	11 00	-
Company searches	2 00	-	2 00	-
Debt collection fees	-	-	-	-
	398.53	-	398.53	-

Portland Business & Financial Solutions

Fees and disbursements policies

Fee policy

In line with most practices, we normally calculate our fees on the basis of the time spent by each member of staff. We are prepared to calculate fees as a percentage of realisations or as a fixed fee by special arrangement only where the circumstances warrant it. Where the assignment relates to an insolvency appointment, we are normally required to obtain a resolution from creditors approving the basis of calculation.

Staff of the appropriate grades, are allocated to each task on each assignment, according to the size and complexity of the matter, and they record their time in six minute units. Where the fee is to be calculated on the basis of time spent, cost rates for each grade are then used to evaluate the fee. The effectively hourly rates in recent periods are as follows -

	Cost per hour	
	Current rate from 1 Oct 2014	1 Dec 2011 to 30 Sept 2014
	£	£
Director	325	310
London Principal	325	310
Associate	325	310
Client director / Senior manager	265	250
Case manager	210	210
Case administrator	175	175
Administrator	110	100
Cashiers	110	100
Support staff	75	75

The current rates apply with effect from 1st October 2014. They are reviewed periodically, typically every 1-2 years, and could therefore increase during any particular assignment.

Disbursement policy

Category 1 – no approval required

Where expenses are incurred through third parties specifically in respect of the assignment, they are recharged to the case as incurred, for example statutory advertising, external room hire, fidelity bond, rail travel and external storage. These are defined as category 1 disbursements in SIP9 and approval is not required.

Category 2 – approval required

Other expenses can be recharged to the assignment based on a share or allocation of a cost that Portland incurs centrally. These are defined as category 2 disbursements in SIP 9 and approval is required. Typically such expenses and the method of allocation are as follows -

Postage and stationery	-	Three times postage cost
Photocopying and printing	-	10p per copy
Facsimile	-	£1 per page
Mileage	-	HM Revenue and Customs agreed rate
Room hire	-	£120 per meeting
Storage (Portland archive)	-	£50 per box per year
Company searches	-	Two times cost
Debt collection fees*	-	Details below

* Portland Legal Debt Collection Limited, trading as Debtcol, is an associated company of Portland Business & Financial Solutions. Where it is deemed appropriate, having considered the cost effectiveness and expertise required this firm may be instructed to pursue outstanding debts. Commercial fees will be agreed on a percentage of realisation basis taking into account the complexity and age of the debt. Rates will be agreed on a commercial basis and will range between 5-25%. Specific recharges for necessary disbursements are recharged at cost.