

The Insolvency Act 1986

**Joint Administrators' progress report**

Name of Company  
AAA A1 Streamline Road Markings Limited

Company number  
02536616

In the High Court of Justice, Chancery Division, Manchester District  
Registry

Court case number  
2257 of 2016

(a) Insert full name(s) and  
address(es) of  
administrator(s)

We (a) Jason Mark Elliott and Craig Johns of Cowgill Holloway Business Recovery LLP, Regency House, 45-53 Chorley New Road, Bolton, BL1 4QR.

Joint Administrators of the above Company attach a progress report for the period  
from to

(b) 8 September 2016

(b) 27 February 2017

Signed



Craig Johns - Joint Administrator

(b) Insert dates

Dated

27/02/2017

**Contact Details:**

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

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# **Joint Administrators' Final Progress Report**

## **AAA A1 Streamline Road Markings Limited – In Administration**

**27 February 2017**



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**1     Introduction**

- 1.1     I was appointed as Joint Administrator of AAA A1 Streamline Road Markings Limited (“the Company”), along with my colleague Jason Mark Elliott on 8 March 2016. The appointment was made by Skipton Business Finance Limited (“SBF”), the holders of a qualifying floating charge.
- 1.2     This Administration is being handled by Cowgill Holloway Business Recovery LLP (“CHBR”) at Regency House, 45-53 Chorley New Road, Bolton, BL1 4QR. The Administration is registered in the High Court of Justice, Chancery Division, Manchester District Registry, reference number 2257 of 2016.
- 1.3     The trading address of the Company was Unit 7 Thompson Road, Whitehills Business Park, Blackpool, FY4 5LW (“the Property”). The business trades under the name AAA A1 Streamline Road Markings Limited.
- 1.4     The registered office of the Company is c/o CHBR, Regency House, 45 – 53 Chorley New Road, Bolton, BL1 4QR and its registered number 02536616.
- 1.5     As the Administration has now completed, we are required to provide a Progress Report covering the period since our last report which ended on 7 September 2016. This is our Final Report in the Administration and covers the period from 8 September 2016 to 27 February 2017 (“the Period”) and should be read in conjunction with our earlier Report and Statement of Proposals (“Proposals”) which were circulated to all known creditors on 29 April 2016 and the Joint Administrators Progress Report (“Progress Report”) which was circulated to all known creditors on 6 October 2016.

**2     Progress of the Administration**

- 2.1     This section of the report provides creditors with an update on the progress made in the Period, both in terms of the achievement of the statutory objective, but also work which is required of the Joint Administrators under other related legislation.
- 2.2     At Appendix A is our Receipts and Payments Account for the Period together with a cumulative Receipts and Payments Account from the date of our appointment to the conclusion of the Administration.

## **AAA A1 STREAMLINE ROAD MARKINGS LIMITED – IN ADMINISTRATION**

- 2.3 Attached at Appendix B is a time analysis outlining the time spent by the Joint Administrators and their staff during the Period, together with a cumulative time analysis covering the period since our appointment to the conclusion of the Administration at Appendix C.
- 2.4 Further information about the basis of remuneration agreed in this case and the Joint Administrators' fees estimate can be found in Section 5 of this report, together with any relevant information about revisions to our initial estimate, where applicable.
- 2.5 As previously advised, we stated that we believed that the Second purpose of Administration, namely; 'Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration)' will be achieved. We believe that this purpose has been satisfied as Administration has allowed the Joint Administrators to complete a sale of the business and assets of the Company and the Property which has resulted in greater realisations for the benefit of creditors and will facilitate a dividend to unsecured creditors in a subsequent Liquidation.
- 2.6 It is understood that should the Company have entered Liquidation initially, as opposed to Administration, dividend prospects would not have been at this level as asset realisations resulting from book debts and the business sale would have been significantly reduced.
- 2.7 The Joint Administrators believe that the third purpose of Administration, namely; 'Realising property in order to make a distribution to one or more secured or preferential creditors' has been achieved as both of the Company's secured creditors, Royal Bank of Scotland ("RBS") and SBF, have been paid in full from fixed charge realisations and the Joint Administrators have declared a dividend in the sum of 100 pence in the pound to the preferential creditors of the Company.
- 2.8 In addition to the pursuance of this statutory objective, the Joint Administrators have duties imposed by insolvency and other legislation, some of which may not provide any financial benefit to creditors.

**Administration (including statutory compliance & reporting)**

- 2.9 As noted in our previous reports, the Joint Administrators must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work undertaken in this regard has been outlined previously.

**Creditors (claims and distributions)**

- 2.10 Further information on the outcome for creditors in this case can be found at Section 4 of this report. An Administrator is not only required to deal with correspondence and claims from unsecured creditors, but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture as well as dealing with the general handling of communications with stakeholders, such as customers and suppliers.
- 2.11 As detailed in the Proposals, as part of the sale to A1 Streamline Road Markings Ltd ("A1"), the Company's employees were transferred in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"). The claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service and in this Administration pension arrears for the period 1 February 2016 to 8 March 2016.
- 2.12 The above work will not necessarily bring any financial benefit to creditors generally and the more creditors there are on an assignment, the higher the resultant cost will usually be; however, an Administrator is required by statute to undertake this work.

**Investigations**

- 2.13 You may recall from our earlier Progress Reports to creditors that some of the work the Joint Administrators were required to undertake was to comply with legislation such as the Company Directors' Disqualification Act 1986 ("CDDA 1986") and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless those investigations revealed potential asset recoveries that could have been pursued for the benefit of creditors.

## **AAA A1 STREAMLINE ROAD MARKINGS LIMITED – IN ADMINISTRATION**

- 2.14 Our report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the first period of the Administration and is confidential.
- 2.15 Since our last Progress Report we would advise that no further asset realisations have come to light that may be pursued by us for the benefit of creditors

### **Trading**

- 2.16 As advised in the Proposals, following the Joint Administrators appointment, steps were taken to immediately assess whether it would be feasible for the Joint Administrators to continue trading the business whilst a buyer for all or part of the Company's business was sought. Appropriate trading forecasts were prepared and we liaised with suppliers and customers to determine whether support for continued trading in the short-term could be secured as well as establishing whether sufficient funding was available to facilitate this
- 2.17 The Joint Administrators instructed Brabners LLP ("Brabners") to review the Company's accreditations to ensure that these continued to be valid as a result of the Administration. Brabners advised that the Joint Administrators had the power to carry on trading the Company.
- 2.18 The Joint Administrators, therefore concluded that it would be feasible to continue to trade for a short period of time, whilst various options in relation to the marketing and sale of the business was explored.
- 2.19 During the Period, the Joint Administrators dealt with retention of title claims as submitted by creditors, dealt with any health and safety inspections and obtained necessary insurance cover on the Company's assets.
- 2.20 The Joint Administrators also managed employee issues and where necessary, commenced a consultation process with all employees with reference to their continued employment and potential sale of the business. The majority of the staff were stood down pending confirmation that the Joint Administrators had started to trade the business

## **AAA A1 STREAMLINE ROAD MARKINGS LIMITED – IN ADMINISTRATION**

- 2.21 Details of the contracts were circulated and confirmation was sought from the contractors regarding payment following the completion of the Work in Progress ("WIP"). Despite a number of enquiries with the contractors, the required confirmation and guarantees regarding payment were not received and, as such, no WIP was completed by the Joint Administrators due to the risk that payment would not have been received.
- 2.22 It should be noted despite the above, that the business did not trade after the appointment of the Joint Administrators; however, for the purposes of the Receipts and Payments Account attached at Appendix A and the Cumulative Time Analysis at Appendix C, the costs and time spent associated with the above has been categorised as such.

### **Realisation of Assets**

#### ***Sale of the Business and Assets***

- 2.23 As advised in the Proposals, following the Joint Administrators' appointment, a short period of marketing was undertaken by Sanderson Wetherall LLP ("SW"), independent valuation agents.
- 2.24 A sale of the Company's business and assets excluding the Property and book debts was completed to A1 on 23 March 2016 in the sum of £70,000. The sale included the transfer of all 24 employees under TUPE.
- 2.25 The initial consideration in the sum of £35,000 was paid in full on 23 March 2016. The deferred consideration in the sum of £20,000 was paid in the previous reporting period with the balance of £15,000 being received during the Period.
- 2.26 Further details regarding the marketing undertaken in respect to the business opportunity and details of the offers received are detailed in the Proposals.

### **Connected Party Transactions**

- 2.27 On 23 March 2016, A1 completed the purchase of the business and assets of the Company, (excluding the Property and debtors) but including a transfer of the Company's 24 employees for the sum of £70,000.



# **AAA A1 STREAMLINE ROAD MARKINGS LIMITED – IN ADMINISTRATION**

2.28 In accordance with Statement of Insolvency Practice 13, we would advise you that the following assets were sold to A1:

Date of transaction	Assets involved & nature of transaction	Consideration paid & date	Sold to	Relationship
23 March 2016	Sale of the Goodwill, Customer Contracts, Customer Database, the Company's Records and Business Intellectual Property, Fixtures and Fittings, Plant & Machinery, Vehicles and Stock	Total consideration of £70,000 £35,000 paid on the date of completion (23 March 2016). Monthly payments of £5,000 were received on 6 April 2016, 5 May 2016, 8 June 2016, 14 July 2016 and 30 September 2016 A final payment of £10,000 was received on 7 October 2016	A1 Streamline Road Markings Ltd ("A1")	Clare and Ronald Houghton directors and shareholders of the Company are also directors and shareholders of A1.

2.29 The apportionment of the sales consideration is as follows:

Asset Category	£
Goodwill, Customer Contracts, Customer Database, the Company's Records and Business Intellectual Property	1
Fixtures and Fittings	2,500
Plant & Machinery	7,500
Vehicles	50,000
Stock	9,999
	<hr/> 70,000

2.30 As noted above the sale incorporated an element of deferred consideration with seven monthly payments of £5,000 to be paid by the first Monday of each month from April through to October 2016.

2.31 As advised in the Progress Report, outside of the earlier reporting period the sum of £5,000 had been received in respect to the deferred consideration and therefore A1 was two months in arrears in respect to the deferred consideration.

2.32 On 7 October 2016, £10,000 was received in respect to the outstanding deferred consideration. The sum of £15,000 in respect to the deferred consideration has been received during the Period.

### **AAA A1 STREAMLINE ROAD MARKINGS LIMITED – IN ADMINISTRATION**

- 2.33 The Joint Administrators can confirm that the deferred consideration has been received in full.

#### ***Licence Fee***

- 2.34 As part of the sale of the business and assets to A1, the Joint Administrators granted A1 a licence to occupy the Property on a three month basis for a fee of £2,500 plus VAT per month until 22 June 2016. During the three month period of the licence to occupy the sum of £7,500 plus VAT was received.
- 2.35 On 26 May 2016, an offer from Crumptsy Properties Limited (“Crumptsy”) was accepted and contracts exchanged with a completion date set for 1 July 2016. Prior to the sale of the Property detailed below, the Joint Administrators allowed A1 to continue to occupy the Property beyond the period of the licence to occupy for the period from 23 June 2016 to 1 July 2016 and a further licence fee in the sum of £659 plus VAT for this period was received from A1.
- 2.36 Total realisations in respect to the licence fee were in the sum of £8,159.

#### ***Property***

- 2.37 The Company owned the Property which was subject to a mortgage in favour of RBS which contained a fixed and a floating charge which was created on 27 October 2006 and registered on 28 October 2006. The Company’s bank accounts were also covered by the security in favour of RBS.
- 2.38 Following their appointment, the Joint Administrators instructed SW to market and sell the Property. SW advised that the Property would achieve a sale price of £330,000 and advised that they anticipated the marketing and sale of the Property to take nine months.
- 2.39 On 26 May 2016, an offer from Crumptsy in the sum of £355,000 was accepted and contracts exchanged with a completion date set for 1 July 2016. An initial 10% deposit in the sum of £35,500 was received by Brabners.
- 2.40 On 1 July 2016, the sale of the Property completed and the balance of the sale price in the sum of £319,500 was received by Brabners.
- 2.41 Brabners discharged the full liability due to RBS in the sum of £259,265 and the balance of funds were received into the Administration estate on 12 July 2016.

## **AAA A1 STREAMLINE ROAD MARKINGS LIMITED – IN ADMINISTRATION**

- 2.42 Further details regarding the marketing undertaken in respect to the Property and details of the offers received are detailed in the Proposals and Progress Report.

### ***Encumbered Book Debts***

- 2.43 The Company operated an invoice discounting facility with SBF. SBF were granted the benefit of a fixed charge over the book debts and a floating charge over the remaining assets of the Company which was created on 22 January 2008 and registered on 31 January 2008.
- 2.44 SBF advised that book debts in the sum of £309,244 were collected. On 10 May 2016, SBF advised that of these receipts, £187,135 had been retained by SBF to discharge its outstanding liability in the sum of £133,756, in addition, termination charges in the sum of £45,565 plus VAT were applied to the account by SBF. SBF confirmed that the liability due to them has been discharged in full.
- 2.45 On 30 September 2016, SBF advised that the book debt ledger had been exhausted and that no further funds would be realised and SBF transferred the surplus in the sum of £123,339 to the Joint Administrators.

### ***Unencumbered Book Debts***

- 2.46 According to an initial review of the books and records of the Company, eight unencumbered book debts in the sum of £15,669 remained outstanding; however, upon further review it became apparent that this amount was in fact higher. The Joint Administrators wrote to all debtors following their appointment and engaged the services of Mr & Mrs R Houghton to assist in the collection of these debtors.
- 2.47 During the period, unencumbered book debts in the sum of £15,971 have been received. According to the records of the Company, five unencumbered book debts in the sum of £6,957 remain outstanding and these continue to be pursued by the Joint Liquidators.

***Private Treaty Vehicle***

- 2.48 Prior to the appointment of the Joint Administrators, the Company had been in the process of selling a motor vehicle by way of private treaty and had received an offer in the sum of £3,500 plus VAT. Following the Joint Administrators appointment, SW, were instructed to review the offer. SW advised that the offer was in excess of what would likely be achieved if the vehicle was uplifted and sold at auction and on 14 March 2016, a sale of the vehicle was completed in the sum of £3,500 plus VAT.

***Private Treaty Number Plate***

- 2.49 The Company owned two private registration plates. SW, arranged for these to be sold at auction and sale proceeds in the sum of £3,350 were realised.

***Refund of Training Fees***

- 2.50 Prior to the appointment of Joint Administrators, the Company had arranged for and paid for members of staff to attend training courses. The Joint Administrators liaised with the training provider and a refund of training fees in the sum of £2,160 was received.

**3 Unrealised Assets**

- 3.1 The following assets have yet to be realised and will now be dealt with by the Joint Liquidators:

***Directors' Loan Accounts***

- 3.2 According to the financial statements of the Company for the year ended 30 September 2015 directors' loan accounts ("DLA") in the sum of £25,000 were due to the Company; however, the directors dispute that these amounts are due and have advised that they are in fact creditors of the Company as a result of funds introduced to the Company in the subsequent period.
- 3.3 Despite the Joint Administrators corresponding with the Directors we have yet to receive evidence that the DLA's have been repaid. The Joint Liquidators will continue to pursue these amounts and we will provide a further update in their next report.

***Unencumbered Book Debts***

- 3.4 According to the records of the Company, five book debts in the sum of £6,957 remain outstanding. The Joint Liquidators will continue to pursue the outstanding balance and a further update will be provided in our next report.

**4 Outcome for Creditors**

- 4.1 An Outcome Statement as at 27 February 2017 is attached at Appendix D.

***Secured Creditors***

**Royal Bank of Scotland**

- 4.2 As previously advised, RBS confirmed that its liability in the sum of £259,265 had been discharged in full following the sale of the Property on 1 July 2016.

**Skipton Business Finance Limited**

- 4.3 As previously advised, on 10 May 2016, SBF advised that its liability had been discharged in full following the receipt of £187,135 in fixed charge book debt realisations.

***Preferential Creditors***

- 4.4 As detailed in the Proposals, as part of the sale to A1, the Company's employees were transferred to the purchaser in accordance with TUPE. However, the Joint Administrators received a preferential claim in relation to outstanding arrears of wages for the period 29 February 2016 to 8 March 2016 and in respect to pension arrears for the period 1 February 2016 to 8 March 2016 in the sum of £8,474.
- 4.5 A notice of intended dividend was issued to all preferential creditors on 13 January 2017 providing them with a date of 8 February 2017 in which to prove their claims.
- 4.6 Following this date, preferential creditors were paid a first and final dividend in the sum of £8,474 at a rate of 100 pence in the pound on 15 February 2017.

*Unsecured Creditors*

- 4.7 At the date of this report we have received unsecured claims totalling £511,429 from 16 unsecured creditors. The Joint Administrators have agreed that a further 15 unsecured creditors have confirmed that they do not wish to claim in the insolvency.
- 4.8 We are yet to receive claims from 46 unsecured creditors whose debts total £66,494 as per the Company's books and records.
- 4.9 RBS hold the benefit of a debenture incorporating a mortgage over the Property and a floating charge over the remaining assets of the Company which was created on 27 October 2006 and registered on 28 October 2006 and SBF were granted the benefit of a fixed charge over the book debts and a floating charge over the remaining assets of the Company which was created on 22 January 2008 and registered 31 January 2008. Accordingly, we are required to create a fund out of the Company's net floating charge property for unsecured creditors (known as the **Prescribed Part Fund**).
- 4.10 However, as RBS and SBF have been paid under their fixed charge, there is no requirement to set aside a Prescribed Part Fund.
- 4.11 We would confirm that a notice bringing the Administration to an end and moving the Company into Creditors' Voluntary Liquidation was registered by the Registrar of Companies on 27 February 2017. This will allow the Joint Liquidators to bring to a conclusion the matters outstanding in Section 3 of this report and following completion of those matters allow the Joint Liquidators to issue a notice of intended dividend declaring a first and final dividend to the unsecured creditors.
- 4.12 Based on present information the Joint Liquidators anticipate that a dividend of approximately 27 pence in the pound will be available for the unsecured creditors; however, please note this is an estimate and subject to fluctuation and change depending on the final level of the claims received from the unsecured creditors.

## 5 Joint Administrators' Remuneration

- 5.1 On 16 May 2016, the creditors agreed the basis of the Joint Administrators' fees be fixed in the Administration in accordance with the Joint Administrators' fee estimate as detailed in the Proposals in the sum of £62,293. At this meeting creditors also agreed that the Joint Administrators be authorised to draw Category 2 disbursements in accordance with the firm's published tariff.
- 5.2 Our fees estimate/information was originally provided to creditors when the basis of our remuneration was approved and was based on information available to us at that time.
- 5.3 A copy of that estimate is reproduced below:

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Administration (inc statutory compliance & reporting)	85.00	210 59	17,900 00
Realisation of assets	70 00	227.86	15,950 00
Creditors (claims & distributions)	60.00	214 38	12,862 50
Investigations	21.00	227.86	4,785 00
Trading	28 90	207 79	6,005.00
Case specific matters (Reporting to the Bank)	15.00	319.33	4,790.00
<b>Total estimated fees</b>	<b>279.90</b>	<b>222.55</b>	<b>62,292.50</b>

- 5.4 Our time costs for the Period are £18,070. This represents 90 hours at an average rate of £201 per hour. Attached at Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent in managing the Administration.
- 5.5 Also attached at Appendix C is a cumulative Time Analysis for the period from 8 March 2016 to 27 February 2017 which provides details of our time costs since our appointment. The cumulative time costs incurred to date are £63,287 and this represents 287 hours at an average rate of £221 per hour.
- 5.6 A description of the activities of which time has been spent are as follows:-

## **AAA A1 STREAMLINE ROAD MARKINGS LIMITED – IN ADMINISTRATION**

### ***Administration (including Statutory)***

- 5.7 Time spent on this category which is in the sum of £21,424 representing 114 hours at an average rate of £188 per hour, relates to, but is not limited to, sending statutory notice of Administration to various parties, preparing and circulating the Proposals to creditors, preparing and circulating notice of result of the meeting of creditors by correspondence, preparing and circulating the Progress Report and preparing and reviewing the Joint Administrators' Final Report prior to circulation, dealing with general telephone queries, general written correspondence, the posting of income and expenditure vouchers and the production of monthly bank reconciliations.

### ***Realisation of Assets***

- 5.8 Time spent on this category, in the sum of £14,098 representing 50 hours at an average of £282 per hour, relates to, but is not limited to liaising with SW regarding a marketing strategy for the disposal of the Company's business and assets and the Property, liaising with interested parties and liaising with SW and Brabners regarding the Sale and Purchase Agreement, liaising with SW, Brabners and interested parties regarding the sale of the Property, liaising with Brabners regarding finalising the sale of the Property, liaising with SBF regarding the encumbered book debts, liaising with the directors regarding the unencumbered book debts and liaising with SW regarding the disposal of the chattel assets.

### ***Trading***

- 5.9 Time spent on this category, in the sum of £8,291 representing 42 hours at an average of £199 per hour, relates to, but is not limited to liaising with the employees and standing down the manual labourers, discussions with the directors, key management, SW and Brabners regarding the work in progress and reviewing potential strategies for the completion of the WIP, liaising with customers regarding the appointment of the Joint Administrators and discussions regarding the completion of the WIP.
- 5.10 As previously advised the Joint Administrators did not undertake any trading of the Company whilst was in Administration; however, for the purposes of time recording all time spent on site reviewing the possibility of trading has been recorded as such.



### AAA A1 STREAMLINE ROAD MARKINGS LIMITED – IN ADMINISTRATION

5.11 At the date of this report, we would confirm that our fees estimate for the Administration remains unchanged. This is because we have undertaken to restrict the Joint Administrators' time costs to be drawn from the estate to £62,293 plus VAT and as a result, any time costs incurred in excess of this amount will not be borne by creditors.

5.12 To date, the Joint Administrators have drawn the sum of £62,293 plus VAT on account.

5.13 Category 1 disbursements in the combined sum of £2,749 plus VAT or Insurance Premium Tax ("IPT") (where applicable) have been drawn on account.

Name of Recipient	Brief description of services provided	Total amount charged £	Amount paid £	Amount unpaid £
AUA Insolvency Risk Services Limited	Insurance of Assets (Property)	236 plus IPT	236 plus IPT	Nil
AUA Insolvency Risk Services Limited	Insurance of Assets	1,560 plus IPT	1,560 plus IPT	Nil
AUA Insolvency Risk Services Limited	Statutory bordereau	660	660	Nil
Courts Advertising Limited	Statutory Advertising	169 plus VAT	169 plus VAT	Nil

5.14 Category 2 disbursements in the combined sum of £1,500 plus VAT have been drawn on account.

Name of Recipient	Brief description of services provided	Total amount charged £	Amount paid £	Amount unpaid £
Cowgill Holloway LLP	Preparation of a Sales Memorandum	1,500 plus VAT	1,500 plus VAT	Nil

5.15 A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from <http://www.cowgills.co.uk/services/business-recovery/creditors-guides-to-fees/>.

5.16 Attached at Appendix E is additional information in relation to the Joint Administrators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

## **6 Creditors' rights**

- 6.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this Progress Report.
- 6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this Progress Report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Joint Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Administrators, as set out in this Progress Report, are excessive.

## **7 Ending the Administration**

- 7.1 We would confirm that a notice bringing the Administration to an end and moving the Company into Creditors' Voluntary Liquidation was registered by the Registrar of Companies on 27 February 2017. As a consequence, the Company is now in Liquidation and we would confirm that we are the appointed Joint Liquidators, as agreed in the Proposals.
- 7.2 Further information on the progress of the Liquidation will be issued to creditors within two months of the anniversary of the above date. If a dividend is to be declared sooner, we will write to creditors to provide appropriate details in the intervening period.
- 7.3 If any creditors have not yet submitted their statement of claim, please ensure this is forwarded to our Bolton office as soon as possible in order that your claim can be admitted for dividend purposes
- 7.4 We would confirm that the basis of our remuneration as Joint Liquidators remains the same as in the Administration. Our fees estimate for the work we anticipate will be required in the Liquidation and details of the expenses we anticipate will be, or are likely to be, incurred will be forwarded to creditors for approval in due course.

**AAA A1 STREAMLINE ROAD MARKINGS LIMITED – IN ADMINISTRATION**

- 7.5 The Joint Administrators were discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 following their appointment as Joint Administrators ceasing to have effect on 27 February 2017.

For and on behalf of

AAA A1 Streamline Road Markings Limited

A handwritten signature in black ink, appearing to be 'Craig Johns', with a stylized, cursive script.

**Craig Johns**

**Joint Liquidator and Former Joint Administrator**

## Appendix A

**Joint Administrators' Receipts and Payments Account for the Period  
from 8 September 2016 to 27 February 2017 together with a Cumulative  
Receipts and Payments Account for the Period from 8 March 2016 to 27  
February 2017**

	Statement of Affairs	For the Period From 8 September 2016 to 27 February 2017	For the Period From 8 March 2016 to 27 February 2017
	£	£	£
<b>RECEIPTS</b>			
<b>Fixed Charge Realisations</b>			
Freehold Land & Property	-	-	355,000
Licence Fee	-	-	8,159
Encumbered Book Debts	-	123,339	310,473
Contribution to Wages	-	-	2,634
<b>Floating Charge Realisations</b>			
Goodwill	-	-	1
Fixtures & Fittings	-	-	2,500
Plant & Machinery	-	-	7,500
Motor Vehicles	-	15,000	50,000
Stock	-	-	9,999
Refund of Training Fees	-	-	2,160
Private Treaty sale of Vehicle	-	-	3,500
Private Treaty sale of Number Plates	-	-	3,350
Unencumbered Book Debts	-	-	15,971
	-	138,339	771,247
<b>PAYMENTS</b>			
<b>Trading Payments</b>			
Direct Labour	-	-	1,178
Employer's PAYE/NIC Deductions	-	-	176
Employer's Pension Deductions	-	-	8
Employer's Pension Contributions	-	-	10
Layoff Pay	-	-	1,300
Utility Supplies	-	-	95
Property Expenses	-	-	29
Payroll Assistance	-	-	46
<b>Pre Appointment Costs</b>			
Joint Administrators' Fees	-	-	5,579
Joint Administrators' Expenses	-	-	5
Counsel's Fees	-	164	175
Legal Fees	-	-	3,720
<b>Fixed Charge Payments</b>			
Legal Fees	-	-	10,780
Legal Disbursements	-	-	39
Counsel's Fees	-	65	65
Agent's Fees	-	-	7,713
Agent's Disbursements	-	-	2,175
Bank Charges	-	-	52
Insurance of Property	-	-	236
Insurance Premium Tax	-	-	22
Termination Charges	-	-	45,565
<b>Floating Charge Payments</b>			
Specific Bond	-	-	660
Joint Administrators' Fees	-	20,293	62,293
Preparation of a Sales Memorandum	-	-	1,500
Assistance with Unassigned Debt Collection	-	-	4,059
Legal Fees	-	-	7,000
Agent's Fees	-	1,000	8,685
Agent's Disbursements	-	-	505
Statutory Advertising	-	-	169
Insurance of Assets	-	-	1,560
Insurance Premium Tax	-	-	148
<b>Fixed Charge Distributions</b>			
Skipton Business Finance Limited paid at a rate of 100 pence in the pound on 10 May 2016	-	-	133,786
Royal Bank of Scotland Plc paid at a rate of 100 pence in the pound on 1 July 2016	-	-	259,265
<b>Preferential Distribution</b>			
First and final distribution paid at a rate of 100 pence in the pound on 15 February 2017	-	8,474	8,474
	-	29,996	567,072
<b>Balance</b>			<b>204,175</b>
<b>MADE UP AS FOLLOWS</b>			
Cash at Bank (Non Interest Bearing)			192,945
VAT Receivable			11,230
			<b>204,175</b>

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Note 1: - A statement of affairs is yet to be received from the directors.

Note 2: - It should be noted that the business did not continue to trade after the appointment of the Joint Administrators; however, for the purposes of the Receipts and Payments Account, the costs associated with retaining the employees and the Property have been categorised as such

## Appendix B

### Time Analysis for the Period from 8 September 2016 to 27 February 2017

	Partner	Director	Senior Manager	Senior Administrator	Administrator	Cashier	Total Hours	Total Cost £	Average Cost £
Administration (including Statutory)	3.80	-	10.90	34.60	4.20	4.80	58.30	10,330.00	177.19
Creditors (Claims and Distribution)	-	2.80	-	7.90	-	-	10.70	2,262.00	211.40
Investigations	6.50	-	-	4.30	-	-	10.80	3,211.50	297.36
Realisation of Assets	-	-	5.40	4.70	-	-	10.10	2,266.00	224.36
Trading	-	-	-	-	-	-	-	-	-
Case Specific Matters (Bank Reports)	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>10.30</b>	<b>2.80</b>	<b>16.30</b>	<b>51.50</b>	<b>4.20</b>	<b>4.80</b>	<b>89.90</b>	<b>18,069.50</b>	<b>201.00</b>

## Appendix C

## Cumulative Time Analysis for the Period from 8 March 2016 to 27 February 2017

	Partner	Director	Senior Manager	Senior Administrator	Administrator	Cashier and Support Staff	Total Hours	Total Cost £	Average Cost £
Administration (including Statutory)	10.80	-	17.90	68.30	4.40	21.80	123.20	23,134.00	187.78
Creditors (Claims and Distribution)	4.90	2.80	0.80	21.20	-	3.50	33.20	7,113.50	214.26
Investigations	8.10	-	0.70	17.30	-	-	26.10	6,326.50	242.39
Realisation of Assets	21.10	1.00	15.10	13.80	-	1.00	52.00	14,527.50	279.38
Trading	-	-	11.90	28.70	-	1.00	41.60	8,291.00	199.30
Case Specific Matters (Bank Reports)	10.00	-	-	0.80	-	-	10.80	3,894.00	360.56
<b>TOTAL</b>	<b>54.90</b>	<b>3.80</b>	<b>46.40</b>	<b>150.10</b>	<b>4.40</b>	<b>27.30</b>	<b>286.90</b>	<b>63,286.50</b>	<b>220.59</b>

Note 1 - The Joint Administrators did not undertake any trading of the Company whilst in Administration; however, for the purposes of time recording all time spent on site reviewing the possibility of trading has been recorded as such.

## Appendix D

### Outcome Statement as at 27 February 2017

	Notes	Administration £
<b>Assets</b>		
Cash held by Joint Administrators as at 27 February 2017	1	204,175
Unencumbered Book Debts	2	Uncertain
Directors' Loan Account	3	Uncertain
		<u>204,175</u>
Less: Costs of Liquidation	4	<u>(50,645)</u>
Estimated funds available for Preferential Creditors		153,530
Less: Estimated Preferential Creditors	5	<u>n/a</u>
Estimated Surplus / (Deficiency) to floating charge creditor		153,530
Less: Prescribed Part	6	<u>n/a</u>
Estimated Surplus / (Deficiency) to floating charge creditor		153,530
Less: Floating charge creditor	6	<u>n/a</u>
Estimated Surplus / (Deficiency) to floating charge creditor		153,530
Add: Prescribed Part	6	<u>n/a</u>
Estimated Surplus / (Deficiency) to unsecured creditors		153,530
Less: Unsecured Creditors:		
Directors' Loan Account	3	Uncertain
Trade & Expense creditors	7	(147,844)
HM Revenue & Customs	8	(429,155)
Employees - Residual Arrears of Wages	9	<u>(923)</u>
		<u>(577,922)</u>
Estimated (Shortfall) to Unsecured Creditors		<u>(424,392)</u>

	£
Estimated dividend to Unsecured Creditors	0.27

Notes
1 This includes cash held by the Joint Administrators in the sum of £192,946 and VAT receivable in the sum of £11,229. AVAT has recently been submitted and these funds will be paid into the Liquidation bank account.
2. According to the books and records of the Company five outstanding book debts in the sum of £6,957 remain outstanding. The Joint Administrators are continuing to pursue the outstanding balances, however, realisations are currently uncertain.
3 According to the financial statements for the year ended 30 September 2015 directors' loan accounts in the sum of £25,000 were due to the Company, however, the directors dispute that these amounts are due and have advised that they are in fact creditors of the Company. The Joint Administrators are continuing to investigate the position.
4 See the estimate below.
5 On 15 February 2017, preferential creditors were paid a dividend of 100 pence in the pound.
6 Skipton Business Finance Limited and Royal Bank of Scotland Plc were repaid in full under the terms of their fixed charges and therefore the Prescribed Part rules do not apply.
7 Taken from the Company books and records and claims provided by the unsecured creditors.
8 Based on the claims provided by HM Revenue & Customs.
9 Employees are entitled to make a preferential claim for arrears of wages in the sum of £800, any claim in excess of this ranks as an unsecured claim. The Joint Administrators have received residual claims from employees in the sum of £923.

Costs of Administration	£
Joint Liquidators' Fee Estimate	(50,000)
Statutory Advertising	(85)
Statutory Bordereau	(460)
Storage Costs (Estimated)	<u>(100)</u>
	<u>(50,645)</u>



## Appendix E

## Additional Information in Relation to the Joint Administrators' Fees, Expenses & Disbursements

### 1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 On this case we are proposing to use the services of the following sub-contractors:

Service(s)	Provider	Basis of fee arrangement	Cost to date
Collection of Non-Factored Book Debts	Mr and Mrs R Houghton	50% of debtor collections	£4,059 plus VAT

### 2 Professional Advisors

- 2.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Brabners LLP (legal advice)	Hourly rate and disbursements
AUA Insolvency Risk Services Limited (insurance)	Risk based premium
KO Business Services (NW) Limited (payroll assistance)	Fixed fee
Sanderson Weatherall LLP (valuation and disposal advice)	Fixed fee and percentage fee of the Property sale and asset sales
Robson Kay Associates Limited	Fixed fee
Cowgill Holloway LLP (preparation of sales memorandum)	Fixed fee

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- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

### 3 Joint Administrators' Expenses & Disbursements

- 3.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the Administration was provided to creditors in the Proposals, a copy of which is set out below:

Expense	Provider	Basis of fee arrangement	Cost to date £
Joint Administrators' bond	AUA Insolvency Risk Services Limited	Fixed fee based on the value of assets in the Administration estate	660
Insurance of Physical Assets	AUA Insolvency Risk Services Limited	Risk based insurance premium	250 plus Insurance Premium Tax
Property Insurance	AUA Insolvency Risk Services Limited	Risk based insurance premium	1,500 plus Insurance Premium Tax
Solicitor's costs in dealing with the asset purchase agreement	Brabners LLP	Hourly rate plus disbursements	5,000 plus VAT
Solicitor's costs in dealing with the sale of the Property	Brabners LLP	Hourly rate plus disbursements	3,000 plus VAT
Statutory advertising	Courts Advertising Limited	Fixed fee per advertisement	255 plus VAT
Staff related travel expenses	Direct cost of the Joint Administrators & their staff	Disbursements	1,000 plus VAT
Payroll Assistance	K O Business Services (NW) Limited	Hourly rate plus disbursements	46
Document storage	Restore Plc	Fixed fee per box per month plus fixed fee per box for destruction	50 plus VAT
Valuation of assets	Robson Kay Associates Limited	Fixed fee	1,000 plus VAT
Agent's costs in dealing with the chattel asset sales	Sanderson Weatherall LLP	Hourly rate plus disbursements	7,000 plus VAT
Agent's costs in dealing with Property	Sanderson Weatherall LLP	Fixed fee of 1.75% of the Property sale price plus disbursements	5,775 plus VAT

**Current position of Joint Administrators' expenses**

- 3.2 An analysis of the expenses (including disbursements) paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

	<b>Paid in prior periods £</b>	<b>Paid in the period covered by this report £</b>	<b>Incurred but not paid to date £</b>	<b>Total anticipated cost £</b>
Allied Irish Bank (GB)	52 plus VAT	-	-	52 plus VAT
AUA Insolvency Risk Services Limited (Insurance of Assets)	1,560 plus IPT	-	-	1,560 plus IPT
AUA Insolvency Risk Services Limited (Property insurance)	236 plus IPT	-	-	236 plus IPT
AUA Insolvency Risk Services Limited (Statutory Bordereau)	660	-	-	660
Brabners LLP (Counsel's Fee)	-	65 plus VAT	-	65 plus VAT
Brabners LLP (Disbursements)	39 plus VAT	-	-	39 plus VAT
Brabners LLP (Property)	10,780 plus VAT	-	-	10,780 plus VAT
Brabners LLP (Sale and Purchase Agreement)	7,000 plus VAT	-	-	7,000 plus VAT
Courts Advertising Limited (Statutory advertising)	169 plus VAT	-	-	169 plus VAT
Cowgill Holloway LLP	1,500 plus VAT	-	-	1,500 plus VAT
Direct cost of the Joint Administrators & their staff (Travel and Expenses)	5 plus VAT	-	-	5 plus VAT
EOn Plc	77 plus VAT	-	-	77 plus VAT
Henco International Limited	29 plus VAT	-	-	29 plus VAT
K O Business Services (NW) Limited (Payroll Assistance)	46 plus VAT	-	-	46 plus VAT
Mr and Mrs R Houghton (Book Debt Collection)	4,059 plus VAT	-	-	4,059 plus VAT
Restore Plc (Document Storage)	-	-	-	50 plus VAT
Robson Kay Associates Limited	-	1,000 plus VAT	-	1,000 plus VAT
Sanderson Weatherall LLP (Assets)	7,685 plus VAT	-	-	7,685 plus VAT
Sanderson Weatherall LLP (Disbursements in respect to the sale of the Assets)	505 plus VAT	-	-	505 plus VAT
Sanderson Weatherall LLP (Disbursements in respect to the sale of the Property)	2,175 plus VAT	-	-	2,175 plus VAT
Sanderson Weatherall LLP (Property)	7,713 plus VAT	-	-	7,713 plus VAT
Skipton Business Finance Limited (Termination Fees)	45,565 plus VAT	-	-	45,565 plus VAT
Sunbeam Receivables Limited	18 plus VAT	-	-	18 plus VAT

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- 3.3 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.
- 3.4 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Joint Administrators' fees were approved by creditors.
- 3.5 On a meeting of creditors held on 16 May 2016, the Joint Administrators were authorised to draw Category 2 disbursements in accordance with the firm's published tariff.

## 4 Charge-Out Rates

- 4.1 Cowgill Holloway Business Recovery LLP's current charge-out rates effective from 1 March 2012 are detailed below.
- 4.2 Please note this firm records its time in minimum units of 6 minutes.

Staff Grade	Rate per Hour
Partner	£375
Consultant	£300
Director	£300
Manager	£250
Senior Administrator	£180
Administrator	£150
Cashier/Support	£120
Junior Administrator	£100