

## 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

02984882

Name of Company

AMT Systems Limited

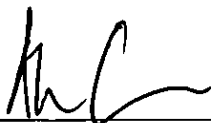
I,

A J Clark, Recovery House, Hainault Business Park, 15-17 Roebuck Road, Ilford, Essex, IG6 3TU

the liquidator of the company attach a copy of my Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 31/12/2014 to 30/12/2015

Signed



Date

29/2/16

Carter Clark  
Recovery House  
15-17 Roebuck Road  
Hainault Business Park  
Ilford, Essex  
IG6 3TU

Ref AMT2014/AC/SS/3

WEDNESDAY



A05 02/03/2016 #288  
COMPANIES HOUSE

**AMT Systems Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**

Statement of Affairs		From 31/12/2014 To 30/12/2015	From 31/12/2013 To 30/12/2015
	<b>ASSET REALISATIONS</b>		
356,454 00	Surplus from Administration	NIL	362,453 54
	Furniture & Equipment	400 00	400 00
3,500 00	Scrap Metal money	NIL	3,500 00
10,000 00	Unencumbered Motor Vehicles	NIL	NIL
100,000 00	Book Debts	NIL	33,089 20
65,364 00	Retentions	NIL	11,924 69
	Tax Refund	32,269 27	32,269 27
29,204 30	Cash at Bank	NIL	27,494 29
	Litigation Settlements	NIL	55,500 00
	Bank service charge refund	32 35	32 35
	Bank Interest Gross	312 49	608 45
		<u>33,014 11</u>	<u>527,271 79</u>
	<b>COST OF REALISATIONS</b>		
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	Office Holders Expenses	NIL	1,337 38
	Accountants Fee	NIL	3,500 00
	Agents Fees	950 00	8,210 00
	Litigation Settlement	NIL	NIL
	Legal Fees	(1,320 00)	22,133 00
	Legal disbursements	(530 00)	52 00
	Corporation Tax	NIL	33 00
	Debt Collection Fees	1,700 00	2,300 00
	Debt Collection Fees	NIL	NIL
	Insurance of Assets	NIL	18 37
	Bank Charges	51 95	188 15
		<u>(11,401 95)</u>	<u>(89,571 90)</u>
	<b>PREFERENTIAL CREDITORS</b>		
		NIL	NIL
	DE Arrears & Holiday Pay	NIL	NIL
	Employee Arrears/Hol Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>UNSECURED CREDITORS</b>		
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(119,167 91)	Employees	NIL	11,714 02
(110,036 71)	Department of Employment	NIL	26,716 68
(72,762 89)	HMRC - PAYE/NIC	NIL	NIL
(19,738 00)	HMRC - Corp Tax	NIL	NIL
18,671 00	HMRC - VAT	NIL	NIL
(434,605 00)	Guarantee Liability	NIL	82,574 95
	Notional Tax and NI on Uns dividend	NIL	55 80
		<u>NIL</u>	<u>(282,115 06)</u>
	<b>DISTRIBUTIONS</b>		
(100 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>(1,259,402.89)</b>		<b>21,612 16</b>	<b>155,584.83</b>

REPRESENTED BY

Fixed Current A/c	44,986 04
Deposit A/c (Interest Bearing)	110,301 24
ISA NIB	47 55
Vat Control Account	250 00
	<hr/>
	<b>155,584.83</b>
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**AMT Systems Limited**

**Liquidators Progress Report**

**29 February 2016**

**AMT Systems Limited**  
**Liquidators progress report**

Your ref  
Our ref AMT2014/AC/AW/SS/3  
Contact Alan Clark  
Telephone 020 8524 1447  
Fax 020 8524 1457  
Date 29 February 2016

**Carter Clark**  
Financial Recovery

Recovery House  
Hainault Business Park  
15-17 Roebuck Road  
Ilford  
Essex  
IG6 3TU

**PRIVATE AND CONFIDENTIAL**  
**To All Known Creditors and Contributories**

Dear Sirs

**AMT Systems Limited - In Liquidation**  
**Company No. 02984882**

Further to my appointment as Liquidator on 31 December 2013, I am now in a position to provide creditors and contributories with my second progress report on the liquidation. Please find enclosed receipts and payments accounts to the 30 December 2014 which, I trust, is self-explanatory.

The Registered Office of the company was changed to that of my office on 4 February 2014. Prior to the Registered Office was unit 14 Stockwith Park, Stockwith Road, Miserton, Doncaster, South Yorkshire DN10 4ES. This was also the principal trading address.

I can be contacted at the address shown on this report. If, however, you have any queries concerning this progress report I would be grateful if you would contact my colleague Alistair Whipps who can be contacted on the telephone number shown above.

**Liquidator's actions since last progress report**

The remaining assets in this case related to book debts / retentions and a claim for terminal loss relief from HMRC.

Debtor / retention recoveries

At the date of my appointment I was informed by the directors that all contracts had reached practical completion. The statement of affairs at 17 July 2013 listed contract debts and retentions as follows:

	BV £	ERV £
Book debts	308,836	240,000
Retentions	65,364	uncertain

In the period covered by this report no further book debts have been collected although collection efforts continued. It is clear that the remaining debts, excluding KMI+ referred to below, are proving extremely difficult to collect. I believe that someone with industry knowledge and ongoing contact with some of the Water Companies, may have a better chance of collecting any remaining monies. Arrangements are being made to seek his assistance on a commercial basis.

**Partners**  
Gary A Carter  
Alan J Clark\*  
Philip Gautier

**Associate**  
Alistair Whipps

[www.carterclark.co.uk](http://www.carterclark.co.uk)

\*Licensed to carry out insolvency work in the UK by the Institute of Chartered Accountants in England and Wales

## **AMT Systems Limited**

### **Liquidators progress report**

#### **KMI+**

The largest debt relates to the Lostock contract which is being run by KMI+. The book value of this debt amounted to £99,594. KMI+ subsequently submitted a claim for £340,000 in respect of weld testing on six tanks. This led to me seeking assistance from both Blake Morgan LLP, Solicitors, and also Murray Esplin who has detailed industry knowledge. Following correspondence with KMI+ their claim was rejected.

In late 2014 KMI+ received a defects claims from United Utilities and withheld the retention. Murray Esplin has been assisting in rectification/negotiation with KMI+. KMI+ subsequently carried out rectification work on behalf of AMT as the company, having ceased to trade prior to the Administration, was in no position to undertake rectification. Having completed these minor defects KMI+ were awaiting work to be signed off by United Utilities.

In October 2015 Mr Esplin offered continuing assistance. I understand that he doesn't accept that work was not completed satisfactorily, although the problem remains that United Utilities are withholding payment and AMT is tied to a 7 year defect period.

In an attempt to progress the early release of funds, Mr Esplin held discussions with KMI+. The idea was raised that perhaps AMT could seek an insurance bond and then obtain a release of the retention. After discussion with Blake Morgan it became apparent that this approach could not be achieved, and in any event I understand that KMI+ subsequently rejected this approach.

The KMI+ contract is large and detailed. In an attempt to find an alternative approach, Blake Morgan reviewed the main contract and defects notification received from KMI+. Discussions with KMI+ are ongoing.

Blake Morgan advise that, for these points to be tested, adjudication proceedings would need to be issued. In addition to legal advice, technical engineering / construction assistance would also be needed. They further advise that it was unlikely that any solicitor would agree to act on a conditional fee basis. It is likely that the costs of adjudication, when combined with litigation risk, are unlikely to produce a return for creditors.

#### **Other assets**

##### **Pumping equipment**

As outlined in my last report to creditors, pumps and related equipment were recovered from Mundaring Water Treatment Works in Australia. The Carnet Department from HMRC had a meeting with Gordon Brothers Europe who have been assisting with asset disposal. Following inspection HMRC approved disposal of the equipment. Mr Esplin made an offer for the equipment and, following approval from the liquidation committee, the equipment was finally sold for £8,500. The realisations for the liquidation is likely to be minimal as there were significant agents' costs involved in repatriating the pumps to the UK.

A signed limited edition painting of Westminster Bridge by Paul Kenton, recovered from Stuart Watson, has been sold at auction for £375.

##### **HMRC Terminal Loss Relief Claim**

AMT made substantial losses prior to its Administration. Following a review of the accounts and tax computations I appointed Bray Griffin LLP, Chartered Accountants, to assist the company in filing a claim for Terminal Loss Relief for £177,750. HMRC have been extremely slow in progressing the company's claim. It is also difficult to communicate with them on repayment issues. Throughout 2015 Bray Griffin LLP have been chasing progression of the claim and had to resort to threatening a complaint to the Ombudsman before HMRC would acknowledge matters. I am glad to report that HMRC have now repaid £32,269 to the company.

## **AMT Systems Limited**

### **Liquidators progress report**

HMRC operate what is called Crown Set Off. Before they make a repayment they offset any other Crown liabilities such as VAT, PAYE, NIC, Redundancy Payments etc. Normally they send a summary of the Crown debts set off but in this case that has not happened. I am currently trying to ascertain if any Crown debts have not been subject to set off and hence what dividends, if any, need to be reserved for outstanding Crown claims. I am hopeful that HMRC will confirm that at least some Crown debts have been set off thereby allowing a release of funds currently reserved.

### **Receipts & payments account**

My receipts and payments accounts for the period under review, namely the year ended 3 December 2015, is attached. Receipts and payments are shown net of VAT.

### **Investigations**

Whilst the bulk of my investigations were undertaken either within the administration or within the first year of the liquidation.

### **Preferential creditors**

All known preferential claims were settled through the administration and no further claims are expected.

### **Unsecured creditors**

Claims from unsecured creditors, following the Administration, were originally estimated at £2,333,641. Following a review of all claims, 86 claims were agreed in the sum of £1,484,816. In addition, claims with a value of £494,971 have been rejected either as part of a settlement agreement or attempted contra charges from customers. The claims of HMRC for VAT and PAYE in the sum of £181,880 have been deferred until after agreement of the company's terminal loss relief has been obtained.

On 6 March 2014 a dividend of £222,723, representing 15p/£1 was declared. A further dividend of £59,392 representing £4p/£1 was declared on 31 July 2014. A further dividend will be payable, although the quantum is currently uncertain pending further debtor recoveries. I anticipate paying a further dividend of 6p in the £ shortly. Further dividend distributions will be dependent on further book debt recoveries and the finalisation of the Crown set off in connection with the terminal loss relief claim.

### **Prescribed Part**

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

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

There is no qualifying floating charge in this case so the prescribed part provisions do not apply.

### **Investigation into the affairs of the Company**

During the period covered by this report I have continued to investigate matters which may have led to a benefit to creditors. In particular I investigated various charges made to the company for computers and data costs. This resulted in a settlement of £400 being received. The solicitors instructed by me advised that pursuing the matter further was unlikely to be economic.

## **AMT Systems Limited**

### **Liquidators progress report**

#### **Liquidator's remuneration, disbursements and expenses**

Within the Administration my costs were approved on a time cost basis. Insolvency legislation provides that where an Administration is converted to a Liquidation the insolvency office holder shall continue to be remunerated on the basis agreed within the Administration. In the period covered by this report I and my staff have spent 34 hours administering the liquidation at an average hourly rate of £243 per hour. Since the liquidation commenced and to the 30 December 2015 the total time spent by myself and my staff has been 237 hours at a total cost of £52,093 which equates to an average hourly rate of £220.

#### **Administration**

Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case

Dealing with all routine correspondence and emails relating to the case

Opening, maintaining and managing the office holder's estate bank account

Creating, maintaining and managing the office holder's cashbook

Undertaking regular bank reconciliations of the bank account containing estate funds

Reviewing the adequacy of the specific penalty bond on a quarterly basis

Undertaking periodic reviews of the progress of the case

Overseeing and controlling the work done on the case by case administrators

Preparing, reviewing and issuing annual progress reports to creditors and members

Filing returns at Companies House

Preparing and filing VAT returns

Preparing and filing Corporation Tax returns

During the period covered by this report I and my staff have spent 12.30 hours on administration on the file at an average hourly rate of £216 and a total charge to the insolvent estate of £2,655. During the liquidation up to 30 December 2015 the time spent undertaking administration on the file has been 36 hours at an average hourly rate of £200 and a total cost to the estate of £7,111. This work has not resulted in any benefit to creditors but has had to be done either as a statutory requirement or as a professional requirement that is imposed on me.

#### **Creditors**

Dealing with creditor correspondence, emails and telephone conversations regarding their claims

Maintaining up to date creditor information on the case management system

Entering in to correspondence with creditors to obtain clarification on their claims

Dealing with the potential terminal loss relief claim and liaising with accounts in order to progress the claim

Corresponding with HMRC concerning crown set off on the Terminal Loss Relief claim

All dealings with the creditors committee

During the period covered by this report I and my staff have spent 6.2 hours on creditor claims at an average hourly rate of £240.88 and a total charge to the insolvent estate of £1,489. During the liquidation up to 30 December 2015 the time spent on creditors' claims has been 1.11 hours at an average hourly rate of £200 and a total cost to the estate of £7,111. This work has resulted in a benefit to creditors as it has enabled dividends to be paid and also increased the dividend by the tax refund.

#### **Realisation of assets**

The work done in connection with asset realisations is detailed in the body of the report. My and my staff's time spent on asset realisations amounts to 7.8 hours at an average rate of £238 per hour and a total charge of £1,855. During the liquidation up to 30 December 2015 the time spent on asset realisations has been 38.4 hours at an average hourly rate of £226 and a total cost to the estate of £8,692. This work has obviously benefited creditors as the realisations made have enhanced the amount that can be paid as dividends.



## **AMT Systems Limited**

### **Liquidators progress report**

#### **Investigations**

The work that has been done on investigations is again detailed in the body of the report. My and my staff's time spent on asset realisations in the period covered by this report amounts to 8 hours at an average rate of £290 per hour and a total charge of £1,854. During the liquidation up to 30 December 2015 the time spent on investigations has been 52 hours at an average hourly rate of £238 and a total cost to the estate of £12,295. All investigations were done either with a view to ascertaining whether any monies could be recovered for the benefit of creditors or as I was under a statutory or professional duty to undertake the investigations. Accordingly creditors have benefited from some of this work.

#### **Expenses of the Liquidation**

The following expenses have been incurred in connection with the liquidation:

Expense	Incurred	Drawn
Unpaid Administration expenses	1,260	1,260
Advertising costs	67	67
Total	<u>£1,327</u>	<u>£1,327</u>

In addition I have also incurred storage costs of £721 which is classed as a category 2 disbursement as it was paid to an associate company, Ideal Data Limited.

I have also incurred the fees of an accountant in progressing the terminal loss relief claim. I instructed Mr Ian Bray of Bray Griffin LLP to assist me in this regard. My reason for instructing him was his past knowledge in dealing with similar claims. The fees incurred by him were £3,500 which has been paid. The basis of his fee was time costs.

Legal fees of £23,333 have been incurred with Blake Morgan. In the period covered by this report, they have incurred fees of £1,200 and a fee note from them was received recently in this sum. I instructed Blake Morgan due to the experience and reputation for dealing with specialist insolvency matters. To date they have been paid £22,133 of their fees. The basis of the fee is time costs. The work done by them is detailed in the body of this report.

Agent's fees in the sum of £8,210 have been incurred. This mainly related to the retrieval of pumps from Australia, their subsequent sale and dealings with HMRC in this country. The agents instructed by me were Gordon Brothers (Europe) Limited. I chose to instruct them due to their experience in dealing with the sale of insolvent company assets and the ability to deal with cross border issues. The basis of their fee was time costs. Their fees in connection with the return of the pumps to the UK are still outstanding and I am awaiting their confirmation as to their fees and any sum due to the liquidation from the sale of the returned pumps.

The agent's fees shown on the Receipts and Payments account in the sum of £950 were paid to Murray Esplin in respect of his assistance during the liquidation. His fees were approved by the creditors committee. My reason for instructing Mr Esplin was his experience within the water treatment industry. The basis of his fees was a fixed fee.

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Liquidators' remuneration and expenses within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidators' fees and the amount of any proposed expenses or expenses already incurred within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

**AMT Systems Limited**  
**Liquidators progress report**

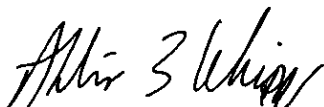
More information can be obtained on liquidators fees from the CreditZone area of our website, [www.carterclark.co.uk](http://www.carterclark.co.uk) where the relevant guide to liquidators' fees is available. The relevant guide for this liquidation is the one for liquidations after 6 April 2010. Also available in the same section of our website is this firm's policy on fees. In the section on our website headed corporate information is the relevant information I am required to provide under the Provision of Services Regulations. Hard copies of these documents will be provided on request.

**Summary**

The Liquidation will remain open to enable a further dividend(s) to be paid and to progress outstanding debtor recoveries.

Should you have any queries regarding this report, or the Liquidation in general, please contact Alistair Whipps on 020 8524 1447.

Yours faithfully  
For and on behalf of AMT Systems Limited



Alistair Whipps  
For A J Clark  
**Liquidator**

Enc

**AMT Systems Limited**  
**Liquidators progress report**

Statutory Information

Company Name	AMT Systems Limited
Company Number	02984882
Registered Office	Recovery House Hainault Business Park 15 – 17 Roebuck Road Ilford Essex IG6 3TU
Liquidator	Alan Clark Recovery House Hainault Business Park 15 – 17 Roebuck Road Ilford Essex IG6 3TU  Telephone 0845 686 0100
Date of Appointment	31 December 2013

**AMT Systems Limited**  
**(In Liquidation)**  
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