

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

03121029

Name of Company

Alto Seating Systems Limited

I / We

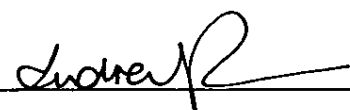
A Turpin, 35 Ludgate Hill, Birmingham, B3 1EH

Andrew Hosking, 10 Fitzroy Square, London, W1T 5HP

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 20/10/2015 to 19/10/2016

Signed



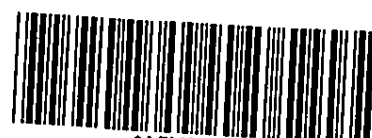
Date

16.12.16

Poppleton & Appleby
35 Ludgate Hill
Birmingham
B3 1EH

Ref A7B/AT/GJB/MGM/JS/LG

TUESDAY



A07 *A5M9NTGI* 20/12/2016 #109
COMPANIES HOUSE

Alto Seating Systems Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 20/10/2015 To 19/10/2016
	H P ASSETS	
740,849 00	Alto Seating / SAPA UK - Joint Accoun	NIL
(634,286 00)	SAPA Profiles UK Limited - Claim	NIL
		<u>NIL</u>
	ASSETS NOT PLEDGED	
	Int Property/Goodwill	1,000 00
7,476 00	Cash in Hand	7,476 19
23,090 00	Cash at Bank	24,016 55
226,000 00	Book Debts	NIL
NIL	Alto Seating Systems LLC	NIL
		<u>32,492 74</u>
	COST OF REALISATIONS	
	Agents Costs	250 00
	Statutory Advertising	153 44
	Bank Charges & Interest	46 00
	Accountancy Fees	350 00
		<u>(799 44)</u>
	UNSECURED CREDITORS	
(1,559,363 00)	Trade & Expense Creditors	NIL
(82,088 00)	HMRC - VAT	NIL
(906,007 00)	Alto Systems Limited	NIL
(60,189 00)	Alto Tower Systems Limited	NIL
(85,200 00)	Alto Systems Holdings Limited	NIL
(1,988,103 00)	HCC International Insurance Company	NIL
		<u>NIL</u>
	DISTRIBUTIONS	
(200 00)	Ordinary Shareholders	NIL
		<u>NIL</u>
(4,318,021.00)		<u>31,693.30</u>
	REPRESENTED BY	
	Estate Bank A/c Non Interest Bearing	31,693 30
		<u>31,693.30</u>


 A Turpin
 Joint Liquidator

TO ALL MEMBERS, CREDITORS AND
THE REGISTRAR OF COMPANIES

Our Ref AT/GJB/MGM/JS/LG/A7B/CVLL259

12 December 2016

Dear Sirs

Alto Seating Systems Limited - In Creditors' Voluntary Liquidation ("the Company")
Registered Office Address: 35 Ludgate Hill, Birmingham, B3 1EH
Company Registration Number: 03121029

We are pleased to provide our Annual Progress Report in the above matter. Please note that Andrew Hosking of Quantuma LLP and myself were appointed as Joint Liquidators of the Company on 20 October 2015 and now report following the end of the first year of our appointment.

Liquidator's Actions Since Appointment

As per the statutory requirements, immediately following our appointment, we contacted all Stakeholders in order to advise of our appointment as Joint Liquidators, this included the Members and any Creditors of which we were made aware.

We have made efforts to realise the Company's assets, to include the realisation of the cash at bank and cash in hand balances and progressed the ongoing collection of the Company's book debts in conjunction with my appointed Quantity Surveyor and Solicitor.

We have also continued to discharge our statutory functions as Liquidators' of the Company in this matter.

Receipts and Payments Account

We attach our Receipts and Payments Account for the current reporting period from 20 October 2015 to 19 October 2016.

Fixed Charge Assets

There are no assets that fall under a Fixed Charge in the Liquidation.

Unencumbered Assets

Joint account with SAPA UK Limited ("SAPA")

There is a balance of £740,840 received prior to our appointment and held in a joint account with SAPA, of which £106,564 is accepted by SAPA to be due to the Company in respect of amounts certified concerning the Olympic Park Stadium project. It is considered by Quantity Surveyors, The Eliot Partnership ("TEP") that a £200,000 deduction made from the certified payment should be available to the Company as this would be subsequently paid to SAPA who continued the project and therefore, further sums may be due to the Company.

Currently, no agreement has been reached with negotiations stalled with SAPA as to how the funds are to be divided and we believe this is unlikely to be resolved until negotiations regarding the Olympic Park Stadium project have been finalised.

Continued



The matter is therefore ongoing and we will report further in due course

Intellectual Property/Goodwill

Lakeside Industries Limited ("Lakeside"), an associated Company by virtue of common Directorships acquired the above assets of the Company for £1,000 on 21 December 2015

Lakeside were seeking to operate under the name of Alto Scaffolding Towers as a trading style and concerns were raised that the use of this trading style would be in contravention of Section 216 of the Insolvency Act 1986, regarding the use of prohibited names of insolvent companies

On taking legal advice, Lakeside were informed that they must acquire, the whole or substantially the whole, of all group Company assets in order to rely on Rule 4.228(1) of the Insolvency Rules in order not to contravene Section 216

As the Company did not have any physical assets, an offer of £1,000 was received to acquire the intellectual property and goodwill of the Company

This offer was passed to Agents, Kumar & Co who deemed the offer acceptable and as such it was accepted and payment has been received in full with no additional amounts expected in this regard. Kumar & Co have been paid £250 in respect of their advice on this matter.

Cash in Hand

As previously reported, £15,000 was lodged in the client account of Poppleton & Appleby ("P&A") prior to the date of Liquidation in order to fund completion of a contract in the USA.

The contract had a remaining invoice value of £17,457 and the associated costs of completion were £7,524.

With all costs to complete the project having been discharged, the customer ultimately made payment into the Company's Dollar Account, see Cash at Bank below.

£7,476 was paid into the Liquidation bank account representing the balance of funds retained.

Cash at Bank

Following closure of the Company bank account, £5,346 was received representing the closing balance on the account.

In addition, the Company operated a US dollar account which had a credit balance of approximately £17,713 at the time of the preparation of the statement of affairs, the majority of which related to the overseas customers payment of the completed works above. We can confirm with exchange rates, £18,671 has been received following the closure of the account.

No further realisations are anticipated.

Book Debts

A review of the Company's debtor and retention position was undertaken by independent Quantity Surveyors, TEP, with the assistance of the Company Directors.

As at the date of Liquidation the Company had a debtor ledger with an estimated to realise value of £226,000 as per the valuation undertaken by TEP.

The Company has an interest in a number of projects primarily, the following

Continued



E20 Stadium LLP, Olympic Park Stadium

The Eliot Partnership ("TEP") are in contact with Solicitors acting for the Employer, E20 Stadium LLP. You may recall that a claim was lodged on the outset of the Liquidation by E20 in the sum of £1,442,013 which was rejected by the Company. Detailed works have been undertaken by both the Joint Liquidator and TEP in formulating the Company's claims which totalled £1,530,815 although outside the reporting period these have been recently rejected by E20 in their last letter of 10 October 2016.

Again, outside the reporting period, we are scheduled to meet with both Solicitors and our QS in this matter to review in detail the merits of the claim, and, to consider the next step in this process. This matter is ongoing and we will report in more detail in future reports.

Project Bahrain

Detailed works have been undertaken in establishing the paperwork supporting the outstanding debt of £109,350. We have further researched and secured terms with an overseas collection agency to proceed with recovery of the debt. Costs of the collection agency will be on a percentage of recoveries basis of no higher than 10%, although additional legal fees may be incurred, and again, we propose to liaise with Committee members as matters proceed. We believe this is the most likely way of achieving a settlement, and whilst this will still involve detailed input and further negotiations, it will hopefully avoid the prospect of travelling overseas to conclude matters.

Project Baku

A debt remains due from Securo Limited in respect of a Stands Contract for the European Games Park in Baku, Azerbaijan. The balance due on the project is €1,481,671 although the Company accepted the project works were never completed and offered a €200,000 reduction to cover this. Despite this project being handed over in 2015, no agreement had been reached as regards the final account. Prior to Liquidation an offer of €137,000 was made by Securo Limited but was rejected by the Company.

Initial legal advice has been taken from Wilkes Partnership who confirmed that given the complications and the legal jurisdiction of the customer it would be beneficial to negotiate if possible a settlement. TEP recommended the Joint Liquidators enlist the assistance of Mr Alan Herbert of Alpha Professional Services Limited due to his detailed knowledge on the project and subject to his costs being agreed with the Committee.

Significant works have been undertaken to establish the outstanding debt and we have been working closely with Mr Herbert in compiling this information.

In view of the work undertaken, negotiations are still ongoing with Securo Limited and it is anticipated that a settlement in excess of the previous offer will be achieved, however, no agreement is currently in place and the matter remains ongoing.

Chelsea FC

This contract was abandoned prior to appointment on commercial grounds.

Unsold / Unrealised Assets

We can confirm that there are no assets which remain unrealised at this time other than the ongoing recovery of book debts. There may also be dividends arising from other Group Company liquidations although the position is unclear at this stage.

Investigation

Andrew Hosking of Quantuma LLP has assumed responsibility for the investigative elements of the case as per the agreed split of duties.

We would confirm that enquiries have been undertaken into the affairs of Company to establish any potential asset recoveries or conduct matters that may justify further investigation, taking into account relevant factors including public interest, the presence and / or value of any potential recoveries, the costs involved and the likelihood of available funds to support an investigation.

Continued



Having concluded his initial enquiries, no matters have come to light which justify further investigation in the circumstances of this appointment

In accordance with our statutory duties we are required, within six months of my appointment, to submit a confidential report to the Secretary of State in relation to the conduct of any past or present Director. We would confirm that our report has been submitted in satisfaction of this requirement

Costs of Liquidation

Professional Fees

Professional Advisors have been engaged to provide assistance during the course of the Liquidation

A summary setting out further details including the scope of their engagement, fees paid and future costs anticipated is attached at Appendix A

The choice of professionals used is based on their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and we are satisfied that they have been reasonable in the circumstances of the case

Liquidators' Expenses

Poppleton & Appleby

Category 1 Disbursements

I have incurred expenses of £524 to 19 October 2016, of which I have drawn £153. The expenses incurred in this matter to the anniversary of the Liquidation are summarised below

Category 1 Disbursement	Amount incurred in reporting period (£)	Amount paid in reporting period (£)	Further Disbursements Expected (£)	Revised Budget (£)
Bond	289	Nil	Nil	289
Statutory Advertising	153	153	154	307
Postage	82	Nil	180	262
Total	524	153	334	858

Those expenses which are classed as Category 1 disbursements do not have to be approved by the Liquidation Committee

Category 2 Disbursements

Those expenses classed as Category 2 below, require the specific approval of the Liquidation Committee and I am therefore seeking their approval to the following Category 2 disbursements

Category 2 Disbursement	Amount incurred in reporting period (£)	Amount paid in reporting period (£)	Further Disbursements Expected (£)	Revised Budget (£)
Storage	240	Nil	480	720
Mileage	28	Nil	Nil	28
Total	60	20	30	748

QUANTUMA

Disbursements

Details of Quantuma LLP's charging policy in relation to disbursements are available on request or can be downloaded from, http://www.quantuma.com/uploads/1/6/1/1/16116268/creditors_guide_liquidators_fees_nov11.pdf

Continued



Those expenses which are classed as Category 1 disbursements do not have to be approved, but when reporting to the Committee and Creditors during the course of the Liquidation the actual expenses incurred will be compared with the original estimate provided and I will explain any material differences (e.g. where legal costs rise due to escalated recovery action). Given that P&A are undertaking the main statutory duties I envisage incurring the following disbursements:

Category of work	Nature of expense to be incurred	Estimated amount of expense to be incurred £
Administration & Planning	Specific penalty bond, - A Hosking	67.50
	Gazette notice of appointment	56.50
	Gazette notice of winding up resolution	56.50
Creditors	Copying	5.00
	Postage	5.00
Other	Travel	118.27
	Haines Watts	195.00
Total		503.77

Expenses classed as Category 2, require the specific approval of Creditors and I am therefore seeking a specific resolution by correspondence approving Category 2 disbursements.

Liquidators' Remuneration

Creditors will recall that a Liquidation Committee was formed following the appointment of the Joint Liquidators on 20 October 2015.

It is the responsibility of the Liquidation Committee to agree the fees and disbursements of the Joint Liquidators and to assist with the conduct of the Liquidation.

During the course of the Liquidation, a report dated 23 March 2016 was sent to all Committee Members seeking their fee authority in respect of both Joint Liquidators' proposals for remuneration.

At this time, the basis of the Liquidators' remuneration has yet to be agreed with the appointed Liquidation Committee and this matter remains unresolved.

A further report and revised proposals for remuneration are to be submitted to the Liquidation Committee for their further consideration shortly although I can report that the Joint Liquidators' fees will be on a fixed or percentage of asset realisations basis only.

In the event that an agreement cannot be achieved with the Liquidation Committee, The Joint Liquidators will be required to seek approval from the general body of Creditors and submit their proposals for consideration and voting.

I attach at Appendix B, a schedule of the routine work undertaken by P&A as Joint Liquidator in a Creditors' Voluntary Liquidation procedure, for your information.

Outcome for Creditors

Fixed Charge Creditor(s)

There is no Secured Creditor in this matter.

Preferential Creditors

There are no Preferential Creditors in this matter.

Floating Charge Creditor(s)

There is no Floating Charge Creditor in this matter.

Continued



Outcome for Floating Charge Creditor(s) and The Prescribed Part

Provisions within the insolvency legislation require a Liquidator to set aside a percentage of any amounts available to a Floating Charge holder, for the benefit of the Unsecured Creditors, in cases where the Company granted the Floating Charge 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 (after deducting the associated Liquidation costs). Details of how much a Liquidator must set aside under the Prescribed Part have previously been circulated.

However, in view of the fact there is no Floating Charge Creditor in these proceedings, the Prescribed Part will not apply.

Unsecured Creditors

The position as regards Unsecured Creditors can be summarised as follows:

Creditor	Estimated Statement of Affairs Value of Unsecured Claims (£)	Number of Claims Received to Date	Value of Unsecured Creditor Claims To Date (£)
Trade Creditors	1,559,363	6	1,010,068
Crown Departments	82,088	Nil	Nil
Associated Parties / Loan Accounts	1,051,396	2	1,051,396
HCC International Insurance Co PLC	1,988,103	1	1,988,103
Totals	4,680,950	9	4,049,567

In terms of Unsecured Creditor claims, the prospect of any dividend is unlikely to be confirmed until such times as the Debtor accounts have been fully resolved and the final level of realisations has been determined.

It should be noted that the claim from E20 is not reflected in the table quoted above.

We will report further in due course.

Conclusion

As described herein, there are a number of matters which remain ongoing at the time of this report. We will continue to progress those matters and to satisfy our statutory functions with a view to bringing the Liquidation to a close upon resolution of the same. Further information will be circulated to Creditors in due course.

We have attached at Appendix C, a Statement of Creditors rights in relation to these proceedings.

If you should require any further information concerning this Liquidation then please do not hesitate to contact me or my Senior Case Manager, Garry Baxendale.

Yours faithfully
For and on behalf of
Alto Seating Systems Limited

A Turpin
Joint Liquidator

APPENDIX B

ROUTINE WORK ORDINARILY UNDERTAKEN IN MEMBERS AND CREDITORS VOLUNTARY LIQUIDATIONS

1 Administration & Planning

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence, e mails and telephone calls
- Maintaining physical case files and electronic case details in our computerised systems
- Review and storage
- Case bordereau reviews and maintenance
- Case planning and administration
- Case reviews
- Preparing reports to interested parties
- Convening and holding meetings of members and creditors and, where appropriate, the Committee

2 Cashiering

- Maintaining and managing the Liquidator's cashbook and bank account(s)
- Ensuring statutory lodgements and taxation affair obligations are met

3. Creditors

- Dealing with creditor correspondence, e mails and telephone calls
- Preparing reports to Creditors and other interested parties
- Maintaining Creditor information within our computerised systems
- Reviewing and adjudicating upon proofs of debt received from Creditors

4 Investigations

- Review and storage of books and records
- Preparing a report pursuant to the Company Directors Disqualification Act (Not in a Members Voluntary Liquidation)
- Conduct investigations into suspicious transactions
- Reviewing books and records to identify any transactions or actions a Liquidator may take against a third party in order to recover funds for the benefit of Creditors

5 Realisation of Assets

- Corresponding with debtors (where appropriate) and attempting to collect outstanding book debts
- Liaising with the Company's bank regarding the closure of the accounts(s)
- Employment of Agents and Solicitors where appropriate to assist in dealing with the above

STATUTORY DISCLOSURE REQUIREMENTS

Legislative requirements state that when an Insolvency Practitioner reports to Members and Creditors, there are certain statutory statements he must make. In order to fully comply with these conditions, we have set out below the statements which apply in these proceedings in this Appendix, rather than in the report itself, with the intention of keeping the report informative for Members and Creditors who are more likely to be interested in the practical points arising in the insolvency.

The statement which forms part of this statutory report which also needs to be considered along with it is as follows -

- Please note that no funds have been held with the Insolvency Services Account at any time during the Liquidation, therefore, it has been neither possible nor necessary to reconcile this account with the Secretary of State.

Comments as Regards Liquidator's Remuneration'-

- For further information with regards to this firm's policy on fees and disbursements as well as general guidance regarding a Liquidator's fees in a Creditors' Voluntary Liquidation, you may download a Creditors' Guide to Fees on our website at www.poppletonandappleby.co.uk and choose the following options: Creditors Login, Creditors' Guidance Notes, then choose, A Creditors' Guide to a Liquidator's Fees Effective from October 2015.
- Creditors/Members have a right to request further information regarding my fees and expenses if they meet certain statutory criteria, details of which are set out below. Such a request should be made within 21 days of receipt of this report. To exercise this right Unsecured Creditors/Members either need the permission of the Court or the agreement of 5% or more of the total Unsecured Creditors/Members (including the Creditor/Member instigating this process). Secured Creditors have identical rights. Details of this right can be found on our website at www.poppletonandappleby.co.uk, choose, A Creditors' Guide to a Liquidator's Fees Effective from October 2015 and Practice Fee Recovery Policy for Poppleton & Appleby and Statutory Disclosure for Liquidations, Liquidator's Remuneration – Statutory Disclosure. A hard copy of these Rights can be provided upon written request.
- Creditors/Members also have a right to appeal the level of my fees and expenses to the Court if they meet certain statutory criteria, details of which are set out below. Such an application must be made within 8 weeks of receipt of this report. To exercise this right Unsecured Creditors/Members either need the permission of the Court or the agreement of 10% or more of the total Unsecured Creditors/Members (including the Creditor/Member instigating this process). Secured Creditors have identical rights. Details of this right can be found on our website at www.poppletonandappleby.co.uk, and choose, A Creditors' Guide to a Liquidator's Fees Effective from October 2015 and Practice Fee Recovery Policy for Poppleton & Appleby and Statutory Disclosure for Liquidations, Liquidator's Remuneration – Statutory Disclosure. A hard copy of these Rights can be provided upon written request.

Alto Seating Systems Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments
To 19/10/2016

S of A £		£	£
	H P ASSETS		
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(634,286 00)	SAPA Profiles UK Limited - Claim	NIL	NIL
	ASSETS NOT PLEDGED		
	Int Property/Goodwill	1,000 00	
7,476 00	Cash in Hand	7,476 19	
23,090 00	Cash at Bank	24,016 55	
226,000 00	Book Debts	NIL	
NIL	Alto Seating Systems LLC	NIL	32,492 74
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	Agents Costs	250 00	
	Statutory Advertising	153 44	
	Bank Charges & Interest	46 00	
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	UNSECURED CREDITORS		
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(82,088 00)	HMRC - VAT	NIL	
(906,007 00)	Alto Systems Limited	NIL	
(60,189 00)	Alto Tower Systems Limited	NIL	
(85,200 00)	Alto Systems Holdings Limited	NIL	
(1,988,103 00)	HCC International Insurance Company	NIL	NIL
	DISTRIBUTIONS		
(200 00)	Ordinary Shareholders	NIL	NIL
(4,318,021 00)			31,693 30
	REPRESENTED BY		
	Estate Bank A/c Non Interest Bearing		31,693 30
			31,693 30

A Turpin
Joint Liquidator

APPENDIX A

Alto Seating Systems Limited – In Creditors Voluntary Liquidation

Summary of Professional Costs

Firm Name	Scope of Work	Agreed Fee Structure	Budgeted Costs £	Fees Paid £	Unbilled Costs and Disbursements (WIP C/F) £	Estimated Future Costs £	Current Budgeted Costs (C/F) £
Kumar & Co	Assistance and advice in respect of sale of Intellectual property and goodwill	Fixed fee	250	250	Nil	Nil	250
The Eliot Partnership	Preparation of Initial report and assistance with recovery of book debts and retentions	Time Costs and Disbursements	7,500	Nil	4,416	3,000	7,416
The Wilkes Partnership	Legal Advice	Time Costs and Disbursements	7,000	Nil	1,800	5,000	6,800
Totals			14,750	Nil	6,216	8,000	14,466

Notes

The choice of professional engaged is based on their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they have been reasonable in the circumstances of the case.