In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

AM10
Notice of administrator's progress report

Companies House

FRIDAY

A865ZCSH
A21 24/05/2019 #313
COMPANIES HOUSE

1 Company details

Company number	0 3 7 1 2 0 9 1
Company name in full	Kilgour Metal Treatments Limited

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

2 Administrator's name

Full forename(s)	Lila
Surname	Thomas

3 Administrator's address

Building name/number	Derby House
Street	12 Winckley Square
Post town	Preston
County/Region	
Postcode	P R 1 3 J J
Country	

4 Administrator's name ❶

Full forename(s)	David
Surname	Acland

❶ **Other administrator**
Use this section to tell us about another administrator.

5 Administrator's address ❷

Building name/number	Derby House
Street	12 Winckley Square
Post town	Preston
County/Region	
Postcode	P R 1 3 J J
Country	

❷ **Other administrator**
Use this section to tell us about another administrator.

AM10
Notice of administrator's progress report

6 Period of progress report

From date	25/10/2018
To date	24/04/2019

7 Progress report

☑ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X X
Signature date	16/05/2019

AM10
Notice of administrator's progress report

Presenter information

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

Contact name	Joe Allen
Company name	FRP Advisory LLP
Address	Derby House
	12 Winckley Square
Post town	Preston
County/Region	
Postcode	P R 1 3 J J
Country	
DX	
Telephone	01772 440700

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

Important information

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Where to send

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DX 33050 Cardiff.

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Kilgour Metal Treatments Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £		From 25/10/2018 To 24/04/2019 £	From 25/04/2018 To 24/04/2019 £
	POST APPOINTMENT SALES		
	Sales	NIL	76,890.02
	Sales - EUR	NIL	7,868.40
		NIL	84,758.42
	PURCHASES		
	Paint	NIL	3,321.56
		NIL	(3,321.56)
	OTHER DIRECT COSTS		
	Direct Wages	1,088.43	31,768.07
	Consumable Stores	NIL	691.93
		(1,088.43)	(32,460.00)
	TRADING EXPENDITURE		
	Rent	NIL	4,285.71
	Rates	NIL	1,113.86
	Electricity	NIL	7,891.47
	Gas	NIL	3,748.38
	Carriage	NIL	513.49
	Insurance	NIL	1,956.59
	Repairs & Maintenance	NIL	8,405.20
	Postage / Courier	NIL	1,134.63
	Waste/Chemicals	NIL	473.00
	IGF Setup / Trading Charges	6,001.14	6,001.14
		(6,001.14)	(35,523.47)
	TRADING SURPLUS/(DEFICIT)	**(7,089.57)**	**13,453.39**

Kilgour Metal Treatments Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 25/10/2018 To 24/04/2019 £	From 25/04/2018 To 24/04/2019 £
	SECURED ASSETS		
	Goodwill	NIL	1.00
	Book Debts	61,957.97	148,782.79
		61,957.97	148,783.79
	SECURED CREDITORS		
	IGF Invoice Finance Limited	39,546.50	126,357.71
		(39,546.50)	(126,357.71)
	ASSET REALISATIONS		
	Leasehold Property	NIL	1.00
	Plant & Machinery	NIL	34,995.00
	Stock/WIP	NIL	10,000.00
	Sellers Records	NIL	1.00
	Business Intellectual Property Rights	NIL	1.00
	Accreditations	NIL	1.00
	Bank Interest Gross	17.20	38.61
	Cash in Hand	NIL	872.37
	Trading Surplus/(Deficit)	(7,089.57)	13,453.39
		(7,072.37)	59,363.37
	COST OF REALISATIONS		
	Bordereau	NIL	80.00
	Pre Appointment Costs	2,900.00	25,977.70
	Administrators' Remuneration	25,000.00	35,000.00
	Administrators' Disbursements	49.93	49.93
	Legal Fees & Disbursements	NIL	2,917.00
	Telephone Telex & Fax	NIL	4.29
	Stationery & Postage	NIL	63.00
	Statutory Advertising	NIL	69.93
	Mileage	NIL	74.25
	Bank Charges - Floating	(289.60)	45.40
		(27,660.33)	(64,281.50)
		(12,321.23)	**17,507.95**
	REPRESENTED BY		
	Vat Recoverable - Floating		6,148.94
	IB Current floating		10,511.32
	Trade Creditors		297.69
	Vat Control Account		550.00
			17,507.95

Lila Thomas
Joint Administrator

FRP Advisory

Kilgour Metal Treatments Limited (In Administration)

("the Company")

High Court of Justice, Manchester No. 2364 OF 2018

The Administrator's Progress Report for the period 25 October 2018 – 24 October 2019 pursuant to Rule 18.3 of the Insolvency (England and Wales) Rules 2016

20 May 2019

Contents and abbreviations

The following abbreviations may be used in this report:

FRP	FRP Advisory LLP
The Company	Kilgour Metal Treatments Limited (In Administration)
The Administrators	Lila Thomas and David Acland of FRP Advisory LLP
The Period	The reporting period 25/10/18 – 24/4/19
CVL	Creditors' Voluntary Liquidation
SIP	Statement of Insolvency Practice
QFCH	Qualifying floating charge holder
HMRC	HM Revenue & Customs
Secured Creditor / IGF	IGF Limited
KIL	Kilgour Industries Limited (in Administration)

1. Progress of the Administration

FRP Advisory

Work undertaken during the period

I attach at **Appendix C** a schedule of work undertaken during the period together with a summary of work still to be completed.

Highlights include:

- Finalising the successful collection of the debtor ledger for both the pre and post appointment period;
- Reconciling the final trading period which detailed a trading surplus of £13,453, prior to the Administrators trading management fees of £6,000;
- Repaying the Secured Creditor in full;
- Requesting details of the final preferential claim in readiness for the distribution.

Attached at **Appendix E** is a receipts and payments account detailing both transactions for the period of this report and also cumulatively since my appointment as Administrator.

Investigations

Part of my duties include carrying out proportionate investigations into what assets the Company has, including any potential claims against directors or other parties, and what recoveries could be made. I have reviewed the Company's books and records and accounting information, requested further information from the directors, and invited creditors to provide information on any concerns they have regarding the way in which the Company's business has been conducted.

As previously reported I can confirm that no further investigations or actions were required.

Extension to the initial period of appointment

It was initially anticipated that an extension to the Administration would not be required, however in order to facilitate the submission of a pension claim to the Redundancy Payments Office and to finalise a distribution to the Preferential Creditors, the Administrators sought approval from the Secured and Preferential Creditors to extend the period of the Administration for 12 months to 24 April 2020. A copy of the notice is available on the creditor portal.

Anticipated exit strategy

Based on current and future anticipated realisations, the Company has no property which might permit a distribution to its unsecured creditors, therefore it will be appropriate to send a notice to the Registrar of Companies in accordance with Paragraph 84 of Schedule B1 to the Insolvency Act 1986 to bring the administration to an end and three months after the filing of the notice the Company will be deemed to be dissolved.

2. Estimated Outcome for the creditors

The estimated outcome for creditors was set out in the Administrators proposals. Further details are set out below:

Outcome for the Secured Creditors

As previously reported, as at the date of Administration, the indebtedness to IGF amounted to £101,036 (prior to interest, final charges and early termination fees) in respect of an invoice discount facility.

This amount is secured by way of fixed and floating charge debenture dated 27 October 2017. Additional security is granted by way of a cross-guarantee from KIL and a personal guarantee from the director, Raymond Kilgour.

Distributions totalling £126,357.71 (including interest, final charges and earlier termination fees) have been paid to the Secured Creditor, who has now been paid in full.

Outcome for the Preferential Creditors

Preferential creditor claims were estimated at £14,564 being the employees' preferential element for arrears of pay, unpaid pension contributions and holiday pay as calculated in accordance with legislation.

It was initially anticipated that there would be insufficient funds available to enable a dividend to be paid to the preferential creditors, however following the enhanced realisations from the Company's book debts, there will be sufficient funds available to pay a distribution to the preferential creditors.

Outcome for the Unsecured Creditors

It is anticipated that there will be insufficient funds available to pay a distribution to the unsecured creditors.

Prescribed Part

The prescribed part is a carve out of funds available to the holder of a floating charge which is set aside for the unsecured creditors in accordance with Section 176A of the Insolvency Act 1986. The prescribed part only applies where the floating charge was created after 15 September 2003 and the net property available to the floating charge holder exceeds £10,000.

The net property and prescribed part will be £NIL and £NIL after the costs of the Administration.

3. Administrators' Remuneration, Disbursements, Expenses and Pre-appointment Costs

FRP Advisory

Administrators' Remuneration

As previously reported, following circulation of the Administrators' proposals the secured creditor passed a resolution that the Administrators' remuneration should be calculated on both a fixed fee and percentage basis, as per the table below. (Subsequent approval of the Administrators remuneration has been sought from the preferential creditors in view of there being sufficient funds available to enable a dividend to be paid to the preferential creditors).

		Fee Basis
Statutory duties, reporting obligations, investigations and trading management fees	£25,000	Fixed Fee
Trading management fees (£1k per week)	£6,000	Fixed Fee
Realisation of all assets (net of VAT)	10%	Percentage of realisations

Details of remuneration charged during the period of the report are set out in the statement of expenses attached. To date fees of £35,000 excluding VAT have been drawn from the funds available, representing payment of statutory fixed fee of £25,000 and an on-account payment of £10,000 in respect of the percentage of asset realisations.

Administrators' Disbursements

The Administrators' disbursements are a recharge of actual costs incurred by the Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP Advisory at the HMRC approved mileage rate prevailing at the time the mileage was incurred. Details of disbursements incurred during the period of this report are set out in **Appendix D**.

Administrators' Expenses

An estimate of the Administrators' expenses was set out in the Administrators' proposals. I attach at **Appendix F** a statement of expenses that have been incurred during the period covered by this report. It is currently expected that the expenses incurred or anticipated to be incurred are not likely to exceed the details previously provided

Creditors have a right to request further information from the Administrators and further have a right to challenge the Administrators' remuneration and other expenses, which are first disclosed in this report, under the Insolvency (England and Wales) Rules. (For ease of reference these are the expenses incurred in the reporting period as set out in **Appendix F** only). Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link https://creditors.frpadvisory.com/info.aspx and select the one for administrations. Alternatively, a hard copy of the relevant guide will be sent to you on request. Please note there is a time limit for requesting information being 21 days following the receipt of this progress report. There is a time limit of 8 weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive.

Appendix A

Statutory Information

KILGOUR METAL TREATMENTS LIMITED (IN ADMINISTRATION)

COMPANY INFORMATION:

Other trading names:	N/A
Company number:	03712091
Registered office:	C/o FRP Advisory LLP, Derby House, 12 Winckley Square, Preston, PR1 3JJ
Previous registered office:	Kilgour House, Red Marsh Drive, Red Marsh Industrial Estate, Thornton Cleveleys, Lancashire, FY5 4HR
Business address:	Units 3-5, Holly Close, Holly Road, Thornton Cleveleys, Lancashire, FY5 4LR

ADMINISTRATION DETAILS:

Administrators:	Lila Thomas & David Acland
Address of Administrators:	FRP Advisory LLP, Derby House, 12 Winckley Square, Preston, PR1 3JJ
Date of appointment of Administrators:	25 April 2018
Court in which administration proceedings were brought:	High Court of Justice, Manchester
Court reference number:	2364
Appointor details:	Director
Previous office holders, if any:	N/A
Extensions to the initial period of appointment:	Extended by 12 months to 24 April 2020
Date of approval of Administrators' proposals:	29 June 2018

Appendix B

CH Form AM10 Formal Notice of the Progress Report

FRP Advisory

In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

AM10

Notice of administrator's progress report

Companies House

1	Company details
Company number	0 3 7 1 2 0 9 1
Company name in full	Kilgour Metal Treatments Limited

→ Filling in this form
Please complete in typescript or in bold black capitals.

2	Administrator's name
Full forename(s)	Lila
Surname	Thomas

3	Administrator's address
Building name/number	Derby House
Street	12 Winckley Square
Post town	Preston
County/Region	
Postcode	P R 1 3 J J
Country	

4	Administrator's name ❶
Full forename(s)	David
Surname	Acland

❶ Other administrator
Use this section to tell us about another administrator.

5	Administrator's address ❷
Building name/number	Derby House
Street	12 Winckley Square
Post town	Preston
County/Region	
Postcode	P R 1 3 J J
Country	

❷ Other administrator
Use this section to tell us about another administrator.

AM10
Notice of administrator's progress report

6	Period of progress report
From date	d2 d5 m1 m0 y2 y0 y1 y8
To date	d2 d4 m0 m4 y2 y0 y1 y9

7	Progress report
	☑ I attach a copy of the progress report

8	Sign and date
Administrator's signature	Signature X X
Signature date	d1 d6 m0 m5 y2 y0 y1 y9

AM10
Notice of administrator's progress report

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Postcode	P R 1 3 J J
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DX	
Telephone	01772 440700

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Appendix C

A schedule of work

FRP Advisory

Kilgour Metal Treatments Limited (In Administration)

Schedule of Work

The table below sets out a detailed summary of the work undertaken by the office holders during the reporting period together with an outline of work still to complete.

Note	Category			Fee Basis Agreed
1	**ADMINISTRATION AND PLANNING** **Work undertaken during the reporting period**		**ADMINISTRATION AND PLANNING** **Future work to be undertaken**	**Fixed Fee**
	General Matters			
	Regularly reviewing the conduct of the case and the case strategy and updating as required by the insolvency practitioners regulatory professional body to ensure all statutory matters are attended to and to ensure the case is progressing.		Regular reviews are an ongoing requirement.	
	Regulatory Requirements			
	Continued to assess any money laundering risks and professional and ethical matters including other legislation such as the Bribery Act and Data Protection Act.			
	Case Management Requirements			
	Case strategy has been documented and continues to be updated. Administering insolvent estate bank accounts.		Ongoing review of strategy and monitoring of case progression.	
2	**ASSET REALISATION** **Work undertaken during the reporting period**		**ASSET REALISATION** **Future work to be undertaken**	**Percentage of Realisations**
	As creditors will recall, the Administrators assisted IGF in successfully collecting the Company's pre-appointment debtor ledger resulting in realisations of £148,782.79		No further asset realisations are anticipated.	

3	**CREDITORS** **Work undertaken during the reporting period**		**CREDITORS** **Future work to be undertaken**	**Fixed Fee**
	Secured creditors: As previously reported, IGF have been repaid in full. **Preferential creditors/employees:** A final preferential claim from the Redundancy Payments Office has been requested in order to prepare the preferential distribution. **Unsecured creditors:** Responded to general queries received from the unsecured creditors. **Pensions:** Finalised the submission of an arrears of pension claim to the Redundancy Payments Office.		**Preferential creditors:** Calculate and finalise a distribution to the preferential creditors. **Unsecured creditors:** It is currently anticipated that there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.	
4	**INVESTIGATIONS** **Work undertaken during the reporting period**		**INVESTIGATIONS** **Future work to be undertaken**	**Fixed Fee**
	As previously reported a report on the director's conduct has previously been submitted to DBEIS. Information provided to DBEIS is confidential but can be used to assist DBEIS in identifying conduct that should be investigated further and could result in individuals being disqualified from acting as a director.			

Schedule of Work

5	**STATUTORY COMPLIANCE AND REPORTING** **Work undertaken during the reporting period**		**STATUTORY COMPLIANCE AND REPORTING** **Future work to be undertaken**	**Fixed Fee**
	The preparation of this report. Submitted post appointment VAT returns.		To place legal advertisements as required by statute which may include formal notices to submit claims. Continue to submit post appointment VAT returns. The submission of final VAT and Corporation Tax returns. To deal with the statutory requirements in order to bring the case to a close and for the office holders to obtain their release from office; this includes preparing final reports for stakeholders, statutory advertising and filing the relevant documentation with the Court/Registrar of Companies.	
6	**TRADING** **Work undertaken during the reporting period**		**TRADING** **Future work to be undertaken**	**Fixed Fee**
	Reconciled the final trading period which detailed a trading surplus of £13,453.39, prior to the Administrators trading management fees of £6,000.			
7	**LEGAL AND LITIGATION** **Work undertaken during the reporting period**		**LEGAL AND LITIGATION** **Future work to be undertaken**	**Fixed Fee**
	None.		Seeking legal advice as and when required.	

Appendix D

Details of the Administrators' disbursements for the Period and cumulative

Disbursements for the period
25 April 2018 to 24 April 2019

	Value £
Category 1	
Postage	63.00
Prof. Services	49.93
Travel	5.85
Bonding	80.00
Mobile Telephone	4.29
Category 2	
Car/Mileage Recharge	68.40
Grand Total	**271.47**

Mileage is charged at the HMRC rate
prevailing at the time the cost was incurred

Appendix E

Receipts and payments account for the Period and cumulative

Kilgour Metal Treatments Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £		From 25/10/2018 To 24/04/2019 £	From 25/04/2018 To 24/04/2019 £
	POST APPOINTMENT SALES		
	Sales	NIL	76,890.02
	Sales - EUR	NIL	7,868.40
		NIL	84,758.42
	PURCHASES		
	Paint	NIL	3,321.56
		NIL	(3,321.56)
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	Direct Wages	1,088.43	31,768.07
	Consumable Stores	NIL	691.93
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	Rates	NIL	1,113.86
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(In Administration)
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	Sellers Records	NIL	1.00
	Business Intellectual Property Rights	NIL	1.00
	Accreditations	NIL	1.00
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	Cash in Hand	NIL	872.37
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		(7,072.37)	59,363.37
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	Pre Appointment Costs	2,900.00	25,977.70
	Administrators' Remuneration	25,000.00	35,000.00
	Administrators' Disbursements	49.93	49.93
	Legal Fees & Disbursements	NIL	2,917.00
	Telephone Telex & Fax	NIL	4.29
	Stationery & Postage	NIL	63.00
	Statutory Advertising	NIL	69.93
	Mileage	NIL	74.25
	Bank Charges - Floating	(289.60)	45.40
		(27,660.33)	(64,281.50)
		(12,321.23)	**17,507.95**
	REPRESENTED BY		
	Vat Recoverable - Floating		6,148.94
	IB Current floating		10,511.32
	Trade Creditors		297.69
	Vat Control Account		550.00
			17,507.95

Lila Thomas
Joint Administrator

Appendix F

Statement of expenses incurred in the Period

Kilgour Metal Treatments Limited
Statement of expenses for the period ended 24 April 2019

Expenses	**Period to 24 April 2019 £**	**Cumulative period to 24 April 2019 £**
Office Holders' remuneration (Fixed Fee)	-	31,000
Office Holders' remuneration (Percentage)	6,943	20,215
Office Holders' disbursements	50	271
Pre-Appointment Costs	-	25,978
Legal Fees & Disbursements	-	2,917
Bank Charges	290	45
Statutory Advertising	-	70
Total	**6,703**	**80,496**