

The Insolvency Act 1986

Statement of administrator's proposals**2.17B**

Name of Company THE A A GROUP LIMITED	Company number 04127100
In the HCJ Liverpool District Registry [full name of court]	Court case number 2LV70717

(a) Insert full name(s) and address(es) of administrator(s) I/We (a) J M Tittley & A Poxon of Leonard Curtis, Hollins Mount,
Hollins Lane, Bury, Lancashire BL9 8DG

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

* Delete as applicable

(b) Insert date (b) 5 September 2012

Signed

J M Tittley & A Poxon - Joint Administrator(s)

Dated 5 September 2012

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.

Leonard Curtis	
Hollins Mount, Hollins Lane, Bury, Lancashire,	
BL9 8DG	Tel: 0161 767 1250
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at
Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff



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07/09/2012
COMPANIES HOUSE

#86



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**THE A.A. GROUP LIMITED
(IN ADMINISTRATION)**

Registered Number. 04127100

Court Ref. 2LV70717

The High Court of Justice, Liverpool District Registry

Joint Administrators' Report and Statement of Proposals

5 September 2012

Leonard Curtis

Hollins Mount, Hollins Lane,
Lancashire BL9 8DG

Tel. 0161 767 1250 Fax 0161 767 1240

Ref K/19/TRF/NT652R/1040

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TO. THE REGISTRAR OF COMPANIES
ALL CREDITORS
ALL SHAREHOLDERS

1 INTRODUCTION

- 1.1 I refer to the appointment of A Poxon and myself as Joint Administrators ("the Joint Administrators") of The A A Group Limited ("the Company") on 13 July 2012 and now write to present our proposals ("the Proposals") (Appendix A) for the Company pursuant to the Insolvency Act 1986 ("the Act")
- 1.2 We do not propose to convene a meeting of creditors in this instance. It is the Joint Administrators' intention to seek approval to the Administrators' proposals and certain resolutions by correspondence, as provided for by Paragraph 58 of Schedule B1 to the Act. Form 2.25B is attached at Appendix H for this purpose. This form should be completed and returned to this office by no later than 12.00 hours on 21 September 2012 with a completed statement of claim form (attached at Appendix I) or your vote will be disregarded, as will any forms returned after the closing date.
- 1.3 The outcome of the voting will be reported to creditors in due course.
- 1.4 Creditors whose debts amount to at least 10% of the total debts of the Company, may request a meeting. Any requests for an initial creditors' meeting must be made in writing to this office using Form 2.21B (available on request) by 12 September 2012. Security for the costs of holding the meeting must also be provided.

2 STATUTORY INFORMATION

- 2.1 The Administration proceedings are under the jurisdiction of the The High Court of Justice, Liverpool District Registry under Court reference 2LV70717.
- 2.2 During the period in which the Administration Order is in force, any act or function required or authorised to be done by the Joint Administrators may be exercised by both or either of them.
- 2.3 The Company's registered office was changed from Priorswood Place, East Pimbo, Skelmersdale, Lancashire, WN8 9QB, to Hollins Mount, Hollins Lane, Bury, Lancashire, BL9 8DG on 20 July 2012. The registered number is 04127100.
- 2.4 The Company operated from leasehold premises at Priorswood Place, East Pimbo, Skelmersdale, Lancashire, WN8 9QB.
- 2.5 The Company's directors and secretary within three years of the date of Administration are

Name	Role	Date Appointed	Date Resigned
Kevin O'Keeffe	Company secretary	06/09/2007	-
Andrew Graham Hewitt	Director	18/12/2000	-
Kevin O'Keeffe	Director	18/12/2000	-
Michael John Shaw	Director	01/01/2006	-
Edward Brookes	Director	18/12/2000	26/06/2009

- 2.6 The Company's authorised share capital is 1,000 Ordinary shares of £1 each. The issued share capital comprises 1,000 Ordinary shares of £1 each, the shares being wholly owned by TAAG Steelwork Ltd.

- 2.7 According to the information registered at Companies House, the Company has the following registered charges

Chargeholder	Date created	Description	Amount secured £	Assets Charged
Moorco Three Limited	06/09/2007	Rent Deposit Deed	£18,750	Rent Deposit

- 2.8 The EC Regulation on Insolvency Proceedings 2000 applies to this Administration. The proceedings are proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

3 HISTORICAL BACKGROUND AND EVENTS LEADING UP TO ADMINISTRATION

- 3.1 The Company was incorporated on 18 December 2000 and commenced to trade immediately.
- 3.2 The Company traded from leasehold premises at Priorswood Place, East Pimbo, Skelmersdale, Lancashire, WN8 9QB. The principal trading activity of the Company was the design, fabrication and erection of steel structures.
- 3.3 Initially, the Company experienced strong growth and made significant profits as a result of principally dealing with a blue chip customer base and having a strong order book.
- 3.4 During 2002, the Company commenced a number of new projects, including a large contract within the public sector providing fabricated steel for various schools and walk-in centres around the North West of England. This proved to be a regular source of work for many years, however, as a result of the well-publicised recession in recent times, cut backs were made within the public sector and the contract was cancelled in early 2012.
- 3.5 A management buy out took place during 2007 and all of the shares of the Company were transferred to TAAG Steelwork Limited.
- 3.6 The Company was trading profitably up to and including the year ended 31 December 2009. However, due to difficult trading conditions brought about by the recession, the Company made its first ever loss in the year ended 31 December 2010.
- 3.7 Despite the recession, the Company continued to attract new contracts during 2009/2010 including Hibernian Football Club's new east and south stand at their stadium in Edinburgh, Scotland and various contracts for the London 2012 Olympic sites.
- 3.8 A number of attempts were made by the Directors of the Company to reduce the losses incurred through restructuring and various cost saving exercises.
- 3.9 Whilst, the Company returned to profitability briefly in 2011, the Company continued to accumulate losses.
- 3.10 The Directors sought advice from The Vinden Partnership ("TVP") on restructuring the Company. Several options were put forward by TVP and considered by the Company but the Directors concluded that it was not possible to restructure the Company.

- 3 11 The Company was experiencing increasing pressure from its creditors and enforcement action was considered imminent TVP recommended that the Directors of the Company met with representatives of Leonard Curtis to seek professional insolvency advice
- 3 12 An assessment of the Company's financial position was undertaken and it was clear that, in its current form, the Company was insolvent by statutory definition in that it was unable to pay its debts as and when they fell due
- 3 13 On 6 July 2012, a Notice of Intention to Appoint an Administrator was given by the directors and filed in The High Court of Justice, Liverpool District Registry on the same date
- 3 14 On 12 July 2012, a Notice of Appointment of an Administrator was given by the directors and filed in The High Court of Justice, Liverpool District Registry on 13 July 2012
- 3 15 My partner, A Poxon and I are licensed by the Institute of Chartered Accountants in England and Wales In accordance with paragraph 100(2) of the Insolvency Schedule B1 to the Act, the function of the joint Administrators may be exercised by either or both, acting jointly or alone

4 RECENT TRADING RESULTS AND CURRENT FINANCIAL POSITION

- 4 1 The Company's trading results for the two years ending 31 December 2011 and the three months ending 31 March 2012 are summarised below

	Unaudited 3 months ended 31/03/2012 £'000	Unaudited Year ended 31/12/2011 £'000	Audited Year ended 31/12/2010 £'000
Turnover	2,470	8,946	7,832
Gross Profit	310	1,883	1,663
Gross Profit %	12.60%	21.00%	21.20%
Administrative expenses	(455)	(1,744)	(2,046)
Other operating income	6	100	114
Operating Profit/(Loss)	(139)	239	(269)
Interest receivable	-	-	8
Interest payable and similar charges	(22)	(56)	(1)
Profit/(Loss) before tax	(161)	183	(262)
Taxation	-	-	49
Profit/(Loss) for the year	(161)	183	(213)
Dividends	-	(95)	(307)
Retained Profit/(Loss)	(161)	88	(520)

- 4 2 Please note that the figures for the 3 months ended 31 March 2012 do not take into account the losses incurred relating to the non payment of amounts due under contracts

4 3 The balance sheets as at 31 December 2010, 2011 and 31 March 2012 are summarised below

	Unaudited 31/03/2012 £'000	Unaudited 31/12/2011 £'000	Audited 31/12/2010 £'000
Fixed Assets			
Intangible Assets	136	140	154
Tangible Assets	108	115	127
	<u>244</u>	<u>255</u>	<u>281</u>
Current Assets			
Stocks	59	59	59
Debtors	2,260	2,014	1,736
Cash	125	170	277
	<u>2,444</u>	<u>2,243</u>	<u>2,072</u>
Creditors Amounts Falling due within one year	(2,341)	(1,968)	(1,728)
Net Current Assets/(Liabilities)	<u>103</u>	<u>275</u>	<u>344</u>
Total assets less current liabilities	<u>347</u>	<u>530</u>	<u>625</u>
Provisions for liabilities			
Deferred taxation	(14)	(14)	(14)
Government grants	-	-	(17)
Loans	176	176	
Hire Purchase	(8)	(10)	
Net Assets	<u>501</u>	<u>682</u>	<u>594</u>
Represented by			
Called up share capital	1	1	1
Profit and Loss account	500	681	593
Shareholders' Funds	<u>501</u>	<u>682</u>	<u>594</u>

4 4 Please note that the figures for the year ended 31 December 2011 and the three months ended 31 March 2012 shown have not been audited and therefore no reliance can be placed on the accuracy of the profit and loss account and balance sheet for these periods

4 5 Statement of Affairs

The directors are required to lodge a statement of affairs as at 13 July 2012 which has to be filed with the Registrar of Companies. Although the document has not yet been received, I understand that it is in the course of preparation and will be submitted shortly. In the meantime, an estimate of the financial position as at the date of the Joint Administrators' appointment is enclosed at Appendix B, together with a list of creditors including their names, addresses and details of their debts, including any security held.

Please note that no provision has been made for costs and expenses of realisation, costs of the Administration and any corporation tax which may be payable. The following comments are considered to be relevant and should be borne in mind when reading the figures.

4.6 Secured Creditor

Moorco holds security in the form of a rent deposit deed created on 6 September 2007 and registered on 27 September 2007

It is understood that at the date of Administration, there was no liability outstanding to Moorco

4.7 Preferential Claims

The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay. As all of the staff were made redundant, it is anticipated that there will be a preferential claim of £56,400

Based on current information, it is likely that there will be sufficient funds available to allow a distribution to preferential creditors

4.8 Unsecured Claims

All unsecured non-preferential claims will be subject to agreement by a subsequently appointed Liquidator in due course, should liquidation be the appropriate exit route from the administration process. It is anticipated that there will be a dividend to unsecured non-preferential creditors in this matter

4.9 Receipts and Payments

A receipts and payments account for the period of Administration to date is enclosed at Appendix C

5 EVENTS FOLLOWING THE JOINT ADMINISTRATORS' APPOINTMENT

ADMINISTRATORS' TRADING / COMPLETION OF CONTRACTS

Upon appointment, the Administrators assessed the on-going contracts and took the decision to complete a small number of contracts to assist in maximising realisations

The Administrators assessed the staffing levels required to complete the three contracts that were almost complete and retained the required engineers. In addition, the Administrators retained staff to update and complete contract files and final accounts together with two accounts/administration staff

The Administrators incurred £3,903,488 of staff costs in the completion of the contracts and the final accounts. It is anticipated that those disbursements will assist in the collection of the contractual debts

The Administrators made the remainder of the Company's workforce redundant on 13 July 2012 with the retained employees being made redundant when the contracts had been completed during the first week of trading

5.2 Cash at Bank

At the date of the Administrators appointment, the Company's bank account was in credit in the sum of £231,679.29. I can confirm that this amount has been received in full into the Administrators' account, as detailed at Appendix C.

5.3 Book Debts and Retentions

Our agent, The Vinden Partnership "TVP", had been advising the Company prior to the appointment of the Administrators. TVP's services were retained as they had background knowledge of the Company's historic and current contracts.

Following the appointment, TVP have uplifted all of the required documentation and finalised the contractual paperwork where required. All debtors have been contacted and where appropriate negotiations have been entered into with regards to the novation of incomplete contracts in an effort to maximise the future collections.

The debtors and retentions have a total book value of £743k. It is not possible at this stage to predict the estimated level of future collections but TVP have indicated a best and worst outcome of £300k and £79k respectively and collections to date total £10k.

5.4 Sale of Assets

Independent agents, Charles Taylor, conducted an assessment of the combined assets of the Company, as summarised below.

Plant & Machinery and Office Equipment

Charles Taylor advised that the plant & machinery and office equipment had a forced sale value of £12k. An offer of £20k was received from TAAG Steelwork Limited which was in excess of the valuations provided by Charles Taylor and so they recommended that this offer should be accepted. An early sale of these assets assisted in minimising the on-going storage costs. The agents have not yet accounted for the sale proceeds.

Stock and Work in Progress

The Company had raw steel and fabricated steel stock which formed part of three incomplete contracts (work in progress "WIP").

A significant number of suppliers have claimed retention of title "ROT" over the stock following the appointment of the Administrators. The ROT claims are still being finalised following which the remaining stock will be sold by our agents.

Motor Vehicles and Trailers

At the date of appointment of Administrators, a number of the trailers and vehicles were subject to third party loans or could not be located. These assets are currently being reclaimed by the Administrators' agents and are subsequently being sold through auction or via private treaty.

5.5 Professional Advisors Used

On this assignment the Joint Administrators have used the professional advisors listed below

Name of Professional Advisor	Service Provided	Basis of Fees
DWF LLP	Legal advice	Time costs
Charles Taylor	Asset valuation advice	Time costs

Details of this firm's policy regarding the choice of advisors and the basis for their fees are given in Appendix E

6 ACHIEVING THE PURPOSE OF ADMINISTRATION

6.1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives

- (a) rescuing the Company as a going concern, or (if this cannot be achieved),
- (b) 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), or (if (a) and (b) cannot be achieved),
- (c) realising property in order to make a distribution to one or more secured or preferential creditors

6.2 The first objective is not capable of being achieved given the extent of historic liabilities

6.3 The second objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in Administration). In the opinion of the Joint Administrators, this objective is likely to be achieved as there is a reasonable prospect of a dividend being available to unsecured creditors which would not have been the case if the Company had been wound up without first being in administration.

6.4 The third objective is to realise property in order to make a distribution to preferential creditors. It is anticipated that a distribution will be made to preferential creditors in due course and so this objective will be achieved.

6.5 The Administration has been, and will continue to be, financed by monies received from asset realisations.

7 JOINT ADMINISTRATORS' PROPOSALS AND EXIT ROUTE

7.1 The Joint Administrators' Proposals for achieving the objective of Administration are attached at Appendix A.

7.2 The Joint Administrators have considered the various options available to the Company. Based on information currently available, the Joint Administrators consider that realisations may be sufficient to enable a dividend to be paid to unsecured creditors. In this situation, on completion of the Administration, the Joint Administrators will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation ("CVL").

- 7.3 The Proposals provide for the appointment of myself and/or A Poxon as (Joint) Liquidator(s). Creditors may nominate a different person to be Liquidator provided that the nomination is made after receipt of the Proposals and before they are approved.

8 EXTENSION OF ADMINISTRATION

- 8.1 The appointment of administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.
- 8.2 In certain circumstances it may be necessary to extend the Administrators' term of office. In the circumstances of this case, this may be done for a specified period not exceeding six months with the consent of
- each preferential creditor of the Company, and
 - unsecured creditors whose debts amount to more than 50% of the Company's unsecured debts, disregarding debts of any creditor who does not respond to an invitation to give or withhold consent.
- 8.3 Creditors will be contacted in due course should an extension be required.

9 PRE-ADMINISTRATION COSTS

Pre-administration costs are defined as

- Fees charged, and
- Expenses incurred

by the Administrator, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so). "Unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.

- 9.2 Pre-appointment fees charged and expenses incurred by the Joint Administrators in the period prior to their appointment are summarised below:

Charged by	Services provided	Total amount charged £	Amount Paid £	Amount Unpaid £
Leonard Curtis	Pre-appointment advice and assessment of the financial position	15,289.00	-	15,289.00
The Vinden Partnership	Valuation and assessment of debtor ledger/current contracts	14,050.50	-	14,050.50
DWF LLP	Appointment documentation	7,545.00	-	7,545.00

9 3 Work undertaken by Leonard Curtis

In the period prior to the Administration, Leonard Curtis provided insolvency advice to the Company and carried out an assessment of its financial position with a view to establishing the appropriate insolvency procedure for the Company

Subsequently it was advised that Administration was the most suitable form of insolvency and the Joint Administrators assisted with formulating an Administration strategy

The formulation of the Administration strategy included, but was not limited to

- Discussions with the Company/ TVP relating to the debtor receipts prior to administration which has resulted in the cash at bank position,
- Liaising with the independent agent with respect to an asset valuation,
- Assessing the justification for the completion of contracts immediately following appointment,
- Liaising with DWF regarding the drafting of the appointment documents

9 4 Work undertaken by The Vinden Partnership

Independent agents, The Vinden Partnership ("TVP"), have assisted the Joint Administrators in relation to the on going contracts and the collection of the debtor ledger as follows

- Assisting in the negotiations with debtors to secure collection prior to the administration,
- Conducting an assessment of the debtor ledger to predict the likely recoveries,
- Pursuing debtors to ensure payments are made as soon as possible,
- Liaising with debtors to prevent any bad debts occurring and ensure maximum recovery of the monies due and,
- Liaising with various contractors to ensure that the contracts were completed and payment was received

9 5 Work undertaken by DWF

Following the decision to place the Company into Administration, further costs were incurred by DWF in dealing with the formalities associated with placing the Company into Administration

9 6 The payment of unpaid pre-Administration costs (set out above) as an expense of the Administration is subject to the approval of the appropriate class of creditors, separately to the approval of the Administrators' Proposals. In this case, the Joint Administrators are required to seek the approval of the preferential and unsecured creditors to this resolution

10 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

10 1 As there is little prospect of a dividend being available for unsecured creditors, the Joint Administrators are required to agree the basis of their remuneration with the secured and preferential creditors

10 2 The remuneration of the Joint Administrators may be fixed either as a percentage of the value of the property with which they have to deal, as a set amount or by reference to the time spent. In this case the Joint Administrators are requesting agreement to the latter

10 3 Enclosed at Appendix D is a summary of the Joint Administrators' time costs to date. The summary shows that time costs of £88,494.50 have been incurred which represents 302.7 at a rate of £292.35 per hour. Further details of my firm's charge-out rates and policy regarding the recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix E. Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which may be downloaded from <http://www.leonardcurtis.co.uk/index.php/downloads/creditors-guides>. For the purposes of this report, the relevant guide is "Administration Guide – company entering administration on or after 6 April 2010 – other offices". If you would prefer this to be sent to you in hard copy please contact Tom Bond of this office on 0161 767 1250.

10 4 The Joint Administrators also require approval in respect of the basis upon which they recharge internal disbursements that include an element of allocated costs. These are known as Category 2 costs and the basis of the calculation of their recharge is also detailed in Appendix E. Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as a "category 1 disbursement". Category 1 disbursements will generally comprise items such as case advertising and travel costs. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and storage of company records.

10 5 Summarised below are Category 1 and 2 disbursements incurred on the case since appointment.

Category 1 disbursements

Charged by	Services provided	Total amount paid by LC £	Amount recovered from case £	Amount still to be recovered from case £
Leonard Curtis	Staff Wages	2,973.46	-	2,973.46
AUA Insolvency Risk Services	Bordereau Insurance	260.00	-	260.00
Courts Advertising	Case Advertising	76.50	-	76.50
Auctus Limited	Staff Wages	900.00	-	900.00

Category 2 disbursements

Charged by	Services provided	Total amount paid by LC £	Amount recovered from case £	Amount still to be recovered from case £
Leonard Curtis Staff	Mileage @45p / mile	458.91	-	458.91

10 6 The outcome of the voting on remuneration will be communicated to creditors in due course.

11 ANTICIPATED OUTCOME AND RELEASE OF ADMINISTRATORS FROM LIABILITY

11 1 It is considered likely that there will be a return to the Company's unsecured creditors in this instance although the extent of any return is dependent upon asset realisations and the discharge of the costs associated with the Administration.

11 2 As soon as all outstanding matters in the Administration have been attended to it is anticipated that we will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically to Creditors' Voluntary Liquidation.

- 11.3 On the registration of the relevant notice with the Registrar of Companies, the Administration and the appointment of the Administrators will automatically cease
- 11.4 It is for the creditors to fix the date upon which we are discharged from liability in respect of any action of ours during the Administration and Form 2.25B at Appendix H contains a resolution that we be discharged from liability immediately upon our appointment ceasing to have effect

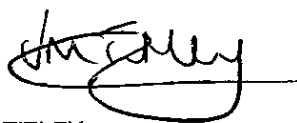
12 VOTING PROCEDURE AND CONCLUSION

- 12.1 It is important that you give careful attention to this report and its Appendices
- 12.2 As we are seeking approval to the Administrators' proposals and certain resolutions by correspondence, in order for your vote to count you should complete and return Form 2.25B (attached at Appendix H) by the deadline of 21 September 2012 or your vote will be disregarded, as will any forms returned after the closing date. All forms should be accompanied by a statement of claim. A claim form has been attached at Appendix I for your use.
- 12.3 Creditors will be notified of the outcome of voting in due course.

Should you have any queries or require any further clarification please contact Thomas Fox at my office, in writing. Electronic communications should also include a full postal address.

for and on behalf of

THE A A GROUP LIMITED



J M TITLEY

Joint Administrator

Licensed in the UK by Institute of Chartered Accountants in England and Wales

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS

It is proposed that

- 1 The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration
- 2 If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company
- 3 If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors Voluntary Liquidation. It is further proposed that J M Titley and/or A Poxon be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved
- 4 Alternatively, if appropriate, the Joint Administrators apply to Court under Para 65 (3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration
- 5 In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved
- 6 The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company
- 7 The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that J M Titley and/or A Poxon be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them
- 8 The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration

ESTIMATED FINANCIAL POSITION AS AT 13 JULY 2012

	Notes	Book value £'000	In Administration £'000
Assets not specifically pledged			
Book Debts & Retentions	1	743	150
Cash at Bank	2	231	231
Plant & Machinery and Office Equipment	3	52	20
Stock and Work in Progress	3	59	18
Motor Vehicles	3	47	16
Goodwill	4	155	-
Leasehold Improvements	5	5	-
Assets Available to Creditors before costs		<u>1,292</u>	<u>435</u>
Preferential creditors			
Employee Arrears of Wages & Holiday Pay Liability	6	<u>(57)</u>	<u>(57)</u>
Available for unsecured creditors		<u>1,235</u>	<u>378</u>
Unsecured creditors			
H M Revenue & Customs – PAYE/NI	7	(140)	(140)
H M Revenue & Customs - VAT	7	(316)	(316)
Unsecured employee claims	6	(576)	(576)
Trade and expense creditors	8	<u>(1,112)</u>	<u>(1,112)</u>
Total value of unsecured creditors		<u>(2,144)</u>	<u>(2,144)</u>
Estimated deficiency as regards unsecured creditors		<u>(909)</u>	<u>(1,766)</u>

NOTES TO THE ESTIMATED FINANCIAL POSITION

All book values have been taken from the Company's latest financial information or from valuations obtained upon administration by independent valuers. It should be noted that no provision has been made for the costs and expenses of the administration.

1. Book Debts and Retentions

At the date of Administration, the gross value of the outstanding ledger was £743k. The Vinden Partnership have assisted the Joint Administrators in collecting the outstanding book debts and to date, collections total of £10k.

2. Cash at Bank

At the date of the Administrators' appointment, the Company's bank accounts were in credit by an aggregate amount of £231,679.29. I can confirm that this has now been received in full into the Administrators' account, as detailed at Appendix C.

3. Plant & machinery, office furniture & equipment and IT

The plant & machinery, office furniture & equipment and IT had a forced sale value of £12k. These assets were sold by private treaty to TAAG Steelwork Limited for £20k which was in excess of the valuation and therefore accepted. An early sale of these assets assisted in minimising the on-going storage charges. The agents have not yet accounted for the sale proceeds.

3. Stock and Work in Progress

The Company had raw steel and fabricated steel stock which formed part of three incomplete contracts (work in progress "WIP").

Our agent, Charles Taylor, conducted an assessment of the current stock and work in progress. A significant number of suppliers have claimed retention of title "ROT" over the stock following the appointment of the Administrators. The ROT claims are still being finalised following which the remaining stock will be sold by our agents which is estimated to have a value of c£18k.

3. Motor Vehicles

These assets will shortly be sold through auction or via private treaty and our agent, Charles Taylor, has estimated a sale in the sum of £16k based upon their valuations.

4. Goodwill

The goodwill had a book value of £155k in the last set of accounts, however, due to the cessation of trade and termination of contracts the goodwill has no realisable value.

5. Leasehold Improvements

Leasehold improvements had a book value of £5k in the last set of accounts, however, due to the cessation of trade they have no realisable value.

6. Preferential creditors

With effect from 15 September 2003, preferential status has been abolished for debts owing to HM Revenue & Customs. Such debts now rank alongside other unsecured creditors' claims. The only categories of claim that have preferential status are those in respect of employees' arrears of pay and accrued holidays.

All of the employees were made redundant and the resulting preferential claim is anticipated at £56,400.

A non-preferential claim in respect of contractual notice and redundancy pay from the employees is anticipated at £576,260.

7. HM Revenue & Customs

The Crown liabilities relate to arrears of VAT, PAYE and National Insurance contributions.

8. Trade and Expense Creditors

The unsecured creditor balances have been extracted from the Company records and should not be regarded as agreed amounts.

No provision has been made in respect of the costs and expenses of the Administration.

APPENDIX B (continued)

CREDITORS LIST FOR THE ESTIMATED STATEMENT OF AFFAIRS / ESTIMATED FINANCIAL POSITION
CREDITORS LIST FOR THE ESTIMATED FINANCIAL POSITION

Name	Address					Per Statement of affairs
Austin Trumanns Profiles Ltd	Brightgate House	Cobra Court	Trafford Park	Manchester	M28 3NH	19,419 17
Ace Structural Draughting LLP	Suite 2 8	Dalziel Building	7 Scott Street	Motherwell	ML1 1PN	828 00
Abate Pest Control Services	70 Micklehurst Road	Mossley	Ashton Under Lyne	Lancashire	OL5 9JQ	395 00
Air Products Plc	2 Millennium Gate	Westmere Drive	Crewe	Cheshire	CW1 6AP	739 79
Alba Steel Detailing Ltd	Kirkton	Mill of Buckie	Bucki	Moray	AB56 5AA	2,700 00
AMP (North East) Ltd	Morton House	Morton Road	Darlington		DL1 4PT	17,460 00
A & M Steel Structures Ltd	Unit 11 Forge Lane	Horbury Junction	Horbury	Wakefield	WF4 5EH	8,119 72
Ayton Consulting Ltd	Ayton Banks Farm	Great Ayton	Middlesborough	Cleveland	TS9 6HW	219 44
AC Air Systems Ltd	Newburgh Building	Selby Place	Stanley Industrial E	Skelmersdale	WN8 8EF	108 00
Adlington Welding Supplies Ltd	North Street	Highfield Ind Est	Chorley	Lancashire	PR7 1QD	3,738 81
Alternative Steel Co Ltd	Excelsior Works	Dobson Park Way	Ince	Wigan	WN2 2DY	48 00
Ainscough Crane Hire Ltd	Bradley Hall	Bradley Lane	Standish	Wigan	WN6 0XQ	1,800 00
Abex Power Components Ltd	The Warehouse	Lamberhead Ind Est	Pemberton	Wigan	WN5 8EG	226 67
AC Plant Glazing Ltd	Unit 4 Coal Pit Lane	Atherton	Manchester		M46 0GD	93 60
Arco Ltd	P O Box 21	Head Office	Waverley Street	Hull	HU1 2SJ	84 22
Ashtead Plant Hire Co Ltd	P O Box 119	Warrington	CHESHIRE		WA3 6YT	679 79
Auto Electrical Mobile Service	44b Ormskirk Road	Up Holland	nr Wigan	Lancs	WN8 0AG	451 74
ASD Constructional Supply	Valley Farm Road	Stourton	Leeds		LS10 1SD	45 00
Bapp Ind Supplies Ltd	The Trafalgar Centre	Bellfield Road	Rochdale	Lancashire	OL16 2UX	21,351 08
Bryn Thomas Cranes Ltd	421 Chester Road	Flint	Flintshire		CH6 5SE	16,347 00

The A A Group Limited - In Administration

BCSA Ltd	4 Whitehall Court	Westminster	London	SW1A 2ES	5,390 56
Barnshaw Section Benders Ltd	Anchor Lane	Coseley	West Midlands	WV14 9NE	954 56
C Borland	140 Kestral Park	Skelmersdale	Lancs	WN8 6TB	247 76
Bearing & Engineering Services	Unit 5 Holland Bus Park	Spa Lane	Lathom, Nr Skelmersd	L40 6LN	7 20
British Safety Council	70 Chancellors Road	London		W6 9RS	348 00
Baldwins Crane Hire Limited	PO Box 2652	Slough		SL2 4ZN	3,180 00
Blackburns Metals Ltd	117 Clydesmill Place	Cambuslang Investment Park	Cambuslang	G32 8RF	1,232 28
Barroworld Handling Ltd	Payment Allocation Centre	Barlow House, Yew Tree Way	Stone Cross Park	WA3 3JD	691 38
Barrett Steel Services Ltd	Barrett House	Cutler Heights Lane	Dudley Hill	BD4 9HU	6,745 71
Broughton Lubricants	Unit 7 Camfield Place	Walton Summit	Preston	PR5 8AN	417 60
Cobalt	Unit 2	Eccleston Park Ind Est	St Helens	WA10 3BZ	3,528 00
City Electrical Factors Ltd	North West Division	1 Station Road	Kenilworth	CV8 1JJ	999 48
Cordstrap Ltd	Paddock Road	West Pimbo	Skelmersdale	WN8 9PL	79 20
Charles Wilson Engineers Ltd	86 High Street	Harpenden	Herts	AL5 2SP	2,066 40
C C T S Ltd	32 Birch Tree Avenue	Hazel Grove	Stockport	SK7 6AP	1,583 40
Combisafe International Ltd	Safety Centre	Cheaney Drive	Grange Park	NN4 5FB	18,569 00
Centinc SPV 1 Limited	69 Park Lane	Croydon	Surrey	CR0 1JD	14,285 90
Demag Cranes & Components Ltd	Beaumont Road	Banbury	Oxon	OX16 1QZ	195 68
Kevin Davies	8 Canal Cottages	Four Crossess	Llanymynech	SY22 6PP	4,464 00
Dyfed Steel Mid Wales	Dulas Works	Mochdre Ind Est	Newtown	SY16 4LE	4,950 00
Elliott Hire	Manor Drive	Peterborough		PE4 7AP	270 40
Eltron	45 Skull House Lane	Applry Bridge	Wigan	WN8 9QB	1,855 20
Info Exchange Ltd	The Bean Store	New House Farm Bus Centre	Langley Road	B95 6DL	780 00
Employment Solutions	Unit 4	The Old Courthouse	Tenterden Street	BL9 0AL	9,237 84
Easirent Com	Pentfold Ltd	44 Queen Street	Wigan	WN3 4HX	257 78
Eastwood & Dickinson Ltd	Mayflower Works	Gladstone Road	Seaforth	L21 1DE	390 00

The A.A Group Limited - In Administration

Ewens Structural Detailing Ltd	17 Whispering Meadows	Buckie	Moray	AB56 1LE	5,628 00
Energy Cost Management Ltd	The Old Printworks	Birley Street	Kirkham	PR4 2AT	10,046 62
Economy Tyres Ltd	22 East Mead	Aughton	Ormskirk	L39 5ES	951 00
Ficep UK Ltd Service Division	3 Gilcar Way	Valencia Park	Wakefield Europort	WF10 5QS	1,048 82
Fastrack Fasteners Ltd	Unit 4 Pilling Place	West Pimbo	Skelmersdale	WN8 9PF	1,308 10
Flintnine Fasteners Ltd	Highfield Road	Little Hulton	Manchester	M38 9ST	24 16
Fayle Transport Ltd	Fir Tree House Farm	Dawbers Lane	Euxton	PR7 6EE	2,424 00
Foster Light Haulage	88 Sandy Lane	Skelmersdale	Lancashire		360 00
Frank Hughes & Son Ltd	Bold Trading Estate	Lunts Heath Road	Widnes	WA8 5SG	44,145 28
Flowtech Ltd	Pimbo Road	Skelmersdale	Lancs	WN8 9RB	447 93
Graphic Design Supplies Ltd	Lancaster House	Unit 2 Melville Road	off Queens Avenue	SK10 2BS	296 12
Giles Insurance Brokers Ltd	Southmoor House	Southmoor Road	Manchester	M23 9XD	54,847 24
T & W Garner	3/5 Witham Road	Skelmersdale	Lancashire	WN8 8HR	867 80
Hallmason Design Ltd	Road Four	Winsford Ind Est	Winsford	CW7 3QN	7,899 57
Hilti (GB) Ltd	1 Trafford Wharf Road	Trafford Park	Manchester	M17 1BY	1,740 49
Hessle Fork Trucks	Carwood Road Ind Est	Castleford	West Yorkshire	WF10 4PT	4,413 96
Hadley Group Structural	Sections Ltd	123 West Bromwich Street	Oldbury	B69 3AZ	2,090 61
Holmasters Demtech Ltd	Unit 1	Bracewell Avenue	Poulton le Fylde	FY6 8JF	336 00
Ht-Reach Access	Blackworth Ind Est	Highworth	Swindon	SN6 7NA	5,120 08
HCC International Insurance	The Grange	Rearsby	Leicester	LE7 4FY	45,112 14
Alan Hindle Transport Ltd	Waterside Business Park	Smiths Road	Bolton	BL3 2PP	1,935 60
HPA	Cheshire House	164 Main Road	Goostrey	CW4 8JP	1,050 00
Incom Business Systems Ltd	Clarendon House	Clarendon Road	Manchester	M30 9AL	254 63
IRS Surfacing Technologies Ltd	Unit 8	Abbey Lane	Burscough	L40 7SR	1,440 00
ASD Metal Services	Tunstall Road	Biddulph	Stoke on Trent	ST8 6JZ	132 24
JPC Engineering	27 Greenhey Place	East Gillbrands	Skelmersdale	WN8 9SA	327 60

The A.A. Group Limited - In Administration

J Quinn Fork Trucks	30 Thornhill Road	Garswood	Wigan	Lancashire	WN4 OSR	180 00
J Safe Edge Protection Tech	Heslop	Halesfield 24	Telford	Shropshire	TF7 4NS	20,385 89
John Lawson Distribution Ltd	Scotshaw Brook House	Branch Road	Lower Darwen	Darwen	BB3 0PR	181 37
K Steels Ltd	Jubilee Works	Holme Lane	Rawtenstall	Rossendale	BB4 6JF	41,111 58
Kingspan Ltd	Sherburn	Malton	North Yorkshire		YO17 8PQ	840 94
Kingdom Security Ltd	Mill Brow	Eccleston	St Helens	Merseyside	WA10 4QG	86 52
Kelway UK Ltd	10 Fleet Place	London			EC4M 7RB	810 00
Kimberley Access Ltd	17-18a Bradley Hall Estate	Standish	Wigan	LANCS	WN6 0XQ	6,341 97
Sunlight Services Group Ltd	PO Box 6114	Basingstoke			RG24 8JP	1,817 19
Lynbrook Reprographic Ltd	10 Prospect Place	East Pimbo	Skelmersdale	Lancs	WN8 9QD	459 01
Lloyds & Jones Engineers Ltd	Langton House	PO Box 29	74 Regent Road	Bootle	L20 1EJ	503 06
Lancashire DAF	Four Oaks Road	Walton Summit Centre	Bamber Bridge	Preston	PR5 8BW	127 60
Laing O'Rourke Group	Bridge Place 1	Anchor Boulevard	Admirals Park	Dartford	DA2 6SN	7,030 80
Lifting Gear UK	Unit D4	Leyland Bus Park	Centurion Way	Leyland	PR25 3GR	4,666 92
Entwistle Lomas & Thorpe Ltd	Beniley Avenue	Slakehill	Middleton	Manchester	M24 2RW	760 50
Air Liquide UK Ltd	Station Road	Coleshill	Birmingham		B46 1JY	6,019 56
Marindale Ind Fasteners Ltd	Unit 3D	Shay Lane Ind Est	Longridge	Preston	PR3 3BT	1,743 61
Konica Minolta	Miles Gray Road	Basildon	Essex		SS14 3AR	168 26
M & D Cleaning Supplies Ltd	Grove Road	Upholland	Nr Wigan		WN8 0LH	351 04
MSM Punchpro	Unit 4 Shepcote Bus Park	Europa Drive	Sheffield	South Yorkshire	S9 1XT	637 42
Metsec Building Products Ltd	Broadwell Road	Oldbury	West Midlands		B69 4HE	14,328 13
Misco	10-14 Darby Close	Park Farm South	Wellingborough	Northants	NN8 6XH	213 88
M A S Draughting Ltd	Bretby Business Park	Ashby Road	Bretby	Derbyshire	DE15 0YZ	3,897 60
National Tube Stockholders Ltd	Dalton Ind Estate	Dalton	Thirsk	North Yorkshire	YO7 3HE	46,901 98
Water Account	P O Box 1062	Warrington			WA4 9HE	2,108 43
Nationwide Platforms	15 Midland Court	Central Park	Lutterworth	Leicestershire	LE17 4PN	29,366 87

The A.A. Group Limited - In Administration

One Stop Hire Ltd	Unit 1	Ainscough Trading Est	Mossy Lea Road	Wrightington	Wigan	WN6 9RS	211 36
PRF Engineering	Unit 10	Grimrod Place	Skelmersdale	Lancs		WN8 9UU	3,303 02
Premier Lift Trucks	Gorse Street	Blackburn	Lancs			BB1 3EU	157 50
Poppies WL & S Ltd	71 Burscough Street	Ormskirk	Lancs			L39 2EL	1,380 80
Planet Recycling & Waste Services	12 Juniper Street	Liverpool	Merseyside			L20 8EL	128 10
PGD Morgan	Woodlands	83 Hannel Lane	Walton le Dale	Preston		PR5 4LE	1,136 46
PAR Group Ltd	Club Street	Bamber Bridge	Preston	Lancs		PR5 6FN	448 20
Piretek Liverpool	Unit 35 Millers Bridge Ind Est	Bootle	Merseyside			L20 1EE	233 16
ProCad Detailing Ltd	Second Floor	King Chambers	1 Cathedral Road	Derby		DE1 3PA	690 00
PC Fabrications Ltd	Unit 1 Sardinia Street	Hunslet	Leeds			LS10 1AD	1,842 81
Roflen Galvanizing Ltd	North Road Ind Est	Ellesmere Port	South Wirral	Merseyside		L65 1AB	4,506 72
RNB Commercial	36 Greenhey Place	East Gillibrands	Skelmersdale	Lancs		WN8 9SA	5,914 60
Royal Mail Retail	Payment Processing Centre	Rowland Hill House	Boythorpe Road	Chesterfield		S49 1HQ	780 00
RSM Tenon Ltd	Clive House	Clive Street	Bolton	Greater Manchester		BL1 1ET	9,054 00
Reel UK Ltd	Unit 9 Manor Farm	Shurlock Row	Reading	Berkshire		RG10 0PY	1,965 60
Robert Smith Steels Ltd	Cathcart Quay	Birkenhead	Merseyside			CH41 3HZ	45,327 76
Spectrum Welding & Engineers	Unit 7	Tanning Court	Warrington	Cheshire		WA1 2HF	1,768 90
St Helen Council	The Cashiers'	Lincoln House	Corporation Street	St Helens		WA10 1UQ	651 00
Standish Metal (Electricity)	Potter Place	West Pimbo	Skelmersdale	Lancs		WN8 9PW	1,489 20
Speedy Asset Services Ltd	Chase House	16 The Parks	Newton le Willows			WA12 0JQ	11,997 74
Structural Metal Decking Ltd	The Outlook	Ling Road	Tower Park	Poole		BH12 4PY	11,078 68
Sidlow Brothers Construction	The Adlington Suite	Paragon Bus Park	Horwich	Bolton		BL6 6HG	5,693 76
Standish Metal Treatments Ltd	Potter Place	West Pimbo	Skelmersdale	Lancs		WN8 9PW	74,499 94
Star Surveys Ltd	14 Lupin Close	Whittle le Woods	Chorley			PR6 7RG	1,470 00
St Helens Steel Solutions Ltd	20 Delph Hollow Way	Sherdley Park	St Helens	Merseyside		WA9 5GP	3,551 11
Barclay & Matheson LTD	Shieldhall Works	180 Hardgate Road	Glasgow			G51 4TB	38,960 75

The A A Group Limited - In Administration

S Corser Site Services	7 Acregate	Digmoor	Skelmersdale	Lancs	WN8 9LX	1,655 92
Austin Trumanns Steel Ltd	Brightgate House	Cobra Court	Trafford Park	Manchester	M28 3NH	281,526 75
Trax Hydraulics (NW) Ltd	Unit 3 Langley Road	Burscough Ind Est	Ormskirk	Lancs	L40 8JR	287 19
Techsure Ltd	625A Chorley Old Road	Heaton	Bolton		BL1 6BJ	2,244 01
Total Welding Supplies Ltd	Units 12 & 13	St Johns Road	Brasenose Ind Est	Boole	L20 8PR	238 99
Target Fire Protection Ltd	Unit 3B	Buckley Road Ind Est	Rochdale	Lancs	OL12 9ER	663 47
Tate Fuels Ltd	Leeds Road	Otley	West Yorkshire		LS21 3BB	1,385 62
Titan Steel Projects Ltd	The Old Carnegie Library	361 Ormskirk Road	Wigan	LANCS	WN5 9DQ	7,375 50
Viking Direct Ltd	P O Box 279	Leicester			LE3 1YU	44 30
J R Webster Ltd	Prince William Avenue	Sandycroft	Deeside	Flintshire	CH5 2QZ	2,224 74
West Lancs District Council	Finance Division	52 Derby Street	Ormskirk	Lancs	L39 2DF	22,764 00
Trafford Brake Services Ltd	5 Delph Court	Sherdley Bus Park	Sullivans Way	St Helens	WA9 5GL	229 18
Husk UK Limited	The Freight Terminal	Lydden Hill	Nr Dover		CT15 7JW	1 00
HM Revenue & Customs (VAT)	Durrington Bridge House	Barrington Road	Worthing	West Sussex	BN12 4SE	316,086 89
HM Revenue & Customs (PAYE)	Debt Technical Office	Markham House	Markham Road	Chesterfield	S40 1SR	139,503 83
Redundancy Payments Office (Preferential)	Cobalt Square	83-85 Hagley Road	Birmingham		B16 8QG	56,400 00
Redundancy Payments Office (Unsecured)	Cobalt Square	83-85 Hagley Road	Birmingham		B16 8QG	576,260 00
Total						2,200,003 04

Note. None of the above hold any form of security over Company assets.

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS FROM
13 JULY 2012 TO 5 SEPTEMBER 2012

	Statement of Affairs £	Received to date £
RECEIPTS		
Balance at Bank	231,679 29	231,679 29
Debtor Realisations	150,000 00	10,046 52
	<u>381,679.29</u>	<u>241,725 81</u>
PAYMENTS		
		<u>-</u>
		<u>-</u>
BALANCE IN HAND		<u>241,725.81</u>

APPENDIX D

SUMMARY OF JOINT ADMINISTRATORS TIME COSTS FROM 13 JULY 2012 TO 5 SEPTEMBER 2012

	Director		Senior Manager		Manager 2		Administrator 4		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory & Review	20	850 00	-	-	-	-	30	405 00	50	1,255 00	251 00
Insurance	-	-	-	-	8	228 00	-	-	8	228 00	285 00
Assets	305	12,962 50	280	10,780 00	107	3,049 50	144	1,944 00	836	28,736 00	343 73
Liabilities	37	1,572 50	143	5,505 50	101	2,878 50	178	2,403 00	459	12,359 50	269 27
Trading	105	4,462 50	20	770 00	-	-	367	4,954 50	492	10,187 00	207 05
General Administration	38	1,615 00	-	-	-	-	173	2,335 50	211	3,950 50	187 23
Appointment	29	1,232 50	55	2,117 50	10	285 00	93	1,255 50	187	4,890 50	261 52
Post Appointment Credits Mtngs	60	2,550 00	83	3,195 50	-	-	75	1,012 50	218	6,758 00	310 00
Investigations	-	-	-	-	-	-	6	81 00	6	81 00	135 00
Strategy & purpose evaluation	116	4,930 00	365	14,052 50	-	-	35	472 50	516	19,455 00	377 03
Preparation of documents	-	-	-	-	-	-	44	594 00	44	594 00	135 00
Total	710	30,175 00	946	36,421 00	226	6,441 00	1,145	15,457 50	3,027	88,494 50	

Average Hourly Rate (£)

425 00

385 00

285 00

135 00

292 35

All Units are 6 minutes

LEONARD CURTIS CHARGE OUT RATES AND POLICY REGARDING STAFF ALLOCATION, SUPPORT STAFF, THE USE OF SUBCONTRACTORS AND THE RECHARGE OF DISBURSEMENTS

The following information relating to the policy of Leonard Curtis is considered to be relevant to creditors

Staff Allocation and Support Staff

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution of the secured creditors, a creditors' committee or creditors generally, that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters arising in the appointment, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

With effect from 1 January 2012 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis

	Standard £	Complex £
Director	425	531
Senior Manager	385	481
Manager 1	330	412
Manager 2	285	356
Administrator 1	230	287
Administrator 2	210	262
Administrator 3	190	237
Administrator 4	135	168
Support	0	0

Subcontractors

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holders or their staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Disbursements

- a) Category 1 disbursements. These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements. These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£66.09 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

FORM 2 20B – NOTICE OF A MEETING OF CREDITORS BY CORRESPONDENCE

Notice of a meeting of creditors

Name of Company THE A A GROUP LIMITED	Company number 04127100
In the The High Court of Justice, Liverpool District Registry <small>[full name of court]</small>	Court case number 2LV70717

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

Notice is hereby given by (a) **J M Titley & A Poxon of Leonard Curtis**
Hollins Mount, Hollins Lane, Bury, Lancashire BL9 8DG

(b) Insert full name and
address of registered office of
the company

that, under paragraph 58 of Schedule B1 of the Insolvency Act 1986 and Rule 2 48 of the Insolvency Rules 1986, the
business of an Initial Creditors' Meeting of (b) **THE A A GROUP LIMITED,**

Hollins Mount Hollins Lane Bury Lancashire BL9 8DG

will be conducted by correspondence

The resolutions to be considered include resolutions specifying the bases upon which the Administrators' remuneration and disbursements are to be calculated, requesting that unpaid pre-administration costs may be paid as an expense of the Administration, and specifying the date upon which the Administrators are discharged from liability in respect of any action of theirs as Administrators

The closing date for receipt of Forms 2 25B by the Joint Administrators is 19 September 2012 The form must be accompanied by a statement of claim, if one has not already been lodged, and sent to the Joint Administrators' office

Any creditor who has not received Form 2 25B can obtain one from the Joint Administrators' office

Signed


J M Titley - Joint Administrators

Dated

5/9/12

* Delete as applicable

A copy of the *proposals / ~~revised proposals~~ is attached

FORM 2.25B – NOTICE OF CONDUCT OF BUSINESS BY CORRESPONDENCE

Notice of conduct of business by correspondence

Name of Company
THE A A GROUP LIMITED

Company number
04127100

In the
The High Court of Justice, Liverpool District Registry

[full name of court]

Court case number
2LV70717

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

Notice is hereby given by (a) J M Titley & A Poxon of Leonard Curtis

Hollins Mount, Hollins Lane, Bury, Lancashire BL9 8DG

(b) Insert full name and
address of registered
office of the company

to the creditors of (b) THE A A GROUP LIMITED, Hollins Mount, Hollins Lane,

Bury, Lancashire BL9 8DG

(c) Insert number of
resolutions enclosed

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are (c) Four
resolutions for your consideration Please indicate below whether you are in favour or against each resolution

This form must be received at (d) Leonard Curtis

(d) Insert address to which
form is to be delivered

Hollins Mount, Hollins Lane, Bury, Lancashire BL9 8DG

by 12 00 hours on (e) 19 September 2012 in order to be counted It must be accompanied by
details in writing of your claim Failure to do so will lead to your vote(s) being disregarded

(e) Insert closing date

Resolution 1

Under Rule 2 106 of the Insolvency (Amendment) Rules 2010 and in the absence of a Creditors' Committee, the remuneration of the Joint Administrators be fixed by reference to time properly spent by them and their staff in attending to matters arising from the Administration, and the Joint Administrators be authorized to draw remuneration as and when funds are available on account of their time costs

I am *in Favour / Against

Resolution 2

That unpaid pre-administration costs may be paid as an expense of the Administration

I am *in Favour / Against

Resolution 3

For the discharge of Category 2 disbursements as detailed on the attached guide to fees

I am *in Favour / Against

Resolution 4

That the Joint Administrators be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment ceasing to have effect

I am *in Favour / Against

If you require any further details or clarification prior to returning your votes, please contact me / us at the address above

Signed

J M Titley

Joint / Administrator(s)

TO BE COMPLETED BY CREDITOR WHEN RETURNING
FORM

Name of creditor

Dated

5/9/12

Signature of creditor

Capacity

(if signing on behalf of creditor, state capacity eg director /

secretary

ADM225B2 05-05-10

STATEMENT OF CLAIM FORM

Date of administration order: 13 July 2012

Name of creditor:

Address of creditor:

Gross amount of claim
(ie including VAT)

Amount of VAT

Details of any document by
reference to which the debt can be
substantiated
(eg invoices)

Particulars of how and when debt
incurred

Particulars of any security held, the
value of the security and the date it
was given:

Signature of creditor or person
authorised to act on his behalf.

Name in BLOCK CAPITALS.

Position with or relation to creditor
