

Liquidator's Progress Report

Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986

S.192

To the Registrar of Companies

Company Number

04127100

Name of Company

(a) Insert full
name of company

(a) THE A A GROUP LIMITED

(b) Insert full
name(s)
and
address(es)

We (b) J M Titley and A Poxon

of Leonard Curtis, Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ

the liquidators of the company attach a copy of our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 8 July 2013 to 7 July 2014

Signed

Date

05 September 2014

Presenter's
name, address
and reference (if
any)

Leonard Curtis,
Tower 12,
18/22 Bridge Street,
Spinningfields,
Manchester
M3 3BZ

Ref M/19/TRF/NT707R/115

SATURDAY



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06/09/2014

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COMPANIES HOUSE



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

THE A.A. GROUP LIMITED
(In Creditors' Voluntary Liquidation)

Registered Number. 04127100

Joint Liquidators' annual progress report
prepared in accordance with s104A of the Insolvency Act 1986
and Rule 4.49C of the Insolvency Rules 1986 (as amended)

5 September 2014

Leonard Curtis
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Ref M/19/TRF/NT707R/1010

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TO. ALL MEMBERS
ALL CREDITORS
ALL DIRECTORS
THE REGISTRAR OF COMPANIES

1 INTRODUCTION

- 1.1 My colleague, A Poxon, and I were appointed as Joint Liquidators of the Company on 8 July 2013. Our appointment took effect upon the cessation of our appointment as Joint Administrators and the registration of Form 2.34B – Notice of Move from Administration to Creditors' Voluntary Liquidation at Companies House. No other nominations for the office of Liquidator were received. Both A Poxon and I are licensed in the UK by the Institute of Chartered Accountants in England and Wales. I can confirm that there has been no change in office-holder since the date of liquidation.
- 1.2 This report has been prepared in accordance with the requirements of Section 104A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986 (as amended) to provide members and creditors with a report on the progress of the liquidation.
- 1.3 The period covered by this report is the period of 12 months from appointment.

2 CONDUCT OF THE LIQUIDATION

- 2.1 The Company's registered office was changed from Priorswood Place, East Pimbo, Skelmersdale, Lancashire WN8 9QB to Hollins Mount, Hollins Lane, Bury BL9 8DG on 20 July 2012. The Company's registered number is 04127100.

Assets Realised

Administration Surplus

- 2.2 A surplus of £162,585.45 has been paid over to the Liquidation Estate.

Book Debts and Retentions

- 2.3 It was previously reported that there were still a number of book debts and retentions to be collected in the Liquidation period. Appointed agents, the Vinden Partnership ('TVP'), indicated a best and worst case outcome of c£105k and c£34k respectively.

During the period of this report, a total of £83,848.22 has been collected.

TVP continue to progress the collection process.

It is also noted that a first and final dividend of £7,912.04 has been paid over to the Joint Liquidators from office holders dealing with the liquidation of one of the Company's debtors.

Assets Still to be Realised

- 2.4 The only potential assets still to be realised are book debts and retentions as above.

3 RECEIPTS AND PAYMENTS ACCOUNT

- 3 1 Attached at Appendix A is a summary of the Joint Liquidators' receipts and payments for the period from 8 July 2013 to 7 July 2014, being twelve months from the date of appointment

4 OUTCOME FOR CREDITORS

4 1 Secured Creditors

The Company's secured creditors were dealt with during the course of the Administration

4 2 Preferential Creditors

This office has received the following preferential claims:

- £44,677 82 from the Redundancy Payments Office, and
- £9,698 51 in respect of employees' residual claims

It is noted that these claims were paid in full after the period covered by this report. As a result, these transactions are not reflected in the Joint Liquidators' receipts and payments account at Appendix A

4 3 Prescribed Part

The prescribed part does not apply in this matter

4 4 Unsecured Creditors

Notice of a first interim dividend was circulated to all known creditors on 13 May 2014, with a final date for proving claims in this dividend stipulated as 10 June 2014

It is noted that a first interim unsecured dividend of £65,000, being a dividend of 4 374 pence in the pound on admitted claims of £1,486 185 84, was paid after the period covered by this report. As a result, these transactions are not reflected in the Joint Liquidators' receipts and payments account at Appendix A

As soon as all assets have been realised, the Joint Liquidators will take steps to pay a second and final unsecured dividend

If you have not already done so, please submit details of your claim, by completing and returning the proof of debt form attached at Appendix D to this office. Please include documentation to support your claim

5 INVESTIGATIONS

- 5 1 Following their appointment, the Joint Liquidators considered the information acquired in the course of appraising and realising the business and assets of the Company, together with information provided by the Company's directors and its creditors, to identify any further possible realisations for the estate and what further investigations, if any, might be appropriate
- 5 2 That assessment identified possible further realisations of c£90k in the form of a terminal loss relief claim against HMRC. A claim was lodged which resulted in a reduction in their claim against the Company for dividend purposes, thus increasing the pool of assets for the remaining creditors.

5 3 No additional investigations were required

5 4 Regardless of the above, the Liquidators have complied with their statutory obligations under the Company Directors Disqualification Act 1986 and the appropriate report has been submitted to the relevant authority

6 LIQUIDATORS' REMUNERATION AND DISBURSEMENTS AND CREDITORS' RIGHTS

Remuneration

6 1 Rule 4 127(5A) of the Insolvency Rules 1986 (as amended) states that where a company which is in administration moves into liquidation and the former Administrators become the Liquidators, the basis of the office holders' remuneration fixed in the Administration also applies in the subsequent Liquidation. Accordingly, the Liquidators' remuneration will be payable by reference to time properly given by the Liquidators and their staff in attending to matters arising in the liquidation.

6 2 The time charged by the Joint Liquidators and their staff for the period from 8 July 2013 to 7 July 2014 amounts to £69,535 00. This represents 222 1 hours at an average rate of £313 08 per hour. Attached at Appendix B is a time analysis which provides details of the activity costs incurred by staff grade during this period. Please note that the firm's charge out rates were amended with effect from 6 January 2014.

6 3 Liquidation fees drawn at the date of this report amount to £52,245 00.

Disbursements and Expenses

6 4 The Joint Liquidators have also incurred expenses and category 1 disbursements (independent third party expenses paid and reimbursed to the Joint Liquidators, which do not require creditors' consent) since the date of their appointment as follows:

Nature of expenses	By whom provided	Total amount incurred to date £	Amount incurred in the period of this report £	Amount reimbursed £	Amount still to be reimbursed £
Statutory Advertising	Courts Advertising	169 20	169 20	84 60	84 60
Document Upload	The Creditor Gateway	12 00	12 00	12 00	0 00
Software Licence	Pelstar Computing	75 00	75 00	75 00	0 00
Company Search	Companies House	1 00	1 00	1 00	0 00
Debt Collection Fees	The Vinden Partnership	22,172 16	22,172 16	22,172 16	0 00
Total		22,429 36	22,429 36	22,344 76	84.60

6 5 Attached at Appendix C is additional information in relation to the firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade. During the liquidation the following professional advisors and / or subcontractors have been used:

Name of Professional Advisor	Service Provided	Basis of Fees
The Vinden Partnership	Debt Collection	Percentage of Realisations

Creditors' Rights

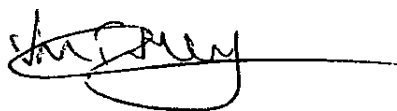
- 6.6 Any secured creditor, unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) or any unsecured creditor with the permission of the Court, may within 21 days of the receipt of this report make a request in writing to the Liquidators for further information about the remuneration or expenses incurred since the date of appointment
- 6.7 In addition to the above, any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) or any unsecured creditor with the permission of the Court, may within 8 weeks of receipt of this report make an application to Court on the grounds that the basis fixed for the Liquidators' remuneration is inappropriate, or the remuneration charged or the expenses incurred by the Liquidators since the date of appointment are excessive

7 NEXT REPORT

- 7.1 The Joint Liquidators are required to provide a progress report within two months of the end of the next anniversary of the Liquidation or earlier if the Liquidation has been finalised

If you require further information in the meantime please contact my office in writing. Electronic communications should include a full postal address

Yours faithfully



J M TITLEY
Joint Liquidator

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

APPENDIX A

ACCOUNT OF JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS FOR THE PERIOD FROM
8 JULY 2013 TO 7 JULY 2014

	Estimated to realise £	As at 7 July 2014 £
RECEIPTS		
Balance from Administration	162,585	162,585 45
Book Debts and Retentions	71,000	91,760 26
	<u>233,585</u>	<u>254,345 71</u>
PAYMENTS		
Joint Liquidators' Remuneration		52,245 00
Joint Administrators' Disbursements		2 09
Gas Charges		420 71
Debt Collection Fees		22,172 16
Joint Liquidators' Disbursements		172 60
Total costs and charges incurred		<u>75,012.56</u>
BALANCE		<u>179,333.15</u>

APPENDIX B

SUMMARY OF JOINT LIQUIDATORS' TIME COSTS FOR THE PERIOD
FROM 8 JULY 2013 TO 7 JULY 2014

	Director		Senior Manager		Manager 2		Administrator 1		Administrator 4		Support		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory & Review	16	680 00	28	1,078 00	202	6,135 00	30	690 00	7	105 00	-	-	283	8,688 00	307 00
Receipts & Payments	-	-	-	-	70	1,995 00	-	-	14	210 00	-	-	84	2,205 00	262 50
Assets	72	3,182 50	60	2,310 00	364	10,965 50	-	-	-	-	-	-	496	16,458 00	331 81
Liabilities	192	8,557 50	55	2,117 50	615	19,057 00	-	-	184	2,760 00	-	-	1,046	32,492 00	310 63
General Administration	18	765 00	-	-	173	5,396 00	-	-	-	-	15	-	206	6,161 00	299 08
Appointment	-	-	30	1,155 00	53	1,510 50	-	-	-	-	-	-	83	2,665 50	321 14
Investigations	15	637 50	-	-	8	228 00	-	-	-	-	-	-	23	865 50	376 30
Total	313	13,822 50	173	6,660 50	1,485	45,287 00	30	690 00	205	3,075 00	15	-	2,221	69,535 00	
Average Hourly Rate (£)		441 61		385 00		304 96		230 00		150 00		-		313 08	

All Units are 6 minutes

DESCRIPTION OF TIME SPENT BY CATEGORY

Statutory and Review

This involved undertaking regular reviews of the case file to ensure all matters were being progressed and statutory requirements were met.

Other work included in this category comprises regular reviews of estate expenses incurred and preparation of estimated outcome projections

Receipts and Payments

Time has been attributed to the receiving and banking of funds and the payment of agents invoices. Time was also spent ensuring that the receipts and payments were properly recorded

Time has also been spent completing post appointment tax returns

Assets

Considerable time has been incurred by the Joint Administrators assisting with the debt collection process, which has to date resulted in higher realisations than TVP's mid range estimate

Liabilities

Time was spent submitting a terminal loss relief claim to HM Revenue and Customs which resulted in improving the return to the Company's other creditors

Time was spent dealing with various matters affecting preferential and unsecured creditors including

- Collating and acknowledging creditor claims, where requested, and dealing with creditor queries by email, post and telephone,
- Preparation of an estimated outcome statement to illustrate the level of funds likely to be available with which to declare a dividend to preferential and unsecured creditors,
- Issuing the Notice of Intended Dividend to all known creditors,
- Reviewing creditor claims and any supporting evidence received,
- Finalising the first and final preferential dividend, and
- Finalising the first interim unsecured dividend

Time has also been spent preparing the Joint Administrators' Final Progress Report circulated to creditors on 12 July 2013

General Administration

This includes setting up the case file, engaging in general correspondence and liaising with the directors in respect of case specific matters

Appointment

This involved completion of appointment documents and notifying creditors and all relevant parties of our appointment as Administrators in line with statutory requirements. This also includes time spent dealing with various other appointment formalities.

Investigations

This has involved complying with the Joint Liquidators' statutory obligation to investigate and submit a report to the Department of Business, Innovation and Skills in respect of the conduct of the Company's directors.

APPENDIX C

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 6 January 2014 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis

With effect from 6 Jan 2014	Standard £	Complex £	1 Jan 2012 to 5 Jan 2014	Standard £	Complex £
Director	450	562	Director	425	531
Senior Manager	410	512	Senior Manager	385	481
Manager 1	365	456	Manager 1	330	412
Manager 2	320	400	Manager 2	285	356
Administrator 1	260	325	Administrator 1	230	287
Administrator 2	230	287	Administrator 2	210	262
Administrator 3	210	262	Administrator 3	190	237
Administrator 4	150	187	Administrator 4	135	168
Support	0	0	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

- 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.
- 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.

PROOF OF DEBT – GENERAL FORM

THE A.A. GROUP LIMITED		
Date of Administration 12 July 2012		
1	Name of Creditor (if a company please also give company registration number)	
2	Address of creditor for correspondence (Please include email address)	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation	£
4	Details of any documents by reference to which the debt can be substantiated (Note There is no need to attach them now but the liquidator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting)	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7	Particulars of any security held, the value of the security, and the date it was given	
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf _____ Name in BLOCK LETTERS _____ Position with or relation to creditor _____ Address of person signing (if different from 2 above) _____	
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Liquidator		Liquidator