

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 Bndge Street, Spinningfields, Manchester, M3 3BZ**

the liquidator(s) 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 2014 to 7 July 2015

Signed



Date 7 September 2015

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

Leonard Curtis
Tower 12, 18/22 Bndge Street
Spinningfields
Manchester
M3 3BZ
Ref M/19/TRF/NT707R/115

TUESDAY



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08/09/2015

#223

COMPANIES HOUSE



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

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

Registered Number: 04127100

Joint Liquidators' Second Annual Progress Report
prepared in accordance with s104A of the Insolvency Act 1986
and Rule 4.49C of the Insolvency Rules 1986 (as amended)

7 September 2015

Leonard Curtis
Tower 12, 18/22 Bridge Street, Spinningfields, Manchester
M3 3BZ
Tel 0161 831 9999 Fax 0161 831 9090
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Ref M/19/TRF/NT707R/1010

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APPENDICES

- A Account of Joint Liquidators' Receipts and Payments for the period from 8 July 2014 to 7 July 2015
- B Summary of Joint Liquidators' Time Costs for the period from 8 July 2014 to 7 July 2015
- C Leonard Curtis Charge Out Rates and Policy regarding Staff Allocation, Support Staff, the use of Subcontractors and the Recharge of Disbursements
- D Proof of Debt Form

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) ("the Rules") to provide members and creditors with a report on the progress of the liquidation.
- 1.3 Much of the information contained in this report encompasses the whole period of the Liquidation. Please be aware, however, that where reference is made to "the period of this report", this specifically means 8 July 2014 to 7 July 2015, being the period of 12 months to the most recent anniversary of the Joint Liquidators' 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 Tower 12, 18/22 Bridge Street, Spinningfields, Manchester, M3 3BZ on 20 July 2012. The Company's registered number is 04127100.

Assets Realised During the Period of this Report

Book Debts and Retentions

- 2.2 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.

Prior to the period of this report, a total of £83,848.22 had been collected by TVP.

No further collections have been made during the period of this report save for a first and final dividend of £14.73 paid over to the Joint Liquidators from office holders dealing with the liquidation of one of the Company's debtors.

A sum of £494.54 was received by the Joint Liquidators on 21 August 2015 from office holders dealing with the liquidation of another of the Company's debtors. This transaction is not recorded in the Liquidators' receipts and payments at Appendix A as this sum was received after the period of this report.

No further realisations are anticipated.

Assets Still to be Realised

- 2 3 There are no further assets to be realised, save for unanticipated book debts and retentions as noted above at paragraph 2 2

3 RECEIPTS AND PAYMENTS ACCOUNT

- 3 1 Attached at Appendix A is a summary of the Joint Liquidators' receipts and payments for the whole of the liquidation period to date, including details of all receipts and payments for the period of this report

4 OUTCOME FOR CREDITORS

4 1 Secured Creditors

As per the Joint Administrators' Final Progress Report dated 12 July 2013, the secured creditor and finance creditors were repaid in full during the course of the Administration

4 2 Preferential Creditors

The Joint Liquidators received claims for £44,677 82 from the Redundancy Payments Office and residual employees' preferential claims totalling £9,698 51

All preferential claims have been paid in full during the period of this report

4 3 Prescribed Part

The Insolvency Act 1986 provides that, where a company has created a floating charge after 15 September 2003, the administrator must make a *prescribed part* of the company's net property available to the unsecured creditors and not distribute it the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims

As no floating charge distributions were made during the course of the Administration or Liquidation, there is no requirement to set aside a prescribed part in this case

4 4 Unsecured Creditors

Estimated unsecured creditor claims, according to the Company's books and records, as at the date that the Company entered into Administration, amounted to £2,144,000

A first interim dividend of 4 4 pence in the pound, an amount totalling £65,000, was declared on 8 August 2014 in favour of ordinary creditors with agreed claims at the time totalling £1,486,185 84

A second and final dividend of 0 1 pence in the pound, an amount totalling £1,932 55, was declared on 17 February 2015 in favour of ordinary creditors with agreed claims at the time totalling £1,918,358 41

In accordance with Rule 11 7 of the Rules, no further dividend will be paid as all funds realised have been distributed or used or allocated for defraying the expenses of the liquidation

5 INVESTIGATIONS

- 5 1 As previously reported in the Joint Liquidators' Annual Progress Report dated 5 September 2014, all investigations had been concluded prior to the period of this report

6 JOINT 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 Joint Liquidators' remuneration will be payable by reference to time properly given by the Joint Liquidators and their staff in attending to matters arising in the liquidation
- 6 2 The Joint Liquidators' time costs are summarised below

	Hours No	Rate / hr £	Total value of time £
Time previously reported	222 1	313 08	69,535 00
Time incurred in the period of this report	103 3	338 73	34,991 00
Total Liquidators' time costs	325 4	321 22	104,526 00

Please note that the firm's charge out rates were amended with effect from 6 January 2014

- 6 3 The time charged by the Joint Liquidators and their staff for the period from 8 July 2014 to 7 July 2015 amounts to £34,991 00. This represents 103 3 hours at an average rate of £338 73 per hour. Attached at Appendix B is a time analysis which provides details of the activity costs incurred by staff grade during this period
- 6 4 Liquidation fees drawn at the date of this report amount to £100,445 00
- 6 5 Creditors have approved the basis for recharging disbursements that include an element of allocated cost or payments to outside parties in which the Joint Liquidators or Leonard Curtis have an interest. These are known as Category 2 disbursements

No disbursements of this kind have been incurred in this case

Other disbursements and expenses

- 6 6 The Joint Liquidators have incurred category 1 disbursements, defined later at Appendix C, and expenses from the date of their appointment including during the period of this report. These expenses are detailed in the table below, which also indicates whether these expenses have yet been paid from case funds

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 £
Employment Consultant	EK Employment Law	3,600 00	3,600 00	3,600 00	0 00
Statutory Advertising (category 1)	Courts Advertising	169 20	84 60	169 20	0 00
Document Upload (category 1)	The Creditor Gateway	24 00	12 00	24 00	0 00
Software Licence	Pelstar Computing	75 00	0 00	75 00	0 00
Company Search	Companies House	1 00	0 00	1 00	0 00
Debt Collection Fees	The Vinden Partnership	22,172 16	0 00	22,172 16	0 00
Total		26,041.36	3,696 60	26,041 36	0 00

The costs incurred by EK Employment Law relate to assistance provided to the Joint Liquidators during the course of the dividend process, specifically with regards to the calculation of the employees' residual preferential and unsecured claims against the Company

- 6 7 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
EK Employment Law	Calculation of Employees' Residual Claims	Time Costs
The Vinden Partnership	Debt Collection Assistance	Percentage of Realisations

Creditors' Rights

- 6 8 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 in the period of this report
- 6 9 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 Joint Liquidators' remuneration is inappropriate, or the remuneration charged or the expenses incurred by the Joint Liquidators in the period of this report 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 2014 TO 7 JULY 2015**

	Estimated to realise £	Previous periods £	This period £	Cumulative £
RECEIPTS				
Balance from Administration	162,585	162,585 45	-	162,585 45
Book Debts and Retentions	71,000	91,760 26	14 73	91,774 99
	233,585	254,345 71	14 73	254,360 44
PAYMENTS				
Joint Liquidators' Remuneration		52,245 00	48,200 00	100,445 00
Joint Administrators' Disbursements		2 09	-	2 09
Gas Charges		420 71	-	420 71
Debt Collection Fees		22,172 16	-	22,172 16
Joint Liquidators' Category 1 Disbursements		172 60	181 20	353 80
Employment Consultant		-	3,600 00	3,600 00
Joint Administrators' Remuneration		-	700 00	700 00
Total costs and charges incurred		75,012 56	52,681 20	127,693 76
RPO Preferential Distribution (100p/£)		-	44,677 82	44,677 82
Employee Preferential Distribution (100p/£)		-	9,698 51	9,698 51
HMRC PAYE & NIC on Employee Preferential Distribution		-	4,564 01	4,564 01
Trade and Expense Claims First Unsecured Dividend (4 4p/£)		-	33,738 65	33,738 65
RPO First Unsecured Dividend (4 4p/£)		-	16,921 51	16,921 51
Employee First Unsecured Dividend (4 4p/£)		-	3,074 15	3,074 15
HMRC (PAYE & NIC) Unsecured Dividend (4 4p/£)		-	11,188 65	11,188 65
HMRC PAYE & NIC on Employee First Unsecured Distribution		-	77 04	77 04
Trade and Expense Claims Second Unsecured Dividend (0 1p/£)		-	872 82	872 82
RPO Second Unsecured Dividend (0 1p/£)		-	389 76	389 76
Employee Second Unsecured Dividend (0 1p/£)		-	58 02	58 02
HMRC (PAYE & NIC) Second Unsecured Dividend (0 1p/£)		-	257 71	257 71
HMRC (VAT) Second Unsecured Distribution (0 1p/£)		-	352 47	352 47
HMRC PAYE & NIC on Employee Second Unsecured Distribution		-	1 77	1 77
Total amount paid in dividends		-	125,872 89	125,872 89
BALANCE IN HAND				793 79

APPENDIX B

SUMMARY OF LIQUIDATORS' TIME COSTS FOR THE PERIOD FROM 8 JULY 2014 TO 7 JULY 2015

	Director		Senior Manager		Manager 2		Administrator 4		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory & Review	-	-	6	246 00	33	1,056 00	-	-	39	1,302 00	333 85
Receipts & Payments	-	-	-	-	22	704 00	91	1,365 00	113	2,069 00	183 10
Assets	77	3,465 00	-	-	-	-	-	-	77	3,465 00	450 00
Liabilities	256	11,520 00	-	-	428	13,696 00	53	795 00	737	26,011 00	352 93
General Administration	-	-	-	-	67	2,144 00	-	-	67	2,144 00	320 00
Total	333	14,985 00	6	246 00	550	17,600 00	144	2,160 00	1,033	34,991 00	
Average Hourly Rate (£)		<u>450 00</u>		<u>410 00</u>		<u>320 00</u>		<u>150 00</u>		<u>338 73</u>	
All Units are 6 minutes											

APPENDIX B (continued)

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 estate expenses. Time was also spent ensuring that the receipts and payments were properly recorded

Time has also been spent completing post appointment tax returns

Assets

Time has been incurred by the Joint Liquidators in discussions with our debt collection agents with regards to the remaining outstanding ledger

Liabilities

Considerable 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 Notices of Intended Dividend to all known unsecured creditors,
- Reviewing creditor claims and any supporting evidence received,
- Liaising with EK Employment Law throughout the dividend process,
- Finalising the first and final preferential dividend, and
- Finalising the first interim and second and final dividends to unsecured creditors

General Administration

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

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.

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 £	1 Jan 2012 to 5 Jan 2014	Standard £
Director	450	Director	425
Senior Manager	410	Senior Manager	385
Manager 1	365	Manager 1	330
Manager 2	320	Manager 2	285
Administrator 1	260	Administrator 1	230
Administrator 2	230	Administrator 2	210
Administrator 3	210	Administrator 3	190
Administrator 4	150	Administrator 4	135
Support	0	Support	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.

PROOF OF DEBT – GENERAL FORM

THE A.A. GROUP LIMITED		
Date of Administration 13 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

Thomas Fox

From: Thomas Fox
Sent: 07 September 2015 12 58
To: Julie Hogan
Subject: the a a group
Attachments: AVLWEB docx, CreditorWeb Joint Liquidators' Annual Progress Report dated 7 September 2015 pdf Successfully Upload to T707R, AVLRCRD1 docx, Joint Liquidators' Annual Progress Report dated 7 September 2015 pdf

Please can you send

- 1) AVLWEB letter to all creditors (confirmation attached)
- 2) AVLRCRD1 letter to all directors and shareholder plus copy of report (attached)

thanks