

Rule 1.26A/1 54

The Insolvency Act 1986

Notice to Registrar of Companies of
Supervisor's Progress ReportPursuant to Rule 1 26A(4)(a) or
Rule 1 54 of the
Insolvency Rules 1986**R.1.26A(4)(a)/
R.1.54**

For Official Use

To the Registrar of Companies

Company Number

04250992

Name of Company

KeTech Group Limited

I / We

Christopher Kim Rayment, 125 Colmore Row, Birmingham, B3 3SD

David Harry Gilbert, 125 Colmore Row, Birmingham, B3 3SD

supervisor(s) of a voluntary arrangement taking effect on

10 August 2010

Attach my progress report for the period

10 August 2014

to

09 August 2015

Number of continuation sheets (if any) attached

Signed

Date

2/10/15

BDO LLP
Pannell House
159 Charles Street
Leicester
LE1 1LD

Ref 00154355/CKR/DHG/LCF/JS

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Insolvency Section

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COMPANIES HOUSE

**KeTech Group Limited
In Company Voluntary Arrangement**

Comments on the progress and efficacy

of the Company Voluntary Arrangement ("CVA" or "Arrangement")

1 The Group

It is now five years since the commencement of the CVA of KeTech Group Limited ("KGL" or "the Company"), with two partners at BDO LLP, J M Wright and D H Gilbert, being appointed as Joint Supervisors following meetings of creditors and members held on 10 August 2010.

As you are aware J M Wright resigned as partner at BDO LLP and was replaced as Joint Supervisor of the CVA of the Company by myself (C K Rayment), by a Court order dated 23 January 2014.

I also replaced J M Wright as Joint Supervisor of KeTech Defence Limited ("KDL"), KeTech Systems Limited ("KSL"), Ditra Systems Limited ("DSL"), and KeTech Limited ("KL"), (all of which are in CVA and are together known as "the Group" or "the Companies").

I attach an abstract of my receipts and payments account covering the period of this report being 10 August 2014 to 9 August 2015 and from the commencement of the CVA. Also enclosed is a consolidated receipts and payments account for the Group.

2 Contributions

The CVA provides for the Group to freeze payments in respect of historic debts as at 10 August 2010 and make contributions from future trading profits over a five year period in order to pay dividends in respect of these debts. The estimated total dividend is expected to be circa 24p in the £, depending on the final quantification of the costs of the Arrangements. Monthly contributions totalling £900,000 were scheduled to be made over a five year period, however following the approval by the creditors of the Variation to the CVA I can confirm that the total contributions of £900,000 have been received early to enable the CVA to be brought to a slight earlier conclusion.

The contributions have been apportioned to each Arrangement having regard to the proportion of creditors bound by that Arrangement according to the Statement of Affairs included within the Proposal as updated having regard to claims received and agreed. The sum of £200,662.17 has been allocated to KGL. The Joint Supervisors will ensure that the creditors of all Companies will receive the same dividend rate and will therefore be treated equally. To this end a reapportionment of the contributions received in the Arrangements will be completed prior to the declaration of the final dividend to creditors. As stated in the Proposal, to look at each Company individually would not be a fair and constructive reflection of the businesses of the Companies given they are inextricably linked, hence the "pooling" approach adopted.

3 Payments

A payment of £750 from the contributions received has been made to the independent agents who assisted in the valuation of the Group's assets for the purposes of the Proposal. In addition, payments totalling £10,015 from the contributions received have been made to the legal advisors who performed a review of the documentation, assisted with the filing of the Joint Nominees' report and the Proposal in Court prior to the meetings, advised on property related issues and advised on creditor claims where required.

As above, these payments have been apportioned, or will be apportioned in due course, to each Arrangement having regard to the proportion of creditors bound by that Arrangement, and the sums of £98.62 and £2,823.77 have currently been allocated to KGL respectively.

Since the 5th anniversary of the CVA, all creditors' claims have been agreed. Therefore a final reapportionment of costs is being undertaken before the final dividend to creditors is declared. Other payments relate solely to stationery and postage required for the distribution of annual reports, statutory insurance costs and sundry expenses.

4 Supervisors' Obligations and Potential for Increased Contributions

The Joint Supervisors have continued to closely monitor the Group's performance and, in this regard, have received the Group's monthly management accounts and minutes of Board meetings during the period. In addition, I can confirm that the Group has supplied six monthly summarised reports which have also been considered. Given the commercial sensitivity of the information included, I am not providing details of the Group's results in this report.

As previously reported, if the level of cumulative profits over the duration of the Arrangements are in excess of 20% of those forecast on a cumulative basis, as against the forecasts included within the Proposal, the Group shall pay 25% of that additional cumulative profit to the Joint Supervisors to enable an increased dividend to creditors to be paid. My review has confirmed that there are no increased contributions during this period.

At this stage it remains anticipated that a total cumulative dividend of circa 24p in the £ will be achieved, in accordance with the Proposal.

5 Other Funds

The sum of £3,500 (together with the interest accrued thereon) has been set aside from the apportioned contributions received to enable the Joint Supervisors to petition for the Winding Up of the Company in the event of a default and the subsequent failure of the Arrangement, in accordance with the Proposal. These funds will be released to facilitate the final dividend to creditors.

6 Tax Refund

As previously reported, in the first year of the Arrangement the Joint Supervisors of KDL secured a corporation tax refund of £25,770, which was received into that Arrangement. As the Proposal states that in the interests of fairness, the creditors of all Companies will receive the same dividend rate, and therefore be treated equally, this receipt has also been apportioned between the Companies. The sum of £3,388.77 has been apportioned to KGL.

7 Dividends

There are no preferential creditors in this Arrangement.

In line with the Proposal, within this reporting period, two dividends have been paid to those unsecured creditors whose claims have been received and agreed.

The first distribution in the period to the unsecured creditors of KGL was made in October 2014, representing a dividend of 3p in the £, and totalled £11,197.51. A second distribution totalling £14,929.99 was made in April 2015, representing a dividend of 4p in the £.

In the five year period to date total dividends of 20p in the £ have been made.

A final Notice of Intended Dividend has been circulated to those creditors who have not submitted claims, and it is my intention to pay a ninth and final dividend to creditors shortly of circa 4p in the £.

8 Supervisors' Remuneration

The creditors approved the Joint Supervisors' remuneration being drawn on a time costs basis at the creditors' meeting held on 10 August 2010, and in the period covered by this report, in respect of KGL only, I have drawn final fees of £1,950 bringing the total amount drawn since the date of appointment to 11,750.00.

I attach a schedule which summarises the time costs accrued to 9 August 2015 and indicates the work undertaken in the five year period of the Arrangement for KGL only. A total of 329.40 hours at a total cost of £62,097.10 has been spent administering this Arrangement, at an average hourly rate of £188.52. Costs and remuneration for other Group companies are reported separately in the respective reports for each entity.

In the period of twelve months since my last report to creditors, a total of 67.35 hours have been spent administering the case at an average charge out rate of £222.86 per hour, giving time costs of £15,009.60. Attached is a schedule which summarises the time costs from 10 August 2014 to 9 August 2015, and includes the work undertaken in that respect

Please note that our time costs will not be recovered in full and that the balance of our time costs will be written off.

9 Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. All payments made are clearly detailed on the receipts and payments account.

Additionally, my firm incurs costs in relation to postage, stationery, storage, photocopying charges, telephone and fax costs. These disbursements are known as category 2 disbursements and because they involve an apportionment of costs I require the approval of creditors. I will not be seeking the approval of creditors to draw category 2 disbursements at this time

Additionally, during the course of this CVA, further best practice guidance has been issued to Insolvency Practitioners and it is now the policy of BDO LLP to recharge mileage expenses as a category 2 disbursement. Therefore I am obliged to obtain creditor approval for both the manner and the quantum of this expense. No mileage expenses have been incurred since the issue of this guidance and therefore I will not be seeking approval at this time.

10 Summary

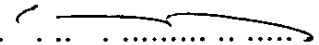
Each of the Companies are complying with the terms of the Proposal and there have been no acts of default. All contributions and financial information has been received within the timescales specified in the Proposal and the subsequent Variation. I anticipate that my next report to creditors will be the final report, in accordance with my statutory obligations.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency practitioners. In the event that you make a complaint

to me but are not satisfied with the response from me then you should visit [http //www.bis.gov.uk/insolvency/contact-us/IP-Complaints-Gateway](http://www.bis.gov.uk/insolvency/contact-us/IP-Complaints-Gateway) where you will find further information on how you may pursue the complaint.

Should you have any queries regarding the content of this report please contact my colleague Kaye O'Reilly

Dated 2 October 2015


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C K Rayment
Joint Supervisor

Christopher Kim Rayment is authorised by the Institute of Chartered Accountants in England & Wales in the UK to act as an Insolvency Practitioner

KeTech Group Limited
Company Voluntary Arrangement

Summary of the Joint Supervisors' Receipts & Payments
For the Period from 10 August 2010 to 9 August 2015

	Notes	Estimated to Realise		Receipts and Payments to 9 August 2014		Movements to 9 August 2015		Receipts and Payments to 9 August 2015	
		£	£	£	£	£	£	£	£
Asset Realisations									
Voluntary Contributions	1	144,090 00		96,501 67		104,160 50		200,662 17	
Corporation Tax refund	2			3,388 77		-		3,388 77	
Bank Interest Gross				679 49		267 92		947 41	
			144,090 00		100,569 93		104,428 42		204,998 35
Cost of Realisations									
Supervisors' Fees				9,800 00		1,950 00		11,750 00	
Agents' Fees	3			98 62		-		98 62	
Legal Fees	3			2,823 77		-		2,823 77	
Stationery & Postage				393 78		254 32		648 10	
Specific Bond Premium				184 50		-		184 50	
Bank Charges				-		-		-	
Sundry Expenses				-		-		-	
VAT Receivable				-		-		-	
					(13,300 67)		(2,204 32)		(15,504 99)
Distribution to Unsecured Creditors									
Trade and Expense Creditors	4			48,522 52		26,127 50		74,650 02	
					(48,522 52)		(26,127 50)		(74,650 02)
Balance in Hand					38,746 74		76,096 60		114,843 34
Represented by									
Current account				35,169 30		76,031 39		111,200 69	
Petition Funds	5			3,577 44		14 35		3,591 79	
VAT Input				-		334 93		334 93	
VAT Output						(284 07)		(284 07)	
					38,746 74		76,096 60		114,843 34

NOTES

- 1 Contributions totalling £900,000 have been received across the Group, with the sum of £200,662 17 being allocated to the Company having regard
- 2 A Corporation Tax refund of £25,770 has been received by Keteck Defence Limited, which has been apportioned on the same basis
- 3 Total agents' fees of £750 and legal costs of £10,015 have been paid across the Group
- 4 Two dividends have been paid within the reporting period
- 5 The sum of £3,500 has been set aside to enable the Joint Supervisors' to petition for the Winding Up of the Company in the event of default
- 6 All funds are held in interest bearing accounts

BDO LLP
125 Colmore Row
Birmingham
B3 3SD

C K Rayment
Joint Supervisor

KeTech Systems Limited
KeTech Defence Limited
KeTech Limited
Ditra System Limited
KeTech Group Limited
All in Company Voluntary Arrangement

Summary of the Joint Supervisors' Consolidated Receipts & Payments
For the Period from 10 August 2010 to 9 August 2015

	Notes	Estimated to Realise		Receipts and Payments to 9 August 2014		Movements to 9 August 2015		Receipts and Payments to 9 August 2015	
		£	£	£	£	£	£	£	£
Asset Realisations									
Voluntary Contributions	1	900,000		642,000 00		258,000 00		900,000 00	
Corporation Tax refund	2			25,770 15		-		25,770 15	
Bank Interest Gross				3,521 79		1,486 12		5,007 91	
			900,000		671,291 94		259,486 12		930,778 06
Cost of Realisations									
Supervisors' Fees (on account)				65,050 00		9,950 00		75,000 00	
Agents' Fees	3			750 00		-		750 00	
Legal Fees	3			10,014 60		-		10,014 60	
Stationery & Postage				2,394 03		1,724 84		4,118 87	
Specific Bond Premium				1,048 00		-		1,048 00	
Bank Charges				1 72		-		1 72	
Sundry Expenses				25 00		-		25 00	
VAT Receivable				-		-		-	
					(79,283 35)		(11,674 84)		(90,958 19)
Distribution to Unsecured Creditors									
Trade and Expense Creditors	4			270,139 60		143,414 53		413,554 13	
					(270,139 60)		(143,414 53)		(413,554 13)
Balance in Hand					<u>321,868 99</u>		<u>104,396 75</u>		<u>426,265 74</u>
Represented by									
Current account				304,006 18		103,990 38		407,996 56	
Petition Funds	5			17,862 66		71 59		17,934 25	
VAT Input				-		619 00		619 00	
VAT Output						(284 07)		(284 07)	
					<u>321,868 84</u>		<u>104,396 90</u>		<u>426,265 74</u>

NOTES

- Contributions totalling £900,000 have been received across the Group
- A Corporation Tax refund of £25,770 has been received by Ketech Defence Limited
- Total agents' fees of £750 and legal costs of £10,015 have been paid across the Group
- Two dividends have been paid within the reporting period
- The sum of £3,500 has been set aside in each Arrangement to enable the Joint Supervisors to petition for the Winding Up of the Companies in the event of default
- All funds are held in interest bearing accounts

BDO LLP
125 Colmore Row
Birmingham
B3 3SD

C K Rayment
Joint Supervisor

Summary of time charged and rates applicable for the period from 10 August 2010 to 9 August 2015

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		TOTAL		AVERAGE HOURLY RATE £ P/H
	Hours	Value £	Hours	Value £	Hours	Value £	Hours	Value £	Hours	Value £	Hours	Value £	Hours	Value £	
A. Pre appointment matters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Steps on appointment	-	-	-	-	-	-	1 35	229 50	-	-	-	-	1 35	229 50	170 00
C. Planning and Strategy	1 80	802 80	0 20	46 00	-	-	-	-	-	-	-	-	2 00	848 80	424 40
D. General administration	9 50	3,810 70	30 70	6,476 60	30 45	5,574 35	69 60	11,697 70	35 00	4,736 00	17 95	1,185 65	193 20	33,481 00	173 30
E. Asset and realisations/dealing	1 80	667 80	3 10	768 50	-	-	2 80	476 00	-	-	-	-	7 70	1,912 30	248 35
F. Trading related matters	-	-	2 50	737 50	-	-	-	-	-	-	-	-	2 50	737 50	295 00
G. Employee matters	-	-	-	-	0 10	18 50	1 25	212 50	-	-	-	-	1 35	231 00	171 11
H. Creditor claims	1 75	573 00	10 40	2,591 30	12 05	2,237 25	11 35	1,895 10	9 30	1,170 95	7 00	434 30	51 85	8,901 90	171 69
I. Reporting	1 95	822 45	13 20	3,345 60	1 75	320 25	7 10	1,153 90	0 80	84 20	-	-	24 80	5,726 40	230 90
J. Distribution and closure	4 20	1,900 20	6 45	1,506 55	16 70	3,075 00	8 70	1,445 60	0 25	34 75	4 85	308 10	41 15	8,270 20	200 98
K. Other work	2 00	1,316 00	1 50	442 50	-	-	-	-	-	-	-	-	3 50	1,758 50	502 43
TOTAL	23 00	9,892 95	68 05	15,914 55	61 05	11,225 35	102 15	17,110 30	45 35	6,025 90	29 80	1,928 05	329 40	62,097 10	188 52

Ketech Group Limited

Summary of time charged and rates applicable for the period from 10 August 2014 to 9 August 2015

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		TOTAL		AVERAGE HOURLY RATE £ P/H
	Hours	Value £	Hours	Value £	Hours	Value £	Hours	Value £	Hours	Value £	Hours	Value £	Hours	Value £	
A Pre appointment matters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B Steps on appointment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C Planning and Strategy	1 50	691 50	-	-	-	-	-	-	-	-	-	-	1 50	691 50	461 00
D General administration	1 50	691 50	3 10	650 90	14 70	2,690 10	2 65	455 80	1 15	161 25	6 50	435 70	29 60	5,085 25	171 80
E Asset and realisations/dealing	-	-	1 50	442 50	-	-	-	-	-	-	-	-	1 50	442 50	295 00
F Trading related matters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
G Employee matters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
H Creditor claims	1 25	387 50	3 25	958 75	4 30	816 60	-	-	-	-	-	-	8 80	2,162 85	245 78
I Reporting	0 60	276 60	6 40	1,829 50	1 05	192 15	-	-	-	-	-	-	8 05	2,298 25	285 50
J Distribution and closure	3 30	1,521 30	2 00	557 50	11 95	2,205 75	-	-	-	-	0 65	44 70	17 90	4,329 25	241 86
K Other work	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	8 15	3,568 40	16 25	4 439 15	32 00	5,904 60	2 65	455 80	1 15	161 25	7 15	480 40	67 35	15,009 60	222 86