

Liquidators' Progress Report**S.192**

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

To the Registrar of Companies

Company Number

04482612

Name of Company

(a) Insert full name of
company

(a) A&G Precision Engineers Limited

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

We (b)

Simon Harris, Mark Supperstone and Cameron Gunn of ReSolve Partners Limited, 48 Warwick
Street, London, W1B 5NL

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 25 November 2015 to 24 November 2016

Signed

Date 23/01/2017

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

Simon Harris
ReSolve Partners Limited
48 Warwick Street
London
W1B 5NL

WEDNESDAY



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25/01/2017

#143

COMPANIES HOUSE

A&G PRECISION ENGINEERS LIMITED

In Creditors' Voluntary Liquidation

Liquidators' Annual Progress Report to Members and Creditors

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1 INTRODUCTION

I refer to the appointment of Mark Supperstone, Cameron Gunn and I as Joint Liquidators of A&G Precision Engineers Limited (the Company) on 25 November 2015 and write to members and creditors of the Company to provide a progress report on the Liquidation of the Company

This report covers the period from 25 November 2015 to 24 November 2016 and should be read in conjunction with my final report on the progress of the Administration dated 30 November 2015

2 BACKGROUND

Statutory information relating to the Company is included at **Appendix I**

A full background of the Company was detailed in the reports issued during the Administration. Accordingly, I do not propose to repeat that information in this report and I have no further background information to add

3. LIQUIDATORS' ACTIONS SINCE APPOINTMENT

- Declared and paid a first interim distribution to unsecured creditors
- Liaised with the Company's landlord in respect of the Company's lease at, Unit 1 Hythe Works, Diplocks Way, Hailsham, East Sussex, BN27 3JF (the Premises)
- Liaised with Kilodata Limited (Kilodata) in relation to the sale of the Company's business and certain assets in Administration and the licence to occupy in respect of its occupation of the Premises
- Submitted a VAT return to recover VAT on costs incurred during the course of the Administration and Liquidation
- Prepared and submitted my report on the directors' conduct to the Department of Business, Innovation and Skills
- Prepared this report to members and creditors, and
- Addressed my statutory obligations during the course of the Liquidation

4 RECEIPTS AND PAYMENTS ACCOUNT

Attached at **Appendix II** is the receipts and payments account for the period 25 November 2015 to 24 November 2016

Receipts

Administration funds

The balance held in the Administration of £21,826 was transferred to the Liquidation

Licence to occupy fees

As previously reported, the Company granted a licence to occupy to Kilodata for use of the Premises

An amount of £4,400 has been received from Kilodata during this reporting period

The lease has now been disclaimed by the Liquidators following the caseation of the licence and no further funds will be received in this regard

Payments

Legal fees

An amount of £2,000 has been paid to DWF LLP (DWF) for legal advice provided in relation to the sale of the Company's assets and the licence to occupy

Joint Administrators' fees

An amount of £9,000 has been paid on account of the former Joint Administrators' outstanding time costs. Further details are provided in section eight of this report

Rents payable

An amount of £4,400 has been paid in relation to rent due in respect of the licence to occupy

As detailed above, the licence to occupy has now ceased and no further payments will be made in this regard

All payments have been met from funds held in the Liquidation bank account

5 ASSETS AND FUTURE REALISATIONS

There are no further realisations expected

6 OUTCOME TO CREDITORS

Secured creditors

State Securities plc (now Five Arrows Business Finance Plc) (State)

The Company granted security over its plant and equipment to State on 5 November 2013, registered at Companies House on 13 November 2013

Following recovery of the plant and equipment, State do not have a claim against the Company

Arden Commercial Finance Limited (Arden)

As noted above, a fixed and floating charge was granted in favour of Arden on 5 November 2013 and registered at Companies House on 15 November 2013

Following repayment of the amount owing to Arden the surplus of the ledger of £20,685 has been received in the Liquidation

Preferential creditors

All employees, excluding the directors were transferred to the purchaser under TUPE. This has removed any preferential creditor claims

Unsecured creditors

A list of creditors provided by the Company included 40 unsecured creditors with an estimated total liability of £184,438. To date, I have received claims from 19 creditors totalling £214,794

Of the total claims received, £158,156 relates to a claim submitted by HMRC

On 8 July 2016 I declared a first interim dividend to unsecured creditors of £3,474.86, on agreed claims of £198,293, representing 1.75 pence in the pound. A further distribution is expected to be declared following receipt of the outstanding VAT due from HMRC

Prescribed Part

Where a floating charge is created after 15 September 2003, a Prescribed Part of the Company's net property (the amount available to the floating charge holder after costs of the Liquidation) shall be made available to unsecured creditors. The Prescribed Part is calculated at 50 per cent of net realisations up to £10,000 and 20 per cent of the net property that exceeds this amount up to a limit of £600,000.

The Company gave a fixed and floating charge to Arden on 5 November 2013. Arden has been repaid in full from debtor collections. As a result, I will not have to pay Arden any money under its floating charge, and the prescribed part provisions will not apply.

7 INVESTIGATIONS

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.

There were no matters that justified further investigation in the circumstances of this appointment.

Within six months of my appointment as Liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of the Company. I would confirm that my report has been submitted.

8. REMUNERATION

My remuneration was previously authorised by the creditors in the previous Administration at a meeting held on 27 August 2015 to be drawn on a time cost basis.

My total time costs to 24 November 2016 amount to £13,190, representing 62 hours' work at an average charge out rate of £213 per hour.

I have not been able to draw any remuneration in this matter.

A schedule of my time costs incurred, including a narrative of time incurred to date and details of my firm's charging policy, is attached as **Appendix III**.

An amount of £9,000 has been paid in respect of the former Joint Administrators' outstanding remuneration.

The relevant creditor's guide to Liquidators' Fees can be found under the heading Creditor Guides on my website at <http://www.resolvegroupuk.com/resources/>. Please note there are different versions of the guides, and in this case you should refer to the version for insolvencies after 1 October 2015. A hard copy can be obtained on request, free of charge, from this office.

9. LIQUIDATORS' EXPENSES

I have incurred expenses to 24 November 2016 of £326. I have not been able to draw any expenses in this matter.

I have incurred the following expenses in the period since my appointment as Liquidator:

| Type of expense | Amount incurred in the reporting period |
|-----------------------|---|
| Postage | £30 |
| IT Support | £110 |
| Statutory advertising | £152 |

I have incurred the following category 2 disbursements in the period since my appointment as Liquidator

| Type of category 2 disbursement | Amount incurred in the reporting period |
|---------------------------------|---|
| Printing and stationery | £34 |

I have used the following agents or professional advisors in the reporting period

| Professional Advisor | Nature of Work | Basis of Fees |
|----------------------|----------------|---------------|
| DWF LLP | Solicitors | Fixed cost |

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case.

DWF was instructed prior to the appointment of the Administrators to assist with the preparation of appointment documents and drafting the sale contract and licence to occupy.

10 FURTHER INFORMATION

The Liquidation will remain open until the final distribution to unsecured creditors has been completed. I estimate this will take six months to conclude and once resolved I will take the necessary steps to close the Liquidation.

An unsecured creditor may, with the permission of the court or with the concurrence of five per cent in value of the unsecured creditors (including the creditor in question) request further details of the Liquidators' remuneration and disbursements, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of ten per cent in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidators' fees and the amount of any proposed expenses or expenses already incurred, within eight weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

At ReSolve we always strive to provide a professional and efficient service. However, we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of this case then in the first instance you should contact me at the address given in this letter.

If you consider that I have not dealt with your comments or complaint appropriately you should then put details of your concerns in writing to our complaints officer Cameron Gunn at this office's address. This will then formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior partner unconnected with the appointment.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at www.gov.uk/complain-about-insolvency-practitioner, or you can email insolvency.enquiryline@insolvency.gov.uk, or you may phone 0300 678 0015 - calls are charged at up to 12p per minute from a land line, or for mobiles, between 3p and 45p per minute if you're calling from the UK.

Should you have any queries regarding the conduct of the Liquidation or any other queries, please do not hesitate to contact James Reeves of this office

Yours faithfully



Simon Harris
Joint Liquidator

For enquires regarding this correspondence please contact

Contact name James Reeves
Phone number 020 3372 2804
Email james.reeves@resolvegroupuk.com

Cameron Gunn, Simon Harris, Mark Supperstone and Ben Woodthorpe are licensed in the United Kingdom by the Institute of Chartered Accountants in England and Wales
Cameron Gunn, Simon Harris, Mark Supperstone and Ben Woodthorpe act without personal liability at all times

APPENDIX I

STATUTORY INFORMATION

| | |
|--|---|
| Company name | A & G Precision Engineers Limited |
| Registered number | 04482612 |
| Date of incorporation | 10 July 2002 |
| Trading address: | Unit 1 Hythe Works Diplocks Way, Hailsham East Sussex, BN27 3JF |
| Registered office: | C/o ReSolve Partners Limited 48 Warwick Street London W1B 5NL |
| Date of Liquidators' appointment | 25 November 2015 |
| Appointed by: | Pursuant to Paragraph 83 of Schedule B1 of the Insolvency Act 1986 |
| Joint Liquidators | Simon Harris (IP No 11372) Mark Supperstone (IP No 9734) Cameron Gunn (IP No 9362) ReSolve Partners Limited 48 Warwick Street London W1B 5NL |
| EC Regulations of Insolvency Practitioners: | The EC Regulations apply to the proceedings, which are categorised as main proceedings with the meaning of the Regulation |
| Director: | |
| Current Directors | Samuel Denton |
| Directors in last three years | John Linnell (resigned 4 April 2015) Arthur Nicholls (resigned 5 November 2013) Gary Parkinson (resigned 5 November 2013) John Wenham (resigned 5 November 2013) |
| Shareholder | Teller Investments Limited 99 Ordinary "A" shares of £1 each 100 ordinary "B" shares of £1 each |

Current charges

State Securities PLC

Fixed charge over assets

Created 5 November 2013 Registered 13 November 2013

Arden Commercial Finance Limited

Fixed and floating charge

Created 5 November 2013 Registered 15 November 2013

Please note State Securities PLC and Arden Commercial Finance Limited have been repaid their indebtedness in full during the course of the Liquidation and preceding Administration

APPENDIX II

SUMMARY OF LIQUIDATORS' RECEIPTS AND PAYMENTS
FROM 25 NOVEMBER 2015 TO 24 NOVEMBER 2016

| | Directors' Statement of Affairs £ | 25-Nov-15 to 24-Nov-16 £ | Total Receipts/ Payments To Date £ |
|---|--------------------------------------|-----------------------------------|---|
| RECEIPTS | | | |
| Transfer of funds from Administration | | 21,825 99 | 21,825 99 |
| Licence to occupy fees | | 4,400 00 | 4,400 00 |
| | | <u>26,225 99</u> | <u>26,225 99</u> |
| PAYMENTS | | | |
| Legal fees | | 2,000 00 | 2,000 00 |
| Joint Administrators' fees | | 9,000 00 | 9,000 00 |
| Rents payable | | 4,400 00 | 4,400 00 |
| | | <u>15,400 00</u> | <u>15,400 00</u> |
| DISTRIBUTIONS | | | |
| Unsecured creditors (1 75 pence in the pound) | | 3,474 86 | 3,474 86 |
| | | <u>3,474 86</u> | <u>3,474 86</u> |
| Balance (Receipts less Payments) | | | <u>7,351 13</u> |
| Represented by | | | |
| Insolvency current account - non interest bearing | | | - |
| VAT receivable (Liquidation) | | | 2,200 00 |
| VAT receivable (Administration) | | | 5,151 13 |
| | | | <u>7,351 13</u> |

Simon Harris
Joint Liquidator
23 January 2017

APPENDIX III

LIQUIDATORS' CHARGE OUT RATES DISBURSEMENT POLICY AND NARRATIVE

Joint Liquidators' charge out rates

The Joint Liquidators are remunerated on a time cost basis. Charge-out rates used are appropriate to the skills and experience of a member of staff and the work that they perform. Time is recorded in 6 minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work.

The hourly charge-out rates used on this case are as follows. Please note that the rates increased on 1 January 2016.

| Staff grade | Rate per hour from 1 January 2016 (£) | Rate per hour to 31 December 2015 (£) |
|----------------------|---|---|
| Principal | 510 | 490 |
| Director | 415 | 400 |
| Senior Manager | 395 | 385 |
| Manager | 340 | 325 |
| Assistant Manager | 305 | 295 |
| Senior Administrator | 255 | 245 |
| Administrator | 195 | 185 |
| Junior Administrator | 145 | 125 |

Secretarial and support staff are not charged to the cases concerned, being accounted for as an overhead of ReSolve Partners Limited.

Disbursement policy

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling (non-mileage), postage, photocopying, statutory advertising and other expenses made on behalf of the assignment.

Indirect charges (Category 2 disbursements) require separate approval and the basis of charging these is as follows:

- Photocopying 20 pence per sheet
- Mileage 45 pence per mile

Narrative of work carried out

Administration and Planning

Case planning and monitoring

- Preparing the documentation and dealing with the formalities of appointment
- Internal meetings to discuss case strategy and actions to be undertaken
- Undertaking routine case reviews at one month, three months, six months and 12 months

Cashiering

- Setting up Liquidation bank account
- Transferring funds from Administration bank account to Liquidation bank account

- Maintaining and managing the Liquidators' cashbook and bank account
- Ensuring statutory lodgements and tax lodgement obligations are met

General administration

- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on Insolv
- Review and storage
- Case bordereau

Creditors

Unsecured

- Dealing with creditor correspondence and telephone conversations
- Preparing report to creditors
- Maintaining creditor information on Insolv
- Recording creditor claims
- Adjudicating on creditor claims
- Admitting and/or rejecting in whole or in part creditor claims
- Calculating and completing a first and final dividend to unsecured creditors

Realisation of assets

- Liaising with Kilodata and DWF in relation to the licence to occupy

Statutory

Statutory paperwork / form preparation

- Statutory form preparation
- Dealing with statutory issues required under the Insolvency Act 1986, the Insolvency Rules 1986 and the Statements of Insolvency Practice

Reporting to creditors

- Filing documents with the Registrar of Companies
- Reporting to members, creditors, employees and other stakeholders

Time charged

A total of 61 85 hours have been spent for the period 25 November 2015 to 24 November 2016 at an average charge out rate of £213 25 bringing the total cost since my previous report to £13,189 75

A summary table is shown below

| | PARTNER / DIRECTOR | | MANAGER | | OTHER SENIOR PROFESSIONAL | | TOTAL | | AVERAGE RATE |
|---------------------------------------|--------------------|----------|---------|----------|---------------------------|-----------|-------|-----------|--------------|
| | Hours | Cost (£) | Hours | Cost (£) | Hours | Cost (£) | Hours | Cost (£) | |
| Administration & Planning | | | | | | | | | |
| Case planning / monitoring | | | | | 5 10 | 964 50 | 5 10 | 964 50 | 189 12 |
| Cashiering | | | | | 9 05 | 1 752 25 | 9 05 | 1 752 25 | 193 62 |
| General administration | | | 4 20 | 1 390 50 | 7 60 | 1 473 00 | 11 80 | 2 863 50 | 242 67 |
| | | | 4 20 | 1 390 50 | 21 75 | 4 189 75 | 25 95 | 5 580 25 | 215 04 |
| Creditors | | | | | | | | | |
| Unsecured | | | 3 10 | 1 054 00 | 22 10 | 4 304 50 | 25 20 | 5 358 50 | 212 64 |
| | | | 3 10 | 1 054 00 | 22 10 | 4 304 50 | 25 20 | 5 358 50 | 212 64 |
| Investigations | | | | | | | | | |
| General investigation | | | | | 0 30 | 55 50 | 0 30 | 55 50 | 185 00 |
| D returns | | | 0 50 | 170 00 | 2 40 | 468 00 | 2 90 | 638 00 | 220 00 |
| | | | 0 50 | 170 00 | 2 70 | 523 50 | 3 20 | 693 50 | 216 72 |
| Realisation of Assets | | | | | | | | | |
| Book debts | | | 1 00 | 325 00 | | | 1 00 | 325 00 | 325 00 |
| Sale of business / assets | | | | | 0 50 | 97 50 | 0 50 | 97 50 | 195 00 |
| | | | 1 00 | 325 00 | 0 50 | 97 50 | 1 50 | 422 50 | 281 67 |
| Statutory | | | | | | | | | |
| Statutory paperwork / form completion | | | | | 6 00 | 1 135 00 | 6 00 | 1 135 00 | 189 17 |
| | | | | | 6 00 | 1 135 00 | 6 00 | 1 135 00 | 189 17 |
| Total hours and cost | | | 8 80 | 2 939 50 | 53 05 | 10 250 25 | 61 85 | 13 189 75 | 213 25 |

The above costs exclude VAT