

## The Insolvency Act 1986

Liquidator's Progress Report  
Pursuant to Section 192 of  
The Insolvency Act 1986**S.192**

For Official Use

To the Registrar of Companies

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Company Number

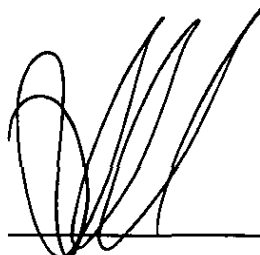
05232031

Name of Company

AAF Engineering Limited

We  
Ian Pankhurst  
12a Church Street  
Warwick  
CV34 4ABJeremy Bowden  
12a Church Street  
Warwick  
CV34 4ABthe liquidator(s) of the company attach a copy of my/our progress report  
under section 192 of the Insolvency Act 1986

Signed

Date 26 SEPTEMBER 2011Senate Recovery Limited  
12a Church Street  
Warwick  
CV34 4AB

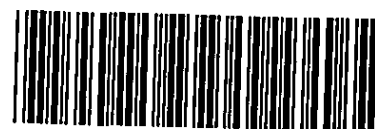
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Insolvency Sect

Post Room

TUESDAY



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25/10/2011

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COMPANIES HOUSE

**AAF Engineering Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 22/09/2010 To 21/09/2011
	<b>HIRE PURCHASE</b>	
55,000 00	Plant & Machinery	NIL
(69,477 00)	State Securities plc	NIL
2,000 00	Plant & Machinery	NIL
(476 00)	De Lage Landen	NIL
3,000 00	Plant & Machinery	NIL
(2,609 00)	Ing Lease (UK) Limited	NIL
		<u>NIL</u>
	<b>ASSET REALISATIONS</b>	
2,100 00	Plant & Machinery	2,100 00
150 00	Furniture & Equipment	150 00
550 00	Motor Vehicles	550 00
2,750 00	Book Debts	NIL
	Debtor Contributions	910 00
	Insurance Refund	196 11
		<u>3,906 11</u>
	<b>COST OF REALISATIONS</b>	
	Preparation of S of A	2,650 00
	Directors Contributions	NIL
	Agents Fees	300 00
	Storage Costs	406 70
	Statutory Advertising	151 20
		<u>(3,507 90)</u>
	<b>PREFERENTIAL CREDITORS</b>	
(2,539 70)	Employee Arrears/Hol Pay	NIL
		<u>NIL</u>
	<b>UNSECURED CREDITORS</b>	
(53,078 12)	Trade & Expense Creditors	NIL
(2,442 08)	Employee redundancy and payment in	NIL
(9,872 36)	Barclays Bank plc	NIL
(11,197 43)	HM Revenue & Customs - VAT	NIL
(229,329 00)	Directors loan account	NIL
(8,690 45)	HM Revenue & Customs - PAYE/NIC	NIL
		<u>NIL</u>
	<b>DISTRIBUTIONS</b>	
(99 00)	Ordinary Shareholders	NIL
		<u>NIL</u>
<b>(324,260.14)</b>		<u><b>398.21</b></u>
	<b>REPRESENTED BY</b>	
	Vat Receivable	120 00
	Bank 1 Current	868 21
	Vat Payable	(490 00)
		<u><b>398.21</b></u>

AAF ENGINEERING LIMITED  
IN CREDITOR'S VOLUNTARY LIQUIDATION  
PROGRESS REPORT  
26 SEPTEMBER 2011

AAF ENGINEERING LIMITED  
IN CREDITORS VOLUNTARY LIQUIDATION

JOINT LIQUIDATORS' PROGRESS REPORT FOR THE PERIOD  
22 SEPTEMBER 2010 TO 21 SEPTEMBER 2011

26 SEPTEMBER 2011

## **CONTENTS**

- 1 Introduction
- 2 Background
- 3 Asset realisations
- 4 Investigations
- 5 Creditors' claims
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## **APPENDICES**

- 1 Receipts and payments account
- 2 Analysis of time costs
- 3 Rules 4.49E and 4.131 of the Insolvency Rules 1986 [as amended]

## **INTRODUCTION**

- 1 1 I write to provide my progress report on the conduct of the liquidation for the period 22 September 2010 to 21 September 2011

## **2. BACKGROUND**

- 2.1 The statutory meetings of members and creditors were held on 22 September 2010 at which Ian Pankhurst and Jeremy Bowden of Senate Recovery Limited, 12A Church Street, Warwick, CV34 4AB were appointed as joint liquidators to the company
- 2 2 The company's registered number is 05232031 and the registered office is c/o the offices of Senate Recovery Limited, 4 Jury Street, Warwick, CV34 4EW
- 2.3 The company's former registered office was 3 The Meadows, Silver Dale Road, Arnside, Cumbria, LA5 0EY and it traded from premises at Unit 7 Riverside Business Park, Natland Road, Kendall, Cumbria, LA9 7SX
- 2 4 The company's principal activity was that of Mechanical Engineering
- 2.5 The main causes of failure cited by the company directors were the impact of the economic downturn, coupled with a number of significant bad debts

## **3. ASSET REALISATIONS**

Various assets consisting of Plant and Machinery, Furniture and Equipment and Motor Vehicles were purchased by the director Phillip Almond on appointment. Consideration for these assets was set at £2,800 plus VAT and this liability has been fully discharged. Consideration received in this regard is broken down as follows

### **3 1 Plant and Machinery**

As per the directors Statement of Affairs this showed a book value of £3,800 and an estimated to realise value of £2,100. Consideration was set at £2,100 plus VAT with the director in respect of this, to date £2,467.50 has been received inclusive of VAT within the liquidation

### **3 2 Furniture and Equipment**

As per the directors Statement of Affairs this showed a book value of £350 and an estimated to realise value of £150. Consideration was set at £150 plus VAT with the director in respect of this, to date £176.25 has been received inclusive of VAT within the liquidation

### **3 3 Motor Vehicles**

As per the directors Statement of Affairs motor vehicles showed a book value of £750 and an estimated to realise value of £550. Consideration was set at £550 plus VAT with the director in respect of this, to date £646.25 has been received inclusive of VAT within the liquidation

**3 4 Debtor Contributions**

Debtor contributions have been received in respect of the Statement of Affairs fee in the amount of £910 to date, these payments are regular and will cease when the liability is fully discharged

**3 5 Insurance Refund**

A small insurance refund has also been realised in the amount of £196 11 as shown in the attached receipts and payments account

**4. INVESTIGATION**

4 1 In accordance with the Company Directors Disqualification Act 1986 a report on the conduct of the directors of the company has been submitted to the Insolvency Service. As this is a confidential report I am unable to disclose its content

4 2 I can confirm I have not undertaken any investigation outside the scope of that ordinarily required during liquidation proceedings

**5. CREDITORS' CLAIMS**

**Secured creditors**

5 1 A Debenture in favour of RBS Invoice Finance Limited ('RBS') was created on 27 February 2007 and registered on 28 February 2007, comprising fixed and floating charges over the undertaking and all property and assets present and future including goodwill, book debts, uncalled capital, buildings fixtures, fixed plant and machinery. The director has advised that this agreement was terminated after RBS were repaid in full and details have been sought from RBS direct

**Preferential Creditors**

5 2 The preferential creditors, as estimated in the director's statement of affairs, totalled £2,539.70 in respect of employee holiday pay and wage arrears

**Unsecured Creditors**

5 3 The trade and expense creditors, as estimated in the director's statement of affairs, totalled £329,086. In order to minimise the costs associated with any insolvency procedure, it is Senate Recovery policy to only agree the claims of the unsecured creditors in the event that a distribution is declared. Accordingly I confirm that I have not yet agreed any of the claims of the unsecured creditors

**6. DIVIDEND PROSPECTS**

6 1 Based on present information, it is unlikely that there will be sufficient funds available to enable me to declare a dividend to any class of creditor in this matter

## 7. COSTS AND EXPENSES

- 7.1 Details of payments made during the course of the assignment shown on the enclosed receipts and payments abstract are, in the main, self explanatory. Should you require any explanations over and above those given below, please contact my colleague, Alan Hands in the first instance.

### Preparation of Statement of Affairs

- 7.2 At the original meeting of the board of directors held on 1 September 2010, it was resolved that Senate Recovery Limited's fee for assisting the directors with the formalities associated with placing the company into creditors' voluntary liquidation, including the convening of the associated statutory meetings, be £5,000 plus disbursements plus VAT.
- 7.3 This was subsequently ratified at the statutory meeting of creditors held on 22 September 2010, to date £2,650 has been drawn against this.

### Joint Liquidators Remuneration

- 7.4 At the meeting of creditors held on 22 September 2010 the creditors agreed that my remuneration would be fixed by reference to time properly spent by myself and my staff in attending to matters arising in the liquidation and furthermore that fees may be drawn as and when funds are available.
- 7.5 My time costs for the period covered by this report total £9,442.25, which represents 48.55 hours at an average hourly rate of £194.49. To date no remuneration has been drawn against these time costs. Furthermore, I anticipate the balance outstanding to be written off as irrecoverable.
- 7.6 My time costs are further analysed at Appendix 2, by reference to the grade of staff involved with the case and the tasks which they have been involved in.
- 7.7 I have incurred the following disbursements:

Category 1	£
Storage Costs	151.20
Statutory Advertising	406.70
Total	<u>557.90</u>

- 7.8 You should have already received details of Senate Recovery Limited current policy regarding charge out rates and disbursements. Should you require a further copy please contact this office.

**8. CREDITORS' RIGHT OF CHALLENGE**

- 8.1 Your attention is drawn to rules 4.49E and 4.131 of the Insolvency Rules 1986 [as amended] which deal with creditors' right of challenge in relation to information provided in progress reports such as this one. A copy of the rules in question is attached as appendix 3.

**9. CONCLUSION OF THE LIQUIDATION**

- 9.1 I can advise that the liquidation cannot yet be brought to a close as consideration is still being received from the director in respect of the assets of the company and various book debts are still being pursued. A further report will be sent to all known creditors at the second anniversary of my appointment, or after all asset realisations are complete, whichever is sooner.
- 9.2 Should you have any query with regard to any aspect of this report please do not hesitate to contact Alan Hands of this office in the first instance.



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I M PANKHURST  
JOINT LIQUIDATOR



**APPENDIX 1**

**JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT  
FOR THE PERIOD 22 SEPTEMBER 2010 TO 21 SEPTEMBER 2011**

**AAF Engineering Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 22/09/2010 To 21/09/2011	From 22/09/2010 To 21/09/2011
	<b>HIRE PURCHASE</b>		
55,000 00	Plant & Machinery	NIL	NIL
(69,477 00)	State Securities plc	NIL	NIL
2,000 00	Plant & Machinery	NIL	NIL
(476 00)	De Lage Landen	NIL	NIL
3,000 00	Plant & Machinery	NIL	NIL
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		NIL	NIL
	<b>ASSET REALISATIONS</b>		
2,100 00	Plant & Machinery	2,100 00	2,100 00
150 00	Furniture & Equipment	150 00	150 00
550 00	Motor Vehicles	550 00	550 00
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	Debtor Contributions	910 00	910 00
	Insurance Refund	196 11	196 11
		3,906 11	3,906 11
	<b>COST OF REALISATIONS</b>		
	Preparation of S of A	2,650 00	2,650 00
	Directors Contributions	NIL	NIL
	Agents Fees	300 00	300 00
	Storage Costs	406 70	406 70
	Statutory Advertising	151 20	151 20
		(3,507 90)	(3,507 90)
	<b>PREFERENTIAL CREDITORS</b>		
(2,539 70)	Employee Arrears/Hol Pay	NIL	NIL
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(53,078 12)	Trade & Expense Creditors	NIL	NIL
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(229,329 00)	Directors loan account	NIL	NIL
(8,690 45)	HM Revenue & Customs - PAYE/NIC	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(99 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(324,260.14)</b>		<b>398.21</b>	<b>398 21</b>
	<b>REPRESENTED BY</b>		
	Vat Receivable		120 00
	Bank 1 Current		768 21
	Vat Payable		(490 00)
			<b>398.21</b>

**APPENDIX 2**

**ANALYSIS OF TIME COSTS  
FOR THE PERIOD 22 SEPTEMBER 2010 TO 21 SEPTEMBER 2011**

# Time Entry - SIP9 Time & Cost Summary

AAFE001 - AAF Engineering Limited  
From 22/09/2010 To 21/09/2011

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration and Planning	0.00	7.50	5.55	8.00	21.05	3,460.50	164.38
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	1.00	0.65	3.65	0.00	5.70	1,120.50	198.56
Investigations	0.00	6.70	0.25	0.00	6.95	1,707.50	245.68
Realisation of Assets	0.25	9.05	5.55	0.00	14.85	3,153.75	212.37
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>1.26</b>	<b>24.10</b>	<b>16.20</b>	<b>8.00</b>	<b>49.56</b>	<b>9,442.25</b>	<b>194.49</b>
<b>Total Fees Claimed (Time)</b>						<b>2,660.00</b>	
<b>Total Fees Claimed (Diets)</b>						<b>0.00</b>	

**APPENDIX 3**

**RULES 4.49E AND 4.131 OF THE INSOLVENCY RULES 1986 [AS AMENDED]**

**THE INSOLVENCY RULES 1986 [AS AMENDED]**

**RULE 4.49E CREDITORS' AND MEMBERS' REQUEST FOR FURTHER INFORMATION**

[1]

If—

[a] within the period mentioned in paragraph [2]—

- [i] a secured creditor, or
- [ii] an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- [iii] members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or

[b] with the permission of the court upon an application made within the period mentioned in paragraph [2]—

- [i] any unsecured creditor, or
- [ii] any member of the company in a members' voluntary winding up,

makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4 49B[1][e] or [f] [including by virtue of Rule 4 49C[5]] or in a draft report under Rule 4 49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph [3] except to the extent that the request is in respect of matter in a draft report under Rule 4 49D or a progress report required by Rule 4 108 which [in either case] was previously included in a progress report not required by Rule 4 108

[2]

The period referred to in paragraph [1][a] and [b] is—

- [a] 7 business days of receipt [by the last of them in the case of an application by more than one member] of the progress report where it is required by Rule 4 108, and
- [b] 21 days of receipt [by the last of them in the case of an application by more than one member] of the report or draft report in any other case

[3]

The liquidator complies with this paragraph by either—

- [a] providing all of the information asked for, or
- [b] so far as the liquidator considers that—
  - [i] the time or cost of preparation of the information would be excessive, or
  - [ii] disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
  - [iii] the liquidator is subject to an obligation of confidentiality in respect of the information,

giving reasons for not providing all of the information

**SENATE**  
RECOVERY LTD

[4]

Any creditor, and any member of the company in a members' voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the court within 21 days of—

[a] the giving by the liquidator of reasons for not providing all of the information asked for, or

[b] the expiry of the 14 days provided for in paragraph [1],

and the court may make such order as it thinks just

[5]

Without prejudice to the generality of paragraph [4], the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4 131[1B] or 4 148C[2] by such further period as the court thinks just

[6]

This Rule does not apply where the liquidator is the official receiver

#### **RULE 4.131 CREDITORS' CLAIM THAT REMUNERATION IS OR OTHER EXPENSES ARE EXCESSIVE**

[1]

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors [including that creditor] or the permission of the court, may apply to the court for one or more of the orders in paragraph [[4]

[1A]

Application may be made on the grounds that –

[a] the remuneration charged by the liquidator,

[b] the basis for the liquidator's remuneration under rule 4 127, or

[c] expenses incurred by the liquidator,

Is, or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph [b], inappropriate

[1B]

The application must, subject to any order of the court under rule 4 49E[5], be made no later than 8 weeks [or, in a case falling within rule 4 108, 4 weeks] after receipt by the applicant of the progress report, or the draft report under rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ["the relevant report"]

[2]

The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

[3]

The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it.

[4]

If the court considers the application to be well-founded, it must make one or more of the following orders –

- [a] an order reducing the amount of remuneration which the liquidator was entitled to charge,
- [b] an order fixing the basis of remuneration at a reduced rate or amount,
- [c] an order changing the basis of remuneration,
- [d] an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
- [e] an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks is just, but an order under sub-paragraph [b] or [c] may be made only in respect of periods after the period covered by the relevant report

[5]

Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation