

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

To the Registrar of Companies

For official use

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Company Number

6791333

Name of Company

(a) Insert full  
name of company

(a) Turnmil Engineering

Limited

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

I (b) GARY STONES F C C A  
63 WALTER ROAD,  
SWANSEA,  
SA1 4PT

the liquidator of the company attach a copy of my Progress Report under  
section 192 of the Insolvency Act 1986

Signed



Date 12th November 2012

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

GS/LG/T188  
STONES & CO  
63 WALTER ROAD  
SWANSEA  
SA1 4PT

For Official Use

Liquidation Se

TUESDAY



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A08

13/11/2012

#365

COMPANIES HOUSE

GARY STONES, F.C.C.A., F.A.B.R.P.  
*Licensed Insolvency Practitioner*

Your Ref

Our Ref GS/LG/T188

Date 7th November 2012

# Stones & Co.

*Insolvency Practitioners*

63 Walter Road,  
Swansea,  
SA1 4PT

Telephone (01792) 654607

Fax (01792) 644491

Email stones.co@btconnect.com

To The Members and Creditors

Dear Sirs

Turnmil Engineering Limited – In Liquidation

Enclosed is my report to members and creditors following the end of the 1st year of the liquidation

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Liquidator's remuneration and expenses, 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 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

If members or creditors have any queries regarding this report or the conduct of the liquidation in general, they should contact Lee Gamlin at this office.

Yours faithfully  
for and on behalf of  
TURNMIL ENGINEERING LIMITED



GARY STONES  
LIQUIDATOR

## **TURNMIL ENGINEERING LIMITED - IN LIQUIDATION**

### **LIQUIDATOR'S PROGRESS REPORT TO MEMBERS AND CREDITORS FOR THE YEAR ENDING 12TH SEPTEMBER 2012**

#### **STATUTORY INFORMATION**

Company Name	Turnmil Engineering Limited
Registered Office	63 Walter Road, Swansea, SA1 4PT
Former Trading Address	Riverside Industrial Estate, Glanamman, Ammanford, SA18 1LQ
Registered Number	6791333
Liquidator's Name	Gary Stones
Liquidator's Address	63 Walter Road, Swansea, SA1 4PT
Liquidator's Date of Appointment	13th September 2011

#### **RECEIPTS & PAYMENTS ACCOUNT**

My Receipts and Payments Account for the period from 13th September 2011 (the date of liquidation) to 12th September 2012 is attached at Appendix I

#### **ASSETS AND REALISATIONS**

##### **Motor Vehicles**

Equity of £1419 was realised in respect of two motor vehicles the subject of hire purchase agreements and £4575 was realised for one unencumbered vehicle

##### **Debtors**

A factor surplus of £29634 was realised after taking account of collection fees and termination charges of £22578

##### **Other Assets**

The outstanding book debt owed by Tamwel Engineering Limited of £70854 was realised in full

#### **LIABILITIES**

##### **Secured Creditors**

The mortgage register held by the Registrar of Companies, showed that the company had granted a debentures to Venture Finance Plc t/a Venture Factors which was created on 24th April 2009 and registered on 28th April 2009. The debt was redeemed in full out of factored book debts

### Preferential Creditors

The director's Statement of Affairs anticipated £2811 of preferential creditors Claims totalling £3001 57 have been received and paid in full

### Crown Debts

The director's Statement of Affairs disclosed £325157 owed to HM Revenue & Customs from whom an unsecured final claim of £288563 has been received

### Unsecured Creditors

The director's Statement of Affairs included 74 unsecured creditors with an estimated total liability of £484409 I have received claims from 31 creditors totalling £421692

### **LIQUIDATOR'S ACTIONS SINCE APPOINTMENT**

Immediately upon my appointment I sought payment of the £70854 debt owed by the "phoenix" company Tamwel Engineering Limited in respect of the sale of the company's tangible assets that had taken place prior to the liquidation in the sum of £59045 plus VAT After some ado the debt was realised in full within two months via 6 stage payments

The litigation brought by the Liquidator in the compulsory liquidation of Turnmill Engineering (a partnership business which preceded the company) was referred to my solicitors as the Liquidator of the partnership continued to lay claim to an interest in the assets that had been acquired by the company at the time of the demise of Turnmill Engineering some of which were subsequently sold to Tamwel Engineering Limited

My detailed investigations into both transactions disclosed that at the date of the acquisition by the company of the former partnership's assets a vast majority of the high value items were the subject of finance agreements with no prospect of any equity being available and so only several of the fixed assets that had been transferred were unencumbered The valuation of Rowland Jones Chartered Surveyors, Swansea, dated 19th August 2011, attributed £12210 to those assets and the proceedings brought by the Liquidator of Turnmill Engineering on 16th June 2011 were settled at the figure on the advice of my solicitors

My investigations also resulted in the realisation of equity in the two motor vehicles on finance being a Ford Mondeo 2 0 D Estate and a Toyota IQ 1 0 Hatchback, which were sold via my agents for £3000 and £5650 respectively, against which hire purchase of £7230 was cleared Such investigatory work also disclosed an unencumbered Volvo XC90 2 4 DS belonging to the company which was also sold by my agents for £4575

### **INVESTIGATIONS INTO THE AFFAIRS OF THE COMPANY**

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 or her unfit to be concerned with the management of the company. I would confirm that my report has been submitted.

### **PRE – APPOINTMENT REMUNERATION**

The creditors previously authorised the payment of a fee of £6000 for assistance with preparing the director's Statement of Affairs, producing and circulating the notices for the meetings of members and creditors and prior to my appointment at the meeting held on 13th September 2011. Prior to the liquidation £4166.33 had been paid upfront prior to the liquidation. The balance of the fee for the Statement of Affairs and convening the liquidation meetings in the sum of £1833.67 was paid from the first realisations on appointment and is shown in the enclosed receipts and payments account.

### **LIQUIDATOR'S REMUNERATION**

My remuneration was previously authorised by creditors at the meeting held on 13th September 2011 to be drawn on a time cost basis. My total time costs to 31st August 2012 amount to £27048.50, which have been charged at an average hourly charge out rate of £201.70. I have drawn £26975 to date. A schedule of my time costs to date in accordance with Statement of Insolvency Practice 9 is attached as Appendix II.

A description of the routine work undertaken in the liquidation to date is as follows:

#### **1 Administration and Planning**

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files
- Review and storage
- Case bordereau
- Case planning and administration
- Preparing reports to members and creditors
- Convening and holding meetings of members and creditors

#### **2 Cashiering**

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

#### **3 Creditors**

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors
- Maintaining creditor information
- Reviewing and adjudicating on proofs of debt received from creditors

#### 4 Investigations

- Review and storage of books and records
- Preparing a return pursuant to the Company Directors Disqualification Act
- Conduct of investigations into suspicious transactions
- Review books and records to identify any transactions or actions a liquidator may take against a third party in order to recover funds for the benefit of the creditors

#### 5 Realisations of Assets

- Instructions to and liaison with selling agents
- Correspondence with factor to maximise return from factored debts
- Liaising with the company's bank regarding the closure of the account

A copy of 'A Creditors Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals is available at [www.r3.org.uk/media/documents/publications/professional/Guide to Liquidators Fees pdf](http://www.r3.org.uk/media/documents/publications/professional/Guide%20to%20Liquidators%20Fees.pdf). Please note that there are different versions for cases that commenced before or after April 2010 and in this case you should refer to the Post April 2010 version. A hard copy of the Creditors Guide can be obtained from my office.

A schedule of my firm's charge out rates during the course of the liquidation is disclosed in Appendix III.

#### **LIQUIDATOR'S EXPENSES**

I have incurred legal fees of £4416.75 for legal advice and representation in Court which was essential to the successful outcome of the litigation claim.

Agents fees of £826.49 have been paid in relation to the sale of motor vehicles.

The following agents or professional advisors have been utilised in this matter.

<u>Professional Advisor</u>	<u>Nature of Work</u>	<u>Fee Arrangement</u>
JCP Solicitors	Legal Advice & inc Court representation	Time Costs
Rowland Jones Chartered Surveyors	Selling Agents	Valuation fee and Percentage of Motor Vehicles Sales

The choice of professionals 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. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

My firm's policy in relation to disbursements is to only charge for simple reimbursements of actual payments made on behalf of the case known as Category 1 disbursements, such as statutory advertising costs, bonds, searches, postage etc. No Category 2 disbursements are charged by my firm in which there may be a recovery of overhead costs other than mileage at 40 pence per mile and 45 pence per mile with effect from 1st April 2011 as approved by creditors.

Disbursements amounting to £1213 91 have been incurred and invoiced as follows:

	£
Advertising	322 15
Postage	194 85
Bond	600 00
Boxes	19 97
Mileage & Parking	60 94
Company Searches	11 00
Witness Fee	5 00
	-----
	1213 91
	=====

### **FURTHER INFORMATION**

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### **DIVIDEND PROSPECTS**

#### **Secured creditors**

Venture Factors held security over the company's book debts and have been paid in full.

#### **Preferential creditors**

The preferential creditors have been paid in full.

Ordinary unsecured creditors

To date, unsecured creditors have been paid an interim distribution of 11 5p in the £1

**SUMMARY**

Should you have any queries regarding this matter then please contact Lee Gamlin at this office

A handwritten signature in black ink, appearing to read 'G. Stones', written in a cursive style.

GARY STONES  
LIQUIDATOR

IP No 6609



APPENDIX I

TURNMIL ENGINEERING LIMITED - IN LIQUIDATION

SUMMARY OF RECEIPTS & PAYMENTS OF GARY STONES AS LIQUIDATOR  
OF THE COMPANY FROM 13TH SEPTEMBER 2011 (THE DATE OF  
LIQUIDATION) TO 12TH SEPTEMBER 2012

	Estimated to Realise per Statement of Affairs	£
<u>RECEIPTS</u>	£	£
Motor Vehicle – Volvo XC90	-	4575 00
Equity in Motor Vehicles on H P	-	1419 28
Book Debts – Factor Surplus	46736	52201 74
Book Debt – Misc	-	96 00
Book Debt – Tamwel Engineering Limited	70854	70854 00
Public Liability Insurance Refund	-	140 27
Gross Interest	-	26 33
	-----	-----
	117590	129312 62
	=====	-----
<u>PAYMENTS</u>		
Agent's Fees & Disbursements		826 49
Legal Fees		4416 75
Statement of Affairs Fee – Balance		1833 67
Liquidator's Remuneration - on Account		26975 00
Liquidator's Disbursements		1197 27
Litigation Settlement – Turnmill Engineering in Liquidation		12210 00
Venture Factors - Collection Fees & Termination Charges		22578 00
Distribution to Creditors -		
Preferential Creditors - 100 pence in the £1 (13/3/12 & 15/5/12)		3001 57
Unsecured Creditors - 11 5 pence in the £1 (15/5/12 & 17/5/12)		48494 58
		-----
		121533 33
VAT		50 00
		-----
		121583 33
		-----
Balance in Hand as at 12th September 2012		7729 29
		=====

## APPENDIX II

### TURNMIL ENGINEERING LIMITED - IN LIQUIDATION

#### SCHEDULE OF CHARGEABLE TIME OF GARY STONES AS LIQUIDATOR OF THE COMPANY FOR THE PERIOD 13TH SEPTEMBER 2011 (DATE OF LIQUIDATION) TO 31ST AUGUST 2012

Hours						Time Costs £	Average Hourly Rate £
Classification of work function	Principal	Qualified Accountant	Senior Administrators	Assistants & Support Staff	Total Hours		
General Administration	2 70		0 20	14 00	16 90	2763 50	163 52
Planning & Control	0 30		0 60	2 70	3 60	565 50	157 08
Fixed Charge Asset Realisations	20 90			10 30	31 20	7398 50	237 13
Floating Charge Asset Realisations	0 60				0 60	171 00	285 00
Trading							
Free Assets				1 30	1 30	182 00	140 00
Book Debt Collection	2 00			12 45	14 45	2284 00	158 06
Preferential Creditors	0 50				0 50	142 50	285 00
Unsecured Creditors	13 30			24 55	37 85	7227 50	190 95
Employee Matters				5 20	5 20	720 00	138 46
Meetings							
Statutory Duties Reports & Statutory Returns R&P A/c				4 00	4 00	560 00	140 00
Investigations & Conduct Reports	16 80			1 70	18 50	5026 00	271 67
Total Hours	57 10		0 80	76 20	134 10		
Total Cost	15716 50		136 00	11196 00		27048 50	201 70
Fees drawn to date						(26975 00)	
Unbilled Time						73 50	

All units are 6 minutes

## APPENDIX III

### STONES & CO

#### CHARGE OUT RATES

	<u>Y E</u> <u>31 03 12</u>	<u>Y E</u> <u>31 03 13</u>
Principal	285 00	285 00
Qualified Accountant	220 00	220 00
Senior Insolvency Administrator	170 00	170 00
Insolvency Administrator	140 00	140 00
Insolvency Assistant	60 00	60 00

No charges are made for the secretarial and clerical support team