

In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986.

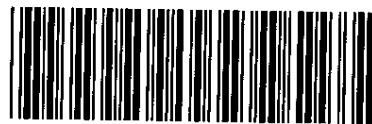
# LIQ03

## Notice of progress report in voluntary winding up



Companies House

THURSDAY



A15 \*A8FRA1K0\* 10/10/2019 #128  
COMPANIES HOUSE

### 1 Company details

Company number 0 6 8 6 5 4 0 0

Company name in full AAG SYSTEMS LTD

→ Filling in this form  
Please complete in typescript or in bold black capitals.

### 2 Liquidator's name

Full forename(s) MARTIN CHARLES

Surname ARMSTRONG

### 3 Liquidator's address

Building name/number ALLEN HOUSE

Street 1 WESTMEAD ROAD

Post town SUTTON

County/Region SURREY

Postcode S M 1 4 L A

Country UK

### 4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator  
Use this section to tell us about another liquidator.

### 5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator  
Use this section to tell us about another liquidator.

LIQ03

Notice of progress report in voluntary winding up

**6** Period of progress report

From date	d	1	d	8	m	0	m	8	y	2	y	0	y	1	y	8
To date	d	1	d	7	m	0	m	8	y	2	y	0	y	1	y	9

**7** Progress report

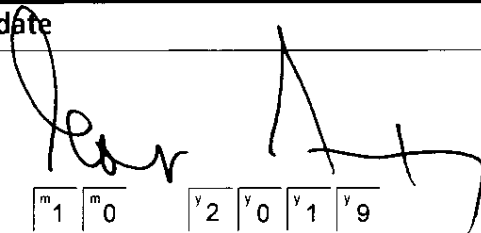
☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X



X

Signature date

d	0	d	9	m	1	m	0	y	2	y	0	y	1	y	9
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

**AAG Systems Ltd – In Creditors’ Voluntary Liquidation**  
**LIQUIDATOR’S PROGRESS REPORT TO CREDITORS AND MEMBERS**  
**For the year ending 17 August 2019**

**EXECUTIVE SUMMARY**

This is my report to members and creditors following the 2<sup>nd</sup> anniversary of my appointment as Liquidator.

The detailed report is provided below, but in summary:

- The Company was placed into creditors’ voluntary liquidation on 18 August 2017 and I was appointed Liquidator;
- Aside from general administrative tasks, the work carried out in the reporting period primarily relates to realisation and investigation work;
- I have remained in correspondence with the Liquidators of the Company’s remaining debtor regarding dividend payments due to unsecured creditors;
- I have also finalised my investigation work into the affairs of the Company, which has included liaising with Company officers and reviewing substantiating documentation;
- On the basis of information provided, a small dividend will be paid to creditors. The quantum at this stage remains uncertain, as further dividends payments are anticipated from the foregoing debtor’s liquidation, which will increase the funds available. I would anticipate being able to issue a notice of intended dividend to non-preferential unsecured creditors within 6 months.

**STATUTORY INFORMATION**

Company name: AAG Systems Ltd

Registered office: Allen House, 1 Westmead Road, Sutton, Surrey SM1 4LA

Former registered office: 3 Hazel Court Midland Way, Barlborough, Chesterfield, Derbyshire S43 4FD

Registered number: 06865400

Liquidator’s name: Martin Charles Armstrong FCCA FABRP FIPA MBA FNARA

Liquidator’s address: Allen House, 1 Westmead Road, Sutton, Surrey SM1 4LA

Liquidator’s date of appointment: 18 August 2017

**LIQUIDATOR’S ACTIONS SINCE LAST REPORT**

Aside from asset realisation and investigation work, further details of which can be found later in this report, the work carried out in the reporting period has primarily related to work that I am required by the insolvency legislation to undertake in connection with the liquidation and provides no financial benefit for the creditors. A description of the routine work undertaken since my last report is contained in **Appendix 1**.

## RECEIPTS AND PAYMENTS

My Receipts & Payments Account ("R&P") for the period from 18 August 2018 to 17 August 2019 is attached at **Appendix 2**.

It should be noted that all figures stated in the R&P are detailed net of VAT.

The balance of funds were held in an interest bearing estate bank account until 31 October 2018, when the account was made non-interest bearing.

## ASSETS

The following assets have been dealt with and realised in the reporting period:

### Bank refund

The sum of £49.17 was realised in respect of a refund due from Barclays Bank for overcharging the Company for international payments made in the period prior to my appointment.

### Book debts

As previously reported, the Company has a claim of £35,105.82 in a debtor's liquidation. No realisations have been made in the reporting period but I have continued to review correspondence from the Joint Liquidators in respect of the progress of the case to ascertain future dividend prospects.

The most recent progress report issued by the Joint Liquidators of 18 June 2019 (covering the period 28 April 2018 to 27 April 2019) advised that based on current estimates, they anticipated that a further dividend will be paid to unsecured creditors. The quantum and timing of this distribution, however, is currently uncertain.

## LIABILITIES

### Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has granted the following charges:

Charge holder: HSBC Bank plc

Created: 11 July 2016

Delivered: 12 July 2016

Description: A legal assignment of contract monies

Charge holder: HSBC Bank plc

Created: 12 April 2016

Delivered: 13 April 2016

Description: A fixed and floating charge over all assets

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors.



In this case, however, the two charges listed above were discharged prior to my appointment but the appropriate documentation was not filed to evidence that they had been satisfied. I can confirm that no claims have been received from HSBC Bank plc.

Accordingly, as there are no liabilities in respect of these charges, the prescribed part provisions do not apply.

#### Preferential Creditors

It was not anticipated that the employees would have any preferential claims for holiday pay and wages as they have transferred to the purchaser and therefore the Transfer of Undertaking (Protection of Employment) Regulations 2006 ("TUPE") would apply.

I can confirm that no claims have been received in this regard.

#### Crown Creditors

The statement of affairs included £65,959 owed to HMRC. HMRC's final claim of £131,709 has been received.

The difference in amounts is due to assessments being raised for the periods leading up to the liquidation (the last return submitted was for the period-end 31 March 2017) when trading was minimal in comparison to previous periods, whilst the Company's cessation of trading date, namely 30 June 2017, was also unlikely to have been taken into account.

#### Other Non-preferential unsecured Creditors

The statement of affairs included 19 non-preferential unsecured creditors with an estimated total liability of £835,713. I have received claims from 11 creditors at a total of £493,583, which includes claims from 3 creditors totalling £64,234 that were not included on the statement of affairs. I have not received claims from 11 creditors with original estimated claims in the statement of affairs of £202,832.

### **DIVIDEND PROSPECTS**

#### Secured creditors

N/A

#### Preferential creditors

N/A

#### Floating charge creditors

N/A

#### Non-preferential unsecured creditors

On the basis of information provided to my firm, it is anticipated that a dividend will be payable to this class of creditor. The quantum remains uncertain and is dependent on future realisations from the



Company's remaining debtor's liquidation estate but I would anticipate being able to issue a notice of intended dividend within 6 months.

If creditors have not already done so, please complete the attached Proof of Debt form in order to submit your claim.

## **INVESTIGATION INTO THE AFFAIRS OF THE COMPANY**

In the reporting period, I would advise that the following investigations have been carried out:

### Intercompany balances

A review of the Company's intercompany position has been undertaken to ascertain whether there were any amounts due to the Company. As evidenced by the statement of affairs, the connected companies were understood to be creditors of the Company and I would advise that the balances reconciled from the day after the last filed accounts to account closure verified the positions.

### Transactions with connected parties

The Company's bank statements and accounting records were reviewed in order to establish whether there were any transactions which could be voidable under Insolvency Legislation and recoverable for the benefit of creditors. Specifically, any transactions investigated included payments to/from connected parties.

I would advise that payments were identified to connected parties that I deemed appropriate to request further information on. I have been in correspondence with the Company's officers and other relevant parties in this regard, and I have also reviewed additional banking records and substantiating documentation provided to me by Company Officers that were not previously available to me.

I am satisfied that based on the information provided to me that no further action is required.

## **PRE-APPOINTMENT REMUNERATION**

The creditors previously authorised the payment of a fee of £10,000 for my assistance with preparing the statement of affairs and arranging the decision procedure for creditors to appoint a liquidator on 18 August 2017.

The fee for preparing the statement of affairs and arranging the decision procedure for creditors to appoint a liquidator was paid from first realisations on appointment and is shown in the enclosed receipts and payments account.

## **LIQUIDATOR'S REMUNERATION**

My remuneration was approved on a mixture of a time cost basis, a fixed fee and a % of realisations/distributions.

### Time Costs

I was authorised to draw time costs for my work in respect of investigations. This approval was based on my fees estimate of £16,580.00. The fees estimate acts as a cap and I cannot draw remuneration in



excess of that estimate without first seeking approval from the creditors. My total time costs for such work to 17 August 2019 amount to £14,647.50, representing 56.50 hours of work at a blended charge out rate of £259.25 per hour, of which £3,531.00, representing 11.40 of hours work at a blended charge out rate of £309.74 per hour, was charged in the period since 18 August 2018. The actual blended charge out rate incurred compares with the estimated total blended charge out rate of £274.05 in my fees estimate. The difference in the total blended rate charged, compared with the estimated total blended rate, is as a result of certain tasks being undertaken by more senior members of staff. However, I consider that the time charged to the case would be more effective than had the work been done by staff in other categories.

I have drawn £10,980.50 to 17 August 2019 none of which was drawn in the period since 18 August 2018.

As at 17 August 2019 I do not anticipate that the total time costs I will incur in this matter in respect of the categories of work for which I am being remunerated on a time cost basis will exceed the total estimated remuneration I set out in my fees estimate when my remuneration was authorised by the creditors.

A detailed schedule of my time costs incurred to date, and since 18 August 2018, compared with my original fees estimate is attached as **Appendix 3**.

#### Fixed fee

I was also authorised to draw a fixed fee of £25,000.00 for my work in respect of Administration, Creditors (claims) and Realisations (cash at bank).

I have drawn £25,000.00 to 17 August 2019 none of which was drawn in the period since 18 August 2018.

#### Percentage of realisations

I was also authorised to draw the following percentages of realisations for my work in respect of the realisation of the Company's assets:

Asset	Percentage %	Amount realised £	Amount authorised £
Tangible Assets	25	42,656.80	10,664.20
Intangible Assets	25	2,343.20	585.50
Book Debts	25	28,913.96	7,228.49
			<b>18,478.19</b>

Based on realisations I achieved I am entitled to remuneration of £18,478.19.

I have drawn £16,250.00 to 17 August 2019 none of which was drawn in the period since 18 August 2018.

#### Percentage of distributions

Finally, I was also authorised to draw 20% of distributions made for my work agreeing creditors' claims and making a distribution to creditors. As no distributions have been made to creditors to date, I am not entitled to any remuneration in this respect.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' also

published by R3, together with an explanatory note which shows Turpin Barker Armstrong's fee policy are available at the link <https://www.turpinbainsolvency.co.uk/fees-and-links>. Please note that there are different versions of the Guidance Notes and in this case you should refer to the April 2017 version.

## LIQUIDATOR'S EXPENSES

Details of my expenses accrued and drawn to 17 August 2019 (and in the period from 18 August 2018) are as follows:

Type	Estimated expenses £	Total incurred £	Incurred in reporting period £	Total drawn £	Drawn in reporting period £
Statutory advertising	223.50	223.50	-	223.50	-
Bordereau	276.00	276.00	-	276.00	-
Conference call charges	-	2.20	-	2.20	-
<b>Total</b>	<b>499.50</b>	<b>501.70</b>	<b>-</b>	<b>501.70</b>	<b>-</b>

As at 17 August 2019 then, as you can see from the information provided in this report, the expenses I have incurred in this matter have exceeded the total expenses I estimated I would incur when my remuneration was authorised by the creditors. The reason I have exceeded the expenses estimate are due to the omission of the conference call costs.

I have not used any agents or professional advisors in the reporting period. For the avoidance of doubt, the agents used to value the Company's assets were instructed and paid for by a third party and were not an expense of the liquidation.

## FURTHER INFORMATION

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 their 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 unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Liquidator as being excessive, and/or the basis of the Liquidator's remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Turpin Barker Armstrong can be found at <https://www.turpinbainsolvency.co.uk/fees-and-links>.

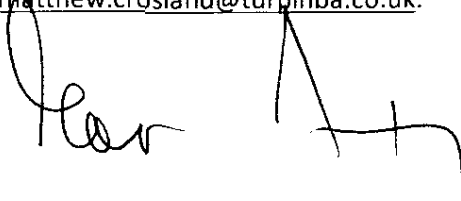
## SUMMARY

The Liquidation will remain open until a final dividend has been received from the Company's remaining debtor's liquidation estate and a dividend is paid to the Company's unsecured creditors. I estimate that



this will take approximately 6 months and once resolved the Liquidation will be finalised and our files will be closed.

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Matthew Crosland on 020 8661 7878, or by email at [matthew.crosland@turpinba.co.uk](mailto:matthew.crosland@turpinba.co.uk).

A handwritten signature in black ink, appearing to read 'Martin C Armstrong', written over a horizontal line.

**Martin C Armstrong FCCA FABRP FIPA MBA FNARA**  
**Liquidator**

## Appendix 1

### 1. Administration

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder (and their managers). It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Case planning - devising an appropriate strategy for dealing with the case and giving *instructions to the staff to undertake the work on the case.*
- Dealing with all routine correspondence and emails relating to the case.
- Maintaining and managing the office holder's estate bank account.
- *Maintaining and managing the office holder's cashbook.*
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

### 2. Creditors

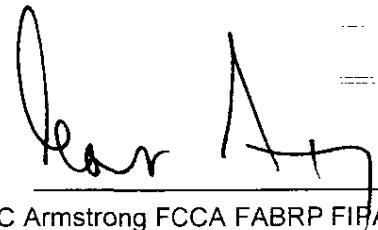
Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Reviewing proofs of debt received from creditors.
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.

**AAG Systems Ltd**  
**(In Liquidation)**  
**Liquidator's Summary of Receipts & Payments**

Statement of Affairs £		From 18/08/2018 To 17/08/2019 £	From 18/08/2017 To 17/08/2019 £
	<b>ASSET REALISATIONS</b>		
20,000.00	Book Debts	NIL	28,913.96
45,511.00	Tangibles	NIL	42,656.80
2,500.00	Intangibles	NIL	2,343.20
734.00	Cash at Bank	NIL	615.63
	Bank Refund	49.17	49.17
	Sundry Refund	NIL	10.00
	Rates Refund	NIL	1,270.57
	Gross Bank Interest	2.41	13.01
	Funds received in error	NIL	120.00
		51.58	75,992.34
	<b>COST OF ADMINISTRATION</b>		
	Specific Bond	NIL	276.00
	Preparation of S of A	NIL	10,000.00
	Statutory Advertising	NIL	223.50
	Conference call charges	NIL	2.20
	Payment to AAG I.T. Services Ltd	NIL	120.00
	Corporation Tax	435.48	435.48
	Liquidator's Remuneration	NIL	52,230.50
		(435.48)	(63,287.68)
	<b>UNSECURED CREDITORS</b>		
(126,984.00)	Trade & Expense Creditors	NIL	NIL
(478,728.00)	Associated companies	NIL	NIL
(230,000.00)	Directors	NIL	NIL
(65,959.00)	HM Revenue & Customs	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(1.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(832,927.00)</b>		<b>(383.90)</b>	<b>12,704.66</b>
	<b>REPRESENTED BY</b>		
	Bank - Current a/c		12,704.66

**12,704.66**



Martin C Armstrong FCCA FABRP FIPA MBA FNARA  
Liqudator

Time Entry - Detailed SIP9 Time & Cost Summary

XA0261 - AAG Systems Ltd  
From: 18/08/2018 To: 17/08/2019  
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
203 : Investigations (other)	1.80	0.10	6.70	0.00	8.50	2,789.00	324.30
205 : Bank statement analysis	0.00	0.00	2.80	0.00	2.80	747.00	265.00
Investigations	1.80	0.10	9.50	0.00	11.40	3,531.00	308.74
Total Hours	1.80	0.10	9.50	0.00	11.40	3,531.00	308.74
Total Fees Claimed						0.00	

Comparative fee estimate and time summary

Classification of Work Function	Time Costs Incurred in the period 18 August 2018 to 17 August 2019			
	Original Fee Estimate	Blended Rate	August 2019	Blended Rate
	£	£	£	£
Investigations	16,580.00	274.05	3,531.00	308.74
Total	16,580.00	274.05	3,531.00	308.74

Time Entry - Detailed SIP9 Time & Cost Summary

XA0261 - AAG Systems Ltd  
From: 18/08/2017 To: 17/08/2019  
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
201 - CDDA Reports	2.80	0.00	0.00	14.40	17.20	4,650.50	270.38
203 - Investigations (other)	9.40	0.10	6.70	0.40	16.60	7,035.00	423.83
204 - Reviewing/listing books and records	0.00	0.00	0.00	4.40	4.40	176.00	40.00
205 - Bank statement analysis	0.00	0.00	2.80	15.50	18.30	2,807.00	153.11
Investigations	12.20	0.10	9.50	34.70	56.50	14,647.50	259.25
Total Hours	12.20	0.10	9.50	34.70	56.50	14,647.50	259.25
Total Fees Claimed						10,980.50	

Comparative fee estimate and time summary

Classification of Work Function	Original Fee Estimate	Blended Rate	Time Costs Incurred in the period 18 August 2017 to 17 August 2019		Blended Rate
			£	£	
Investigations	16,580.00	274.05	14,647.50		259.25
Total	16,580.00	274.05	14,647.50		259.25

**Rule 14.4 The Insolvency (England and Wales) Rules 1986**

**Proof of Debt – General Form**

**Name of Company in Liquidation:**

AAG Systems Ltd

**Company Registration Number:**

06865400

**Date of Liquidation:**

18 August 2017

**1 Name of creditor**

(If a company, please also provide the company registration number).

**2 Correspondence address of creditor (including any email address)**

**3 Total amount of claim (£)**

(include any Value Added Tax)

**4 If amount in 3 above includes (£)**

outstanding uncapitalised interest, state amount.

**5 Details of how and when the debt was incurred.**  
(If you need more space, attach a continuation sheet to this form)

**6 Details of any security held, the value of the security and the date it was given.**

**7 Details of any reservation of title claimed in respect of goods supplied to which the debt relates.**

**8 Details of any document by reference to which the debt can be substantiated**

9 Signature of creditor  
(or person authorised to act on the creditor's  
behalf)

10 Address of person signing if different from 2  
above

11 Name in BLOCK LETTERS:

12 Position with, or relation to, creditor

Admitted to vote for

Admitted for dividend for

Amount (£)

Amount (£)

Date

Date

MARTIN CHARLES ARMSTRONG  
LIQUIDATOR

MARTIN CHARLES ARMSTRONG  
LIQUIDATOR

Notes:

1. There is no need to attach them now but the office holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.

2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.