

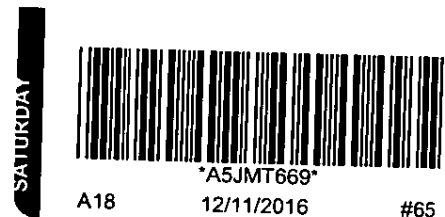
**A and K Systems Limited ("the Company") - In Compulsory Liquidation
In the Bath County Court 28 of 2015**

LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS

For the year ending 15 September 2016

STATUTORY INFORMATION

Company name	A and K Systems Limited
Registered office	Abbey Taylor Limited Blades Enterprise Centre John Street Sheffield S2 4SW
Former registered office	7a King Street Frome Somerset BA11 1BH
Registered number	08260648
Joint Liquidators' names	Nicola J Kirk & Philip D Nunney
Joint Liquidators' address	Abbey Taylor Limited Blades Enterprise Centre John Street Sheffield S2 4SW
Joint Liquidators' date of appointment	16 September 2015



RECEIPTS AND PAYMENTS ACCOUNT

Our Receipts & Payments Account for the period from 16 September 2015 to 15 September 2016 is attached at Appendix 1

The balance of funds are held in the Insolvency Services Account operated by The Insolvency Service

ASSETS

Book debts

Following a review of the handover documentation from the Official Receiver, it was estimated that book debts for the Company amounted to circa £100,000. This consists of three separate debtors with estimated debts ranging from £26,700 to £39,141. The Liquidators continue to correspond with the debtors regarding re-payment and the estimated recovery remains uncertain.

Motor Vehicle

Prior to our appointment as Liquidators, the Official Receiver sold the Company's motor vehicle to the director of the Company for £1,800 plus VAT. I can confirm that all payments associated to this sale were duly received.

Potential preference payment

The Official Receiver's hand over notes to the Liquidators noted a payment of £9,000 from the Company to the director which could be challenged for recovery. The Liquidators corresponded with the director in regards to this payment. However, it has been recently brought to the Liquidators' attention that the director has passed away.

Other assets

The balance of funds are held with the Insolvency Services Account operated by The Insolvency Service which has yielded interest of £1.14 during the period.

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company had no secured creditors.

Preferential Creditors

The records passed to us from the Official Receiver listed no preferential creditors. No claims have been received from preferential creditors.

Crown Creditors

The records passed to us from the Official Receiver listed debt to H M Revenue & Customs (VAT) at £65,042.79. A claim matching the amount noted has been received from H M Revenue & Customs (VAT).

Non-preferential unsecured Creditors

The records passed to us from the Official Receiver listed 3 unsecured creditors with an estimated debt level of £27,572. To date, we have received 2 claims amounting to £13,531 although these claims have not yet been agreed by the Liquidators. We have not received claims from 1 creditor with original estimated claims in the statement of affairs of £14,041.

DIVIDEND PROSPECTS

It is envisaged that there will be insufficient funds to pay a dividend to any class of creditor.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

We 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.

As a result of our initial investigations, a number of transactions, which the director was party to, were identified that could be challenged to achieve recoveries for the benefit of the estate. However, due to the aforementioned circumstances, no realisations are expected in this regard.

LIQUIDATORS' REMUNERATION

At a meeting of creditors held on 23 October 2015 the Joint Liquidators were authorised to draw their fees on a time cost basis. Our time costs to 15 September 2016 amount to £3,747.00 representing 30.45 of hours work at an average charge our rate of £123.05 per hour. At present, it is not envisaged that the fee estimate of 12 October 2015 will be exceeded.

I can confirm that no fee has been drawn to date by Abbey Taylor Ltd in this regard

Please refer to the Practise Fee Recovery Policy appended to this report for further information with regard to time recording, an explanation of the liquidators' general routine duties in dealing with a Company in liquidation and disbursements

A schedule of our time costs incurred to date is attached as Appendix 2

A description of the routine work undertaken since our appointment as Joint Liquidators is as follows

- 1 Administration
 - Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case
 - Setting up physical case files
 - Setting up the case on the practice's electronic case management system and entering data
 - Issuing the statutory notifications to creditors and other required on appointment as office holder
 - Obtaining a specific penalty bond
 - Convening and holding general meetings of creditors and members (as applicable)
 - Dealing with all routine correspondence and emails relating to the case
 - Creating, 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
 - Preparing and filing Corporation Tax returns
- 2 Creditors
 - Dealing with creditor correspondence, emails and telephone conversations regarding their claims
 - Maintaining up to date creditor information on the case management system
- 3 Assets
 - Review of books and records received from Official Receiver to ascertain company's assets and potential assets
 - Corresponding with debtors in regards to progression of book debt realisations
 - Corresponding with the director and his family in regards to recovery of antecedent transactions
- 4 Investigations
 - Conducting investigations into the Company's bank statements to determine whether any other antecedent transactions occurred

LIQUIDATORS' EXPENSES

We have incurred total expenses to 15 September 2016 of £163 05

We have not been able to draw any expenses in this matter

We have incurred the following expenses in the period since our appointment as Liquidator

Type of expense	Amount incurred/ accrued in the reporting period
Statutory Advertising	£68 20
Specific bond	£92 00

Postage	£2 85
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The following agents or professional advisors have been used in the reporting period

Professional agent	Nature of Work	Basis of Fees
Bristol Commercial Valuers & Auctioneers	Auctioneer	Fixed fee

Bristol Commercial Valuers & Auctioneers

As previously mentioned, the Official Receiver sold the Company's motor vehicle prior to our appointment as Liquidators. Bristol Commercial Valuers & Auctioneers were instructed by the Official Receiver to deal with the formalities of the sale and collection of the consideration. Bristol Commercial Valuers & Auctioneers have been paid £200 plus VAT for their assistance in this matter.

We consider that the basis on which Bristol Commercial Valuers have charged their fees represent value for money. We have reviewed the charges they have made and are satisfied that they are reasonable in the circumstances of this case.

FURTHER INFORMATION

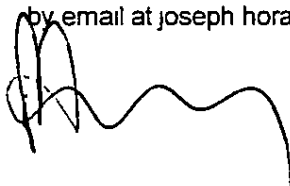
An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may 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.

SUMMARY

The Liquidation will remain open until matters relating to the book debts are resolved. We estimate that this will take approximately eight 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 Joe Horan on the above telephone number, or by email at joseph.horan@abbeytaylor.co.uk



Philip D Nunney
Joint Liquidator

Abbey Taylor Ltd

TIME & CHARGEOUT SUMMARIES

A and K Systems Limited – in Liquidation

To 15 Sep 2016

HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	0 25	0 00	0 00	15 75	16 00	1 834 75	114 67
Investigations	0 00	0 00	0 00	4 00	4 00	400 00	100 00
Realisation of Assets	0 35	0 00	0 00	6 30	6 65	923 75	138 91
Creditors	0 90	0 00	0 00	2 90	3 80	588 50	154 87
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	487 50	0 00	0 00	3 259 50		3,747 00	
Total Hours	1 50	0 00	0 00	28 95	30 45		
Average Rate	325 00	0 00	0 00	112.59			

**A and K Systems Limited
(In Liquidation)**

**Joint Liquidators' Summary of Receipts and Payments
From 15 September 2015 to 16 September 2016**

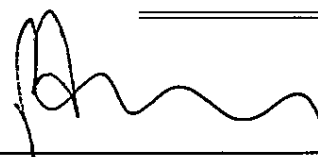
RECEIPTS	Total (£)
Deposit on Creditor's Petition	1,250 00
Motor Vehicles	1,800 00
Bank Interest Gross	1 14
VAT Payable	360 00
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	3,411.14

PAYMENTS	
Company Liquidation Administration Fee	2,400 00
Banking Fee Bankruptcy & Compulsory	22 00
ISA Quarterly Banking Fee	66 00
Agents/Valuers Fees (1)	200 00
Tax on Interest	0 23
VAT Receivable	40 00
	<hr/>
	2,728 23

Balance	<hr/>
	682 91
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MADE UP AS FOLLOWS

ISA Estate Bank a/c – Interest-Bearing	682 91
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	682 91
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Philip David Nunney
Joint Liquidator

PRACTICE FEE RECOVERY POLICY FOR ABBEY TAYLOR LIMITED

Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is / are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

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 www.creditorinsolvencyguide.co.uk. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP9) and can be accessed at www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees. Alternatively a hard copy may be requested from Abbey Taylor Limited, Blades Enterprise Centre, John Street, Sheffield, S2 4SW. Please note that we have provided further details in this policy document.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units, with supporting narrative to explain the work undertaken.

Charge-out Rates

Grade of staff	Charge-out rates per hour, effective 01/04/09-09/10/16 (£)	Charge-out rates per hour, effective from 10/10/16 (£)
Partner – appointment taker	325	350
Senior Manager	250	-
Manager	200	250
Supervisor/Senior Administrator	160	200
Case Administrator	130	175
Cashier	100	135
Support Staff	100	135

These charge-out rates charged are reviewed on an annual basis and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning – which includes work such as planning how the case will be administered and progressed; the administrative set up of the case, notifying creditors and others of the appointment; keeping the records relating to the case up to date, and reporting on progress of the case to creditors and others.
- Investigations – which includes work such as undertaking an initial review of the financial affairs of the company and bankrupt, undertaking a detailed investigation with a view to making recoveries for the benefit of creditors where matters such as preferences or wrongful trading come to light as a result of the initial review, and reporting to the Insolvency Service on the conduct of the directors.
- Realisation of Assets – which includes work such as identifying, securing and insuring assets, dealing with retention of title claims, collecting debts owed; and selling assets.

Members' Voluntary Liquidations and Voluntary Arrangements

The legislation changes that took effect from 1 October 2015 did not apply to Members' Voluntary Liquidations (MVLs), Company Voluntary Arrangements (CVAs) or Individual Voluntary Arrangements (IVAs). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All Bases

Where applicable, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes

- Solicitors / Legal Advisors
- Auctioneers / Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment, the actual expenses incurred will be compared with the original estimate provided.

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Abbey Taylor Limited, in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements are recovered:

Room Hire	£75
Mileage	45p per mile
Storage	£2.50 per box per quarter
Photocopying	5p per sheet

PROOF OF DEBT

A and K Systems Limited – in Liquidation

Date of Winding Up Order: 21 April 2015

1	Name of creditor (If a company please also give company registration number).	
2	Address of creditor for correspondence	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest at the date of the winding-up order	
4	Details of any documents by reference to which the debt can be substantiated. <i>(Copies should be supplied)</i>	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount.	
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7	Particulars of any security held, the value of the security, and the date it was given	
8	Particulars of any reservation of title claimed, in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf	_____
	Name in BLOCK LETTERS	_____
	Position with or in relation to creditor	_____
	Address of person signing (if different from 2 above)	