



Associated Technologies Limited (in Liquidation)

Joint Liquidators' progress report to
creditors for the period 27 March 2016 to
26 March 2017

KPMG LLP
24 May 2017

DS/AJ/LB

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About this report

This report has been prepared by David Standish and John Milsom, the Joint Liquidators of Associated Technologies Limited, solely to comply with their statutory duty to report to members and creditors under the Insolvency (England and Wales) Rules 2016, and to provide an account of their acts and dealings and of the conduct of the liquidation, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interests in Associated Technologies Limited.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under The Insolvency (England and Wales) Rules 2016 does so at its own risk. To the fullest extent permitted by law, the Joint Liquidators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

David John Standish is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

John Milsom is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

We are bound by the Insolvency Code of Ethics.

The appointments of the Joint Liquidators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the liquidation.



Associated Technologies Limited (in liquidation)
Joint Liquidators' progress report to creditors
KPMG LLP

Glossary

Act	The Insolvency Act 2016 (as amended)
Company	Associated Technologies Limited
Group	AT Air Limited (in liquidation), Heskgold Limited (in liquidation) and Associated Technologies Limited (in liquidation)
HMRC	HM Revenue and Customs
Joint Liquidators/ We/Us/Our	David Standish and John Milsom of KPMG LLP

The references in this progress report to Sections or Rules are to Sections or Rules in The Insolvency Act 2016 and The Insolvency (England and Wales) Rules 2016 respectively.

1 Introduction

We, David Standish and John Milsom, were appointed Joint Liquidators of the Company on 27 March 2017 pursuant to an order of the High Court of Justice on the petition of The Commissioners for HMRC.

This progress report provides creditors with an update on the progress of the liquidation. It covers the second year of the liquidation, being the period from 27 March 2016 to 26 March 2017.

The Joint Liquidators' receipts and payments account for the period is attached at Appendix 2 with a schedule of expenses, showing paid and accrued liabilities for the period, attached as Appendix 4. All figures are shown net of VAT.

2 Asset realisations

2.1 Proceeds from sale of shares

During the period, the Joint Liquidators were made aware of a shareholding in Bloomsbury Publishing Plc which was held by the Company. The Joint Liquidators immediately sought to dispose of the shareholding at market value and instructed N1 Singer Capital Markets Limited to assist. Proceeds of sale amounted to £39,609.36 and were received on 14 March 2017.

2.2 Dividends from shares

In respect to the Company's shareholding in Bloomsbury Publishing Plc, referred to above, the Joint Liquidators received total dividends of £1,518 prior to the disposal.

2.3 Bank interest

Bank interest of £3,648.43, net of tax, was received during the period on the balance held on the Insolvency Service Account.

3 Investigations

3.1 Other assets

The Joint Liquidators previously referred to a number of potential assets which had been identified in the substantial volumes of books and records which had been delivered up to the Joint Liquidators. The Joint Liquidators' investigations ongoing and further details will be provided in due course.

4 Costs of realisations

Payments made in this period are set out in the attached receipts and payments account (see Appendix 2).

The schedule of expenses attached as Appendix 4 details the costs incurred, paid or unpaid, specifically relation to this period. The figures in both statements are shown net of VAT.

4.1 Agents/Valuers' Fees

The Joint Liquidators instructed Lambert Smith Hampton ("LSH") to provide a valuation of a small amount of plant and machinery which it is believed belongs to the Company. LSH received £1,825 plus VAT in respect to the valuation.

4.2 Legal fees

Olswang LLP received £50,000 plus VAT on account of their time costs for advice in relation to the recovery of assets and the Joint Liquidators' detailed investigations.

4.3 Storage Costs

The Joint Liquidators have received substantial amounts of books and records in respect to the Company which are being reviewed as part of the Joint Liquidators' investigations. Storage costs of £351.12 were incurred during the period.

4.4 Costs relating to sale of shares

The Joint Liquidators incurred costs of £119.83 in disposing of the shares in Bloomsbury Publishing plc, referred to in section 2.2 above. This amount was paid to N1 Singer Capital Markets Limited.

4.5 Other costs of realisations

Details of other costs paid are set out in the receipts and payments account, attached as Appendix 2.

5 Joint Liquidators' remuneration

The basis of the Joint Liquidators' remuneration was fixed by the unsecured creditors at a meeting of creditors held on 8 August 2015. Creditors resolved that the Joint Liquidators' remuneration would be charged on a time cost basis by reference to time properly given by the Joint Liquidators and their staff in dealing with matters arising in the liquidation of the Company at KPMG LLP's charge out rates that reflect the complexity of the assignment. The Joint Liquidators' remuneration will continue to be fixed on this basis.

In the reporting period we have incurred time costs of £30,838. This represents 98 hours at an average rate of £315 per hour. Attached at Appendix 3 is an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from our appointment to 27 March 2017. We have also attached our charging and disbursements policy.

No time costs have been drawn during the period.

Details of any additional disbursements which may have been incurred by the Joint Liquidators but not paid are set out at Appendix 3.

6 Creditor claims and dividend prospects

6.1 Secured creditors

The Joint Liquidators are not aware of any secured creditors.

6.2 Preferential creditors

The Joint Liquidators are not aware of any preferential creditors.

6.3 Unsecured creditors and prescribed part

We have received unsecured claims in the amount of £8.15m. These claims have not yet been agreed.

It is anticipated there will be sufficient funds to enable a distribution to unsecured creditors in this case. The Joint Liquidators will report to creditors under separate cover.

In view that there are no secured creditors, the provisions of section 176A of the Insolvency Act 1986, relating to the provision of a prescribed part fund for unsecured creditors, do not apply in this case.

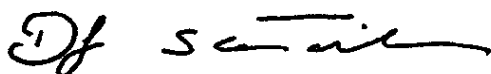
7 Future strategy

The Joint Liquidators intend to resolve outstanding matters shortly in order to draw this matter to a close as promptly as possible. The outstanding matters currently include:

- Finalising our investigations and realisation of any outstanding assets;
- Adjudication of creditor claims and payment of a dividend to the unsecured creditors;
- Payment of fees and other costs arising in the liquidation, including the Joint Liquidators' time costs;
- Finalising the VAT and tax affairs and requesting necessary tax clearance ahead of closure;
- Dealing with ongoing statutory and compliance obligations during the remainder of the liquidation and in the lead up to closure.

8 Future reporting

We will provide a further progress report on or before 27 May 2018 or earlier if the liquidation can be drawn to a close before that date.



David Standish
Joint Liquidator

Appendix 1

Statutory information

Company name & Trading style	Associated Technologies Limited
Date of appointment	27 March 2015
Joint Liquidators	David John Standish is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association. John David Thomas Milsom is authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.
Joint Liquidators' address	KPMG LLP, 15 Canada Square, London E14 5GL
Application of EC regulations	EC regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations.
Court details of the winding-up order	High Court of Justice, Chancery Division, Companies Court; Court number 802 of 2015
Company Information	
Company registration number	02815753
Previous registered office	Unit 3, Coventry Innovation Village, Coventry, CV1 2TL
Present registered office	c/o KPMG LLP, 15 Canada Square, London E14 5GL
Trading address	Unit 3, Coventry Innovation Village, Coventry, CV1 2TL

Appendix 2

Joint Liquidators' receipts and payments account

Statement of affairs (£)	From 27 March to To 26 March 2017 (£)	From 27 March 2015 To 26 March 2017 (£)
ASSET REALISATIONS		
Land mortgage repayment	NIL	1,173,480.00
Loan interest	NIL	17,734.50
Proceeds from sale of shares	39,609.36	39,609.36
Cash at bank	NIL	55.22
	39,609.36	1,230,879.08
OTHER REALISATIONS		
Dividends from shares	1,518.36	1,518.36
ISA interest gross	3,648.43	3,648.43
Tax paid on ISA interest	(729.69)	(729.69)
	4,437.10	4,437.10
COST OF REALISATIONS		
OR disbursements	NIL	(1,172.00)
Cheque/Payable order fee	(17.55)	(17.55)
Secretary of State fee	(439.28)	(68,981.80)
Agents'/Valuers' fees	(1,825.00)	(1,825.00)
Legal fees	(50,000.00)	(96,188.37)
Storage costs	(505.74)	(505.74)
Costs relating to sale of shares	(119.83)	(119.83)
Bank charges	(88.00)	(154.00)
	(52,995.40)	(168,964.29)
UNSECURED CREDITORS		
(23,077,758.00) Trade & expense	NIL	NIL
	NIL	NIL
(23,077,758.00)	(8,948.94)	1,066,351.89
REPRESENTED BY		
VAT receivable		10,432.34
ISA		994,289.75
Oiswang LLP		61,629.80
		1,066,351.89

Appendix 3

Analysis of Joint Liquidators' time costs and charge out rates for the period 27 March 2016 to 26 March 2017

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Administration & planning							
Bankrupt/Director/Member							
Reports to OR on conduct		1.10			1.10	445.50	405.00
Statutory reports				1.20	1.20	336.00	280.00
Cashiering							
General (Cashiering)		5.90		1.00	6.90	2,691.50	390.07
Reconciliations (& IPS accounting reviews)				4.00	4.00	837.00	209.25
General							
Books and records				5.30	5.30	313.50	59.15
Statutory and compliance							
Appointment and related formalities				1.80	1.80	526.50	292.50
Checklist & reviews	0.40	4.30		9.45	14.15	4,754.75	336.02
Strategy documents	0.60			8.20	8.80	1,030.50	117.10
Tax							
Post appointment corporation tax		2.70		2.90	5.60	1,968.00	351.43
Post appointment VAT				0.95	0.95	224.75	236.58
Creditors							
General correspondence		2.80		0.10	2.90	1,163.50	401.21
Statutory reports		9.70		12.50	22.20	7,424.50	334.44
Employees							
Pensions reviews				0.50	0.50	140.00	280.00
Investigation							
Correspondence re investigations		9.40		1.50	10.90	4,536.00	416.15
Realisation of assets							
Cash and investments		5.30			5.30	2,456.50	463.49
Debtors				0.30	0.30	84.00	280.00
Freehold property				2.10	2.10	588.00	280.00
Other assets		0.70		0.40	1.10	469.00	426.36
Vehicles				2.90	2.90	848.00	292.41
Total In period	1.00	41.90		55.10	0.00	98.00	30,837.50
					433.85	131,471.75	
Brought forward time (appointment date to SIP 9 period start date)							
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)					98.00	30,837.50	
Carry forward time (appointment date to SIP 9 period end date)					531.85	162,309.25	

Appendix 3 (continued)

Analysis of Joint Liquidators' time costs and charge out rates for the period 27 March 2016 to 26 March 2017

Notes to Joint Liquidators' SIP 9 Analysis

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

Joint Liquidators' charging policy

The time charged to the liquidation is by reference to the time properly given by us and our staff in attending to matters arising in the liquidation. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the liquidation to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Liquidators' Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/what-we-do/publications/professional/fees/liquidators-fees>

If you are unable to access this guide and would like a copy, please contact Lyndsay Burch on 0118 964 2268.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this liquidation. Time is charged by reference to actual work carried out on the liquidation; using a minimum time unit of six minutes.

All staff who have worked on the liquidation, including cashiers and secretarial staff, have charged time directly to the liquidation and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the liquidation but is reflected in the general level of charge-out rates.

Appendix 3 (continued)

Analysis of Joint Liquidators' time costs and charge out rates for the period 27 March 2016 to 26 March 2017

Hourly Charge-out rates (£)		
Grade	From 1 Oct 2015 £/hr	From 1 Nov 2016 £/hr
Partner	595	625
Director	535	560
Senior Manager	485	510
Manager	405	425
Senior Administrator	280	295
Administrator	205	215
Support	125	131

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

Appendix 4

Schedule of Expenses

Schedule of expenses for the period 27 March 2016 to 26 March 2017			
Expenses (£)	Incurred in the period		Total (£)
	Included and paid in the period (£)	Not yet paid (£)	
Cost of realisations			
Cheque/Payable order fee	17.55	0.00	17.55
Secretary of State fee	439.28	0.00	439.28
Agents'/Valuers' fees	1,825.00	0.00	1,825.00
Legal fees	50,000.00	0.00	50,000.00
Storage costs	351.12	0.00	351.12
Bank charges	88.00	0.00	88.00
TOTAL	52,720.95	0.00	52,720.95

Notes

The figures included in the "paid" column above relate to costs incurred and paid in the period. Accordingly these figures do not include payments made in the period that relate to accruals notified in our previous reports.

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Lyndsay Burch at KPMG LLP, 15 Canada Square, London, E14 5GL.