

Liquidator's Progress ReportPursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986**S.192**

To the Registrar of Companies

Company Number

05838610.

Name of Company

(a) Insert full name of
company(a) ENGINEERED OFF-SITE
SYSTEMS Limited(b) Insert full name(s)
and address(es)

I/we (b) MALCOLM EDWARD FERGUSON

c/o

Fergusson & Co Ltd
Financial Recovery & Insolvency
5-7 Northgate, Cleckheaton
West Yorkshire, BD19 3HH
Tel. 01274 876644the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986The Progress Report covers the period from 18/9/15
to 12/9/16

Signed

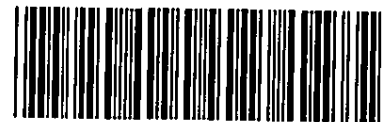


Date

7/11/16

Presenter's name,
address and
reference
(if any)Fergusson & Co Ltd
Financial Recovery & Insolvency
5-7 Northgate, Cleckheaton
West Yorkshire, BD19 3HH
Tel. 01274 876644

THURSDAY



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10/11/2016

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COMPANIES HOUSE

**ENGINEERED OFF-SITE SYSTEMS LIMITED
IN CREDITORS VOLUNTARY LIQUIDATION ("THE COMPANY")**

**LIQUIDATOR'S SECOND ANNUAL PROGRESS REPORT
ON THE CONDUCT OF THE LIQUIDATION**

Company Number 05838610
Registered Office c/o Fergusson & Co Ltd, First Floor, 5-7 Northgate, Cleckheaton,
West Yorkshire, BD19 3HH (Formerly Shackleton House, Falcon
Court, Preston Farm Industrial Estate, Stockton-on-Tees, TS18 3TS)

1. Introduction

- 1 1 The following is an account of the Liquidator's acts and dealings and of the conduct of the Liquidation for the period 18/09/2015 to 17/09/2016
- 1 2 This report should be read in conjunction with the Liquidator's first annual progress report previously circulated to creditors on 26 October 2015

2. Background

- 2 1 As a reminder Malcolm Edward Fergusson of Fergusson & Co Ltd was appointed Liquidator at meetings of members and creditors held, pursuant to section 98 of the Insolvency Act 1986, on 18 September 2014
- 2 2 The Company was incorporated on 30 September 2011 and designed, supplied and erected structural steel frames for buildings
- 2 3 The Company traded from rented premises situated at Heighington Lane, Aycliffe Business Park, Newton Aycliffe, Co Durham, DL5 6QG

3. Asset Realisations

- 3 1 A comparison between the directors' Statement of Affairs ('SofA') and actual asset realisations is as follows

Nature / Type of Asset	S of A Estimated to Realise (£)	Assets Realised during the period. 18/09/15 to 17/09/16	Total Assets Realised (£)
Plant & Machinery	2,512	0 00	5,000 00
Office Equipment & Fixtures	2,255	0 00	5,000 00
Motor vehicle	14,750	0 00	18,000 00
Rates refund	Nil	0 00	942 89
EOS Facades Limited	Nil	0 00	Nil
	19,517	0.00	28,942 89

Plant & Machinery, Office Equipment, Fixtures & Fittings and Motor Vehicle

- 3 2 All such assets were realised in the previous year and details provided in the first annual report

Debt due from EOS Structures Limited

- 3 3 The Company are owed £864,000 by EOS Structures Limited ('Structures') of which I am Liquidator
- 3 4 Based on current information it is anticipated that there will be a small dividend to unsecured creditors of Structures during the first half of 2017

Insurance refund

- 3 5 There was an insurance refund of £4,770 due to the Company

4. Costs of Realisation

- 4 1 Other than his own time-costs (see Section 9 below) there have been no other costs of realisation

5. Receipts & Payments Account

- 5 1 A copy of the Liquidator's receipts and payments account for the following periods is enclosed at Appendix I
- 18 Sept 2014 to 17 Sept 2016 (entire period of the Liquidation)
 - 18 Sept 2015 to 17 Sept 2016 (period since the last progress report)
- 5 2 The receipts and payments account has been reconciled to the Liquidation bank account and has a credit balance of £3,616 01. However, the Liquidator is able to reclaim VAT of £500 00 which will increase the balance to £4,116 01
- 5 3 For information, net credit interest totalling £31 20 has been received on the funds held in the Liquidation bank account during the period

6. Secured Creditors

- 6 1 Lloyds TSB Bank Plc ('Lloyds') is owed £28,984 60 as secured creditors

7. Unsecured, Preferential Creditors

- 7 1 The Liquidator has not received any claims from preferential creditors, nor has he become aware of such creditors during his administration

8. Unsecured, Non-Preferential Creditors

Claims

- 8 1 The Liquidator has received unsecured claims totalling £10,753,303 compared to the Statement of Affairs figure of £1,553,925. In addition, there are 12 creditors owed £24,903 according to the Statement of Affairs who have not submitted a claim.
- 8 2 Details of creditors not included in the Statement of Affairs were provided in the first annual report. The creditors are Willmott Dixon Housing Limited ('Willmott Dixon') who are claiming £9,210,751 and Xerox Finance Limited who are claiming £12,491.
- 8 3 The Liquidator has used the services of Jacksons Law Firm to assist with regards to the Willmott Dixon claim and also liaising with solicitors for the insurers and Willmott Dixon. Willmott Dixon are claiming against the Company's insurers under the Third Parties Rights (against Insurers) Act. Consideration has been given to making a claim against engineers who acted for the Company.

Dividend Prospects

- 8 4 Based on current information there is unlikely to be a dividend payment to the Company's unsecured creditors.

9. Liquidator's Remuneration

- 9 1 At the first meeting of the Liquidation Committee held on 20 October 2014 the Committee voted in favour of a resolution that "the Liquidator's fees be fixed by reference to the time properly spent by the Liquidator and his staff in attending to matters arising in the winding up. The Liquidator to draw his remuneration from time to time during the period of the Liquidation."
- 9 2 Statement of Insolvency Practice (SIP) 9 outlines the information to be provided to creditors by the officeholder when dealing with the matter of his own remuneration.
- 9 3 In accordance with SIP9, a summary of the Liquidator's time costs from 18 September 2015 to 17 September 2016, by grade of staff and type of work, is set out below. This shows total time costs of £5,940 representing 37.20 hours at an average of £159.68 per hour.

Standard Activity	Hours				Costs (£)	
	Director	Manager	Admin & Support Staff	Total Hours	Time Costs	Average Hourly Rate
Administration	2 70	0 00	4 70	7 40	1,041 50	140 74
Asset Realisations	0 60	0 00	0 00	0 60	117 00	195 00
Cashiering	0 00	0 00	4 10	4 10	413 00	100 73
Creditor Liaison	12 50	3 30	0 60	16 40	3,055 50	186 31
Investigations	5 60	0 60	2 50	8 70	1,313 00	150 92
Total Hours	21.40	3.90	11.90	37.20	5,940 00	159 68

9 4 The Liquidator has drawn fees of £3,000 in respect of his time spent administering the Company's affairs. These fees relate to the Liquidator's time-costs incurred in the previous reporting period, but not invoiced. Total fees amount to £15,000.

9 5 A summary of the work undertaken within the various categories of "standard activity" is enclosed at Appendix II.

9 6 The hourly charge out rates applicable in this case are as follows:

	From 18 September 2014
Grade of Staff	£
Director	195
Manager	160
Administrator	80-150
Support	50

9 7 Subject to meeting certain conditions, creditors have a right to request further information about the Liquidator's remuneration and expenses and to challenge such remuneration and expenses. These rights are provided for under Rules 4 49E and 4 131 of the Insolvency (Amendment) Rules 2010.

9 8 Full copies of Rules 4 49E and 4 131 are enclosed at Appendix IV.

10. Liquidator's Disbursements

10 1 A copy of Fergusson & Co Ltd's disbursements policy is enclosed at Appendix III detailing how these costs are recharged.

10 2 The following disbursements have been paid

Nature of Disbursement	As at 17/09/2015	18/09/2015 to 17/09/2016	As at 18/09/2016
Category 1	£	£	£
Statutory Advertising	227 46	0 00	227 46
Legal fees re advice to liquidator	0 00	2,500 00	2 500 00
Legal fees re retention of title	389 50	0 00	389 50
Legal fees re security review	287 00	0 00	287 00
Legal disbursements	4 00	0 00	4 00
Valuation fee – re assets	150 00	0 00	150 00
Valuation fee – re machines	645 00	0 00	645 00
Valuation fee – re rent	60 00	0 00	60 00
Valuers fee – fixed asset register review	30 00	0 00	30 00
Companies House Search Fees	12 00	0 00	12 00
Postage	82 85	0 00	82 85
Specific Penalty Bond	360 00	0 00	360 00
Category 2	£	£	£
Mileage	158 42	0 00	158 42

10 3 Statutory Advertising

The Liquidator is required to advertise certain formal notices in the London Gazette, a government publication, and any other publication he deems appropriate. In this case the Liquidator has advertised the requisite notices of his appointment in the London Gazette. These adverts have been recharged at cost.

10 4 Legal fees

Legal fees comprise work undertaken reviewing a retention of title claim and the security held by Lloyds Bank.

In addition, the Liquidator has instructed Jacksons Law Firm ('Jacksons') assist in dealing with solicitors acting for the insurers and contracting creditors. Jacksons have also reviewed potential concerns regarding the Company's affairs.

Jacksons have unbilled work in progress of £4,660.

10 5 Valuation Fees

Lithgow Sons & Partners (Chartered Surveyors & Valuers) ('Lithgows') have undertaken several pieces of work at the request of the liquidator in conjunction with the liquidation committee.

10 6 Companies House Search Fees

Fees paid to Companies House to obtain statutory documents registered by the Company, e g incorporations documents, memorandum and articles of association, annual accounts and directors' appointments

10 7 Postage

Postage is recharged at cost at the rates prevailing at the date of postage

10 8 Specific Penalty Bond

The Liquidator is required to insure the value of the Company's assets falling under his control. The insurance cover is known as a Specific Penalty Bond and the premium is calculated according to the total value of assets dealt with by the Liquidator. The premium is recharged at cost.

10 9 Travel Costs (Mileage / Petrol)

The cost of using privately owned vehicles by the Liquidator and his staff in dealing with the administration of the Company's affairs. Mileage is charged in accordance with the rules laid down by HM Revenue & Customs and the rates prevailing at the date the journey was undertaken.

11. Investigations

- 11 1 The Liquidator has in conjunction with the Liquidation Committee considered a number of concerns raised by creditors. These include trading between the Company and connected companies, the value of assets sold to a partnership run by the directors, and potential preferences.

12. Other Matters

- 12 1 Should you require further information regarding the Liquidator's progress report or have any other queries in relation to the Liquidation please contact Ted Fergusson on 01642 669155 or at ted@fergussonand.co.uk

Engineered Off-Site Systems Limited
Receipts & Payments Account
For the Period 18 September 2014 to 17 September 2016

Appendix I

Statement of Affairs		Realised		
		At	18/9/15 to	At
		18/9/15	17/9/16	17/9/16
£		£	£	£
	Receipts			
2512	Plant & Machinery	5000 00	0 00	5000 00
2255	Office Equipment	5000 00	0 00	5000 00
14750	Motor vehicle	18000 00	0 00	18000 00
nil	Rates refund	942 89	0 00	942 89
nil	Interest received	48 15	31 20	79 35
nil	VAT refunds	0 00	3281 68	3281 68
nil	VAT	5600 00	0 00	5600 00
19517		34591 04	3312 88	37903 92
	Payments			
	Statutory advertising	227 46	0 00	227 46
	Meetings/Statement of Affairs fee	5000 00	0 00	5000 00
	Liquidators fees	12000 00	3000 00	15000 00
	Legal fees	0 00	2500 00	2500 00
	Legal fees re retention of title	389 50	0 00	389 50
	Legal fees re security review	287 00	0 00	287 00
	Legal disbursements	4 00	0 00	4 00
	Valuation fee	150 00	0 00	150 00
	Valuation fee - re machines	645 00	0 00	645 00
	Valuation fee - re rent	60 00	0 00	60 00
	Valuers fee - re fixed asset register review	30 00	0 00	30 00
	Company searches	12 00	0 00	12 00
	Mileage	158 42	0 00	158 42
	Postage	82 85	0 00	82 85
	Storage & destruction of records	0 00	0 00	0 00
	Specific penalty bond	360 00	0 00	360 00
	VAT paid	4417 81	0 00	4417 81
	VAT	3863 87	1100 00	4963 87
		27687 91	6600 00	34287 91
	Balance	6903 13	-3287 12	3616 01
	VAT to reclaim	2681 68	-2181 68	500 00
	Balance available	9584 81	-5468 80	4116 01

A Guide to Standard Activities

The following is a guide to the type of work that may be undertaken by an insolvency practitioner within the standard activities laid down by Statement of Insolvency Practice (SIP) 9

Standard Activity	Examples of work
Administration and Planning	Case planning Administrative set-up Appointment notification Maintenance of records Statutory reporting
Investigations	SIP2 review CDDA reports Investigating antecedent transactions
Realisation of Assets	Identifying, securing, insuring assets Retention of title Debt collection Property, business and asset sales
Trading	Management of operations Accounting for trading On-going employee issues
Creditors	Communication with creditors Creditors' claims (including employees' and other preferential creditors')

FERGUSSON & CO LTD

TIME COSTS AND DISBURSEMENTS

Time costs

Rates from 18 September 2014

Director	£195 per hour
Manager	£160 per hour
Administrator	£80 to £150 per hour
Support	£50 per hour

Category 1 disbursements charged at cost

Bordereau/ insurance
Case advertising
Company searches
Courier
DTI IVA registration fee
Land Registry/ Searches
Postage
Post re-direction
Room hire (external)
Storage
Subsistence
Travel (public transport/taxis)

Category 2 disbursements charged at cost

Travel (charged at 45p per mile)

Category 2 disbursements for which no charge is made

Fax
Photocopying
Room hire (internal)
Stationery
Telephone

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

(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

4.131 Creditors' claim that remuneration is or other expenses are excessive.

4 131(1) [Secured or certain unsecured creditors may apply to court] 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)

4 131(1A) [Grounds for application] Application may be made on the grounds that -

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed 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

4 131(1B) [Time limit for application] 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")

4.131(2) [Power of court to dismiss etc] 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

4 131(3) [Notice to liquidator] 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

4.131(4) [Court order] 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 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

4 131(5) [Costs of application] 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