

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

05848144

Name of Company

Kaye Engineering Limited

✓ We
Brian Johnson
Acre House
11-15 William Road
London
NW1 3ER

David Birne
Acre House
11-15 William Road
London
NW1 3ER

the liquidator(s) of the company attach a copy of ~~my~~ our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 12/07/2011 to 11/07/2012

Signed



Date

10/9/12

Fisher Partners
Acre House
11-15 William Road
London
NW1 3ER

Ref K721/BNJ/DLB/NR/MPA

SATURDAY



A09 15/09/2012 #280
COMPANIES HOUSE

**Joint Liquidators'
Annual Progress Report to
Creditors and Members**

**Kaye Engineering Limited
In Liquidation**

16 August 2012

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1 Introduction and Statutory Information

1 1 I, Brian Johnson of Fisher Partners was appointed as Joint Liquidator of Kaye Engineering Limited ("the Company") with David Birne on 12 July 2011. This report provides an update on the progress in the liquidation for the year ended 11 July 2012.

1 2 Creditors will recall that the Company had previously entered Administration on 12 January 2010 and that David Birne and I were appointed Joint Administrators.

1 3 The principal trading address of the Company was Harper Street, Preteigne, Powys LD8 2AL.

1 4 The business traded under the name Kaye Presteigne.

1 5 The registered office of the Company has been changed to Fisher Partners, Acre House, 11-15 William Road, London NW1 3ER and the Company's registered number is 05848144.

2 Realisation Of Assets

2 1 Attached, at Appendix A, is my Receipts and Payments Account for the period from 12 July 2011 to 11 July 2012.

Realised Assets

2 2 Funds received from Administration

An amount of £144,079.93 was transferred from the estate of the former Administration of the Company.

2 3 Refunds

Refunds of £2,534.12 were received from two suppliers in relation to overpayments made by the Company during the trading period of the Administration.

2 4 Funding regarding the Administration Trading

Following a reconciliation of the final accounts with suppliers during the Company's trading period whilst in Administration, there was a shortfall in the amount paid by two of the funders. An amount of £114,444.74 was received representing payment of this shortfall. An amount of £128,548.02 was repaid to one funder representing an overpayment made by them during the Administration period.

2 5 *HM Revenue & Customs ("HMRC") Refund*

A refund was received from HMRC in relation to payments made for Statutory Maternity Pay, Statutory Sick Pay and Statutory Paternity Pay made during the trading period of the Administration

2 6 *Bank Interest Gross*

An amount of £624 19 has been received from the bank in relation to interest earned on funds held

Unrealised Assets

2 7 *Inter Company Debt*

As-at the date of the Company's Administration, there was an inter-Company debt due from Pressurecast Products Limited ("Pressurecast") Pressurecast entered into a debenture with the Company dated 18 May 2010 to repay the sum of £100,000 and to pay the sum of £95,748 due and owing to the Company which had arisen during the period from and including 12 January 2010, being the date of Administration Whilst a repayment schedule, over an 11 month period, was agreed, no payments were forthcoming and a petition to wind up the Company was issued Pressurecast entered Administration on 25 February 2011 The Administrators' Proposals proposed an exit route from administration to dissolution once all matters had been dealt with With the support of Delphi Electronics Overseas Company Limited, one of the Company's major customers and also a creditor of Pressurecast, this proposal was rejected

The revised proposals provide for Pressurecast to move into liquidation Pressurecast entered compulsory liquidation on 21 November 2011 and Richard Toone and Kevin Murphy of Chantrey Vellacott DFK were appointed Joint Liquidators of the Company on 21 December 2011 I confirm that I have been assisting the liquidators with investigations into Pressurecast's affairs

2 8 *Amounts due from Raycott Limited under the Sale and Purchase Agreement*

On my appointment, an amount of £300,799 80 was due from Raycott Limited ("Raycott") in relation to amounts due under the sale and purchase agreement Creditors will recall that due to the failure of Raycott to pay the outstanding sales consideration, I was left with no option but to issue a winding up petition against Raycott and a hearing date was set for 13 April 2011 The Registrar adjourned the petition for 6 weeks until 25 May 2011 At the hearing on 25 May 2011,

representations for Raycott were made to the court to the effect that the outstanding balance would be paid within 8 weeks, which resulted in the court granting a further 56 day adjournment. The petition was heard on 20 July 2011, and as Raycott failed to pay the amounts outstanding. As a consequence, Raycott entered Compulsory Liquidation on that date. Richard Toone and Kevin Murphy of Chantrey Vellacott DFK were appointed Joint Liquidators on 23 August 2011.

Creditors will also recall that Raycott sold the business and assets it purchased from the Company on to Kaye Presteigne Limited ("KPL"), shortly after 18 May 2010. This was done without reference to me and ignored the fixed and floating charges held by the Company over the assets sold. Creditors will further recall that KPL entered voluntary liquidation on 23 May 2011, and Alexander Kinnimonth and Duncan Beat of RSM Tenon were appointed Joint Liquidators.

I have been corresponding with the Joint Liquidators of KPL to ensure that the Company is fully compensated for amounts due in relation to charged plant and machinery held by the Joint Liquidators of KPL. This plant and machinery has been sold without my consent as charge holder and consequently I am pursuing the Joint Liquidators for the amounts due to the Company.

3 Investigations

- 3.1 In accordance with the Company Directors Disqualification Act 1986, I have submitted a report on the conduct of the Directors of the Company to the Insolvency Service. As this is a confidential report, I am not able to disclose the contents.

4 Creditors

Secured Creditors

- 4.1 Creditors will recall from the Joint Administrators Final Progress Report that on 13 December 2010, State Securities Plc ("State") had informed the Joint Administrators that the Company was a guarantor of two agreements between themselves and KPL. On 29 September 2011 I was informed by State that KPL had settled both agreements and consequently no amounts are due from the Company to State.

Creditors will also recall that the Company granted floating charges to Bibby on 2 August 2006, to Lloyds TSB Bank Plc ("Lloyds") on 3 July 2009 and State Securities Plc ("State") on 12 September 2009.

Following collection of the Company book debts, Bibby has confirmed that they are no longer a creditor of the Company

There is no indebtedness to Lloyds and as a result of the above there are now no unsettled secured creditors of the Company

Preferential Creditors

- 4 2 The Insolvency Service has submitted a preferential claim in the sum of £5,597 51 in relation to payments they have made to employees of the Company in relation to holiday pay and pension arrears
- 4 3 No dividend has been paid to the preferential creditor of the Company

Unsecured Creditors

- 4 4 I have received claims totalling £1,385,299 99 from 67 creditors
- 4 5 I advise that any dividend to unsecured creditors is dependent upon realisations in relation to amounts due from Raycott under the sale and purchase agreement

5 Liquidators' Remuneration

- 5 1 The Creditors approved that the basis of the Joint Liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the liquidation
- 5 2 My time costs for the period from 12 July 2011 to 11 July 2012 are £100,230 25 This represents 476 52 hours at an average rate of £210 34 per hour. Attached, as Appendix B, is a Time Analysis, which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the liquidation To date, no time costs or disbursements have been drawn by the Joint Liquidators
- 5 3 A further breakdown of my time costs is detailed below
- 5 4 Accounting and Bookkeeping
Time spent under this category includes the completing of VAT returns, VAT journals, bookkeeping postings to Insolvency Practitioner Software, completing payment requests,

completing cash received forms, logging cheques received and the completion of corporation tax returns

5 5 Asset realisation non – charged assets

Time spent under this category relates to time spent in relation to the recovery of amounts due from Raycott, amounts due from KPL, amounts due from Pressurecast, amounts due in relation to overpayments made in the trading period of the Administration and amounts due from HMRC in relation to the refund referred to previously in this report

5 6 Case Admin

Time spent under this category relates to the day to day duties required to administer the liquidation. This includes, circulating creditors with notification of my appointment, ensuring appropriate bonding is in place, corresponding with creditors, maintaining the Company ledgers on Insolvency Practitioner Software, reconciling supplier payments during the Administration period, liaising with the insurers of the Company, liaising with the Official Receiver, corresponding with suppliers to recover refunds due, corresponding with HMRC regarding a P35 return, completing bank reconciliations, corresponding with an employee concerning their pension, completing VAT returns, corresponding with State Securities Plc, corresponding with the Administrators of Pressurecast, reconciling payments to lease creditors of the Company during the Administration period, completing corporation tax returns, corresponding with the Directors of the Company, completion of checklists, meetings to strategise asset recovery, scanning documents, photo copying documents, finalising retention of title claims and liaising with pension specialists

5 7 Employees

Time spent under this category relates to time spent corresponding with a former Director of the Company concerning his pension, corresponding with pension advisors, completing appropriate notices for the Pension Protection Fund and pension regulator, corresponding with HMRC in relation to the completion of a P35 return, corresponding with Pension Providers, and corresponding with the employment tribunal concerning an incorrect claim against the Company

5 8 Investigations

In accordance with the Company Directors Disqualification Act 1986, I have submitted a report on the conduct of the Directors of the Company to the Insolvency Service. As this is a confidential report, I am not able to disclose the contents. I am also unable to disclose other details of time spent under this category as it could jeopardise asset recoveries for the benefit of the creditors of the Company

5 9 Landlord/Creditor Correspondence

Time spent under this category relates to time spent corresponding with creditors of the company

5 10 Review

Time spent under this category relates to time spent completing six monthly reviews of the case in line with best practice, completing bonding reviews, reviewing the cash flow completed during the trading period of the Administration and ensuring it is correctly reconciled, reviewing correspondence and reviewing progress on the Liquidation. Time under this category also includes time spent reviewing file notes in relation to ROT claims, review meetings between the office holder, manager and case administrator regarding the trading issues and reconciliation of the trading accounts, the cash flow reconciliation and potential asset realisations, the review of pension issues and the review of the claim against Raycott.

5 11 Trading

Time spent under this category relates to time spent reconciling the final cash flow and trading position of the Company whilst in Administration, ensuring refunds were received in relation to underpayments by funders and ensuring payments were made in relation to overpayments by funders

5 12 A copy of 'A Creditor's Guide to Liquidator's Fees' is available on request or can be downloaded from <http://www.hwfisher.co.uk/index.php/business-recovery-and-insolvency/creditors-guides>

5 13 Attached, as Appendix C, is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade

5 14 No category 2 disbursements have been drawn

5 15 Fees of £114,986.00 have been paid to the former Joint Administrators of the Company as an expense of the liquidation

5 16 Expenses of £14 have been paid to the former Joint Administrators of the Company as an expense of the liquidation

6 Liquidators' Expenses

6 1 The following expenses have been incurred since my appointment as Joint Liquidator

Supplier/Service Providers	Nature of Expense incurred	Amount incurred to date £	Paid to date £	Amount Outstanding £
Insolvency Risk Services	Statutory Bonding and insurance	446 67	0 00	446 67
Courts Advertising	Statutory Advertising	76 50	0 00	76 50
Companies House	Company Searches	46 00	0 00	46 00
Land Registry	Land Registry Searches	66 00	0 00	66 00
Quick Credit Reports	Credit Report	96 00	0 00	96 00
Sundry	Sundry	9 00	0 00	9 00

7 Creditors' rights

- 7.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report
- 7.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Liquidators as set out in this progress report are excessive

8 Next Report

- 8.1 I am required to provide a further report on the progress of the liquidation within two months of the second anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my draft final progress report ahead of convening the final meeting of creditors

Yours faithfully



Brian Johnson

Joint Liquidator

Kaye Engineering Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs	From 12/07/2011 To 11/07/2012	From 12/07/2011 To 11/07/2012
ASSET REALISATIONS		
Funds received from Administration	144,079 93	144,079 93
Refunds	2,534 12	2,534 12
Funding re Admin Trading	114,444 74	114,444 74
PAYE Refund	5,314 04	5,314 04
Bank Interest Gross	624 19	624 19
	<u>266,997 02</u>	<u>266,997 02</u>
COST OF REALISATIONS		
Joint Administrators Fees	114,986 00	114,986 00
Joint Administrators Expenses	14 00	14 00
Consumables - Administration Period	542 00	542 00
Funding repayment	128,548 02	128,548 02
Insurance Administration Period	83 33	83 33
	<u>(244,173 35)</u>	<u>(244,173 35)</u>
	<u>22,823.67</u>	<u>22,823.67</u>
REPRESENTED BY		
Bank 1 - Current		12,823 67
Vat Control Account		10,000 00
		<u>22,823.67</u>

Kaye Engineering Limited - In Liquidation

Appendix B

Joint Liquidators' time costs for the period 12 July 2011 to 11 July 2012

Service	Partner	Manager	Administrator	Support Staff	Total Hours	Total Cost
Acct/bookkeeping	0 42	5 50	7 35	44 49	57 76	8,317 00
Asset Realisation - Fixed Charge	-	0 45	-	-	0 45	119 25
Asset Realisation - Floating Charge	2 08	3 85	-	-	5 93	1,872 75
Asset realisation - non-charged assets	26 97	9 25	3 50	-	39 72	14,334 60
Case Admin	0 20	10 55	77 75	72 35	160 85	27,516 00
Employees	0 53	3 65	23 70	0 90	28 78	6,373 60
General Advice	-	-	-	0 20	0 20	25 00
Investigations	1 30	27 80	36 25	5 20	70 55	15,897 75
Landlord/Creditor Correspondence	0 20	1 40	7 85	-	9 45	2,101 75
Proof/claims - Unsecured	-	0 50	2 15	-	2 65	594 75
Reports & Meetings	0 38	0 25	3 85	2 45	6 93	1,213 85
Review	0 58	13 15	56 00	-	69 73	15,686 75
Trading	0 67	22 85	-	-	23 52	6,177 20
Total Time	33 33	99 20	218 40	125.59	476 52	
Total Cost (£)	13,826 85	25,691.00	45,954 00	14,758 40		100,230 25
Average rate per hour (£)	414 85	258.98	210 41	117 51		210 34

Appendix C

ADDITIONAL INFORMATION IN RELATION TO LIQUIDATOR'S FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)

1 Policy

Detailed below is Fisher Partners' policy in relation to

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

1.1 Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team will usually consist of a Partner, Group Leader, Senior Administrator, Administrator and Support Staff. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several Seniors/Assistants may be allocated to meet the demands of the case.

With regard to support staff, we would advise that time spent by cashiers in relation to specific tasks on an assignment is charged.

We are not proposing to utilise the services of any sub-contractors in this case.

1.2 Professional advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Charles Russell (legal advice)	Hourly rate & disbursements
Insolvency Risk Services	Fixed Fee

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

13 Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

On this case the following Category 2 disbursements have been incurred [since appointment/since my last report]

Type and Purpose	£
Postage – circulation to creditors	73.80

2 Charge-out rates

A schedule of Fisher Partners charge-out rates effective from 1 January 2012 is detailed below

Partners	£425
Group Leaders	£265
Senior Administrators	£215
Administrators	£175
Junior Administrators	£130
Support Staff	£85-£130