

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

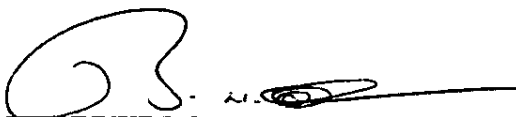
We
Brian Johnson
Acre House
11-15 William Road
London
NW1 3ER

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

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

The Progress Report covers the period from 12/07/2012 to 11/07/2013

Signed



Date 10 September 2013

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

Ref K721/BNJ/DLB/ASJ/MPA

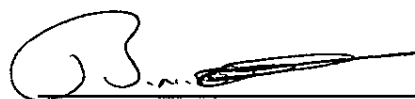
THURSDAY



A09 12/09/2013 #117
COMPANIES HOUSE

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

Statement of Affairs	From 12/07/2012 To 11/07/2013	From 12/07/2011 To 11/07/2013
ASSET REALISATIONS		
Funds received from Administration	NIL	144,079 93
Refunds	NIL	2,534 12
Funding re Admin Trading	NIL	114,444 74
HMRC Refund re SSP, SMP and SPP	NIL	5,314 04
Bank Interest Gross	104 70	728 89
	<u>104 70</u>	<u>267,101 72</u>
COST OF REALISATIONS		
Joint Administrators Fees	55,000 00	169,986 00
Joint Administrators Expenses	NIL	14 00
Corporation Tax	124 80	124 80
Consumables - Administration Period	NIL	542 00
Funding repayment	NIL	128,548 02
Insurance Administration Period	NIL	83 33
	<u>(55,124 80)</u>	<u>(299,298 15)</u>
	<u>(55,020.10)</u>	<u>(32,196.43)</u>
REPRESENTED BY		
Bank 1 - Current		22,803 57
Vat Control Account		11,000 00
Office Holders Account		(66,000 00)
		<u>(32,196.43)</u>



Brian Johnson
Joint Liquidator

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

**Kaye Engineering Limited
In Liquidation**

10 September 2013

CONTENTS

1. Introduction
- 2 Realisation of Assets
3. Investigations
- 4 Creditors
- 5 Joint Liquidators' Remuneration
- 6 Joint Liquidators' Expenses
- 7 Creditors' Rights
- 8 Next Report

APPENDICES

- A Receipts and Payments Accounts for the period 12 July 2012 to 11 July 2013 and cumulative to 11 July 2013.
- B Time Analysis for the period 12 July 2012 to 11 July 2013
- C Cumulative Time Analysis for the period 12 July 2011 to 11 July 2013
- D Additional Information in Relation to Joint Liquidators' Fees Pursuant to Statement of Insolvency Practice 9 (SIP9)

1. Introduction

- 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, Presteigne, 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 2012 to 11 July 2013 and cumulative from 11 July 2011 to 11 July 2013.

Bank Interest Gross

- 2 2 An amount of £104.70 has been received from the bank in relation to interest earned on funds held.

Funds received from RSM Tenon shortly after 11 July 2013

- 2 3 Creditors will recall that I had been corresponding with the Joint Liquidators of Kaye Presteigne Limited (“KPL”) to ensure that the Company was fully compensated for amounts due in relation to charged plant and machinery previously held by the Joint Liquidators of KPL. This plant and machinery had been sold without my consent as charge holder and consequently, I pursued the Joint Liquidators of KPL to ensure the Company was compensated. The Joint Liquidators of KPL initially offered £12,500. Following further protracted negotiations, the settlement offer increased to £45,000. My solicitors advised that this was an acceptable offer and that I was unlikely to negotiate any more, after taking into account future legal costs. The proceeds were received shortly after the period being reported and therefore are not included within the receipts and payments account attached, at Appendix A.

Unrealised Assets

Inter Company Debt

- 2 4 As previously reported, 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.

2.5 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.

2.6 The revised proposals provided 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 continue to assist the liquidators with investigations into Pressurecast's affairs.

Amounts due from Raycott Limited under the Sale and Purchase Agreement

2.7 As previously reported, 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 the company entered compulsory liquidation on that date. Richard Toone and Kevin Murphy of Chantrey Vellacott DFK were appointed Joint Liquidators on 23 August 2011.

2.8 Raycott sold the business and assets it purchased from the Company on to 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. These assets, as mentioned in 2.3 above, were then sold by the landlords with the consent of KPL's Joint Liquidators. I can confirm that I continue to assist the liquidators with investigations into Raycott's affairs.

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 Department for Business Innovation & Skills (BIS). As this is a confidential report, I am not able to disclose the contents.

4. Creditors

Secured Creditors

- 4 1 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
- 4 2 Following collection of the Company book debts, Bibby confirmed that they were no longer a creditor of the Company
- 4 3 There was no indebtedness to Lloyds TSB Bank Plc
- 4 4 The Company had guaranteed liabilities to State Securities Plc ("State") due under two agreements between themselves and KPL, however KPL has settled both agreements
- 4 5 Consequently there are no unsettled secured creditors of the Company

Preferential Creditors

- 4 6 The Redundancy Payments Fund has submitted a preferential claim in the sum of £5,597 51 in relation to payments they have made to employee of the Company in relation to holiday pay and pension arrears
- 4 7 No dividend has been paid to the preferential creditor of the Company

Unsecured Creditors

- 4 8 I have received claims totalling £1,612,926 01 from 68 creditors

5. Joint 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 2012 to 11 July 2013 are £39,727 70 This represents 162 54 hours at an average rate of £244 42 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
- 5 3 Also attached, as Appendix C, is a cumulative Time Analysis for the period from 12 July 2011 to 11 July 2013, which provides details of my time costs since appointment

5 4 In addition to the undrawn costs detailed above, I would like to advise creditors that I have outstanding costs relating to the administration of the Company totalling £173,094 51, which will have first charge over any assets realised £170,000 has been drawn on account of costs incurred in the administration A further breakdown of my time costs is detailed below

- **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, the completion of corporation tax returns and bank reconciliations
- **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, amounts due from HMRC in relation to the refund and corresponding with my solicitors in relation to amounts owed from the Joint Liquidators of RSM Tenon
- **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, 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, liaising with pension specialists and corresponding with Insolvency Risk Services concerning the insurance of the Company
- **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

- **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.
- **Landlord/Creditor Correspondence** - Time spent under this category relates to time spent corresponding with creditors of the company.
- **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.
- **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.

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

5.6 Attached, as Appendix D, 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.

5.7 Fees of £169,986 have been paid to the former Joint Administrators of the Company as an expense of the liquidation.

5.8 No category 2 disbursements have been drawn.

6. Joint Liquidators' Expenses

6.1 The following expenses have been incurred since my appointment as Joint Liquidator since my appointment.

Supplier Service Provider	Nature of expense incurred	Amount incurred to date	Paid to date £	Amount Outstanding £
Courts Advertising	Statutory	76.50	0.00	76.50

	Advertising			
Insolvency Risk Services	Statutory Bonding and Insurance	641 67	0 00	641 67
Companies House	Company Searches	56 00	0 00	56 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
Charles Russell LLP	Legal Fees	39,206 35	10,479 35	28,727 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 the circumstances, the basis fixed for the Joint 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
 Enc

Appendix A

Receipts and Payments Account for the period 12 July 2012 to 11 July 2013 and cumulative from 12 July 2011 to 11 July 2013.

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

Statement of Affairs	From 12/07/2012 To 11/07/2013	From 12/07/2011 To 11/07/2013
ASSET REALISATIONS		
Funds received from Administration	NIL	144,079 93
Refunds	NIL	2,534 12
Funding re Admin Trading	NIL	114,444 74
HMRC Refund re SSP, SMP and SPP	NIL	5,314 04
Bank Interest Gross	104 70	728 89
	<u>104 70</u>	<u>267,101 72</u>
COST OF REALISATIONS		
Joint Administrators Fees	55,000 00	169,986 00
Joint Administrators Expenses	NIL	14 00
Corporation Tax	124 80	124 80
Consumables - Administration Period	NIL	542 00
Funding repayment	NIL	128,548 02
Insurance Administration Period	NIL	83 33
	<u>(55,124 80)</u>	<u>(299,298 15)</u>
	<u><u>(55,020.10)</u></u>	<u><u>(32,196 43)</u></u>
REPRESENTED BY		
Bank 1 - Current		22,803 57
Vat Control Account		11,000 00
Office Holders Account		(66,000 00)
		<u><u>(32,196 43)</u></u>

Kaye Engineering Limited - in Liquidation

Appendix B

Joint Liquidators' Time Costs for the period 12 July 2012 to 11 July 2013

Service	Partner	Senior Manager	Administrator	Support Staff	Total Hours	Total Cost
Acct/bookkeeping	-	1 00	2 35	4 30	7 65	1,260 25
Asset Realisation - Floating Charge	0 74	2 90	0 30	-	3 94	1,147 50
Asset realisation - non-charged assets	20 52	4 00	25 55	-	50 07	15,356 25
Case Admin	-	0 15	27 85	4 03	32 03	6,532 05
Employees	-	0 25	0 20	-	0 45	109 25
Investigations	-	4 80	27 45	0 20	32 45	7,190 75
Landlord/Creditor Correspondence	-	0 50	8 60	-	9 10	1,981 50
Reports & Meetings	0 41	2 60	7 40	4 35	14 76	2,909 50
Review	2 89	0 65	8 55	-	12 09	3,240 65
Total Time	24 56	16 85	108 25	12 88	162 54	
Total Cost (£)	10,521 90	4,465 25	23,273 75	1,466 80		39,727 70
Average rate per hour (£)	428 42	265 00	215 00	113 88		244 42

Kaye Engineering Limited - in Liquidation

Appendix C

Joint Liquidators' Time Costs for the period 12 July 2011 to 11 July 2013

Service	Partner	Senior Manager	Administrator	Support Staff	Total Hours	Total Cost
Acct/bookkeeping	0 42	6 50	9 70	48 79	65 41	9,577 25
Asset Realisation - Fixed Charge	-	0 45	-	-	0 45	119 25
Asset Realisation - Floating Charge	2 82	6 75	0 30	-	9 87	3,020 25
Asset realisation - non-charged assets	47 49	13 25	29 05	-	89 79	29,690 85
Case Admin	0 20	10 70	105 60	76 38	192 88	34,048 05
Employees	0 53	3 90	23 90	0 90	29 23	6,482 85
General Advice	-	-	-	0 20	0 20	25 00
Investigations	1 30	32 60	63 70	5 40	103 00	23,088 50
Landlord/Creditor Correspondence	0 20	1 90	16 45	-	18 55	4,083 25
Proof/claims - Unsecured	-	0 50	2 15	-	2 65	594 75
Reports & Meetings	0 79	2 85	11 25	6 80	21 69	4,123 35
Review	3 47	13 80	64 55	-	81 82	18,927 40
Trading	0 67	22 85	-	-	23 52	6,177 20
Total Time	57 89	116 05	326 65	138 47	639 06	
Total Cost (£)	24,348 75	30,156 25	69,227 75	16,225 20		139,957 95
Average rate per hour (£)	420 60	259 86	211 93	117 17		219 01

Appendix D

ADDITIONAL INFORMATION IN RELATION TO JOINT LIQUIDATORS' 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, Senior Manager, 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 LLP (legal advice)	CFA
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.

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.

We would confirm that this firm does not seek to charge any Category 2 disbursements.

On this case the following Category 2 disbursements have been incurred since appointment:

Type and Purpose	£
Postage – circulation to creditors	134.56

Charge-out Rates

A schedule of Fisher Partners charge-out rates effective from 1 January 2012 is detailed below
Please note that this firm records its time in minimum units of 6 minutes

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