

The Insolvency Act 1986

Administrator's progress report

Name of Company
Anglo ERI Limited

Company number
06303767

In the High Court of Justice Leeds District Registry (full name of court)

Court case number
166 of 2012

(a) Insert full name(s) and address(es) of administrator(s)

We (a)
Ian S Carr
Grant Thornton UK LLP
101 Cambridge Science Park
Milton Road
Cambridge
Cambridgeshire
CB4 0FY

David J Dunckley
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

Joint administrators of the above company attach a progress report for the period

From

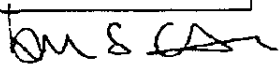
To

(b) Insert date

(b) 31 July 2012

(b) 29 January 2013

Signed


Joint Administrator

Dated

13 / 3 / 13

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to searchers of the public record

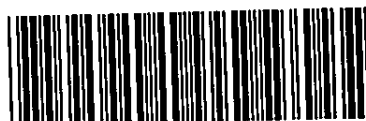
Ian S Carr
Grant Thornton UK LLP
101 Cambridge Science Park
Milton Road
Cambridge
Cambridgeshire
CB4 0FY

DX Number

01223 225600
DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

SATURDAY



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13/04/2013

#219

COMPANIES HOUSE



Grant Thornton

Our Ref ISC/PAM/RJJ/KZP/A00581/
Your Ref

To the creditors

13 March 2013

Dear Sirs

Recovery and Reorganisation

Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester M3 3EB

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Anglo ERI Limited - In liquidation and formerly in administration High Court of Justice Leeds District Registry Case Number 166 of 2012

1 Introduction

- 1.1 Following my appointment as joint administrator of the above Company with David Dunckley by the court on 31 January 2012, I am now in a position to conclude the administration.
- 1.2 This is my final progress report, including
- Appendix A, an account of my receipts and payments for the period ended 29 January 2013 in accordance with Rule 2.47 of the Insolvency Rules 1986
 - Appendix B, a statement of the remuneration charged by the joint administrators in the period 31 July 2012 to 29 January 2013
 - Appendix C, an analysis of our time costs as required by Statement of Insolvency Practice 9
 - Appendix D, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator (Rule 2.48A)
 - Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration and expenses, if excessive (Rule 2.109)
- 1.3 In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the administrators are to be exercised by any or all of them

2 Statutory information

- 2.1 The company's statutory details are as follows

Registered number 06303767

Registered office c/o Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester
M3 3EB

Chartered Accountants
Member firm within Grant Thornton International Ltd
Grant Thornton UK LLP is a limited liability partnership registered in England and Wales. No OC307742 Registered office Grant Thornton House, Mellon Street, Euston Square, London NW1 2EP
A list of members is available from our registered office

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business

A list of personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address

3 Receipts and payments account

- 3 1 I attach my receipts and payments account at Appendix A. You will note that no amounts have been paid to the unsecured creditors by virtue of the application of section 176A of the Insolvency Act 1986 (prescribed part)

4 Report and outcome of administration

Assets

Sale of Business

- 4 1 As previously advised, the business and assets of the Company were sold to Shand Walker 2 Limited and Plant Holdings Limited (the Purchaser) for a total consideration of £335,764. The breakdown of the consideration is as follows,

- plant, machinery and sundry fixed assets - £174,995
- stock - £160,763
- business name - £1
- business rights - £1
- customer contracts - £1
- goodwill - £1
- intellectual property - £1
- transfer records - £1

- 4 2 To date, the total consideration of £205,001 has been received with £130,763 outstanding which relates to the sale of the stock
- 4 3 The Purchaser considers that funds are due from the Company, post administration, in respect of agreed commission for assistance in the collection of book debts and is seeking to offset these funds against the remaining balance of consideration due under the sale contract
- 4 4 Discussions between the liquidators and the Purchaser are on going to finalise the position

Leasehold Property

- 4 5 The Company operated through five different leasehold sites, four in St Neots and one in Bedford
- 4 6 The landlords of Unit 20 in St Neots and Unit 16 in Bedford formally accepted the surrender, however the landlords of Unit 1 Forge Close, Unit 22 and Unit 23A all in St Neots, have advised they do not wish to accept the surrender of leases at this time and I intend to disclaim the Company's interest in these leases now that the Company has been placed into liquidation

Book Debts

- 4 7 Book debt collections to date total £1,360,816 which includes receipts of £385,260 in the period
- 4 8 The collection of debtors is ongoing and it is anticipated that further realisations will be made during the liquidation

5 Liabilities

Secured Creditors

- 5 1 HSBC Bank plc (HSBC) and HSBC Invoice Finance Limited (HIF) held fixed and floating charges over the assets of the Company. The liabilities to both HSBC and HIF have both been settled in full.
- 5 2 KCI Group Limited (KCI) held a fixed and floating charge over the Company's assets. Legal advice was sought in respect of KCI's claim as a secured creditor. Following negotiations, KCI agreed to accept £250,000 as full settlement of their secured claim against the Company.
- 5 3 As set out in our statement of proposals, Mr Stephen Hayes, Mrs Helena Hayes and Mr Stephen Wain registered a fixed and floating charge over the assets of the Company on 17 January 2012. At the time of my appointment, monies owing and secured by this charge amounted to £525,000. An agreement has been reached with these parties and they no longer hold a claim against the Company.

Preferential Creditors

- 5 4 Claims for unpaid wages and holiday pay are estimated at c£22,820.
- 5 5 It is anticipated that preferential claims will be paid in full.

Unsecured Creditors

- 5 6 Unsecured creditors are estimated at c£5.3m.
- 5 7 There are sufficient funds to enable a distribution to the unsecured creditors, however the quantum and timing of any dividend remains uncertain and will be subject to final realisations from the book debts.
- 5 8 Creditors are requested to send details of their claim to me using the claim form attached.

6 Joint administrators' remuneration and expenses

- 6 1 On 10 April 2012, the creditors resolved that I draw my remuneration by reference to my time costs.
- 6 2 You will note from the SIP 9 table attached at Appendix C that my time costs to date are £500,568 and from the receipts and payments account attached at Appendix A that I have drawn £400,000. Time costs of £100,568 incurred in the period but not drawn as remuneration to date are disclosed in Appendix B.
- 6 3 In addition, I have drawn expenses of £5,008 relating to travel expenses, storage and the insolvency practitioners' bond.
- 6 4 Background information regarding the fees of administrators can be found at www.insolvency-practitioners.org.uk (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees'). Alternatively, I will supply this information by post on request. Time is charged in 6 minute units.

7 Other expenses incurred by the joint administrators in the period


7.1 As shown in appendix B, I have incurred and paid the following expenses

- £1,065 to Insol Group plc for administering and managing the claims logged by employees
- £560 to Central Mailing Services in relation to the duplication and distribution of reports
- £2,050 to Total Data Management in relation to storage costs
- £76,155 to HM Revenue & Customs in relation to PAYE/NI and Construction Industry Scheme liability for the trading period of the administration

8 Outcome of administration

- 8.1 On 14 September 2012 the unsecured creditors confirmed their agreement to granting the joint administrators discharge from liability in accordance with Paragraph 98 of Schedule B1 to the Insolvency Act 1986 with effect from 14 days after the final progress report is sent to creditors
- 8.2 On 29 January 2013, I filed Form 2.35B – notice of move from administration to creditors voluntary liquidation at the Registrar of Companies. On registration, the administration ended and David Dunkley and I were appointed as joint liquidators
- 8.3 You will note from the receipts and payments account that a total of £332,330 has now been transferred into the joint liquidators' bank account to distribute accordingly once the final realisations are complete and outstanding costs are settled
- 8.4 Should you have any queries, please contact Richard Jackson on 0161 9536457

Yours faithfully
for and on behalf of Anglo ERI Limited



Ian Carr
former Joint Administrator

Anglo ERI Limited - in administration
Summary of receipts and payments
from 31 January 2012 to 29 January 2013

	From 31/01/2012 to 30/07/2012 £	From 31/07/2012 to 29/01/2013 £	Total £
Receipts			
Sales	644,505 34	142,108 73	786,614 07
Misdirected credits	9,410 40	0 00	9,410 40
Miscellaneous Income	1,814 85	0 00	1,814 85
Rates Refund	7,716 01	13,108 81	20,824 82
Book Debts	975,556 93	385,259 52	1,360,816 45
Plant, Machinery and Sundry Fixed Assets	174,995 00	0 00	174,995 00
Stock	0 00	30,000 00	30,000 00
Goodwill and Other Assets	0 00	6 00	6 00
Miscellaneous Refunds	6,986 81	0 00	6,986 81
Bank Interest	200 41	590 23	790 64
	<u>1,821,185 75</u>	<u>571,073 29</u>	<u>2,392,259 04</u>
Payments			
Purchases	164,706 88	0 00	164,706 88
Packaging & Others	9,912 80	0 00	9,912 80
Sub Contractors	12,925 48	0 00	12,925 48
Agency Labour	261,576 74	0 00	261,576 74
Rents	54,339 16	0 00	54,339 16
Heat & Light	31,092 45	0 00	31,092 45
Telephone	4,003 36	0 00	4,003 36
Carriage	31,791 26	7,656 82	39,448 08
Insurance	446 32	0 00	446 32
Lease/HP Payments	4,192 49	0 00	4,192 49
Hire of Equipment	736 00	0 00	736 00
Repairs and Maintenance	7,724 60	0 00	7,724 60
Petty Cash	1,300 00	0 00	1,300 00
Property Expenses	15,473 10	0 00	15,473 10
PAYF/NI	0 00	73,745 91	73,745 91
Net Wages	154,631 49	0 00	154,631 49
Construction Industry Scheme Contributions	0 00	2,369 29	2,369 29
Employee Expenses	17,422 07	0 00	17,422 07
Secured Creditor/HISBC	411,164 64	0 00	411,164 64
Secured Creditor/KCI Group	250,000 00	0 00	250,000 00
Secured Creditor	0 00	40,000 00	40,000 00
Employee Services - Insol	0 00	1,605 00	1,605 00
Pre-appointment fees	2,091 50	0 00	2,091 50
Administrators' Fees	0 00	400,000 00	400,000 00
Administrators Expenses	0 00	5,008 57	5,008 57
Agents/Valuers Fees	7,620 96	0 00	7,620 96
Legal Fees	58,818 12	0 00	58,818 12
Professional Fees	18,452 66	0 00	18,452 66
Computer Services	3,847 19	0 00	3,847 19
Stationery and Postage	0 00	1,476 03	1,476 03
Room Hire	175 00	0 00	175 00
Storage Costs	0 00	2,050 00	2,050 00
Bank Charges	1,482 57	90 40	1,572 97
Payment to Liquidator	0 00	332,330 18	332,330 18
	<u>1,525,926 84</u>	<u>866,332 20</u>	<u>2,392,259 04</u>
Net Receipts/Payments	<u>295,258 91</u>	<u>-295,258 91</u>	<u>0 00</u>

B Remuneration charged and expenses incurred by the administrators in the period

	Paid in period of report	Charged/ accrued in period but not yet paid	Total
	£	£	£
Joint administrators' fees			
Time costs	400,000	100,568	500,568
Expenses	5,008	0	5,008
Professional fees			
Employment services – Insol Group	1,605	0	1,605
Insurance			
JLT		8,222	
Other			
Central Mailing Services	560	0	560
Total Data Management	2,050	0	2,050
	<u>403,698</u>	<u>100,568</u>	<u>591,207</u>

C SIP 9 information

Introduction

The following information is provided in connection with the administrators' remuneration and disbursements in accordance with SIP 9

Explanation of Grant Thornton UK LLP charging and disbursement recovery policies

Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown on the attached schedule. Details of the hourly charge-out rates are made available to creditors or committees at the time of fixing the basis of our fees. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it.

	From 01/07/11	From 01/07/12
	£	£
Partners up to	560	580
Managers up to	425	440
Administrators up to	300	310
Assistants and support staff up to	205	210

Disbursements

Out of pocket expenses are charged at cost. Mileage is charged at standard rates which comply with HM Revenue and Customs limits or AA recommended rates. VAT is added to disbursement charges as necessary.

Anglo ERI Limited - in Administration - A30200581 - SIP 9 TIME COST ANALYSIS

Job(s) Administration, CMU code

Transaction period All transactions

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Standard	Partner		Manager		Executive		Administrator		Total		
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Avg. Hrly Rate
Administration and Planning	34 70	16,850 25	127 60	51,940 25	126 13	23,933 20	497 86	72,162 45	786 29	164,886 15	209 70
Creditors	6 70	3,053 50	139 35	58,124 25	4 65	1,079 00	157 35	21,571 25	308 05	83,828 00	272 12
Hiatus period											
Investigations			10 00	4,250 00	50	125 00	11 95	1,750 75	22 45	6,125 75	272 86
Realisation of Assets	11 30	5,028 50	322 50	134,880 50	20 50	4,547 00	187 60	27,435 50	541 90	171,891 50	317 20
Trading	6 30	2,803 50	124 70	48,194 50	10 00	2,100 00	129 40	18,714 00	270 40	71,812 00	265 58
Unclassified					7 50	2,025 00			7 50	2,025 00	270 00
Total	59 00	27,735 75	724 15	297,389 50	169 28	33,809 20	984 16	141,633 95	1,936 59	500,568 40	258 48

Total fees billed to date (Time) . £ 400,000

D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator

Rule 2 48A

- (1) If
 - (a) within 21 days of receipt of a progress report under Rule 2 47 -
 - (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
 - (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)
- (2) The administrator complies with this paragraph by either -
 - (a) providing all of the information asked for, or
 - (b) so far as the administrator 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 administration or might reasonably be expected to lead to violence against any person, or
 - (iii) the administrator is subject to an obligation of confidentiality in respect of the information,
 giving reasons for not providing all of the information
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of -
 - (a) the giving by the administrator 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
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just

E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses if excessive

Rule 2 109

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured 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)
- (1A) Application may be made on the grounds that -
 - (a) the remuneration charged by the administrator,
 - (b) the basis fixed for the administrator's remuneration under Rule 2 106, or
 - (c) expenses incurred by the administrator,
 is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the administrator 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) 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 administrator 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 administration
 - (e) an order that the administrator or the administrator'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
- (5) 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 administration

Liquidator's ref ISC/PAM/RJJ/KZP/A00581/7
Claimant's ref

Anglo ERI Limited - In Liquidation

Creditor's Claim Form

Name and address of creditor _____

Amount claimed in the liquidation £ _____

Particulars of any security held _____

Value of security £ _____

Signature _____

Name and position of signatory
(if not personally the creditor) _____

Telephone _____

E-mail _____

Date _____

Please provide appropriate documentation in support of your claim

If you are registered for VAT the amount claimed should include VAT even if VAT bad debt relief has been claimed under the Value Added Tax Act 1994

Please return this form when you have completed it to

Richard Jackson
Grant Thornton UK LLP
4 Hardman Square
Spinningfields
MANCHESTER
M3 3EB

Headings in all the official languages of the Institutions of the European Union
(es, da, de, el, en, fr, it, nl, pt, fi, sw)

«Convocatoria para la presentación de créditos Plazos aplicables»
»Opfordring til anmeldelse af fordringer Vær opmærksom på fristerne«
„Aufforderung zur Anmeldung einer Forderung Etwaige Fristen beachten!“
«Προσκληση για αναγγελία απαιτήσεως Προσοχή στις προθεσμίες»
'Invitation to lodge a claim Time limits to be observed'
«Invitation à produire une créance Délais à respecter»
«Invito all'insinuazione di un credito Termine da osservare»
„Oproep tot indiening van schuldvorderingen In acht te nemen termijnen”
«Aviso de reclamação de créditos Prazos legais a observar»
”Kehotus saatavan ilmoittamuseen Noudatettavat maaraajat”
”Anmodan att anmala fordran Tidsfrister att iaktta”

«Presentación de crédito»
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