

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

06303767

Name of Company

Anglo ERI Limited

We

Ian Carr

101 Cambridge Science Park

Milton Road

Cambridge

Cambridgeshire

CB4 0FY

David Dunckley

30 Finsbury Square

London

EC2P 2YU

the joint liquidators 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 29 January 2013 to 28 January 2014

Signed

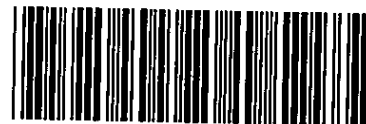


Date 28 March 2014

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

Ref A00812/ISC/PAM/RJJ/TXA

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03/04/2014

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COMPANIES HOUSE



Our Ref ISC/PAM/RJJ/TXA/A00812/
Your Ref

To the creditors and members

Recovery and Reorganisation

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27 March 2014

Dear Sirs

Anglo ERI Limited - In Liquidation (the Company)

1 Introduction

1.1 Following my appointment as joint liquidator of the above company with David Dunkley on 29 January 2013 in accordance with section 104A of the Insolvency Act 1986, I now report on the progress of the liquidation for the year ended 28 January 2014 and attach

- Appendix A, an account of our receipts and payments for the year ended 28 January 2014 and also for the whole liquidation to date
- Appendix B, a statement of the remuneration charged by the joint liquidators in the period 29 January 2013 to 28 January 2014 and a statement of expenses incurred in the period
- Appendix C, an analysis of 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 liquidator (rule 4.49E)
- Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive (rule 4.131)

1.2 Please note that we are both authorised by the Insolvency Practitioners Association to act as insolvency practitioners

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

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales. No. 00307742. Registered office: Grant Thornton House, Melton 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 Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. 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. Please see www.grantthornton.co.uk for further details.

3 Progress report

Introduction

- 3 1 My final administration report stated that the administration surplus totalled £332,330. The surplus increased to £337,673 once the VAT from the administration had been refunded and this balance was transferred to the liquidation following the conversion. No statement of affairs has been prepared for the liquidation.
- 3 2 The Company was part of the Estrella Group of companies which comprised of Estrella Group Limited, ERI Limited, CDM Shopfitting Limited and CDM Displays Limited (the Group).

Assets

Sale of business

- 3 3 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.

Leasehold property

- 3 4 The Company operated through five different leasehold sites, four in St Neots and one in Bedford. I have disclaimed the Company's interest in all of these leases during the liquidation.

Book debts

- 3 5 Book debt collections during the administration totalled £1,360,816. A further £33,678 has been realised in the liquidation.
- 3 6 The collection of book debts is now complete and I do not anticipate any further realisations in the liquidation.

Outcome for creditors

Secured creditors

- 3 7 At the date of my appointment, intra-group loans and trading balances were held across the Group. I have reviewed these balances and how they have been impacted by settlement of liabilities due to the secured creditors of the Group under cross guarantees.
- 3 8 Following the appointment of the Joint Administrators, HSBC Bank Plc (the Bank) retained certain balances on the current accounts of other associated companies in the Group to repay balances due to the Bank across the Group, including by the Company. The Bank was able to do so due to a right of set-off provided to them to settle other Group liabilities.
- 3 9 In order to establish the various rights of creditors in this regard, we conducted a marshalling exercise. Following the completion of this exercise it has been established that Radius Interiors Limited (Radius) has a principal right of subrogation in respect of the security held by the Bank. This principal right reflects the extent of the credit balance on the bank account of Radius at the date of Administration which was retained by the Bank to meet the liabilities of the Group.

3 10 As such, funds covered by the Bank's security are due to Radius to the extent of this credit balance. Given the extent of the credit balance on the bank account of Radius it is unlikely any other company within the Group will benefit from any rights of subrogation. I have distributed £115,000 to Radius to date.

3 11 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. I have reached an agreement with these parties and they no longer have a claim against the Company.

Preferential creditors

3 12 I have received and agreed preferential claims for unpaid wages and holiday pay totalling £25,575.

3 13 These claims have been paid in full but the payment of these claims does not appear on the receipts and payments account, as the payment was made after the period end date to which this report covers, being 29 January 2014.

Unsecured creditors

3 14 To date, I have received creditor claims totalling £5,649,435.

3 15 A notice of intended dividend was issued to unsecured creditors who have not submitted a claim in the liquidation on 14 February 2014. The final date for proving was 14 March 2014.

3 16 The claims are now being agreed and finalised and once the final costs of the liquidation have been settled or accounted for, the dividend will be paid.

3 17 Based on current information, I anticipate that the dividend will be c 1p in the £ and it is intended that the dividend will be paid within the next two months.

4 Joint liquidators' remuneration and expenses

4 1 You will note from the SIP 9 table attached at Appendix C that my time costs to date are £31,644 and from the receipts and payments account attached at Appendix A, that I have not drawn any fees in the liquidation. Time costs incurred in the period but not drawn as remuneration to date are disclosed in Appendix B. It is unlikely any remuneration will be drawn in the liquidation with the exception of costs directly related to the distribution of the prescribed part, if approved by creditors.

4 2 In addition, I have incurred expenses of £898 in the liquidation as set out in Appendix B, which relate to postage costs.

4 3 I have obtained approval from Radius to draw £100,000 relating to my outstanding time costs incurred during the administration.

- 4 4 Time is charged in units of 6 minutes. Background information regarding the fees of liquidators can be found at <http://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.

5 Other expenses incurred by the joint liquidators

- 5 1 A fee of £8,738 has been paid to JLT Specialty Limited in respect of the insurance of the Company assets during the administration.
- 5 2 In 2 City Couriers have been paid £2,083 in settlement of their services provided during the administration period.
- 5 3 The sum of £950 has been paid to Addleshaw Goddard LLP in respect of legal advice given during the liquidation. A further £30,000 was accrued in the administration but remained unpaid. Approval has been obtained from Radius to settle these costs.

6 Outcome of the liquidation

- 6 1 I will seek clearance from HM Revenue and Customs to proceed to close the liquidation and subsequently distribute the dividend to unsecured creditors and settle any remaining costs in the liquidation.
- 6 2 The final meetings of the members and creditors will then be convened and the Company will move to dissolution approximately three months later.
- 6 3 Should you have any queries relating to this report, please contact Andrew Aindow on 0161 9536361.

Yours faithfully
for and on behalf of Anglo ERI Limited



Ian Carr
Joint Liquidator

Enc

Anglo ERI Limited - in liquidation
 Receipts and payments account
 from 29 January 2013 to 28 January 2014

	Statement of affairs	Total
	£	£
Receipts		
Admin/Receivers Surplus		337,673 17
Book Debts		33,678 38
Bank/ISA InterestGross		772 12
Vat Payable		10,223 15
		<hr/> 382,346 82 <hr/>
Payments		
Heat & Light		70 45
Carriage		2,083 33
Insurance		8,737 99
Legal Fees (1)		950 00
Storage Costs		315 18
Statutory Advertising		84 60
Bank Charges		132 91
Radius Interiors Ltd - In Liquidation		115,000 00
Vat Receivable		1,939 12
Vat Control Account		8,700 70
		<hr/> 138,014 28 <hr/>
Balance - 28 January 2014		<hr/> 244,332 54 <hr/>
Made up as follows		
Floating Current Account		244,332 54
		<hr/> 244,332 54 <hr/>

B Remuneration charged and expenses incurred by the joint liquidators in the period

	Charged/incurred in period 29/01/2013 to 28/01/2014	Of which paid to 28/01/2014
	£	£
Joint liquidators' fees.		
Time costs	31,664	0
Expenses	898	0
Legal fees.		
Addleshaw Goddard LLP	30,950	950
Insurance costs:		
JLT Speciality Limited	8,739	8,739
Courier charges		
In 2 City Couriers	2,083	2,083

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 01/07/09	From 01/07/10	From 01/07/11	From 01/07/12	From 01/07/13
	£	£	£	£	£
Partners up to	510	535	560	580	600
Managers up to	385	405	425	440	455
Administrators up to	275	285	300	310	320
Assistants and support staff up to	190	195	205	210	220

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 Liquidation - A30200812 - SIP 9 TIME COST ANALYSIS

Job(s) CVL, CMU code

Transaction period All transactions

Export version - standard Export version - detail Detailed Version

Standard	Partner		Manager		Executive		Administrator		Total	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£
Administration and Planning	1 00	75 00	13 45	5,725 00	31 75	7,046 00	44 31	5,671 10	90 51	18,517 10
Creditors			2 10	960 00	19 00	4,465 00	33 40	5,157 00	54 50	10,582 00
Hiatus period										
Investigations					25	57 50	80	120 00	1 05	177 50
Realisation of Assets			15	42 00	6 90	1,585 50	2 40	372 00	9 45	1,999 50
Trading					50	120 00	1 60	248 00	2 10	368 00
Total	1 00	75 00	15 70	6,727 00	58 40	13,274 00	82 51	11,568 10	157 61	31,644 10
										200.77
										169 05
										211 59
										175 24

Total fees billed to date (Time) : £ 100,000

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

Rule 4 49E edited for application to a progress report in a creditors' voluntary liquidation

- (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
 - (b) with the permission of the court upon an application made within the period mentioned in paragraph (2), any unsecured creditor makes a request in writing to the liquidator for further information about remuneration or expenses set out in the progress report, 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 a matter which was previously included in a progress report
- (2) The period referred to in paragraph (1)(a) is 21 days of receipt of the progress report
- (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, who need not be the same as the creditor who requested further 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 provided for in Rule 4 131(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 liquidator's remuneration or expenses if excessive

Rule 4 131

- (1) 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)
- (1A) Application by a creditor 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
- (1B) 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")
- (2) The court may, if it thinks that no 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
- (3) 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) 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
- (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 liquidation