

The Insolvency Act 1986**Liquidator's Progress
Report****S. 192****Pursuant to sections 92A, 104A and
192 of the Insolvency Act 1986**

To the Registrar of Companies

Company Number

7783507

Name of Company

(a) Insert full
name of company

(a) Torquing Group Ltd

(b) Insert full
name(s) and
address(es)I/We (b) GARY STONES F.C.C.A
63 WALTER ROAD,
SWANSEA,
SA1 4PTthe 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 4th December 2015
to 3rd December 2016

Signed



Date: 9th January 2017

Presenter's name,
address and
reference
(if any)GS/GS/T209
STONES & CO
63 WALTER ROAD
SWANSEA
SA1 4PT

TORQUING GROUP LTD - IN LIQUIDATION

LIQUIDATOR'S PROGRESS REPORT TO MEMBERS AND CREDITORS FOR THE YEAR ENDING 3RD DECEMBER 2016

STATUTORY INFORMATION

Company Name	Torquing Group Ltd
Registered Office	63 Walter Road, Swansea, SA1 4PT
Trading Address	Unit 13, Pembrokeshire Science and Technology Park, Pembroke Dock, Pembrokeshire, SA72 6UN
Registered Number	7783507
Liquidator's Name	Gary Stones
Liquidator's Address	Stones & Co , 63 Walter Road, Swansea, SA1 4PT
Liquidator's Date of Appointment	4th December 2015

LIQUIDATOR'S ACTIONS SINCE APPOINTMENT

Sale of Assets at Pembroke Dock

The work carried out since the date of my appointment largely consists of dealing with the split of assets which were situated at the company's former trading premises at Pembroke Dock and dealing with the realisation of any value in Intellectual Property Rights

The assets were realised by my agent's Rowland Jones, Chartered Surveyors, Swansea and the proceeds of sale are disclosed later in this report

There is certain work that I am required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my appointment is as follows

1 Administration and Planning

- Case planning and administration
 - Preparing the documentation and dealing with the formalities of appointment
 - Issuing the statutory notifications to creditors and other required on appointment as Liquidator, including gazetting the Liquidator's appointment
 - Dealing with all routine correspondence and emails relating to the case
 - Setting up and maintaining physical case files
 - Review and storage
 - Obtaining a specific penalty bond
 - Reviewing the adequacy of the specific penalty bond on a quarterly basis
-

- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrator
- Preparing, reviewing and issuing annual progress reports to members and creditors
- Filing returns at Companies House
- Preparing and filing VAT returns
- Preparing and filing Corporation Tax returns

2 Cashiering

- Opening, maintaining and managing the liquidation bank account
- Creating, maintaining and managing the liquidation bank account
- Undertaking regular bank reconciliations of the liquidation bank account
- Ensuring statutory lodgements and tax lodgement obligations are met

3 Creditors

- Dealing with creditor correspondence, emails and telephone conversations
- Preparing reports to creditors
- Maintaining up to date creditor information.

4 Investigations

- Prepare a report or return on the conduct of the directors as required by the Company Directors Disqualification Act

5 Realisations of Assets

- Liaising with the company's bank regarding the closure of the account
- Liaising with the agents appointed with regard to the realisation of the company's plant & machinery, office furniture & fixtures and patents & licences

RECEIPTS & PAYMENTS ACCOUNT

A summary of my receipts and payments for the period from 4th December 2015 to 3rd December 2016 is disclosed at Appendix I

The balance of funds are held in an interest bearing liquidation account with Lloyds Bank Plc

ASSETS

The following assets have been realised to date -

	Estimated to Realise per Statement of Affairs	Amount Realised
	£	£
<u>Intellectual Property Rights</u>	4000 =====	12553 76
<u>Plant & Machinery, Office Equipment, and Furniture & Fixtures</u>	5500 =====	

Other Assets

In addition to the above assets disclosed in the Statement of Affairs the following payments have been received -

	£
Pre - Liquidation VAT Repayment	1425.04 =====
Welsh Water Refund	5 94 =====

The company is owed the sum of £177165 91 by Torquing Robotics Limited and stands to be included in any distribution to unsecured creditors in that liquidation. However, the amount of any distribution is as yet unknown.

The company is also owed the sum of £98323 84 by Torquing Technology Limited but there stands to be no distribution to any class of creditors in that liquidation.

LIABILITIES

Secured Liabilities

An examination of the Company's mortgage register held by the Registrar of Companies showed that the Company has granted security to HSBC Bank Plc in the form of a debenture, created on 23rd December 2014 and registered on 23rd December 2014, conferring fixed and floating charges over the property, undertaking and assets of the company.

The Section 98 report presented at the meeting of creditors held on 4th December 2015 stated that there were nil balances on the company's three accounts held with the bank. However, the bank has lodged a proof of debt in the liquidation in the sum of £6137 86.

Preferential Creditors

The Statement of Affairs did not anticipate any claims from preferential creditors and none have been received

Crown Creditors

The Statement of Affairs included £97538 owed to HMRC in respect of VAT. HMRC have submitted a final claim in the liquidation of £75297 in respect of VAT. However, HMRC state in their claim that their claim may change should subsequent arrears arise at a later date. HMRC have informed that as the company was Group VAT registered that the liabilities are claimed jointly and severally against all companies who were members when the debt arose in accordance with Section 43 of the Finance Act 1994. The other liquidated companies within the group are Torquing Robotics Limited and Torquing Technology Limited.

The claim of HMRC was received during February 2016 and was based on assessments. An accurate final VAT return was subsequently submitted by Torquing Group Limited on behalf of the group of companies with the assistance of the former director Mr P. Busby who signed off same.

The sum of £1425.04 was refunded and is disclosed in my receipts and payments account at Appendix I.

It is not believed that HMRC have any remaining claim(s) in the liquidation.

Non-Preferential Unsecured Creditors

In addition to the Crown debt above the Statement of Affairs included 14 non-preferential unsecured creditors with estimated liability totalling £68277. I have received claims from 7 creditors totalling £43333.38. I have not received claims from 7 creditors with original estimated claims in the Statement of Affairs of £26327.99.

DIVIDEND PROSPECTS

Secured Creditor

Any distribution to the floating charge holder will be dependent on any distribution received from the liquidation of Torquing Robotics Limited.

Non-Preferential Unsecured Creditors

Any distribution to unsecured creditors in the liquidation is entirely dependent on the extent of any distribution in the liquidation of Torquing Robotics Limited.

As previously advised, the Company gave a floating charge to HSBC Bank Plc on 23rd December 2014 and the prescribed part provisions will apply. On the basis of realisations to date, together with estimated future realisations, and after taking into account the costs of the Liquidation to date, the net property of the Company is

£4 63 However, these estimates do not take into account the future costs of the Liquidation, which will reduce the amount of the Company's net property

If the Company's net property is less than £10,000, the insolvency legislation does not require me to distribute the prescribed part of the net property to creditors if I think that the costs of distributing the prescribed part would be disproportionate to the benefits to creditors

INVESTIGATIONS INTO THE AFFAIRS OF THE COMPANY

An initial investigation into the company's affairs was undertaken to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved

In particular, I recovered, listed and reviewed the company's accounting records, obtained and reviewed copy bank statements from the company's bankers, and compared the information in the company's last set of accounts with that contained in the Statement of Affairs lodged in the liquidation and made any enquiries needed about the reasons for the changes. There were no matters that justified further investigation in the circumstances of this appointment.

Within six months of my appointment as Liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make him or her unfit to be concerned with the management of the company. I would confirm that my report has been submitted.

PRE – APPOINTMENT REMUNERATION

The creditors previously authorised the payment of a fee of £7500 for my assistance with preparing the Statement of Affairs and convening and holding the meeting of creditors at a meeting held on 4th December 2015. The fees for preparing the Statement of Affairs and convening and holding the meeting of creditors were partly paid by the Company in the sum of £4000. The balance of £3500 was paid from the realisations in the liquidation and is shown in the enclosed receipts and payments account.

LIQUIDATOR'S REMUNERATION

My remuneration was previously authorised by the creditors by a written resolution dated 11th December 2015. My remuneration was authorised on a mixture of a time cost basis and as a fixed fee.

I was authorised to draw time costs for my work in respect of

- Investigations
- Distributions to Creditors (if any)

- Case Specific Matters -
 - Investigation into what exactly constitutes the company Intellectual Property Rights and realisation (if of any value) of same

This approval was based on my fees estimate of £10000. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors. My total time costs for such work to 3rd December 2016 amount to £415 50, representing 1 70 of hours at an average charge out rate of £244 41 per hour. The actual average charge out rate incurred compares with the estimated average charge out rate of £187 40 in my fees estimate.

I have not been able to draw any remuneration to date in respect of work done for which my fees were approved on a time cost basis.

A schedule of my time costs incurred to date is attached as Appendix II.

I was also authorised to draw a fixed fee of £10000 for my work in respect of -

- Administration and Planning
- Creditors
- Realisation of Assets

I have drawn £7650 on account to 3rd December 2016 in respect of work done for which my remuneration was approved as a fixed fee.

As at 3rd December 2016 I do not anticipate that the total time costs I will incur in this matter in respect of the categories of work for which I am being remunerated on a time cost basis will exceed the total estimated remuneration I set out in my fees estimate when my remuneration was authorised by the creditors.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by the Association of Business Recovery Professionals is available at www.stonesandco.co.uk. Please note that there are different versions of the Guidance Notes, and in this case you should refer to the October 2015 version. A hard copy of both documents can be obtained from my office.

A schedule of my firm's charge out rates during the course of the liquidation is disclosed as Appendix III.

LIQUIDATOR'S EXPENSES

I have incurred and drawn expenses to 3rd December 2016 of £2584 91.

I have incurred the following expenses in the period since my appointment as Liquidator:

<u>Type of Expense</u>	<u>Amount incurred/accrued in the reporting period</u>
	£
Agent's Fees & Disbursements	1858 10
Liquidator's Disbursements – see note 3 to Appendix I	726 81

	2584 91
	=====

I have used the following agents or professional advisors in the reporting period

<u>Professional Advisor</u>	<u>Nature of Work</u>	<u>Fee Arrangement</u>
Rowland Jones, Chartered Surveyors, Swansea	Valuers/Auctioneers	Time Costs plus Commission @ 12 5%
MB Consulting, Swansea	Consultancy Fees - SIP2 Report	Time Costs

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case.

A comparison of the expenses incurred to date to those estimated and reported to creditors at the outset of the liquidation is as follows:-

<u>Nature of Expenses</u>	<u>Estimated Expenses</u>	<u>Expenses incurred to date</u>
	£	£
Agent's Fees & Disbursements	1000	1858 10
Consultancy Fees	-	46 35
Statutory Advertising	378	233 00
Liquidator's Bond	180	360 00
Company Search	5	1 00
Legal Fees	1000	-
Postages	120	86 46
	-----	-----
	2683	2584 91
	=====	=====

I anticipate that the total expenses I will incur in this matter will exceed the total expenses I estimated I would incur when my remuneration was authorised by the creditors. The reasons I anticipate exceeding the expenses estimate are -

Agent's fees were slightly higher than anticipated in the sum of £858 10 due to the complexity and labour intensive nature of the stock and assets situated at Pembroke Dock

The cost of the bond that was required was underestimated and was increased to the correct amount in accordance with statute

My firm's policy in relation to disbursements is to only charge for simple reimbursements of actual payments made on behalf of the case known as Category 1 disbursements, such as statutory advertising costs, bonds, searches, postage etc , No Category 2 disbursements are charged by my firm in which there may be a recovery of overhead costs other than mileage at 45 pence per mile as approved by creditors

FURTHER INFORMATION

An unsecured creditor may, with the permission of the Court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report Any secured creditor may request the same details in the same time limit

An unsecured creditor may, with the permission of the Court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations some general information about Stones & Co including the firm's complaints policy and details of the firm's professional indemnity insurance can be found in the attached summary sheet

SUMMARY

The liquidation will remain open until any distribution due from the liquidation of Torquing Robotics Limited has been fully resolved I estimate that this will take a year or more until the liquidation will be finalised following which my case files will be placed in storage thereafter for six years in accordance with statute

Should you have any queries regarding this matter then please contact Mr Gareth Stones, M I P A , at this office



GARY STONES
LIQUIDATOR
IP No 6609

APPENDIX I

TORQUING GROUP LTD - IN LIQUIDATION

SUMMARY OF RECEIPTS & PAYMENTS OF GARY STONES AS LIQUIDATOR
FROM 4TH DECEMBER 2015 TO 3RD DECEMBER 2016

	Estimated to Realise per Statement of Affairs	Total
	£	£
<u>RECEIPTS</u>		
Patents & Licences	4000	
Plant & Machinery , Office Equipment and Furniture & Fixtures	5500	12553 76
Welsh Water Refund	-	5 94
Pre - Liquidation VAT Reclaim	-	1425 04
Gross Interest	-	0 11
	-----	-----
	9500	13984 85
	=====	-----
<u>PAYMENTS</u>		
Agent's Fees & Disbursements		1858 10
Balance of Statement of Affairs & S98 Meeting Fees		3500 00
Liquidator's Remuneration - Fixed Fee on Account		7650 00
Liquidator's Disbursements		726 81

		13734 91
VAT		245 27

		13980 18

Balance in Hand		4 67
		=====

Notes

- 1 The above figures are net of VAT where applicable
- 2 The balance is held in an interest bearing liquidation account with Lloyds Bank Plc

3 Liquidator's Disbursements have been as follows -

£

Advertising	233 00
Consultancy Fees - SIP2 Report	46 35
Bond	360 00
Company Search	1 00
Postage	86 46

	726 81
	=====

TORQUING GROUP LIMITED - IN LIQUIDATION

Hours						Time Costs £	Average Hourly Rate £
Classification of work function	Principal	Qualified Accountants	Senior Administrators	Insolvency Administrators and Insolvency Assistants	Total Hours		
Investigations & Conduct Reports	0 20		0 60		0 80	159 00	198 75
Intellectual Property Rights	0 90				0 90	256 50	285 00
Distribution to Creditors					-	-	-
Total Hours	1 10		0 60		1 70		
Total Cost	313 50		102 00			415 50	244 41

(-)

415 50

Fees Comparison

Classification of Work	Estimated Fees		Fees incurred to date	
	Hours	£	Hours	£
Investigations	44 00	7270 00	0.80	159 00
Distributions to Creditors	-	-	-	-
Intellectual Property Rights	10 00	2850.00	0.90	256 50
Totals	54 00	10120.00	1.70	415 50

APPENDIX III

STONES & CO

CHARGE OUT RATES

	<u>Y E</u> <u>31 3 16</u> £	<u>Y E</u> <u>31.3 17</u> £
Principal	285 00	285 00
Qualified Accountant / Manager	220 00	220 00
Senior Insolvency Administrators	170 00	170 00
Insolvency Administrator	140 00	140 00
Cashier	140 00	140 00
Insolvency Assistant	60 00	75 00

Time units are recorded and charged in six minute intervals.

No charges are made for the secretarial and clerical support team