

In accordance with
Rule 18.7 of the
Insolvency (England &
Wales) Rules 2016 and
Sections 92A, 104A and
192 of the Insolvency
Act 1986.

LIQ03

Notice of progress report in voluntary winding up



Companies House

FRIDAY



A9AWNG88

A01

07/08/2020

#398

COMPANIES HOUSE

1 Company details

Company number 0 5 0 8 9 9 0 9

Company name in full Aegate Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Paul

Surname Appleton

3 Liquidator's address

Building name/number

Street 26 - 28 Bedford Row

Post town London

County/Region

Postcode W C 1 R 4 H E

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator
Use this section to tell us about
another liquidator.

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Notice of progress report in voluntary winding up

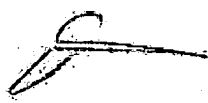
6 Period of progress report

From date	^d 2	^d 1	^m 0	^m 6	^y 2	^y 0	^y 1	^y 9	
To date	^d 2	^d 0	^m 0	^m 6	^y 2	^y 0	^y 2	^y 0	

7 Progress report

<input checked="" type="checkbox"/> The progress report is attached	
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8 Sign and date

Liquidator's signature	<div>Signature</div> <div>  </div>	
Signature date	^d 07 ^m 08 ^y 20 ^y 20	

LIQ03

Notice of progress report in voluntary winding up



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Paul Appleton**

Company name **David Rubin & Partners**

Address

26 - 28 Bedford Row

Post town

London

County/Region

Postcode

W C 1 R 4 H E

Country

DX

London/Chancery Lane

Telephone

020 7400 7900



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

IN THE MATTER OF
AEGATE LIMITED - IN LIQUIDATION

AND

THE INSOLVENCY ACT 1986

THE LIQUIDATOR'S THIRD ANNUAL PROGRESS REPORT
PURSUANT TO SECTION 104A OF THE INSOLVENCY ACT 1986
AND
PART 18 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016
FOR THE YEAR ENDED 20 JUNE 2020

AEGATE LIMITED - IN LIQUIDATION

Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

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- A. Cumulative Receipts and Payments Account from 21 June 2017 to 20 June 2020
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AEGATE LIMITED - IN LIQUIDATION

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(a) Introduction

The Company was placed into liquidation by a Special Resolution of the members on 21 June 2017. This report provides an update on the progress in the liquidation pursuant to Section 104A of the Insolvency Act 1986 for the year ended 20 June 2020.

Rule 18.3: Progress Report

(b) Statutory information

Company name: Aegate Limited
Registered office: 26-28 Bedford Row, Holborn, London, WC1R 4HE
Company number: 05089909
Trading address: Unit H9, The Courtyard, Melbourn Science Park, Melbourn, Hertfordshire, SG8 6HB

(c) Liquidator's name and address:

Paul Appleton, Office Holder Number: 8883, of David Rubin & Partners, and he may be contacted in writing at 26 - 28 Bedford Row, London, WC1R 4HE.

(d) Any changes in the Office Holder

I was appointed Liquidator of the Company on 21 June 2017. There has not been a change in the Office Holder since the original appointment date.

(e) Details of progress during the period and summary account of Receipts and Payments under review and cumulatively:

As previously reported, my agents, Peter Davies & Sons Ltd ("PDS"), were instructed to deal with the Company's intellectual property ("IPR") and despite extensive efforts it was not possible to achieve a sale of the IPR or the underlying patents and trademarks. However, during the period under review, I have been approached by a party interested in acquiring a specific patent and this is currently being progressed, albeit any recovery is not expected to be significant.

Creditors will recall that the Company had a number of serviced offices and staff based in strategic markets in Europe and I continue to seek advice and assistance in formally winding down the branches, ensuring the Liquidation is recognised in the requisite jurisdictions in accordance with statute. Various employee and tax related matters are ongoing and this is discussed further below.

A Receipts and Payments Account is attached at Appendix A, which is further explained below. Also, attached at Appendix A, is a cumulative Receipts and Payments Account for the period from 21 June 2017 to 20 June 2020.

1. Receipts

1.2 EU VAT Recoverable

Following the completion and filing of the VAT returns for the Company's Italian branch by local professional advisors, there was a significant refund due of circa €96,000.

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However, as previously reported, pursuant to Italian employment law, employees have “first-ranking privilege” over any asset of a company/legal entity, and are able to enforce their privilege to recover the same. The Italian branch had three former employees, whose claims were substantially higher than the amount to be reclaimed in respect of VAT, one of whom sought notice of enforcement in the Court of Milan.

I am represented by Nctm and the matter was first heard on 16 January 2018, with all three employees joining the proceedings. The Judge adjourned the matter on numerous occasions and finally until 26 September 2019, pending the Revenue Agency’s requests for further documentation.

Prior to the hearing, Nctm met the creditors and their lawyers to arrange a plan of assignment and distribution of the VAT receivable amongst them. The creditors agreed to bear the costs of the guarantee required for expedited payment from the Revenue Agency. If the guarantee was not given, payment could have been delayed until 2024. Given the limited funds in the Liquidation, Nctm agreed with the creditors that certain of its costs would be borne by them, together with the costs of the broker in arranging the guarantee itself. The Company was a party to the guarantee, which was finally delivered to the Revenue Agency in February 2020.

In respect of the Company’s Polish branch, I instructed K&L Gates Jamka sp.k (“K&L Gates” now DWF Jamka sp.k), solicitors, to assist in respect of the clarification of the VAT position in that jurisdiction. It transpired that there was a claim of PLN 44,245 (circa £9,000) and the returns were filed. However, the repayment was withheld pending discussions with the local authorities regarding payment into a non-Polish domiciled bank account. I will have to open an account in Poland in order to obtain the funds and arrangements are in hand.

1.2 Bank Interest Gross

The funds in hand are held in an interest bearing account with a High Street bank in the Office Holder’s name as Liquidator of the Company.

Interest earned on the funds in hand amounts to £25.50 of which £4.83 was received during the year under review.

2. Payments

2.1 Agents Fees

PDS was selected as agents on the basis of their experience and expertise in dealing with valuations and sale of assets in insolvency situations, taking into account the locality and size of the Company. As previously reported, PDS has incurred time costs of £17,370 in attempting to dispose of the intellectual property and other assets.

The amount of £3,550 plus disbursements of £1,094 was paid to PDS on a percentage basis from the chattel asset sales and for providing the valuation of the Company’s assets and assisting in the sale thereof.

AEGATE LIMITED - IN LIQUIDATION

Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

2.2 Specific Bond

The specific bond is the cost of insurance, based on the level of realisations by the Liquidator, as required by the Insolvency Practitioners Regulations 2005. The premium of £316.80 has been recharged in the period under review.

2.3 For the purpose of completeness, details of any other expenses incurred, which have not yet been paid, are as follows:

Carriage and Archiving: My firm uses its own personnel and vehicle for collection of books and records, which were charged out at £50 per hour. My firm charged 4.25 hours (£212.50), which has yet to be recharged.

The former payroll provider, Safeguard World International Limited, was paid £2,219.04 to ensure that former employees obtained the necessary paperwork without undue delay. In addition, a former employee of the parent company was paid the sum of £1,000 in respect of assistance with various accounting matters. These costs have yet to be recharged.

Courier fees of £289.76 for sending notarised documents to overseas solicitors have also been incurred, but not recharged.

As mentioned above, Nctm was instructed to deal with closing down the Italian branch and dealing with the VAT position. The estimated costs of Nctm have yet to be agreed, but could be circa €20,000, and there may be additional professional costs due to local agents for completing and filing the outstanding tax returns.

K&L Gates was instructed to assist with the recognition and closure of the Polish branch and to bring its tax affairs up to date, to include VAT. There was €6,644.89 outstanding as at 31 May 2018 and further fees have been incurred to date.

(f) Liquidator's Remuneration and Expenses

1. Basis of Remuneration

Creditors were asked to consider the basis of my remuneration as Liquidator by way of a Decision by Correspondence. The Decision approved by creditors was that I be authorised to draw fees to be fixed by reference to the time properly spent by my staff and myself in attending to matters arising in the winding-up.

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), a schedule of my firm's charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved. These rates were set in November 2011 and have fallen substantially behind prevailing market rates for a business of our size and expertise. Accordingly, the rates were revised on 1 November 2018. Our current hourly chargeout rates exclusive of VAT, which are charged in units of 6 minutes, are as follows:-

	Current
	£
Senior / Managing Partners	550
Partners/Office holders	495

AEGATE LIMITED - IN LIQUIDATION

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Managers / Senior Managers	350 - 395
Senior Administrators	220 - 295
Administrators	160 - 200
Cashiers and Assistants	150 - 295
Supports	120 - 150

Chargeout rates are normally reviewed annually and are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance.

2. *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, Manager, Senior Administrator and two Administrators. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment, and additional staff may be allocated to meet the demands of the case.

We have not utilised the services of any subcontractors in this case.

3. *Liquidator's Remuneration*

My time costs for the year under review are £6,663.00. This represents 23 hours and 18 minutes at an average rate of £285.97 per hour.

I have also reviewed my cumulative time costs for the period from 21 June 2017 to 20 June 2020 and would report that my total time costs are £74,095.00 for 305 hours and 18 minutes, which equates to an average cost of £242.70 per hour. A breakdown of my time charges is also set out in Appendix B.

I initially provided creditors a fee estimate of £112,070 for the Liquidation. The time costs incurred to date is within the budget provided and I do not expect the estimate to be exceeded.

To view an explanatory note concerning Liquidators' remuneration issued by the Joint Insolvency Committee, please visit the Publications folder on our website at www.drpartners.com/cases, using the following log-on details:

USERNAME: A412@drco.co.uk

PASSWORD: 214Adm*!

Alternatively, please contact this office to arrange for a copy to be sent to you.

I attach, as Appendix B a Time Analysis, which provides details of the activity during the year, analysed by staff grade. Included in the work undertaken by me and my staff is the following:-

- i) Dealing with creditors' enquiries, both by correspondence and by telephone, and noting their claims.
- ii) Applying for the Liquidator's bond, as required by the Insolvency Practitioners Regulations 2005.

AEGATE LIMITED - IN LIQUIDATION

Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

- iii) Carrying out all necessary investigations, including the examination of the Company's statutory records and books of accounts and records, in order to enable me to prepare and submit my report on the conduct of the Directors pursuant to the requirements of the Company Directors Disqualification Act 1986.
- iv) Filing the appropriate documents in respect of the Liquidation at Companies House.
- v) Opening a designated post-Liquidation account and managing its cash flow.
- vi) Instructing and liaising with agents PDS in respect of the valuation and sale of the Company's business and assets, including, *inter alia*, the Company's intellectual property, name and goodwill, fixtures and fittings and computer equipment and the maintenance and return of leased/third party equipment.
- vii) Instructing and liaising with solicitors in Belgium, Italy, Spain and Poland to act on my behalf in respect of the recognition of the Company's overseas branches, and to deal with leased assets, employees, creditors and taxation matters. Dealing with enquiries made by former overseas employees and advisors.
- viii) Corresponding with the Company's bank, HSBC, in the UK and Belgium, in respect of the collection of information and documentation relating to the Company's pre-Liquidation bank accounts, together with the transfer of the funds to the designated post-Liquidation account and closure of the pre-Liquidation accounts.
- ix) Arranging a short-term loan to ensure funding in lieu of anticipated realisations to include the preparation of documentation and the repayment of the same.
- x) Assessing the claim from the landlord for rent and dilapidations and termination charges in respect of the Company's leasehold interests and considering the surrender or disclaimer of the same.
- xi) Correspondence with the Redundancy Payments Service ("RPS") in respect of employees' claims for outstanding wages, unpaid annual leave, redundancy and payment in lieu of notice, together with the completion of appropriate documents to the RPS in respect of the same.
- xii) Correspondence with HM Revenue & Customs in respect of a breakdown of its debt, relating to PAYE and VAT, accumulated during the Company's financial year immediately prior to Liquidation.
- xiii) Undertaking case and bonding reviews on a quarterly basis.
- xiv) Other sundry and administrative duties.
- xv) Preparation and circulation of my annual progress reports and Receipts and Payments Accounts to creditors pursuant to S104A of the Insolvency Act 1986 and submission of same to the Registrar of Companies.

AEGATE LIMITED - IN LIQUIDATION

Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

4. Liquidator's Expenses

Expenses incurred in the Liquidation are explained at (e) above in my comments on the Receipts and Payments Accounts

5. Creditors' Rights – Rule 18.9 and Rule 18.34

- i) 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 Liquidator provides further information about his remuneration or expenses, which have been itemised in this progress report.
- ii) 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 the basis fixed for the Liquidator's remuneration, the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

(g) Creditors and Distributions

(i) (a) Secured Creditors

Ipex 1 SLP Limited (as Security Trustee) holds a fixed and floating charge over the Company's assets, created on 12 April 2010⁷ and registered at Companies House on 21 April 2017.

There have been no fixed charge realisations and, therefore, no payments have been made to the chargeholder.

(b) Prescribed Part

Section 176A of the Insolvency Act 1986 provides for a prescribed part of the Company's net property to be retained from distribution to the floating charge holder, where the debenture was created on or after 15 September 2003 and made available for the satisfaction of unsecured debts.

Based on present information, I estimate the value of the Company's net floating charge property to be £Nil. As this net property is less than the prescribed part minimum of £10,000, I am of the view that the cost of making a distribution to unsecured creditors would be disproportionate to the benefits and that Section 176A(2) shall not apply.

(ii) Preferential Creditors

I have received a preferential claim from the RPS for £20,138.62. There will also be preferential claims of employees, who are owed the balance of their holiday pay, but this has yet to be quantified.

(iii) Unsecured Creditors

The claims of 54 unsecured creditors totalling £31,201,225 have been received compared to circa 150 creditors (including employees) totalling £30,908,029 disclosed on the Directors' Estimated Statement of Affairs. Based on current

AEGATE LIMITED - IN LIQUIDATION

Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

information, it is unlikely that there will be a dividend payable to the unsecured non-preferential creditors.

(h) Details of what remains to be done

The Liquidation cannot be concluded until VAT refunds in Poland and Italy are recovered, or otherwise dealt with, through the adjudication of the Courts and relevant authorities. In addition, there is now the likelihood of a sale of one of the Company's patents, which needs to be addressed.

(i) Other information of relevance to creditors:

None

(j) Next Report

I am required to provide a further report on the progress of the liquidation within two months of the end of the next anniversary of the liquidation, unless I have concluded matters prior to that, in which case I will write to all creditors with my Final Account, which will conclude my administration of the Liquidation.

I trust you will find this report adequate for your purposes but should you require any further information, please do not hesitate to contact in the first instance either my Senior Manager, David Marks, or his assistant, Nadine Jackson, at this office.



PAUL APPLETON - LIQUIDATOR

DATE: 7 August 2020

APPENDIX A

AEGATE LIMITED - IN LIQUIDATION
LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT
FROM 21 JUNE 2017 TO 20 JUNE 2020

	Estimated to Realise £	Realised to date £	Year Ended 20 June 2020 £
<u>Receipts:</u>			
<u>Assets - Specifically Pledged</u>			
Licences	1		
Capitalised Software	<u>1</u>		
<u>Assets - Not Specifically Pledged</u>			
Unencumbered IT Equipment	2,500	3,160.00	
Fixtures and Fittings	2,500	1,500.00	
Cash at Bank	47,827	47,663.35	
UK and EU VAT Recoverable	80,115		
Advances and Paid [UK and Belgium]	<u>1</u>		
Third Party Funds		20,000.00	
Refund/Recovery		74.75	
Bank Interest Gross		25.50	4.83
		<u>72,423.60</u>	<u>4.83</u>
<u>Payments</u>			
Statement of Affairs Fee		20,000.00	
Reimbursement of Third Party Funds		20,000.00	
Agents Fees and Disbursements		4,644.00	
<u>Legal Fees and Disbursements</u>			
MKSN - Notary Fees		1,150.00	
Miserocchi-Cavallotti - Notary Fees		1,870.09	
Racine Advocaten (Belgium)		4,143.76	
Xavier Pareja Associates (Spain)		3,283.83	
K&L Gates Jamka (Poland)		6,085.12	
Accountancy Fees (BDO Belgium)		421.72	
Statutory Advertising		253.80	
Bank Charges		65.00	
Specific Bond		316.80	316.80
		<u>62,234.12</u>	<u>316.80</u>
<u>Balance in Hand</u>		<u>10,189.48</u>	
<u>Represented by:</u>			
Current Account		10,129.32	
VAT Receivable		60.16	
		<u>10,189.48</u>	

AEGATE LIMITED - IN CREDITORS' VOLUNTARY LIQUIDATION

LIQUIDATOR'S TIME COSTS FOR THE PERIOD FROM 21 JUNE 2019 TO 20 JUNE 2020 SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Statutory compliance, admin and planning	00:00	02:30	07:36	03:36	13:42	3,005.50	219.38
Realisations of assets	00:00	04:00	00:42	00:00	04:42	1,722.00	366.38
Creditors	00:00	04:54	00:00	00:00	04:54	1,935.50	395.00
Total hours and costs	00:00	11:24	08:18	03:36	23:18	6,663.00	285.97

LIQUIDATOR'S CUMULATIVE TIME COSTS FOR THE PERIOD FROM 21 JUNE 2017 TO 20 JUNE 2020 SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Statutory compliance, admin and planning							
IPS set up & maintenance	00:00	00:00	00:12	00:00	00:12	26.00	130.00
Statutory filings, circulars, notices, etc.	00:00	00:00	27:30	00:00	27:30	3,813.00	138.65
Case planning, strategy & control	00:00	00:00	03:54	00:00	03:54	591.00	151.54
Taxation: PAYE, C/Tax & VAT	00:00	00:18	24:48	00:00	25:06	4,055.50	161.57
Accounting & Cashiering	00:00	00:00	00:00	11:18	11:18	1,764.00	156.11
Case reviews & Diary maintenance	00:00	00:30	24:18	00:00	24:48	3,512.50	141.63
Statutory reporting and compliance	00:00	09:30	09:18	00:00	18:48	4,464.50	237.47
Investigations							
CDDA preparation & reporting	00:00	02:30	03:12	00:00	05:42	1,168.50	205.00
Antecedant transactions & wrongful trading	00:00	00:00	00:24	00:00	00:24	52.00	130.00
Realisation of assets							
Freehold & leasehold properties	00:00	03:00	00:00	00:00	03:00	885.00	295.00
Intangible assets	00:00	12:00	01:00	00:00	13:00	3,850.00	296.15
Tangible assets	10:00	36:48	14:24	00:00	61:12	18,783.00	306.91
Creditors							
Secured creditors	00:00	02:30	00:00	00:00	02:30	837.50	335.00
Unsec'd Creditors: correspondence & claims	10:00	25:06	29:42	00:00	64:48	17,088.50	263.71
Preferential creditors & employees	08:00	29:24	05:42	00:00	43:06	13,204.00	306.36
Total hours and costs	28:00	121:36	144:24	11:18	305:18	74,095.00	242.70