

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company AAG SWEPCO LIMITED

Company number 04814761

In the High Court of Justice, Chancery Division Leeds District Registry <small>(full name of court)</small>
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Court case number 2363 of 2009

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

I/We (a)
Gordon Smythe Goldie
Tait Walker
Bulman House
Regent Centre, Gosforth
Newcastle upon Tyne
NE3 3LS

Allan David Kelly
Tait Walker
Bulman House
Regent Centre, Gosforth
Newcastle upon Tyne
NE3 3LS

administrator(s) of the above company attach a progress report for the period

(b) Insert date

From (b) 21 February 2011

To (b) 20 August 2011

Signed


Joint / Administrator(s)

Dated

20 September 2011


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

Gordon Smythe Goldie Tait Walker Bulman House Regent Centre, Gosforth Newcastle upon Tyne	NE3 3LS
DX Number	0191 285 0321 DX Exchange

The contact information that you provide to Companies House

SAT TUESDAY



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A06 04/10/2011 203
A6V8JXTS
A48 24/09/2011 323
COMPANIES HOUSE

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



TAIT WALKER

CORPORATE RECOVERY

Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

Tel 0191 285 0321 Fax 0191 284 9117 DX 60368 Gosforth

TO ALL CREDITORS

**TO ALL PERSONS WHO HAVE HAD NOTICE OF
ADMINISTRATORS APPOINTMENT**

Our Ref ADK/AL/CL/CH/10989

If you telephone please ask for

Chris Lott

Date 20 September 2011

Dear Sirs

AAG SWEPCO LIMITED - In Administration Final Report to Creditors

In accordance with Rule 2 110 of the Insolvency Rules 1986 (as amended) ("the Rules"), provide creditors herein with our final progress report following our appointment as Joint Administrators of AAG Swepeco Limited ("the Company") on 21 August 2009

General Information

Included with and attached to this report are the statutory details of the Company and information regarding the appointment of Joint Administrators as required by Rule 2 110 of the Insolvency Rules 1986 (as amended), together with a copy of form 2 35B - Notice of move from Administration to Dissolution is attached

Receipts and Payments Account

We attach for your information the Joint Administrators abstract of Receipts and Payments, together with the estimated final outcome, as at 20 September 2011 We comment specifically on major items within the receipts and payments account and on the Administration in general herein -

AAG Electrical

As detailed in our previous reports, AAG Electrical Limited ("Electrical") which entered administration on the same day as the Company, was subject to a hive up agreement in 2008 whereby the trade and assets of the business were transferred to AAG Swepeco Limited Certain on-going contracts were still in the name of Electrical and during the administration period sums were paid to this company

As a consequence of the hive up, the administration funds of Electrical were transferred on 17 September 2010 when the administration of Electrical was concluded and the company moved to dissolution The sum of £287,317 95 was transferred to the Company from Electrical

Book Debts

On appointment, the company's records indicated debtors with a book value in excess of £2,000 000. However, a number of pro forma invoices had been issued for work which had not commenced and as the service could not be delivered these debts were uncollectable.

A significant number of outstanding debts were subject to disputes between the main contractors and Swepeco. In addition, due to the contractual nature of the work, debtor balances were also subject to counterclaims as a result of the administration and the cessation of work on site.

Independent quantity surveyors were engaged to assist in the quantum of any disputes and counterclaims against debtors. In addition, the managing director of the company has assisted us in recovering debtor amounts due which has materially assisted us in realising funds in order to make dividend payments to preferential and unsecured creditors and payments to the secured creditor.

We have continued correspondence with outstanding debtors and in addition to debtor funds totalling £217,529 72 received by Electrical which were included in the transfer to Swepeco as detailed above, we have realised a further £109,945 79 in Swepeco.

We do not consider any further debtor realisations will be achieved.

Plant & machinery

The sum of £2,916 00 was realised from the sale at auction of certain of the company's plant and machinery.

Office Equipment & IT

The sum of £2,538.00 was realised from the sale at auction of office and IT equipment.

Motor vehicle

A motor vehicle owned by the company was sold at auction in the sum of £1,600 00.

Extension of Administration

The consent of Bank of Scotland as Qualifying Floating Chargeholder was obtained to an extension of the administration to 20 February 2011.

Prior to the expiry of this extension it was apparent that a further extension would be required in order to enable a dividend to be paid under the Prescribed Part, to assess the company's tax position and to finalise the administration and file closing documents. Accordingly the consent of the Court was obtained on 21 January 2011 to an extension of the administration to 20 December 2011.

Progress of Administration

We consider the Administration is complete. As there is no property remaining which might permit a future distribution to creditors other than the secured creditor, the Company should now proceed to dissolution, in accordance with the proposals.

In accordance with Rule 2.110(2) (a) of the Rules, we summarise below our proposals.

Proposals

- 1 The Administrators continue to manage and wind down the affairs and assets of the Company, collect and recover outstanding book debts as required, settle any administration expenses where such expenses are incurred for the purpose of the administration, and realise any other remaining assets of the Company as applicable.
- 2 The Administrators are authorised, where applicable, to make distributions to secured, preferential and unsecured creditors.
- 3 The Administrators, in order to conclude the Administration following the realisation of the assets, will register a notice with the Court and Registrar of Companies under Paragraph 84(1) of Schedule B1 of the Insolvency Act 1986 to dissolve the Company.
- 4 The Administrators investigate and, if thought appropriate, pursue any claims that the Company may have against any person or entity including, without limitation, officers and former officers of the company.
- 5 The Administrators carry out any other act and generally exercise their powers in a manner conducive to the successful achievement of the proposals outlined herein.
- 6 The Administrators may seek an extension to the Administration if deemed necessary by the Administrators to achieve the purpose of the Administration.
- 7 The Administrators' fees are approved on a time cost basis and expenses, including category 2 expenses, may be drawn on account from time to time in line with their firm's policy.
- 8 The Administrators shall be discharged from liability pursuant to Paragraph 98(1) Schedule B1 of the Act in respect of any action of theirs as Administrator when they cease to be Joint Administrators at a time fixed by the secured and/or preferential creditors or 7 days after the filing of their final progress report with the Registrar of Companies, or as approved by the Court.

Amendments

There have been no amendments or significant deviations from the proposals outlined above.

Outstanding Matters

There are no matters outstanding.

Professional Advisers

On this assignment, the Administrators have used the professional advisers listed hereafter, together with details of the basis of our fee agreement with them

Name of Professional Advisor	Nature of Work	Basis of Fee Agreement
James Sutherland (Auctioneers) Ltd	Chattel asset agents	Percentage of Realisations
Pinsent Masons	Solicitors	Time costs
Summers Inman	Quantity Surveyors	Percentage of Realisations
Mohammed Akhmed	Debt Recovery	Time costs

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. We consider that the fees charged are reasonable in the circumstance of this case.

Administrators' Fees

Enclosed at Appendix III is a summary of time costs as prescribed by Statement of Insolvency Practice 9. A copy of Statement of Insolvency Practice 9 - A Guide to Administrators Fees can be downloaded from <http://www.icaew.com/index.cfm?route=146784> or provided upon written request from this office.

We also enclose a copy of Tait Walker - Statement on Remuneration and Expenses in Insolvency Proceedings which details our current charge out rates and expenses recovery policy.

Total time spent to 12 September 2011 on this assignment amounts to 640 hours 54 minutes resulting in time costs of £99,289.40. A further amount of £2,441.60 has been expended by Tait Walker prior to the appointment of the Administrators of which £2,441.60 is attributable to obtaining the Administrators appointment, and assessing whether Administration was the most suitable route for the Company. Pre appointment time not specific to obtaining the appointment and assessing the suitability of the Administration has not been recovered by Tait Walker.

Our remuneration has, where appropriate, been approved by the secured and preferential creditors.

Secured Creditors

Bank of Scotland held fixed and floating charges dated 25 August 2007 together with cross guarantees in relation to the debt due from AAG Electrical.

Our solicitors confirmed the validity of the charge and a distribution of £90,000 has been paid under the Bank's floating charge.

Dividend Prospects

As detailed in our previous report, an application had been made to Court for permission to distribute a dividend under the Prescribed Part.

The Prescribed Part (section 176(A) of the Act) is a proportion of floating charge asset realisations, net of costs, which are set aside for the benefit of unsecured creditors. The Prescribed Part applies to floating charges created on or after 15 September 2003 only.

The Prescribed Part is calculated using a formula laid down in the Act as follows:

- 50% of net property to £10,000
- 20% of net property in excess of £10,000
- Subject to a maximum amount of £50,000

A prescribed part dividend of £15,843.21 which equated to 1.09p in the £ was paid on 24 January 2011. There will be no further dividend to the unsecured creditors.

Conclusion

We believe that the objective of the Administration has been achieved and that no property remains which might permit a distribution to creditors. As such, there are no further matters that require the Company to remain in Administration, and the Company should proceed to dissolution as outlined within our proposals.

A notice to move the Company to dissolution has been filed at Companies House in accordance with paragraph 84 of Schedule B1 of the Insolvency Act 1986. Once the registration of the notice at Companies House has been completed, which we anticipate will happen within the next 7-10 days, the Administration ceases and the Company will move to dissolution three months thereafter.

Should you wish to discuss any of the contents within this report, please do not hesitate to contact Andrew Little.

Yours faithfully
For and on behalf of
AAG SWEPCO LIMITED


Gordon Smythe Goldie & Allan David Kelly
Joint Administrators

The affairs, business and property of the Company are being managed by Gordon Smythe Goldie and Allan David Kelly as Joint Administrators, who act as agents of the Company and without any personal liability.