

# 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>	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 August 2010	To (b) 20 February 2011
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Signed \_\_\_\_\_  
Joint / Administrator(s)

Dated \_\_\_\_\_  
7 March 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

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

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



A52 10/03/2011 202  
COMPANIES HOUSE

code

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**

THURSDAY



TAIT WALKER

CHARTERED ACCOUNTANTS

Report to creditors

7 March 2011

**Summary**

Company	AAG SWEPCO LIMITED
Type of Insolvency	Administration
Administrators Appointed	Gordon Smythe Goldie and Allan David Kelly
Date of Appointment	21/08/2009
Registered Office	Bulman House, Regent Centre, Gosforth, Newcastle upon Tyne NE3 3LS
Principal Activity	Electrical & Mechanical Contractors

**Dividend Prospects**

	Current Estimate p in £	Previous Estimate p in £
Preferential	100	100
Unsecured	1	1

Please note that these dividend prospects are dependant upon asset realisations and agreeing creditor claims You should seek your own guidance in respect of any bad debt provision

Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS  
Tel 0191 285 0321 Fax 0191 284 9117 DX 60368 Gosforth

**TO ALL CREDITORS**

Our Ref  
ADK/AL/CL/CH/10989/PE81

Your Ref

Date 7 March 2011

Dear Sirs

**AAG SWEPCO LIMITED - In Administration**  
**Progress Report to Creditors**

In accordance with Rule 2.47 of the Insolvency Rules 1986 (as amended) ("the Rules"), we provide creditors herein with a progress report following our appointment as Joint Administrators of AAG SWEPCO 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 2.47 of the Insolvency Rules 1986 (as amended) including Form 2.24B

**Receipts and Payments Account**

We attach for your information the Joint Administrators abstract of Receipts and Payments for the eighteen month period ended 20 February 2011. We would comment specifically as follows -

- As detailed in our last Report our administration of AAG Electrical Limited was concluded on 17 September 2010 and the balance of funds held in AAG Electrical Limited was transferred to AAG Swepeco Limited in accordance with the hive up agreement
- We obtained permission from the Court to extend the administration and to pay a dividend to unsecured creditors under the prescribed part. A dividend of £15,843.21 being 1.09p in the pound was paid on 24 January 2011
- A payment of £75,000.00 has been made to the secured creditor, Bank of Scotland
- We extended the administration of AAG Swepeco Limited to 20 December 2011 in order to allow sufficient time to pay the prescribed part dividend and to deal with any other outstanding matters before the conclusion of the administration



### *Outstanding Matters*

A substantial amount of the work in respect of the conduct of the Administration has been undertaken, however, a number of matters still need to be concluded as follows -

- Continuing with our on-going duties as Administrators, including statutory reporting and compliance
- Finalisation of Administration and filing of closing documents in accordance with the proposals

We do not anticipate any further realizations and we intend to conclude the administration following payment of the prescribed part dividend and the final distribution to the secured creditor

### **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:

<i>Name of Professional Advisor</i>	<i>Nature of Work</i>	<i>Basis of Fee Agreement</i>
James Sutherland (Auctioneers) Ltd	Chattel asset agents	Percentage of realisations
Pinsent Masons	Solicitors	Time costs
Summers Inman LLP	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 II 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/en/technical/insolvency/insolvency-regulations-and-standards/statements-of-insolvency-practice-sips-england> 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 20 February 2011 on this assignment amounts to 587 hours 54 minutes resulting in time costs of £91,913.30. 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 Limited

Our solicitors confirmed the validity of the charge, and an initial distribution of £75,000 00 has been paid under the Bank's floating charge

**Dividend Prospects**

An application has 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 realizations, 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

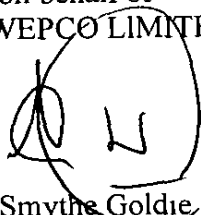
- 50% of net property to £10,000
- 20% of net property in excess of £10,000
- Subject to a maximum amount of £600,000

We have paid a prescribed part dividend of £15,843 21 which equated to 1 09p in the £ on 24 January 2011 There will be no further dividend to the unsecured creditors

**Conclusion**

We will report again in 6 months, or on the conclusion of the Administration, whichever is sooner However in the meantime should you wish to discuss any of the contents within this report or the Administration in general, 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*



## Appendix I

### Statutory Details

#### Company Information

Company Name	AAG SWEPCO LIMITED
Previous Name	AAG SEPCO LIMITED
Company Number	04814761
Date of Incorporation.	30/06/2003
Trading Address	Belasis Business Centre, Coxwold Way, Belasis Hall Technology Park, Billingham, Cleveland
Registered Office	Bulman House, Regent Centre, Gosforth Newcastle upon Tyne NE3 3LS
Principal Activity	Electrical & Mechanical Contractors

#### Appointment Details

Date of Appointment	21/08/2009
Appointment made by	Bank of Scotland as Qualifying Floating Chargeholder
Court details	High Court of Justice, Chancery Division, Leeds District Registry
Court Reference	2363 of 2009
Administrators Appointed	Gordon Smythe Goldie                      IP Number 5799 Allan David Kelly                              IP Number 9156
Administrators Address	Bulman House, Regent Centre, Gosforth, Newcastle upon Tyne NE3 3LS
Administrators function	The Joint Administrators act as officers of the court and as agents of the Company without personal liability Any act required or authorised under any enactment to be done by an Administrator may be done by any one or more persons holding the office of Administrator from time to time
Changes in office holder	n/a
Extension of Administration	Extended to 20 December 2011
EC Regulation on Insolvency	It is considered that the EC Regulation applies and that these are main proceedings as defined in Article 3 of the EC Regulation The company is registered in the UK (England and Wales), trades within the UK and the majority of its assets and creditors are entirely within the UK

**AAG Swepeco Limited  
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments**

**Incorporating transactions previously reported as AAG Electrical Limited - In Administration**

<b>RECEIPTS</b>	<b>From 21/08/2010 To 20/02/2011</b>	<b>Total (£)</b>
Plant & Machinery	0 00	2,916 00
Motor Vehicle	0 00	1,600 00
Furniture & Equipment	0 00	2,538 00
Book Debts	0 00	89,945 79
Cash in Hand	0 00	10 00
Transfer from AAG Electrical	69,788 23	287,317 95
VAT Input	0 00	875 00
VAT Output	0 00	13,237 25
	<u>69,788 23</u>	<u>398,439.99</u>
 <b>PAYMENTS</b>		
Direct Wages & Salaries	0 00	5,100 00
Chargeholder	75,000 00	75,000 00
Transfer to AAG Electrical	0 00	34,881 37
Court Fees / Swearing Fees	65 00	65 00
Land Registry Fees	222 52	222 52
Sheriffs/Bailiffs Costs	0 00	90 00
Money Laundering Fees	0 00	24 00
Office Holder Remuneration	37,000 00	62,000 00
Travelling & Subsistence	354 70	474 30
Agents Fees & Disbursements	10,000 00	20,223 10
Legal Fees & Disbursements	8,500 00	8,622 50
Telegraphic Transfer Fees	24 00	24 00
Postage	0 00	265 54
CIS Tax Withheld	0 00	9,022 50
Statutory Advertising	151 20	226 80
Insurance	364 00	469 00
Preferential Dividend	0 00	95,407 69
Unsecured Dividend	15,843 21	15,843 21
VAT Input	8,328 68	13,898 60
	<u>155,853 31</u>	<u>341,860.13</u>
 <b>Balance</b>		<u><u>56,579.86</u></u>

**MADE UP AS FOLLOWS**

Current Account

56,579 86

56,579.86


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**Gordon S Goldie & Allan D Kelly**  
 Joint Administrators

Appendix III

AAG Swepeco Limited - In Administration

Table of time spent and charge out value from 21 August 2010 to 20 February 2011

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units).

Classification of Work Function	Hours							Total Hours	Time Cost £	Average Hourly Rate
	Partner	Associate	Manager	Administrator	Admin & Support Staff					
Admin & Planning	6.00	0.00	9.40	11.30	33.80	60.50	7,715.30	127.53		
Correspondence	0.00	0.00	5.00	2.30	0.00	7.30	1,496.00	204.93		
Creditors	4.60	6.60	8.60	170.30	24.90	215.00	26,339.40	122.51		
Debtors	20.10	0.80	84.85	27.60	5.10	138.45	30,003.60	216.71		
Employees	0.00	0.00	2.00	63.20	0.00	65.20	7,848.00	120.37		
Investigation	0.00	0.00	0.00	0.80	0.00	0.80	100.00	125.00		
Other Matters	2.50	0.00	0.00	36.20	0.00	38.70	5,017.00	129.64		
Realisation of Assets	14.10	0.00	7.00	1.30	0.00	22.40	5,784.00	258.21		
Statutory Matters	4.15	0.00	18.00	16.80	0.00	38.95	7,466.00	191.68		
Retention of Title	0.00	0.00	0.60	0.00	0.00	0.60	144.00	240.00		
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
<b>Total</b>	<b>51.45</b>	<b>7.40</b>	<b>135.45</b>	<b>329.80</b>	<b>63.80</b>	<b>587.90</b>	<b>91,913.30</b>	<b>156.34</b>		
						<b>Total Fees Claimed</b>	<b>62,000.00</b>			

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. A copy of Tait Walker - Statement on Remuneration and Expenses in Insolvency Proceedings which details the charging and expenses recovery policy of Tait Walker is attached



## TAIT WALKER CORPORATE RECOVERY - STATEMENT ON REMUNERATION AND EXPENSES IN INSOLVENCY PROCEEDINGS

### INTRODUCTION

The insolvency legislation was changed in April 2010 for insolvency appointments commenced from that time in order to allow more flexibility on how an office holder's fees are charged to a case. This sheet explains how we may apply the alternative fee bases. The new legislation allows different fee bases to be used for different tasks within the same appointment. The basis or combination of bases set for a particular appointment are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the court.

Further detail about how an office holder's fees are approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9). A copy of these guides can be accessed and downloaded from [http://www.icagw.com/members/Practice/Insolvency/Creditors\\_guides](http://www.icagw.com/members/Practice/Insolvency/Creditors_guides). Alternatively a hard copy may be requested from Tait Walker Corporate Recovery (A division of Tait Walker Advisory Services LLP), Bulman House, Regent Centre, Gosforth, Newcastle upon Tyne NE3 3LS or [recovery@taitwalker.co.uk](mailto:recovery@taitwalker.co.uk)

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn and time costs incurred and will also enable the recipients to see the average rates of such costs. Under the new legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under the old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

### POLICY

In order to maximise the cost effectiveness of the work performed it is Tait Walker Corporate Recovery's normal policy to delegate certain tasks within the case to members of their staff subject to their experience and specialist skills with the provision of supervision as appropriate. Matters deemed to be complex or of significance will be dealt with by senior members of staff or the license holder.

### Time Cost Basis

This is the basis that we use in the majority of cases and we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken. All staff who work on this assignment, including case support (such as cashiers and secretarial staff etc) charge time directly to the assignment and are included within any analysis of time. The costs of any central Tait Walker administration or general Tait Walker overhead costs are not charged directly to the assignment but are reflected in the general level of charge out rates.

The rates vary between individuals of each grade reflecting experience and qualification. Charge out rates may be revised periodically to cover and are adjusted to take account of inflation and the firm's overheads. In cases deemed to be particularly complex revised rates will be presented to creditors. The maximum current charge out rates per grade are currently

<u>Grade</u>	<u>Rate (£) per hour (Effective from 1 Apr 09)</u>	<u>Rate (£) per hour (Previous rate (£) from Jun 08)</u>
Partner	280	260
Associate / Director	250	240
Manager	240	210
Case Handler / Administrator	150	140
Case support staff	96	90

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Each unit of time is 6 minutes. The work is recorded under the following categories including Administration and Planning, Investigations, Realisation of assets, Debtors, Creditors, Employee matters, and Trading.

## Appendix

### Percentage Basis

The new legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal. Different percentages can be used for different assets or types of assets. Where we would like to realise any asset or type of assets on a percentage basis we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

### Fixed Fee Basis

The new legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. Where we would like to charge a set amount for a task or different set amounts for different tasks we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

### All Bases

The officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

### AGENT'S COSTS

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes

- Solicitors / Legal Advisors
- Auctioneers / Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

### DISBURSEMENTS

As part of our disclosure requirements the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses - are directly referable to an invoice from a third party, which is either in the name of the estate or Tait Walker Advisory Services LLP (or a partner / employee of the same), in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. These expenses may include, but are not limited to case advertising, money laundering fees, company search fees, specific penalty bond, identifiable telephone calls, postage at cost, external document storage, external room hire, external printing, invoiced travel, and properly reimbursed expenses incurred by Tait Walker and its employees in connection with the case. Obtaining a specific penalty bond and advertising are disbursements that are required in each case as a result of statutory obligations imposed on the Insolvency Practitioner.

Category 2 expenses - are incurred by Tait Walker Advisory Services LLP and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, mileage at approved Inland Revenue scale rates, and internal storage. With the exception of photocopying, Tait Walker Advisory Services LLP do not typically recharge expenses and disbursements which include an element of shared or allocated costs of internal facilities such as stationery, room hire, communication facilities, printing, internal document storage etc. Tait Walker may recharge photocopying at up to 3p per sheet.

### TYPICAL TASKS UNDERTAKEN

Matters typically dealt with in the respective time breakdown categories during an insolvency procedure may include, but are not limited to, the following. It should be noted that every insolvency case is different, and certain items may not be applicable to this case.

## Appendix

### Administration & Planning

Cash strategy and planning, cashing, banking, bank reconciliations, obtaining specific bond and ongoing bond maintenance, any general insurance, uplift and ongoing maintenance of company books and records, filing, internal case progression reviews, case updates, and internal case meetings

### Correspondence

All general correspondence excluding specific correspondence relating to other categories

### Investigations

Collation and review of directors questionnaires, review of any matters raised by the creditors concerning the conduct of the directors, review of all recent bank transactions undertaken by the company, review of any transactions between the company and associated parties, review of the assets listed in the statement of affairs with the last available statutory accounts, collation of information and submission of a report on all directors in the 3 years prior to liquidation under the Company Directors Disqualification Act 1986

Additional investigations may also be undertaken in specific items at the request of the creditors committee (if any), and antecedent transactions including preferences, transaction at undervalue, misfeasance, breach of fiduciary duties etc

### Debtors

Transfer of debtors ledger onto our software, reconciliation of debtors ledger and identification of any refunds, claims, collection of supporting evidence including invoices, proof of delivery, orders etc, corresponding with debtors to collect debts, review and assessment of any responses and/or counterclaims / disputes, general contact with debtors, instruction, liaison and correspondence with solicitors or debt collection agents, liaison with any invoice discountor or factor, and negotiation of any settlement.

### Realisation of Assets

All other assets excluding debtors including property (freehold and leasehold), intangible assets (intellectual property, patents, goodwill, copyrights etc) and chattel assets (e.g. furniture & equipment, stock, cash at bank, plant & machinery, work in progress, vehicles, computer equipment etc) Our work includes the preservation of such assets (arranging insurance, security etc), site visits, complying with fire brigade and insurer requirements (e.g. draining of heating system), arranging collection, preparation of sales particulars, liaising with valuers and agents, assessing and negotiating potential offers, and instructing and liaising with solicitors and reviewing any sale contract,

### Reservation of Title

Dealing with all third party assets (including reservation of title, hire purchase, consignment stock, leased assets etc) Our work includes identification of third party assets, reviewing any agreement associated with the assets, corresponding with the claimant, stock taking, arranging and managing uplift of the assets, surrender or disclaiming onerous leases / assets, submission of returns to Registrar of Companies and third parties following disclaimer; and, instructing and liaising with solicitors re challenged claims

### Statutory Matters

Undertaking and dealing with statutory matters required to comply with the various legislation concerning an insolvency including preparation and holding of creditors meeting, preparation of report/letters to creditors following appointment, submission of returns to Registrar of Companies and/or Court, preparation of adverts for insert in Gazette / newspaper, preparation of proposals, preparation of progress reports for creditors including receipts and payments, preparation of final reports including receipts and payments, together with the holding of final meetings, preparation of reports and updates for the Creditors Committee, together with any meetings required therein

### Creditors

Dealing with all classes of creditors

Secured, confirming validity of security, reporting to secured creditor, ongoing communication with secured creditor, review of any claim and distribution thereunder, and instructing and dealing with solicitors

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## Tait Walker Corporate Recovery

(revised Feb 2011)

## Appendix

*Preferential*, identifying and notifying potential preferential creditors of ability to claim, review of calculation of preferential claim, ongoing communication with preferential creditors, review and adjudication of preferential claims, and, calculation and payment of dividend (if applicable)

*Unsecured*, identifying and notifying unsecured creditors of ability to claim, submission of pre appointment VAT returns, ongoing communication with unsecured and potential unsecured creditors dealing with potential pension creditor, recording of unsecured claims, review and adjudication of unsecured claims, and, calculation and payment of unsecured dividend (if applicable)

### Employees

Notifying of appointment, issuing redundancy notices, and making employees redundant, assistance in completion of relevant forms to make claim from National Insurance Fund, calculation of outstanding entitlement, collation of claim forms and submission to National Insurance Fund, and ongoing employee correspondence

### Trading

Assessment of suitability to trade including preparation of profit and cash flow forecasts, company resources, risk analysis etc, assessing ongoing terms of trade with customers and suppliers, ongoing site presence to monitor and supervise trading, dealing with employees, customers and suppliers, internal reviews to assess ongoing trading dealing with duress creditors, dealing with health & safety and legislative issues liaising with insurers, instructing and liaising with solicitors, preparation of trading reports, reporting to funders / secured creditors, and dealing with trading compliance such as VAT, PAYE etc

### Other Matters

Items which would not normally fall into any of the above categories including travel, taxation (including processing of any post appointment returns to HMRC in respect of VAT, Corporation Tax etc), director correspondence (to the extent it is not within the other categories), general government returns, and miscellaneous items

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### AGENT'S COSTS

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- Accountants
- Quantity Surveyors
- Estate Agents
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### DISBURSEMENTS

As part of our disclosure requirements the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses - are directly referable to an invoice from a third party, which is either in the name of the estate or Tait Walker Advisory Services LLP (or a partner / employee of the same), in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. These expenses may include, but are not limited to case advertising, money laundering fees, company search fees, specific penalty bond, identifiable telephone calls, postage at cost, external document storage, external room hire, external printing, invoiced travel, and property reimbursed expenses incurred by Tait Walker and its employees in connection with the case. Obtaining a specific penalty bond and advertising are disbursements that are required in each case as a result of statutory obligations imposed on the Insolvency Practitioner.

Category 2 expenses - are incurred by Tait Walker Advisory Services LLP and recharged to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, mileage at approved Inland Revenue scale rates, and internal storage. With the exception of photocopying, Tait Walker Advisory Services LLP do not typically recharge expenses and disbursements which include an element of shared or allocated costs of internal facilities such as stationery, room hire, communication facilities, printing, internal document storage etc. Tait Walker may recharge photocopying at up to 3p per sheet.

### TYPICAL TASKS UNDERTAKEN

Matters typically dealt with in the respective time breakdown categories during an insolvency procedure may include, but are not limited to, the following. It should be noted that every insolvency case is different, and certain items may not be applicable to this case.

## Appendix

### Administration & Planning

Cash strategy and planning, cashing, banking, bank reconciliations, obtaining specific bond and ongoing bond maintenance, any general insurance, uplift and ongoing maintenance of company books and records, filing, internal case progression reviews, case updates, and internal case meetings

### Correspondence

All general correspondence excluding specific correspondence relating to other categories

### Investigations

Collation and review of directors questionnaires, review of any matters raised by the creditors concerning the conduct of the directors, review of all recent bank transactions undertaken by the company, review of any transactions between the company and associated parties, review of the assets listed in the statement of affairs with the last available statutory accounts, collation of information and submission of a report on all directors in the 3 years prior to liquidation under the Company Directors Disqualification Act 1986

Additional investigations may also be undertaken in specific items at the request of the creditors committee (if any), and antecedent transactions including preferences, transaction at undervalue, misfeasance, breach of fiduciary duties etc

### Debtors

Transfer of debtors ledger onto our software reconciliation of debtors ledger and identification of any refunds, claims, collection of supporting evidence including invoices, proof of delivery, orders etc, corresponding with debtors to collect debts, review and assessment of any responses and/or counterclaims / disputes, general contact with debtors, instruction, liaison and correspondence with solicitors or debt collection agents, liaison with any invoice discounter or factor, and negotiation of any settlement.

### Realisation of Assets

All other assets excluding debtors including property (freehold and leasehold), intangible assets (intellectual property, patents, goodwill, copyrights etc) and chattel assets (e.g. furniture & equipment, stock, cash at bank, plant & machinery, work in progress, vehicles, computer equipment etc) Our work includes the preservation of such assets (arranging insurance, security etc), site visits, complying with fire brigade and insurer requirements (e.g. drawing of heating system), arranging collection, preparation of sales particulars, liaising with valuers and agents, assessing and negotiating potential offers, and instructing and liaising with solicitors and reviewing any sale contract.

### Reservation of Title

Dealing with all third party assets (including reservation of title, hire purchase, consignment stock, leased assets etc) Our work includes identification of third party assets, reviewing any agreement associated with the assets, corresponding with the claimant stock taking, arranging and managing uplift of the assets, surrender or disclaiming onerous leases / assets submission of returns to Registrar of Companies and third parties following disclaimer, and, instructing and liaising with solicitors re challenged claims

### Statutory Matters

Undertaking and dealing with statutory matters required to comply with the various legislation concerning an insolvency including preparation and holding of creditors meeting, preparation of report/letters to creditors following appointment, submission of returns to Registrar of Companies and/or Court, preparation of adverts for insert in Gazette / newspaper, preparation of proposals, preparation of progress reports for creditors including receipts and payments, preparation of final reports including receipts and payments, together with the holding of final meetings, preparation of reports and updates for the Creditors Committee, together with any meetings required therein

### Creditors

Dealing with all classes of creditors

Secured, confirming validity of security, reporting to secured creditor, ongoing communication with secured creditor review of any claim and distribution thereunder, and instructing and dealing with solicitors

## Appendix

review of calculation of preferential claim, ongoing communication with preferential creditors, review and adjudication of preferential claims, and, calculation and payment of dividend (if applicable)

Unsecured, identifying and notifying unsecured creditors of ability to claim, submission of pre appointment VAT returns, ongoing communication with unsecured and potential unsecured creditors, dealing with potential pension creditor, recording of unsecured claims, review and adjudication of unsecured claims, and, calculation and payment of unsecured dividend (if applicable)

### Employees

Notifying of appointment, issuing redundancy notices, and making employees redundant, assistance in completion of relevant forms to make claim from National Insurance Fund, calculation of outstanding entitlement, collation of claim forms and submission to National Insurance Fund, and ongoing employee correspondence

### Trading

Assessment of suitability to trade including preparation of profit and cash flow forecasts, company resources, risk analysis etc, assessing ongoing terms of trade with customers and suppliers, ongoing presence to monitor and supervise trading, dealing with employees, customers and suppliers, internal reviews to assess ongoing trading, dealing with health & safety and legislative issues, liaising with insurers, instructing and liaising with solicitors, preparation of trading reports, reporting to funders / secured creditors, and dealing with trading compliance such as VAT, PAYE etc

### Other Matters

Items which would not normally fall into any of the above categories including travel, taxation (including processing of any post appointment returns to HMRC in respect of VAT, Corporation Tax etc), director correspondence (to the extent it is not within the other categories), general government returns, and miscellaneous items