

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

02044953

Name of Company

Conway Security Products Limited

I / We

Jamie Taylor, The Old Exchange, 234 Southchurch Road, Southend on Sea, Essex, SS1 2EG

Alan Simon, Langley House, Park Road, East Finchley, London, N2 8EY

the liquidator(s) of the company attach a copy of my/our Progress Report under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 15/02/2014 to 14/02/2015

Signed  Date 27/4/2015

Begbies Traynor (Central) LLP
The Old Exchange
234 Southchurch Road
Southend on Sea
SS1 2EG

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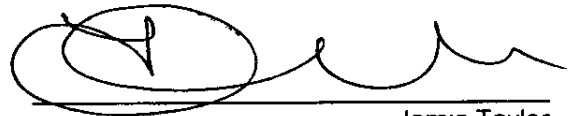
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**Conway Security Products Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs	From 15/02/2014 To 14/02/2015	From 15/02/2013 To 14/02/2015
	NIL	NIL
	DISTRIBUTIONS	
(297,549 00) Revaluation Reserve	NIL	NIL
(100,000 00) Ordinary Shareholders	NIL	NIL
	NIL	NIL
(543,712.00)	544 58	7,318.08
REPRESENTED BY		
		928 41
Vat Receivable		9,723 00
Bank 1 Current		(3,333 33)
Vat Payable		7,318.08
		7,318.08



Jamie Taylor
Joint Liquidator

Conway Security Products Limited (In Creditors' Voluntary Liquidation)

Progress report pursuant to Section 104A of the
Insolvency Act 1986 and Rule 4.49C of the
Insolvency Rules 1986

Period: 15 February 2014 to 14 February 2015

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Conway Security Products Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Act on 15 February 2013
"the liquidators", "we", "our" and "us"	Jamie Taylor of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG and Alan Simon of Accura Accountants Business Recovery Turnaround, Langley House, Park Road, East Finchley, London, N2 8EY
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s)	Conway Security Products Ltd
Company registered number	02044953
Company registered office	Langley House, Park Road, London, N2 8EY
Former trading address	Seymore House, Copyground Lane, High Wycombe, Bucks, HP12 3HE

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	15 February 2013
Date of liquidators' appointment	15 February 2013
Changes in liquidator (if any)	None

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 15 February 2014 to 14 February 2015

Property

The company owns a freehold property at Copyground Lane, High Wycombe, Bucks HP12 3HE ("the Property") HSBC Bank Plc hold a fixed charge over this property and at the date of Liquidation the Bank were owed the sum of £373,000 by the company. The director's Statement of Affairs set out a breakdown of this figure of £225,000 owed in respect of a mortgage and a further £148,000 which is listed under the Bank's floating charge. It should however be noted that the proceeds from the sale of the property will constitute fixed charge monies which will be available to the Bank in respect of its entire liability.

Initially, our instructed agents, Asset LLP, were seeking planning permission to allow a purchaser to develop the site. An adjacent site was being developed and the developer initially indicated that he may wish to pay upwards of £500,000 for the Property with the necessary planning permission in place.

Unfortunately, our agents were unable to gain the planning permission needed as it was not possible to obtain a collective agreement with all of the owners of the neighbouring properties. The agents therefore advised that the best course of action would be to market the Property without the planning consent and we have provided them with formal instructions in this regard.

The Property was initially marketed by Asset LLP but generated little interest. Asset LLP have therefore advised that placing the Property into auction may provide the best sale prospects.

The Joint Liquidators instructed BTMK Solicitors to assist in dealing with the auction of the Property.

The Property is due to be placed into auction in late April 2015 and the agent has provided a guide price of £375,000 with a view to generating interest in the auction.

The Joint Liquidators' fees for the sale of the Property are fixed at 1.5%. Asset LLP have advised that their fee for placing the Property into auction is £1,000, with disbursements of approximately £3,988 for securing the Property.

The auctioneer's fee will be fixed at 2% of the sale proceeds, with disbursements of approximately £495. Legal fees for the sale of the Property have been estimated at £2,000.

The insurance costs for the property total £20,314, with disbursements in respect of site security visits of £745.

Based on the property selling at £375,000 and the above outlined costs of sale, there will be approximately £333,333 available for HSBC Bank Plc in respect of their fixed charge over the Property.

Book Debts

The company outlined book debts with a total book value of £126,887.23. It was estimated that the Joint Liquidators would be able to recover £91,109.78 in respect of these.

The total sum of £7,345.29 was paid directly to the Joint Liquidators in respect of outstanding book debts.

It was ascertained that the sum of £43,296.19 of the book debts were paid into the company's old bank account.

The Joint Liquidators instructed SLM Credit Solutions ("SLM") to assist with the collection of the remaining book debts. SLM have to date collected book debts in the sum of £2,455.94.

SLM have advised that there are also disputed debts totalling £22,733.83 for which there is limited information and no invoices available. It is therefore unlikely that these will be recoverable.

SLM are continuing to pursue the remaining book debts.

Cash in Hand

There was stated to be £3,339 realisable in respect of cash in hand. Please note that this was used to discharge the pre-appointment fees of the Joint Liquidator, Accountants Business Recovery Turnaround, and is therefore not realisable as an asset of the liquidation.

Stock, Furniture, Equipment, Plant & Machinery

Asset LLP were instructed to deal with the stock, furniture, equipment and plant and machinery of the company.

The agents have advised that total sales of £49,800 plus VAT have been achieved, with their fees and disbursements totalling £30,364.40 plus VAT. However, no invoices in relation to the sales have yet been received from the agents and therefore they are not fully disclosed on the receipts and payments account. The Joint Liquidators are seeking to obtain the copy invoices as soon as possible.

From the proceeds of the sales noted above, the agents have provided an interim payment to the Joint Liquidators of £16,666.67 plus VAT which has been posted on the Receipts and Payments account as relating to stock. As above, we are seeking further information from the agents.

Bank Interest

The total sum of £8.04 has been received as interest on monies held in the liquidation bank account.

Costs

Agents

Asset LLP have advised of costs totalling £30,364 40 for dealing with the various assets of the company and assisting with the security of the Property. As detailed above, the Joint Liquidators are currently awaiting invoices outlining these costs in order to reclaim VAT.

In addition Asset LLP have been paid £1,000 plus VAT in respect of further costs and £275 plus VAT in respect of disbursements.

Insurance

The total sum of £11,059 86 has been paid to date in respect of insurance of the Property.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the director's statement of affairs included within the report sent to creditors further to our appointment as liquidators.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

Secured creditor

As previously detailed, HSBC Bank Plc hold a fixed and floating charge over the company's assets. The Bank will receive the net proceeds from the property sale as detailed in Section 4, however based on current estimates it is unlikely that they will receive a full payment of their debt.

Preferential creditors

There are no known preferential claims.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- 50% of the first £10,000 of net property,
- 20% of net property thereafter,
- Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if

- the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or

- the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

In this case, HSBC Bank Plc were granted a floating charge after 15 September 2003. After the costs of the Liquidation are taken into account, it is unlikely that the net property will be greater than £10,000 and therefore the above provisions will not apply.

Unsecured creditors

Based upon realisations to date and estimated future realisations it is not anticipated that a distribution will be paid to the unsecured creditors.

6. REMUNERATION & DISBURSEMENTS

The sum of £4,367.06 plus VAT has been paid to Accura Accountants in respect of the balance of their fee of £7,500 plus VAT for assisting with the preparation of the company's Statement of Affairs.

The remuneration of Accura Accountants has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates in attending to matters arising in the liquidation and they are authorised to draw disbursements, including disbursements for services provided by their firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with their firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report.

The fees and disbursements of Begbies Traynor were fixed on the same basis at a subsequent meeting of creditors held on 5 April 2013.

Begbies Traynor (Central) LLP time costs for the period from 15 February 2014 to 14 February 2015 amount to £19,263.00 which represents 66 hours at an average rate of £291.86 per hour. To date these costs remain outstanding.

Accura Accountants Business Recovery Turnaround time costs for the period from 15 February 2014 to 14 February 2015 amount to £7,062 which represents 25.20 hours at an average rate of £280.24 per hour. These costs also remain outstanding.

The following further information in relation to our time costs and disbursements is set out at Appendix 2.

- Table of time spent and charge-out value for the period 15 February 2014 to 14 February 2015
- Begbies Traynor (Central) LLP's policy for re-charging disbursements
- Begbies Traynor (Central) LLP's charge-out rates

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2011' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3.

8. ASSETS THAT REMAIN TO BE REALISED

As detailed in Section 4, the Property is due to be auctioned in late April 2015

The Joint Liquidators also intend to continue pursuing collection of the company book debts via SLM Credit Solutions

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, as explained in the report circulated at the meeting of creditors convened pursuant to Section 98 of the Act, such report having also been sent to creditors following the meeting, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills. We can confirm that we have discharged our duties in these respects.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 4.49E of the Rules, 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, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been detailed in this progress report.

Right to make an application to court

Pursuant to Rule 4.131 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner.



Jamie Taylor
Joint Liquidator

Dated 10 April 2015

**Conway Security Products Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 15/02/2014 To 14/02/2015	From 15/02/2013 To 14/02/2015
	FREEHOLD PROPERTIES		
409,500 00	Freehold Properties	NIL	NIL
(225,000 00)	HSBC Bank Plc - Commercial Mortgag	NIL	NIL
		NIL	NIL
	ING FINANCE		
120,000 00	Plant & Machinery - ING Finance	NIL	NIL
(125,269 00)	ING Finance	NIL	NIL
		NIL	NIL
	AMADA UK LTD		
175,000 00	Plant & Machinery - Amada UK Ltd	NIL	NIL
(230,000 00)	Amada UK Ltd	NIL	NIL
		NIL	NIL
	FINANCE FOR INDUSTRY		
67,786 00	Plant & Machinery - Finance For Indst	NIL	NIL
(43,796 00)	Finance for Industry	NIL	NIL
		NIL	NIL
	RCI FINANCIAL SERVICES LTD		
5,160 00	Motor Vehicles	NIL	NIL
(1,060 00)	RCI Financial Services Ltd	NIL	NIL
		NIL	NIL
	SECURED ASSETS		
(148,000 00)	HSBC Bank Plc - Floating Charge	NIL	NIL
		NIL	NIL
	COSTS OF REALISATION		
	Agents/Valuers Fees	1,000 00	1,000 00
		(1,000 00)	(1,000 00)
	ASSET REALISATIONS		
300 00	Furniture & Equipment	NIL	NIL
6,000 00	Stock	NIL	16,666 67
91,109 00	Book Debts	7,345 29	7,345 29
NIL	Development Costs	NIL	NIL
3,339 00	Cash in Hand	NIL	NIL
	Bank Interest Gross	5 25	8 04
		7,350 54	24,020 00
	COST OF REALISATIONS		
	Statement of Affairs Fee	NIL	4,367 06
	Agents Disbursements	275 00	275 00
	Insurance of Assets	5,530 96	11,059 86
		(5,805 96)	(15,701 92)
	UNSECURED CREDITORS		
(136,054 00)	Trade Creditors	NIL	NIL
(56,000 00)	Conway Directors Pension Scheme	NIL	NIL
(14,923 00)	HM Revenue & Customs (PAYE)	NIL	NIL
(44,255 00)	HM Revenue & Customs (VAT)	NIL	NIL

Conway Security Products Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs	From 15/02/2014 To 14/02/2015	From 15/02/2013 To 14/02/2015
	NIL	NIL
	DISTRIBUTIONS	
(297,549 00)	Revaluation Reserve	NIL
(100,000 00)	Ordinary Shareholders	NIL
	NIL	NIL
(543,712.00)	544.58	7,318.08
	REPRESENTED BY	
		928 41
		9,723 00
		(3,333 33)
		7,318.08

 Jamie Taylor
 Joint Liquidator

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

OFFICE HOLDERS EXPENSES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 expenses (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
 - *Category 2 expenses (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.
- (A) The following items of expenditure are charged to the case (subject to approval)
- Internal meeting room usage for the purpose of statutory meetings of creditors may be charged by some offices and is charged at the rate of £100 (London £150) per meeting. External meeting room usage is charged at cost.
 - Car mileage is charged at the rate of 45 pence per mile.

◦ Expenses which should be treated as *Category 2 disbursements (approval required)* – in addition to the 2 categories referred to above, best practice guidance indicates that where payments are made to outside parties in which the office holder or his firm or any associate has an interest these should be treated as *Category 2* disbursements. The

following items of expenditure which relate to services provided by entities within the Begbies Traynor Group are to be charged to the case (subject to approval)

- Storage of books and records (when not rechargeable as a *Category 1 expense*) is charged by Archive Facilities (Southend) Limited, an associated company. The rates applying as at the date of this report are: Minimum charge of £40 per quarter for up to three boxes, Four to Two Hundred Boxes charged at £11 per quarter per box, over two hundred boxes are charged at half the aforementioned price, (£5.50 per box per quarter). Mileage for collection of books and records is charged at 55p per mile. Provision of cardboard box charged at £2.75 per box. Where Archive Facilities (Southend) Limited are required to physically pack the books and records, there is a minimum charge of 2 hours at £15 per hour per person required, and at £15 per hour for each hour thereafter. All figures stated are net.
- BTG Asset Consulting may be engaged to undertake valuations and/or disposal of assets. BTG Asset Consulting is a part of Begbies Traynor Group plc and is therefore an associated company. Their charges are based on 15% of realisations or time costs at a Partner rate of £125 per hour and Manager rate of £100 per hour. A separate charge will be levied for any valuations to be provided at a fixed fee of £500 + VAT. Disbursements are charged at cost and mileage is recovered at 40p per mile. All figures stated are net of VAT.
- (B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 expense*:
 - Telephone and facsimile
 - Printing and photocopying
 - Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Southend-on-Sea office are as follows:

	Charge-out Rate (£ per hour)	
Grade of staff	From 01 May 2011	01 July 2008 to 01 May 2011
Partner	495	450
Partner 2	N/A	395
Director	395	375
Senior Manager	365	350
Manager	315	300
Assistant Manager	270	250
Senior Administrator	235	220
Administrator	185	180
Junior Administrator	160	150
Support	160	150

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff. Time is recorded in units of 0.10 of an hour (i.e. 6 minute units).

**ADDITIONAL INFORMATION IN RELATION TO LIQUIDATOR'S FEES
PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)**

1 Policy

Detailed below is Accura Accountants Business Recovery Turnaround Ltd policy in relation to

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

1.1 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, Administrator and/or an Assistant. 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 are not proposing to utilise the services of any sub-contractors in this case.

1.2 Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

We would confirm that this firm does not seek to charge any Category 2 disbursements.

2 Charge-out rates

A schedule of Accura Accountants Business Recovery Turnaround Ltd charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved and at that time of subsequent reports. A schedule of current rates is shown below.

A schedule of Accura Accountants Business Recovery Turnaround Ltd charge-out rates effective from 1 April 2012 is as follows:

(per hour)	
Director	£425
Manager	£220-£300
Other Senior Professionals	£170-£220
Assistants & Support Staff	£60-£170

There have been no material increases in charge-out rates since the commencement of the liquidation

Please note that this firm records its time in minimum units of 6 minutes.