

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

02237336

Name of Company

Glenborough Precision Engineering Limited

I / We

Simon Gwinnutt, Unit 30, The Derwent Business Centre, Clarke Street, Derby

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 15/01/2016 to 14/01/2017

Signed

Date

23-05-17

Cirrus Professional Services
The Derwent Business Centre
Clarke Street
Derby
DE1 2BU

Ref: GLENPRECENG16/SMG/ML/NK

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COMPANIES HOUSE

GLENBOROUGH PRECISION ENGINEERING LIMITED – IN LIQUIDATION (“the Company”)

Liquidator’s annual report in respect of the liquidation of Glenborough Precision Engineering Limited, covering the period 15 January 2016 to 14 January 2017 (‘the report period’)

This report should be read in conjunction with my previous report to creditors, dated 18 January 2016.

Asset realisations

The following summarises the current position in relation to asset realisations, as compared with the Directors’ Estimated Statement of Affairs:

	Estimated to realise, per the Directors’ Estimated Statement of Affairs £	Realisations during the report period: 15 January 2016 to 14 January 2017 £
Plant and machinery	46,000	42,420
Book debts	106,741	Nil
Cash at bank	2,120	Nil
Bank interest net of tax	-	2
	154,861	42,422

Plant and machinery

The Company purchased the business and assets of a connected company, Glenborough Aerospace Limited in Administration (‘GAL’). This occurred, following GAL entering into on 20 July 2015. The sale consideration was to be paid to the Administrator, on a deferred, staged-payment basis. The assets were subject to a chattel mortgage held by GAL, until such time as the full purchase price was received by the Administrator.

Upon my appointment to the Company, I instructed independent chattel agent MGR Appraisals, to undertake disposal of the assets. The assets were sold via an online auction, conducted by MGR, realising the total amount of £42,420. The amount of £39,848 has been forwarded to the administration estate of GAL, from the sale proceeds, to satisfy the outstanding deferred consideration still unpaid to GAL. The net realisation to the Company’s estate is therefore £2,572.

Book debts

The Company’s book debts were subject an invoice discounting agreement, with Yorkshire Bank. The Bank collected the outstanding debts, in order to redeem its lending to the Company. Consequently, the Bank held a surplus balance of £8,099.

The surplus funds were retained by the Bank and off-set under a cross guarantee, against an amount outstanding to the Bank from a connected company, Glenborough Engineering Co. Limited (‘GEC’). GEC was subsequently placed into administration, on 18 April 2016.

The Administrator of GEC has repaid the Bank in full, from asset realisations. All amounts subject to the cross guarantee, are now satisfied. A request for the reimbursement of the funds withheld by the Bank, under the cross guarantee, has been made by me to the Administrator of GEC in October 2016 and I await a response.

Cash at bank

The Company held a bank account with Yorkshire Bank, which had a credit balance of £2,120, as at 15 January 2016. The Bank advised that it would retain the credit balance, until such time it had collected sufficient funds from the debtor ledger, to satisfy the outstanding debt.

The debtor ledger has now been collected. However, the Bank have off-set the bank account credit balance, under the cross guarantee, together with the surplus debtor balance. A request for the funds withheld by the Bank, under the cross guarantee, has been made to the Administrator of GEC.

Bank interest net of tax

The total amount of £2.55, has been received in relation to funds held in the Liquidator's bank account.

SIP 13 Disclosure

I am required, in accordance with Statement of Insolvency Practice 13, to disclose to creditors the details of any asset sold by the Liquidator to connected parties.

I can confirm, that there has been no such sale to any connected party, during the period of the liquidation.

Liabilities**Secured creditors**

The Company granted a debenture in favour of Clydesdale Bank Plc, incorporating fixed and floating charges. The debenture was created on 26 February 2008 and was registered at Companies House on 29 February 2008.

The debenture secures lending pursuant to an invoice discounting facility provided by the Bank, sufficient funds have been collected by the Bank, in order to redeem its lending to the Company.

The Company granted a chattel mortgage in favour of Glenborough Aerospace Limited, as security, until the sale consideration was received in full. The charge was created on 20 July 2015 and was registered at Companies House on 21 July 2015.

The mortgage incorporates a fixed charge, in respect of the assets purchased from the Administrator of GAL. The amount of £39,848 has been paid to the GAL and the charge is now satisfied.

Preferential creditor

In the majority of cases, preferential creditors relate to certain liabilities in respect of employee wages, holiday pay and pension contributions due.

The Directors' Estimated Statement of Affairs shows preferential claims, of £92.

The Redundancy Payments Service ('RPS') has processed the claims made by the employees. No claim has been received from the RPS, in this respect.

Unsecured creditors

The Directors' Estimated Statement of Affairs, shows that the Company had estimated creditor liabilities amounting to £201,189, as at 15 January 2016.

I have received ten unsecured creditor claims, totalling £147,671.

Dividend prospects

On current information, a dividend will not be payable to unsecured creditors. I have not, therefore, agreed creditor claims or requested completed claim forms, from those creditors with an outstanding proof.

The 'prescribed part' provisions

The 'prescribed part' provisions of section 176A of the Insolvency Act 1986, provides that a proportion of the net assets which would otherwise be paid to the floating charge-holder, are set aside for the benefit of the non-preferential unsecured creditors.

The provisions do not apply to this case, as there is no qualifying floating charge-holder. I do not therefore, intend to apply to Court pursuant to Section 176A(5) to disapply the provisions.

Investigation matters

I would advise creditors that, in accordance with the Company Directors Disqualification Act 1986, I have submitted my report to the Department for Business, Enterprise & Regulatory Reform on the Directors' conduct.

Liquidator's receipts and payments

Attached to this report at Appendix A, is a summary of my receipts and payments account covering the annual period 15 January 2016 to 14 January 2017.

Statement of Affairs fee

As previously reported, my fee for assisting with the preparation of the Statement of Affairs prior to my appointment, was agreed at £5,000. To date, the amount of £3,000 has been received, from asset realisations.

Liquidator's fees and disbursements

Pursuant to Rule 4.127(2) of the Insolvency Rules 1986, the Liquidator is obliged to fix remuneration either as a percentage of the value of the property with which I have had to deal, by reference to the time that myself and my staff have spent attending to matters in the liquidation, or alternatively as a set amount.

At the first creditors' meeting held on 15 January 2016, a resolution confirming I may be authorised to draw fees on a time-cost basis, was approved.

A summary of my time-costs to 14 January 2017 is detailed at Appendix B. I have accrued time costs totalling £12,130, representing 46.10 hours at an average rate of £263.13 per hour. No Liquidator's fees have been drawn. A guide detailing Cirrus Professional Services' fee and disbursement recharging policy, is attached, at Appendix C.

Creditors should note that a copy of the Creditors' Guide to office holder(s) fees is available on request from this office; or the relevant guide can be found on the Insolvency Practitioners Association's website (www.insolvency-practitioners.org.uk) under the heading 'regulation and guidance', by following the link 'creditors guides'.

Within 21 days of receipt of this progress report, a creditor may request the Liquidator to provide further information about the remuneration and expenses set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court. The Liquidator must provide the requested information within 14 days, unless he considers that:

- the time and cost involved in preparing the information would be excessive, or;
- disclosure would be prejudicial to the conduct of the liquidation or might be expected to lead to violence against any person, or;
- the Liquidator is subject to an obligation of confidentiality in relation to the information requested, in which case he must give the reasons for not providing the information.

Any creditor may apply to the court within 21 days of the Liquidator's refusal to provide the requested information, or the expiry of the 14 days' time limit for the provision of the information.

Approval was also obtained in respect of the basis upon which internal disbursements are recharged, that include an element of allocated costs. Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as a "category 1 disbursement". Category 1 disbursements will generally comprise items such as bonding, identifiable telephone calls, postage, case advertising, invoiced travel and properly-reimbursed expenses. Also included will be services specific to the case where these cannot practically be provided internally - such as room hire, postage and secure record destruction.

Creditors have authorised, that I may recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as internal room hire, documents storage or communication facilities provided by me). Such expenditure is referred to as a "category 2 disbursement". The following items of expenditure are recharged on this basis, and are believed to be in line with the cost of external provision:

Photocopying	Recharged at 10p per sheet
Room hire	£100 per meeting held at Cirrus Professional Services' offices
Archiving of files and company records	Recharged at £12 per box per annum (or part thereof)
Car mileage	45p per mile

Disbursements which have been incurred by Cirrus Professional Services and have been reimbursed by the liquidation estate, are detailed below:

	Amount incurred £	Amount reimbursed £
Specific bond	900.00	900.00
Statutory advertising	213.00	Nil
Photocopying	43.00	Nil
Postage	47.25	Nil
	<u>1,203.25</u>	<u>900.00</u>

Specific bond

I am required by law, to take out a specific bond which will reimburse the estate in the event of fraudulent activity by the office-holder. I am currently bonded for the amount of £50,000, at a cost of £900.

Statutory advertising

Statutory advertisements have been placed in the London Gazette, as required. The amount of £213 has been incurred, in this respect.

Photocopying

Copying of the previous correspondence to creditors has been accrued at a rate 10 pence per sheet, as detailed above.

Postage

The amount of postage charged, relates to the cost of circulating any notices and reports, to creditors.

Other payments

Additional payments made from the liquidation estate are also detailed on the receipts and payments account, attached at Appendix A, and comprise the following:

Agent's fees

Independent chattel agent MGR Appraisals, was instructed to provide a valuation and assist with disposal of the Company's assets. The amount of £2,500, has been incurred in respect.

Chattel mortgage

The Company's assets were subject to a chattel mortgage held by Glenborough Aerospace Limited. Upon sale of the assets, the amount of £39,848, was forwarded to Glenborough Aerospace Limited (now in liquidation), from the sale proceeds. The charge is now satisfied.

Outstanding matters

The following matters need to be addressed, prior to my release from office as Liquidator:

- the possible realisation of the funds due, in respect of the book debt surplus and credit bank balance and;
- the convening of final meetings of members and creditors, under section 106 of the Insolvency Act 1986.

Further assistance

Should you require any further information, please contact either myself or Jodie Raymond at my office.

Statutory information

Case name	Glenborough Precision Engineering Limited
Company registered number	02237336
Registered office	Unit 30 The Derwent Business Centre Clarke Street Derby DE1 2BU
Former registered office	5 Prospect Place Millennium Way Pride Park Derby DE24 8HG
Principal trading address	Station Road Glenfield Leicester LE3 8BT
Type of appointment	Creditors' voluntary liquidation
Office holder	Simon Gwinnutt
Firm	Cirrus Professional Services
IP number	8877
Address	Unit 30 The Derwent Business Centre Clarke Street Derby DE1 2BU
Telephone	01332 333290
Facsimile	01332 344107
Email	enquiry@cirrusproserv.co.uk
Changes to office holders	None
Date of appointment	15 January 2016

1. Case Overview

At the first creditors' meeting held on 15 January 2016, a resolution confirming I may be authorised to draw fees on a time-cost basis was approved.

A summary of my time costs to 14 January 2017, is detailed at Appendix B. I have accrued time costs to 14 January 2017, totalling £12,130; representing 46.10 hours at an average rate of £263.13 per hour. No Liquidator's fees have been drawn. A guide detailing Cirrus Professional Services' fee and disbursement recharging policy, is attached, at Appendix C.

2. Liquidator's charging and disbursements recovery policies

Staff grades used on this case include Partner, Manager, Administrator and various cashiering and support staff.

All time costs relate to staff who have worked on the case and have been charged on the basis of actual time spent administering the case. No time cost has been charged as an overhead cost of the firm.

Disbursements charged to this case include charges for statutory advertisements, redirection of mail, Company searches, travel recharge, hire of meeting room for creditors' meeting and the liquidator's bordereau in accordance with the Insolvency Rules 1986 and the Insolvency Practitioners Regulations 1990.

3. Narrative description of work carried out

- Realisation of book debts
- Administration and set up of case files and Liquidator's cashbook
- Maintaining and reviewing and case planning
- Preparation of post appointment statutory notices
- Preparation of Directors' conduct return/report as required by Company Directors Disqualification Act 1986
- Notifying creditors of Liquidator's appointment and complying with creditors' requests for information
- Corresponding with H M Revenue & Customs in respect of PAYE/NI and VAT
- Acknowledgement of creditors' claims and general correspondence
- Maintaining Liquidator's bank accounts and cashbook
- Completion of post appointment tax returns
- Completion of statutory returns as required by the Insolvency Act 1986 and Insolvency Rules 1986
- Corresponding and dealing with the employees redundancy claims
- Archiving of Company records

APPENDIX A

Glenborough Precision Engineering Limited – in Liquidation

Summary of Liquidator's Receipts and Payments

	Estimated to realise, per the Directors' Estimated Statement of Affairs £	Report period: 15 January 2016 to 14 January 2017 £
RECEIPTS		
Plant and machinery	46,000.00	42,420.00
Book debts	106,741.00	Nil
Cash at bank	2,120.00	Nil
Bank interest net of tax	-	2.55
	<u>154,861.00</u>	<u>42,422.55</u>
PAYMENTS		
Preparation of S of A	-	3,000.00
Specific bond	-	900.00
Agent's fees	-	2,500.00
Chattel mortgage	-	39,848.20
		<u>46,248.20</u>
Made up as follows		
VAT receivable		1,280.00
VAT payable		(8,484.00)
Balance in hand		<u>3,378.35</u>
		<u>(3,825.65)</u>

Case name: Glenborough Precision Engineering Limited
Case type: Creditors' Voluntary Liquidation
Summary of Liquidator's time costs
15 January 2016 to 14 January 2017

APPENDIX B

31 January, 2025 to 31 January, 2025

	Hours Spent						
	Partner	Manager	Supervisor	Case Administrator	Junior Case Administrator	Cashier	Support Staff
	(£325 per hour)	(£250 per hour)	(£225 per hour)	(£150 per hour)	(£125 per hour)	(£125 per hour)	(£75 per hour)
Assets	8.50	4.50	-	-	-		
Case administration	5.80	11.10	0.30	-	0.40		
Creditors	1.60	6.50	-	-	-		
Employees	0.40	0.60	-	-	-		
Investigations	-	2.20	-	-	1.90		
Cashiering						1.60	
Support							0.70
Total hours	16.30	24.90	0.30	-	2.30	1.60	0.70
Total fees (£)	5,297.50	6,225.00	67.50	-	287.50	200.00	52.50
Total chargeable hours	46.10						
Total chargeable cost	£ 12,130.00						
Average hourly rate	£ 263.12						

Activity Definitions

Examples of work involved

Administration and planning

Case planning; administrative set-up; appointment notification; maintenance of records; statutory reporting including court attendances; preparation of Administrator's proposals and liaising with solicitors

Investigations

Investigating transactions arising prior to Insolvency, collating information for the purposes of the reporting requirements of the Company Directors Disqualification Act 1986

Realisation of assets

Identifying, securing, insuring assets; ROT claims; debt collection; sale of business and/or assets

Trading

Management of operations, accounting for trading; employee issues etc

Creditors

Communication with creditors; creditors' claims (including employees and other preferential creditors); and dealings with the secured (appointing) creditor.

The above list is not exhaustive

APPENDIX C

FEES AND DISBURSEMENTS

Charge-out Rates

Grade	Charge-out rate (£ per hour)
Appointment Taker	325
Manager	250
Senior Administrator	225
Administrator	150
Junior Administrator	125
Cashier	125
Support	75
Time costs are calculated using 6 minute units	

Agent's costs

Charged at time costs and/or agree realisation percentage, as appropriate. The term agent includes:

- solicitors
- auctioneers/valuers/sale agents
- accountants
- chartered quantity surveyors
- estate agents
- other specialist advisors

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP9) 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, being expenses directly referable to a third party, e.g. postage, statutory advertising, external meeting room hire, specific bond insurance and courier costs, external archive, storage and subsequent destruction and company search fees; or category 2, being expenses incurred and recharged to the estate, which may include a profit element, e.g. internal meeting room hire, record storage, photocopying and car mileage.

Category 1 disbursements are recoverable in full from the estate without the prior approval of creditors. Category 2 disbursements are recoverable in full from the estate, subject to the basis of the disbursement allocation being approved by creditors in advance.

Category 1 disbursements are proposed to be recovered as follows:

Postage	Charged at actual cost
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Category 2 disbursements are proposed to be recovered as follows:

Photocopying	Recharged at 10p per sheet
Archiving of case files and company records	Recharged at £15 per box per annum (or part thereof)
Car mileage	45p per mile

Rates/figures since: February 2015