

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

07773851

Name of Company

McKechnie Brass Limited

I / We

Paul David Williams, The Shard, 32 London Bridge Street, London, SE1 9SG

Jason James Godefroy, The Shard, 32 London Bridge Street, London, SE1 9SG

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 27/11/2015 to 26/11/2016

Signed



Date

14/12/2016

Duff & Phelps Ltd
35 Newhall Street
Birmingham
B3 3PU

Ref 49287C/PDW/JJG/rv/GV

THURSDAY



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Q5LVV8MQ

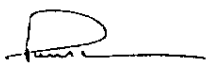
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COMPANIES HOUSE

McKechnie Brass Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs	From 27/11/2015 To 26/11/2016	From 02/10/2014 To 26/11/2016
SECURED CREDITORS		
Chargeholder (1)	NIL	30,056 00
	NIL	(30,056 00)
ASSET REALISATIONS		
Debtors	NIL	27,008 69
Administration Surplus	NIL	440,327 39
Bank Interest Gross	105 51	561 49
	105 51	467,897 57
COST OF REALISATIONS		
Liquidators' remuneration	NIL	20,000 00
Legal Fees	NIL	5,080 89
Legal Disbursements	NIL	836 12
Stationery & Postage	240 43	824 76
Storage Costs	1,743 00	2,305 50
Statutory Advertising	NIL	84 60
Bank Charges	33 28	74 81
Employment Rights Consultants	NIL	1,580 00
	(2,016 71)	(30,786 68)
PREFERENTIAL CREDITORS		
HMRC	NIL	126 99
The National Insurance Fund	NIL	25,326 35
Employee Arrears/Hol Pay	NIL	269 82
	NIL	(25,723 16)
FLOATING CHARGE CREDITORS		
Floating Charge Creditor	NIL	100,000 00
	NIL	(100,000 00)
	(1,911 20)	281,331 73
REPRESENTED BY		
VAT receivable		249 00
Floating/main current account		281,082 73
		281,331.73


Paul David Williams
Joint Liquidator

Progress Report to Creditors

McKechnie Brass Limited

(In Creditors' Voluntary Liquidation)

14 December 2016

*Joint Liquidators' Progress Report to Creditors
for the period from 27 November 2015 to 26 November 2016
pursuant section 104A of the Insolvency Act 1986 (as amended)
and rule 4.49C of the Insolvency Rules 1986 (as amended)*

**Duff & Phelps Ltd
35 Newhall Street
Birmingham
B3 3PU**

Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Agents	Hilco Appraisal Limited, independent agents who were instructed to value and sell the assets of the Company
the Appointment Date	2 October 2014, being the date of appointment of the Joint Liquidators
the Administration Appointment Date	30 December 2013, being the date of appointment of the former Joint Administrators
the Bank	Lloyds Banking Group, with whom the Company banked
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
Centric	Centric Commercial Finance, with whom the Company had an invoice finance facility and stock loan facility, and the holder of a fixed and floating charge over the Company's assets
Close	Close Asset Finance Limited, a holder of a chattel mortgage over some of the Company's plant and machinery
the Company	McKechnie Brass Limited (In Creditors' Voluntary Liquidation) (Company Number 07773851)
DBIS	The Department for Business Innovation and Skills
the Directors	Colin Tiernan, Robert Hankinson, Robert Crilly, Jonathon Grove, Peter Lombardi and Leszek Litwinowicz, the directors of the Company
Duff & Phelps	Duff & Phelps Ltd, 35 Newhall Street, Birmingham, B3 3PU
EC Regulation	EC Regulation on Insolvency Proceedings 2000
Grove	Grove Industries Limited, the holder of a fixed and floating charge over the Company's assets
Landlord	St Francis Group, April Barns, Redditch Road, Ullenhall, West Midlands, B95 5NY, the landlord of the trading premises situated at Middlemore Lane, Aldridge, Walsall, WS9 8DN
the Joint Liquidators	Paul Williams and Jason Godefroy of Duff & Phelps Ltd, The Shard, 32 London Bridge Street, London, SE1 9SG
HCR	Harrison Clark Rickerbys, the former Joint Administrators' instructed solicitors
HMRC	HM Revenue and Customs

the former Joint Administrators	John Whitfield of Duff & Phelps Ltd , 35 Newhall Street, Birmingham, B3 3PU and Jason Godefroy of Duff & Phelps Ltd , The Shard, 32 London Bridge Street, London, SE1 9SG
Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential unsecured creditors
the Reporting Period	The period of this report, being 27 November 2015 to 26 November 2016
RPS	Redundancy Payments Service
the Rules	The Insolvency Rules 1986 (as amended)
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SOA	Statement of Affairs, documentation to be supplied by the Directors outlining the Company's financial position as at the Appointment Date
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006

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- 1 Introduction
- 2 Background
- 3 Joint Liquidators' Receipts and Payments Account
- 4 Progress of the Liquidation
- 5 Dividend Prospects/Prescribed Part
- 6 Costs and Expenses
- 7 Further Information
- 8 Conclusion

Appendices

- 1 The Joint Liquidators' Receipts and Payments Account
- 2 Analysis of Time Charged and Expenses Incurred
- 3 Proof of Debt form

Names of Joint Liquidators	Jason Godefroy	John Whitfield	Paul Williams
Date of appointment	2 October 2014	2 October 2014 (Vacated 26 November 2015)	26 November 2015
Appointed by	The Directors	The Directors	High Court of Justice Manchester District Registry
Court reference:	High Court of Justice Worcester District Registry Court No 484 of 2013	High Court of Justice Worcester District Registry Court No 484 of 2013	High Court of Justice Manchester District Registry No 3132 of 2015
Date of report	14 December 2016		
Functions	The functions of the Joint Liquidators are being exercised by any of the Liquidators		

1. Introduction

- 1 1 The purpose of this annual progress report is to detail the Joint Liquidators' acts and dealings together with the conduct of the Liquidation during the Reporting Period

2. Background

- 2 1 The Joint Liquidators were appointed on the dates and by the appointing entity listed on the preceding page of this report
- 2 2 The Company's registered office is c/o Duff & Phelps Ltd 35 Newhall Street, Birmingham, B3 3PU The Company's registration number is 07773851
- 2 3 The Company's former registered office was Middlemore Lane, Aldridge, Walsall, West Midlands This was also the former trading address
- 2 4 The Company's principal activity was producing extruded and rolled brass profile and billet
- 2 5 Full details of the main causes of failure were reported in the former Joint Administrators' Report to Creditors and Statement of Proposals which is available upon request

3 Joint Liquidators' Receipts and Payments Account

- 3 1 A detailed receipts and payments account for the Reporting Period is shown in Appendix 1

4 Progress of the Liquidation

- 4 1 The manner in which the affairs and business of the Company have been managed and financed since the appointment of Joint Liquidators in the Reporting Period are set out below

Asset Realisations

- 4 2 Full details of the asset realisations were provided in the former Joint Administrators reports to creditors These reports are available upon request

Bank Interest

- 4 3 Bank interest totalling £105 has been earned in the Reporting Period
- 4 4 There have been no further asset realisations in the Reporting Period

5. Dividend Prospects / Prescribed Part

Centric

- 5 1 As previously advised, in consideration for the monies advanced under the Company's invoice discounting agreement, the Company granted Centric a debenture dated 28 September 2011, which confers fixed and floating charges over all of the assets of the Company In addition, the invoice discounting agreement required the assignment of all book debts to Centric
- 5 2 Centric have now been repaid in full

Grove

- 5 3 In consideration for monies advanced to the Company as loans, the Company granted Grove a debenture dated 28 September 2011, which confers fixed and floating charges over the assets of the Company. This security ranks behind that granted to Centric and Close.
- 5 4 At the Administration Appointment Date, the Company's indebtedness to Grove totalled £3,790,000, including interest, and subject to further interest and charges, if applicable.
- 5 5 In the Administration period a distribution of £600,000 had been paid to Grove under their floating charge.
- 5 6 It is currently anticipated that there will be insufficient realisations to repay Grove in full.

Close

- 5 7 The Company granted a chattels mortgage to Close on 20 July 2012 in respect of identified plant and machinery on site.
- 5 8 As at the Administration Appointment Date, the Company's total indebtedness to Close was approximately £325,060, subject to accruing interest and charges.
- 5 9 Under the terms of their fixed charge, Close took control of their charged assets and completed a sale to a third party, being the Landlord. They were not repaid in full from fixed charge realisations.

Preferential Creditors

- 5 10 The Joint Liquidators received preferential claims totalling £25,273 which were paid in full on 15 April 2015.

Prescribed Part

- 5 11 Pursuant to section 176A of the Act where a floating charge is created after 15 September 2003, a Prescribed Part of the Company's net property shall be made available to unsecured creditors.
- 5 12 The Prescribed Part is calculated as a percentage of net property, is as follows -

Net property less than £10,000	50% unless the Joint Administrator considers that the costs of making a distribution to the non-preferential unsecured creditors would be disproportionate to the benefits.
Net property greater than £10,000	50% up to £10,000 plus 20% thereafter to a maximum of £600,000.

- 5 13 There have been sufficient realisations to enable a distribution to be made to unsecured creditors pursuant to the Prescribed Part.
- 5 14 The Joint Liquidators currently anticipate a first and final dividend to unsecured creditors via the Prescribed Part will be paid within the next 3-4 months.
- 5 15 The Prescribed Part fund is expected to be in the order of £195,000 before costs.

Ordinary Unsecured Creditors

- 5 16 The Joint Liquidators have received claims to date totalling £2,709,250 excluding residual employee claims which are estimated to be in the region of £467,510
- 5 17 Based upon the current information available, it is anticipated that there will be insufficient realisations to enable a distribution to the non-preferential unsecured creditors of the Company, other than from the Prescribed Part

6. Costs and Expenses

- 6 1 The basis of the Joint Liquidators' remuneration was fixed on the basis of time properly given by them and their staff by the Secured and Preferential Creditors on 8 November 2011 in the Administration of the Company. The Joint Liquidators' disbursements, including category 2 disbursements, were also approved on that date. The Joint Liquidators' remuneration and disbursements will be drawn on a time cost basis in accordance with Rule 4.127(5A)(a) of the Insolvency Rules, as amended.
- 6 2 The time costs charged in the period since appointment are as analysed at Appendix 2. Time has been charged in six minute units.
- 6 3 The key areas where time has been charged in the Reporting Period by the Joint Liquidators and their staff are
- Ordinary unsecured creditor claim handling and adjudication
 - Dealing with statutory matters in the Liquidation
- 6 4 The total time costs incurred by the Joint Liquidators to the end of the Reporting Period are £11,455 representing 52 hours with an average charge out rate of £221.
- 6 5 In the Reporting Period the Joint Liquidators' work has primarily focussed on agreeing creditor claims, preparing for payment of the Prescribed Part dividend and case administration generally.
- 6 6 The Joint Liquidators were paid no remuneration in the Reporting Period. The Joint Liquidators' disbursements have not yet been paid.
- 6 7 The Joint Liquidators have not incurred any disbursements in the Reporting Period.
- 6 8 The Joint Liquidators have incurred expenses in dealing with the Liquidation of the Company and these are detailed in Appendix 2.
- 6 9 Information regarding the fees and disbursements of liquidators, including details of the Duff & Phelps disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Liquidators' Fees". This can be viewed and downloaded from the Joint Liquidators' website at <http://www.duffandphelps.com/uk-restructuring/creditor-guides>. Should you require a copy, please contact this office.
- 6 10 Any secured creditor, or any unsecured creditor (with the support of at least 10% in value of the unsecured creditors or the permission of the court), may apply to court on the grounds that the remuneration or basis fixed for the Liquidator's remuneration or the expenses incurred by the Liquidator are considered to be excessive. This application must be made no later than 8 weeks after receipt of the progress report, where the charging of the remuneration or the incurring of

expenses in question occurs

7 Further Information

- 7.1 In accordance with Rule 4.49E of the Rules, secured creditors and unsecured creditors (with the concurrence of at least 5% in value of total unsecured claims) may make a request in writing to the Liquidator for further information about the remuneration or expenses set out in this progress report. This should be done within 21 days of receipt of this report.

8. Conclusion

- 8.1 Creditors will receive formal reports annually until the conclusion of the Liquidation.
- 8.2 Based on current information, the Joint Liquidators anticipate that the Liquidation will end within the next 6 months.
- 8.3 In the meantime if you require any further information please contact Galina Vassilyeva of this office.



Paul Williams
Joint Liquidator

Appendix 1

Joint Liquidators' Receipts and Payments Account

McKechnie Brass Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 27/11/2015 To 26/11/2016 £	From 02/10/2014 To 26/11/2016 £
SECURED CREDITORS		
Chargeholder (1)	NIL	30,056 00
	NIL	(30,056 00)
ASSET REALISATIONS		
Debtors	NIL	27,008 69
Administration Surplus	NIL	440,327 39
Bank Interest Gross	105 51	561 49
	105 51	467,897 57
COST OF REALISATIONS		
Liquidators' remuneration	NIL	20,000 00
Legal Fees	NIL	5,080 89
Legal Disbursements	NIL	836 12
Stationery & Postage	240 43	824 76
Storage Costs	1,743 00	2,305 50
Statutory Advertising	NIL	84 60
Bank Charges	33.28	74.81
Employment Rights Consultants	NIL	1,580.00
	(2,016 71)	(30,786 68)
PREFERENTIAL CREDITORS		
HMRC	NIL	126 99
The National Insurance Fund	NIL	25,326.35
Employee Arrears/Hol Pay	NIL	269 82
	NIL	(25,723 16)
FLOATING CHARGE CREDITORS		
Floating Charge Creditor	NIL	100,000 00
	NIL	(100,000 00)
	(1,911.20)	281,331.73
REPRESENTED BY		
VAT receivable		249 00
Floating/main current account		281,082 73
		281,331.73

Appendix 2

Analysis of Time Charged and Expenses incurred

McKechnie Brass Limited (In Creditors' Voluntary Liquidation)
Analysis of the Joint Liquidators Time Costs for the Period 27 November 2015 to 26 November 2016

Classification of Work Function	Hours					Total Hours	Time Cost (£)	Avg Hourly Rate (£)
	Partner	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review and Case Diary	0 00	0 00	0 00	4 20	0 00	4 20	577 00	137 38
Cashiering & accounting	0 00	0 00	3 00	3 70	0 00	6 70	1 600 50	238 88
IPS set up & maintenance	0 00	0 00	0 00	0 40	0 00	0 40	87 00	217 50
Statutory matters (Meetings & Reports & Notices)	0 00	0 30	0 00	4 40	0 10	4 80	732 00	152 50
Strategy planning & control	0 00	0 20	0 00	0 90	0 00	1 10	233 50	212 27
Tax Compliance/Planning	0 00	0 00	0 00	2 60	0 00	2 60	422 00	162 31
Creditors								
Communications with	0 00	0 00	0 00	3 90	0 45	4 35	756 50	173 91
Non Pref Creditor claims adjudication and dist'n	0 00	0 00	0 00	0 20	0 00	0 20	23 00	115 00
Non Pref Creditors/Employee claims handling	0 00	0 90	0 10	0 70	0 00	1 70	568 50	334 41
Prescribed Part	0 00	4 70	0 10	20 20	0 00	25 00	6 314 00	252 56
Realisation of Assets								
Book debts	0 00	0 00	0 00	0 70	0 00	0 70	140 50	200 71
Total Hours	0 00	6 10	3 20	41 80	0 55	51 75		221 34
Total Fees Claimed	0 00	2,580 00	1,040 00	7,812 50	22 00		11,454 50	

McKechnie Brass Limited (In Creditors' Voluntary Liquidation)

Progress Report

14 December 2016

McKechnie Brass Limited (In Creditors' Voluntary Liquidation)

Analysis of the Joint Liquidators Time Costs for the Period 7 October 2014 to 26 November 2016

Classification of Work Function	Hours					Total Hours	Time Cost (£)	Avg Hourly Rate (£)
	Partner	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review and Case Diary	0 00	1 20	0 00	14 00	0 00	15 20	3 005 00	197 70
Cashiering & accounting	0 00	1 60	6 60	17 90	0 10	26 20	6 113 00	233 32
IPS set up & maintenance	0 00	0 10	0 00	0 60	0 00	0 70	177 00	252 86
Insurance	0 00	0 00	0 00	2 10	0 00	2 10	433 50	206 43
Statutory matters (Meetings & Reports & Notices)	0 00	0 80	0 00	21 40	0 10	22 30	3 973 50	178 18
Strategy planning & control	0 50	3 20	0 00	4 30	0 00	8 00	2 552 50	319 06
Tax Compliance/Planning	0 00	0 60	0 00	7 00	0 00	7 60	1 597 00	210 13
Creditors								
Communications with	0 00	0 00	0 00	13 00	0 65	13 65	2 513 00	184 10
Non Pref Creditor claims adjudication and dist'n	0 00	0 00	0 00	0 90	0 00	0 90	103 50	115 00
Non Pref Creditors/Employee claims handling	0 00	1 20	0 10	8 40	0 00	9 70	1 944 00	200 41
Pref claims adjudication and distribution	0 00	0 50	9 00	8 30	0 00	17 80	4 590 00	257 87
Prescribed Part	0 00	4 70	0 10	53 10	0 00	57 90	10 837 50	187 18
Secured Creditors	0 00	1 30	0 40	2 50	0 00	4 20	1 214 50	289 17
Investigations								
CDDA & reports & Communication	0 00	0 00	0 00	1 40	0 00	1 40	233 00	166 43
Financial review and investigations (S236/239 etc)	0 00	0 00	0 00	0 50	0 00	0 50	132 50	265 00
Realisation of Assets								
Book debts	2 50	17 60	9 70	3 50	0 00	33 30	12 091 00	363 09
Freehold and Leasehold Property	0 50	3 40	0 00	1 60	0 00	5 50	2 069 00	376 18
Plant & Machinery & Fixtures & Motor Vehicles	0 00	0 00	0 00	0 50	0 00	0 50	122 50	245 00
Total Hours	3.50	36.20	25.90	161.00	0.85	227.45		236.10
Total Fees Claimed	1,855 00	15,242.00	7,569 50	29,001 50	34 00		53,702 00	

McKechnie Brass Limited (In Creditors' Voluntary Liquidation)
Joint Liquidators' Expenses

Company	Activity	Fee Basis	Reporting Period	
			Incurred	Amount Paid
			(£)	(£)
Professional Advisors				
Accurate Mailing Services Limited	Mailing Agent Issuing correspondence to creditors	Fixed fee	240 43	240 43
Clarks Archive Services	Archiving/Storage books and records		1,743 00	1,743 00
TOTAL			<u>£1,983.43</u>	<u>£1,983.43</u>

The Joint Liquidators' choice of professional advisors was based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and the basis of their fee

Appendix 3

Proof of Debt Form

Rule 4 73

Form 4 25

Proof of Debt – General Form

McKechnie Brass Limited (In Creditors' Voluntary Liquidation)	
Relevant Date for Claims 30 December, 2013 (Administration)	
1	Name of creditor (If a company please also give company registration number)
2	For correspondence Address of creditor
	REF
	Contact telephone number of creditor
	Email address of creditor
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation
4	Details of any documents by reference to which the debt can be substantiated (Note There is no need to attach them now but the liquidator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting)
5	If amount in 3 above includes outstanding uncapitalised interest please state amount. £
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)
7	Particulars of any security held, the value of the security, and the date it was given
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates
9	Signature of creditor or person authorised to act on his behalf
	Name in BLOCK LETTERS
	Position with or in relation to creditor Address of person signing (if different from 2 above)
Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Liquidator	Liquidator