

**2.23B**

## The Insolvency Act 1986

**Notice of result of meeting of Creditors**

Name of Company

Abrapower Limited

Company number

01159277

In the  
Birmingham District Registry

(full name of court)

Court case number  
8516 of 2012(a) Insert full name(s)  
and address(es) of the  
administrator(s)

I/We (a)

Daniel Plant

SFP

9 Ensign House

Admirals Way

Marsh Wall

London

E14 9XQ

Simon Franklin Plant

S F P

9 Ensign House

Admirals Way

Marsh Wall

London

E14 9XQ

hereby report that a meeting of the creditors of the above company was held by correspondence and

\*Delete as applicable

1 Proposals were approved

A creditors' committee was not was not formed

Signed

Joint / Administrator(s)

Dated

13/12/12

\*Delete as applicable

A copy of the original proposals is attached for those who did not receive such documents prior to the meeting

**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  
formThe contact information that you give  
will be visible to searchers of theSFP  
9 Ensign House  
Admirals Way  
Marsh Wall  
London  
E14 9XQ  
Tel 020 7538 2222  
DX Number

DX Exchange

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

FRIDAY



\*A1NRWESG\*

A03

14/12/2012

#173

COMPANIES HOUSE

**Schedule of Agreed Proposals of  
Abrapower Limited Limited (in Administration) ("the Company")  
in accordance with the Insolvency Act 1986 and the Insolvency Rules 1986**

- 1 the Administration of the Company continue in order to effect outstanding realisations of the Company's business and assets and finalise any additional matters which require the assistance of the moratorium,
2. the Joint Administrators' time costs associated with the pre-appointment period of £8,682 50 be paid in full in accordance with Rule 2 67A(3), from funds held in the insolvent estate,
- 3 the Joint Administrators' remuneration be fixed by the time properly spent by them and their staff in attending to matters arising out of the Administration in accordance with Statement of Insolvency Practice 9 and that the Joint Administrators be authorised to draw remuneration as and when funds become available,
4. the Joint Administrators be authorised to recover all disbursements including category 2 disbursements as defined by the Statement of Insolvency Practice 9,
5. the Joint Administrators be authorised to make a distribution to any secured or preferential creditor in accordance with Schedule B1, Paragraph 65 Further, to make a distribution to unsecured creditors following court approval, in accordance with Schedule B1 Paragraph 65 (3),
- 6 SFP Datastore will charge upfront for the minimum period of two years storage and destruction of the records / permanent box removal of £20 80 and £9 per box respectively, shortly following appointment,
7. in the event that the Joint Administrators think that the Company has no property which might permit a distribution to its creditors, they shall be authorised to file a notice of dissolution of the Company pursuant to paragraph 84 of Schedule B1 to the Act,
- 8 In the event that there are or may be further realisations that result in a dividend to unsecured creditors the Joint Administrators shall seek to place the Company into Creditors' Voluntary Liquidation in order to effect a distribution In such circumstances they will be looking to take the appointment as Liquidators In accordance with Schedule B1, Paragraph 83(7) of the Act and Rule 2 117(3), creditors are able to nominate a different person or persons as proposed Liquidator or Liquidators, provided that the nomination is made after the receipt of the proposals and before they are approved,
- 9 as an alternative to paragraphs 7 and 8 the Joint Administrators be able to seek to place the Company into Compulsory Liquidation in order to pursue such actions and bring proceedings that only a Liquidator is permitted to bring pursuant to the Act,
- 10 upon the placing of the Company into Liquidation under paragraph 8 or 9 or the necessary form being filed for the Company to be dissolved, the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Schedule B1, paragraph 98 of the Act,
11. upon the placing of the Company into Liquidation, the Joint Liquidators' remuneration be fixed on the same basis as that of the Joint Administrators' remuneration, in accordance with Rule 4 127(5A) and that the Joint Liquidators be authorised to draw remuneration as and when funds become available, and
- 12 upon the placing of the Company into Liquidation, the Joint Liquidators be authorised to act in a joint and several capacity

SFP



**TO MEMBERS AND ALL KNOWN CREDITORS**

Date: 23 November 2012  
Contact: Catherine Harrison  
Direct Dial: 020 7538 2222

Our Ref ABR0001/CZH/221112.P4

Dear Sirs

**Abrapower Limited (In Administration) ("ABR")**

I refer to my letter dated 2 November 2012 which was provided to you with, inter alia, a brief explanation of the effect/purpose of the Administration of ABR and the next stage.

I have previously explained that, pursuant to Schedule B1, Paragraph 49 of the Insolvency Act 1986, the Joint Administrators are required, within 8 weeks of their appointment to provide creditors with a report and statement of proposals for achieving the purpose or purposes specified.

To this end, I confirm that my Report and Statement of Proposals, which provides an update as to the general progress of ABR's Administration as at 16 November 2012 are available to download from my firm's website at [www.sfpgroup.com](http://www.sfpgroup.com).

To access the report for this case, please select the "creditor login" tab on the SFP website, entering the following details when prompted:

**Username:** abrcreditor  
**Password:** J72DnSMBcm

You may request a hard copy of the report by contacting Catherine Harrison of this office

Yours faithfully

**Daniel Plant**  
**Joint Administrator**

In accordance with paragraph 45 of Schedule B1 of the Insolvency Act 1986, notice is hereby given that the affairs, business and property of Abrapower Limited (In Administration) are being managed by Simon Franklin Plant and Daniel Plant of SFP, acting as Joint Administrators. Pursuant to paragraph 69 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators act as agents of the company and without personal liability.

**Abrapower Limited (In Administration)**  
**Report to Creditors and Statement of Proposals**  
**Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986**

---

**Strictly Private and Confidential**

**Abrapower Limited (In Administration)**

**Report to Creditors and  
Statement of Proposals  
Pursuant to Paragraph 49(1) of  
Schedule B1 to the Insolvency Act 1986**

**Daniel Plant  
MIPA FABRP**

**Simon Franklin Plant  
MIPA FABRP**

**SFP  
9 Ensign House  
Admirals Way  
Marsh Wall  
London  
E14 9XQ**

**Tel: +44 (207) 5382222  
Fax: +44 (207) 5383322  
Email: [simonp@sfpgroup.com](mailto:simonp@sfpgroup.com)  
[danielp@sfpgroup.com](mailto:danielp@sfpgroup.com)**

This report has been written and presented for the sole purpose of complying with the relevant provisions of the Insolvency Act 1986 and the Enterprise Act 2002. It may not be disclosed, disseminated or copied without our prior written permission, other than to those entitled under statute or otherwise as ordered by the Court, and no liability will be accepted to any other person or party who acts or refrains from acting on its contents

## **Contents**

- 1. Executive Summary**
- 2. Introduction**
- 3. The Joint Administrators' Appointment**
- 4. Company History, Events Leading to the Administration Order and Pre-Planning Work**
- 5. The Purpose of the Administration**
- 6. Events Following the Joint Administrators' Appointment Leading to Initial Strategy**
- 7. General Progress in Relation to the Administration**
- 8. The Statement of Affairs and the Outcome for Creditors / The Joint Administrators' Receipts and Payments Account**
- 9. Statement of Pre-Appointment Costs**
- 10. The Joint Administrators' Costs**
- 11. Additional Points Required to be Made Pursuant to the Rules**
- 12. Conduct of Business by Correspondence**
- 13. The Joint Administrators' Proposal**
- 14. Ancillary**

## **Appendices**

- I Statutory Information**
- II Estimated Statement of Affairs as at 31 October 2012 / Creditors' Details**
- III Joint Administrators' Income and Expenditure Account to 16 November 2012**
- IV Breakdown of Joint Administrators' Fees / Pre-Appointment Fees**
- V Breakdown of SFP Forensic Limited Fees**
- VI Breakdown of SFP Property Limited Fees**
- VII Breakdown of SFP Recoveries Limited Fees**
- VIII Breakdown of SFP Datastore Limited Fees**
- IX SFP and Associated Entities' Charge Out Rates**
- X Proof of Debt Form**
- XI Guide to Administrators' Fees**
- XII Form 2 25B**

**Abrapower Limited (In Administration)**  
**Report to Creditors and Statement of Proposals**  
**Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986**

---

**1. Executive Summary**

**SECTION/APP. REFERENCE**

- |  |                                      |
|--|--------------------------------------|
| <p>1.1 The Company was placed into Administration on 31 October 2012. The purpose of rescuing the Company as a going concern was not achievable. The primary purpose of the Administration was therefore to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).</p>  | <p>Section 5</p>                     |
| <p>1.2 The Company was incorporated on 6 February 1974 to initially trade in the production of grinding wheels, before later focusing upon abrasive products. Its registered office and main trading premises was situated at Romford Road, Astonfields Industrial Estate, Stafford ST16 3DZ.</p>  | <p>Section 4<br/>and Appendix I</p>  |
| <p>1.3 Following its incorporation in 1974, the Company operated for a short time sourcing and re-selling grinding wheels. For reasons unknown, the Company subsequently ceased to trade and remained dormant until 1985, when trading recommenced. At this point, it is understood the Directors family invested funds to support the business in selling vulcanised fibre discs used in fabrication. In 1988, the Company obtained a bank account and overdraft facility with Lloyds Bank Plc. By way of security, the bank registered a debenture containing fixed and floating charges on 2 August 1988. After several years of growth and successful trading, the Company sought larger premises. Accordingly, in 1998 the Company acquired the freehold at Romford Road, Astonfields Industrial Estate, Stafford, Staffordshire ST16 3DZ, subject to a mortgage provided by Lloyds Bank Plc. By way of security, the bank registered its mortgage interest at Companies House on 26 June 1998. The Company is understood to have continued to operate successfully up until the global economic downturn, in 2008 when demand for the Company's products declined drastically. This led to certain cost cutting measures being undertaken, which included the redundancy of certain staff. It also entered into an invoice discount facility with Lloyds TSB Commercial Finance Limited to assist with cash-flow. By way of security, Lloyds TSB Commercial Finance Limited registered a debenture at Companies House on 13 March 2012. Notwithstanding certain months of improved trading, the underlying problems remained and creditor pressure increased mid-2012. This ultimately led to the Director seeking professional advice, and subsequently placing the Company into Administration by way of a director appointment.</p> | <p>Section 4<br/>And Appendix II</p> |
| <p>1.4 It was envisaged that the primary purpose of the Administration would be achieved by a sale of the business and assets on a going concern basis. It was however determined that trading the business was not a viable option. The Joint Administrators are still in the process of marketing the business and assets and freehold property for sale.</p>  | <p>Section 6</p>                     |
| <p>1.5 The purpose of the Administration is still in the process of being achieved and there is still a significant amount of work to be undertaken. This includes the marketing and sale of the assets and freehold property, debtor recoveries and continued investigations into the Company's affairs. The Joint Administrators consider that it may be advisable for the Company to continue in Administration for the time being. However, they require the option of placing it into Creditors' Voluntary Liquidation for distribution purposes in the event that there are sufficient realisations in the Administration for a dividend to unsecured creditors. Alternatively, the Joint Administrators will file notice of dissolution of the Company at Companies House should they take the view that the Company has no property which might permit a distribution to its creditors, unless they believe that they should present a winding up petition at court, so that a liquidator can be appointed to further investigate the Company's affairs. It is not proposed to convene a meeting of creditors.</p>   | <p>Sections 7, 11 and 12</p>         |
| <p>1.6 Questionnaires have been sent to creditors. Responses may assist the Joint Administrators with their general investigation duties. Accordingly, those who have not replied are urged to do so.</p>  | <p>Section 13</p>                    |

**Abrapower Limited (In Administration)**  
**Report to Creditors and Statement of Proposals**  
**Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986**

---

**2. Introduction**

- 2.1** This Report and Statement of Proposals ("the Report") is prepared pursuant to Schedule B1, Paragraph 49 of the Insolvency Act 1986, ("the Act") in relation to Abrapower Limited ("the Company"), the purpose of which is to provide creditors with a full update as to the present position and seek creditors' approval of the next stage of proceedings
- 2.2** The Report also includes information required to be provided to creditors pursuant to Rule 2.33 of the Insolvency Rules 1986 ("the Rules"). All statutory information pertaining to the Company is set out in Appendix I

**3. The Joint Administrators' Appointment**

- 3.1** On 30 October 2012, the Company held a board meeting at Romford Road, Astonfields Industrial Estate, Stafford, Staffordshire ST16 3DZ. At the meeting, it was resolved that the Company could no longer meet its liabilities as and when they fell due and as a result the director sought the appointment of Joint Administrators as soon as possible.
- 3.2** The director filed a Notice of Intention to Appoint an Administrator ("the Notice of Intention") at the Birmingham District Registry and subsequently served upon the Company's qualifying floating charge holders, Lloyds Bank Plc ("Lloyds") and Lloyds TSB Commercial Finance Limited ("LTSBCF"). The Notice of Intention was endorsed with the No. 8516 of 2012.
- 3.3** Both Lloyds and LTSBCF consented to the Joint Administrators appointment on 30 October 2012. Accordingly, on 31 October 2012, Notice of Appointment of an Administrator by Directors of the Company ("the Notice of Appointment") was presented to the Birmingham District Registry. Both Simon Franklin Plant and Daniel Plant were appointed Joint Administrators ("the Joint Administrators"). Pursuant to Schedule B1, Paragraph 100(2) of the Act, the Joint Administrators act jointly and severally.

**4. Company History, Events Leading to the Administration Order and Pre-Planning Work**

**Company History and Events Leading to the Administration Order**

- 4.1** Albeit that statutory information is contained in Appendix I, this report provides brief details in relation to the Company's history.
- 4.2** The Company was incorporated on 6 February 1974, to sell grinding wheels. After a short period, it ceased to trade and the Company remained dormant for several years after. According to Companies House, there have been no name changes in the past twenty years.
- 4.3** The Company's registered office and trading premises were located at Romford Road, Astonfields Industrial Estate, Stafford, Staffordshire ST16 3DZ ("the Trading Premises").
- 4.4** As at the date of Administration, Mr Richard Woodiwiss ("Mr Woodiwiss") was the Company's only appointed director. Barbara Tropiejko ("Ms Tropiejko") was the Company Secretary.
- 4.5** In 1985, trading recommenced with funding from Mr Woodiwiss' family members. The purpose of the Company at this time was to sell vulcanised fibre discs used in fabrication.

**Abrapower Limited (In Administration)**  
**Report to Creditors and Statement of Proposals**  
**Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986**

---

- 4.6 In addition to the family investment, the Company obtained a business overdraft from its bank, Midland Bank Plc ("MBP"). By way of security, MBP registered a debenture at Companies House on 7 October 1985.
- 4.7 In 1988, the Company changed banks and obtained an account and overdraft facility with Lloyds. Accordingly, following the repayment of MBP, its debenture was marked as satisfied and a new charge was granted to Lloyds on 2 August 1988.
- 4.8 In 1990, the Company was approached by a business based in California, which requested that the company manufacture cosmetic filing blocks for it. Accordingly, Mr Woodwiss created a bespoke machine that would enable the production process to be carried out.
- 4.9 Demand for the product increased and the Company enjoyed several years of growth as a result. The Company's clients were mainly based in USA and Europe which meant that circa 90 – 95% of its income was derived from exporting goods.
- 4.10 In 1998, the Company was seeking a larger unit from which to trade, in view of the increased demand for its products. Accordingly, it acquired the freehold title to the Trading Premises subject to a mortgage from Lloyds. By way of security, Lloyds registered its mortgage interest at Companies House on 26 June 1998.
- 4.11 Between 2000 and 2008, the Company is understood to have traded profitably. With reserve funds, it invested in a corporation in the USA, called Abrapower Inc ("API"). Over several years the Company funded a number of purchases for API's start-up including the development of machinery and API subsequently began to trade in 2005. In total, the investment by the Company is understood to have been circa \$1.2m.
- 4.12 In exchange for the investment, Mr Woodwiss is understood to have taken a 50% shareholding in API, together with Ms Tropiejko, who held the remaining 50%.
- 4.13 Notwithstanding the purchase of the Trading Premises, the Company had grown to a point whereby it required additional storage space in 2006. Accordingly, it entered into a lease agreement to occupy a unit located at Part of Unit 3, Astonfields Industrial Estate, Drummond Road, Stafford ("the Warehouse Premises").
- 4.14 In 2008, Mr Woodwiss explained that demand for the Company's products suddenly declined dramatically as a result of the global economic downturn. He advised that monthly revenue dropped by circa 40% and the cost of raw material increased as well.
- 4.15 In order to address the financial difficulties the Company undertook some cost cutting exercises which included making certain staff redundant. These measures are understood to have assisted and steadily, demand for the products returned which improved the financial position.
- 4.16 In addition to the cost cutting measures, Mr Woodwiss sought repayment of the loan made to API. However, given that there was no formal agreement in place to govern the terms of the loan, the Company did not receive payment and instead, entered into negotiations regarding terms of repayment.
- 4.17 The Company also sought invoice finance and in March 2012, it entered into an agreement with LTSBCF. By way of security, LTSBCF registered a debenture at Companies House on 13 March 2012.



**Abrapower Limited (In Administration)**  
**Report to Creditors and Statement of Proposals**  
**Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986**

---

- 4.18 Despite trade improving over the subsequent months, Mr Woodiwiss explained that demand once again dramatically curtailed in August 2012. This led to him looking to sell the Trading Premises in order to release equity and raise working capital.
- 4.19 During this period the Company came under increasing creditor pressure with a number of trade accounts in arrears.
- 4.20 As a result of the Company being unable to complete a sale of the freehold, it sought professional advice in relation to its difficulties. Consequently, Mr Woodiwiss discussed the position with a firm of Insolvency Practitioners with a view to placing the Company into Administration.
- 4.21 Lloyds and LTSBCF were subsequently informed of the directors' intention. LTSBCF introduced SFP to Mr Woodiwiss who, after meeting one of the partners of SFP, instructed them to place the Company into Administration.
- 4.22 At Appendix II is an Estimated Statement of Affairs as at the date that the Company was placed into Administration ("the Statement of Affairs"). The Statement of Affairs indicates that the Company was insolvent on a balance sheet basis with a deficiency to creditors of £623,592.

**Pre-planning work**

- 4.23 A partner of SFP, together with SFP's staff have undertaken pre-appointment work in respect of this matter. This work includes printing and reviewing company searches, attending on-site meetings with the Director and LTSBCF to discuss the position and explore various options, holding internal meetings and dealing with appointment documentation.

**5. The Purpose of the Administration**

- 5.1 The purposes of an Administration are set out in Schedule B1, Paragraph 3(1) of the Act. In short, this provides that an Administrator of a company must perform his functions with the objective of
- 5.1.1 rescuing the company as a going concern, or
  - 5.1.2 achieving a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration), or
  - 5.1.3 realising property in order to make a distribution to one or more secured or preferential creditors.
- 5.2 The purposes are therefore a hierarchy of objectives. The rescue of a company is the priority. Next is to instead achieve a better return to the creditors as a whole. In the event that this cannot be achieved then the Administrator is permitted to realise assets for the benefit of the preferential or secured creditors.
- 5.3 In the light of the insolvency of the Company, the initial purpose relating to its rescue could only be achieved through a company voluntary arrangement. This was not considered to be achievable, although it appeared that the second purpose was a viable option. Full details concerning progress in respect of this purpose are set out in Section 7.

**6. Events Following the Joint Administrators' Appointment Leading to Initial Strategy**

- 6.1 As a rescue of the Company was not possible, the primary purpose of the Administration was to obtain a better result for the creditors as a whole than would be achieved if the Company was simply wound up (without first being in Administration). This would potentially be achieved with the assistance of a statutory moratorium, which protects a company when it is placed into Administration. The moratorium effectively prevents all creditors' actions being taken or progressed without leave of the Court or the Administrator's consent, thereby providing a company with breathing space in which a strategy can be invoked to maximise realisations.
- 6.2 Upon appointment, members of SFP's Administration department and debt recovery division, SFP Recoveries Limited ("SFP Recoveries") (collectively, "the Team") attended the Trading Premises together with valuation agents, Winterhill Asset Limited ("Winterhill").
- 6.3 The Team met with Mr Woodiuss to confirm the placing of the Company into Administration and to provide a broad overview of the impact of this as well as on-going options. The standard director's pack, explaining the impact of the Administration and his fiduciary duties going forward, was provided.
- 6.4 The Team obtained details of the Company's history and established its current circumstances. It also gleaned the various information and documentation required to discharge statutory and non-statutory duties. Meanwhile, a representative from SFP Recoveries collated all debtor information in order to reconstruct debtor files to assist with the collection of book debts.
- 6.5 The possibility of continued trading whilst in Administration was determined not to be a viable option, given that the Company had ceased to trade prior to the Administration and the lack of funding available.
- 6.6 Accordingly, the on-going strategy was discussed with Winterhill and it was decided that notwithstanding the ceasing of trade, there would be a small window of opportunity to seek a buyer of the business on a going concern basis. In the event that this was not achievable, the tangible assets and freehold premises would be sold on a break-up basis.

**7. General Progress in Relation to the Administration**

**Sale of Business**

- 7.1 In order to establish the level of interest, Winterhill was instructed to undertake a valuation of the business and assets of the Company. Following completion of this, it undertook a marketing campaign which consisted of an email shot to appropriate contacts within its database as well as placing an advertisement on its website.
- 7.2 As a result of the marketing campaign, a number of third parties contacted Winterhill to confirm their interest. Accordingly, Non-Disclosure Agreements ("NDA") were provided to each of the interested parties. Upon receipt of a signed NDA, Winterhill released additional information about the Company.
- 7.3 At the time of writing, Winterhill are continuing to liaise with interested parties in order to elicit offers. An update will be provided in the Joint Administrators progress report in due course.

**The Employees**

- 7.4 The Company employed 43 members of staff prior to the cessation of trading. Mr Woodiuss explained all staff with the exclusion of the finance and operations managers had been laid off prior to the Administration.

- 7.5 In view of the Administration and the Company ceasing to trade, all staff were contacted by SFP's Employment Rights Act team ("ERA") to confirm the placing of the Company into Administration and to explain that with immediate effect all positions were redundant
- 7.6 In addition to this and in order to assist the former employees with the completion of their claim forms, a member of the ERA team attended the Trading Premises on 1 November 2012 to meet with all of the former employees.
- 7.7 A letter confirming the redundancy was sent to all employees on 1 November 2012

#### **Work in Progress**

- 7.8 Following a review of the work in progress position, SFP Recoveries established that there was one ongoing order for customer based in Italy. The value of this order was £6,259 and in addition they had an outstanding account with the Company in the sum of £11,648
- 7.9 Accordingly, SFP Recoveries liaised with the debtor in order to agree terms to fulfil the order. However, the debtor explained that it no longer required the goods due to the delays it had suffered. Accordingly, only the outstanding balance will now be pursued

#### **Debtors**

- 7.10 As at the date of the placing of the Company into Administration, its ledger was £235,659, with LTSBCF having an outstanding core commitment of £161,224
- 7.11 SFP Recoveries was instructed to attend the Trading Premise to carry out a reconciliation of the ledger in order to identify any unallocated payments or additional invoicing
- 7.12 During their three day review, SFP Recoveries also recovered and collated supporting documentation in order to assist LTSBCF with collection of the sales ledger
- 7.13 LTSBCF explained that it has instructed its collection agent, Cerberus to carry out on-going collections on behalf of LTSBCF. Accordingly, in order to assist, SFP Recoveries liaised with Cerberus directly in order to provide the documentation recovered
- 7.14 SFP Recoveries will continue to monitor the collection of the sales ledger and assist where required. In the event of LTSBCF being repaid in full, SFP Recoveries shall seek to have the sales ledger reassigned and look to recover any outstanding balances for the benefit of the Administration

#### **The Company's Trading Premises**

##### **Trading Premises**

- 7.15 An entity associated with the Joint Administrators' firm, SFP Property Limited ("SFP Property") has been instructed to assist with property related matters
- 7.16 As a starting point, representatives of SFP Property attended the Company's Trading Premises on 31 October 2012 in order to carry out a valuation of the site. This involved drawing up floor plans and undertaking measurements of the appropriate areas
- 7.17 In addition, they contacted local chartered surveyors and estate agents in order to obtain comparable evidence of similar properties in the locality, to assist with its valuation

**Abrapower Limited (In Administration)**  
**Report to Creditors and Statement of Proposals**  
**Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986**

---

- 7.18 Mr Woodwiss provided SFP Property with details of certain third parties whom had previously shown an interest in the site. Accordingly, upon completion of the valuation, SFP Property entered into discussions with these parties as well as additional buyers. Indicative offers were subsequently received.
- 7.19 These offers were reviewed by SFP Property and the highest of these has now been accepted subject to contract. SFP Property will progress the sale and an update will be provided in the Joint Administrators progress report.

**Warehouse Premises**

- 7.20 SFP Property also attended the Warehouse Premises and contacted the landlord of the site in order to confirm the terms of occupation. It was established that the Company occupied the unit pursuant to a lease agreement, with rent pre-paid to cover the period to 22 November 2012. SFP Property have valued this leasehold interest.
- 7.21 The Joint Administrators are in the process of vacating the premises and following this, SFP Property will look to bring the Company's interest in the lease to an end.

**Health and Safety / Safety**

- 7.22 As a result of the Company ceasing to trade, the Trading Premises and Warehouse Premises were unoccupied.
- 7.23 Given that both sites contained chemicals, Winterhill was instructed to conduct a health and safety review. This was subsequently carried out by a specialist contractor. The Joint Administrators are in the process of clearing the Trading Premises and have instructed the appropriate contractors to assist.
- 7.24 In addition, third party security contractor as recommended by the Joint Administrators insurance broker, Vacant Property Specialists ("VPS"), was instructed to attend both sites to carry out a security review.
- 7.25 A full site survey was undertaken by VPS into the security and other potential risks as a result of vacant premises. In accordance with their recommendations, temporary intruder and fire alarms have been installed to both premises and a weekly inspection will also be undertaken.

**Investigation into the Company's Affairs Prior to the Administration**

- 7.26 The Joint Administrators will be undertaking a review of the Company's trading activities, in order to establish whether or not there are actions that may be taken for the benefit of the Administration and furthermore, to have sufficient information to enable a conduct report to be submitted in respect of the requisite directors.
- 7.27 Another entity associated with the Joint Administrators' firm, SFP Forensic Limited ("SFP Forensic") has been instructed to undertake this work on behalf of the Joint Administrators. It has been selected due to its specialist knowledge in carrying out forensic accounting reviews and submission of conduct reports.
- 7.28 SFP Forensic will undertake a full review of the Company's books and records and focus on the accounts and bank statements to complete an analysis of the financial history and investigate various transactions.

7.29 These transactions will include the intercompany loan position with API, together with a review of the ownership of certain of the Company's assets. SFP Forensic met with Mr Woodiwiss on site and spent the day reviewing various paperwork relating to the loan. They have subsequently liaised with Clarke Willmott to assist to determine a strategy to maximise recovery. It is however unknown at this stage what amount, if any, would potentially be recovered from this loan.

7.30 SFP Forensic will continue their investigations and will provide the Joint Administrators with regular update reports.

7.31 Should any creditor have information that may assist with the review, they should bring it to the attention of the Joint Administrators and / or SFP Forensic as soon as they are able.

#### **Additional Issues and Realisations**

7.32 The Company's books and records are in the process of being recovered from the Trading Premises by another entity associated with the Joint Administrators' firm, SFP Datastore Limited ("SFP Datastore"). An inventory will be prepared in due course and the books and records will continue to be stored by them.

7.33 Winterhill are a firm of valuation agents who specialise in insolvency matters. They were chosen to work on the assignment due to their specialist knowledge in the industry.

7.34 Clarke Willmott are a legal practice who specialise in insolvency appointments by Asset Based Lenders. They were chosen to work on this assignment due to this specialism.

### **8. The Statement of Affairs and the Outcome for Creditors / Joint Administrators' Receipts and Payments**

8.1 At Appendix II is an Estimated Statement of Affairs as at the date that the Company was placed into Administration, completed by the Joint Administrators. A Statement of Affairs has been requested from the Company's director / each of the Company's directors. To date, these forms have not been returned.

8.2 In addition to this is a list of creditors whose details have been obtained from the Company's records and whose claims have been lodged. Please note that the £0.00 balances denote claims that are yet to be lodged onto the Joint Administrators' system and does not mean that the claim has been rejected or agreed.

8.3 Attached at Appendix III is the Joint Administrators' Receipts and Payments Account for the period from 31 October 2012 to 16 November 2012.

### **9. Statement of Pre-Appointment Cost**

9.1 Attached at Appendix IV are schedules of the Joint Administrators' time costs associated with the pre-administration period (as defined by Rule 2.33(2A)), which total £8,682.50. The Joint Administrators are proposing resolutions to authorise these costs to be paid in full, plus VAT and disbursements, in accordance with Rule 2.67A(3) and draw their costs from funds held in the insolvent estate. These costs are to be approved by the relevant creditors or by a Creditors' Committee should one be established, as detailed in Section 10.

9.2 The work undertaken prior to the Joint Administrators' appointment is outlined in paragraph 4.23.

**10 The Joint Administrators' Costs**

- 10.1** Given that on present information there will be a surplus available to the unsecured creditors, it looks to be the case that the second purpose of the Administration (at paragraph 5.1.2) could be achieved. From the outset the Joint Administrators arranged for members of their team to be present at the Company's trading premises in order to react to any immediate issues.
- 10.2** To date, the Joint Administrators have undertaken, inter alia, the following actions:
- 10.2.1** undertaking initial review of the trading position and ascertaining the feasibility of continued trading,
  - 10.2.2** liaising with staff and directors in order to deal with immediate issues,
  - 10.2.3** liaising with Winterhill concerning the sale of the Company's business and assets,
  - 10.2.4** dealing with employees through verbal and written notification,
  - 10.2.5** reviewing the Company's books and records for creditor information and employee details,
  - 10.2.6** attending numerous discussions with Mr Woodiwiss to determine the Company's position as at the date of Administration,
  - 10.2.7** liaising with SFP Recoveries and LTSBCF regarding the sales ledger,
  - 10.2.8** liaising with SFP Forensics regarding investigation into the affairs of the Company,
  - 10.2.9** liaising with SFP Property and Winterhill concerning the Trading Premises, and
  - 10.2.10** undertaking all statutory measures including updating creditors, advertising and filing requisite documents and forms at Companies House and Court.
- 10.3** The grade of staff instructed to assist in this matter range from Support Staff who deal with maintenance of the creditor contact database, assisting with creditor queries and sending reports to creditors, Administrators who deal with employee matters, liaise with creditors and debtors and manage the Treasury function of the case and Managers who prepare statutory reports to creditors, returns to Companies House, other statutory matters and oversee the tax and VAT aspects of the case.
- 10.4** At Appendix IV is a breakdown of the time that has been incurred by SFP to date. At Appendix XI is a Guide to Administrators' Fees, being Statement of Insolvency Practice 9.
- 10.5** At Appendix V is a breakdown of the time that has been incurred by SFP Forensic to date.
- 10.6** At Appendix VI is a breakdown of the time that has been incurred by SFP Property to date.
- 10.7** At Appendix VII is a breakdown of the time that has been incurred by SFP Recoveries to date.
- 10.8** At Appendix VIII is a breakdown of the time that has been incurred by SFP Datastore to date.
- 10.9** At Appendix IX is a guide to SFP and its associated entities charge out rates and disbursement rates.

**Abrapower Limited (In Administration)**  
**Report to Creditors and Statement of Proposals**  
**Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986**

---

**10.10** Section 13 sets out the Joint Administrators' proposals. The Joint Administrators anticipate that, subject to recovery of the intercompany loan (as referred to in paragraph 4.10), they should be in a position to pay a dividend to the general body of the creditors. The Joint Administrators are therefore convening a meeting of creditors (to be held by correspondence) in order to consider their proposals, which include the basis upon which their fees and expenses are to be charged to the estate.

**10.11** Disbursements and specific expenditure relating to the administration of an insolvent estate and payable to an independent third party are recoverable without creditor approval. Such expenditure is made, if funds are available from the insolvent estate. If funds are not available the payment is made from this firm's office account and this firm is reimbursed from the insolvent estate if and when funds become available.

**10.12** Payments made out of a firm's office account and re-charged to an insolvent estate are defined as 'Category 1 Disbursements'. This disbursement is explained further under the expenses and Disbursements heading in the Guide to Administrators' fees at **Appendix XI**. The following Category 1 disbursements have been incurred to date, but not yet recharged:

Mail Redirection	£ 110.00
------------------	----------

**10.13** Expenditure incidental to the administration of the insolvent case, which by its nature includes an element of shared or allocated costs, are recoverable with creditor approval. These payments are defined as 'Category 2 Disbursements' and, once again, this disbursement is explained further in the Guide to Administrators' fees at **Appendix XI**. The following Category 2 disbursements have been incurred to date, but not yet recharged:

Postage	£ 34.40
---------	---------

**10.14** The fees incurred by Clarke Willmott, Winterhill, SFP Forensic, SFP Recoveries and SFP Property are on a time cost basis. Charge out rates are reviewed periodically.

**10.15** An Administration will continue for a period up to one year, at which point it will either be extended by creditors' consent or Court Order, be moved into Liquidation or the company will be dissolved.

**10.16** Regulation 3A of The Insolvency Regulations 1994 states that the last Administrator of a company which has been dissolved may, at any time after the expiration of a period of one year from the date of dissolution, destroy the records of the company.

**10.17** In this case, it is not anticipated that the Administration will be concluded much earlier than the maximum one year period. Consequently, the minimum period that the Joint Administrators anticipate holding the Company's books and records for will be two years.

**10.18** SFP Datastore's fees are calculated on a fixed fee basis for storage, retrieval and destruction of books and records and an hourly rate for any further work carried out, including the provision of security services (where applicable). SFP Datastore will be responsible for holding the Company's books and records for the required period, and for arranging for the destruction of these records when applicable.

**10.19** It is proposed that the charges for the minimum period of two years storage and destruction of the records / permanent box removal of £20.80 and £9 per box respectively, will be charged to the case upfront, shortly following appointment.

**10.20** In the event that the Administration is concluded early, the Company is dissolved early and the records are held for less than the anticipated two year period, any fees billed and paid in advance will be credit noted and the funds repaid to the estate as necessary.

**Abrapower Limited (In Administration)**  
**Report to Creditors and Statement of Proposals**  
**Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986**

---

**10.21** In the event that the Administration is extended, any additional charges incurred by SFP Datastore will be paid as they are incurred

**10.22** SFP Forensic, SFP Recoveries, SFP Property and SFP Datastore are entities which are associated with the Joint Administrators' firm, SFP ("the Associated Entities") Pursuant to SIP 9 payments made to outside parties in which the office holder or his firm or any associate has an interest should be treated as a Category 2 Disbursement In accordance with SIP 9 the following information is provided concerning the Associated Entities

**10.22.1** the Associated Entities have been established by SFP to perform functions to which either the office holder or outside agencies could undertake It is considered that by virtue of their specialist nature and close proximity to SFP they will achieve better results than the office holder, his team or any outside agencies would be able to accomplish.

**10.22.2** the Associated Entities' remuneration is on an hourly time cost basis, divided into 6 minute units and calculated as follows

Entity	Basis of Remuneration	Staff Charge Out Rates
SFP Forensic	Time Cost	£100 - £500*
SFP Property	Time Cost	£100 - £350*
SFP Recoveries	Time Cost	£100 - £500*
SFP Datastore	Fixed Fee and Time Cost	£18 50-£75*

\*The charge out rates detail the bands that will be applied dependent upon the grading of staff required to deal with any one specific assignment Please note that these may fluctuate/alter during the course of the Administration or the placing of the Company into a subsequent insolvency regime

**10.22.3** the proposals to creditors seek the approval of the payment of SIP 9 Category 2 Disbursements Approval will entitle the office holder to settle these as and when deemed necessary without the need for any further authorisation

## **11. Additional Points Required to Be Made Pursuant to the Rules**

**11.1** For creditors' general information, the EC Regulations on insolvency proceedings do apply in this case, and these proceedings are the main proceedings

**11.2** Pursuant to Schedule B1, Paragraph 47(1) of the Act, the Joint Administrators may request one or more relevant persons to provide a Statement of Affairs of the Company Following the Joint Administrators' appointment, all active directors of the Company have been requested to provide a statement of affairs although to date, these forms have not been submitted

**11.3** The Joint Administrators do not consider that the prescribed part defined under section 176A of the Act will be payable

## **12 Conduct of Business By Correspondence**

**12.1** In accordance with Rule 2.48 of the Insolvency Rules 1986 (as amended) ("the Rules"), The Joint Administrators are able to seek the passing of one or more resolutions from the Company's creditors At Appendix XII is a notice of conduct of business by correspondence (Form 2.25B). The notice specifically requests the passing of a resolution to approve the Joint Administrators' Proposals, which are set out in Section 13



**Abrapower Limited (In Administration)**  
**Report to Creditors and Statement of Proposals**  
**Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986**

---

- 12.2** Votes in respect of the resolution must be received by the Joint Administrators by no later than 12 noon on 12 December 2012
- 12.3** In order for the resolution to be approved, the Joint Administrators must receive at least one vote by the closing date specified in paragraph 12.2
- 12.4** If no valid vote is received then the Joint Administrators shall convene a meeting of creditors in accordance with Rule 2.35 of the Rules
- 12.5** Any creditor, or group of creditors, of the Company whose debt(s) amount to at least 10% of the total debts of the Company may, within 5 business days from the date of the sending out of a resolution, or Proposals, may summon a meeting of creditors to consider the matters raised therein

**13. The Joint Administrators' Proposal**

- 13.1** The Administration has enabled the Company to have a breathing space in which to achieve a better result for the creditors as a whole than would be likely achieved if the company were wound up (without first being in Administration)
- 13.2** The prescribed time limit for an Administration is 12 months. In the event that an Administration lasts in excess of 12 months, the Joint Administrators have to obtain creditors' approval or make an application to Court to extend its length
- 13.3** It is a requirement, notwithstanding the fact that a company is left in Administration for the Joint Administrators to investigate the company's affairs and submit the appropriate D form to the Department for Business, Innovation and Skills concerning the Mr Woodiwiss' conduct
- 13.4** In the event that there are or may be further realisations that result in a dividend to unsecured creditors the Joint Administrators shall seek to place the Company into Creditors' Voluntary Liquidation in order to effect a distribution. In such circumstances they will be looking to take the appointment as Liquidators together. In accordance with Schedule B1, Paragraph 83(7) of the Act and Rule 2.117A(3), creditors are able to nominate a different person or persons as proposed Liquidator or Liquidators, provided that the nomination is made after the receipt of the proposals and before they are approved. As an alternative, and should there be no likely funds to distribute to unsecured creditors, the Joint Administrators may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate
- 13.5** It is proposed that the Creditors' Voluntary Liquidation would commence from the date of acknowledgement by the Registrar of Companies that the relevant notice has been filled at Companies House. This procedure, which is permitted by the Act would circumvent the need for an additional creditors' meeting and keep costs to a minimum
- 13.6** In light of the above, and in accordance with Schedule B1, Paragraph 49(1) of the Act, it is proposed by the Joint Administrators that:
  - 13.6.1** the Administration of the Company continue in order to effect outstanding realisations of the Company's business and assets and finalise any additional matters which require the assistance of the moratorium;
  - 13.6.2** the Joint Administrators' time costs associated with the pre-appointment period of £8,682.50 be paid in full in accordance with Rule 2.67A(3), from funds held in the insolvent estate,

**Abrapower Limited (In Administration)**  
**Report to Creditors and Statement of Proposals**  
**Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986**

---

- 13.6.3 the Joint Administrators' remuneration be fixed by the time properly spent by them and their staff in attending to matters arising out of the Administration in accordance with Statement of Insolvency Practice 9 and that the Joint Administrators be authorised to draw remuneration as and when funds become available,
- 13.6.4 the Joint Administrators be authorised to recover all disbursements including category 2 disbursements as defined by the Statement of Insolvency Practice 9,
- 13.6.5 the Joint Administrators be authorised to make a distribution to any secured or preferential creditor in accordance with Schedule B1, Paragraph 65 Further, to make a distribution to unsecured creditors following court approval, in accordance with Schedule B1 Paragraph 65 (3),
- 13.6.6 SFP Datastore will charge upfront for the minimum period of two years storage and destruction of the records / permanent box removal of £20 80 and £9 per box respectively, shortly following appointment,
- 13.6.7 in the event that the Joint Administrators think that the Company has no property which might permit a distribution to its creditors, they shall be authorised to file a notice of dissolution of the Company pursuant to paragraph 84 of Schedule B1 to the Act,
- 13.6.8 In the event that there are or may be further realisations that result in a dividend to unsecured creditors the Joint Administrators shall seek to place the Company into Creditors' Voluntary Liquidation in order to effect a distribution In such circumstances they will be looking to take the appointment as Liquidators In accordance with Schedule B1, Paragraph 83(7) of the Act and Rule 2.117(3), creditors are able to nominate a different person or persons as proposed Liquidator or Liquidators, provided that the nomination is made after the receipt of the proposals and before they are approved,
- 13.6.9 as an alternative to paragraphs 13.6.7 and 13.6.8 the Joint Administrators be able to seek to place the Company into Compulsory Liquidation in order to pursue such actions and bring proceedings that only a Liquidator is permitted to bring pursuant to the Act,
- 13.6.10 upon the placing of the Company into Liquidation under paragraph 13.6.8 or 13.6.9 or the necessary form being filed for the Company to be dissolved, the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Schedule B1, paragraph 98 of the Act,
- 13.6.11 upon the placing of the Company into Liquidation, the Joint Liquidators' remuneration be fixed on the same basis as that of the Joint Administrators' remuneration, in accordance with Rule 4.127(5A) and that the Joint Liquidators be authorised to draw remuneration as and when funds become available, and
- 13.6.12 upon the placing of the Company into Liquidation, the Joint Liquidators be authorised to act in a joint and several capacity

#### **14. Ancillary**

##### ***Creditors Questionnaires***

- 14.1 The response that has been forthcoming from the questionnaire provided to creditors has proved to be helpful in relation to the events that transpired up to the date that the Company was placed into Administration.

**Abrapower Limited (In Administration)**  
**Report to Creditors and Statement of Proposals**  
**Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986**

---

- 14.2 As previously stated in the first circular to the Company's creditors, responses that are received may prove integral to assist with investigations into the Company's affairs. Accordingly, if you have not previously provided a completed questionnaire, please do so, at your earliest convenience.

***Director's Conduct***

- 14.3 Pursuant to the Company Directors' Disqualification Act 1986, it is the Joint Administrators' and any subsequently appointed Liquidator's duty to submit a requisite report/form to the Department for Business, Innovations and Skills (formerly the Department for Business Enterprise and Regulatory Reform) concerning the directors' conduct.
- 14.4 The report/form must address all persons holding the position as director during the three years up to the date of the onset of insolvency. Please note that this is a standard requirement. Responses to creditors' questionnaires may prove extremely helpful concerning this.

If any creditor has any queries in relation to the above, please do not hesitate to contact either the Joint Administrators or the Senior Administrator dealing with this matter, Catherine Harrison on 020 7538 2222.

**Dated this 23 November 2012**



**Daniel Plant**  
**Joint Administrator**

**Abrapower Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX I**

- **Statutory Information**

**Abrapower Limited – In Administration**  
**Statutory Information As Reflected At Companies House**

**Company Number.** 01159277

**Date of Incorporation:** 06/02/1974

**Previous Names:** None Known

**Nature of Business.** Production of Abrasive Products

**Issued Share Capital:** Barbara Tropiejko 25 ordinary £1 shares  
 Richard Woodiwiss 75 ordinary £1 shares

	<b>Name</b>	<b>Appointed</b>	<b>Resigned</b>
<b>Director(s):</b>	Barbara Tropiejko	08/04/2004	09/10/2012
	Richard Woodiwiss	pre 16/12/1991	-
	Stephen Jones	09/08/2006	04/05/2012
	Kathlyn Woodiwiss	pre 16/12/1991	07/04/2004
	Jack Woodiwiss	pre 16/12/1991	01/10/1995
<b>Company Secretary.</b>	Barbara Tropiejko	08/04/2004	-
	Kathlyn Woodiwiss	pre 16/12/1991	07/04/2004

**Current Registered Office.** 9 Ensign House  
 Admirals Way  
 Marsh Wall  
 Docklands  
 London E14 9XQ

**Previous Registered Office:** Romford Road  
 Astonfields Industrial Estate  
 Stafford  
 Staffordshire ST16 3DZ

**Trading Address:** Romford Road  
 Astonfields Industrial Estate  
 Stafford  
 Staffordshire ST16 3DZ

**Accountants:** Howards Limited  
 Newport House  
 Newport Road  
 Stafford  
 Staffordshire ST16 1DA

**Schedule of Outstanding Mortgages or Charges:**

<b>Name</b>	<b>Type of Charge</b>	<b>Registered</b>
Lloyds Bank Plc	Single Debenture	17/08/1988
Lloyds Bank Plc	Mortgage	04/07/1998
Lloyds TSB Commercial Finance Ltd	All Assets Debenture	22/03/2012

**Abrapower Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX II**

- **Estimated Statement of Affairs as at 31 October 2012 / Creditors' Details**

**Abrapower Limited (in Administration)****Estimated Statement of affairs as at 31 October 2012**

	notes	Book Value £	Realisable Value £
<b>Assets specifically pledged</b>			
Freehold property	1	675,000	675,000
Less Lloyds Bank Plc - Mortgage and breakage charge	1	<u>(550,369)</u>	<u>(484,799)</u>
Surplus c/d		124,631	190,201
Sales ledger	2	235,659	188,527
Less Lloyds TSB Commercial Finance Limited	2	<u>(191,225)</u>	<u>(191,225)</u>
Estimated surplus after Lloyds TSB Commercial Finance Limited		169,065	187,503
<b>Assets (not specifically pledged)</b>			
Sale of Assets	3	10,000	10,000
Intercompany Loan - Abrapower Inc	4	<u>715,000</u>	<u>Unknown</u>
<i>Estimated total surplus available to preferential creditors</i>		<u>894,065</u>	197,503
<b>Summary of Liabilities</b>			
Employee claims - preferential element	5		<u>(36,000)</u>
<i>Estimated total surplus available to unsecured creditors</i>			161,503
<b>Unsecured Creditors</b>			
HM Revenue & Customs - PAYE/NIC & VAT	6	TBC	
Employee claims - unsecured element	5	(186,275)	
Trade & expense	6	<u>(598,820)</u>	<u>(785,095)</u>
Estimated total deficiency as regards to creditors			<u>(623,592)</u>
<b>NB Subject to the costs and expenses of the Administration</b>			

**Abrapower Limited (in Administration) ("the Company")**  
**Notes To Estimated Statement of Affairs as at 31 October 2012**

1. As at the date of appointment, Lloyds Bank Plc ("Lloyds") had a circa £550,369 liability (mortgage of £481,897 and an estimated breakage charge of £68,472) which was secured on the trading premises located at Romford Road, Astonfields Industrial Estate, Stafford, ST16 3DZ ("the Trading Premises"). By way of security, the bank registered its mortgage interest at Companies House on 26 June 1998  
  
Lloyds currently have a credit balance on the Company's bank account of £65,569. It has been confirmed that Lloyds will apply their right of set off against their loan.  
  
SFP Property Limited has been instructed to market and sell the Trading Premises. Upon Lloyds recovering its position plus costs in full, any surplus will be transferred to the estate for the benefit of the Company's creditors.  
  
A further update concerning this matter will be provided in the next creditors' report.
2. The Company operated an invoice discounting arrangement with Lloyds TSB Commercial Finance Limited ("LTSBCF"). By way of security, LTSBCF registered a debenture at Companies House on 13 March 2012. Collections have been passed to collection agents Cerberus. A general bad debt provision has been estimated at 20% of the ledger.
3. The Company's business and assets are currently being marketed for sale by valuers instructed to assist in this matter Winterhill Asset Limited. In the event that all of the plant and machinery cannot be sold, the Joint Administrators will be obligated to clear the Trading Premises at a cost to the estate. The figure reflected in the statement of affairs for sale of the assets has taken this cost into account.
4. The Company made significant loans to an associated US company Abrapower Inc. This matter is being pursued by SFP Forensic and realisations are currently unknown.
5. It is anticipated that there will be preferential and unsecured claims from employees as they were all made redundant on 31 October 2012.
6. These figures were taken from the Company records and are subject to change.



**Abrapower Limited  
(in Administration)**

Key	Name	Address	£
CA00	Abrapower Engineering	Romford Rd, ST16 3DZ	17,843 73
CA01	Acom Screen Products	Unit 10-11 Meadow Lane, Industrial EstateGordon Road, Loughborough, LE11 1JP	573 30
CA02	Atlas Copco AB	105 23 Stockholm, Sweden	349 34
CA03	ADT Fire and Security plc	ADT House, Mucklow Hill, Halesowen, West Midlands, B62 8DA	1,341 94
CA04	Advanced Packaging Ltd	Unit 18-20 Parkhouse Ind Est, Rosevale Road, Newcastle under Lyme, Staffs, ST5 7EF	4,966 84
CA05	AE Carbide Limited	10 Ledmore Road, Cheltenham, Gloucestershire, GL53 8RA	163 66
CA06	Andante Freight Ltd	G O L F Termini, 183 Thornton Road, Bradford, West Yorkshire, BD1 2JD	1,896 00
CA07	APOLLO ADHESIVES LTD	SANDY WAY, AMINGTON INDUSTRIAL ESTATE, TAMWORTH, STAFFS, B77 4DS	41,920 00
CA08	ASTONFIELDS MOTOR SERVICES	DRUMMOND ROAD, ASTONFIELDS INDUSTRIAL ESTATE, STAFFORD, ST16 3HJ	0 20
CA09	ASDA Walmart	Asda House, Southbank, Great Wilson Street, LEEDS, LS11 5AD	55 68
CA0A	Atlantic Freight Ltd	Unit 1 Park Road Business, CentrePark Road, Bacup, Lancs, OL13 0BW	436 00
CA0B	Accelerated Debt Recovery Limited	PHD Group Plc, Western Industrial Estate, Caerphilly, CF83 1XH	0 00
CA0C			0 00
CB00	BASF Polyurethanes UK Ltd	Alfreton Trading Estate, Wimsey Way, Alfreton, Derbyshire, DE55 4NL	1,795 00
CB01	Bayer International	Route de Beaumont 10, CH-1701 FRIBOURG	18,345 60
CB02	Banbridge Collins	Banbridge House, 154 Warstone Lane, Birmingham, B18 6NZ	10,374 43
CB03	Bostik Ltd	ULVERSCROFT ROAD, LEICESTER, LEICS, LE4 6BW	20,882 66
CB04	British Gas Business (Gas)	PO Box 7685, Leicester, LE19 1ZE	623 48
CB05	British Telecommunications plc	PAYMENT CENTRE, Durham, DH98 1BT	112 50
CB06	Bandglade Developments Limited	Seaton House, 61 Wellington Street, Stockport, SK1 3AD	0 00
CC00	CENTRAL FASTENERS (STAFFS) LTD	AIRFIELD TRADING ESTATE, HIXON, STAFFORD, ST18 0PF	53 26
CC01	CROMWELL TOOLS LTD	Unit b1-b2, Link 1 Ind Park, George Henry Rd, Great Bridge, Tipton, DY4 7BZ	21 69
CC02	Creative Copy N Colour	Unit 14C, Raleigh Hall Ind Estate, Stafford, ST21 6JL	35,048 40
CC03	Camthorne Industrial Supplies Limited	Unit 3 Campbell Road, Stoke on Trent, Staffordshire, ST4 4DX	0 00
CC04			0 00
CD00	Dakin-Flathers Ltd	Boothroyds Way, Green Lane Industrial Estate, Featherstone, West Yorkshire, WF7 6RA	2,472 06
CD01	DHL Global forwarding (UK) Ltd	Magna House, 18 - 32 London Road, Staines, Middlesex, TW18 4BP	2,554 39
CD02	Dan Packaging	DAN Packaging, Commerce Centre, Canal Wharf, Chesterfield, S41 7NA	221 54
CD03	D3 Manufacturing Ltd	(Gotherm Heater Bands), 156 Bordesley Middleway, Stratford Street North,	237 70
CD04	Dawnings Waste Recovery Ltd	St Albans Road, Common Road Industrial Estate, Stafford, ST16 3DR	1,310 40
CD05	DSV Air & Sea Limited	Scandinavia House, Parkstone, Harwich, Essex, CO12 4QG	344 40
CE00	EDF Energy	Freepost 3814, London, WC1V 6AJ	361 33
CE01	ELMATIC (CARDIFF) LTD	WENTLOOG ROAD, RUMNEY, CARDIFF, CF3 1XH	125 40

CE02	E-ON	Westwood Way, Westwood Business Park, Coventry, CV4 8LG	1,782 19
CF00	Fay Mayer Recruitment Ltd	44 EASTGATE STREET, STAFFORD, ST16 2LY	13,986 41
CF01	F W B PRODUCTS LTD	WHIELDON ROAD, STOKE-ON-TRENT, STAFFS, ST4 4JE	12 70
CG00	G P T ENGINEERING SUPPLIES LT	49 Gaol Road, STAFFORD, ST16 3AR	64 80
CG01	Global Hygiene LLP	Cold Meece Estate, Cold Meece, Stone, Staffordshire, ST15 0SP	0 00
CH00	HM Revenue & Customs	Insolvency & Securities, 3rd Floor, Euston Tower, 286 Euston Road, London, NW1 3UQ	0 00
CH01	HM Revenue & Customs	Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4RS	0 00
CH02	HM Revenue & Customs	Insolvency Operations, 5th Floor, Regian House, James Street, Liverpool, L75 1AD	0 00
CH03	HM Revenue & Customs	Room BP3202, Warkworth House, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ	0 00
CH04	HAMMOND CHEMICALS LIMITED	CANAL STREET, BRIERLEY HILL, WEST MIDLANDS, DY5 1JR	2,020 80
CH05	HAMMERSLEY & FITCHETT LTD	OLD JOULES WORKS, NEWCASTLE STREET, STONE, STAFFS, ST15 8JU	936 00
CH06	Higos Insurance Services Ltd	Mendip Court, Wells, Somerset, BA5 3DG	677 07
CH07	Hyma (UK) Ltd	Unit 2/3, Westpoint Industrial Estate, Hargreaves Street, Oldham, OL9 9ND	90 06
CH08	H & F Lift Trucks	Old Joules Works, Newcastle Street, Stone, Staffordshire, ST15 8JU	0 00
CI00	I F B LTD	Unit 2, Chemical Lane, Longport, Stoke-on-Trent, ST6 4PB	3,041 45
CI01	INTECH AUTOMATED SYSTEMS LTD	4 AUSTWICK GROVE, TRENTVALE, STOKE-ON-TRENT, ST4 6NP	426 22
CI02	I F B Limited	Unit 2, Chemical Lane, Longport, Stoke on Trent, ST6 4PB	0 00
CI03	ING Lease UK Limited	60 High Street, Redhill, Surrey, RH1 1NY	0 00
CJ00	JOHNSONS APPARELMASTER	Aldridge Road, Perry barr, Birmingham, B42 2EU	677 09
CJ01	J G FENN LTD	West Court, Riverside Park, Campbell Road, Stoke on Trent, ST4 4FB	111 46
CJ02	Jaymar Packaging Ltd	First Avenue, Crewe Gates Industrial Estate, Weston Road, Crewe, CW1 6XS	4,781 30
CJ03	Japhin Computer Repairs	77 Weeping Cross, Stafford, ST17 0DQ	1,445 84
CK00	Kuhmichel Abrasiv GmbH	UK Branch, Friars Mill, Friars Terrace, Stafford, ST17 4AU	21,247 36
CL00	Lloyds TSB Commercial Finance Limited	Clipper House, Chester Road, Stretford, Manchester, Greater Manchester, M32 8AF	0 00
CL01	Lloyds TSB Bank Plc	West Midlands Commercial Centre, PO Box 3, Queens Square, Wolverhampton, West	0 00
CL02	Labeldene - Stockt Labels	Unit 1A St Columb Major, Industrial Est.Newquay, Cornwall, TR9 6SF	532 80
CL03	Lockwell Lectrics Ltd	PO Box 83, 3rd Floor Orchard House, 44-48 Corporation Street, Coventry, CV1 1PX	44 44
CL04	Logicart Systems Limited	82 Garrick Close, Staines, TW18 1RT	0 00
CM00	MacAnts Abrasives Ltd	Todwick Road, Dinnington, Sheffield, S25 3SE	12,751 59
CM01	Maxpack Limited	101 Longden Road, Shrewsbury, SY3 9PS	1,379 81
CM02	Monks & Crane	Unit 2, Atlantic Way, Black Country New Road, Wednesbury	442 97
CM03	Moore's Milk	The Lane, Barlaston, Stoke on Trent, ST12 9AA	532 58
CM04	MSC Industrial Supply Co	7 Pacific Avenue, Wednesbury, West Midlands, WS10 7WP	0 00
CN00	NEIL BERESFORD	33 Heronswood, Wildwood, STAFFORD, ST17 4QD	20 00
CN01	Northern Abrasives Company Ltd	The Barn, 130-132 Higher Road, Urmston, Manchester, M41 9AZ	74 92
CN02	NORTH STAFFORDSHIRE CHAMBER	OF COMMERCE AND INDUSTRY, COMMERCE HOUSE, FESTIVAL PARK, STOKE-ON-TRENT, ST1 5I	22 50
CN03	Neopost Finance Limited	Neopost House, South Street, Rornford, Essex, RM1 2AR	0 00
CN04	NPower Yorkshire Limited	Remittance Processing, Wetherby Road, Scarcroft, Leeds, LS14 3HS	0 00
CP00	PALICK LIMITED	THE MILL, SILVERDALE ROAD, NEWCASTLE-UNDER-LYME, STAFFS, ST5 2TA	1,301 90
CP01	Parkside Packaging Ltd	Willenhall Lane, Bntley, Coventry, CV3 2AS	11,659 46
CP02	PERSONAL HYGIENE SERVICES LTD	WESTERN INDUSTRIAL ESTATE, CAERPHILLY, MID-GLAMORGAN, CF83 1XH	90 00
CP03	Pickup Services Limited	Unit H Parkhouse Road East, Parkhouse Industrial Estate, EasNewcastle-under-Lyme, Staffs, ST5 7RB	203 63
CP04	Powell & Associates	Beaumont House, 53 Nightingale Walk, Burntwood, Staffordshire, WS7 9QH	15,504 20
CP05	Principal Hygiene Systems Limited	Unit 2 Bentley Bridge, Business ParkSidings Close, Wolverhampton, WV11 3DR	227 10

CP06	PHS Group Plc	Block B, Western Industrial Estate, Caerphilly, CF83 1XH	0 00
CP07	Premium Credit Limited	PO Box 350, Epsom, KT17 1WP	0 00
CP08	Peak Cashflow Limited	PO Box 698, Haywards Heath, RH16 9DX	0 00
CR00	R G Bassett & Sons Ltd	Transport House, Tittensor, Stoke-on-Trent, Staffordshire, ST12 9HD	509 04
CR01	Rhenus Hauser Limited	Unit 2, Westpoint Enterprise P, Clarence Avenue, Trafford Park, MANCHESTER, M17 1QS	636 00
CR02	RAMFOAM LTD	84 Birmingham Road, Dudley, West Midlands, DY1 4RJ	135,513 80
CR03	Rowtype	Rowtype Ltd, Unit 1, Milton Rd, Milton, ST1 6LE	1,125 60
CS00	SAGE (UK) LIMITED	North Park, Newcastle Upon Tyne, NE13 9AA	890 60
CS01	Severn Trent Water (TVTE)	Providence Row, Durham, DH1 1RR	52 35
CS02	Southall Associates Ltd	Royston House, 267 Cranmore Boulevard, Solihull, B90 4QT	246 75
CS03	Spectrum Screen Inks Limited	15 Noel Avenue, Oakham, Rutland, LE15 6SQ	1,072 93
CS04	Staffordshire Pest Control	39 Queensville Avenue, Stafford, ST17 4LS	190 00
CS05	Star Machine Knives	Unit C, 3rd Avenue, Poynton Industrial Estate, Poynton, Cheshire, SK12 1YL	59 40
CS06	Sundry Account		378 52
CS07	Saint Gobain Abrasives Limited	Doxey Road, Stafford, ST16 1EA	0 00
CS08	Susun Company Limited	Block A, Unit 1207, Focal Industrial Centre, 21 Man Lok Street, Hong Kong	0 00
CT00	The Global Group of Companies	Cold Meece Estate, Swynnerton, Stone, Staffordshire, ST15 0SP	187 14
CT01	Thane Dispersions Limited	Spedding Road, Fenton Industrial Estate, Fenton, Stoke-on-Trent, ST4 2ST	240 00
CT02	T-Mobile (UK) Ltd	Hatfield Business Park, Hertfordshire, AL10 9BW	133 32
CT03	Transmec UK Ltd	Crossgate Road, Park Farm Industrial Estate, Redditch, Worcester, B98 7SN	799 20
CT04	TLA Distribution Limited	Unit 16 High Hazles Road, Manvers Business Park, Cotgrave, Nottingham, NG12 3GZ	0 00
CU00	Uniexpress Ltd	Uniexpress Ltd, Olympic Freight Terminal, Bennett Street, Ardwick Manchester, M12 5NL	501 00
CU01	UPS Limited	UPS House, Forest Road, Feltham, TW13 7DY	0 00
CV00	Vita Cellular Foams Ltd	c/o Vitafoam Ltd, Oldham Road, Middleton, Manchester, M24 2DB	163,246 95
CV01	Vita-Liquid-Polymers Ltd	Harling Road, Wythenshawe, MANCHESTER, M22 4SZ	32,006 16
CW00	Wilkes Vending Services Ltd	Spa Street, Wakefield, West Yorks, WF5 0HP	95 94
CW01	World Cargo Logistics Ltd	Lichfield House, Coppice Side Industrial Estate, Brownhills, WS8 7EX	416 40
CW02	Wolseley UK Limited	c/o The P&A Partnership, 93 Queen Street, Sheffield, S1 1WF	0 00
CW03	Wings Airport Transfers	3 Nursery Drive, Penkridge, Staffordshire, ST19 5SJ	0 00
CW04	Wolters Kluwer UK Limited	145 London Road, Kingston Upon Thames, KT2 6SR	0 00
EA00	J Arblaster		0 00
EA01	R F Arrowsmith		0 00
EB00	Gareth Bunting		0 00

EB01	Mrs Beryl Ann Brown	0.00
EC00	Miss Susan Margaret Church	0.00
EC01	Mrs Michelle Clemson	0.00
ED00	Mr Ian Charles Deakin	0.00
ED01	Mr Glen Alan Dutton	0.00
ED02	Mr Tony Dykta	0.00
ED03	Mr Anthony Mark Daly	0.00
ED04	Miss Leonie Louise Dodd	0.00
EG00	Miss Marie Ann Gore	0.00
EG01	Mrs Jaswinder Gill	0.00
EG02	Ms Lisa Marie Gibson	0.00
EG03	Mrs Jane Louise Godfrey	0.00
EH00	Ms Pauline Ann Hyde	0.00
EJ00	Mrs Sharon Teresa Johnston	0.00
EK00	Mrs Sandra Kelly	0.00
EK01	Mrs Saide Latif Khan	0.00
EK02	Mrs Karen Cordall	0.00
EK03	Mrs Joanna Katarzyna Kaczmarek	0.00
EK04	Miss Paula Julia Kazmierczak	0.00
EL00	Mr William John Littlewood	0.00
EM00	Mrs Margaret Ann Matthews	0.00
EO00	Alex Osborne	0.00
EO01	Mr Dylan Owen	0.00
EP00	Mr Harvey Pritchard	0.00
EP01	Mr Andrew George Pittard	0.00
EP02	Mrs Joanne Pritchard	0.00
ER00	Mr Christopher Adam Roberts	0.00
ER01	Kathleen Brenda Richardson	0.00
ES00	Mrs Shirley Stanley	0.00
ES01	Miss Angelika Malgorzata Strawna	0.00
ES02	B J Shea	0.00
ES03	Mr Daniel Spruce	0.00
ES04	Mr David John Spruce	0.00
ES05	Mrs Susan Ann Wiecha	0.00
ET00	Miss Kirsty Ann Thompson	0.00
ET01	Mrs Joanne Louise Turner	0.00
ET02	Mr Hakan Tutucu	0.00
EW00	Mrs Carol Jean Williams	0.00
EW01	Miss Anna Wojciechowska	0.00
EW02	R J Woodwiss	0.00
RW00	Richard Woodwiss	0.00
151 Entries Totalling		598,820.68

**Abrapower Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX III**

- **Joint Administrators Income and Expenditure Account to 16 November 2012**

**Abrapower Limited**  
**(In Administration)**

**INCOME AND EXPENDITURE ACCOUNT**

	<b>Statement of affairs £</b>	<b>From 31/10/2012 To 16/11/2012 £</b>
<b>RECEIPTS</b>		
TOTAL RECEIPTS		0.00
<b>PAYMENTS</b>		
TOTAL PAYMENTS		0.00
<b>BALANCE - 16 November 2012</b>		<u><u>0.00</u></u>

**Abrapower Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX IV**

- **Breakdown of the Joint Administrators Fees / Pre-Appointment Fees / Activity Codes**

SFP

W.D.

## ABRAPOWER LIMITED (IN ADMINISTRATION)

## SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD PRE APPOINTMENT TO 31 OCTOBER 2012

CLASSIFICATION OF WORK FUNCTION	Managing Partner	Partner	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Administration and Planning	0.00	16.00	0.00	0.00	1.30	0.50	0.00	23.60
Investigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	16.00	0.00	0.00	1.30	0.50	0.00	24.10
Average rate £ per hour	0.00	450.00	0.00	0.00	300.00	275.00	0.00	360.27
Total Costs £	0.00	7,200.00	0.00	0.00	390.00	137.50	0.00	8,682.50
Remuneration drawn on account								0.00

See Appendix IX for Summary Charge Out Rates for staff



SFP

M.A.A.

## ABRAPOWER LIMITED (IN ADMINISTRATION)

## SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 31 OCTOBER 2012 TO 16 NOVEMBER 2012

CLASSIFICATION OF WORK FUNCTION	Managing Partner	Partner	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Administration and Planning	2.50	0.80	0.00	31.60	2.80	0.00	9.70	118.90
Investigation	0.00	0.00	0.00	1.20	0.00	0.00	0.00	1.20
Realisation of assets	0.00	18.80	0.00	6.10	0.10	0.00	0.00	41.40
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.80	0.00	3.90	19.40	0.00	30.40	79.10
Total	2.50	20.40	0.00	42.80	22.30	0.00	40.10	240.60
Average rate £ per hour	500.00	450.00	0.00	300.00	275.00	0.00	150.00	236.56
Total Costs £	1,250.00	9,180.00	0.00	12,840.00	6,132.50	0.00	6,015.00	56,917.50
Remuneration drawn on account								0.00

See Appendix IX for Summary Charge Out Rates for staff

## SIP 9 STANDARD ACTIVITY SUMMARIES

Standard Activity	Examples of Work
Administration and Planning	Case Planning Administrative set up Appointment and notification Maintenance of records Statutory reporting Estate accounting Schedule company books and records
Investigation	SIP 2 CDDA report Investigating antecedent transactions
Realisation of assets	Identifying, securing, insuring assets Retention of title Debt collection – pre and post appointment Property, business and asset sales Communication and negotiations with secured creditors
Trading	Planning Management of operation Communication/negotiation with suppliers Communication/negotiation with landlord Communication/negotiation with third parties Monitor goods outward/inwards Stock take On-going employee issues Travel
Creditors	Communication with creditors Creditor claims (including employees and other preferential creditors)

**Abrapower Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX V**

- **Breakdown of SFP Forensic Limited Fees**

SFP



FORENSIC

ABRAPOWER LIMITED (IN ADMINISTRATION)

## SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 31 OCTOBER 2012 TO 16 NOVEMBER 2012

CLASSIFICATION OF WORK/FUNCTION	Managing Director	Director	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Administration and Planning	0.00	0.00	0.00	0.00	3.40	0.00	0.00	3.40
Investigation	0.40	0.00	0.00	0.00	22.90	0.00	4.80	29.30
Realisation of assets	0.00	0.00	0.00	0.00	1.10	0.00	0.00	1.10
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.40	0.00	0.00	0.00	27.40	0.00	4.80	33.80
Average rate £ per hour	500.00	0.00	0.00	0.00	250.00	0.00	100.00	232.54
Total Costs £	200.00	0.00	0.00	0.00	6,850.00	0.00	480.00	7,860.00
Remuneration drawn on account								0.00

See Appendix IX for Summary Charge Out Rates for staff

**Abrapower Limited (In Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX VI**

- **Breakdown of SFP Property Limited Fees**

SFP



PROPERTY

ABRAPOWER LIMITED (IN ADMINISTRATION)

## SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 31 OCTOBER 2012 TO 16 NOVEMBER 2012

CLASSIFICATION OF WORK FUNCTION	Managing Director	Director	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Administration and Planning	1 40	0 00	0 00	0 00	2 50	0 00	0 00	3 90
Investigation	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of assets	9 30	0 00	0 00	0 00	16 80	0 00	3 90	34 30
Trading	0 30	0 00	0 00	0 00	0 00	0 00	0 00	0 30
Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total	11 00	0 00	0 00	0 00	19 30	0 00	3 90	38 50
Average rate £ per hour	350 00	0 00	0 00	0 00	200 00	0 00	115 00	223 08
Total Costs £	3 850 00	0 00	0 00	0 00	3 860 00	0 00	448 50	8 588 50
Remuneration drawn on account								0 00

See Appendix IX for Summary Charge Out Rates for staff

**Abrapower Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX VII**

- **Breakdown of SFP Recoveries Limited Fees**

SFP



RECOVERIES

ABRAPOWER LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 31 OCTOBER 2012 TO 16 NOVEMBER 2012

CLASSIFICATION OF WORK FUNCTION	Managing Director	Director	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Administration and Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.90
Investigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of assets	0.00	0.00	0.00	0.00	39.10	4.30	0.00	44.50
Trading	0.00	0.00	0.00	0.00	0.00	0.60	0.00	0.60
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	39.10	4.90	0.00	46.00
Average rate £ per hour	0.00	0.00	0.00	0.00	275.00	225.00	0.00	288.59
Total Costs £	0.00	0.00	0.00	0.00	10,752.50	1,102.50	0.00	12,355.00
Remuneration drawn on account								0.00

See Appendix IX for Summary Charge Out Rates for staff



**Abrapower Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX VIII**

- **Breakdown of SFP Datastore Limited Fees**

SFP



DATASTORE

ABRAPOWER LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 31 OCTOBER 2012 TO 16 NOVEMBER 2012

CLASSIFICATION OF WORK FUNCTION	Managing Director	Director	Senior Manager	Manager	Senior Administrator	Administrator	Assistant	Total
Administration and Planning	22.40	0.00	0.00	0.00	0.00	0.00	19.30	41.70
Investigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of assets	0.00	0.00	0.00	0.00	0.00	0.00	28.80	28.80
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	22.40	0.00	0.00	0.00	0.00	0.00	48.10	70.50
Average rate £ per hour	75.00	0.00	0.00	0.00	0.00	0.00	41.17	51.92
Total Costs £	1,680.00	0.00	0.00	0.00	0.00	0.00	1,980.30	3,660.30
Remuneration drawn on account								0.00

See Appendix IX for Summary Charge Out Rates for staff

**Abrapower Limited (in Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX IX**

- **Charge out Rates for SFP main practice and associates entities**

SFP



### Charge out Rates for SFP main practice and associated entities

SFP and the Associated Entities remuneration is calculated on an hourly time cost basis, divided into 6 minute units calculated as follows:

Main Practice		SFP Forensic Limited		SFP Property Limited		SFP Recoveries Limited	
Grade	Rate p/hr	Grade	Rate p/hr	Grade	Rate p/hr	Grade	Rate p/hr
Managing Partner	500	Managing Director	500	Managing Director	350	Managing Director	500
Partner 2	450	Senior Manager 2	350	Senior Manager 2	275	Senior Manager 2	350
Partner 1	400	Senior Manager 1	325	Senior Manager 1	250	Senior Manager 1	325
Senior Manager 2	350	Manager 2	300	Manager 2	225	Manager 2	300
Senior Manager 1	325	Manager 1	275	Manager 1	200	Manager 1	275
Manager 2	300	Senior Administrator 2	250	Senior Administrator 2	175	Senior Administrator 2	250
Manager 1	275	Senior Administrator 1	225	Senior Administrator 1	155	Senior Administrator 1	225
Senior Administrator 2	250	Administrator 2	175	Administrator 2	135	Administrator 2	175
Senior Administrator 1	225	Administrator 1	150	Administrator 1	115	Administrator 1	150
Administrator 2	175	Assistant	100	Assistant	100	Assistant	100
Administrator 1	150						
Assistant	100						

SFP Datastore Limited			
Grade	Rate p/hr	Retrieval Rates Guide	Supporting Services
Storage Tasks (Retrieval and collection)		Box Storage	Hire of Security Personnel
Staff costs	25	A4	Mileage
		A3	Chauffeur Services
		Transit Cases	
Inventorising and Additional		Retrieval costs from site	
Staff Costs	75	Same Day Delivery (up to 10 items / £1.50 per item thereafter)	
		Next Day Delivery (up to 10 items / £1.50 per item thereafter)	
		Delivery to third party offices (up to 10 items / £1.50 per item thereafter)	
		Provision of archive boxes	
			£18.50 per hour
			£1.10 per mile
			£1.35 per mile (£50 minimum)
			£25.00
			£5 per box

**Abrapower Limited (In Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX X**

- **Proof of Debt form**

**In the matter of Abrapower Limited (in Administration)  
and in the matter of The Insolvency Act 1986**

Date of Administration Order

1.	Name of Creditor	
2	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 (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show.-  (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7.	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8.	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category  Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

**Abrapower Limited (In Administration)**

**Report to Creditors & Statement of Proposals**

**APPENDIX XI**

- **Guide to Administrators' Fees**



## A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

## ENGLAND AND WALES

## 1 Introduction

1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The Insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees, explain the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive.

## 2 The nature of administration

2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- rescuing the company as a going concern, or
  - achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration,
- or if the administrator thinks neither of these objectives is reasonably practicable
- realising property in order to make a distribution to secured or preferential creditors.

## 3 The creditors' committee

3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of the establishment, and subsequent meetings must be held either at the written leave agreed by the committee or when a member of the committee asks for one or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

## 4 Fixing the administrator's remuneration

4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.100 of the Insolvency Rules 1986 which states that it shall be fixed:

- as a percentage of the value of the property which the administrator has to deal with,
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration, or
- as a set amount.

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the administrator. Where the remuneration is fixed as a percentage different percentages may be used for different things done by the administrator.

It is for the creditors' committee (if there is one) to determine on which of these bases or combination of bases the remuneration is to be fixed. Where it is fixed as a percentage it is for the committee to determine the percentages or percentages to be applied, and where it is a set amount, to determine that amount. Rule 2.100 says that in arriving at its decision the committee shall have regard to the following matters.

paragraph 4.3 apply the determination may be made by the same creditors as approve the administrator's remuneration

6.3 The administrator must convene a meeting of the committee or the creditors for the purpose of approving the payment of pre-administration costs if requested to do so by another insolvency practitioner who has incurred such costs. If there is no determination under these provisions or if there is but the administrator or other insolvency practitioner considers the amount agreed to be insufficient, the administrator may apply to the court for a determination.

## 7 What information should be provided by the administrator?

## 7.1 When seeking remuneration approval

7.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- the nature of the approval being sought;
- the stage during the administration of the case at which it is being sought; and
- the size and complexity of the case.

7.1.2 Where at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

7.1.3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case together with where appropriate such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (without recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 6.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case but it will be helpful to the exercise of the professional guidance which has been given to insolvency practitioners on the subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:



- the complexity (or otherwise) of the case
- any responsibility of an exceptional kind or degree which falls to the administrator
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties,
- the value and nature of the property which the administrator has to deal with.

4.2 If there is no creditors' committee, or the committee does not make the requisite determination (and provided the circumstances described in paragraph 4.3 do not apply), the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as apply in the case of the committee. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator, but the administrator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment.

4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets.

In this case, if there is no creditors' committee, or the committee does not make the requisite determination the remuneration may be fixed by the approval of –

- each secured creditor of the company; or
- if the administrator has made or intends to make a distribution to preferential creditors –

each secured creditor of the company; and preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval

having regard to the same matters as the committee would.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

4.4 A resolution of creditors may be obtained by correspondence.

## 5 Review of remuneration

5.1 Where there has been a material and substantial change in circumstances since the basis of the administrator's remuneration was fixed, the administrator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

## 6 Approval of pre-administration costs

6.1 Notwithstanding the administrator may need to seek approval for the payment of costs in connection with preparatory work incurred before the company went into administration but which remain unpaid. Such costs may relate to work done either by the administrator or by another insolvency practitioner. Details of such costs must be included in the administrator's proposals.

6.2 Where there is a creditors' committee it is for the committee to determine whether and to what extent such costs should be approved for payment. If there is no committee or the committee does not make the necessary determination, or if it does but the administrator, or other insolvency practitioner who has incurred pre-administration costs, considers the amount agreed to be insufficient, approval may be given by a meeting of creditors. Where the circumstances described in



- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes in strategy.
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contacted to be paid, and what steps have been taken to review their fees.

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

7.1.4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff.

## 7.2 After remuneration approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution (see further paragraph 8.1 below). Where the fee is based on time costs he should also provide details of the time spent and charge-out value by date and any material changes in the fees charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 7.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 7.1.4 above regarding work which has been sub-contracted out.

## 7.3 Disbursements and other expenses

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements, but there is provision for the creditors to challenge them, as described below. Professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as rent, rates, discount stamps or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be already incurred on the case and subject to a reasonable method of calculation and allocation.

## 8 Progress reports and requests for further information

8.1 The administrator is required to send a progress report to creditors at 6-monthly intervals. The report must include:

- details of the basis fixed for the remuneration of the administrator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it);
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report);
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report;
- a statement of the expenses incurred by the administrator during the period of the report, irrespective of whether payment was actually made during that period.





- the date of approval of any pre-administration costs and the amount approved;
  - a statement of the creditors' rights to request further information, as explained in paragraph 8.2, and their right to challenge the administrator's remuneration and expenses.
- 6.2 Within 21 days of receipt of a progress report a creditor may request the administrator to provide further information about the remuneration and expenses (other than pre-administration costs) 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.
- 6.3 The administrator 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 administration or might be expected to lead to violence against any person, or
  - the administrator 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 administrator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information.
- 6 Provision of information – additional requirements
- The administrator must provide certain information about time spent on a case free of charge upon request by any creditor, director or shareholder of the company.
- The information which must be provided is –
- the total number of hours spent on the case by the administrator or staff assigned to the case;
  - for each grade of staff the average hourly rate at which they are charged out;
  - the number of hours spent by each grade of staff in the relevant period.
- The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office.
- The information must be provided within 25 days of receipt of the request by the administrator and requests must be made within two years from vacation of office.
- 10 What if a creditor is dissatisfied?
- 10.1 If a creditor believes that the administrator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the administrator are in all the circumstances excessive he may provide certain conditions are met, apply to the court.
- 10.2 Application may be made to the court by any secured creditor or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the administrator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 8.1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing.
- 10.3 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise the costs of the application must be paid by the applicant and not as an expense of the administration.

## 11 What if the administrator is dissatisfied?

- 11.1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to each of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.
- 12 Other matters relating to remuneration
- 12.1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.
- 12.2 If the administrator is a solicitor and employs his own firm to act on behalf of the company profit costs may not be paid unless authorized by the creditors committee, the creditors or the court.
- 12.3 If a new administrator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new administrator until a further determination, resolution or court order is made.
- 12.4 Where the basis of the remuneration is a set amount, and the administrator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing administrator. The application must be made to the same body as approved the remuneration. Where the outgoing administrator and the incoming administrator are from the same firm they will usually agree the apportionment between them.
- 13 Effective date
- The date upon which a court order or a resolution of the creditors or a meeting of creditors takes effect is the date of the application for an administration order was made before that date or where the administration was preceded by a liquidation which commenced before that date.

## Notice of conduct of business by correspondence

Name of Company Abrapower Limited	Company number 01159277
In the Birmingham District Registry  [full name of Court]	Court case number 8516 of 2012

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

Notice is hereby given by (a) Simon Franklin Plant and Daniel Plant both C/o SFP, 9 Ensign House, Admirals Way, Marsh Wall, London E14 9XQ

(b) Insert full name  
and address of  
registered office of  
the company

to the creditors of (b) Abrapower Limited whose registered office is at 9 Ensign House, Admirals Way, Marsh Wall, London E14 9XQ

(c) Insert number of  
resolutions enclosed

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed is (c) 1 resolution for your consideration. Please indicate below whether you are in favour or against each resolution

(d) Insert address to  
which form is to be  
delivered

This form must be received at (d) 9 Ensign House, Admirals Way, Marsh Wall, London E14 9XQ

(e) Insert closing  
date

by 12 00 hours on (e) 12 December 2012 in order to be counted. It must be accompanied by details in writing of your claim unless those details have already been submitted for the purpose of a meeting of creditors. Failure to do so will lead to your vote(s) being disregarded

Repeat as necessary  
for the number of  
resolutions attached

Resolution (1) the approval of the Joint Administrators' Proposals I am \*in Favour / Against

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM

Name of  
creditor: \_\_\_\_\_

Signature of  
creditor: \_\_\_\_\_

(If signing on behalf of creditor, state capacity e.g. director/solicitor)

If you require any further details or clarification prior to returning your votes, please contact me / us at the address above

Signed  \_\_\_\_\_

Joint / Administrator(s)

Dated 23/11/12 \_\_\_\_\_