

# WU07

## Notice of progress report in a winding-up by the court



Companies House

TUESDAY



\*A7H775YR\*

A16

23/10/2018

#151

COMPANIES HOUSE

### 1 Company details

Company number 0 2 6 7 0 2 8 5

Company name in full Arcnet Petrochemicals Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Geoffrey Wayne

Surname Bouchier

### 3 Liquidator's address

Building name/number The Shard

Street 32 London Bridge Street

Post town London@duffandphelps.com

County/Region

Postcode S E 1 9 S G

Country

### 4 Liquidator's name

Full forename(s) Paul David

Surname Williams

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address

Building name/number The Shard

Street 32 London Bridge Street

Post town London@duffandphelps.com

County/Region

Postcode S E 1 9 S G

Country

#### ② Other liquidator

Use this section to tell us about  
another liquidator.

WU07

Notice of progress report in a winding-up by the court

**6** Period of progress report

From date	<sup>d</sup> 2	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 8	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7
To date	<sup>d</sup> 2	<sup>d</sup> 4	<sup>m</sup> 0	<sup>m</sup> 8	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8

**7** Progress report

☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X 

X

Signature date

<sup>d</sup> 2	<sup>d</sup> 2	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

WU07

Notice of progress report in a winding-up by the court



**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Giulia Paini
Company name	Duff & Phelps Ltd.
Address	The Shard
32 London Bridge Street	
Post town	London
County/Region	
Postcode	S E 1 9 S G
Country	
DX	✓
Telephone	020 7089 4700



**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



**Important information**

**All information on this form will appear on the public record.**



**Where to send**

**You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

**DUFF & PHELPS**

---

# **Progress Report to Creditors**

## **Arcnet Petrochemicals Limited (In Compulsory Liquidation)**

22 October 2018

Joint Liquidators' Progress Report to Creditors  
for the period from 25 August 2017 to 24 August 2018

**Duff & Phelps Ltd.  
The Shard  
32 London Bridge Street  
London  
SE1 9SG**

## Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Appointment Date	25 August 2016, being the date of appointment of the Joint Liquidators
the Arbitral Award	An arbitral award, award by Mr Justice JK Mehra, the sole arbitrator in a New Delhi seated arbitration governed by Indian law, which totals £20,693,867 inclusive of interest and costs
Arcnet	Arcnet Ltd (Formerly in Members' Voluntary Liquidation) (Company Number: 07156976), dissolved on 27 July 2017
Balli Group	Balli Group plc (Company Number: 02632984), Balli Steel plc (Company Number: 03418142) and Balli Trading Limited (Company Number: 02098770) (all in Administration)
Category 1 Disbursements	The Joint Liquidators' external costs and expenses in dealing with the Liquidation
Category 2 Disbursements	The Joint Liquidators' internal costs and expenses in dealing with the Liquidation
the Company	Arcnet Petrochemicals Limited (In Compulsory Liquidation) (Company Number: 02670285), formerly Balli Petrochemicals Limited (September 1995 – October 2012)
the Court	High Court of Justice, Chancery Division, Companies Court, The Strand, London
the Cumulative Period	25 August 2016 to 24 August 2018
the Director	Hamid Dadras, the director of the Company at the Appointment Date
Duff & Phelps	Duff & Phelps Ltd. of The Shard, 32 London Bridge Street, London, SE1 9SG
HMRC	HM Revenue & Customs
the Joint Liquidators	Geoffrey Wayne Bouchier and Paul David Williams of Duff & Phelps
NALCO / the Petitioning Creditor	National Aluminium Company Limited of NALCO Bhawan, Nayapalli, Bhubanaswar – 751061
Prescribed Part	Pursuant to Section 176A of the Act, where a floating charge is created after 15 September 2003, a designated amount of a company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential unsecured creditors
the Previous Report	The Joint Liquidators' Progress Report to Creditors dated 20 October 2017

---

the Reporting Period	25 August 2017 to 24 August 2018
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SoA	Statement of Affairs; documentation outlining the Company's financial position as at the Appointment Date

---

**Appointment Summary**

<b>Names of Joint Liquidators</b>	Geoffrey Wayne Bouchier
	Paul David Williams
<b>Date of Winding-Up Petition</b>	15 June 2016
<b>Date of Winding-Up Order</b>	1 August 2016
<b>Date of Appointment</b>	25 August 2016
	(Geoffrey Wayne Bouchier and Paul David Williams)
<b>Date of Report</b>	22 October 2018
<b>Appointed By</b>	Secretary of State
<b>Court Reference</b>	High Court of Justice, Chancery Division, Companies Court, The Strand, London
<b>Court Number</b>	CR – 2016 – 003331

## **Contents**

1. Introduction
2. Background
3. Joint Liquidators' Receipts and Payments Accounts
4. Asset Realisations
5. Investigations
6. Dividend Prospects / Prescribed Part
7. Costs and Expenses
8. Conclusion

## **Appendices**

1. Joint Liquidators' Receipts and Payments Account
2. Analysis of Remuneration Charged and Expenses Incurred
3. Statement of Creditors' Rights



**1. Introduction**

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

**2. Background**

- 2.1 The Joint Liquidators were appointed over the Company on the Appointment Date.
- 2.2 Please refer to the Previous Report for further background information. A copy of this report can be provided on request.

**3. Joint Liquidators' Receipts and Payments Accounts**

- 3.1 Receipts and Payments Accounts for the Reporting Period and the Cumulative Period are shown at Appendix 1.
- 3.2 As at 24 August 2018, there was a negative cash balance of £1,346 in the main ISA account (following deduction of Secretary of State fees and charges) and a positive balance of £18,772 relating to third party funding. The Company is not VAT registered and as such all VAT incurred on expenditure is irrecoverable.
- 3.3 The third-party funding has been provided by NALCO and is subject to a separate funding agreement with the Joint Liquidators to cover certain costs of the Liquidation.
- 3.4 A SoA has not been submitted in the Liquidation and is not expected to be submitted due to the time elapsed since the Company had previously been struck off and dissolved from the Registrar of Companies. Therefore, comparative SoA figures are not available to be included in the Receipts and Payments account.

**4. Asset Realisations**

- 4.1 There were no asset realisations in the Reporting Period.

**5. Investigations**

- 5.1 The Joint Liquidators continue investigating the activities of the Company prior to the Company's dissolution in 2013.
- 5.2 Due to the ongoing nature and commercial sensitivities of the investigations, the Joint Liquidators are unable to provide an update or summary of the nature of the investigations conducted to date.
- 5.3 As set out in my Previous Report, the Joint Liquidators had carried out significant work to obtain access to the Company's books and records. A number of parties had been contacted whom may have held Company records, including the Company bankers, its Shareholder, its Director and former directors, but the main focus had been to contact the Joint Administrators of the Balli Group.

- 5.4 The Joint Liquidators had previously obtained a number of physical records from the Joint Administrators of Balli Group.
- 5.5 During the Reporting Period, the Joint Liquidators reached an agreement to obtain a disclosure (via key word searches) of the electronic records held by the Joint Administrators of Balli Group. Our solicitor, K&L Gates LLP, necessarily incurred significant costs in reaching the agreement.
- 5.6 The Joint Liquidators were also required to separately engage counsel to carry out an independent review of the responsive data to determine which documents were available for disclosure (ie those documents relevant to the Liquidation and not legally privileged).
- 5.7 The Joint Liquidators and K&L Gates LLP have subsequently carried out a thorough review of the disclosure, drawn preliminary views on the potential claims which may be available and have provided a report of their findings to NALCO.
- 5.8 As at the date of this report, NALCO is considering its position, their available options and the necessary funding requirements to proceed.
- 5.9 A further update will be provided in the next report to creditors.
- 5.10 The majority of time costs incurred by the Joint Liquidators during the Reporting Period relates to the above; specifically those costs are disclosed under Strategy, Planning and Control (£1,899), General Correspondence (£1,491) and Investigations (£18,151).

## **6. Dividend Prospects / Prescribed Part**

### **Secured Creditors**

- 6.1 Charges have been registered by the Royal Bank of Scotland plc and Banque Paribas / Paribas Geneva.
- 6.2 The Joint Liquidators have sent letters to both parties to establish whether the charges have been satisfied, however, to date this has not been categorically confirmed.
- 6.3 Given the length of time since the registration of the charges and the subsequent dissolution of the Company, it seems unlikely that there is a liability due to the Secured Creditors under the charges. We await each bank's respective confirmation.
- 6.4 The position will be reviewed further should sufficient asset realisations to enable a distribution to the Company's creditors.

### **Preferential Creditors**

- 6.5 There are no preferential creditors.

### **Prescribed Part**

- 6.6 There is no floating charge, and therefore, the Prescribed Part will not apply.

### **Non-Preferential Unsecured Creditors**

- 6.7 Non-preferential unsecured creditor claims to date total, £22,517,031. This is in respect of a Proof of Debt submitted by NALCO.
- 6.8 It is currently uncertain as to whether there will be a dividend to the Company's non-preferential unsecured creditors, as this is dependent on the outcome of the Joint Liquidators' investigations (referred to in section 5, above).
- 6.9 During the Reporting Period, the Joint Liquidators have incurred time costs totalling £86 liaising with the Company creditor and handling their claim.

### **7 Costs and Expenses**

- 7.1 The Joint Liquidators have entered into a third party funding agreement with NALCO to cover certain costs of the Liquidation.
- 7.2 However, to comply with insolvency legislation, the Joint Liquidators circulated a fee estimate to all known creditors (at this stage, NALCO) detailing the anticipated costs and expenses of the Liquidation that have been incurred, and will be incurred, as a result of the Liquidation in the amount of £51,375. The fee estimate was subsequently approved by NALCO on 24 January 2018.
- 7.3 The time costs incurred in the Cumulative Period total £71,319, representing 180 hours with an average hourly charge out rate of £395, and are analysed at Appendix 2.
- 7.4 Although time costs for the Cumulative Period exceed the fee estimate, the Joint Liquidators do not propose to issue a revised fee estimate at this stage as the level of fees that can be drawn are limited by the underlying third party funding agreement with NALCO. A revised fee estimate may be issued in circumstances where additional funding is granted by NALCO.
- 7.5 The time costs incurred in the Reporting Period total £35,315, representing 92 hours with an average hourly charge out rate of £384, and are also analysed at Appendix 2. Time has been charged in six minute units.
- 7.6 During the Reporting Period, an amount of £4,985 has been incurred in respect of the Joint Liquidators' obligations in undertaking case reviews, managing the Joint Liquidators' diary system and case management system set up and maintenance. Although this work has not led to a direct return to creditors, it is necessary to ensure that the case runs efficiently.
- 7.7 During the Reporting Period, an amount of £2,493 has been incurred in respect of cashiering and accounting. Although this work has not led to a direct return to creditors, it is necessary to ensure that the case runs efficiently.
- 7.8 During the Reporting Period, an amount of £6,211 has been incurred in respect of statutory matters. This time has been incurred in dealing with post-appointment statutory compliance and notifications, including the preparation of the Previous Report. This work is a statutory requirement under insolvency legislation.
- 7.9 The Joint Liquidators have not drawn any remuneration in the Reporting Period.

- 7.10 It is currently uncertain as to the level of time costs that will be incurred in the Liquidation as this is dependent on any subsequent investigations that are required to be carried out. This is currently under consideration by NALCO (as referred to in Section 5 above).
- 7.11 The Joint Liquidators have incurred Category 1 disbursements totalling £323 in the Reporting Period (£427 in the Cumulative Period), which are summarised in Appendix 2. No Category 2 disbursements have been incurred in the Liquidation.
- 7.12 K&L Gates LLP have been instructed as legal advisors in order to assist in the undertaking of the Liquidation. K&L Gates' costs have been agreed on the basis of standard hourly charge out rates, plus disbursements and VAT under a separate letter of engagement. The costs are also subject to the third party funding agreement with NALCO.
- 7.13 During the Reporting Period the Joint Liquidators were required to pay £8,500 to the Joint Administrators of Balli Group for assistance and costs incurred in obtaining the data which comprised the disclosure referred to above.
- 7.14 The Joint Liquidators have provided an analysis of the expenses incurred in the Liquidation at Appendix 2.
- 7.15 Information regarding the fees and disbursements of the Joint Liquidators, including the right to challenge such costs, are attached at Appendix 3.

## **8. Conclusion**

- 8.1 The Joint Liquidators have a duty to provide creditors with a progress report on an annual basis or with a draft final report on conclusion of the Liquidation, whichever occurs first.
- 8.2 The next report will therefore be delivered to creditors by no later than 24 October 2019.
- 8.3 If you require any further information, please contact Giulia Paini of this office.

Yours faithfully  
For and on behalf of  
Arcnet Petrochemicals Limited



**Geoffrey Bouchier**  
Joint Liquidator

## **Appendix 1**

### **Joint Liquidators' Receipts and Payments Account**

**Arcnet Petrochemicals Limited (In Liquidation)**  
**Joint Liquidators' Receipts & Payments Accounts**

	<b>The Reporting Period From 25 August 2017 to 24 August 2018</b>	<b>The Cumulative Period From 25 August 2016 to 24 August 2018</b>
	<b>£</b>	<b>£</b>
<b>Receipt</b>		
Third Party Funding	61,175.00	92,792.00
Deposit of Creditor's Petition	-	1,350.00
ISA Gross Interest	164.62	182.16
	<b>61,339.62</b>	<b>94,324.16</b>
<b>Payment</b>		
Legal Fees	(38,401.72)	(38,401.72)
Counsel Fees	(14,390.00)	(14,390.00)
Professional Fees	(8,500.00)	(8,500.00)
Storage Costs	(171.59)	(512.05)
Irrecoverable VAT	(12,292.06)	(12,360.16)
Secretary of State Fees	-	(2,520.00)
Tax on ISA Interest	(32.93)	(36.44)
ISA Cheque Fees	(1.95)	(2.10)
Bank Charges	(88.00)	(176.00)
	<b>(73,878.25)</b>	<b>(76,898.47)</b>
	<b>(12,538.63)</b>	<b>17,425.69</b>
<b>Represented By</b>		
Main Current Account	(88.00)	(1,346.00)
Third Party Funding Account	(12,450.63)	18,771.69
	<b>(12,538.63)</b>	<b>17,425.69</b>

## **Appendix 2**

### **Analysis of Remuneration Charged and Expenses Incurred**

**Arcnet Petrochemicals Limited (In Liquidation)**  
**Analysis of the Joint Liquidators' time costs for the Reporting Period**

Classification of Work Function	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
<b>Administration &amp; Planning</b>								
Cashiering & Accounting	0.00	1.90	1.50	2.90	3.20	9.50	2,492.50	262.37
General Administration	0.00	10.80	0.00	0.60	0.00	11.40	4,762.00	417.72
General Correspondence	0.00	2.70	0.00	1.60	0.00	4.30	1,491.00	346.74
IPS Set Up & Maintenance	0.00	0.30	0.00	0.40	0.00	0.70	223.00	318.57
Statutory Matters (Meetings, Reports & Notices)	0.60	6.30	0.00	14.30	0.00	21.20	6,211.00	292.97
Strategy, Planning & Control	0.00	3.10	0.00	2.70	0.00	5.80	1,898.50	327.33
<b>Creditors</b>								
Unsecured Creditors	0.00	0.20	0.00	0.00	0.00	0.20	86.00	430.00
<b>Investigations</b>								
Financial Review & Investigations (S238/239 etc)	6.30	21.40	1.00	0.10	10.00	38.80	18,150.50	467.80
<b>Total Hours</b>	<b>6.90</b>	<b>46.70</b>	<b>2.50</b>	<b>22.60</b>	<b>13.20</b>	<b>91.90</b>		<b>384.27</b>
<b>Total Fees Claimed (£)</b>	<b>4,140.00</b>	<b>22,366.00</b>	<b>832.00</b>	<b>4,896.00</b>	<b>3,080.50</b>		<b>35,314.50</b>	



**Arcnet Petrochemicals Limited (In Liquidation)**  
**Analysis of the Joint Liquidators' time costs for the Cumulative Period**

Classification of Work Function	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
<b>Administration &amp; Planning</b>								
Cashiering & Accounting	0.00	2.30	2.30	8.30	3.20	16.10	4,052.00	251.68
General Administration	0.00	16.00	0.00	10.70	0.00	26.70	9,356.00	350.41
General Correspondence	0.00	3.50	0.00	3.40	0.00	6.90	2,235.50	323.99
IPS Set Up & Maintenance	0.00	0.30	0.00	0.80	0.00	1.10	303.50	275.91
Statutory Matters (Meetings, Reports & Notices)	0.90	8.60	0.00	14.40	0.00	23.90	7,403.50	309.77
Strategy, Planning & Control	3.60	6.40	0.00	10.60	0.00	20.60	7,303.00	354.51
<b>Creditors</b>								
Unsecured Creditors	0.00	0.90	0.00	0.00	0.00	0.90	387.00	430.00
<b>Investigations</b>								
Financial Review & Investigations (S238/239 etc)	15.10	45.70	13.00	0.40	10.00	84.20	40,278.00	478.36
<b>Total Hours</b>	<b>19.60</b>	<b>83.70</b>	<b>15.30</b>	<b>48.60</b>	<b>13.20</b>	<b>180.40</b>		<b>395.34</b>
<b>Total Fees Claimed (£)</b>	<b>11,760.00</b>	<b>40,385.00</b>	<b>5,288.00</b>	<b>10,805.00</b>	<b>3,080.50</b>		<b>71,318.50</b>	

**Arcnet Petrochemicals Limited (In Liquidation)**  
**Joint Liquidators' Expenses**

Company	Type of Expense	Activity	Date of Instruction	Fee Basis	Reporting Period		Cumulative Period	
					Amount Incurred (£) (exc. VAT)	Amount Paid (£) (exc. VAT)	Amount Incurred (£) (exc. VAT)	Amount Paid (£) (exc. VAT)
Professional Advisors								
K&L Gates LLP	Legal Fees	Solicitors instructed to assist with the preparation the Winding Up Petition and on going assistance throughout the course of the Liquidation in relation to ongoing investigations and obtaining access to the Company's books and records	01-Jun-16	Time Costs	47,388.00	38,401.72	88,814.72	38,401.72
K&L Gates	Legal Disbursements	Counsel instructed by K&L Gates to assist parties with Bali Group disclosure exercise	01-Jun-16	Time Costs	14,390.00	14,390.00	14,390.00	14,390.00
Bali Group Plc	Provision of documents	Costs associated with the provision of documentation (via an electronic image of the Bali Group server)	01-Aug-17	Time Costs	8,500.00	8,500.00	8,500.00	8,500.00
Other								
Total Data Management Limited	Statutory Compliance	Collection and Storage of the Liquidators' files	N/A	Cost per unit	171.59	171.59	512.05	512.05
Total Professional Advisor and Other Costs					70,449.59	61,463.31	112,216.77	61,803.77
Disbursements								
Category 1 Disbursements								
Travel					117.50	117.50	117.50	117.50
Statutory Advertising					-	-	84.60	84.60
Bordereau					205.00	205.00	225.00	225.00
Total Category 1 Disbursements					322.50	322.50	427.10	427.10
Category 2 Disbursements								
Total Category 2 Disbursements					-	-	-	-

## **Appendix 3**

### **Statement of Creditors' Rights**

## **STATEMENT OF CREDITORS RIGHTS**

*Rule numbers refer to Insolvency (England & Wales) Rules 2016 (as amended)*

*Section numbers refer to Insolvency Act 1986*

If you require a copy of any relevant rule or section, please contact Giulia Painsi of this office at 020 7089 4914 or [Giulia.Painsi@duffandphelps.com](mailto:Giulia.Painsi@duffandphelps.com).

This notice is accompanied by the Joint Liquidators' Progress Report to Creditors and Statement of Proposals.

### **Information for creditors on remuneration and disbursements of administrators**

Information regarding the fees and disbursements of administrators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from the Joint Administrators' website at:

<https://www.duffandphelps.co.uk/services/restructuring/corporate-restructuring-and-debt-advisory/creditor-guides-and-employee-fact-sheets>

(click on the document 'Administration (appointment from 1 October 2015)'). Should you require a copy, please contact this office.

### **Creditors have the right to request information from the office-holder under rule 18.9**

A secured creditor, an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question) or any unsecured creditor with the permission of the court may make a written request to the office-holder for further information concerning remuneration or expenses. Such a request must be made within 21 days of receipt of this report and a response will be provided within 14 days of receipt of the request.

Creditors have recourse to court, application to be made within 21 days of the office-holder giving reasons for not providing all the information requested or the expiry of the 14 days within which an office-holder must respond to a request.

### **Creditors have the right to challenge the office-holder's remuneration and expenses under rule 18.34**

A secured creditor, an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or any unsecured creditor with the permission of the court, may make an application to court on the grounds that the remuneration charged or expenses incurred are excessive and/or that the basis fixed for the office-holder's remuneration is inappropriate. The application to court must be made no later than eight weeks after receipt of the Progress Report where the charging of the remuneration or the incurring of expenses in question occurs.