

The Insolvency Act 1986

**Administrator's progress report**

Name of Company  EPI Service Limited	Company number  02823831
In the High Court of Justice, Chancery Division, Manchester District Registry  (full name of court)	Court case number  2257 of 2012

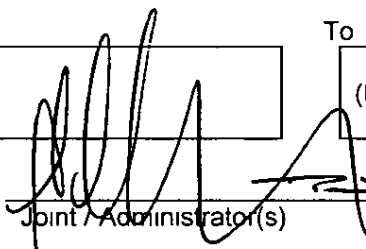
(a) Insert full name(s) and address(es) of administrator(s)

I/We (a)  
 Alan Brian Coleman  
 Royce Peeling Green Limited  
 The Copper Room  
 Deva Centre  
 Trinity Way  
 Manchester  
 M3 7BG

Roderick Michael Withinshaw  
 Royce Peeling Green Limited  
 The Copper Room  
 Deva Centre  
 Trinity Way  
 Manchester  
 M3 7BG

administrator(s) of the above company attach a progress report for the period

(b) Insert date

From  (b) 24 August 2012	To  (b) 27 November 2012
Signed	
	Joint Administrator(s)
Dated	18 December 2012

**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 form

The contact information that you give will be visible to searchers of the

Alan Brian Coleman  
 Royce Peeling Green Limited  
 The Copper Room  
 Deva Centre  
 Trinity Way  
 Manchester  
 M3 7BG

DX Number

0161 608 0002  
 DX Exchange

THURSDAY



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20/12/2012

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COMPANIES HOUSE

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**

# **Joint Administrators' Final Progress Report**

**For the period from  
24 August 2012 to 27 November 2012**

**EPI Service Limited - In  
Administration**

**13 December 2012**

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## THE JOINT ADMINISTRATORS' FINAL PROGRESS REPORT

### **1 Statutory information**

- 1.1 R M Withinshaw and I were appointed as Joint Administrators of the Company on 24 February 2012. The appointment of Joint Administrators was made by the directors. We are licensed to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England & Wales.
- 1.2 This Administration is being handled by Royce Peeling Green Limited at The Copper Room, Deva Centre, Trinity Way, Manchester M3 7BG. The Administration is registered in the High Court of Justice, Chancery Division, Manchester District Registry, reference number 2257 of 2012.
- 1.3 The Joint Administrators filed a notice with the Registrar of Companies on 24 November 2012 in order that the Administration will cease and the Company will move automatically into Creditors Voluntary Liquidation (CVL). The Company moved automatically into CVL on 27 November 2012 and the Joint Administrators have also become the Joint Liquidators of the CVL.
- 1.4 The Company's trading address is Units 4-6, Witan Park, Avenue 2, Witney, Oxfordshire OX28 4FH and former registered office is Unit 6, Witan Park, Avenue 2, Witney, Oxfordshire OX28 4FH.
- 1.5 The registered office of the Company has been changed to The Copper Room, Deva Centre, Trinity Way, Manchester M3 7BG and its registered number is 02823831.

### **2 Joint Administrators' Proposals**

- 2.1 As previously advised the Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:
- rescuing the company as a going concern
  - achieving 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), or
  - realising property in order to make a distribution to one or more secured or preferential creditors

## **EPI Service Limited - In Administration**

- 2 2      The purpose of the Administration was to achieve a better result for creditors than would be obtained through an immediate liquidation of the Company. This has been achieved through the pre-packaged sale of the Company's Service and Maintenance Division to Data Centre Response Limited. We provided details of this sale in our letter to creditors dated 8 March 2012. If you should require a further copy of that letter, please contact Keith Robson at this office on 0161 608 0002.

### **3      Progress of the Administration**

- 3 1      Attached at Appendix A is my Receipts and Payments Account for the period from 24 February 2012 to 23 August 2012 and from 24 August 2012 to 27 November 2012, together with a cumulative summary.
- 3 2      Missing vehicles referred to in our previous reports have been recovered with the assistance of the police and have now been sold by our agents. Our agents are currently holding £14,400 in respect of the sales proceeds, which will be accounted to us shortly. A further vehicle was sold to Mr S W Gardner, a director of the Company for £9,000. The sale price was recommended for acceptance by our agents.
- 3 3      The Company's non-maintenance book debts were not included in the sale of the business and assets. The book debts have been pursued by the Joint Administrators and £30,074.23 has been collected to date compared with anticipated realisations of £179,058. A further £3,102.96 has been received since the date of liquidation and will be paid into the Joint Liquidators' bank account. The remaining debtors relate primarily to three large accounts which are disputed for breach of contract and work uncompleted. It is unclear whether there will be any future realisations from this source.
- 3 4      It was apparent that a number of debtors of Data Centre Response Limited made payments to the Company's bank account in error and it has been necessary to analyse the bank statements to establish the amounts necessary to reimburse Data Centre Response Limited from the balance received. This matter has now been concluded.
- 3 5      The Company's bank account contained an advance payment of £100,000 from a customer. I am presently taking legal advice to ascertain if this amount is an unsecured creditor in the Administration or whether it requires to be repaid. At the present time the view is that the payment is an unsecured claim.

## **EPI Service Limited - In Administration**

- 3 6 The Company's work in progress was examined by my quantity surveyors but it is apparent that the contracts were incomplete and counter claims could be received from the customers in respect of breach of contract and costs of completion. It is not anticipated that there will be any realisations from this source.
- 3 7 Since my last report refunds have been received in respect of Business Rates, £2,139 08, Prepaid Postage, £44 11 and Road Fund Tax, £57 00.

### **4 Joint Administrators' Remuneration**

- 4 1 The creditors approved that the basis of the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the Administration at the initial meeting of creditors held on 29 March 2012. By agreement with the Secured Creditor, Downing Corporate Finance Limited, the Joint Administrators' fees have been capped at £25,000 to include pre and post appointment time costs.
- 4 2 Our time costs for the period from the date of appointment are £34,317 05. This represents 237 15 hours at an average rate of £144 71 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by us in managing the Administration. To date, £5,000 plus disbursements of £1,081 01 has been drawn as agreed and the balance of £29,317 05 will be written off.
- 4 3 The activity costs referred to in Appendix B include the following,
- Statutory & Compliance – Appointment and related formalities, bonding and bordereau, case reviews, statutory reporting, cashiering, drafting and submission of report to the Department for Business Innovation and Skills.
  - Realisation of Assets - Monitoring transferring debtors agreement, pursuit of book debts, uncalled share capital, locating missing vehicles, sale of assets, evaluation of work in progress.
  - Creditors and Claims – General creditor correspondence and enquiries, retention of title claims, secured creditors, general reporting, agreeing creditor claims.
  - Employee Matters – Advising employees, collection and submission of employee claims and salary information to Redundancy Payments Office, reconciling claims.

## EPI Service Limited - In Administration

4.4 A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from [www.rpg.co.uk](http://www.rpg.co.uk)

4.5 Attached as Appendix C is a Time Analysis which provides details of the activity costs incurred by staff grade during the period from 24 August 2012 to 27 November 2012 in respect of the costs fixed by reference to time properly spent by us in managing the Administration

4.6 Attached as Appendix E is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade

4.7 Since the date of our previous report the following Category 2 disbursements have been taken

- Photocopying, reports to creditors £22.80

## 5 Joint Administrators' Expenses

5.1 The following expenses have been incurred since my last report

Supplier / Service Provider	Nature of expense incurred	Amount incurred to date £	Paid to date £	Amount Outstanding £
Turner Parkinson LLP	Legal costs and disbursements relating to post appointment matters	1,057.00	1,057.00	Nil

## 6 Investigations

6.1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS). As this is a confidential report, I am not able to disclose the contents

6.2 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting or as a response to my request to complete an investigation questionnaire. My investigations have not revealed any issues requiring further report

## 7 Unrealised Assets

- 7 1 The only assets which remain unrealised at this time are residual book debts, which have now been re-assigned to the Company. The debts will be pursued by the Joint Liquidators, but it is not anticipated that there will be further significant realisations from this source.
- 7 2 The Receipts and Payments Account at Appendix A reflects the final position for both realisations received and payments discharged during the course of the Administration.

## 8 Outcome for Creditors

- 8 1 An Estimated Outcome Statement as at 27 November 2012 is attached at Appendix D.

### *Secured Creditors*

- 8 2 Downing Corporate Finance Limited holds a fixed and floating charge over the Company's assets in respect of loan notes issued to the Company. At the date of the Administration the indebtedness to the secured creditor was estimated at £1,312,500. £665,251 has been paid to date from realisations from property, goodwill and uncalled share capital, being fixed charge realisations.

### *Preferential Creditors*

- 8 3 A summary of preferential claims is detailed below.

Preferential claim	Claims Received £	Statement of Affairs Claim £	Dividend paid £
Employee claims (Total number of claims = 30)	-	£63,000	-
Department for Business Innovation & Skills (BIS)	£35,586.23	Included in above	-

- 8 4 There will be additional preferential claims for employees over the statutory limited for holiday pay. These will be calculated when preferential claims are paid. A claim has been received from the Redundancy Payments Office in the sum of £35,586.23. At the present time this has not been agreed as we are unable to reconcile the claim with our records.

- 8 5 Preferential claims will be paid in full as soon as possible by the Joint Liquidators.

### *Unsecured Creditors*

- 8 6 I have received claims totalling £1,690,560.86 from 94 creditors. I have yet to receive claims from 109 creditors whose debts total £372,118.61 as per the Company's statement of affairs.



## **EPI Service Limited - In Administration**

8 7 The Company granted a floating charge to Downing Commercial Finance Limited on 24 November 2011. There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property". A Company's net property is that left after paying the preferential creditors and costs and expenses of the Administration, but before paying the lender who holds a floating charge. An Administrator has to set aside

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000

8 8 There will be a distribution to unsecured creditors in due course which will be dealt with by the Joint Liquidators.

## **9 Creditors' Rights**

9 1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.

9 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Joint Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Administrators, as set out in this progress report, are excessive.

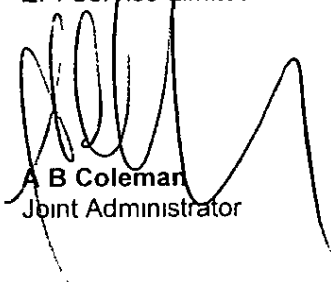
## **10 Ending the Administration**

10 1 I confirm the Joint Administrators filed a notice with the Registrar of Companies on 24 November 2012 in order that the Administration will cease and the Company will move automatically into Creditors Voluntary Liquidation (CVL). The Joint Administrators have also become the Joint Liquidators of the CVL.

## **EPI Service Limited - In Administration**

- 10.2 Pursuant to Rule 4.127A, the Joint Liquidators' remuneration will be charged on the same basis as previously agreed in the Administration proceedings. It is resolved that the Joint Liquidators be authorised to draw Category 2 disbursements in accordance with Royce Peeling Green Limited's published rates. It is also resolved that the Joint Liquidators be authorised to act jointly and severally.
- 10.3 The Joint Administrators are discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 following their appointment as Joint Administrators ceasing to have effect on 27 November 2012, the date the notice was filed by the Registrar.

For and on behalf of  
EPI Service Limited



A B Coleman  
Joint Administrator

**EPI Service Limited - In Administration**

**Receipts and Payments Account for the Period from 24 February 2012  
to 27 November 2012**

**Appendix A**

## Appendix A

Joint Administrators' Receipts and Payments for the period  
24 February 2012 to 27 November 2012

	24 02 2012 to 23 08 2012	24 08 2012 to 27 11 2012	Total
	£	£	£
<b>Receipts</b>			
Property/Goodwill	625,000 00		625,000 00
Uncalled Share Capital	49,750 00		49,750 00
Plant, Machinery, Fixtures & Fittings	44,978 00		44,978 00
Motor Vehicles	28,800 00	9,000 00	37,800 00
Stock	25,380 00		25,380 00
Book Debts	30,074 23		30,074 23
Maintenance Contracts	3,489 58	0 60	3,490 18
Late Payment Tax Refund	12,926 52		12,926 52
Cash at Bank	276,929 92	1,484 66	278,414 58
Sundry Refunds	0 00	2,240 19	2,240 19
Bank Interest Gross	71 17	79 18	150 35
Receipts Subject to Repayment	449 80	-449 80	0 00
The Transferring Debtors	1 00		1 00
	<u>1,097,850 22</u>	<u>12,354 83</u>	<u>1,110,205 05</u>
<b>Payments</b>			
Secured Creditor Downing Corporate Finance Limited	665,251 00		665,251 00
Hire Purchase Creditor	1,263 00		1,263 00
Specific Bond	515 00		515 00
Pre Administration Fees	20,000 00		20,000 00
Preparation of Statement of Affairs	1,000 00		1,000 00
Joint Administrators' Fees	5,000 00		5,000 00
Joint Administrators' Disbursements	1,008 05	72 96	1,081 01
Agents' Fees	10,000 00		10,000 00
Agents' Disbursements	11,235 57		11,235 57
Legal Fees	7,500 00	1,636 50	9,136 50
Legal Disbursements	47 00	607 00	654 00
Statutory Advertising	170 00		170 00
Property Expenses	2,547 12		2,547 12
Insurance of Assets	383 87		383 87
Wages	553 84		553 84
Bank Charges	75 00	358 50	433 50
	<u>726,549 45</u>	<u>2,674 96</u>	<u>729,224 41</u>
Funds in hand at 27 November 2012	<u>371,300 77</u>	<u>9,679 87</u>	<u>380,980 64</u>

**EPI Service Limited - In Administration**

**Time Analysis for the Period from 24 August 2012 to 27 November 2012      Appendix B**

## Appendix B

## SIP 9 Compliance Fees Worksheet

Consolidated time spent by grade from 24 February 2012 to 27 November 2012

	Office Holder	Manager	Director	Administrator	Cashier	Support	Total Hours	Total Cost £	Average Rate £
	£	£	£	£	£	£			
Highest Charge out Rates	201	155	150	75	62	50			
Statutory & Compliance	14 60	39 25		11 90	7 40		73 15	10,391 65	142 06
Realisation of Assets	6 00	43 75					49 75	7,987 25	160 55
Creditors and Claims	6 90	67 50		4 10			78 50	12,156 90	154 86
Employee Matters		13 75		22 00			35 75	3,781 25	105 77
Total hours/Cost	27 50	164 25	0 00	38 00	7 40	0 00	237 15	34,317 05	144 71

## Disbursements

Postage & stationery	637 96
Motor & travel	443 05
	<u>1,081 01</u>

**EPI Service Limited - In Administration**

**Time Analysis for the Period from 24 August 2012 to 27 November 2012**

**Appendix C**

**SIP 9 Compliance Fees Worksheet**  
**Consolidated time spent by grade from 24 August 2012 to 27 November 2012**

	Office Holder	Manager	Director	Administrator	Cashier	Support	Total Hours	Total Cost £	Average Rate £
	£	£	£	£	£	£			
Highest Charge out Rates	201	155	150	100	62	50			
Statutory & Compliance	0 10	12 50		0 90	2 20		15 70	2,183 50	139 08
Realisation of Assets		9 00					9 00	1,395 00	155 00
Creditors and Claims	0 70	11 75					12 45	1,961 95	157 59
Employee Matters				1 30			1 30	97 50	75 00
Total hours/Cost	0 80	33 25	0 00	2 20	2 20	0 00	38 45	5,637 95	146 63

## Disbursements

Postage &amp; stationery 72 96

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 72 96
 

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**EPI Service Limited - In Administration**

**Estimated Outcome Statement as at 27 November 2012**

**Appendix D**

## Appendix D

## Estimated Outcome Statement as at 27 November 2012

Assets subject to security	Estimated to realise £	Realised to date £	Anticipated Future Realisations £
Freehold Property/Goodwill	625,000	625,001 00	
Uncalled Share Capital	49,751	49,750 00	
Investments	0	0 00	
		<u>674,751 00</u>	<u>0 00</u>
Deduct			
Downing Corporate Finance Limited		<u>665,251 00</u>	
Contribution to costs		<u>9,500 00</u>	<u>0 00</u>
<b>Assets subject to floating charge</b>			
Plant, Machinery, Fixtures & Equipment		44,978 00	
Cash at Bank		278,414 58	
Stock		25,380 00	
Motor Vehicles		37,800 00	14,400 00
Book Debts		30,074 23	3,102 96
Maintenance Contracts		3,490 18	
Late Payment Tax Refund		12,926 52	
Bank Interest		150 35	
Sundry Refunds		2,240 19	
Work in Progress		0 00	
Contribution to costs b/d		<u>9,500 00</u>	
		<u>444,954 05</u>	<u>17,502 96</u>
<b>Payments</b>			
Specific Bond	515 00		
Pre Administration Fee	20,000 00		
Joint Administrators' Fee	5,000 00		
Joint Administrators' Disbursements	1,081 01		
Legal Fees	9,136 50		
Legal Disbursements	654 00		
Agents' Fees	10,000 00		3,837 50
Agents' Disbursements	11,235 57		
Statutory Advertising	170 00		
Hire Purchase Creditor	1,263 00		
Property Expenses	2,547 12		
Insurance of Assets	383 87		
Bank Charges	433 50		
Assistance with statement of affairs	1,000 00		
Wages assistance with accounts	<u>553 84</u>		
		<u>63,973 41</u>	<u>13,665 46</u>
Balance at Bank		380 980 64	
Add Estimated future receipts		<u>13,665 46</u>	
		394,646 10	
Deduct, Estimated Preferential creditors		63,000 00	
Surplus after preferential creditors		<u>331,646 10</u>	
Estimated prescribed part available for unsecured creditors		<u>69,329 22</u>	
Amount available for floating charge creditor		<u>262,316 88</u>	
Estimated unsecured creditors		<u>2,062,680 00</u>	
Estimated dividend prospects for unsecured creditors		3 36%	

**Additional Information in Relation to Joint Administrators' Fees  
Pursuant to Statement of Insolvency Practice 9**

**Appendix E**

**1 Policy**

Detailed below is Royce Peeling Green Limited's policy in relation to

- staff allocation and the use of sub-contractors,
- professional advisors, and
- disbursements

**1.1 Staff Allocation and the use of Sub-contractors**

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We are not proposing to utilise the services of any sub-contractors in this case.

**1.2 Professional Advisors**

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Turner Parkinson LLP (legal advice)	Hourly rate and disbursements
Naismiths Ltd (contracts in progress advice)	Percentage realisations and disbursements
Edward Symmons LLP (valuation and disposal advice)	Hourly rate and disbursements

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

### 13 Disbursements

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

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

On this case the following Category 2 disbursements have been incurred since appointment

Type and purpose	£
Photocopying and postage, reports to creditors	637.96
Business travel and mileage @ 40p per mile incurred	280.40

## 2 Charge-out Rates

A schedule of Royce Peeling Green Limited charge-out rates for this assignment effective from 1 January 2011 is detailed below

	(Per hour) £
Office Holder	201
Manager	155
Director	150
Administrator	57-100
Support Staff	50-62