

The Insolvency Act 1986

# 2.34B

## Notice of move from administration to creditors' voluntary liquidation

|  |
|--|
| Name of Company<br>Abel Plastering Systems Limited |
|--|

|                            |
|----------------------------|
| Company number<br>04225110 |
|----------------------------|

|  |
|--|
| In the High Court of Justice<br>Chancery Division<br>Manchester District Registry<br><small>(full name of court)</small> |
|--|

|                                   |
|-----------------------------------|
| Court case number<br>3470 of 2008 |
|-----------------------------------|

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

~~/~~We (a) Colin Thomas Burke  
Milner Boardman & Partners  
The Old Bank  
187a Ashley Road  
Hale  
Cheshire  
WA15 9SQ

Gary John Corbett  
Milner Boardman & Partners  
The Old Bank  
187a Ashley Road  
Hale  
Cheshire  
WA15 9SQ

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

having been appointed administrator(s) of (b) Abel Plastering Systems Limited  
The Old Bank, 187a Ashley Road, Hale, Cheshire, WA15 9SQ

(c) Insert date of appointment

on (c) 16 September, 2008  
by (d) the directors

(d) insert name of appointor/applicant (e) Insert name(s) and address(es) of liquidator(s)

hereby give notice that:  
the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply, and it is proposed that (e) Colin Burke and Gary Corbett of Milner Boardman & Partners, The Old Bank, 187a Ashley Road, Hale, Cheshire, WA15 9SQ will be the liquidator(s) of the company (IP No(s) 8803/9018 )

We attach a copy of the final progress report.

Signed

Joint / Administrator(s)

Dated

14/9/09

### Contact Details:

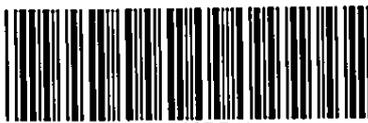
You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form.

Colin Thomas Burke  
Milner Boardman & Partners  
The Old Bank  
187a Ashley Road  
Hale  
Cheshire  
WA15 9SQ

DX Number

0161 927 7788  
DX Exchange

The contact information that you give



"AZV09DB1"

A29

16/09/2009

213

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**



MILNER BOARDMAN  
& PARTNERS  
*Corporate Recovery*

---

**ABEL PLASTERING SYSTEMS LIMITED  
IN ADMINISTRATION**

**Joint Administrators'  
Final Progress Report  
In accordance with  
Rule 2.47 of the Insolvency Act 1986**

**Covering the Period  
16 September 2008 to 14 September 2009**

**14 September 2009**

**Milner Boardman and Partners  
The Old Bank  
187A Ashley Road  
Hale  
Cheshire  
WA15 9SQ**

*High Court of Justice Chancery Division, Manchester District  
Registry  
No: 3470 of 2008*

*Our Ref: GJC/HLB/1574/28*

---

**Joint Administrators'  
Final Progress Report**



## **CONTENTS**

1. Statutory Information
2. Joint Administrators' Proposals
3. Receipts and Payments
4. Trading and Asset Realisation
5. Prospects for Creditors
6. Exit from Administration
7. Joint Administrators' Remuneration
8. Disbursements

## **APPENDICES**

1. Receipts and Payments Account
2. Milner Boardman and Partners' Time Analysis



**1. Statutory Information**

- 1.1 I was appointed Joint Administrator of Abel Plastering Systems Limited together with Gary Corbett on 16 September 2008 by the High Court of Justice, Chancery Division, Manchester District Registry. The application for the appointment of an Administrator was made by the directors.
- 1.2 The administration is being handled by Milner Boardman & Partners, situated at The Old Bank, 187A Ashley Road, Hale, Cheshire, WA15 9SQ.
- 1.3 The Administration is registered in the High Court of Justice, Chancery Division, Manchester District Registry, under reference number 3470 of 2008.
- 1.4 The trading address of the company was 1 Eastgate House, 44 Olive Lane, Liverpool, L15 8LS.
- 1.5 The registered office of the company is c/o Milner Boardman & Partners, The Old Bank, 187A Ashley Road, Hale, Cheshire, WA15 9SQ and its registered number is 04225110.
- 1.6 The functions of the Administrators may be exercised by either both, acting jointly or alone.

**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:
- a) Rescuing the company as a going concern;
  - b) 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);
  - c) Realising property in order to make a distribution to one or more secured or preferential creditors.
- 2.2 The strategy for achieving the third objective was to collect the outstanding book debts and realise the chattel assets belonging to the company. It was anticipated that the preferential creditors would be paid in full, together with the secured creditor and that a prescribed part dividend would be paid to the unsecured creditors.



2.3 The objective of the administration has therefore been achieved as the secured creditor, National Westminster Bank plc ("NatWest") has been paid in full and the preferential creditor has also been paid in full. The company can therefore be moved into creditor's voluntary liquidation to deal with the distribution of the prescribed part to unsecured creditors.

### 3. Receipts and Payments

3.1 Attached at Appendix 1 is a copy of the Joint Administrators Receipts and Payments account for the period from 16 September 2008 to date.

3.2 A current balance of £23,550.97 is held and a further £2,213.37 is to be collected in respect of VAT. These funds will be passed to the Liquidator.

#### Receipts

3.3 Receipts since our last report are as follows: -

- £8,582.42 Book debts
- £0.15 Bank Interest

3.4 Total receipts for the period of the Administration therefore amount to £54,548.08.

#### Payments

3.5 Payments made since our last report are as follows:-

- £3,000 Preparation of Statement of Affairs
- £15,000 Office Holder's Fees
- £3,000 Agent's Fees
- £14.56 Corporation Tax
- £4,642.44 Preferential Creditor Payments

3.6 Total payments for the period of Administration therefore amount to £28,783.74.

### 4. Trading and Asset Realisation

4.1 The Joint Administrator took control of the assets and undertaking of the Company following their appointment on 16 September 2008.

4.2 All proceeds from asset realisations are recorded in the enclosed Receipts and Payments Account.



4.3 A number of book debts including retentions also remain outstanding and the Liquidators will continue to pursue these. The directors of Abel Plastering & Flooring Systems Limited ("APFS") have indicated that they may be interested in making an offer to purchase the retentions. Naimsmiths Quantity Surveyors are currently examining the outstanding ledger and are in discussions with APFS with regards to their potential offer.

4.4 Approximately, £240,000 remains outstanding according to the debtor ledger, however as previously reported the majority of these debts were not anticipated to be collectable due to disputes and bad debts. A further £170,000 was also shown as outstanding on the ledger in respect of retentions due and Naimsmiths shortly hope to be in a position to advise on the collectability of these sums.

## **5. Prospects for Creditors**

### **5.1 Secured Creditors**

5.1.1 As you are aware, NatWest has a mortgage debenture registered against the company dated 29 July 2005, which was registered on 6 August 2005. At the date of appointment, NatWest were owed approximately £47,000 and to date, a total of £55,780 has been paid directly into the account in respect of book debts. NatWest have paid the surplus over to the Joint Administrators.

5.1.2 Due to the fact that NatWest's debenture is registered after 15 September 2003, the prescribed part will be payable to unsecured creditors. Based on current realisations, the Joint Administrators would need to request that approximately £2,500 is repaid to the company by NatWest in order to distribute the prescribed part. However, as further realisations are anticipated from book debts, this should not be necessary.

### **5.2 Preferential Creditors**

5.2.1 A claim in the sum of £4,224.05 was received from the Redundancy Payments Office in respect of wages and holiday pay paid to former employees. A number of employees were also owed residual amounts over and above that paid out by the Redundancy Payments Office and this totalled £418.39. A dividend of 100p in the pound has been paid to all preferential creditors.

### **5.3 Unsecured Creditors**

5.3.1 Under Section 176A of the Insolvency Act 1986, where after 15<sup>th</sup> September 2003 a company has granted to a creditor a floating charge, a proportion of the net property realised must be made available exclusively for the unsecured creditors.



5.3.2 In this case I estimate that approximately £18,000 will be available to transfer to the Joint Liquidators to distribute to the unsecured creditors under the prescribed part. The director's statement of affairs indicated that unsecured creditors total £956,086, although claims received indicate that the total may be higher, however a dividend of approximately 1 – 2pence is anticipated before the costs of the liquidation.

**6. Exit from Administration**

6.1 This 'Final Progress Report' has been prepared to bring about an end to the Administration period.

6.2 The Joint Administrators intend to exit the Administration by way of Creditors Voluntary Liquidation ("CVL") pursuant to the provisions of Paragraph 83 of Schedule B1 to the Insolvency Act 1986. With this report you will find enclosed Form 2.34B Notice of the Appointment of Liquidators.

6.3 The Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 14 days after their appointment as Administrators ceasing to have effect.

**7. Administrator's Remuneration**

7.1 The secured creditor and preferential creditors approved that the basis of the Joint Administrators' fees be fixed by reference to the time properly spent by them and their staff in managing the Administration.

7.2 The Joint Administrators' time costs at 14 September 2009 are £24,596.25. This represents 99.5 hours at a rate of £247.20 per hour. Attached at Appendix 2 is a Time Analysis which provides details of the activity costs incurred by staff grade during this period. The Joint Administrators have drawn £15,000 in respect of their time costs.

**8. Disbursements**

8.1 Where disbursements are covered in respect of precise sums expended to third parties, there is no requirement for these costs to be authorised. These are known as Category 1 disbursements.

8.2 I therefore report that since my last report an amount of £6014.56 has been drawn in respect of Category 1 disbursements relating to Statement of Affairs fee, agent's fees and corporation tax.



---

8.3 Category 2 disbursements require creditor authorisation before they can be drawn.  
Milner Boardman & Partners do not charge Category 2 disbursements.

Should you require further information please contact Helen Baldwin of my office on 0161 927 7788.

Yours faithfully  
For and on behalf of  
Abel Plastering Systems Limited

A handwritten signature in black ink, appearing to read 'Colin Burke'.

**Colin Burke**  
**Joint Administrator**



# Appendix 1

## Receipts and Payments Account

## A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

### 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 and explains the basis on which fees are fixed.

### 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 reasonable 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 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 its establishment, and subsequent meetings must be held either at specified dates 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 such information as it may require.

### 4 Fixing the administrator's fees

- 4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed either:

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

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is fixed as a percentage, to fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on 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 creditor's committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator.

- 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 a resolution of the creditor shall be taken as passed if, and only if, passed with 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.

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 What information should be provided by the Administrator?

5.1 When seeking fee approval

5.1.1 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

5.1.2 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.

5.1.3 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 (whilst 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 charge, bearing in mind the factors set out in paragraph 4.1 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 be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity 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 of 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:

- 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 contracted 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.

5.1.4 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.

**Milner Boardman & Partners**

## TIME &amp; CHARGEOUT SUMMARIES

Abel Plastering Systems Ltd

| HOURS                           |           |           |                           |                            |             |             |                       |
|---------------------------------|-----------|-----------|---------------------------|----------------------------|-------------|-------------|-----------------------|
| Classification Of work Function | Partner   | Manager   | Other Senior Professional | Assistants & Support Staff | Total Hours | Time Cost £ | Average Hourly Rate £ |
| Administration & Planning       | 10.00     | 40.00     | 0.00                      | 1.75                       | 51.75       | 11,921.25   | 230.36                |
| Investigations                  | 3.50      | 6.50      | 0.00                      | 0.00                       | 10.00       | 2,692.50    | 269.25                |
| Realisation of Assets           | 14.50     | 9.25      | 0.00                      | 0.00                       | 23.75       | 6,568.75    | 276.58                |
| Creditors                       | 4.75      | 8.50      | 0.25                      | 0.50                       | 14.00       | 3,413.75    | 243.84                |
| Trading                         | 0.00      | 0.00      | 0.00                      | 0.00                       | 0.00        | 0.00        | 0.00                  |
| Total Fees Claimed £            | 10,755.00 | 13,393.75 | 53.75                     | 393.75                     |             | 24,596.25   |                       |
| Total Hours                     | 32.75     | 64.25     | 0.25                      | 2.25                       | 99.50       |             |                       |
| Average Rate                    | 328.40    | 208.46    | 215.00                    | 175.00                     |             |             |                       |



MILNER BOARDMAN  
& PARTNERS  
*Corporate Recovery*

---

# Appendix 2

## Milner Boardman & Partners' Time Analysis

**Abel Plastering Systems Limited  
(In Administration)**

**Income and Expenditure Account  
16 September 2008 to 14 September 2009**

| <b>INCOME</b>             | <b>Total (£)</b> |
|---------------------------|------------------|
| Motor Vehicles            | 4,500.00         |
| Book Debts                | 49,792.68        |
| Cash at Bank              | 203.61           |
| Bank Interest Gross       | 51.79            |
|                           | <hr/>            |
|                           | <b>54,548.08</b> |
|                           | <hr/>            |
| <b>EXPENDITURE</b>        |                  |
| Specific Bond             | 70.00            |
| Preparation of S. of A.   | 3,000.00         |
| Office Holders Fees       | 15,000.00        |
| Court Filing Fee          | 30.00            |
| Agents/Valuers Fees       | 3,325.50         |
| Corporation Tax           | 14.56            |
| Finance company payment   | 2,373.28         |
| Statutory Advertising     | 147.96           |
| ERA Work                  | 180.00           |
| Inland Revenue (PAYE/NIC) | 129.70           |
| DE Arrears & Holiday Pay  | 4,224.05         |
| Employees - Wage Arrears  | 51.06            |
| Employees - Holiday Pay   | 237.63           |
|                           | <hr/>            |
|                           | <b>28,783.74</b> |
|                           | <hr/>            |
| <b>Balance</b>            | <b>25,764.34</b> |
|                           | <hr/>            |
| <b>MADE UP AS FOLLOWS</b> |                  |
| Current Account           | 23,550.97        |
| Vat Control Account       | 2,213.37         |
|                           | <hr/>            |
|                           | <b>25,764.34</b> |
|                           | <hr/>            |

## **5.2 After fee approval**

Where a resolution fixing the basis of fees is passed at an 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. Where the fee is based on time costs he should also provide details of the time spent and charge out value to date and any material changes in the rates 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 5.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

## **5.3 Expenses and Disbursements**

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, 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 room hire, document storage 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 directly incurred on the case and subject to a reasonable method of calculation and allocation

## **6 What if a creditor is Dissatisfied?**

- 6.1 If a creditor believes that the administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. 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. Unless the court orders otherwise, the costs must be paid by the applicant and not as an expense of the administration.

## **7 What if the Administrator is Dissatisfied?**

- 7.1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution to the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. 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 such 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.

## **8 Other matters relating to fees**

- 8.1 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.
- 8.2 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 authorised by the creditors' committee, the creditors or the court.

**1 November 2008**

**MILNER BOARDMAN & PARTNERS CURRENT CHARGE OUT RATE**

|   |             |                     |
|---|-------------|---------------------|
| <b>PARTNER</b>                                | <b>From</b> | <b>£295 to £370</b> |
| <b>MANAGER</b>                                |             | <b>£215</b>         |
| <b>SENIOR ADMINISTRATOR/ASSISTANT/SUPPORT</b> |             | <b>£175</b>         |

**Basis of Charging Disbursements and Expenses**

Certain costs may be incurred in relation to a case and in the first instance, paid by Milner Boardman and Partners and then recharged to the case. The amount recharged is the exact amount incurred. Examples are statutory bond, statutory advertising, land registry searches, insurance, travel and substances, archiving and storage costs.

Other costs, which may be charged to the case, are room hire for meetings held at the office of Milner Boardman & Partners and the cost of sending out reports to creditors, if material. The costs recharged are based upon the actual cost of the materials used or the costs, which would have been incurred if that service had been sourced externally.

The current levels of costs recharged are detailed below:

|  |               |
|--|---------------|
| <b>ROOM HIRE</b>                                   | <b>£60.00</b> |
| <b>ENVELOPE</b>                                    | <b>4.2p</b>   |
| <b>PAPER (Photocopies per sheet)</b>               | <b>1.75p</b>  |
| <b>POSTAGE (Depending on weight)</b>               | <b>31p</b>    |
| <b>FILES AND DIVIDERS (Cost per 100 creditors)</b> | <b>£2.00</b>  |
| <b>STORAGE OF ARCHIVE BOX FOR ONE QUARTER</b>      | <b>£1.50</b>  |