

The Insolvency Act 1986

**Administrator's progress report**

Name of Company Voltec Powder Systems Limited	Company number 04238334
In the High Court of Justice Chancery Division, Leeds District Registry	Court case number 561 of 2008

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

I Andrew Rosler of ICS Yorkshire Limited, Concept House, Brooke Street, Cleckheaton, BD19 3RY,

Administrator of the above company, attach a progress report for the period

from

to

(b) 21 April 2008

(b) 20 October 2008

(b) Insert dates

Signed



Administrator

Dated

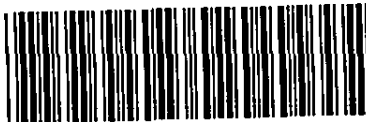
20/11/08

**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 public record.

	Tel
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



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COMPANIES HOUSE

WEDNESDAY

**Administrator's Progress Report**  
**For the Period 21/04/2008 to 20/10/2008**

**Voltec Powder Systems Limited**  
**- In Administration**

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## **THE ADMINISTRATOR'S PROGRESS REPORT**

### **1 Statutory information**

- 1.1 The Company's registered number is 04238334.
- 1.2 The registered address of the Company was Cornhill Works, Marl Road, Knowsley Industrial Park, Liverpool, L33 7UH
- 1.3 The registered office of the Company was changed to c/o ICS Yorkshire Limited, Concept House, Brooke Street, Cleckheaton, BD19 3RY
- 1.4 Details of the Company's directors and secretary are as follows:

<b>Director</b>	<b>Date appointed</b>	<b>Date resigned</b>
Mr M Evans	20/06/2001	N/a
Mr S Evans	20/06/2001	N/a
Mr M Grossett	11/12/2007	N/a

### **2 Progress of the Administration**

- 2.1 As previously stated, Andrew Rosler was appointed Administrator of the Company on 21 April 2008 by Close Invoice Finance Limited ("Close")
- 2.2 Due to a lack of funding and no substantial benefit to creditors in trading the business, there was no possibility of trading the business to subsequently ensure the survival of the Company as a going concern.
- 2.3 As it was not feasible for the Company to be sold as a going concern, the Administrator pursued objective c) to realise assets in order to make a distribution to one or more secured or preferential creditors
- 2.4 The Company's assets consisted of book debts, plant & machinery and stock. In May 2008, the Administrator instructed agent's Sanderson Weatherall ("Weatherall's") to value the assets of the Company.
- 2.5 Weatherall's informed the Administrator that Company stock, plant & machinery was valued at £8,363. An offer of £5,000 was received from MBM Products Limited for the stock. Weatherall's instructed that whilst the offer represented approximately 60% of the cost value, it is in excess of a likely figure achievable via a break up sale. The offer was therefore accepted, however to date no payment has been received in respect of this asset. The Administrator is currently pursuing MBM Products Limited for the outstanding £5,000 payment
- 2.6 All plant & machinery subject to finance agreements have now been returned to their respective finance companies. There was no equity in any of these assets.

2.7 Book debts were subject to a factoring agreement with Close. At the date of Appointment, the book value of the book debts amounted to £100,000 against an outstanding balance due to Close of £100,000. It was therefore estimated that no surplus would be received in respect of book debts.

2.8 Final collections totalled £86,353, leaving Close suffering a shortfall of £13,647.

### **3 Assets still to be realised**

3.1 Once the above assets have been realised and all final costs of the Administration have been paid, steps will be taken to distribute monies accordingly before dissolving the Company

### **4 Administrator's Remuneration**

4.1 Creditors approved the Administrator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the Administration

4.2 The Administrator's time costs at 20 October 2008 are £14,217. To date, £800 has been drawn against these time costs

4.3 I have attached at Appendix B, a Time Analysis in accordance with the provisions of SIP9, which provides details of time spent by staff grade post appointment to the above date. I propose drawing fees in accordance with the proposals outlined above.

4.4 Attached as Appendix C is additional information in relation to my policy on staffing, the use of subcontractors, disbursements and details of my current charge-out rates by staff grade.

### **5 Estimated outcome**

5.1 As all assets of the company are subject to security and it is likely that all secured creditors will suffer a shortfall on their lending to the company, no dividend will become payable to either preferential or unsecured creditors in this matter

### **6 Ending the Administration**

6.1 Upon realising the remaining assets and concluding all statutory and administrative duties, the Administrator will then seek to dissolve the Company as it is anticipated that no dividend will be paid to unsecured creditors in this matter.

## **6 Ending the Administration**



- 6.1 Upon realising the remaining assets and concluding all statutory and administrative duties, the Administrator will then seek to dissolve the Company as it is anticipated that no dividend will be paid to unsecured creditors in this matter.
- 6.2 The Administrator will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon his appointment as Administrator ceasing to have effect.

## **7 Next Report**

- 7.1 The Administrator is required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised

Should you require any further information, please do not hesitate to contact Adrian Collins at the above address.

For and on behalf of  
Voltec Powder Systems Limited – In Administration



**A D Rosler**  
Administrator

The affairs, business and property of the company are being managed by the Administrator. The Administrator acts as agent of the company and without personal liability.

**Receipts and Payments Abstract: YV0001 - Voltec Powder Systems Limited In Administration**

All Bank, Cash and Cash Investment Accounts: To: 20/10/2008

SOA Value £	£	£
ASSET REALISATIONS		
Bank Interest Gross	11.35	
Stock/Inventory on Hand	<u>4,000 00</u>	
		4,011 35
COST OF REALISATIONS		
Appointee Fees	<u>(800 00)</u>	
		(800 00)
<u>0.00</u>		<u>3,211 35</u>
REPRESENTED BY		
Bank 1 Current	3,071.35	
VAT Receivable (Payable)	<u>140 00</u>	
		3,211 35
		<u>3,211 35</u>

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## TIME & CHARGEOUT SUMMARIES

Voltec Powder Coatings Limited

To 20 Oct 2008

### HOURS

Classification Of work Function	Director	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	14 50	8 00	0 00	28 50	51 00	7,587 50	148 77
Investigations	3.50	0 00	0 00	1 80	5 30	1,055 00	199 06
Realisation of Assets	1 00	0 00	0 00	0 40	1 40	290 00	207 14
Creditors	0 00	20 50	0 00	19 60	40 10	5,035 00	125 56
S-SOFA	1 00	0 00	0 00	0 00	1 00	250 00	250 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	5,000 00	4,275 00	0 00	4,942 50		14,217.50	
Total Hours	20 00	28 50	0 00	50 30	98 80		
Average Rate	250 00	150 00	0 00	98 26			

### CATEGORY 2 DISBURSEMENTS

Type & Purpose			Amount £
21/04/2008	File Set-Up	New Appointment Set-Up Fee	18 00
08/04/2008	Companies House Searches	Mortgage detail, accounts, director data and 363	4 00
31/08/2008	Photocopies	Report to creditors	272 54
			294.54



## 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 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 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 three and a maximum of five 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 ten weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within six 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 information about the exercise of his functions.

#### 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 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 creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of 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 creditors 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 creditor's 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 charged, 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 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:

- 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 would 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.

## 5.2 *After fee 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. 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 of 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.

## **REMUNERATION AND POLICY ON DISBURSEMENTS INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

### **INTRODUCTION**

This policy applies where a licensed insolvency practitioner in this firm is seeking appointment, or is currently acting, as an office holder of an insolvent estate and a resolution will be proposed or has been approved authorising fees to be drawn on a time cost basis and category 2 expenses (defined below) to be paid as outlined below

### **REMUNERATION**

Time is charged in 6 minute units. Charge out rates per hour are as follows:

Director/Office holder	£250	Case Administrator	£75-100
Senior Manager	£180	Cashier	£75
Manager	£150		

### **DISBURSEMENTS**

Category 1 disbursements are expenses that are directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external supplier's invoice or published tariff of charges. Approval is not required for these disbursements.

Category 2 disbursements are expenses that are of an incidental nature and cannot, or cannot easily, be directly related to a particular insolvency case because there is an element of shared or allocated cost. Where the cost of the expense incurred is an estimated, unitised cost, the charging policy will be based on external costs or opportunity cost. They are charged as follows:

- Car mileage is re-charged at the rate of 50 pence per mile;
- Storage of books and records (when not rechargeable as a *Category 1 expense*) is recharged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates;
- Printing and photocopying at 15p per copy;
- File set up at £18.00 per file.

Please note that charge out rates and disbursements are reviewed annually on 1 April and are subject to change.