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04871807

**To all known creditors/members**

14 October 2015

Dear Sirs

**Quantum Industries Limited (in compulsory liquidation) ("the Company")**  
**In the Norwich County Court No 182 of 2014**

I refer to my appointment as liquidator of the above Company on 3 September 2014. In accordance with Rule 4.49B of the Insolvency Rules 1986 this is my first progress report to creditors.

Please note this firm's change of address and update your records accordingly.

**1 Receipts and payments**

I enclose as Appendix 1 a copy of my receipts and payments for the period 3 September 2014 to 2 September 2015 which has been reconciled to the account held by the Secretary of State. These are shown net of VAT.

**2 Overview**

The Official Receiver's report to creditors, which was drawn up without making an allowance for the cost of the liquidation, advised that it was unlikely that funds would become available for creditors.

In my first report to creditors I was unable to advise if funds would become available for unsecured creditors as it would be dependent on the level of assets realised and the costs of the liquidation.

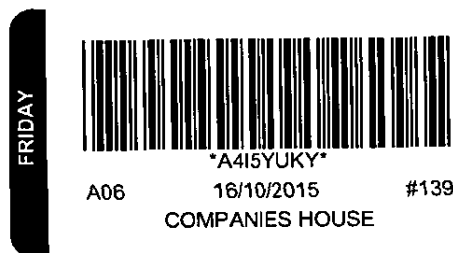
As detailed in Section 5 below the position remains as previously reported.

**3 Action since previous report**

During the period covered by this report I have realised £124 in respect of outstanding book debts and £90 in respect of a sundry receipt.

CAMBRIDGE IPSWICH LONDON NORWICH

Partners: Andrew McTear FCA, Chris Williams FCA,  
David Wood, Chris McKay FCA and Anthony Davidson.  
All our insolvency practitioners are licensed in the UK  
by The Institute of Chartered Accountants in England & Wales.



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## **4 Assets**

### **4 1 Investigations and potential antecedent transactions**

In my previous report I advised that I would be investigating whether there are any additional assets to be realised and any potential antecedent transaction claims to be pursued. My investigations are currently ongoing and creditors will appreciate that such enquiries have to be dealt with with a degree of sensitivity and it is inappropriate to disclose further information at this time as to do so would prejudice future realisations.

I have also identified a potential inter-company debt and director's loan account which I am currently investigating.

### **4 2 Debtors**

The Company's book and records detailed bad debts totalling £134,553. A review of the debtors detailed that the companies were either dissolved or insolvent. Contact was made with the relevant insolvency practitioners to establish the position with each company and whether there were likely to be any funds available for creditors. To date a dividend of £124 has been received for one debtor and future receipts in respect of all debtors are anticipated to be minimal.

### **4 3 Sundry refund**

I have received £90 in respect of a refund from the Company's pre appointment solicitors.

## **5 Creditors' claims**

At present there are no funds available for unsecured creditors and therefore no formal adjudication of claims has taken place.

There are provisions of the insolvency legislation that require a liquidator 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" ("prescribed part"). A company's net property is that left after paying preferential creditors, but before paying the lender who holds a floating charge. The "prescribed part" that the liquidator then has to set aside for unsecured creditors is 50% of the first £10,000 of the net property and 20% of the remaining net property up to a maximum of £600,000.

I previously advised there could be a prescribed part dividend. However, following investigations it would appear that the charges in favour of State Securities Plc and Skipton Business Finance Limited have been repaid following the sale of the business. As advised in Section 4 1 above my investigations are still ongoing.

## **6 Directors conduct**

The Official Receiver will investigate the conduct of the directors and file their report with the Department for Business Innovation & Skills. The content of that report is confidential.

## **7 Case control and strategy**

Following my appointment as liquidator I assign overall responsibility for the case to a case manager who is assisted by other staff as appropriate. At the commencement of the case I agree a written case strategy with the case manager. Monthly case progression meetings are held between the case manager and myself and six weekly case progression meetings are held between senior managers and the case administrators. In addition formal strategy and statutory reviews are undertaken nine months following appointment and then annually (for more complex cases these are also done three months following appointment).

## **8 Statutory matters**

In accordance with Rule 4.49B(1) of the Insolvency Rules 1986 I can confirm the following:

- Court name and reference: Norwich County Court No 182 of 2014
- Company name: Quantum Industries Limited
- Registered office: Townshend House, Crown Road, Norwich, NR1 3DT
- Registered number: 04871807
- Liquidator: Chris Williams
- Date of appointment: 3 September 2014

## **9 Remuneration disbursements and expenses**

### **9.1 Remuneration and disbursements**

At the creditors' meeting held on 28 October 2014 creditors resolved that my remuneration as liquidator be fixed by reference to time properly spent in attending to matters arising in the liquidation. In addition creditors resolved that category 2 disbursements in respect of photocopying, mileage and storage be charged at the approved rates.

In accordance with the above I have drawn the following remuneration and category 2 disbursements:

**Figure 1: Summary of time costs and category 2 disbursements for the period 3 September 2014 to 2 September 2015**

	£	Hours	Amount charged and drawn £
Time costs for the period 3 September 2014 to 2 September 2015	52,395	314	nil
Category 2 disbursements - photocopying	16	n/a	nil
	<u>52,411</u>	<u>314</u>	<u>nil</u>
<i>Source Liquidator's records</i>			

Attached at Appendix 2 is a summary of my firm's time costs for the period 3 September 2014 to 2 September 2015 the period covered by this report. A schedule of routine work typically undertaken is attached as Appendix 3 and in the period covered by this report I have dealt with the items that have been ticked.

I have spent additional time dealing with the following more complex or time consuming matters as follows:

- **Investigations** Continuing with ongoing investigations in accordance with Section 4.1 above.
- **Debtors** Reviewing books and records to identify outstanding debts, investigating position of debtors and writing to relevant insolvency practitioners to establish the likelihood of a dividend to unsecured creditors.

A creditors' guide to liquidators' fees in a liquidation and this firm's practice fee and disbursement recovery policy can be found on our website [www.mw-w.com](http://www.mw-w.com) by clicking on creditor information and then fees and costs or a copy can be requested from this office. Disbursements are recovered at cost. Our current charge out rates are: partners £295, associate/managers £195-£240, assistant managers £185, senior professionals £155, assistants £115, trainees £45. Our charge out rates are reviewed annually and since 1 January 2003 have increased by approximately 5% per annum as detailed in our policy document.

## 9.2 Liquidation expenses

There have been no major areas of expenditure incurred; however, attached at Appendix 4 is a statement of the expenses accrued in the liquidation during the period covered by this report.

### **9 3 Further information**

Within 21 days from receipt of this report creditors may request further information about the remuneration and expenses set out in the report. The request must be made in writing and made either by a secured creditor or an unsecured creditor or creditors that total at least 5% in value of unsecured creditors or the permission of the Court. Other than in specific circumstances, which if applicable we would explain, we will provide this within 14 days.

In addition within 8 weeks of receipt of the report creditors may apply to Court to challenge the amount and/or basis of the liquidator's fees and the amount of any proposed expenses or expenses already incurred. The application may be made by a secured creditor, or by unsecured creditor(s) that total at least 10% in value of the creditors or with the permission of the Court.

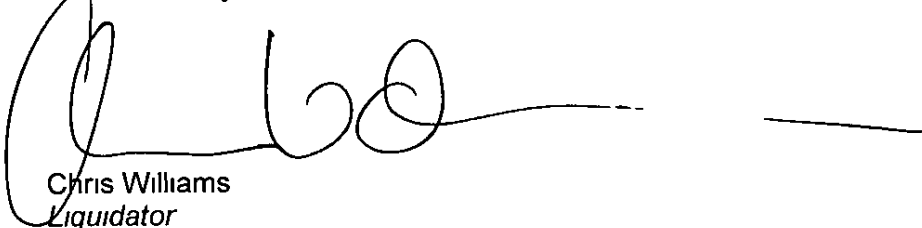
### **10 Closure**

The following matters are outstanding

- Complete investigation into the company's affairs
- Agree creditors' claims and distribute funds if sufficient realisations are available

If you require any further information please do not hesitate to contact Freya Cooper at the above address

Yours faithfully

A handwritten signature in black ink, appearing to be 'Chris Williams', followed by a horizontal line.

Chris Williams  
*Liquidator*

Enclosures

**Quantum Industries Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**  
**To 02/09/2015**

S of A £		£	£
	ASSET REALISATIONS		
NIL	Book Debts	124 49	
NIL	Sundry receipts	89 61	
NIL	Deposit on petition	1,165 00	
			1,379 10
	COST OF REALISATIONS		
	O R Remuneration	2,400 00	
	BIS Fees	88 00	
			(2,488 00)
	UNSECURED CREDITORS		
(704,900 72)	Unsecured cred - Trade and expense	NIL	
			NIL
<b>(704,900.72)</b>			<b>(1,108.90)</b>
	REPRESENTED BY		
	ISA		(1,108 90)
			<b>(1,108 90)</b>

# Time Entry - Detailed SIP9 Time & Cost Summary

QUAN1481 - Quantum Industries Limited  
From 03/09/2014 To 02/09/2015  
Project Code POST

Classification of Work Function	Partners	Managers	Assistant Mgrs & Snr professionals	Administrators	Secretaries & Trainees	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 Statutory filing and reporting	7.70	5.20	0.30	9.70	0.60	23.50	3,554.00	151.23
101 Case Setup	0.00	1.70	0.00	7.00	0.00	13.10	1,914.00	146.11
102 Review and sign off	2.40	11.00	5.20	16.90	12.10	47.60	6,276.50	131.86
103 Cashiering	0.00	0.40	0.50	1.40	1.60	3.90	413.00	105.90
105 Secretarial	0.00	0.00	0.00	24.00	15.10	39.10	4,273.50	109.30
107 Travelling	0.00	5.50	0.00	5.50	0.00	5.50	1,320.00	240.00
108 VAT and tax	0.00	0.00	1.40	2.50	0.30	4.20	539.50	128.45
112 Company's books & records collection listing et	0.00	0.00	0.00	0.50	0.50	1.00	80.00	80.00
114 Prepare update & sign off checklists & IPS diary	0.00	0.40	0.10	0.10	0.00	0.60	122.00	203.33
115 Prepare update & sign off case strategy & reviews	0.20	0.50	0.60	2.10	0.00	3.40	527.50	155.15
116 Prioritising & agreeing next steps	0.00	0.20	0.00	0.00	0.00	0.20	23.00	115.00
117 Case progression meetings	0.60	1.10	0.60	0.10	0.20	2.60	577.50	222.12
118 Billing & providing analysis/justification of time	0.00	0.30	0.10	0.00	0.00	0.40	90.50	226.25
<b>Admin &amp; Planning</b>	<b>10.90</b>	<b>26.10</b>	<b>13.20</b>	<b>64.50</b>	<b>30.40</b>	<b>145.10</b>	<b>19,711.00</b>	<b>135.84</b>
504 Creditors - secured	0.00	0.40	0.00	0.10	0.10	0.60	103.50	172.50
505 Creditors - preferential	0.00	0.00	0.00	1.20	0.00	1.20	137.00	114.17
506 Creditors unsecured - other	0.00	2.00	1.90	15.00	1.10	20.00	2,479.50	123.97
510 Creditors unsecured - adjudicating claims	0.00	0.00	0.00	0.10	0.00	0.10	11.50	115.00
<b>Creditors</b>	<b>0.00</b>	<b>2.40</b>	<b>1.90</b>	<b>16.40</b>	<b>1.20</b>	<b>21.90</b>	<b>2,731.50</b>	<b>124.73</b>
200 Investigations	10.70	62.70	3.60	8.70	0.00	85.70	19,093.00	222.79
202 SIP2/routine investigation/CDDA	0.00	0.00	0.00	0.10	0.00	0.10	11.50	115.00
203 Directors' correspondence/questionnaire	0.00	0.00	0.00	1.20	0.10	1.30	142.50	109.62
<b>Investigations</b>	<b>10.70</b>	<b>62.70</b>	<b>3.60</b>	<b>10.00</b>	<b>0.10</b>	<b>87.10</b>	<b>19,247.00</b>	<b>220.98</b>
301 Assets - trade debts	0.00	0.20	0.40	4.60	0.00	5.20	626.50	120.48
302 Assets - other debts	0.20	6.30	1.30	10.70	0.00	18.50	2,853.00	154.22
305 Assets - business sale	0.00	0.00	0.00	0.50	0.00	0.50	55.00	110.00
306 Assets - insurance	0.00	0.00	0.00	0.10	0.00	0.10	11.00	110.00
307 Assets - chattel	0.00	0.00	0.70	0.90	0.00	1.60	230.50	144.06
308 Assets - property	0.10	1.70	0.50	5.20	0.00	7.50	1,078.50	143.80
310 Assets - civil recovery action & litigation	2.40	20.20	1.00	0.20	0.00	23.80	5,552.00	233.28
311 Assets - pre appointment bank account	0.00	0.30	0.00	2.00	0.00	2.30	299.00	130.00
<b>Realisation of Assets</b>	<b>2.70</b>	<b>28.70</b>	<b>3.90</b>	<b>24.20</b>	<b>0.00</b>	<b>59.50</b>	<b>10,705.50</b>	<b>179.92</b>
<b>Total Hours</b>	<b>24.30</b>	<b>119.90</b>	<b>22.60</b>	<b>115.10</b>	<b>31.70</b>	<b>313.60</b>	<b>52,395.00</b>	<b>167.08</b>
<b>Total Fees Claimed</b>							<b>0.00</b>	

## Appendix 3

### Routine work undertaken

Time spent on casework is recorded in 6 minute units under the following categories

#### Statutory and compliance

#### Carried out in period of report

- Collating initial information to enable us to carry out our statutory duties including creditor information, details of assets and other information ☒
- Providing initial statutory notifications of our appointment to the Registrar of Companies, clients, creditors, other stakeholders and advertising our appointment ☒
- Issuing press releases and posting information on our website ☐
- Preparing statutory receipts and payment accounts ☐
- Arranging bonding ☒
- Ensuring compliance with all statutory obligations within the relevant timescales ☒

#### Strategy documents, checklist and reviews

- Formulating, monitoring and reviewing case strategy and meetings with internal and external parties to agree the same ☒
- Briefing staff on the case strategy and matters in relation to various work streams ☒
- Regular reviews of progress and case management including team update meetings and calls ☒
- Reviews, correspondences and other work ☒
- Reviewing matters affecting the outcome ☒
- Allocating and managing staff/case resourcing and reviews ☐
- Agreeing content of engagement letters with other professionals and taking advice and liaising generally ☐
- Documenting strategy decisions ☒

#### Cashiering

- Setting up bank accounts and dealing with the Company's pre-appointment accounts ☒



- Preparing and processing voucher for the payment of post appointment invoices ☒
- Creating remittances and sending payments to settle post appointment invoices ☐
- Preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks ☐
- Reconciling post-appointment bank accounts ☐

#### **Tax**

- Gathering initial information from the Company's records in relation to taxation ☒
- Submitting initial notifications to HM Revenue & Customs ☒
- Reviewing the Company's pre-appointment corporation tax and VAT position ☒
- Analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations ☐
- Analysing VAT related transactions ☐
- Dealing with post appointment tax returns and compliance ☐

#### **Shareholders**

- Providing notification of our appointment ☐
- Responding to enquiries from shareholders ☐
- Providing copies of statutory reports to the shareholders ☐

#### **General**

- Reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9 ☐
- Locating relevant Company books and records, arranging for their collection, listing records and dealing with ongoing storage ☒

#### **Trading**

- Preparing cash flow statements to monitor the cash position ☐
- Attending to supplier and customer queries and correspondence ☐

- Raising, approving and monitoring purchase orders and setting up control systems for trading ┐
- Negotiating and making direct contact with various suppliers as necessary to provide additional information and undertakings, including agreeing terms and conditions in order to ensure continued support ┐
- Securing petty cash on site and monitoring spend ┐
- Dealing with issues in relation to stock and other assets required for trading ┐
- Communicating and negotiating with customers regarding ongoing supplies including agreeing terms and conditions ┐
- Monitoring stock and stock reconciliations ┐
- Dealing with hauliers to ensure ongoing services ┐
- Ensuring ongoing provision of emergency and other essential services to site ┐

#### **Asset realisations**

- Collating information from the Company's records regarding the assets ┐
- Liaising with agents regarding the sale of assets ┐
- Reviewing outstanding debtors and agreeing debt collection strategy ┐
- Liaising with Company credit control staff and communicating with debtors ┐
- Seeking legal advice in relation to book debt collections ┐
- Reviewing the inter-company debtor position between the Company and other group companies ┐

#### **Property matter**

- Reviewing the Company's leasehold properties including review of leases ┐
- Communicating with landlords regarding rent, property occupation and other issues ┐
- Performing land registry searches ┐

#### **Sale of business**

- Planning the strategy for the sale of the business and assets ┐

including instruction and liaison with professional advisers

- Collating relevant information and drafting information memorandum in relation to the sale of the Company's business and assets and advertising the business for sale ┐
- Dealing with queries from interested parties and managing the information flow to potential purchasers ┐
- Managing site visits with interested parties, fielding due diligence queries and maintaining a record of interested parties ┐
- Carrying out sale negotiations with interested parties ┐

#### **Health and safety**

- Ensuring that legal and licensing obligations are complied with ┐
- Ongoing health and safety compliance ┐

#### **Open cover insurance**

- Arranging ongoing insurance cover for the Company's business and assets ┐
- Liaising with the post appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place ┐
- Assessing the level of insurance premiums ┐

#### **Employees**

- Dealing with queries from employees regarding various matters relating to their employment ┐
- Dealing with statutory employment related matters including statutory notices to employees and making statutory submissions to the relevant government departments ┐
- Administering the Company's payroll including associated taxation and other deductions and preparing PAYE and NIC returns ┐
- Communicating and corresponding with HM Revenue & Customs ┐
- Dealing with issues arising from employee redundancies including statutory notifications and liaising with the Redundancy Payments Service ┐
- Managing claims from employees ┐

#### **Pensions**

- Collating information and reviewing the Company's pension schemes ┐

- Calculating employee pension contributions and review of pre-appointment unpaid contributions ┐
- Ensuring compliance with our duties to issue statutory notices ┐
- Communicating with employees' representatives concerning the effect of the administration on pensions and dealing with employee queries ┐

#### **Clients, creditors and claims**

- Drafting and circulating our proposals ┐
- Convening and preparing for the meeting of clients and creditors ☑
- Creating and updating the list of clients and unsecured creditors ☑
- Responding to enquiries from clients and creditors regarding submission of their claims ☑
- Reviewing completed forms submitted by clients and creditors, recording claim amounts and maintaining claim records ┐
- Agreeing secured/preferential/client/unsecured claims ┐
- Drafting our progress report ☑

#### **Investigations/directors**

- Reviewing Company and directorship searches and advising the directors of the effect of the insolvency ☑
- Liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies ┐
- Arranging for the redirection of the Company's mail ┐
- Reviewing the questionnaires submitted by the Directors of the Company ☑
- Reviewing pre-appointment transactions ☑
- Reporting on the director's conduct to the Insolvency Service ┐

**Appendix 4****Quantum Industries Limited (in compulsory liquidation)****Statement of expenses incurred and not paid for in the period 3 September 2014 to 2 September 2015**

<b>Nature of expense</b>	<b>Details</b>	<b>Amount of accrued expense £</b>
<b>Sundry expenses</b>		
Postage	McTear Williams & Wood	53
Company searches	McTear Williams & Wood	15
Statutory advertising	McTear Williams & Wood	70
Bordereau insurance	McTear Williams & Wood	10
Travel	McTear Williams & Wood	61
		<hr/>
		209
		<hr/>
<b>Category 2 disbursements</b>		
Photocopying	McTear Williams & Wood	16
		<hr/>
		16
		<hr/>
		225
		<hr/> <hr/>