

The Insolvency Act 1986

Administrator's progress report

Name of Company

Wellman Boiler Hire Limited ✓

Company number

05380330 ✓

In the
High Court of Justice, Chancery Division,
Companies Court

(full name of court)

Court case number
5605 of 2014(a) Insert full
name(s) and
address(es) of
administrator(s)We
Anthony Harry Hyams
Insolve Plus Ltd ✓
4th Floor Allan House
10 John Princes Street
London
W1G 0AHLloyd Edward Hinton
Insolve Plus Ltd ✓
4th Floor Allan House
10 John Princes Street
London
W1G 0AH

administrators of the above company attach a progress report for the period

From

To

(b) Insert date

7 August 2014

6 February 2015 ✓

Signed

Joint Administrators

Dated

4 March 2015

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

Anthony Harry Hyams
Insolve Plus Ltd
4th Floor Allan House
10 John Princes Street
London
W1G 0AH

DX Number

020 7495 2348
DX Exchange

WEDNESDAY



A08
18/03/2015
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

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Wellman Boiler Hire Limited - In Administration
High Court of Justice No 5605 of 2014

Joint Administrators' Progress Report

4 March 2015

Anthony Harry Hyams and Lloyd Edward Hinton
Joint Administrators

Insolve Plus Ltd
4th Floor Allan House
10 John Princes Street
London W1G 0AH

Tel 020 7495 2348
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Wellman Boiler Hire Limited - In Administration

1. Introduction

This report is prepared pursuant to Rule 2.47 of the Insolvency Rules 1986 (as amended) in relation to Wellman Boiler Hire Limited - In Administration ("WBH" or "the Company"), to provide you with an update as to the present position of proceedings.

This report should be read in conjunction with the Joint Administrators' report and proposals that were circulated to creditors on 30 September 2014.

In accordance with Paragraph 100 (2) of Schedule B1 to The Insolvency Act 1986 ("Insolvency Act") all functions by the Joint Administrators may be executed by any or either of them.

2. Statutory information

Anthony Harry Hyams and Lloyd Edward Hinton of Insolve Plus Ltd, 4th Floor Allan House, 10 John Princes Street, London W1G 0AH were appointed as Joint Administrators of WBH following the filing of a "Notice of Appointment of an Administrator" by WTD Limited ("WTD") in their capacity as a Qualifying Floating Charge Holder ("QFCH") in the High Court of Justice Chancery Division Companies Court on 7 August 2014 under reference 5605 of 2014.

Details of the statutory information for the Company are attached at Appendix I.

The EC Regulations on Insolvency Proceedings 2000 do apply and these proceedings are, in our opinion, main proceedings as defined in Article 3 of the EC Regulation, as the Company had its principal place of business at London, England.

3. Conduct of the Administration

You will recall that the purpose of the Administration was to achieve 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) in accordance with Paragraph 3(1)(b) of Schedule B1 of the Insolvency Act 1986 ("the Act").

It is anticipated that the second objective of Administration will be achieved as the value of the Company's assets will be preserved and therefore it is anticipated that there will be a distribution to the unsecured creditors from the Prescribed Part which we have reported on further at para 8.3.

Immediately following the commencement of the Administration, the Directors were notified of our appointment. Statutory documentation was filed with the Registrar of Companies and the High Court and a notice to advertise the Joint Administrators appointment appeared in the London Gazette on 13 August 2014.

Notice of the Joint Administrators appointment was sent to all known creditors on 8 August 2014.

Solicitors, Speechly Bircham LLP, now known as Charles Russell Speechlys ("CRS") of 6 New Street Square, London EC4A 3LX were immediately instructed to provide legal advice on various matters and confirm the validity of the debenture under which the appointment of the Joint Administrators was made. It was agreed that they be paid on the basis of their time spent.

CRS were also instructed to review the cross guarantees that had been provided in respect of monies due to WTD from other companies within the Wellman Group

The guarantees provided that WTD hold fixed and floating charges over the Company's assets in respect of monies due from other companies within the Wellman Group where the Company has provided a cross guarantee

The choice of CRS to advise on these matters and provide legal advice on other matters during the Administration was based on our perception of their experience and ability to perform this type of work and the complexity and nature of the assignment

We also instructed SIA Group ("SIA"), members of the National Association of Valuers and Auctioneers (NAVA), of Regal House, The Hyde Business Park, Brighton, Sussex BN2 4JE to value and arrange for the marketing of the Company's business and assets. It was agreed that they be paid on the basis of their time costs although after discussions they agreed to cap their fees at an amount of £15,000. We can confirm that their fee has been discharged.

The choice of professional valuers 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.

Anthony Hyams and members of his staff met with the Company's Directors, Graham Lucking and Tatjana Stream who were present on site at the head office in Oldbury, West Midlands, to notify them of our appointment and to outline the Joint Administrators' strategy to continue to trade the business on whilst seeking a sale as a going concern.

The trading was managed by the Joint Administrators utilising the staff of other Wellman companies.

The necessary finance to fund the trading expenses was generated from sales made from ongoing trade and the provision of loans made by the Charge Holder, coupled with an indemnity from the Charge Holder to discharge any liabilities that might arise.

A system was set up whereby the Joint Administrators authorised any purchases prior to orders being placed. At the time of the creditors being notified they were also provided with specimen signatures of the Joint Administrators and their staff which would appear on any orders that had been authorised by the Joint Administrators.

As part of the overall marketing process amongst the companies SIA identified 23 interested parties. Further information regarding the Company and its trading were posted on an internet portal and Non Disclosure Agreements were also entered in to with those parties.

They were invited to view the business and assets at the Company's premises and a number of those parties attended with SIA and the Administrators.

A number of offers were received. The offers received for the assets of the Company were discussed with SIA and the Charge Holder but were deemed insufficient.

However an offer was subsequently received from the managers of the Company who wished to undertake a Management Buy Out ("MBO") which did not include the existing Directors.

The offer made by the managers was discussed with SIA and the Charge Holder and was considered to be the best overall offer. On the recommendation of SIA and with the consent of the Charge Holder, the MBO, through Robey-Wellman Boilers and Furnaces Limited ("RWBF"), was completed on 8 September 2014 and took effect from the 1 September 2014.

The total consideration of the sale was £150,000 which was apportioned as follows:

- £25,000 in respect of the Business Intellectual Property Rights and Goodwill
- £125,000 in respect of the Boiler Hire Fleet, Business Assets and Machinery

CRS were instructed to prepare the Sale and Purchase Agreement ("SPA"). Their fee for undertaking this work was fixed in the sum of £5,000 and as part of the SPA was discharged by the purchaser.

On 30 September 2014 the Joint Administrators sent their Report and Statement of Proposals for the Company.

A meeting of creditors was not convened as the Company's financial position meant there were insufficient assets to pay a dividend to unsecured creditors other than by way of the Prescribed Part of net property virtue of Section 176A(2)(a) of The Insolvency Act 1986.

We advised that creditors whose debts amounted to at least 10% of the total debts of the Company could request that a meeting of creditors be convened within 8 business days from the date of the proposals.

However as insufficient requests for a meeting were received the proposals are deemed to have been approved and are summarised as follows:

1. That the Joint Administrators be authorised to send notice under Section 84(1) of Schedule B1 of the Insolvency Act 1986 to the Registrar of Companies to move the Company from Administration to Dissolution or alternatively in the event that there are surplus funds to enable a distribution to unsecured creditors to file the appropriate notice with the Registrar of Companies of the move from Administration into Creditors' Voluntary Liquidation, with Lloyd Hinton of Insolve Plus Ltd, 4th Floor Allan House, 10 John Princes Street, London W1G 0AH being appointed as Liquidator, and that they be discharged from liability in respect of any action undertaken by them pursuant to Schedule B1, Paragraph 98 of the Act.
2. That the Joint Administrators be authorised to investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company.
3. That the Joint Administrators do all such things and generally exercise all their powers as Joint Administrators as we consider desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals.

The Joint Administrators have continued to collect the debts due to the Company together with the trading sales.

It should also be noted that prior to our appointment as Joint Administrators one of the Company's boilers suffered a catastrophic failure at a third party site

This has led to a claim being made against the third party and the matter is being dealt with by CRS We shall provide creditors with an update in a subsequent report

We have also carried out investigations into the affairs of the Company and submitted a report to the Department for Business Innovation and Skills which is reported on further in part 7 of this report Our investigations are not as yet complete and we will report further if any issues emanate from them

4. Statement of Affairs

We previously reported that we had requested that the Director, Mr Graham Lucking, prepare a summary of the Company's estimated financial position as at 7 August 2014, which is known as a Statement of Affairs ("SOA")

At the time of issuing the Joint Administrators' report and proposals on 30 September 2014 this document had not been received However a summary of the assets and liabilities known to the Joint Administrators at that time was provided

We can confirm that the Statement of Affairs has now been received and is attached at Appendix 2 and has been filed with the Registrar of Companies

Our comments on the SOA are as follows

4.1 Fixed Assets

There are no fixed assets according to the SOA

4.2 Assets not Specifically Pledged

4.2.1 Plant and Machinery

The value of the plant and machinery which included the Company's boiler fleet has a book value of £1,300,000 and the Director estimated that it would realise £600,000

4.2.2 Book Debts

The debtors amount to £68,500 and the Director expected that they would be realised in full

4.2.3 Cash at Bank

According to the Director there was cash at bank held in the bank account as at the date of our appointment in the sum of £2,213 which was expected to be realised in full

However it should be noted that following an examination of the bank statements no funds were held in the account as at the date of the Joint Administrators' appointment.

4.3 Liabilities

4.3.1 Fixed Charge Creditors

The Company owed WTD the sum of £450,000. However as a result of the demand made by WTD on 5 August 2014 the companies who had provided cross guarantees were jointly and severally liable for all monies due to WTD.

You will note from paragraph 8.1 of this report that due to the financial difficulties faced by the subsidiary companies demand was made by WTD Limited for the sum £1,510,000.

4.3.2 Preferential Creditors

As the Company had no employees it was not expected that there would be any preferential creditors.

4.3.3 Floating Charge Creditors

According to the SOA in the absence of there being any fixed assets WTD will rank as a floating charge creditor in respect of the amount due.

As the charge in favour of WTD was created post 15 September 2003 the Prescribed Part in accordance with Section 176A of The Insolvency Act 1986 will apply and based upon the Director's SOA the Prescribed Part available for unsecured creditors would amount to £137,160.

We have reported on this matter further at part 8.3 of this report.

4.3.4 Unsecured Creditors

The unsecured trade and expense creditors' claims are estimated to amount to £6,500.

In addition to the total amount due to trade and expense creditors the Director advised that the sum of £38,162 is due to HM Revenue & Customs in respect of VAT.

It should be noted that the Company is part of a VAT Group and therefore HM Revenue and Customs are entitled to claim for the full amount of VAT due from each of the members of the VAT Group. The claim submitted by HM Revenue & Customs to each member amounts to £350,066.

There is an amount due to Wellman Thermal Services Limited in the sum of £625,000.

4.3.5 Share Capital

A list of the Company's members also forms part of the Directors SOA and the issued and fully paid share capital amounts to £500,000.

Based on the Directors SOA the overall deficiency amounts to £2,008,862.

5. Trading Period

As previously reported, the Joint Administrators continued to trade the Company during the Administration period to preserve the value of its business and assets and to enable the Joint Administrators to seek a buyer

It was important to secure the continued support of the Company's suppliers and accordingly the staff and managers of other Wellman companies rang certain suppliers to ensure that they would continue to supply the Company with the stock or services required in order to continue trading

Undertakings were provided to the suppliers to confirm that initially any purchases made would be treated as an expense of the Administration which was supported by the Charge Holder indemnity. A procedure was put in place whereby the Joint Administrators or a member of their staff would place signed orders with suppliers for goods and services during the Administration period. The Company provided the Joint Administrators with details of the goods required and a purchase order would then be raised, signed and sent to the supplier.

The Joint Administrators and members of their staff have attended site on a regular basis to oversee the running of the business and to provide assistance where necessary to deal with various matters that have arisen.

Our staff have also been reviewing the daily sales and purchases. The Joint Administrators cashing department has also liaised with Barclays Bank Plc and/or Metro Bank Plc to ensure that details of all receipts can be reconciled and accounted for.

A Trading Account for the period 7 August 2014 to 6 February 2015 is attached at Appendix 3 which we specifically comment upon as follows:

5.1 Trading Receipts

5.1.1 Sales

During the period covered by this report total sales of £37,004 have been received.

5.1.2 Trading Loans

As reported at part 3 the necessary finance to fund the trading expenses was generated from sales made from ongoing trade and the provision of loans made by the charge holder, coupled with an indemnity from the Charge Holder to discharge any liabilities that may arise.

During the course of the trading period loans of £957 have been made to the Administration.

5.2 Trading Expenditure

5.2.1 Suppliers

The sum of £2,572 has been paid to suppliers in respect of purchases made during the course of trading.

5.3 Trading Surplus

The Trading Receipts & Payments account currently shows a trading surplus £35,388.

However this is subject to certain recharges being made and other receipts and payments and will be reported upon in a subsequent report.

6. Summary of Receipts & Payments

A summary of the Joint Administrators' Receipts and Payments Account covering the period from the date of our appointment being 7 August 2014 to 6 February 2015 is attached at Appendix 4, which should be read in conjunction with the information contained in this report and the Joint Administrators' report and proposals dated 30 September 2014

We specifically comment on the receipts and payments as follows

6.1 Receipts Subject to Fixed Charge

6.1.1 Goodwill & Intellectual Property

As part of the MBO as reported at part 3 this asset was sold for £25,000 and the consideration after deduction of our agents fees amounting of £22,500 has been settled directly between Robey-Wellman Boilers and Furnaces Limited and WTD who hold a fixed charge

6.1.2 Contribution Towards Legal Fees

As part of the sale agreement, RWBF was to discharge the Joint Administrators' legal costs which were capped at £5,000 plus VAT

The sum of £833 has been received from RWBF which relates to the amount due in respect of the fixed charge realisations under the MBO

You will note we have reported at part 6.2.1 of this report in respect of the balance due in relation to the floating charge realisation

6.2 Receipts Not Specifically Pledged

6.2.1 Contribution Towards Legal Fees

The balance of the contribution to legal fees of £4,167 due from RWBF in respect of the floating charge element of the MBO has been received

6.2.2 Hire Fleet, Business Assets and Machinery

The assets that formed part of this element of the sale principally included the Company's boiler hire fleet.

As reported at part 3 of this report these assets were sold to RWBF and to date an amount of £88,500 has been received

We shall provide creditors with an update in respect of the balance in a subsequent report

6.2.3 Book Debts

The Sum of £55,643 has been received in respect of book debts due to the Company

6.2.4 Bank Interest Gross

The Administration funds are held on an interest bearing account with Metro Bank PLC and gross interest of £33 has been earned in the period covered by this report

6.2.5 Trading Surplus/Deficit

As reported at part 5.3 of this report the Trading Receipts & Payments account currently shows a trading surplus of £35,388

6.3 Assets remaining to be realised

The balance due in respect of the MBO will be accounted for in due course

In addition further funds may be due as a result of the ongoing claim against the third party as reported at part 3

6.4 Payments in respect of Fixed Charge Realisations

6.4.1 Legal Fees

The sum of £833 has been paid to CRS in respect of their assistance for preparing the sale agreement in relation to the fixed charge realisation

6.4.2 Agents/Valuers Fees

It was agreed that SIA Group be paid a fixed fee of £15,000 and the sum of £2,500 has been paid to them from the fixed charge realisations with the balance being paid from floating charge realisations which we have reported on further at part 6.5.2 of this report

6.5 Ordinary Payments

6.5.1 Valuers Fees

The balance due to SIA Group from floating charge realisations in the sum of £12,500 has been paid to them

6.5.2 Legal Fees

The sum of £4,167 has been paid to CRS in respect of their assistance for preparing the sale agreement in relation to the floating charge realisation element of the MBO

6.5.3 Bank Charges

An amount of £169 has been paid to Barclays Bank Plc in respect of the charges and commission for keeping the Company's accounts open after the trading period to allow the continued receipt of funds from debtors and trading sales

7. The Joint Administrators' Investigation

Within six months of our appointment as Joint Administrators, we are required to submit a confidential report to the Secretary of State to include any matters which have come to our attention during the course of our work which may indicate that the conduct of any past or present director would make them unfit to be concerned with the management of the Company. We would confirm that our report has been submitted.

We also undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.

Our investigations are continuing in particular with regard to how the intercompany balance with Wellman Thermal Services Limited has arisen.

We will provide creditors with an update during the course of the Administration in respect of those investigations.

8. Expected Outcome for Creditors

8.1 Secured Creditors

As previously advised the following charge has been registered at Companies House and remains outstanding:

WTD Limited – Debenture created on 27 February 2014 and delivered on 7 March 2014

Due to the financial difficulties faced by this company and the subsidiary companies, demand was made by WTD Limited for the sum £1,510,000 as a result of the cross guarantees that had been provided to WTD.

It should be noted that as a result of the charges and interest levied by WTD, which they are entitled to do pursuant to their facility with the Company the debt due to them has increased. We referred this matter to CRS who confirmed that it is consistent with normal industry factoring and invoice discounting practice rates.

During the Administration period the sum of £22,500 has been paid to WTD Limited following the sale of the Business Intellectual Property Rights and Goodwill.

As part of the cross guarantees provided by the four companies over which we have been appointed Joint Administrators, WTD has also received monies from those companies.

However it should be noted that it is not expected that WTD will be discharged in full from fixed charge realisations and they will therefore also rank as a floating charge creditor.

8.2 Preferential Creditors

As the Company did not have any employees no preferential claims have been received.

8.3 Floating Charge Creditors and the Prescribed Part

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, 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

The Company granted a fixed and floating charge to WTD on 27 February 2014. It is not anticipated that the debt due to WTD will be fully repaid from fixed charge realisations from the Company and other companies over which the cross guarantees apply and WTD will therefore rank as a floating charge creditor.

It should be noted that as WTD's floating charge was created after the 15 September 2003 and that the WTD Limited has received in excess of £10,000 under its floating charge, Section 176 of The Insolvency Act 1986 which deals with the Prescribed Part will apply.

Creditors will note that to date the sum of £131,000 has been paid to WTD under its floating charge. Therefore the Prescribed Part which has been set aside for the benefit of the unsecured subject to the costs of the prescribed part amounts to £36,500.

Whilst you will note from the SOA that the Prescribed Part available for the benefit of unsecured creditors was estimated to amount to £137,160, that actual Prescribed Part is less as a result of the floating charge realisations being significantly less than the value ascribed by the Directors to the assets of the Company.

In addition to the claim of WTD shown on the SOA, as a result of other companies discharging part of the debt due by WBH to WTD under the cross guarantees provided those companies may also have a claim in the Administration and we will seek the advice of CRS as to the ranking of those claims.

8.4 Unsecured Creditors

The Director indicated that the trade and expense creditors amounted to £6,500. I have since received claims from 2 creditors which amount to £4,550.

In addition a claim of £350,066 has been received from HM Revenue & Customs in respect of VAT. As reported at part 4.3.4 it should be noted that as the Company was part of a VAT Group, HM Revenue & Customs are entitled to claim for the full amount owing from all members of the VAT Group.

As reported at part 8.3 the Prescribed Part which has been set aside for the benefit of unsecured creditors amounts to £36,500 and therefore there will be sufficient funds to enable a distribution to unsecured creditors.

9. The costs spent in the conduct of the Administration

9.1 Pre-administration Costs

You will recall from the Joint Administrators' report and proposals that WTD Limited discharged the pre-administration costs due to Insolve Plus of £5,000

9.2 Post Appointment Fees

A Creditors' Guide to Fees, which provides guidance as to how an insolvency practitioner's remuneration is authorised may be obtained from the Insolve Plus website via the following link, www.insolveplus.com/services/creditors-guides/ A hard copy can be obtained from Insolve Plus on request

As previously reported we proposed that our fees will be charged by reference to the time properly spent by us and our staff in dealing with matters relating to the Administration of the Company This time will be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken

We also proposed that we are permitted to charge what are known as Category 2 expenses

As a meeting of creditors was not being held as the Company's financial position meant there are insufficient assets to pay a dividend to unsecured creditors other than by way of the Prescribed Part of net property it will be for the secured creditor to approve our remuneration and category 2 expenses

A formal resolution has yet to be agreed but creditors should note that to date an amount of £7,500 has been received from WTD on account of time incurred in dealing with the fixed charge asset recovery

9.3 Time-cost

Since our appointment as Joint Administrators to the date of this report, the time spent by us and our staff in this matter amounts to 123 hours and 48 minutes, culminating in a total charge out value of £44,570 at an average hourly charge out rate of £360

At Appendix 5 is the Joint Administrators' time cost analysis showing the time spent to date in attending to all relevant issues of the Administration This analysis is subject to any staff time sheets that are yet to be posted

The analysis should be read in conjunction with the notes which follow

9.3.1 Administration and Planning

A total of 46 hours and 6 minutes have been spent resulting in a time expense of £13,341 by us and our staff engaged on this case at an average hourly rate of £289, which has included the following

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Maintaining physical case files and electronic case details
- Case planning and Administration
- Corresponding with HM Revenue & Customs

- Opening the Administration bank account
- Submitting and reviewing the specific bond insurance
- Statutory Reporting
- Periodic review of the statutory bond insurance
- Maintaining the Administration bank account.
- Statutory Filing with the Registrar of Companies
- Statutory Returns to Court

9 3 2 Investigation

A total of 7 hours and 18 minutes have been spent resulting in a time expense of £2,792 by us and our staff engaged on this case at an average hourly rate of £382, which has included the following

- Meetings with Directors
- Preparation of the statutory CDDA reports
- Corresponding with the Department of Business Innovation & Skills
- Carrying out statutory investigations

9 3 3 Realisation of Assets

A total of 18 hours and 30 minutes has been spent resulting in a time expense of £8,057 by us and our staff engaged on this case at an average hourly rate of £436, which has included the following

- Instructing and liaising with SIA Group in respect of the sale of assets
- Meeting with SIA Group
- Instructing and liaising with CRS in respect of preparing the sale agreement
- Meetings with potential purchasers
- Discussions with WTD in respect of offers received from business and assets
- Conversations with potential purchasers
- Corresponding with Barclays Bank Plc in respect of requesting funds
- Liaising with CRS in respect of claims against third parties

9 3 4 Trading

A total of 47 hours and 24 minutes has been spent resulting in a time expense of £18,836 by us and our staff engaged on this case at an average hourly rate of £397, which has included the following

- Travelling to and from trading premises
- Corresponding with suppliers both verbally and by way of correspondence
- Corresponding with Barclays Bank Plc both verbally and by way of correspondence
- Keeping records of purchase orders raised and sales invoices
- Accounting for monies received during the course of trading
- Reviewing trading strategy
- Meetings with Directors
- Liaising with representatives of WTD in respect of trading loans
- Monitoring receipts in to Company's former bank account with Barclays Bank Plc
- Maintaining the trading records

9.3.5 Creditors

A total of 4 hours and 30 minutes have been spent resulting in a time expense of £1,545 by us and our staff engaged on this case at an average hourly rate of £343, which has included the following:

- Maintaining creditor information on IPS case management software
- Liaising with creditors both verbally and by correspondence
- Liaising with HM Revenue & Customs both verbally and by correspondence
- Preparing the Joint Administrators Proposals

9.4 Grades of staff used

The grades of staff are selected according to the nature of work required to be undertaken for each appointment. In this particular case the Joint Administrator's have been dealing with the realisation of assets, reviewing legal advice on the secured creditor's security, overseeing trading, and dealing with certain administrative tasks.

Other staff charged out at lower rates have been employed to deal with the majority of the administrative aspects of the case. This is outlined in the attached SIP 9 time cost summary.

10. Administration expenses

10.1 Category 1 Disbursements

Creditors will note that during the period covered by this report the following Category 1 Disbursements were charged and paid by Insolve Plus Ltd on behalf of the Company which have yet to be reimbursed.

Category 1 Disbursements	£
Statutory Advertising	75 12
Travel - Trading	814 30
Travel – Non Trading	10 00
Specific Bond	144 00
Subsistence	16 26
	<hr/>
	1,059 68

10.2 Category 2 Disbursements

Creditors will note that during the period covered by this report the following Category 2 Disbursement was charged and paid by Insolve Plus Ltd on behalf of the Company. This disbursement has not yet been reimbursed to Insolve Plus Ltd.

Category 2 Disbursements	£
Travel	61 76
	<hr/>
	61 76

Attached to this report at Appendix 6 are also a statement of the creditors' rights to request further information in accordance with Rule 2.48A of the Insolvency (Amendment) Rules 2010, and at Appendix 7 is their right to challenge the Administrator's remuneration and expenses in accordance with Rule 2.109 of the Insolvency (Amendment) Rules 2010

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Administrator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

11. Professional Advisors Appointed

The following agents or professional advisors have been utilised in this matter:

Professional Advisor	Nature of Work	Fee Arrangement
SIA Group	Valuer	Fixed Fee
Charles Russell Speechlys	Solicitors	Time Costs
Charles Russell Speechlys	Solicitors	Fixed fee in respect of preparation of sale agreement

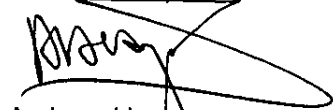
The choice of professionals was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them. The fee arrangements have been reviewed and we are satisfied that they are reasonable in the circumstances of this case.

12. Summary

The Administration will remain open until the remaining assets have been realised and our investigations concluded.

Should you require any further information or clarification, please do not hesitate to contact Peter Jukes of this office on 020 7495 2348.

Yours faithfully



Anthony Hyams
Joint Administrator

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In accordance with Paragraph 45(1) of Schedule B1 to the Insolvency Act 1986 notice is hereby given that the affairs, business and property of Wellman Boiler Hire Limited - In Administration ("the Company") is being managed by Lloyd Edward Hinton FIPA MABRP & acting as Joint Administrators. Pursuant to paragraph 69 of Schedule B1 to the Insolvency Act 1986 the Joint Administrators act as agents of the Company and without personal liability.

Wellman Boiler Hire Limited - In Administration**Statutory Information**

Company Name	Wellman Boiler Hire Limited
Date of Incorporation	2 March 2005
Company Number	05380330
Registered Office	From 19 08 2014 – 4th Floor Allan House, 10 John Princes Street, London W1G 0AH From 28 02 2014 – 1 Newfield Road, Oldbury, West Midlands B69 3ET From 12 04 2013 – Third Floor Wigglesworth House, 69 Southwark Bridge Road, London SE1 9HH From 04 05 2011 – Newfield Road, Oldbury, West Midlands B69 3ET From 27 03 2009 – Third Floor 81 Southwark Street, London SE1 0HX From 15 10 2008 – Octavia House 54 Ayres Street, London SE1 1EU From 08 09 2005 – Newfield Road, Oldbury, West Midlands B69 3ET From 31 08 2005 – 69-75 Boston Manor Road, Boston House, Brentford TW8 9JJ From 02 03 2005 – 44 Upper Belgrave Road, Clifton, Bristol, BS8 2XN
Trading Address	Newfield Road, Oldbury, West Midlands B69 3ET
Nature of Business	Boiler Hire
Previous Names	From 03 03 2014 – Wellman Boiler Hire Limited From 21 10 2008 – Ex KPW Limited From 14 09 2005 – KP Wellman Ltd From 02 03 2005 – Dawnview Engineering Limited

		<u>Appointed</u>	<u>Resigned</u>
Directors	Graham Lucking	30 06 2008	-
	Tatjana Stream	11 12 2013	-
	Castle Trust and Management Services Limited	09 03 2007	08 09 2011
	First Management Limited	09 03 2007	08 09 2011
	Tatjana Stream	27 03 2007	30 06 2008
	Graham Lucking	27 03 2007	30 06 2008
	Paul Goodrow	15 09 2005	12 10 2006
	Peter Lawrence	22 08 2005	30 06 2008
	George Shannon	22 08 2005	30 06 2008
	Bernard Rolfe	22 08 2005	28 08 2007
	James Watkin	22 08 2005	28 10 2006
	Hanover Directors Limited	02 03 2005	22 08 2005
		<u>Appointed</u>	<u>Resigned</u>
Secretary	Angela Donnelly	28 02 2014	-
	Ian White	15 10 2008	27 02 2014
	Tatjana Stream	30 06 2008	15 10 2008
	George Shannon	22 08 2005	30 06 2008
	HCS Secretarial Limited	02 03 2005	22 08 2005

Allotted Issued & Fully Paid Share Capital	500,000 Ordinary shares of £1 each
Shareholders	Wellman Thermal Systems Ltd – 500,000 Ordinary Shares
Joint Administrators Name	Anthony Hyams (IP No 9413) and Lloyd Edward Hinton (IP No 9516) of Insolve Plus Ltd, 4th Floor Allan House, 10 John Princes Street, London W1G 0AH
Date of Appointment	7 August 2014
Court Details	High Court of Justice, Chancery Division, Companies Court, The Rolls Building, 7 Rolls Building, Fetter Lane, London EC4A 1NL
Court Reference	5605 of 2014
Appointer	WTD Limited, a holder of a Qualifying Floating Charge of PO Box 56202, 3305 Lemesos, Cyprus
Mortgages and Charges Registered	Barclays Bank Plc – Debenture created on 30 September 2005 and delivered on 7 October 2005 This charge was satisfied on 4 March 2014 WTD Limited – Debenture created on 27 February 2014 and delivered on 7 March 2014
Date of last accounts	31 03 2013 (Dormant)
Date of last annual Return	27 02 2014

Wellman Boiler Hire Limited
Statement Of Affairs as at 7 August 2014

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge		
WTD Limited		(1,510,000 00)
Deficiency c/d		<u>(1,510,000 00)</u>
Assets subject to floating charge:		
Hire Fleet, Business Assets & Machinery	1,300,000 00	600,000 00
Book Debts	68,500 00	68,500 00
Cash at Bank	2,300 00	2,300 00
Uncharged assets		
Estimated total assets available for preferential creditors		<u>670,800 00</u>

Wellman Boiler Hire Limited
Statement Of Affairs as at 7 August 2014

A1 - Summary of Liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)	670,800 00
Liabilities	
Preferential Creditors -	
	NIL
Estimated deficiency/surplus as regards preferential creditors	670,800 00
Debts secured by floating charge pre 15 September 2003	
Other Pre 15 September 2003 Floating Charge Creditors	
	NIL
	670,800 00
Estimated prescribed part of net property where applicable (to carry forward)	137,160 00
Estimated total assets available for floating charge holders	533,640 00
Debts secured by floating charges post 15 September 2003	
Deficiency b/d	1,510,000 00
	1,510,000 00
Estimated deficiency/surplus of assets after floating charges	(976,360 00)
Estimated prescribed part of net property where applicable (brought down)	137,160 00
Total assets available to unsecured creditors	137,160 00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
Trade & Expense Creditors	6,500 00
H M Revenue & Customs - VAT	38,162 00
Wellman Thermal Services Limited	625,000 00
	669,662 00
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F C's post 14 September 2003)	(532,502 00)
Shortfall in respect of F C's post 14 September 2003 (brought down)	976,360 00
Estimated deficiency/surplus as regards creditors	(1,508,862 00)
Issued and called up capital	
Ordinary Shareholders	500,000 00
	500,000 00
Estimated total deficiency/surplus as regards members	(2,008,862 00)

**Wellman Boiler Hire Limited
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs	From 07/08/2014 To 06/02/2015	From 07/08/2014 To 06/02/2015
POST APPOINTMENT SALES		
Sales	37,004 00	37,004 00
Trading Loans	956 77	956 77
	<u>37,960 77</u>	<u>37,960 77</u>
TRADING EXPENDITURE		
Suppliers	2,572 31	2,572 31
	<u>(2,572 31)</u>	<u>(2,572 31)</u>
TRADING SURPLUS/(DEFICIT)	<u>35,388.46</u>	<u>35,388 46</u>

Wellman Boiler Hire Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 07/08/2014 To 06/02/2015	From 07/08/2014 To 06/02/2015
SECURED ASSETS		
Business IPR & Goodwill	25,000 00	25,000 00
Contribution Towards Legal Fees	833 33	833 33
	<u>25,833 33</u>	<u>25,833 33</u>
COSTS OF REALISATION		
Legal Fees	833 33	833 33
Agents/Valuers Fees	2,500 50	2,500 50
	<u>(3,333 83)</u>	<u>(3,333 83)</u>
SECURED CREDITORS		
(1,510,000 00) WTD Limited	22,499 50	22,499 50
	<u>(22,499 50)</u>	<u>(22,499 50)</u>
ASSET REALISATIONS		
Contribution Towards Legal Fees	4,166 67	4,166 67
600,000 00 Hire Fleet, Business Assets & Machin	88,499 89	88,499 89
68,500 00 Book Debts	55,643 47	55,643 47
2,300 00 Cash at Bank	NIL	NIL
Bank Interest Gross	33 39	33 39
Trading Surplus/(Deficit)	35,388 46	35,388 46
	<u>183,731 88</u>	<u>183,731 88</u>
COST OF REALISATIONS		
Agents/Valuers Fees	12,499 50	12,499 50
Legal Fees	4,166 67	4,166 67
Bank Charges	169 13	169 13
	<u>(16,835 30)</u>	<u>(16,835 30)</u>
FLOATING CHARGE CREDITORS		
WTD Limited	131,000 39	131,000 39
	<u>(131,000 39)</u>	<u>(131,000 39)</u>
UNSECURED CREDITORS		
(6,500 00) Trade & Expense Creditors	NIL	NIL
(38,162 00) H M Revenue & Customs - VAT	NIL	NIL
(625,000 00) Wellman Thermal Services Limited	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
DISTRIBUTIONS		
(500,000 00) Ordinary Shareholders	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
(2,008,862 00)	<u>35,896 19</u>	<u>35,896 19</u>
REPRESENTED BY		
Vat Receivable		4,514 46
Bank 1 Current		39,782 52
Vat Payable		(8,400 79)
		<u>35,896.19</u>

W031T

Wellman Boiler Hire Limited

SIP 9 - Time & Cost Summary

Period 07/08/14 06/02/15

Time Summary

Classification of work function	Hours					Time Cost (£)	Average hourly rate (£)
	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & Planning	5 40	8 80	7 80	9 40	31 40	8,853 00	281 94
Statutory reporting	1 00	0 00	6 90	0 00	7 90	2,220 00	281 01
Application for Bordeau	0 00	0 60	0 00	0 00	0 60	210 00	350 00
Billing	0 00	0 00	0 00	0 20	0 20	25 00	125 00
Correspondence with Directors	0 00	1 00	0 20	0 00	1 20	400 00	333 33
Correspondence with Insurance B	0 00	0 40	0 00	0 00	0 40	140 00	350 00
Diary Updating	0 00	0 00	0 20	0 00	0 20	50 00	250 00
Instructing Agents	0 50	0 00	0 20	0 00	0 70	297 50	425 00
Insurance - general	0 10	0 30	0 00	0 00	0 40	154 50	386 25
Meeting with Lawyer	0 00	1 00	0 00	0 00	1 00	350 00	350 00
Review of Bordeau level	0 00	0 40	0 00	0 00	0 40	140 00	350 00
Specific Bond Insurance	0 00	0 30	0 00	0 00	0 30	105 00	350 00
Statutory Advertisement	0 10	0 00	0 00	0 00	0 10	49 50	495 00
Statutory Filing	0 10	0 00	0 00	0 00	0 10	49 50	495 00
Statutory Returns to Court	0 00	0 00	0 20	0 00	0 20	50 00	250 00
Statutory Returns to Registrar of	0 00	0 10	0 20	0 00	0 30	85 00	283 33
Bank Reconciliation	0 00	0 00	0 00	0 50	0 50	62 50	125 00
Banking	0 10	0 00	0 00	0 00	0 10	49 50	495 00
Bonding	0 10	0 00	0 00	0 00	0 10	49 50	495 00
Administration & planning	7 40	12 90	15 70	10 10	46 10	13,340 50	289 38
Investigation	1 70	0 30	0 00	0 00	2 00	946 50	473 25
CDDA reports	0 00	3 80	0 10	0 00	3 90	1,355 00	347 44
Correspondence with DTI	0 00	0 50	0 00	0 00	0 50	175 00	350 00
Meeting with Director	0 00	0 90	0 00	0 00	0 90	315 00	350 00
Investigations	1 70	5 50	0 10	0 00	7 30	2,791 50	382 40
Realisation of assets	4 80	0 20	0 50	0 00	5 50	2 571 00	467 45
ROT Claims	1 00	0 00	0 00	0 00	1 00	495 00	495 00
Debt collection	0 00	3 10	0 00	0 00	3 10	1,085 00	350 00
Sale of business	4 00	0 00	0 00	0 00	4 00	1,980 00	495 00
Conversation with Agents	0 00	0 20	0 00	0 00	0 20	70 00	350 00
Conversation with Lawyer	0 00	0 50	0 00	0 00	0 50	175 00	350 00
Correspondence with Agent	0 00	0 10	0 00	0 00	0 10	35 00	350 00
Correspondence with Bank	0 00	0 80	0 00	0 00	0 80	280 00	350 00
Correspondence with Lawyer	0 00	0 50	0 00	0 00	0 50	175 00	350 00
Discussions re business market	0 20	0 00	0 00	0 00	0 20	99 00	495 00
Discussions with interested parties	1 40	0 00	0 00	0 00	1 40	693 00	495 00
Insurance Claim	0 20	0 00	0 00	0 00	0 20	99 00	495 00
Meeting with Agent	0 00	0 50	0 50	0 00	1 00	300 00	300 00
Realisations of assets	11 60	5 90	1 00	0 00	18 50	8 057 00	435 51
Trading	9 20	0 60	4 30	0 00	14 10	5,839 00	414 11
Accounting for trading	1 10	12 10	1 30	0 00	14 50	5,104 50	352 03
Correspondence with Supplier	0 00	0 10	0 00	0 00	0 10	35 00	350 00
Trading closure issues	1 40	0 00	0 00	0 00	1 40	693 00	495 00
Trading - Cashbook updating	0 60	0 00	0 40	0 00	1 00	397 00	397 00

Dealing with retention of title claim	0 50	0 00	0 00	0 00	0 50	247 50	495 00
Discussion Re Purchasing Decis	0 20	0 10	0 10	0 00	0 40	159 00	397 50
Discussions Re Trading Decision	0 00	0 80	0 60	0 00	1 40	430 00	307 14
Discussions with suppliers	0 00	0 20	0 00	0 00	0 20	70 00	350 00
Travelling time	7 80	5 00	1 00	0 00	13 80	5,861 00	424 71
Trading	20 80	18 90	7 70	0 00	47 40	18,836 00	397 38
Creditors	0 50	0 00	0 90	0 20	1 60	487 50	304 69
Correspondence with HMRC	0 00	0 00	0 10	0 00	0 10	25 00	250 00
Creditor correspondence	0 00	0 20	0 00	0 00	0 20	70 00	350 00
Discussions with employees	0 20	0 00	0 00	0 00	0 20	99 00	495 00
Employment Rights Act (1996), c	0 20	0 00	0 20	0 00	0 40	149 00	372 50
Reporting to employees	0 10	0 00	0 00	0 00	0 10	49 50	495 00
Administrators Proposal - Creditor	0 00	1 90	0 00	0 00	1 90	665 00	350 00
Creditors	1 00	2 10	1 20	0 20	4 50	1,545 00	343 33
Total Hours	42 50	45 30	25 70	10 30	123 80	44 570 00	360 02

Rule 2 48A Creditors' request for further information

- (1) If—
 - (a) within 21 days of receipt of a progress report under Rule 2 47—
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor, makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)
- (2) The administrator complies with this paragraph by either—
 - (a) providing all of the information asked for, or
 - (b) so far as the administrator considers that—
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
 - (iii) the administrator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1) may apply to the court within 21 days of—
 - (a) the giving by the administrator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),and the court may make such order as it thinks just
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just”

Rule 2.109 Creditors' claims that remuneration is [or other expenses] are excessive

[(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

(1A) Application may be made on the grounds that—

- (a) the remuneration charged by the administrator,
 - (b) the basis fixed for the administrator's remuneration under Rule 2.106, or
 - (c) expenses incurred by the administrator,
- is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

(1B) The application must, subject to any order of the court under Rule 2.48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")]

(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least [5 business] days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

(3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it

[(4) If the court considers the application to be well-founded, it must make one or more of the following orders –

- (a) an order reducing the amount of remuneration which the administrator was entitled to charge,
 - (b) an order fixing the basis of remuneration at a reduced rate or amount,
 - (c) an order changing the basis of remuneration,
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration,
 - (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,
- and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

(5) Unless the court orders otherwise the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration]