

The Insolvency Act 1986

# **Notice of move from administration to dissolution**

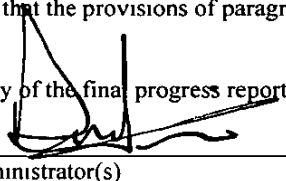
(a) Insert name(s) and address(es) of administrator(s)	Name of Company <b>CLEAN POWER TECHNOLOGIES LIMITED</b>	Company number <b>05812360</b>
	In the <b>HIGH COURT OF JUSTICE</b> <small>[full name of court]</small>	Court case number <b>9708 of 2010</b>

(b) Insert name and address of registered office of company  
 I/ We (a) **PAUL HOWARD FINN AND MICHAEL FIELD OF FINN ASSOCIATES, TONG HILL, TONG, WEST YORKSHIRE, BD4 0RR**  
 having been appointed administrator(s) of (b) **CLEAN POWER TECHNOLOGIES LIMITED OF WISTON HOUSE, 1 WISTON AVENUE, WORTHING, BN14 7QL**

(c) Insert date of appointment  
 on (c) **06 DECEMBER 2010** by (d) **THE DIRECTORS OF THE COMPANY**

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

I/ We attach a copy of the final progress report

Signed   
 Joint / Administrator(s)

Dated **05 December 2011**

## **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

Companies House receipt date barcode

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**

THURSDAY



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COMPANIES HOUSE

**CLEAN POWER TECHNOLOGIES LIMITED  
IN ADMINISTRATION  
(‘the company’ or ‘CPTL’)**

**JOINT ADMINISTRATORS’ FINAL PROGRESS REPORT TO  
CREDITORS PURSUANT TO RULE 2.47 OF THE INSOLVENCY RULES 1986  
AS AMENDED BY THE INSOLVENCY AMENDMENT RULES 2010**

<b>Names of Joint Administrators:</b>	Paul H Finn  Michael Field
<b>Date of Appointment:</b>	06 December 2010
<b>Date of Report:</b>	05 December 2011
<b>Appointed by</b>	The Directors of the Company
<b>Court Reference:</b>	High Court of Justice No 9708 of 2010

**1. Introduction**

- 1 1 The administrators were appointed by the director of the company on 06 December 2010 pursuant to filing of statutory notice in due form with the Chancery Division of the High Court of Justice in London. The EC Regulation on Insolvency Proceedings applies in these proceedings which are main proceedings as defined by the Regulation.
- 1 2 Paul Howard Finn is an Insolvency Practitioner licensed by the Institute of Chartered Accountants in England and Wales (licence number 5367), Michael Field is an Insolvency Practitioner licensed by the Insolvency Practitioners’ Association (licence number 1586).
- 1 3 Neither the administrators nor any member of Finn Associates had any previous professional relationship with the company or any of its directors or officers.
- 1 4 This document constitutes the final report to creditors pursuant to Rule 2.47 of the Insolvency Rules 1986 (as amended).

## 2. Statutory Information

<b>Date of Incorporation</b>	10 May 2006		
<b>Company Number</b>	05812360		
<b>Principal Activity</b>	Research and Development of petrol/gasoline hybrid power technology		
<b>Registered Office</b>	Wiston House 1 Wiston Avenue Worthing West Sussex BN14 7QL		
<b>Trading Address</b>	Unit 7/8 E-Plan Industrial Estate New Road Newhaven East Sussex BN9 0EX		
<b>Shareholders</b>	<i>Name</i>	<i>Shares</i>	
	Clean Power Technologies Inc	3 Ord £1	
<b>Directors</b>	Guy F Lindup	appointed	06/092010
	James Mason	appointed	30/07/2010
	Michael A Burns	appointed	30/07/2010
<b>Company Secretary</b>	Michael A Burns		
<b>Parent Company</b>	Clean Power Technologies Inc registered in Canada, which holds 100% of the issued share capital		
<b>Debenture Holder</b>	The Quercus Trust, based in Ontario, Canada, hold a debenture dated 08 June 2010 incorporating fixed and floating charges		

### 3. Events leading to Administration

- 3 1 Events leading to the appointment of the joint administrators were fully covered in our initial report to creditors dated 31 January 2011

### 4. Progress within the administration to date

- 4 1 Immediately upon appointment, the joint administrators conducted a limited review of the company's undertaking
- 4 2 The company's bank account was closed and a sum of £3,972 42 recovered
- 4 3 Although neither recoverable book debts, nor work in progress capable of completion were identified during their initial review, the administrators continued limited trading in the immediate short term in order to preserve the business as a whole. During this period offers were sought for the company's undertaking and assets
- 4 4 As previously reported, an offer in the sum of £100,000 for the business undertaking was accepted upon agent's advice, the purchaser was CPTI Acquisition Company Limited, the full sale consideration being received at completion on 22 December 2010 as follows

	£
Development Plant & Machinery	10,000
General Plant & Machinery	40,000
Motor Vehicles	6,500
Intellectual Property	2,500
Goodwill	37,175
Intangible Assets	1,498
Records	1
Contracts	1
<b>Total</b>	<b>100,000</b>

On conversion from US dollars, the actual realisation in respect of the transaction was £100,748 14

- 4 5 Since our last report, the joint administrators have been attending to queries raised from the purchasers regarding certain assets alleged not to have been included in the sale contract, the assets in question had been identified by independent agents as having no realisable value to the company due to the attendant costs of uplift and sale
- 4 6 Agents had confirmed prior to sale that the vast majority of the plant and machinery was deemed classified as fixed plant
- 4 7 A vehicle not included in the transaction above was sold by private treaty through the administrators' agent for £8,000
- 4 8 As previously advised, shortly prior to the sale completion mentioned at 4 4 above, the entirety of the company's workforce tendered its resignation. The Redundancy Payments Office subsequently accepted claims from these former employees in respect of unpaid wages and holiday pay, giving rise to a

subjugated preferential claim from the RPO in the sum of £15,516 59, leaving a further sum of £21,228 83 comprising the balance of employees' individual claims, to rank preferentially in the administration

- 4 9 A Business Rates refund in the sum of £1,774 97 has been received in the period
- 4 10 The only other remaining potential asset of the company was the possibility of a Research & Development tax refund claim, however specialist tax accountants have advised that such a claim would not prove successful

## **5. Objective of the Administration**

- 5 1 The purpose of an administration order is to achieve the following hierarchic objectives
- a) rescuing the company as a going concern, or
  - b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
  - c) realising property in order to make a distribution to one or more secured or preferential creditors
- 5 2 Due to the level of the company's indebtedness and its future trading prospects, it was not possible to rescue the company as a going concern
- 5 3 The joint administrators have distributed all funds held into an escrow account, for onward transmission to the secured creditor subject to agreement of the joint administrators' final level of costs, further discussed at 7 4 below

## **6. Receipts and Payments Account**

- 6 1 A detailed Receipts and Payments Account appears at Appendix 1 to this report

## **7. Dividend Prospects**

### *Secured Creditors & The Prescribed Part*

- 7 1 The Quercus Trust hold fixed and floating charges (dated 08 June 2010) over the entirety of the company's assets and undertaking. The joint administrators, with the assistance of their appointed solicitors, have undertaken a review of the security and confirmed its validity
- 7 2 The total sum outstanding to the debenture holder at the date of appointment, is understood to be £577,171. The terms of the debenture further incorporated a cross guarantee given by CPTL in respect of monies due to Quercus from CPTL's parent company Clean Power Technologies Inc
- 7 3 The administrators' appointed agent has confirmed that with the exception of certain chattels having minimum value and motor vehicles realising £14,500

before agent's costs, all other asset realisations are caught by the debenture holder's fixed charge

- 7 4 The administrators are currently in discussion with the fixed chargeholder regarding the final level of administration costs, once a resolution has been reached, the balance held in reserve less final costs will be paid to the fixed chargeholder
- 7 5 The Enterprise Act 2002 brought into force provisions for a fund designated the 'Prescribed Part', to set aside funds for unsecured creditors from the net realisations of assets subject to a floating charge in a debenture. As the minimum level of net realisations in this case does not exceed £10,000, there is no prescribed part application in this case

*Preferential creditors*

- 7 6 As noted at 4 8 above, preferential claims total £36,745 42 (i.e. £15,516 59 + £21,228 83). A dividend will not be available to this class of creditor

*Unsecured Creditors*

- 7 7 Unsecured claims were included within the Estimated Statement of Affairs in the figure of £3,604,103, of which sum claims totalling £203,250 37 have been received to date. A dividend will not be available to this class of creditor, we do not therefore propose to schedule claims

**8. Administrators' Remuneration and Disbursements**

*Pre Appointment costs*

- 8 1 Costs of £1,701 representing 5 90 hours at an average hourly rate of £288 31 were incurred in connection with time input prior to appointment in determining that it would be reasonably likely that the purpose of the administration would be achieved, and towards making the appointment. These costs have been paid as an expense of the administration pursuant to the provisions of Rule 2 67 of the Insolvency Rules 1986

*Post Appointment costs*

- 8 2 The joint administrators' time costs following appointment, up to 05 December 2011 total £63,210 50 representing 261 70 hours input at an hourly average rate of £241 54. These costs are further analysed overleaf

*SIP9 Analysis post administration to 05 December 2011*

Activity Analysis	Hours				Total	Average per hour
	Fee Earner	Principal/ Consultant	Manager	Admin Staff	Total	£
Administration and Planning		33 60	61 10	17 80	112 50	25,816 50
Realisation of Assets		19 00	6 10		25 10	7,843 50
Creditors		24 30	83 50	8 30	116 10	26,230 50
Litigation		8 00			8 00	3,320 00
<b>TOTAL HOURS</b>		<b>84 90</b>	<b>150 70</b>	<b>26 10</b>	<b>261 70</b>	
<b>TOTAL TIME COSTS</b>	£	<b>29,842 00</b>	<b>30,184 00</b>	<b>3,184 50</b>		<b>63,210 50</b>
<b>AVERAGE HOURLY RATE</b>	£	<b>351 50</b>	<b>200 29</b>	<b>119 03</b>		<b>241 54</b>

8 3 During the course of the administration, £50,000 has been drawn on account of administrators' fees, in accordance with sanction received from the fixed and floating chargeholder (see also 5 3 above)

8 5 In accordance with the joint administrators' proposals as ratified, the joint administrators are to be reimbursed for any expense or necessary disbursements properly charged or incurred To 06 June 2011, £895 31 was reimbursed to Finn Associates by way of disbursements incurred

Disbursements charged during this reporting period total £286 55 and are analysed as follows

	£
Facsimile	2 25
Photocopying	228 25
Postage	56 05
<b>Total</b>	<b>286.55</b>

## 9. End of Administration

9 1 The practical options open to the joint administrators for exit of the administration are shown overleaf

- Creditors' voluntary liquidation
- Company voluntary arrangement (CVA)
- Deregistration of company (striking off)

9 2 For reasons noted previously, it was not possible to rescue the company as a going concern through a CVA procedure, nor was it possible to make a

distribution to unsecured creditors, accordingly, the company will be struck from the register upon receipt by Companies House receipt of Form 2 35B, a copy of which is attached at Appendix 2. The joint administrators' will be released from office concurrently on the filing of that notice.

**10. Other Matters**

- 10.1 A report under Section 7(3) of the Company Directors' Disqualification Act 1986 and Rule 4(4) of the Insolvent Companies (Reports on Conduct of Directors) Rules 1996 has been submitted to the Secretary of State.

Dated the 05 day of December 2011

Paul H Finn  
Joint Administrator



**APPENDIX I**  
**RECEIPTS AND PAYMENTS ACCOUNT**

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**Clean Power Technologies Limited  
(In Administration)**

**Summary of Receipts & Payments**

<b>RECEIPTS</b>	<b>Statement of Affairs (£)</b>	<b>From 06/12/2010 To 06/06/2011 (£)</b>	<b>From 07/06/2011 To 05/12/2011 (£)</b>	<b>Total (£)</b>
Sale of Business		100,748 14	0 00	100,748 14
Motor Vehicles		8,000 00	0 00	8,000 00
Cash at Bank		3,972 42	0 00	3,972 42
Rates Refund		0 00	1,774 97	1,774 97
Insurance Claim		200 00	0 00	200 00
Bank Interest Gross		10 71	44 33	55 04
		<b>112,931 27</b>	<b>1,819.30</b>	<b>114,750 57</b>
<b>PAYMENTS</b>				
Specific Bond		330 00	0 00	330 00
Administrators' Fees		41,750 00	8,250 00	50,000 00
Administrators' Disbursements		895 31	286 55	1,181 86
Agents/Valuers Fees		7,580 04	0 00	7,580 04
Legal Fees		23,394 80	0 00	23,394 80
Telephone Telex & Fax		410 38	0 00	410 38
Statutory Advertising		147 24	0 00	147 24
Staff Travelling Expenses		898 42	0 00	898 42
Fixed Chargeholder - Final costs Reserve		0 00	30,781 22	30,781 22
		<b>75,406 19</b>	<b>39,317 77</b>	<b>114,723 96</b>
<b>Net Receipts/(Payments)</b>		<b>37,525 08</b>	<b>(37,498.47)</b>	<b>26 61</b>
<b>MADE UP AS FOLLOWS</b>				
Vat Receivable		1,054 57	(1,027 96)	26.61
		<b>1,054 57</b>	<b>(1,027 96)</b>	<b>26 61</b>

**APPENDIX 2**  
**FORM 2.35 B**  
**MOVE FROM ADMINISTRATION TO DISSOLUTION**

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The Insolvency Act 1986

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In the <b>HIGH COURT OF JUSTICE</b>	Court case number <b>9708 of 2010</b>

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☒ We (a) **PAUL HOWARD FINN AND MICHAEL FIELD OF FINN ASSOCIATES, TONG HALL, TONG, WEST YORKSHIRE, BD4 0RR**

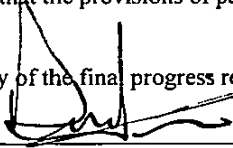
(b) Insert name and address of registered office of company  
 having been appointed administrator(s) of (b) **CLEAN POWER TECHNOLOGIES LIMITED OF WISTON HOUSE, 1 WISTON AVENUE, WORTHING, BN14 7QL**

(c) Insert date of appointment

(d) Insert name of applicant / appointor  
 on (c) **06 DECEMBER 2010** by (d) **THE DIRECTORS OF THE COMPANY**

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

☒ We attach a copy of the final progress report

Signed   
 Joint / Administrator(s)

Dated **05 December 2011**

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