

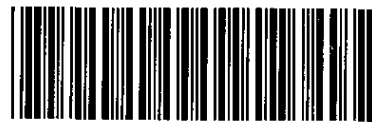
# AM22

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



Companies House

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#78

COMPANIES HOUSE

### 1 Company details

Company number 0 6 3 0 6 9 4 3

Company name in full Life Engineering North East Limited

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Court details

Court name Newcastle District Registry

Court case number 0 2 9 3 2 0 1 6

### 3 Administrator's name

Full forename(s) Mark

Surname Phillips

### 4 Administrator's address

Building name/number Suite 108, Collingwood Buildings

Street 38 Collingwood Street

Post town Newcastle upon Tyne

County/Region

Postcode N E 1 1 J F

Country

# AM22

Notice of move from administration to creditors' voluntary liquidation

<b>5</b>	<b>Administrator's name ①</b>	
Full forename(s)	Samuel J	
Surname	Talby	
		<b>① Other administrator</b> Use this section to tell us about another administrator.
<b>6</b>	<b>Administrator's address ②</b>	
Building name/number	Suite 108, Collingwood Buildings	
Street	38 Collingwood Street	
Post town	Newcastle upon Tyne	
County/Region		
Postcode	N E 1 1 J F	
Country		
		<b>② Other administrator</b> Use this section to tell us about another administrator.
<b>7</b>	<b>Appointor/applicant's name</b>	
	Give the name of the person who made the appointment or the administration application.	
Full forename(s)	Ian	
Surname	Fleming	
<b>8</b>	<b>Proposed liquidator's name</b>	
Full forename(s)	Mark	
Surname	Phillips	
Insolvency practitioner number	9 3 2 0	
<b>9</b>	<b>Proposed liquidator's address</b>	
Building name/number	Suite 108, Collingwood Buildings	
Street	38 Collingwood Street	
Post town	Newcastle upon Tyne	
County/Region		
Postcode	N E 1 1 J F	
Country		

AM22

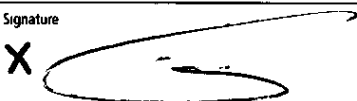
Notice of move from administration to creditors' voluntary liquidation

<b>10</b>	<b>Proposed liquidator's name<sup>①</sup></b>	
Full forename(s)	Samuel	
Surname	Talby	
Insolvency practitioner number	9 4 0 4	
		<b>① Other liquidator</b> Use this section to tell us about another liquidator.

<b>11</b>	<b>Proposed liquidator's address<sup>②</sup></b>	
Building name/number	Suite 108, Collingwood Buildings	
Street	38 Collingwood Street	
Post town	Newcastle upon Tyne	
County/Region		
Postcode	N E 1 1 J F	
Country		
		<b>② Other liquidator</b> Use this section to tell us about another liquidator.

<b>12</b>	<b>Period of progress report</b>	
From date	d 0 8 m 0 7 y 2 0 y 1 6	
To date	d 2 5 m 0 4 y 2 0 y 1 7	

<b>13</b>	<b>Final progress report</b>	
<input type="checkbox"/> I have attached a copy of the final progress report.		

<b>14</b>	<b>Sign and date</b>	
Administrator's signature	Signature 	
Signature date	d 2 5 m 0 4 y 2 0 y 1 7	

AM22

Notice of move from administration to creditors' voluntary liquidation



### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Keith Hewison
Company name	PCR (London) LLP
Address	Suite 108, Collingwood Buildings 38 Collingwood Street
Post town	Newcastle upon Tyne
County/Region	
Postcode	N E 1 1 J F
Country	
DX	
Telephone	020 8841 5252



### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



### Important information

All information on this form will appear on the public record.



### Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

**Life Engineering North East Limited**  
**(In Administration)**  
**Joint Administrators' Trading Account**

Statement of Affairs £	From 08/07/2016 To 25/04/2017 £	From 08/07/2016 To 25/04/2017 £
OTHER DIRECT COSTS		
Direct Labour	12,255.54	12,255.54
PAYE/NIC	2,771.17	2,771.17
	(15,026.71)	(15,026.71)
TRADING EXPENDITURE		
Indirect Labour	NIL	NIL
Heat & Light	103.61	103.61
Insurance	62.74	62.74
Sundry Expenses	6.29	6.29
	(172.64)	(172.64)
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>(15,199.35)</b>	<b>(15,199.35)</b>

**Life Engineering North East Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 08/07/2016 To 25/04/2017 £	From 08/07/2016 To 25/04/2017 £
	<b>HIRE PURCHASE</b>		
7,700.00	Citroen Relay Motor Vehicle	NIL	NIL
(10,864.36)	Motonovo	NIL	NIL
5,500.00	Forklift Truck	NIL	NIL
(8,283.42)	Investec	NIL	NIL
		NIL	NIL
	<b>ASSET REALISATIONS</b>		
1.00	Lease	NIL	NIL
1.00	Motor Vehicles	NIL	NIL
247.00	Stock	NIL	NIL
12,300.00	Book Debts	18,774.00	18,774.00
1.00	Property Rights/Patents	NIL	NIL
37,045.48	Cash at Bank	37,051.99	37,051.99
5,000.00	Goodwill	1,000.00	1,000.00
	Bank Interest Gross	8.03	8.03
	Trading Surplus/(Deficit)	(15,199.35)	(15,199.35)
		41,634.67	41,634.67
	<b>COST OF REALISATIONS</b>		
	Administrators' Fees - Fixed Fee	10,000.00	10,000.00
	Administrators' Fees - % of Realisation	5,682.59	5,682.59
	Administrators' Fees - Time Costs	3,270.00	3,270.00
	Pre-Appointment Remuneration	917.50	917.50
	Agents/Valuers Fees (1)	1,500.00	1,500.00
	Legal Fees (Pre-Appointment)	6,000.00	6,000.00
	Legal fees (Post-Appointment)	2,500.00	2,500.00
	Legal Disbursements	80.40	80.40
	Insurance of Assets	394.20	394.20
	Wages & Salaries	NIL	NIL
	Bank Charges	7.50	7.50
		(30,352.19)	(30,352.19)
	<b>UNSECURED CREDITORS</b>		
(91,198.84)	Trade & Expense Creditors	NIL	NIL
(9,341.98)	HM Revenue and Customs	NIL	NIL
(14,014.00)	HM Revenue & Customs - VAT	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(66,007.12)</b>		<b>11,282.48</b>	<b>11,282.48</b>
	<b>REPRESENTED BY</b>		
	VAT Receivable		6,000.82
	Bank 1 - Lloyds		5,281.66
			<b>11,282.48</b>

# Time Entry - SIP9 Time & Cost Summary

NOLIF02 - Life Engineering North East Limited  
All Post Appointment Project Codes  
To: 25/04/2017

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning	0.00	2.40	46.60	3.30	52.30	9,890.00	189.10
Case specific matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashier/Tax Returns	0.00	0.00	4.40	0.00	4.40	836.00	190.00
Creditors	0.00	0.00	4.50	0.00	4.50	855.00	190.00
Employees	0.00	0.00	2.40	0.00	2.40	456.00	190.00
Information & Communications Technology	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	6.20	23.30	29.50	3,508.00	118.92
Litigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pension Schemes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre Oct 1998 Time	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisations of assets	0.00	0.00	15.80	0.00	15.80	3,002.00	190.00
Statutory Duties	0.00	0.00	15.10	0.00	15.10	2,869.00	190.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>0.00</b>	<b>2.40</b>	<b>96.60</b>	<b>26.60</b>	<b>124.00</b>	<b>21,416.00</b>	<b>172.71</b>
<b>Total Fees Claimed</b>						<b>18,952.59</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

# Time Entry - SIP9 Time & Cost Summary

NOLIF02 - Life Engineering North East Limited  
All Pre Appointment Project Codes  
To: 25/04/2017

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning	0.50	1.00	0.00	1.00	2.50	537.50	215.00
Case specific matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashier/Tax Returns	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Employees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Information & Communications Technology	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Litigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pension Schemes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre Oct 1998 Time	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisations of assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Statutory Duties	0.00	0.00	2.00	0.00	2.00	380.00	190.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>0.50</b>	<b>1.00</b>	<b>2.00</b>	<b>1.00</b>	<b>4.50</b>	<b>917.50</b>	<b>203.89</b>
<b>Total Fees Claimed</b>						<b>917.50</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	





**Life Engineering North East Limited  
(In Administration)**

**Joint Administrators' Final Progress Report  
to creditors pursuant to Rule 2.47  
of the Insolvency Rules 1986**

**For the Period  
8 July 2016 to 7 January 2017**

## **CONTENTS**

1. Appointment Information
2. Statutory Information
3. Circumstances leading to the Appointment of the Administrators
4. Joint Administrators' Proposals
5. Receipts and Payments Account
6. Trading
7. Assets
8. Investigations
9. Joint Administrators' Remuneration
10. Joint Administrators' Disbursements
11. EC Regulations
12. Outcome for Creditors
13. Further Information
14. Summary

## **Appendices**

- I Receipts and Payments Account for the period 8 July 2016 to 7 January 2017
- II Time Analysis for the period 8 July 2016 to 7 January 2017
- III Standard Charge out Rates
- IV Schedule of Unsecured Creditors' Claims

## **1. Appointment Information**

Date of appointment: 8 July 2016

Appointment made by: Director

Court name and reference: Newcastle District Registry 293 of 2016

Administrators appointed: Mark Phillips & Samuel Talby of PCR (Newcastle) Limited, Suite 108 Collingwood Buildings, 38 Collingwood Street, Newcastle upon Tyne, NE1 1JF ("PCR").

Pursuant to Paragraph 100(2) of Schedule B1 Insolvency Act 1986 the Joint Administrators are jointly and severally responsible for each and every one of the roles imposed in administering the affairs of the Company during their term of office.

The references in this report to sections, paragraphs or rules are to the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules 1986, as amended.

## **2. Statutory Information**

Company Name: Life Engineering Limited

Company Number: 06306943

Date of Incorporation: 9 July 2007

Previous Names: N/A

Registered Office: Suite 108 Collingwood Buildings  
38 Collingwood Street  
Newcastle upon Tyne  
NE1 1JF

Former Registered Office: 42 Kestrel Close  
Ayton  
Washington  
Tyne and Wear, NE38 0EL

Previous Trading Address: 7 Tilley Road  
Crowther Industrial Estate  
Washington  
Tyne and Wear, NE38 0AE

Nature of Business: Manufacture of metal structures and parts of structures

Court Reference: 293 of 2016

Life Engineering Limited (In Administration)  
Joint Administrators' Final Progress Report to Creditors

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Share Capital: 100 ordinary shares of £1 each

Ian Fleming	100	100%

Directorships:

Ian Fleming	9 July 2007	N/A

Charges: There are no charges registered at Companies House

### 3. Circumstances leading to the appointment of the Administrators

Life Engineering North East Limited ("the Company") was incorporated on 29 July 2007, prior to incorporation the director, Mr Ian Fleming ("the Director") was trading as a sole trader from October 2002. The Company supplied fabrication and engineering services to local automotive based companies.

Whilst trading as a sole trader, the Director was able to expand the business so at the date of incorporation it employed 15 staff on two shifts, working primarily for local first tier suppliers to Nissan.

Following incorporation, the Company continued to grow and was able to extend its premises by renting an adjacent unit, however the Director felt that the Company's premises were poor and moved to new premises in September 2015.

The Company subsequently received a claim for dilapidations from the landlord of the previous premises, which it was unable to pay.

As the Company was unable to satisfy its debts, the director sought advice on the Company's position from PCR and an initial meeting was held in June 2016 at which the options available were discussed.

Having considered the options available, the Director instructed PCR (Newcastle) Limited to assist with placing the Company into Administration. Mark Phillips and Sam Talby of PCR (Newcastle) Limited were appointed Joint Administrators on 8 July 2016.

### 4. Joint Administrators' Proposals

The Joint Administrators must perform their function with the purpose of achieving one of the following statutory objectives as set out in paragraph 3(1) of Schedule B1 of the Insolvency Act 1986.

- . *Rescuing the Company as a going concern; or*
- . *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*

- Realising property in order to make a distribution to one or more secured or preferential creditors.*

The purposes are set out as a hierarchy, therefore the rescue of a company is the priority. If this cannot be achieved the next objective is to achieve a better return to the creditors, as a whole, and then to realise assets for the benefit of the preferential or secured creditors.

(a) Rescuing the Company as a going concern.

It was not possible to achieve this purpose as it was not possible to refinance or restructure the Company's affairs sufficiently that it could deal with its liabilities and continue trading after Administration. This is largely because the Company had few assets over which security could be given to any funder.

(b) Achieving a better result for the Company's creditors as a whole

Our intention now is to achieve the statutory purpose of achieving a better result for the Company's creditors as a whole by way of a sale of business assets in a scenario that enabled the business to continued trading as this was likely to maximise recoveries from the Company's ledger, achieve value in respect of goodwill and avoid statutory redundancy costs as employees would transfer to the purchaser.

(c) Realising property in order to make a distribution to one or more secured or preferential creditors

This purpose could not be achieved as there are no secured creditors and as a result of the transfer of the business there are no preferential creditors.

## **5. Receipts and Payments Account**

Our Receipts and Payments account for the period from 8 July 2016 to 7 January 2017 is attached at Appendix I.

Please note that we have provided a separate Receipts and Payments account specifically in respect of the trading period in the Administration, the balance of which is reflected in the main account as a trading deficit.

## **6. Trading**

Upon appointment we continued to trade the Company in order to complete works in progress. Completion of the works had the joint effect of ensuring that the sales ledger would be collectible, as the works related to invoices already raised prior to the Administration and preserving value in the goodwill, pending a sale of business.

As the works in progress had already been invoiced prior to the Administration, it has not been possible to record any sales in the Administration period, although it will be noted that the continued trading has ensured that sales totalling £7,890 have been recovered.

The ability to achieve a sale as a going concern and the resulting transfer of employees under the Transfer of Undertakings (Protection of Employment) Regulations 2006 meant that there were no claims in respect of wages, accrued holiday, notice or redundancy in the Administration.

## **7. Assets**

### **7.1 Motor Vehicles**

The Company did own a Citroen Relay lorry and a Komatsu fork lift, which were both subject to finance agreements. Due to the sums outstanding on the agreements these assets had no realisable value and had they been sold, the finance company would have ranked as unsecured creditors in respect of the shortfall. We believe that the Purchaser has negotiated to retain use of the vehicles, thus avoiding further claims in the Administration.

### **7.2 Book Debts**

We were advised at the date of appointment that the Company's sales ledger totalled £12,300, however part of the ledger related to works that had been invoiced prior to the Company being placed into Administration. As such, the Administrators continued trading in order to fulfil the orders however, as the invoices were raised pre-appointment, the proceeds have been received and are treated as debtors for the purposes of the attached receipts and payments account.

In total we have recovered the sum of £18,774.00 in respect of the Company's outstanding debts.

### **7.3 Cash at Bank**

The Company's bank account reflected a credit balance of £37,051.99 at the date of Administration and we wrote to Santander bank and realised this sum for form part of the estate.

### **7.4 Sale of business assets**

On appointment we reviewed the position and assessed the options available to achieve the best outcome for creditors.

Having considered the reduced realisations that would have been achieved in a break up scenario and the crystallisation of employees' claims, it was considered that the best outcome for creditors would be by way of sale of business as a going concern.

We therefore sold the business and assets to Washington Fabrications Limited, which is a Company whose sole director and shareholder is Ian Fleming, the director of the Company.

We are satisfied that there were no other parties that would have been able to acquire the business in its current form as the machinery used by the Company was owned by the Director personally.

The agreed purchase price of the assets was £5,250, apportioned as follows, and the deferred consideration is subject to a guarantee given by the director:

<b>Asset</b>	<b>£</b>
Goodwill and IPR	5,001
Stock	247
Lease	1
Vehicle, plant and equipment	1
<b>Total</b>	<b>5,250</b>

To date, Washington Fabrications Limited have paid £1,000 and steps have been taken to pursue them for the balance.

## **8. Investigations**

We 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.

Within six months of our appointment as Joint Administrators, we are required to submit a confidential submission 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 him unfit to be concerned with the management of the company. We would confirm that we have complied with our statutory obligations in this regard, but we are unable to comment further.

## **9. Joint Administrators' Remuneration**

### **9.1 Pre-Appointment Remuneration**

The Joint Administrators' pre-appointment remuneration was approved by the unsecured creditors on 16 September 2016.

As detailed in our Proposals, the Joint Administrators were engaged by the Company to advise in relation to its affairs, to assist in placing it into Administration and thereafter to arrange a sale of business and assets.

Our accrued time costs for assisting the Company prior our appointment as Administrators are £917.50, which has been paid in full from first realisations in accordance with a resolution agreed by creditors on 16 September 2016. This is detailed in the attached receipts and payments account.

In addition, we engaged solicitors to assist with preparing the paperwork for the application to place the Company into Administration.

The following statement sets out pre-appointment fees and expenses incurred and the basis on which they are charged.

<b>Provider of Services</b>	<b>Nature of Work</b>	<b>Total Fee Incurred £</b>	<b>Fee Paid £</b>	<b>Fee Outstanding £</b>
PCR (Newcastle) Limited	Professional fees	917.50	917.50	0.00
Sintons Law	Legal fees	2,500.00	2,500.00	0.00
<b>Total</b>		<b>3,417.50</b>	<b>3,417.50</b>	<b>0.00</b>

Sintons Law were instructed to assist with preparation of documentation to confirm appointment of Administrators and arranging filing at Court.

The pre-appointment fees of Sintons has also been paid and this is detailed on the attached Receipts and payments account.

## 9.2 Post-Appointment Remuneration

The Joint Administrators' remuneration was authorised by unsecured creditors on 16 September 2016. Our remuneration for work carried out post appointment was authorised by creditors on 16 September 2016. To be drawn as follows:

### 9.2.1 Fixed Fee

Our fees for undertaking work in respect of all statutory matters, which include all Administration and Planning, cashiering matters and dealing with creditors is charged at a set fee of £10,000.

The Joint Administrators' have drawn £10,000 to 24 April 2017 in respect of work done for which our fees were approved as a fixed fee.

### 9.2.2 Percentage of Realisations

Our fees were also authorised to draw 10% of realisations for our work in respect of the realisation of Company assets.

Based on realisations achieved, the Joint Administrators have drawn £5,682.59 to 7 January 2017 in respect of work done for which my fees were approved as a % of realisations.

### 9.2.3 Time Cost Basis

Our fees in relation to investigation and adjudicating and payment of any dividend to creditors be charged on a time cost basis.

A summary of our time costs incurred to date compared with our original fees estimate is as follows:

#### 1. Investigations

Recovering the books and records of the case and obtain completed Director's Questionnaire.	2.0	436	1.2	228
Preparing an inventory of the books and records recovered.	1.0	218	0.4	76
Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act and the Insolvency Service.	2.0	436	2.5	475
Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc. and analysing them for the purposes of the	5.0	1,090	2.1	399



Life Engineering Limited (In Administration)  
Joint Administrators' Final Progress Report to Creditors

investigations.				
Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors.	5.0	1,090	23.3	2,330
<b>TOTAL</b>	<b>15.0</b>	<b>3,270</b>	<b>29.5</b>	<b>3,508</b>

As detailed in our Statement of Proposals, it had been estimated that the total time costs that we anticipate to have incurred in undertaking these tasks would be £3,270.00.

As at 7 January 2017, the total time costs that we have incurred in this matter upon which we are being remunerated on a time cost basis, have exceeded the total estimated remuneration previously authorised by the creditors. The reasons we have exceeded the fees estimate is due to the analysis of the Company's records and bank statements due to the number of transactions detailed on the bank statements.

Please note that this work was carried out by junior members of staff where their standard charge out rate was lower and as our time cost is slightly greater than originally indicated, it is not our intention to seek further remuneration in this matter.

## II. Creditors

In the event that additional realisations are made and a dividend is anticipated, the following matters will apply:		
• Issuing a notice of intended dividend and placing an appropriate Gazette notice.	1.0	218.00
• Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend. <i>(N.B. The time estimated is based on the number of creditors in this case and averaging 0.25 units per creditor)</i>	4.0	1,744.00
• Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims. <i>(N.B. The time estimated is based on the number of creditors in this case and averaging 0.25 units per creditor)</i>	4.0	1,744.00
• Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend. <i>(N.B. The time estimated is based on the number of creditors in this case and averaging 0.25 units per creditor)</i>	4.0	872.00
<b>TOTAL</b>	<b>13.0</b>	<b>2,834.00</b>

Please note that no work has been undertaken in respect to the adjudication and payment of dividends in this reporting period.

The Joint Administrators' time spent for the period 8 July 2016 to 24 April 2017, on all functions is 124 hours at a cost of , £21,416 which represents an average rate of £172.71 per hour across all grades of

staff. To date we have drawn fees totalling 18,952.59.

Attached at Appendix II is a Time Analysis for the period which provides details of activity costs incurred by staff grade.

A description of the routine work undertaken in the Administration to date is as follows:

1. Administration and Planning

- Statutory notifications and advertising.
- Preparing documentation required.
- Dealing with all routine correspondence.
- Maintaining physical case files and electronic case details on IPS case management software.
- Review and storage.
- Case bordereau.
- Strategy and progression planning
- Convening and holding a meeting of creditors by correspondence.

2. Cashiering

- Maintaining and managing the Administrators' cashbook and bank account.
- Ensuring statutory lodgements and tax lodgement obligations are met.

3. Creditors

- Dealing with creditor correspondence and telephone conversations.
- Preparing reports to creditors.
- Maintaining creditor information on IPS case management software.
- Reviewing, and adjudicating on if necessary, proofs of debt received from creditors.
- Reviewing and assessing validity of security documentation.

4. Investigations

- Review of books and records.
- Conduct investigations into transactions.
- Review books and records to identify any transactions or actions an Administrator may take in order to recover funds for the benefit of creditors.

5. Realisation of Assets

- Corresponding with the Company's debtor in the collection of the Company's outstanding debts.
- Liaising with the Company's bank regarding the closure of the account.
- Liaising with the director of Washington Fabrications in the collection of the sale of the business assets.

A copy of Statement of Insolvency Practice No. 9 'A Creditors Guide to Administrators' Fees' published by the Association of Business Recovery Professionals is available at the link

<http://www.icaew.com/en/technical/insolvency/creditors-guides>. A hard copy can be obtained on request from this office. An explanatory note which shows PCR's fee policy and charge out rates is attached.

## 10. Joint Administrators' Disbursements

With regard to disbursements, specific expenditure relating to the administration of the insolvent estate and payable to an independent third party is recoverable without creditor approval and are known as "category 1" disbursements. "Category 2" disbursements are costs that are recharged by an office holder's practice that include an element of overhead contribution and/or profit. PCR does not, as a policy, recharge any expenses that might be considered to be category 2 disbursements.

If funds are not available to pay for disbursements, then payment is made by PCR and reimbursed from the estate as and when funds become available. In this instance, this office has paid out the following disbursements of which some are yet to be reimbursed:

Type of Expense	Amount incurred (£)	Amount Paid (£)	Amount Outstanding (£)
Bordereau	250.00	0.00	250.00
Statutory Advertising	73.00	0.00	73.00
Insurance	456.94	456.94	0.00
<b>TOTAL</b>	<b>779.94</b>	<b>456.94</b>	<b>323.00</b>

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

Professional Advisor	Nature of Work	Fee Arrangement	Fees Paid
Sintons Law	Pre Appointment Legal Work	Time Costs - £6,000	£6,000.00
Sintons Law	Post Appointment Legal Works	Time Costs - £2,500	£2,500.00
Landwood Group	Valuation of Assets	Time Costs - £1,500	£1,500.00

The choice of professionals was based on 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 fees charged have been reviewed and we are satisfied that they are reasonable in the circumstances of this case. All professionals utilised carry suitable professional indemnity insurance.

## 11. EC Regulations

We consider that the EC regulation on insolvency proceedings apply to the Administration of the Company. We also consider that they are main proceedings since the Company's registered office and its trading address are in the United Kingdom.

## 12. Outcome for Creditors

### 12.1 Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, shows no secured creditors are listed.

The Insolvency Act 1986 provides that, where a company has created a floating charge after 15 September 2003, the Administrator must make a prescribed part of the company's net property available to the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims.

In this case there are no secured creditors and so the prescribed part will therefore not be applicable.

## **12.2 Preferential Creditors**

As stated above the business was sold to Washington Fabrications Limited and the employees contracts of employment were transfer to the purchaser. As a result there are no preferential creditors.

## **12.3 Crown Creditors**

The Company's Statement of Affairs details the sum of £23,355.98 being owed to HM revenue and Customs and we have received their claim for this amount in respect of £9,341.98 in respect of PAYE and £14,014.00 in relation to VAT.

## **12.4 Other Unsecured Creditors**

The statement of affairs included 17 unsecured creditors with an estimated total liability of £91,198.84 and we have received claims from 11 creditors totalling £94,177.47. There are a further 8 creditors who have not submitted their claim in the Administration these claims are estimated to total £4,284.61.

## **12.5 Dividend Prospects**

On current information it is likely that a small dividend will be paid to unsecured creditors, however the quantum and timing of the dividend will be dependent on further realisations.

## **12.6 Termination of the Administration**

We have reached a point in the Administration where it will be possible to declare a small dividend to unsecured creditors, on receipt of the VAT reclaim currently outstanding and on the receipt of the remaining deferred consideration As a result this is the final report prior to the conversion of the Administration into a Creditors Voluntary Liquidation as approved in the Joint Administrators Proposals, with Mark Phillips and Sam Talby being appointed as liquidators.

## **13 Further Information**

### **13.1 Creditors' Rights**

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.

### **13.2 Professional Indemnity Insurer**

Our Professional Indemnity Insurer is Royal & Sun Alliance, c/o Lockton Companies LLP, The St Botolph Building, 138 Houndsditch, London EC3A 7AG. The territorial coverage is in relation to appointments taken and work conducted in the UK.

### **13.3 Complaints Procedure**

In the event that you are not satisfied with the actions of the Joint Administrators, you have the right to complain. Initially such complaints should be referred to Julie Swan at PCR, St Martin's House, The Runway, South Ruislip, Middlesex, HA4 6SE. We undertake to look at any complaint carefully and promptly and to do all that we can to explain the position to you.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3<sup>rd</sup> Floor, 1 City Walk, Leeds, LS11 9DA; or you may email [ip.complaints@insolvency.gsi.gov.uk](mailto:ip.complaints@insolvency.gsi.gov.uk); or you may phone 0300 678 0015 – calls are charged at between 1p and 12p per minute from a land line, for mobiles, between 3p and 45p per minute if you're calling from the UK.

## **14. Summary**

As detailed in this report, the Joint Administrators are converting the Administration into a Creditors' Voluntary Liquidation. A further update will be produced dated on the anniversary of the appointment as liquidators or earlier depending on the circumstances as the matter progresses. Should you have any queries or require any further information, please do not hesitate to contact my colleague Keith Hewison on 0191 229 9656.



**Mark Phillips**  
**Joint Administrator**

Mark Phillips and Sam Talby were appointed Joint Administrators on 8 July 2016. The Affairs, business and property of the Company are being managed by Joint administrators, who act as the Company's agents and without personal liability.

**APPENDIX I**  
**RECEIPTS AND PAYMENTS ACCOUNTS**  
**FOR THE PERIOD 8 JULY 2016 TO 7 JANUARY 2017**

**Life Engineering North East Limited**  
**(In Administration)**

**JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

	Statement of affairs £	From 08/07/2016 To 07/01/2017 £	From 08/07/2016 To 07/01/2017 £
<b>RECEIPTS</b>			
Citroen Relay Motor Vehicle	7,700.00	0.00	0.00
Forklift Truck	5,500.00	0.00	0.00
Lease	1.00	0.00	0.00
Motor Vehicles	1.00	0.00	0.00
Stock	247.00	0.00	0.00
Book Debts	12,300.00	18,774.00	18,774.00
Property Rights/Patents	1.00	0.00	0.00
Cash at Bank	37,045.48	37,051.99	37,051.99
Goodwill	5,000.00	1,000.00	1,000.00
Bank Interest Gross		7.79	7.79
		<u>56,833.78</u>	<u>56,833.78</u>
<b>PAYMENTS</b>			
Direct Labour		12,255.54	12,255.54
Heat & Light		103.61	103.61
Insurance		62.74	62.74
Sundry Expenses		6.29	6.29
Motonovo	(10,864.36)	0.00	0.00
Investec	(8,283.42)	0.00	0.00
Administrators' Fees - Fixed Fee		10,000.00	10,000.00
Administrators' Fees - % of Realisations		5,682.59	5,682.59
Pre-Appointment Remuneration		917.50	917.50
Agents/Valuers Fees (1)		1,500.00	1,500.00
Legal Fees (Pre-Appointment)		6,000.00	6,000.00
Legal fees (Post-Appointment)		2,500.00	2,500.00
Legal Disbursements		80.40	80.40
Insurance of Assets		394.20	394.20
Bank Charges		7.50	7.50
Trade & Expense Creditors	(91,198.84)	0.00	0.00
HM Revenue and Customs	(9,341.98)	0.00	0.00
HM Revenue & Customs - VAT	(14,014.00)	0.00	0.00
Ordinary Shareholders	(100.00)	0.00	0.00
		<u>39,510.37</u>	<u>39,510.37</u>
Net Receipts/(Payments)		<u>17,323.41</u>	<u>17,323.41</u>
<b>MADE UP AS FOLLOWS</b>			
Bank 1 - Lloyds		11,976.59	11,976.59
VAT Receivable / (Payable)		5,346.82	5,346.82
		<u>17,323.41</u>	<u>17,323.41</u>

Note:

**APPENDIX II**

**SCHEDULE OF JOINT ADMINISTRATORS TIME COSTS**



# Time Entry - SIP9 Time & Cost Summary

NOLIF02 - Life Engineering North East Limited  
 All Post Appointment Project Codes  
 To: 25/04/2017

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning	0.00	2.40	46.60	3.30	52.30	9,890.00	189.10
Case specific matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashier/Tax Returns	0.00	0.00	4.40	0.00	4.40	836.00	190.00
Creditors	0.00	0.00	4.50	0.00	4.50	855.00	190.00
Employees	0.00	0.00	2.40	0.00	2.40	456.00	190.00
Information & Communications Technology	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	6.20	23.30	29.50	3,508.00	118.92
Litigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pension Schemes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre Oct 1998 Time	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisations of assets	0.00	0.00	15.90	0.00	15.80	3,002.00	190.00
Statutory Duties	0.00	0.00	15.10	0.00	15.10	2,869.00	190.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>0.00</b>	<b>2.40</b>	<b>96.00</b>	<b>26.60</b>	<b>124.00</b>	<b>21,416.00</b>	<b>172.71</b>
<b>Total Fees Claimed</b>						<b>18,952.59</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

# Time Entry - SIP9 Time & Cost Summary

NOLIF02 - Life Engineering North East Limited  
All Pre Appointment Project Codes  
To: 25/04/2017

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning	0.50	1.00	0.00	1.00	2.50	537.50	215.00
Case specific matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashier/Tax Returns	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Employees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Information & Communications Technology	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Litigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pension Schemes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre Oct 1998 Time	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisations of assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Statutory Duties	0.00	0.00	2.00	0.00	2.00	380.00	190.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>0.50</b>	<b>1.00</b>	<b>2.00</b>	<b>1.00</b>	<b>4.50</b>	<b>917.50</b>	<b>203.89</b>
<b>Total Fees Claimed</b>						<b>917.50</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

**APPENDIX III**

**SCHEDULE OF JOINT ADMINISTRATORS**

**CHARGE OUT RATES**



## **REMUNERATION POLICY**

### **Charge Out Rates Applicable to this Assignment**

The table below sets out charge out rates by grade of staff. Charge out rates are reviewed periodically and where an assignment covers more than one period the rates for each period relevant to that assignment are provided below.

	<b><i>01.04.2015 to 30.04.2016</i></b>	<b><i>01.05.2016 Onwards</i></b>
<b>Grade of Staff</b>	<b>£ Per Hour</b>	<b>£ Per Hour</b>
<b>Partners / Office Holders</b>	<b>285</b>	<b>295</b>
<b>Director</b>	<b>265</b>	<b>280</b>
<b>Manager</b>	<b>200-260</b>	<b>240-270</b>
<b>Administrator</b>	<b>120-160</b>	<b>115-190</b>
<b>Cashier &amp; Support</b>	<b>80-125</b>	<b>100-110</b>
<b>Average</b>	<b>205</b>	<b>218</b>

Time is charged in 6 minute units and recorded using an electronic time recording system.

Work is undertaken by the grade of staff most appropriate to the assignment or the task being dealt with.

Office Holder's fees may generally only be recovered with creditor approval. Creditors Guides to the calculation of Office Holder's fees, as provided by Statement of Insolvency Practice 9 (SIP9) published by R3, The Association of Business Recovery Professionals, are available at the link <http://www.icaew.com/en/technical/insolvency/creditors-guides> and paper copies are available on request.

## **DISBURSEMENTS POLICY**

### **Category 1 Disbursements**

Items of specific expenditure relating to the administration of the insolvent estate and payable to an independent third party (i.e. direct costs) are defined as "Category 1 disbursements". These are recoverable without creditor approval. Such items would include legal fees, agents' charges, bank charges and insurances. Such expenditure is made directly from the insolvent estate where funds are available. If funds are not available, then payment is made from this firm's office account and reimbursed from the estate when funds are available. All Category 1 disbursements are charged at the actual cost incurred, with no mark up or handling charge applied.

### **Category 2 Disbursements**

Expenditure incidental to the administration of the insolvent estate which by its nature includes an element of shared or allocated costs is recoverable only with creditor approval. Payments in respect of these costs are defined as Category 2 disbursements. This office has a policy of not charging for any Category 2 disbursements and no other charges are made for any items bearing an element of shared or allocated cost.

**APPENDIX IV**

**SCHEDULE OF UNSECURED CREDITORS CLAIMS**

**PCR (London) LLP**  
**Life Engineering North East Limited**  
**Creditor Claims Summary Report**

Key	Name	Rep. By	S of A £	Claim £	Agreed Claim £
CA01	AUT		1,377.26	0.00	0.00
CA02	Air Supply North East		220.00	220.20	0.00
CA03	Acorn		47.56	0.00	0.00
CC01	Chainbridge Steel Co Ltd		947.53	0.00	0.00
CE01	Engie Power Limited		0.00	2,227.15	0.00
CE02	EME		0.00	241.92	0.00
CF01	FM Steelstock Limited		9,940.68	8,730.57	0.00
CF02	Ian Fleming		0.00	0.00	0.00
CH01	Hogg Blasting & Finishing Equipment		400.91	0.00	0.00
CH02	HM Revenue & Customs (CT)		0.00	0.00	0.00
CH03	HM Revenue & Customs (PAYE/NIC)		0.00	0.00	0.00
CH04	HM Revenue & Customs (VAT)		0.00	0.00	0.00
CH05	HM Revenue and Customs (ICHU)		23,355.98	23,355.98	0.00
CI00	Industrial Wedling Supplies North East Limited		0.00	0.00	0.00
CJ01	James Gill Fastenings Ltd		551.82	649.67	0.00
CL01	Leengate Welding Supplies (North East) Ltd		1,138.25	389.78	0.00
CM01	Marian Door Services L006		600.00	600.00	0.00
CM02			0.00	0.00	0.00
CN01	NT Steel Services LIFE01		521.00	469.20	0.00
CP01	PW Oxlade Limited		192.00	0.00	0.00
CR01	Reca Uk Limited		96.89	0.00	0.00
CR02	Galeway Holdings Limited		73,932.48	77,316.35	0.00
CS01	Ses Multimetals		644.40	0.00	0.00
CS02	Sunderland City Council Corporate Services		0.00	3,167.15	0.00
CS03	S Suez Ltd		0.00	165.48	0.00
CW01	Windsor Engineering (Hull) Limited LIF003		588.06	0.00	0.00
<b>26 Entries Totalling</b>			<b>114,554.82</b>	<b>117,533.45</b>	<b>0.00</b>

Signature \_\_\_\_\_