

AM10

Notice of administrator's progress report



Companies House

FRIDAY



A12 *A882YMWG* 21/06/2019 #247
COMPANIES HOUSE

1 Company details

Company number 0 6 4 2 4 9 6 4

Company name in full G4 Power Grid Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Andrew James

Surname Nichols

3 Administrator's address

Building name/number The Chapel

Street Bridge Street

Post town Driffield

County/Region

Postcode Y O 2 5 6 D A

Country UK

4 Administrator's name ①

Full forename(s) John William

Surname Butler

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number The Chapel

Street Bridge Street

Post town Driffield

County/Region

Postcode Y O 2 5 6 D A

Country UK

② Other administrator

Use this section to tell us about
another administrator.

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6 Period of progress report

From date	d 2	d 3	m 1	m 1	y 2	y 0	y 1	y 8
To date	d 2	d 2	m 0	m 5	y 2	y 0	y 1	y 9

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

X

Signature date	d 1	d 7	m 0	m 6	y 2	y 0	y 1	y 9
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G4 POWER GRID LIMITED – IN ADMINISTRATION ("the Company")

Progress Report

This report has been prepared for the sole purpose of updating the creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

A J Nichols and J W Butler were appointed Joint Administrators of the Company on 23 November 2018. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

G4 Power Grid Limited – in administration (“the Company”)

Joint Administrators’ progress report

Statutory information

Company number: 06424964

Name of company: G4 Power Grid Limited

Previous name(s) of company (if any): None

Trading name / style under which As above

- Company carried on business and
- Any debt owed to a creditor was incurred

Type of Insolvency: Administration

Address of Registered office: The Chapel, Bridge Street, Drifffield, YO25 6DA

Principal trading address: Brookenby Business Park, Brookenby, Market Rasen, Lincolnshire, LN8 6HF

Administrator(s) name(s), address(es) and contact number: Andrew James Nichols and John William Butler of Redman Nichols Butler, The Chapel, Bridge Street, Drifffield, YO25 6DA Tel: 01377 257788

Office holder number(s): 8367 & 9591

Date of appointment: 23 November 2018

Appointed by who: The court

Is there a committee: ? No

Court & Court Ref: In The High Court of Justice, Business and Property Courts in Leeds, Insolvency List, No 1159 of 2018

Functions : The Joint Administrators act jointly and severally, so that all functions may be exercised by either Administrator

Have the Administrators’ proposals been approved: ? Yes (by virtual meeting on 1 February 2019)

Have any extensions of the administration been sought: ? No

Reporting period: 23 November 2018 to 22 May 2019

Administration (including statutory reporting)

The work undertaken which is classified as Administration for the period of this report is summarised below;

Case Management

- case set-up, record-keeping, completion of checklists, periodic case reviews
- devising an appropriate strategy for dealing with the case and giving instructions to staff to undertake the work on the case
- reviewing and updating strategy
- dealing with all routine correspondence and emails relating to the case
- undertaking periodic reviews of the progression of the case

Statutory and Compliance

- case bonding and periodical review of case bonding
- Companies House filings and returns
- advertising of notices
- preparation and delivery of periodic reports to creditors and other stakeholders
- convening decision procedures
- completion and submission of post appointment corporation tax returns

- completion and submission of post appointment VAT returns
- reporting to creditors

Cashiering

- arrange banking facilities
- monthly account reconciliations
- general cashiering
- preparation and maintenance of cashbook and receipts and payments account

This work does not produce any direct financial benefit for creditors but is required by statute and best practice guidelines.

Asset realisations

The work undertaken, which is classified as Asset realisations, for the period of this report is summarised below;

Asset	Estimated statement of affairs (£)	Actual realisations to date (£)	Comments
Cash at bank	26,927	27,168	This was monies held in the Company's bank account as at the date of appointment and has now been transferred to the joint administrators' estate account for this case.
Land and buildings	350,000	626,000	All the chattel assets and land and buildings have, subject to contract, now been sold to a third party, whom the joint administrators believe is connected to Lincoln Fraser, one of the directors of the company. This third party was one of two potential purchasers who entered into a contract race to purchase the company's chattel assets and land and buildings, following a failed and protracted attempt by Mr Fraser to purchase the same after a small fire took place on the property. Completion is shortly due to take place. The Joint Administrators are in receipt of £62,600 from Mr Fraser representing a deposit in respect of the previous failed attempt by him to purchase the chattel assets and land and buildings.
Plant and machinery	20,000		
Motor vehicles	0		
Fixtures and fittings	0		
Bank interest	n/a	8	Administration funds are held in an interest bearing account.
Loan to administrator	0	10,000	This represents £10,000 lent to the administration estate by Lincoln Fraser to pay for ongoing insurance costs of the company's assets. In the event that the sale mentioned above completes, it has been agreed with Mr Fraser that the loan is not repayable.

This work may produce financial benefit for creditors and is required by statute and best practice guidelines.

Statement of Insolvency Practice 13 – Acquisition of assets of insolvent companies by directors

Statement of Insolvency Practice 13 provides that I am required to disclose to creditors and members at the first available opportunity after my appointment any transactions with connected parties made after my appointment. In this matter I am aware of such transactions which have been described as above.

Investigations

Statement of Insolvency Practice 2 – Investigations by office holders

As part of our duties as Joint Administrators, we are obliged to review shortly after appointment all the information available to us and conduct an initial assessment of whether there are any matters which may lead to

any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have past dealings with the Company.

I am carrying out the administrator's duty to investigate the affairs of the company to that extent necessary to comply with best practice as provided by the provisions of Statement of Insolvency Practice 2 entitled "investigations by office holders in administrations and insolvent liquidations and the submission of conduct reports by office holders". This review is ongoing.

Company Directors Disqualification Act 1986

I have complied with my duties under the provisions of the Company Directors Disqualification Act 1986. However, I am not able to disclose to creditors the content of my report.

Work completed within this category also includes;

- invite and review concerns / matters raised by the creditors regarding the director(s) conduct.
- reviewing the books and records (if available) 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
- the general investigation required towards the submission of returns pursuant to the Company Directors Disqualification Act 1986
- submission of returns pursuant to the Company Directors Disqualification Act 1986
- carrying out initial investigations with a view to identifying any potential asset recoveries by seeking and obtaining such information from the company's accountants, solicitors, bank or other third party

This work does not produce any direct financial benefit for creditors but is required by statute and best practice guidelines.

Trading

The company ceased to trade prior to the start of the administration to the extent that its only activity was as a landlord. Rents have continued to be collected by my agents and paid over to Assetz Capital Trust Limited, who hold a legal charge over the property.

Creditors (claims and distributions)

The work undertaken which is classified as Creditors for the period of this report is summarised below

- dealing with correspondence / emails / telephone calls with creditors relating to their claims
- maintaining up to date creditor information
- liaising with the Company's secured creditors

This work may produce financial benefit for creditors but is required by statute and best practice guidelines.

Costs and expenses of the administration

Pre administration costs

Included within the Joint Administrators' Proposals was a Statement of Pre-Administration Costs as detailed below. All of those costs remain unpaid.

Firm	Amount £)	Approval required by creditors
The Official Receiver	528	No, as approved by the Court
Gordons LLP, solicitors for the company	16,000	No, as approved by the Court
Counsel for the Company	9,000	No, as approved by the Court
Penningtons Manches, solicitors for the winding up petitioner	16,607	No, as approved by the Court
Redman Nichols Butler	7,500	Yes

Total	49,635	
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Remuneration of office holders

A creditors' guide to Insolvency Practitioner's fees is available at www.insolvency-practitioners.org.uk or www.r3.org.uk. A copy of the creditors' guide to Redman Nichols Butler fees and expenses is attached to this report which details my firm's current charge out rates.

Basis of amount of remuneration, who agreed that basis and when

The basis of the Joint Administrators' fees has been fixed by creditors at a virtual meeting held on 1 February 2019 on a time costs basis up to an initial limit of £66,648.

My firm's time costs in administering this case

My firm's time costs to date in dealing with the proper administration of this administration total £60,097 and for the period of this report total £54,233. An estimated analysis for the period under review by reference to the types of work carried out on this administration is attached to this report.

The narrative above provides a brief description of the type of work involved in each category.

Fee estimate

As noted above, a fee estimate (approved by creditors) has been produced in the sum of £66,648. It is envisaged that my firm's actual time costs to closure of the case will exceed this fee estimate.

Funds drawn to date on account of remuneration

I have not drawn any funds in respect of my firm's remuneration.

Redman Nichols Butler expenses

Attached to this report is a breakdown of the expenses incurred on behalf of the administration estate in the period under review. To date, I have not recovered any funds in this regard.

Professionals engaged to assist the administrator to carry out his duties

The following professionals have been engaged to assist me in carrying out my duties in this case: -

Firm	Estimated costs (£)	Costs incurred to date (£)	Costs paid to date (£)	Basis of those fees	Brief description of work carried out & reasons for costs exceeding estimate	Basis of review of reasonableness of fees
Gilbert Baitson LLP	4,000	Not known	0	Time costs	Valuation and sale of chattel assets, including resolution and return of third party assets	o/s
James Legal	8,500	Not known	0	Time costs	Legal advice and preparation of sale contract	o/s
Clark Weightman	13,500	Not known	0	Time costs	Property agency advice and property management	o/s

Outcome for creditors

I attached an Estimated Outcome Statement to my proposals. Creditors will recall that, at that time, I forecast a nil return to unsecured creditors in this case. My views in this regard remain unchanged. An updated Estimated Outcome Statement and receipts and payments account for the period of the review is attached to this report.

Secured creditors

I expect that the secured creditor, Assetz Capital Trust Limited, will be paid in full following the completion of the sale of the property and chattel assets of the company.

The prescribed part

Section 176A of the Insolvency Act 1986 (the prescribed part) does not apply in this case as there is no floating charge created after 15 September 2003.

Dividend prospects for preferential unsecured creditors

There may be a small preferential claim in this case in respect of outstanding pension contributions to the Nest Pension Scheme. I do not expect there will be sufficient funds to pay a dividend to the preferential creditors (if one is submitted).

Dividend prospects for non-preferential unsecured creditors

I do not expect there will be sufficient funds to pay a dividend to the unsecured creditors in this case.

Company position following the administration

I expect that as soon as the administration is completed, I will apply to have the company struck off the Register of Companies in accordance with my proposals as approved by creditors.

Summary of outstanding issues

The following outstanding matters are preventing the case from being closed:

- Realisation of remaining assets
- Agreement and payment of the costs and expenses of the administration, including those of Redman Nichols Butler

Conclusion

This concludes my report on the conduct of this administration. Should any creditor require any further information please contact me.

Should you require a hard copy, please send your request in writing to the Joint Administrators at the address on the front of this report and this will be provided to you at no cost.


A J Nichols
Joint Administrator
17 June 2019

A J Nichols and J W Butler were appointed Joint Administrators of the Company. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

G4 Power Grid Limited - In Administration
Estimated Outcome Statement
Receipts and payments account for the period 23 November 2018 to 22 May 2019
Date of appointment - 23 November 2018

			Receipts and payments	Estimated	
Assets:	Estimated Statement of Affairs £	Notes:	To date £	Future £	Total £
Specifically pledged					
Land at Brockenby Business Park (including rent roll)	350,000	3	0	550,000	550,000
Debt due to Assetz Capital Trust Limited	(504,000)		0	(535,000)	(535,000)
Total specifically pledged assets	(154,000)		0	15,000	15,000
Not specifically pledged					
Chattel assets	20,000		0	76,000	76,000
Cash at bank	26,927		27,168	0	27,168
Bank interest	0		8	6	14
Loan advance	0		10,000	0	10,000
Deposit re failed purchase	0		62,600	(62,600)	0
Total not specifically pledged assets	46,927		99,776	13,406	113,182
Balance available for creditors before costs	46,927		99,776	13,406	113,182
Estimated costs of Administration and other expenses					
Legal fees - James Legal			0	(8,500)	(8,500)
Agents fees - Gilbert Baitson and Clark Weightman		4	0	(17,500)	(17,500)
Pre administration costs and expenses - Redman Nichols Butler			0	(7,500)	(7,500)
Pre administration costs and expenses - other			0	(42,135)	(42,135)
Insurance costs			0	(5,000)	(5,000)
Office holder's remuneration			0	(66,648)	(66,648)
Office holder's expenses			0	(1,014)	(1,014)
			0	(148,297)	(148,297)
Balance available for preferential creditors			99,776	(134,891)	(35,115)
Preferential Creditors			(3,000)	0	(3,000)
Balance available for floating charge holder			96,776	(134,891)	(38,115)
Less prescribed part			0	0	0
Balance available for floating charge holder			96,776	(134,891)	(38,115)
Floating charge holder					
None			0	0	0
Balance available for unsecured creditors	46,927		96,776	(134,891)	(38,115)
Unsecured creditors					
Deficit to Assetz Capital Trust Limited	(154,000)		0	0	0
Trade, HMRC & other unsecured unconnected creditors, including	(306,271)		0	(457,029)	(457,029)
Connected creditors	(584,400)		0	(584,400)	(584,400)
	(997,744)		96,776	(1,176,320)	(1,079,544)

Redman Nichols Butler

TIME & CHARGEOUT SUMMARIES

G4 Power Grid Ltd

From 23 Nov 2018 to 22 May 2019

HOURS							
Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	80.52	26.67	1.33	10.43	118.95	32,996.23	277.40
Investigations	2.33	6.75	0.00	0.00	9.08	2,426.18	267.10
Realisation of Assets	47.08	9.42	0.00	0.00	56.50	16,752.23	296.50
Creditors	3.00	3.17	0.00	3.50	9.67	2,058.84	212.98
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Fees Claimed £	40,544.66	11,684.06	301.33	1,703.43		54,233.48	
Total Hours	132.93	46.00	1.33	13.93	194.20		
Average Rate	305.00	254.00	226.00	122.26			

CATEGORY 1 + 2 DISBURSEMENTS

Type & Purpose			Amount £
12/12/2018	Category 1 - Bordereau	Bordereau	316.80
13/12/2018	Category 2 - Printing & Photocopying	Notice of appointment	25.20
13/12/2018	Category 2 - Postage	Notice of appointment	27.47
09/01/2019	Category 1 - Advertising	Appointment of Administrator	68.50
14/01/2019	Category 2 - Printing & Photocopying	Administrator's Proposals	20.00
14/01/2019	Category 2 - Postage	Administrator's Proposals	33.50
28/02/2019	Category 1 - Redirection of Post	Redirection of post	303.00
25/04/2019	Category 1 - Advertising	Meeting of Creditors	71.00
			865.47

A creditor's guide to the fees and disbursements charged by Redman Nichols Butler

Insolvency Practitioner's Fees

Where it has been agreed by a resolution of creditors or the creditors' committee that the office holders' remuneration will be calculated by reference to the time properly given by the office holder and his staff in attending to matters arising in the administration of the insolvency estate, at the following hourly charge out rates:-

Grade	Rate (£) to 30 April 2014	Rate (£) from 1 May 2014
Partner	280	305
Senior Manager	250	278
Manager	230	254
Assistant Manager	205	226
Administrator	155	166
Support staff	90	97

These rates are our current hourly charge out rates and are exclusive of value added tax. Our charge-out rates are reviewed periodically and creditors will be advised of any alteration thereto. Time is recorded in one minute units.

Disbursements of Redman Nichols Butler

From time to time, we will incur disbursements on behalf of insolvent estates. The reimbursement of these disbursements will be a charge against the insolvent estate to which they relate. These disbursements can be split into two categories, Category 1 and Category 2.

Category 1 disbursements are disbursements which are directly referable to the insolvent estate and relate to a payment to an independent third party. We seek to recover these types of disbursement. Approval is not required to recover these disbursements and these include insolvency bonds, advertising, company searches and post redirection orders.

Category 2 disbursements are directly referable to the insolvent estate in question but the payment is not to an independent third party. They may include shared or allocated costs that can be allocated to the insolvent estate on a proper and reasonable basis, for example, business mileage. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance.

Category 2 disbursements are recharged at the following rates:

Mileage	45 pence per mile
Printing & Photocopying	10 pence per sheet
Postage	Prevailing rates
Archive boxes	£5 per box

The charges above are subject to annual increments and creditors will be advised of these in future circulars.

From time to time we instruct a firm of agents, Ulllyotts, to act for the insolvent estate. Ulllyotts are an associated business. Where Ulllyotts are instructed, their fees will either be charged by reference to time costs properly incurred, calculated in one minute units at an hourly rate of between £150 – £225, plus their disbursements, or on a percentage basis. These costs are typical of agents in this geographical area.

A guidance note and further information in relation to office holders' fees is available at www.R3.org.uk or www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees.