

929330

High Court of Justice No. 1092 of 2011

IN THE MATTER OF
PRESSURECAST PRODUCTS LIMITED – IN LIQUIDATION
("THE COMPANY")
COMPANY NO: 00929330

REPORT OF THE JOINT LIQUIDATORS
PURSUANT TO RULE 4.49B
OF THE INSOLVENCY RULES 1986 (AS AMENDED)

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PRESSURECAST PRODUCTS LIMITED – IN LIQUIDATION

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PRESSURECAST PRODUCTS LIMITED – IN LIQUIDATION**REPORT OF THE JOINT LIQUIDATORS****18 FEBRUARY 2015****INTRODUCTION**

I, Kevin Murphy, of Chantrey Vellacott DFK LLP, Russell Square House, 10-12 Russell Square, London, WC1B 5LF, together with my partner, Richard Toone, was appointed Joint Liquidator of the Company on 21 December 2011, following up a Winding Up Order made in the High Court of Justice on 21 November 2011 under reference number 1092 of 2011

In accordance with Rule 4.49B of The Insolvency Rules 1986 (as amended) I am pleased to present my report on the progress in the Liquidation. This report relates to the period from 21 December 2013 to 20 December 2014

BACKGROUND

The Company was incorporated on 22 March 1968 and traded in the manufacture of fabricated metal products.

The Company entered administration on 25 February 2011 and Paul Boyle and John Sallabank of Harrison's Business Recovery and Insolvency Limited ("Harrison's") were appointed as Joint Administrators

Following a creditor petition on 15 February 2011 for the sum of £175,748, a Winding Up Order was made on 21 November 2011

At the date of winding up, the sole director of the Company was Mr Francis Sachs

RECEIPTS AND PAYMENTS ACCOUNT

An abstract of the Joint Liquidators' Receipts and Payments for the period concerned is attached at Appendix A

ASSET REALISATIONS

As stated in our previous report, the Official Receiver stated that the Company had no assets at the date of Liquidation and no recoveries have been made to date

Preferential Creditors

The Director's statement of affairs lists no preferential creditors

Prescribed Part

Pursuant to Section 176A of The Insolvency Act 1986 (as amended), a Prescribed Part of the Company's net assets should be set aside for the benefit of unsecured creditors. This reduces the funds that would otherwise be made available to any secured creditor under Floating Charges created after 15 September 2003.

Unsecured Creditors

To date, unsecured creditor claims totalling £780,509.24 have been received

COSTS OF REALISATION

My firm has incurred disbursements of £247.68 relating to statutory advertising, bonding and courier and storage services

Legal Costs

Charles Russell Speechlys LLP solicitors have been retained as legal advisors in view of their general experience and expertise in these matters. They have advised me on the investigations into the transfer of the Company's assets prior to liquidation and have also been corresponding with a number of related parties in order to understand the nature of various transactions.

I have agreed their remuneration on the basis of their standard hourly charge-out rates, plus VAT and disbursements. Charles Russell Speechlys LLP's costs to date total £12,965.25 although they have not invoiced for their work in the Liquidation.

JOINT LIQUIDATORS' REMUNERATION AND DISBURSEMENTS

At the Meeting of Creditors held on 5 March 2012 creditors passed a resolution enabling the Joint Liquidators to draw their remuneration based on their firm's time costs, and to draw Category 2 disbursements.

A summary of the Liquidators' time costs, covering the period since my appointment and the period covered by this report, analysed by grade of staff, is attached at Appendix 2.

In accordance with the Statement of Insolvency Practice 9 issued by the Association of Business Recovery Professionals and adopted by my professional licensing body, I advise that the overall time spent during the period of the Liquidation for the period 21 December 2011 to 20 December 2014 and charge out value of that time is 122.7 hours and £30,121 respectively.

In relation solely to the period covered by this report, I advise that the overall time spent and charge out value of that time is 15.7 hours and £4,107 respectively. This equates to an average hourly charge out rate of £261.59/hour. These figures do not include VAT.

The Joint Liquidators have drawn no fees to date.

The work we have carried out as Joint Liquidators is derived from the responsibilities placed upon us by the underlying legal and regulatory framework for work of this nature. It has been performed by the Joint Liquidators and by the assignment manager and administrator. Their work has been supported by secretarial staff and the cashiers. All personnel were charged directly to the assignment for all of the time relating to the case.

Disbursements represent the reimbursement of actual out-of-pocket payments made on behalf of the assignment. These are outlined in the cost breakdown attached as outlined above.

CHARGE OUT RATES

In common with other professional firms, our charge out rates increase from time to time over the period of the administration of the case. I enclose an explanation of office holders' charging and disbursement recovery policies for your reference as Appendix 3.

A Creditors' Guide to Joint Liquidators' Fees, which provides information for creditors in relation to the remuneration of the Joint Liquidators, can be accessed at the website of the Association of Business Recovery Professionals at

<http://www.r3.org.uk/index.cfm?page=1210>

Alternatively, I can provide you with a copy on written request.

I believe this case generally to be of average complexity with the exception of the investigations into the related party transactions detailed above. As such, no exceptional responsibility has to date fallen upon us as Joint Liquidators.

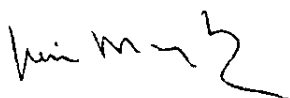
RIGHT TO REQUEST FURTHER INFORMATION

I would draw your attention to Rule 4.49E and Rule 4.131 of the Insolvency Rules 1986 (as amended), the text of which is reproduced at Appendix 4. These Rules set out the circumstances under which creditors may request further information in relation to the Joint Liquidators' remuneration and expenses and their right to challenge the Joint Liquidators' remuneration and expenses.

CONCLUSION

The liquidation continues in order to fully investigate the matters detailed above

Should you require any further information, in addition to that already given, please contact Dan Hodge at this office, on 0207 509 9407

A handwritten signature in black ink, appearing to read 'K A Murphy', with a stylized flourish at the end.

K A MURPHY

Joint Liquidator

Licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

APPENDIX 1

Receipts & Payments Account

**Pressurecast Products Limited
(In Liquidation)**

**Summary of Receipts & Payments
21 December 2011 to 20 December 2014**

RECEIPTS	Total (£)
Deposit on Creditor's Petition	1,000 00
	<u>1,000.00</u>
PAYMENTS	
OR's Liquidation Admin Fee	2,235 00
Bank Charges	252 00
	<u>2,487.00</u>
Balance In Hand	<u>(1,487.00)</u>
	<u>1,000.00</u>

APPENDIX 2

Summary of Joint Liquidators' Remuneration & Disbursements

PRESSURECAST PRODUCTS COMP - PRES47935

Time and Chargeout Summary for the period 21/12/2011 to 20/12/2014							
Classification of work function	Hours					Time Cost £	Average hourly rate £
	Partner / Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & Planning							
(A) Appointment Documents	0 00	1 30	0 00	0 00	1 30	383 50	285 00
(A) Case Reviews	1 30	5 40	1 60	0 00	8 30	2 578 00	310 80
(A) Cashering	0 00	0 00	0 00	1 00	1 00	139 50	139 50
(A) General Administration	4 00	6 10	39 20	2 20	51 50	11 849 50	228 20
(A) Money Laundering & ethics	0 00	0 00	0 50	0 00	0 50	125 00	250 00
(A) Pension Matters	0 00	0 00	0 50	0 00	0 50	65 00	130 00
Total for Administration & Planning	5 30	12 80	41 80	3 20	63 10	14,940 50	238 77
Investigations							
(I) D Conduct reports/returns	0 00	0 60	0 00	0 00	0 60	177 00	295 00
(I) Investigations (not SIP2/CDDA)	0 00	24 20	2 90	8 50	33 60	8 355 00	248 86
Total for Investigations	0 00	24 80	2 90	8 50	34 20	8,532 00	249 47
Realisation of Assets							
(R) Cash at Bank	0 00	0 10	0 00	0 00	0 10	29 50	295 00
(R) Other Assets	0 00	6 20	0 00	0 00	6 20	1 829 00	295 00
Total for Realisation of Assets	0 00	6 30	0 00	0 00	6 30	1,858 50	295 00
Creditors							
(C) Committee reports notices and	0 00	0 00	1 00	0 00	1 00	130 00	130 00
(C) Correspondence	0 00	4 80	0 60	0 20	5 40	1 459 00	270 19
(C) Meetings	0 00	0 00	0 20	0 00	0 20	28 00	130 00
(C) Reports & Circulars	0 00	2 00	7 90	0 80	10 50	2 585 00	248 19
(C) Sec Correspondence	0 00	1 30	0 00	0 00	1 30	383 50	295 00
(C) Sec Reports & Circulars	0 00	0 70	0 00	0 00	0 70	206 50	295 00
Total for Creditors	0 00	8 80	9 70	0 80	19 10	4,790 00	250 78
Total Hours	5 30	52 50	54 40	10 50	122 70	30,121 00	245 48
Total fees Claimed	2,385 00	15,487 50	11,270 00	978 50	30,121 00		

Category 2 Disbursements	
Other amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest	
Type and Purpose	£
	0 00

PRESSURECAST PRODUCTS COMP - PRES47935

Time and Chargeout Summary for the period 21/12/2013 to 20/12/2014							
Classification of work function	Hours				Total Hours	Time Cost £	Average hourly rate £
	Partner / Director	Manager	Other Senior Professionals	Assistants & Support Staff			
Administration & Planning							
(A)Case Reviews	0 20	1 20	1 60	0 00	3 00	944 00	281 33
(A)Cashiering	0 00	0 00	0 00	0 70	0 70	103 50	147 88
(A)General Administration	0 60	0 40	2 00	0 80	3 80	1 142 00	292 82
(A)Money Laundering & ethics	0 00	0 00	0 30	0 00	0 30	75 00	250 00
Total for Administration & Planning	1 10	1 60	3 90	1 30	7 90	2,184 50	273 99
Realisation of Assets							
(R)Other Assets	0 00	1 10	0 00	0 00	1 10	324 50	295 00
Total for Realisation of Assets	0 00	1 10	0 00	0 00	1 10	324 50	295 00
Creditors							
(C)Reports & Circulars	0 00	0 30	5 10	0 60	6 00	1 411 50	235 25
(C)Sec Reports & Circulars	0 00	0 70	0 00	0 00	0 70	206 50	295 00
Total for Creditors	0 00	1 00	5 10	0 60	6 70	1,618 00	241 49
Total Hours	1 10	3 70	9 00	1 90	16 70	4,107 00	261 59
Total fees Claimed	495 00	1,091 50	2,250 00	270 50	4,107 00		

Category 2 Disbursements	
Other amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest	
Type and Purpose	£
	0 00

APPENDIX 3

Chargeout Rates & Disbursements Recovery Policy

CHANTREY VELLACOTT DFK LLP

CHARGEOUT RATES AND DISBURSEMENT RECOVERY POLICIES

Chargeout Rates

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the firm's chargeout rates applicable to this appointment, exclusive of VAT, are as follows

	From 1 January 2015 £ per hour	From 1 August 2013 £ per hour	From 1 August 2011 £ per hour	From 1 August 2010 £ per hour
Partners / Office Holders	370 - 475	350 - 450	350 - 450	350 - 430
Consultants	370 - 475	350 - 450	350 - 450	350 - 450
Directors	340 - 370	325 - 350	325 - 340	320 - 330
Senior Manager	315 - 340	300 - 325	300 - 315	270 - 310
Managers	295 - 315	280 - 295	280 - 295	250 - 280
Assistant Managers	275 - 295	260 - 280	260 - 275	230 - 260
Senior Executive / Analyst	230 - 265	220 - 250	220 - 250	175 - 250
Executive	150 - 190	135 - 180	125 - 175	100 - 170
Cashier	130 - 175	125 - 165	120 - 160	115 - 180
Secretaries / Support / Junior Analyst	85 - 120	80 - 115	80 - 110	70 - 110

Chargeout rates are normally reviewed annually on 1 July when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance. It is the firm's policy for the cashier's time spent on an assignment to be charged to the case. However, secretarial and office admin support time is charged only in respect of identifiable blocks of time devoted to the case where we consider it to be viable to do so. All time is recorded in 6 minute units.

Direct expenses ("Category 1 Disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case will be charged to the estate at cost, with no uplift. These include but are not limited to such items as case advertising, storage, online reporting facilities, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Indirect expenses ("Category 2 Disbursements")

It is our normal practice to also charge the following Indirect disbursements ("Category 2 Disbursements as defined by SIP 9) to the case, where appropriate:

Circulars to creditors

Plain/headed paper including photocopying	12p per side
Envelopes	12p each
Postage	Actual cost

Room Hire

For the convenience of creditors and to save the cost of booking an outside hotel room, meetings of creditors are occasionally held internally at our offices. Where meetings of creditors are held in one of our internal meeting rooms, a charge of £100 plus VAT is levied to cover the cost of booking the room.

Travel

Mileage incurred as a result of any necessary travelling is charged to the estate at the H M Revenue & Customs approved rate, currently 40p per mile.

All of the above costs are subject to amendment by the firm at any time and if amended will be notified to creditors with the next circular sent to all creditors.

Company Searches & Electronic Verification of Identity

Included in expense and/or disbursements, Company Searches and electronic Verification of Identity include an element of shared costs. Such expenses are of an incidental nature but are generally incurred on each case. In line with the cost of the external provision of such services, a charge of £15 plus VAT is levied to cover the cost of these searches.

Chantrey Vellacott DFK LLP

Effective 1 January 2015

Chantrey Vellacott DFK is a limited liability partnership registered in England and Wales (NoOC313147) whose registered office is at Russell Square House, 10-12 Russell Square, London, WC1B 5LF. The term "partner" denotes a member of a limited liability partnership. A list of members of Chantrey Vellacott DFK LLP is available at our registered office.

APPENDIX 4

Extracts of 4.49E and 4.131 of the Insolvency Rules 1986 (as amended)

APPENDIX 4

Extracts of 4.49E and 4.131 of The Insolvency Rules 1986 (as amended)

4.49E Creditors' and Members' request for further information

4 49E(1) [Duty of Liquidator re remuneration or expenses] If-

(a) within the period mentioned in paragraph (2)-

- (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
- (iii) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or

(b) with the permission of the court upon an application made within that period mentioned in paragraph (2)-

- (i) any unsecured creditor, or
- (ii) any member of the company in a members' voluntary winding up,

makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4 49B(1)(e) or (f) (including by virtue of Rule 4 49C(5)) or in a draft report under Rule 4 49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter in a draft report under Rule 4 49D or a progress report required by Rule 4 108 which (in either case) was previously included in a progress report not required by Rule 4 108

4.49E(2) [Period for compliance with r.4.49E(1)] The period referred to in paragraph (1)(a) and (b) is-

- (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report which it is required by Rule 4.108, and
- (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case

4.49E(3) [How liquidator to comply] The liquidator complies with this paragraph by either-

- (a) providing all the information asked for, or

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(b) so far as the liquidator 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 liquidation or might reasonably be expected to lead to violence against any person, or
- (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,

giving reasons for not providing all of the information

4.49E(4) [Application to court by creditors and members] Any creditor, and any member of the company in a members' voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the court within 21 days of-

- (a) the giving by the liquidator 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

4.49E(5) [Court may extend period in rr.4.131(1B), 4.148C(2)] Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4.131(1B) or 4.148C(2) by such further period as the court thinks just

4.49E(6) [Non-application to official receiver] This Rule does not apply where the liquidator is the official receiver

4.131 Creditors' claim that remuneration is or other expenses are excessive

4.131(1) [Secured or certain unsecured creditors may apply to court] Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the 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)

4.131(1A) [Grounds for application] Applications may be made on the grounds that-

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed for the liquidator's remuneration under Rule 4.127, or
- (c) expenses incurred by the liquidator,

is or are, in all circumstances, excessive or, in the case of an application under sub-

APPENDIX 4

paragraph (b), inappropriate

4.131(1B) [Time limit for application] The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or, in the case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")

4.131(2) [Power of court to dismiss etc.] The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

4.131(3) [Notice to liquidator] The applicant shall, at least 14 days before the hearing, send to the liquidator 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

4.131(4) [Court order] 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 liquidator 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 liquidation,
- (e) an order that the liquidator or the liquidator'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

4.131(5) [Costs of application] 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 liquidation