

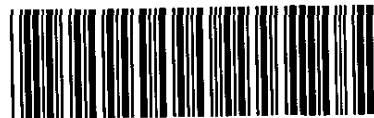
AM07

Notice of creditor's decision on administrator's proposals



Companies House

WEDNESDAY



A95YUB7E

A10

27/05/2020

#240

COMPANIES HOUSE

1 Company details

Company number 0 0 9 3 4 2 5 6

Company name in full Johnson Security Limited

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

2 Administrator's name

Full forename(s) Andreas

Surname Arakapiotis

3 Administrator's address

Building name/number Mountview Court

Street 1148 High Road

Post town Whetstone

County/Region London

Postcode N 2 0 0 R A

Country

4 Administrator's name ①

Full forename(s)

Surname

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other administrator
Use this section to tell us about
another administrator.

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6 Purpose of procedure or meeting

The purpose of the decision procedure was to consider:

- i). That the Administrator's proposals be approved.
- ii). That the Administrators' pre-Administration costs, the details of which are set out in the Administrators' proposals and issued with the notice of the meeting, be approved.
- iii). That the Administrator's fees will be charged by reference to the time properly spent by them and their staff in dealing with the matters relating to the Administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken and subject to the fees estimate set out in the Administrator's proposals and issued with the notice of the meeting.
- iv). That the Administrator be permitted to recover category 2 disbursements.
- v). That the decision date by which the requisitioned decision procedure must take place be extended by 28 days to 13 May 2020.

7 Description of procedure or meeting^①

Decision Procedure by Virtual Meeting

① Whether it was a virtual or physical meeting, some other decision procedure (please describe), or deemed consent.

8 Address of meeting

If a meeting was held at a physical location, give the address below.

Building name/number

Street

Post town

County/Region

Postcode

Country

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9

Other platform for decision procedure or meeting^①

① If a meeting was not held at (or the decision procedure was not undertaken at) a physical location, tell us what means were used—for example email, videolink

10

Meeting

If a meeting was held was the required quorum met?

☒ Yes

☐ No

11

Details of creditors' decisions

Details of decisions including any modifications to the proposals approved by the creditors are as follows:

The proposals and all the other resolutions put forward were duly rejected.

A creditors committee was not formed.

12

Details of any resolutions passed

Give details of any resolutions which were passed.



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13 Date and time of decision made or resolution passed

Date	<div>d</div> <div>1</div>	<div>d</div> <div>2</div>	<div>m</div> <div>0</div>	<div>m</div> <div>5</div>	<div>y</div> <div>2</div>	<div>y</div> <div>0</div>	<div>y</div> <div>2</div>	<div>y</div> <div>0</div>	
Time	<div>h</div> <div>1</div>	<div>h</div> <div>1</div>	:	<div>m</div> <div>3</div>	<div>m</div> <div>0</div>				

14 Sign and date

Administrator's signature	Signature 								
Signature date	<div>d</div> <div>2</div>	<div>d</div> <div>7</div>	<div>m</div> <div>0</div>	<div>m</div> <div>5</div>	<div>y</div> <div>2</div>	<div>y</div> <div>0</div>	<div>y</div> <div>2</div>	<div>y</div> <div>0</div>	

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Notice of creditor's decision on administrator's proposals



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	Andreas Arakapiotis
Company name	Kallis & Company
Address	Mountview Court
	1148 High Road
Post town	Whetstone
County/Region	London
Postcode	N 2 0 0 R A
Country	
DX	
Telephone	020 8446 6699



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 signed 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 or email 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

**Johnson Security Limited– In Administration ("The Company")
In the High Court Number 000462 of 2020**

Company No: 00934256

MINUTE OF VIRTUAL MEETING OF CREDITORS

Virtual Meeting of creditors held for the purpose as set out in paragraph 52 and 62 of Schedule B1 of the Insolvency Act 1986 and under paragraph 108 of Schedule B1 of the Insolvency Act 1986.

On: 12 May 2020

Held at : 11.30 a.m

Present: Andreas Arakapiotis (Convener and chair)

Creditors were represented in person and by proxy as scheduled on the attached attendance register and proxy schedule.

All proxy forms submitted were reviewed prior to the meeting.

It should be noted that the proxy form which should have been submitted in the name of Four Dimensions Johnson Security Ltd was in fact submitted in the personal name of Dr Shan Wang. Dr Wang was advised of this and requested to reissue an amended proxy form in the name of Four Dimensions Johnson Security Limited. Although this was not provided I made the decision to accept the proxy on the basis that I was aware that this how the proxy form was intended to be completed.

In attendance: Orkida Aliaj of Kallis & Company

1. Opening of meeting

The Chairman opened the meeting and explained that the purpose of the meeting was to consider the Administrator's proposals; to appoint a Creditors' Committee if sufficient creditors wished to form one; to seek approval for the Administrator's pre-Administration costs; to fix the basis of the Administrator's remuneration; to seek approval for category 2 disbursements, to extend the maximum period for him to seek a decision from creditors.

Andreas Arakapiotis confirmed that they had taken steps to verify the identity of the participants at the meeting to ascertain whether they were entitled to participate.

Andreas Arakapiotis confirmed that all proposed participants were either creditors or proxyholders acting on behalf of creditors.

The proposals were originally issued to be deemed approved. However sufficient creditors requisitioned a decision procedure to enable creditors to consider whether or not to approve the proposals and/or to consider such other decision as they saw fit. It was therefore decided that this decision be held via a virtual meeting.

A schedule of the creditors who voted in person or by proxy, their respective claims and how they voted is attached.

The Chair noted that a quorum was present.

The Administrator advised the meeting that he is to withdraw the following point in the proposals:

- That Kikis Kallis of Kallis Insolvency Practitioners is appointed Joint Administrator.

2. Consideration of resolutions.

Creditors were asked to vote on the following resolutions:

- i). That the Administrator's proposals be approved.
- ii). That the Administrators' pre-Administration costs, the details of which are set out in the Administrators' proposals and issued with the notice of the meeting, be approved.
- iii). That the Administrator's fees will be charged by reference to the time properly spent by them and their staff in dealing with the matters relating to the Administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken and subject to the fees estimate set out in the Administrator's proposals and issued with the notice of the meeting.
- iv). That the Administrator be permitted to recover category 2 disbursements.
- v). That the decision date by which the requisitioned decision procedure must take place be extended by 28 days to 13 May 2020.

The following comments were also raised by the director of the Company, Dr Shan Wang, who was present at the meeting representing the largest creditor in the administration, Four Dimensions Johnson Security Limited:

- He expressed that he was grateful to the Administrator for the sale of the assets, being the most important part of the administration.
- *The period of the management of the administration could have been significantly reduced and the management approach could have been reconsidered.*
- A month ago he made a request in writing to reformulate a management plan of the administration, based on the actual situation, but no response was received
- The Administrator failed to protect the interest of creditors during the period of management for the following reasons:
 - As the largest creditor I have participated in bidding to purchase the business and assets far beyond the current transaction process. Also, I agreed to make a one-time payment within the management time the administrator's set. However the Administrator has not wanted to negotiate with me seriously.
 - As a creditor I have not received a formal notice confirming the creditors' rights.
 - The level of transparency in the transaction between the administrator and the purchaser of assets and business has raised concerns among creditors.
- I have asked the following information to which I have not received a response
 - When was the asset purchase completed?
 - Why was the transaction price 60% less than the purchaser's offer?
 - What debts of the business are in the purchasing agreement?
 - How is the purchaser's ability to pay off these debts assessed?

The administrator advised that all these queries have been answered on numerous occasions.

Dr Wang continued to comment:

- During the negotiation between him and the Administrator he was asked to pay a deposit of £50,000 to be given negotiating and buying opportunities, which is something that any creditor is deserving of.
- When the purchaser made negotiations did the administrator forward the same conditions to them?
- Based on the information available it is certain that there was an unfair competition in the sale of assets process which it is believed to harm the interest of creditors.
- It is required that the following information be disclosed as soon as possible:
 - Details of company's creditors and debtors
 - Payment due in respect of the sale of business and assets

In conclusion, an objection vote was put forward for the following reasons:

- Administrator has not done well in protecting the creditors' benefit by not being transparent with the sale information, which has resulted in a situation of unfair competition between the interested parties in the assets.
- Concerns with the Administrator's expenses
- All attempts will be to solve any problems without taking any legal routes, however should it be required a legal route will be used.

Additionally, the creditors considered the proposals and made the following modifications to them:

- End the Administration with a petition for the compulsory winding up of the company

This modification was accepted by the Administrator.

Additionally creditors put forward the following conditions in order to approve the proposals:

- No payment to Ian Roberts.
- Administrator's fees be capped at £60,000.

The Administrator was not able to accept these conditions, as such the two largest creditors voted against the proposals and the overall votes of creditors on the Administrator's proposals were as follows:

Resolutions	For	Against
i)	19.09%	80.91%

The Administrator's proposals were duly rejected.

Since creditors did not form a Creditors' Committee, the meeting went on to consider the remaining resolutions. The votes in respect of those resolutions were as follows:

Resolutions	For	Against
ii)	19.09%	80.91%
iii)	19.09%	80.91%
iv)	19.09%	80.91%
v)	19.09%	80.91%

Resolution ii). was duly rejected.

Resolution iii). was duly rejected.

Resolution iv). was duly rejected.

Resolution v). was duly rejected.

3. Other matters.

The Chair exercised his discretion to admit the value of the following claims for voting purposes:

Creditor	Proof of Debt	Voting Amount
Four Dimensions Johnson Security Ltd	3,424,418.86	1,215,524.00

The claim submitted included £1,434,834.31 representing the equity paid in the Company for the purchase of shares. In addition, the claim was made in the personal name of Dr Shan Wang instead of Four Dimensions Johnson Security Limited, which is who the indebtedness is owed to.

I asked the creditor to amend the claim accordingly but no revised claim was received. Notwithstanding this, I accepted the proof of debt but at the figure of £1,215,524.00 as per the Company's records.

The Chair exercised his discretion to admit the following late claims. It should be noted that this makes no difference to the outcome of the decisions:

Creditor	Proof of Debt
Secretary of State for BEIS	425,811.62

The Chair advised the meeting that as a result of the rejected resolutions, in accordance with Paragraph 55 of the Insolvency Act 1986 he is to instruct solicitors to make an application to Court for directions as to how to proceed.

There being no further business the meeting was closed at 12.45 p.m..



Andreas Arakapiotis
Chair

ATTENDANCE REGISTER

Meeting of Creditors

Johnson Security Limited Johnson Security - In Administration

Decision Date: 12 May 2020

Name of creditor (please print)	Proxy-holder (if applicable) (please print)	Amount of claim £
Elesa Estates Limited	Gareth Roberts Chris Errington Kevin White	745,338.08
Four Dimensions Johnsons Security UK Limited	Shan Wang	3,424,418.86
Magnet Schultz Ltd	Robert Kershaw	7,240.05
David Steward	-	1,856.44



Andreas Arakapiotis
Convener

Johnson Security Limited (In Administration)

Please see below the votes received in respect of the resolutions detailed below

Creditor	Proof of Debt	Voting Amount	Vote For Res 1 £	Vote Against Res 1 £	Vote For Res 2 £	Vote Against Res 2 £	Vote For Res 3 £	Vote Against Res 3 £	Vote For Res 4 £	Vote Against Res 4 £
Four Dimensions Johnson Security Ltd	3,424,418.86	1,215,524.00		1,215,524.00		1,215,524.00		1,215,524.00		1,215,524.00
Elesa Estates Ltd	745,338.08	745,338.08		745,338.08		745,338.08		745,338.08		745,338.08
Huntsman Communications	18,646.40	18,646.40	18,646.40		18,646.40		18,646.40		18,646.40	
Graham Anthony Neal	9,121.50	9,121.50	9,121.50		9,121.50		9,121.50		9,121.50	
Secretary of State for BEIS	425,811.62	425,811.62	425,811.62		425,811.62		425,811.62		425,811.62	
Thermaset Limited	1,619.88	1,619.88	1,619.88		1,619.88		1,619.88		1,619.88	
Haden Brown Plastics Limited	152.28	152.28	152.28		152.28		152.28		152.28	
Magnet Schultz Ltd	7,240.05	7,240.05	7,240.05		7,240.05		7,240.05		7,240.05	
			462,591.73	1,960,862.08	462,591.73	1,960,862.08	462,591.73	1,960,862.08	462,591.73	1,960,862.08

As % of total votes casts 19.09% 80.91% 19.09% 80.91% 19.09% 80.91% 19.09% 80.91%

Notes

Resolution 1

That the Administrator's proposals be approved

Resolution 2

That the Administrator's pre-Administration costs the details of which are set out in the Administrator's proposals and issued with the notice of the meeting be approved

Resolution 3

That the Administrator's fees will be charged by reference to the time properly spent by them and their staff in dealing with the matters relating to the Administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken and subject to the fees estimate set out in the Administrator's proposals and issued with the notice of the meeting

Resolution 4

That the Administration permitted to recover category 2 disbursements

Resolution 5

That the decision date by which the requisitioned decision procedure must take place be extended by 28 days to 13 May 2020