

The Insolvency Act 1986

Notice of move from administration to dissolution

2.35B

Name of Company

Hiflex Fluidpower Limited

Company Number

01046614

In the

High Court of Justice, Chancery Division, Companies Court

(full name of court)

Court case number

7127 of 2008

(a) Insert name(s) and
address(es) of
administrator(s)

We (a) Gillian Eleanor Bruce of PricewaterhouseCoopers LLP, 1 East Parade, Sheffield, S1 2ET and Zelf
Hussain and Colin Michael Trevethyn Haig both of PricewaterhouseCoopers LLP, Plumtree Court, London
EC4A 4HT

(b) Insert name and address
of registered office of
company

having been appointed administrators of (b) Hiflex Fluidpower Limited

(c) Insert date of
appointment

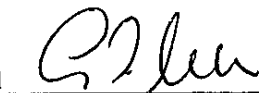
on (c) 22 August 2008 by (d) the directors of the company

(d) Insert name of applicant /
appointor

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

We attach a copy of the final progress report

Signed



Joint Administrator

Dated 8 February 2011

Contact Details

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

Adam Childs, PricewaterhouseCoopers LLP, Plumtree Court, London, EC4A 4HT

Tel

DX Number

DX Exchange

WEDNESDAY



ABQH2RI3

A40

09/02/2011

136

COMPANIES HOUSE

When you have completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff



Hiflex Fluidpower Limited – in Administration
High Court of Justice, Chancery Division, Companies Court
Case No. 7127 of 2008

Joint Administrators' final progress report

8 February 2011

Contents

Section	Pages
1	Joint Administrators' final progress report 2 – 3
2	Statutory and other information 4
3	Receipts and payments account to 8 February 2011 5
4	Analysis of the Joint Administrators' time costs for the period 22 August 2008 to 21 August 2010 6 – 10

1. Joint Administrators' progress report for the period ended 8 February 2011

Introduction

The Joint Administrators (the "Administrators") of Hiflex Fluidpower Limited (the "Company") are pleased to provide their final progress report in respect of the Company pursuant to Rules 2.47 and 2.110 of the Insolvency Rules 1986 ("IR86")

Statutory information in relation to the Company as required by Rule 2.47(1)(a) to (d) IR86 is provided at Section 2

Objectives for the Administration

The Administrators have been pursuing the objective of achieving a better result for the Company's creditors as a whole than would otherwise be likely if the Company were wound up (without first being in Administration)

Sale of business and assets

The business and certain assets of the Company were sold to BMI Hose (Europe) Limited ("BMI") on 3 September 2008 for a total consideration of £280,000. Other material realisations include £19,898 in respect of stock and £3,750 in respect of plant and machinery.

BMI were granted a licence to occupy certain premises following the sale of the business. BMI went into creditors' voluntary liquidation on 4 March 2010 leaving rent liabilities outstanding in respect of various properties. Two of the landlords pursued the Company for payment of the rent liabilities. In order to save legal and other costs in contesting whether or not the liability should fall to the Company, a commercial view was taken by the Administrators to make payments of £10,737 plus VAT in settlement of outstanding rent that was due on two premises.

Receipts and payments account

The receipts and payments account in respect of the administration is set out in Section 3 of this report.

Outcome for creditors

Farrington Property Company Limited ("Farrington") (formerly Unipoly Holdings Limited) holds fixed and floating charges over the Company's assets. The Administrators had been in discussion with Farrington regarding the contingency and admissible value of their claim. However, this dispute was set aside because the administration expenses exceeded the level of realisations and accordingly there were insufficient funds to allow a distribution to the floating charge creditors.

The prescribed part is calculated as a percentage of the net floating charge realisations. As there were no funds available for floating charge creditors, there were no funds available to allow for a distribution to the unsecured creditors by virtue of the prescribed part or otherwise.

Administrators' remuneration

At the meeting of creditors held on 28 October 2008, creditors resolved that the Administrators' remuneration be fixed by reference to the time properly given by them and the various grades of their staff. The Administrators were also authorised to draw their remuneration from time to time.

At Section 4 is a breakdown of the time costs incurred by the Administrators and their staff in accordance with the Statement of Insolvency Practice 9. The breakdown shows that the Administrators have incurred time costs of £286,241 in the period 22 August 2008 to 21 August 2010. The Administrators have drawn £222,264 plus VAT in respect of these time costs.

Time costs for the period 22 August 2010 to 8 February 2011 are not being reported as the time costs for the period to 21 August 2010 already exceed the funds available and there would be no benefit to creditors in showing the further costs incurred.

The Administrators have not been reimbursed for any disbursements which they incurred totalling £2,822.

1. Joint Administrators' progress report for the period ended 8 February 2011

Extension of Administration

An Order was granted by the Court for the period of the Administration to be extended to 22 February 2011

Discharge

In accordance with the resolution passed at the meeting of creditors on 28 October 2008, the Administrators will be discharged from liability pursuant to Paragraph 98(1) of Schedule B1 of the Insolvency Act 1986 ("IA86"), 14 days after they cease to act as Administrators of the Company

End of the Administration

In accordance with the Administrators' proposals approved by creditors, and as all matters have now been concluded, the Administrators have filed notices with the Registrar of Companies under Paragraph 84 of Schedule B1 of IA86. On registration of the notices the appointments will cease to have effect.

The Company will be dissolved three months after registration of the notice (unless the Court orders otherwise)



GE Bruce
Joint Administrator
Hiflex Fluidpower Limited

GE Bruce and CMT Haig have been appointed as Joint Administrators of Hiflex Fluidpower Limited to manage its affairs, business and property. The Joint Administrators contract as agents of the Company and without personal liability. GE Bruce and CMT Haig are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

2. Statutory and other information

Court details for the Administration	
Full name	High Court of Justice, Chancery Division, Companies Court 7127 of 2008
Trading name	Hiflex Fluidpower Limited
Registered number	Hiflex Fluidpower Limited 01046614
Registered address	12 Plumtree Court, London, EC4A 4HT
Company directors	Mr D H Oldham, Mr R N Bird, Mr G B Green
Company secretary	Mr R N Bird
Shareholdings held by the directors and secretary	None
Date of the Administration appointment	22 August 2008
Administrators' names and addresses	Gillian Eleanor Bruce of PricewaterhouseCoopers LLP, 1 East Parade, Sheffield, S1 2ET, and Zelf Hussain and Colin Michael Trevellyn Haig of PricewaterhouseCoopers LLP, Plumtree Court, London EC4A 4HT Gillian Eleanor Bruce was appointed as Joint Administrator by Order of the Court on 9 July 2010, and replaces David James Bennett The directors of the Company (i.e. Mr D H Oldham, Mr R N Bird, Mr G B Green of Hiflex House, Teiford Road, Churchfields Industrial Estate, Salisbury, Wiltshire, SP2 7PH) 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) Where there are Joint Administrators, for the purposes of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 the functions of the Administrators and any act required or authorised under any enactment to be done by an Administrator may be done by either or all of the Joint Administrators either jointly or severally or any persons for the time being holding that office The Administration has been extended to 22 February 2011, by Order of the Court Dissolution or Creditors' Voluntary Liquidation or compulsory liquidation, depending on whether there are sufficient funds with which to make a distribution to unsecured creditors Nil Nil
Changes in office holder	
Appointor's / applicant's name and address.	
Objective being pursued by the Administrators	
Division of the Administrators' responsibilities	
Details of extension of Administration	
Proposed exit of the Administration	
Estimated dividend for unsecured creditors:	
Estimated values of the prescribed part and the company's net property	
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86.	Not applicable
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No 1346/2000 of 29 May 2000).	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings

3. Receipts and payments account to 8 February 2011

	Previously Reported for the period 22 Aug 2008 to 21 August 2010	Movements from 22 August 2010 to 8 February 2011	Cumulative for the period 22 Aug 2008 to 8 February 2011
	£	£	£
Receipts			
Sale of business and certain assets to BM			
- Stock	200,000	-	200,000
- Plant and machinery	30,000	-	30,000
- Computer and equipment	3,000	-	3,000
- Motor vehicles	45,000	-	45,000
- Fixtures and fittings	2,000	-	2,000
	<u>280,000</u>	-	<u>280,000</u>
Sale of assets to other parties			
- Stock (refunded to buyer)	19,898	-	19,898
- Plant and machinery	<u>3,750</u>	-	<u>3,750</u>
	23,648	-	23,648
Rent refunded from BMI	87,991	-	87,991
Book Debts	44	-	44
Refund of business rates	10,841	-	10,841
Funds held on client account	2,148	-	2,148
Interest received	4,556	-	4,556
Receipts from intercompany recharges	653	-	653
Output VAT	74,026	45,433	119,459
Cash from pre appointment bank account	4,754	-	4,754
Dividends received	36	114	150
Total Receipts	<u>488,497</u>	<u>45,547</u>	<u>534,044</u>
Payments			
Office Holders' Remuneration	-	222,264	222,264
Rent	87,792	6,794	94,586
Corporation Tax	952	-	952
Stock	1,570	-	1,570
Land registry fee	80	-	80
Statutory advertising and meeting cost	6,390	-	6,390
Agents' fees	27,373	-	27,373
Legal fees	32,051	26,013	58,064
Insurance	1,332	-	1,332
Bank charges	72	96	168
Business rates	1,595	-	1,595
Input VAT	24,650	44,605	69,255
VAT payment	50,415	-	50,415
Total Payments	<u>234,272</u>	<u>299,772</u>	<u>534,044</u>
Cash in hand / Movements	<u>254,225</u>	<u>(254,225)</u>	-

4. Analysis of the Administrators' time costs and Category 2 disbursements for the period 22 February 2010 to 21 August 2010

Time costs summary for the period 22 August 2008 to 21 August 2010

Classification of work	Partner (hrs)	Director (hrs)	Senior Manager		Other (£)	Total time (hrs)	Time cost (£)	Average hourly rate (£)
			(hrs)	(hrs)				
Strategy and planning	-	26 00	27 80	-	45 26	99 06	24,964 70	252 02
Realisation of assets	-	9 00	33 60	98 00	73 85	214 45	50,194 50	234 06
Statutory and other compliance	-	14 00	54 00	13 40	318 14	399 54	78,526 70	196 54
Employees and pension	-	-	8 10	37 90	42 28	88 28	21,727 10	246 12
Creditors/liabilities	-	-	32 30	31 00	277 50	340 80	64,759 90	190 02
Accounting and treasury	-	1 50	1 50	5 30	111 16	119 46	21,208 20	177 53
Freehold and leasehold property	-	-	7 60	-	9 60	17 20	3,912 00	227 44
Tax/Vat	1 00	-	8 70	14 95	27 35	51 00	20,947 75	410 74
Total to date	1 00	50 50	173 60	200 55	905 14	1,329 79	286,240 85	
Total time cost (£)	879 00	17,238 00	56,881 50	52,786 75	158,455 60	286,240 85		
Average hourly rate (£)	879 00	341 35	327 66	263 21	175 06	215 25		

Narrative of work carried out for the period 22 August 2008 to 21 August 2010

- Strategy and planning - £24,965
 - Team management,
 - Preparing and reviewing time cost summaries,
 - Preparing estimated outcome statements,
 - Updating and implementing the Administration strategy,
 - Consideration of appropriate strategy for dealing with contingent claim, including obtaining legal advice,
 - Consideration of appropriate strategy for dealing with known claims and potential future claims,
 - Researching and collating information in respect of the most appropriate strategy and exit route from Administration, and
 - Undertaking six month review of case

4. Analysis of the Administrators' time costs and Category 2 disbursements for the period 22 February 2010 to 21 August 2010

- Realisation of assets - £50,195
 - Corresponding and negotiating with interested parties,
 - Assessing offers received,
 - Drafting appropriate sale and purchase agreements and finalising those agreements with purchasers,
 - Ensuring that sale consideration is received and other aspects of the agreements are adhered to,
 - Recovery of pre-appointment bank balances,
 - Negotiating and carrying out the sale of certain remaining assets of the Company, and
 - Pursuing rent arrears
- Statutory and compliance matters - £78,527
 - Sending initial notifications of the Administrators' appointment to various parties,
 - Preparing and circulating the Administrators' proposals,
 - Convening and holding the initial meeting of creditors,
 - Notification to creditors of the outcome of the initial meeting of creditors,
 - Ensuring the Company's assets are appropriately insured,
 - Complying with the Administrators duties under the Company Directors Disqualification Act 1986,
 - Preparing progress witness statements for applications to Court for extensions of the Administration,
 - Coordinating information retrieval of Company servers under lease,
 - Preparing and circulating four progress reports to creditors,
 - Statutory filings at Companies House and the Court, and
 - Updating internal compliance documents
- Employee and pension £21,727
 - Assessing the position of employees within the Hiflex group,
 - Corresponding with employees (used by the Company) to notify them of the Administrators' appointment and the position of the Company,
 - Dealing with a high number of queries from employees,
 - Corresponding with the Pension Regulator and the Pension Protection Fund, and
 - Dealing with queries from employees

4. Analysis of the Administrators' time costs and Category 2 disbursements for the period 22 February 2010 to 21 August 2010

- Creditors/liabilities - £64,760
 - Dealing with a large number of queries and correspondence from creditors,
 - Liaising with the Company's staff to ensure that all creditors are included on the Administrators' mailing list,
 - Dealing with retention of title creditors in relation to their stock,
 - Investigating and understanding the nature of the Company's liabilities and their relationships with other group companies,
 - Liaising with BMI Hose (Europe) Limited to ensure that creditors are corresponded with appropriately, considering the arrangements agreed within the sale and purchase agreement,
 - Liaising with BMI Hose (Europe) Limited regarding the licence to occupy the Company's leased properties and associated rent payments, and
 - Liaising with solicitors and obtaining Counsel's Opinion in regards to Farnington's claim
- Accounting and treasury - £21,208
 - Arranging for Administration bank accounts to be opened,
 - Raising and processing receipts and payments, and
 - Reconciling bank statements to the cash book
- Freehold and leasehold property - £3,912
 - Discussions with BMI regarding rent arrears,
 - Liaising with solicitors on rent position, and
 - Liaising with various landlords regarding arrears
- Tax and VAT - £20,948
 - Obtaining and reviewing the Corporation Tax and VAT information from the Company,
 - Completion of pre appointment VAT returns,
 - Completion of post appointment VAT returns,
 - Completion of post appointment Corporation Tax return, and
 - Corresponding with Her Majesty's Revenue & Customs

4. Analysis of the Administrators' time costs and Category 2 disbursements for the period 22 February 2010 to 21 August 2010

Summary of legal and other professional firms instructed in the period 22 February 2010 to 8 February 2011

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal advice	Kennedys LLP	Prior experience of the Company and insolvency matters	Time costs

Office holder's charging and disbursement policy

The time charged to the Administration is by reference to the time properly given by the Administrators and their staff in attending to matters arising

It is the Administrators' policy to delegate tasks in the Administration to appropriate members of staff considering their level of experience and any requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or the Administrators themselves.

Set out below are the relevant charge-out rates per hour worked for the grades of the Administrators' staff actually or likely to be involved on this assignment. Time is charged by reference to actual work carried out on the assignment. There has been no allocation of any general costs or overhead costs.

Grade	Relevant maximum charge out rate per hour £
Partner	473
Director	357
Senior Manager	315
Manager	263
Other	179

4. Analysis of the Administrators' time costs and Category 2 disbursements for the period 22 February 2010 to 21 August 2010

Specialist departments within the Administrators' firm such as Tax, VAT, Property and Pensions may charge a number of hours if and when the Administrators require their expert advice. Such specialists' rates do vary but the figures below provide an indication of the maximum rate per hour.

Grade	Relevant maximum charge out rate per hour £
Partner	923
Director	827
Senior Manager	772
Manager	478
Senior associate / Consultant	341
Associate / Assistant Consultant	246
Support staff / Client Service Administrator	95

In common with all professional firms, the scale rates used by the Administrators may periodically rise (for example to cover annual inflationary cost increases) over the period of the Administration. Any material amendments to these rates will be advised to the creditors and / or the creditors' committee in the next statutory report.

The Administrators' firm's expenses policy allows for all properly incurred expenses to be recharged to the case. Disbursements are charged to the assignment as follows -

Disbursements for services provided by the Administrators' own firm(s) (Category 2 disbursements)

Photocopying	At 3 pence per sheet copied, only charged for circulars to creditors and other bulk copying
--------------	---