

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

02614913

Name of Company

Deltron Electronics Limited

X/ We

Diane Elizabeth Hill, Ship Canal House, 98 King Street, Manchester, M2 4WU

Mark Terence Getliffe, Ship Canal House, 98 King Street, Manchester, M2 4WU

the liquidator(s) of the company attach a copy of ~~my~~our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 16/06/2014 to 15/06/2015

Signed



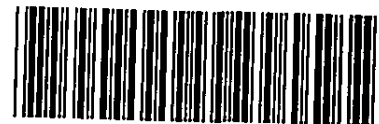
Date

17 June 2015

CLB Coopers
Ship Canal House
98 King Street
Manchester
M2 4WU

Ref DEL1/DEH/NC/FA

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COMPANIES HOUSE

Joint Liquidators' Annual Report to Members

**Deltron Electronics Limited
- In Liquidation**

15 June 2015

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- A Receipts and Payments account for the period from 16 June 2014 to 15 June 2015
- B A Shareholders' Guide to Liquidators' Fees'

1 Introduction

- 1 1 Diane Elizabeth Hill and Mark Terence Getliffe of CLB Coopers, 5th Floor, Ship Canal House, 98 King Street, Manchester M2 4WU, were appointed as Joint Liquidators of Deltron Electronics Limited ("the Company") on 16 June 2014. We are licensed to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales. This final progress report provides a summary of the outcome of the Liquidation of the Company which has now been completed.
- 1 2 The Registered Office of the Company was changed to c/o CLB Coopers, 5th Floor, Ship Canal House, 98 King Street, Manchester, M2 4WU for the purpose of the Liquidation. The Company's registered number is 02614913.
- 1 3 The Company was liquidated under a group simplification and entity reduction exercise implemented by the ultimate shareholder of the Company, Avnet Inc. Prior to the solvent Liquidation, the Company was a dormant company.

2 Progress of the Liquidation

- 2 1 At **Appendix A**, we have provided an account of our Receipts and Payments for the Company for the period from 16 June 2014 to 15 June 2015 together with a comparison to the Declaration of Solvency.
- 2 2 We have issued notification to HM Revenue and Customs that according to the Company's record, its tax affairs and returns are complete and that we are proceeding to conclude the liquidation.

3 Outcome for Creditors

Secured, Preferential and Non-Preferential Creditors

- 3 1 As anticipated, we have not received any claims from secured, preferential and non-preferential creditors in this case.

4 Distribution to Members

- 4.1 A first and final distribution in specie was declared and paid on 26 February 2015 in the sum of £27,577,277 as follow

Type of Share	Number of Shares	Value of Distribution (£)	Distribution per share (£)	Distributed to
Ordinary Shares of 5p each	41,408,194	27,577,277	0.665985988	Abacus Group Limited
Total	41,408,194	27,577,277		

5 Joint Liquidators' Remuneration and Expenses

- 5.1 The Joint Liquidators' remuneration and expenses were paid by a third party as agreed between them
- 5.2 A Shareholders' Guide to Liquidators' Fees' is attached for your ease of reference at **Appendix B**

6 Members' Rights

- 6.1 The Members of the Company were advised that within 21 days of the receipt of the Joint Liquidators' final report, members with either at least 5% of the total voting rights of all the members having the right to vote at general meetings of the Company or with the permission of the Court, may request in writing that the Joint Liquidators provide further information about their remuneration or expenses which have been itemised in their final progress report
- 6.2 Any members with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the Company may within 8 weeks of receipt of the Joint Liquidators' final report, make an application to Court on the grounds that, in all the circumstances, the basis fixed for the Joint Liquidators' remuneration are inappropriate and/or the remuneration charged or the expenses incurred by the Joint Liquidators, as set out in this final report, are excessive. In this instance the costs and disbursements of Joint Liquidators' were paid by a third party, not from the assets of the Company

7 Notice of Final Meeting of Members

7 1 The Joint Liquidators' final report was issued to the members on 22 May 2015 and a Final Meeting of Members of the Company will be convened at CLB Coopers, 5th Floor, Ship Canal House, 98 King Street, Manchester, M2 4WU on 30 June 2015 at 10 30 am for the purpose of receiving a final account of the Joint Liquidators' acts and dealings and of the conduct of the winding up

7 2 The following resolutions will be put to the final meeting of the Members of the Company on 30 June 2015

- That the Joint Liquidators' Receipts and Payments account to 30 June 2015 and final report be approved, and
- That the Joint Liquidators be released from office

8 Conclusion

8 1 The final report together with the Final Meeting of Members will conclude our administration of the liquidation

Diane Hill
Joint Liquidator

Appendix A

Receipts and Payments account for the period from 16 June 2014 to 15 June 2015

Appendix A**Deltron Electronics Limited (In Liquidation)
Joint Liquidators' Receipts & Payments****Declaration
of Solvency**
£**From 16/06/2014
To 15/062015**
£27,577,277 00 ASSET REALISATIONS
Debtors27,577,277 00
27,577,277 00CAPITAL
Ordinary Shares27,577,277.00
(27,577,277 00)**27,577,277.00**NIL

REPRESENTED BY

NIL

A SHAREHOLDERS GUIDE TO LIQUIDATORS FEES - ENGLAND AND WALES

1 Introduction

1.1 When a company goes into liquidation the costs of the proceedings are paid out of its assets. The members (shareholders), who hope to receive a capital distribution out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as Liquidator.

The insolvency legislation recognises this interest by providing mechanisms for members to fix the basis of the Liquidator's fees. This guide is intended to help members be aware of their rights to approve and monitor fees and explains the basis on which fees are fixed.

2 Liquidation procedure

2.1 Liquidation (or 'winding up') is the most common type of corporate insolvency procedure. Liquidation is the formal winding up of a company's affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority. Liquidation may be either voluntary, when it is instituted by resolution of the shareholders, or compulsory, when it is instituted by order of the court.

2.2 Voluntary liquidation is the more common of the two. An solvent voluntary liquidation is called a members' voluntary liquidation (often abbreviated to 'MVL'). In this type of liquidation an insolvency practitioner acts as Liquidator throughout and the members vote on the appointment of the Liquidator at the meeting of members.

3 Fixing the Liquidator's remuneration

3.1 The basis for fixing the Liquidator's remuneration is set out in Rules 4.127 – 4.127B of the Insolvency Rules 1986. The Rules state that the remuneration shall be fixed:

- as a percentage of the value of the assets which are realised or distributed or both,
- by reference to the time properly given by the Liquidator and his staff in attending to matters arising in the liquidation, or
- as a set amount.

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the Liquidator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the Liquidator.

It is for the liquidation committee (if there is one) to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the committee to determine the percentage or percentages to be applied. Rule 4.127 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case,
- any responsibility of an exceptional kind or degree which falls on the Liquidator in connection with the insolvency,
- the effectiveness with which the Liquidator appears to be carrying out, or to have carried out, his duties,
- the value and nature of the assets which the Liquidator has to deal with.

3.2 If there is no liquidation committee, (which is usually the case in an MVL) or the committee does not make the requisite determination, the Liquidator's remuneration will be fixed by a resolution of a meeting of members. The members take account of the same matters as apply in the case of the committee. A resolution specifying the terms on which the Liquidator is to be remunerated may be taken at the meeting which appoints the Liquidator.

4. Review of remuneration

Where there has been a material and substantial change in circumstances since the basis of the Liquidator's remuneration was fixed, the Liquidator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

5 What information should be provided by the Liquidator?

5.1 When fixing bases of remuneration

5.1.1 When seeking agreement for the basis or bases of remuneration, the Liquidator should provide sufficient supporting information to enable the committee or the members to make an informed judgement as to whether the basis sought is appropriate having regard to all the circumstances of the case. The nature and extent of the information provided will depend on the stage during the conduct of the case at which approval is being sought. The appendix to this guide sets out a suggested format for the provision of information.

5.1.2 If any part of the remuneration is sought on a time costs basis, the Liquidator should provide details of the minimum time units used and current charge-out rates, split by grades of staff, of those people who have been or who are likely to be involved in the time costs aspects of the case.

5.1.3 The Liquidator should also provide details and the cost of any work that has been or is intended to be sub-contracted out that could otherwise be carried out by the Liquidator or his or her staff.

5.1.4 If work has already been carried out, the Liquidator should state the proposed charge for the period to date and provide an explanation of what has been achieved in the period and how it was achieved, sufficient to enable the progress of the case to be assessed and whether the proposed charge is reasonable in the circumstances of the case.

5.1.5 Where the proposed charge is calculated on a time costs basis, the Liquidator should disclose the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. The Liquidator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the Liquidator or his or her staff.

5.2 After the bases of remuneration have been fixed

5.2.1 The Liquidator is required to send progress reports to members at specified intervals (see paragraph 6.1 below). When reporting periodically to members, in addition to the matters specified in paragraph 6.1, the Liquidator should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed.

5.2.2 Members should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the Liquidator must fulfil certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate).

5.2.3 Where any remuneration is on a time costs basis, the Liquidator should disclose the charge in respect of the period, the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. If there have been any changes to the charge-out rates during the period under review, rates should be disclosed by grades of staff, split by the periods applicable. The Liquidator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the Liquidator or his or her staff.

5.3 Disbursements and other expenses

5.3.1 Costs met by and reimbursed to the Liquidator in connection with the liquidation should be appropriate and reasonable. Such costs will fall into two categories.

- **Category 1 disbursements** These are costs where there is specific expenditure directly referable both to the liquidation and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the Liquidator or his or her staff.
- **Category 2 disbursements** These are costs that are directly referable to the liquidation but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the liquidation on a proper and reasonable basis, for example, business mileage.

5.3.2 Category 1 disbursements can be drawn without prior approval, although the Liquidator should be prepared to disclose information about them in the same way as any other expenses. Category 2 disbursements may be drawn if they have been approved in the same manner as the Liquidator's remuneration. When seeking approval, the Liquidator should explain, for each category of expense, the basis on which the charge is being made.

5.3.3 The following are not permissible:

- a charge calculated as a percentage of remuneration,
- an administration fee or charge additional to the Liquidator's remuneration,
- recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges.

5.4 Realisations for secured creditors

5.4.1 Where the Liquidator realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds (see paragraph 11.1 below), he should disclose the amount of that remuneration to the committee (if there is one), to any meeting of members convened for the purpose of determining his fees, and in any reports he sends to members.

6. Progress reports and requests for further information

6.1 The Liquidator is required to send annual progress reports to members. The reports must include:

- details of the basis fixed for the remuneration of the Liquidator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it),
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report),
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report,
- a statement of the expenses incurred by the Liquidator during the period of the report, irrespective of whether payment was actually made during that period,
- a statement of the members' rights to request further information, as explained in paragraph 6.2, and their right to challenge the Liquidator's remuneration and expenses.

6.2 Within 21 days of receipt of a progress report (or 7 business days where the report has been prepared for the purposes of a meeting to receive the Liquidator's resignation) a member may request the Liquidator to provide further information about the remuneration and expenses set out in the report.

6.3 The Liquidator must provide the requested information within 14 days, unless he considers that:

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the liquidation or might be expected to lead to violence against any person, or
- the Liquidator is subject to an obligation of confidentiality in relation to the information requested, in which case he must give the reasons for not providing the information.

6.3.1 Any member may apply to the court within 21 days of the Liquidator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information.

7. Provision of information – additional requirements

7 1 The Liquidator must provide certain information about the time spent on the case, free of charge, upon request by any creditor, director or shareholder of the company

The information which must be provided is –

- the total number of hours spent on the case by the Liquidator or staff assigned to the case,
- for each grade of staff, the average hourly rate at which they are charged out,
- the number of hours spent by each grade of staff in the relevant period

7 2 The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the Liquidator's appointment, or where he has vacated office, the date that he vacated office

7 3 The information must be provided within 28 days of receipt of the request by the Liquidator, and requests must be made within two years from vacation of office

8 What if a member is dissatisfied?

8 1 Except in cases where there is a liquidation committee, it is the members as a body who have authority to approve the Liquidator's fees. To enable them to carry out this function they may require the Liquidator to call a members' meeting. In order to do this at least ten per cent in value of the members must concur with the request, which must be made to the Liquidator in writing

8 2 If a member believes that the Liquidator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the Liquidator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court

9. What if the Liquidator is dissatisfied?

9 1 If he considers that the remuneration fixed by the liquidation committee, or by the members is insufficient, or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed

9 2 If he decides to apply to the court he must give at least 14 days' notice to the members of the committee and the committee may nominate one or more of its members to appear or be represented at the court hearing. If there is no committee, the Liquidator's notice of his application must be sent to such of the shareholders as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid out of the assets

10 Other matters relating to remuneration

10 1 Where the Liquidator realises assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with a scale set out in the Rules. Usually, however, the Liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned

10 2 Where two (or more) joint Liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the court, the committee or a meeting of creditors

10 3 If the appointed Liquidator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the members or the court

10 4 If a new Liquidator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new Liquidator until a further determination, resolution or court order is made

10 5 Where the basis of the remuneration is a set amount, and the Liquidator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing Liquidator. The application must be made to the same body as approved the remuneration. Where the outgoing Liquidator and the incoming Liquidator are from the same firm, they will usually agree the apportionment between them.

11. Effective date

11 1 This guide applies where a company goes into liquidation on or after 1 November 2011.

Appendix

Suggested format for the provision of information

Professional guidance issued to insolvency practitioners sets out the following suggested format for the provision of information when seeking approval of remuneration. However, the level of disclosure suggested below may not be appropriate in all cases, and will be subject to considerations of proportionality. In larger or more complex cases the circumstances of each case may dictate the information provided and its format.

Narrative overview of the case

In all cases, reports on remuneration should provide a narrative overview of the case. Matters relevant to an overview are:

- the complexity of the case;
- any exceptional responsibility falling on the Liquidator;
- the Liquidator's effectiveness;
- the value and nature of the property in question

The information provided will depend upon the basis or bases being sought or reported upon, and the stage at which it is being provided. An overview might include:

- an explanation of the nature, and the Liquidator's own initial assessment, of the assignment (including the anticipated return to creditors) and the outcome (if known);
- initial views on how the assignment was to be handled, including decisions on staffing or subcontracting and the appointment of advisers,
- any significant aspects of the case, particularly those that affect the remuneration and cost expended,
- the reasons for subsequent changes in strategy,
- the steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, and fee drawing,
- any existing agreement about remuneration;
- details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees,
- in a larger case, particularly if it involved trading, considerations about staffing and managing the assignment and how strategy was set and reviewed,
- details of work undertaken during the period;
- any additional value brought to the estate during the period, for which the Liquidator wishes to claim increased remuneration.

Time cost basis

Where any part of the remuneration is or is proposed to be calculated on a time costs basis, requests for and reports on remuneration should provide:

- an explanation of the Liquidator's time charging policy, clearly stating the units of time that have been used, the grades of staff and rates that have been charged to the assignment, and the policy for recovering the cost of support staff. There is an expectation that time will be recorded in units of not greater than 6 minutes
- a description of work carried out, which might include
- details of work undertaken during the period, related to the table of time spent for the period,
- an explanation of the grades of staff used to undertake the different tasks carried out and the reasons why it was appropriate for those grades to be used,
- any comments on any figures in the summary of time spent accompanying the request the Liquidator wishes to make
- time spent and charge-out summaries, in an appropriate format.

It is useful to provide time spent and charge-out value information in a tabular form for each of the time periods reported upon, with work classified (and sub-divided) in a way relevant to the circumstances of the case

The following areas of activity are suggested as a basis for the analysis of time spent:

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The level of disclosure suggested above will not be appropriate in all cases, and considerations of proportionality will apply

- where cumulative time costs are, and are expected to be, less than £10,000 the Liquidator should, as a minimum, state the number of hours and average rate per hour and explain any unusual features of the case,
- where cumulative time costs are, or are expected to be, between £10,000 and £50,000, a time and charge-out summary similar to that shown above will usually provide the appropriate level of detail (subject to the explanation of any unusual features);
- where cumulative time costs exceed, or are expected to exceed, £50,000, further and more detailed analysis or explanation will be warranted.