

**Return of Final Meeting in a
Creditors' Voluntary Winding Up****Pursuant to Section 106 of the
Insolvency Act 1986****To the Registrar of Companies****S.106**

Company Number

03154528

Name of Company

Ellison Technical Coatings Ltd

I/We Julian Pitts
The Stables
The Maltings
Silvester Street
Hull
HU1 3HA

David Wilson
9th Floor Bond Court
Leeds
LS1 2JZ

note: The copy account must be
authenticated by the written signature(s)
of the Liquidator(s)

1. give notice that a general meeting of the company was duly held on/summoned for 25 June 2012 pursuant to section 106 of the Insolvency Act 1986, for the purpose of having an account (of which a copy is attached) laid before it showing how the winding up of the company has been disposed of, and that the same was done accordingly / no quorum was present at the meeting.

2. give notice that a meeting of the creditors of the company was duly held on/summoned for 25 June 2012 pursuant to Section 106 of the Insolvency Act 1986, for the purpose of having the said account laid before it showing how the winding up the company has been conducted and the property of the company has been disposed of and that the same was done accordingly/no quorum was present at the meeting

The meeting was held at Glendevon House, Hawthorn Park, Coal Road, Leeds, LS14 6PQ

The report covers the period from 10/06/2010 (commencement of winding up) to 25/06/2012 (close of winding up)

The outcome of the meeting (including any resolutions passed at the meeting) was as follows

Signed



Date

28 June 2012

Begbies Traynor (Central) LLP
The Stables
The Maltings
Silvester Street
Hull
HU1 3HA

Ref EL020CVLJNRP/DFW/FU

WEDNESDAY



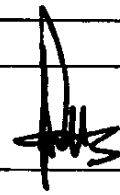
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COMPANIES HOUSE

Ellison Technical Coatings Ltd
(In Liquidation)
s' Abstract of Receipts & Payments
From 10 June 2010 To 25 June 2012

S of A £		£	£
	HIRE PURCHASE		
90,000 00	Book Debts	12,544.64	
(32,000 00)	Skipton Business Finance - Book debt	NIL	
15,000 00	Ecoat Plant	NIL	
(71,000 00)	HSBC Asset Finance	NIL	
			12,544 64
	ASSET REALISATIONS		
	Cash at Bank	4,700 00	
	Debtors	63 03	
4,700 00	Cash at Bank	NIL	
			4,763 03
	COST OF REALISATIONS		
	Specific Bond	158.00	
	Preparation of S. of A.	5,000.00	
	Office Holders Fees	7,105 48	
	Office Holders Expenses	463 71	
	Legal Fees (1)	4,390 00	
	Storage Costs	114 00	
	Statutory Advertising	76 50	
			(17,307 67)
	PREFERENTIAL CREDITORS		
NIL	Employee Arrears/Hol Pay	NIL	
			NIL
	FLOATING CHARGE CREDITORS		
(262,241.00)	M S Ellison 1969 Trust	NIL	
(75,000.00)	Administrator of Ellison Metal Finishing	NIL	
			NIL
	UNSECURED CREDITORS		
(460,204.31)	Trade & Expense Creditors	NIL	
(113,135.00)	HMR&C - PAYE	NIL	
(37,335 00)	HMR&C - VAT	NIL	
(108,664 93)	Suffolk Life (Rent)	NIL	
			NIL
	DISTRIBUTIONS		
(1 00)	Ordinary Shareholders	NIL	
			NIL
(1,049,881.24)			(0.00)
	REPRESENTED BY		
			NIL

**Ellison Technical Coatings Ltd
(In Liquidation)
s' Abstract of Receipts & Payments
From 10 June 2010 To 25 June 2012**

S of A £	£	£
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Julian Pitts

Ellison Technical Coatings Ltd (In Creditors' Voluntary Liquidation)

Final report and account of the liquidation pursuant to Section 106 of the Insolvency Act 1986 and Rule 4.126 of the Insolvency Rules 1986

Full Period: 10 June 2010 to 25 June 2012

Part Period: 10 June 2011 to 25 June 2012

Important Notice

This report has been produced solely to comply with our statutory duty to report to creditors and members of the Company pursuant to Section 106 of the Insolvency Act 1986. This report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

Contents

- ❑ Interpretation
- ❑ Company information
- ❑ Details of appointment of liquidators
- ❑ Progress since appointment
- ❑ Outcome for creditors
- ❑ Remuneration and disbursements
- ❑ Liquidators' expenses
- ❑ Unrealisable assets
- ❑ Other relevant information
- ❑ Conclusion
- ❑ Appendices
 - 1 Liquidators' account of receipts and payments
 - 2 Liquidators' time costs and disbursements
 - 3 Statement of Liquidators' expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Ellison Technical Coatings Ltd (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Insolvency Act 1986 on 10 June 2010
"the liquidators", "we", "our" and "us"	Julian Pitts of Begbies Traynor (Central) LLP, 9 th Floor Bond Court, Leeds, LS1 2JZ and David Wilson of Begbies Traynor (Central LLP), 9 th Floor Bond Court, Leeds, LS1 2JZ
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

This is our final report and account of the liquidation and should be read in conjunction with the progress report to creditors dated 29 July 2011 and our draft final report dated 16 April 2012

This final report will summarise all receipts and payments over the course of this liquidation

2. COMPANY INFORMATION

Trading name(s)	ETC
Company registered number	03154528
Company registered office	Glendevon House, Hawthorn Park, Coal Road, LS14 1PQ
Former trading address	Henson Road , Yarm Industrial Estate, Darlington, DL1 4QB

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	10 June 2010
Date of liquidators' appointment	10 June 2010
Changes in liquidator (if any)	P J R Deyes to D F Wilson (22 May 2012)

4. PROGRESS SINCE APPOINTMENT

Attached at Appendix 1 is our abstract of receipts and payments for the period from 10 June 2010 to 25 June 2012

RECEIPTS

Book Debts

The company's book debts were the subject of a legal charge created between Skipton Business Finance Limited (SBF) and the company. The charge was registered at companies house and creates a fixed charge on all book debts and a floating charge on all other company property. The security has been in place since 2008. The agreement offered the company a confidential invoice discounting facility, a copy of which has been reviewed by the liquidators.

The surplus under the ledger received to date totals £12,607.67. Prior to an informal reassignment of the ledger SBF permitted the liquidators to retain book debts collected of £6,315. The informal re-assignment of the ledger took place on 21 October 2010 when SBF supplied the liquidators with a spreadsheet detailing each unpaid account together with an up to date narrative statement as to why the account remained unpaid. Without exception the total ledger reassigned was in dispute and totalled £21,818. Despite this a further £6,230 has been collected.

The balance of disputed accounts are not collectable and no further recoveries are expected from this source.

Total recoveries made by SBF, prior to re-assignment, totalled £29,559.

The initial gross book debt figure provided by the company for the purposes of the estimated statement of affairs appears to have been overstated by approximately £38,000. The most likely explanation being further debts were written off as disputed by SBF prior to ledger re-assignment.

Since the last progress report there have been no further realisations.

Ecoat Plant

This plant and equipment was the subject of a novated finance arrangement with HSBC Equipment Finance which took place prior to liquidation. The sum due per the statement of affairs totalled £71,000 against an asset value of £15,000. Shortly after liquidation the liquidators took steps to disclaim the agreement as onerous property.

There has been no claim lodged since the last progress report or notification that goods have been collected.

Other Third Party Assets

Other assets were held at the former trading premises of the company subject to 5 agreements with Lombard North Central. These agreements were still held in the name of Ellison Metal Finishing which proceeded in to Administration in November 2008. These assets were abandoned by the liquidators' as title to them had not passed to the company and given there were subject to finance agreements, held no value for the company's creditors.

There have been no further developments since the last progress report.

Cash at Bank

This represented the sum held in a solicitors' client account, on the instructions of the company, following the completion of the sale of its assets, pre liquidation, to Surface Protection Limited. The funds were recovered from the solicitors client account net of the funds released to settle a petitioning creditor's costs and paid in the liquidators account for the purposes of this liquidation.

There have been no further developments since the last progress report.

PAYMENTS

Specific Penalty Bond

The sum of £158 represents the statutory payment of an insurance bond to protect the assets recovered by the liquidators'.

There have been no further payments since the last progress report.

Preparation of the Statement of Affairs

The sum of £5,000 was paid to Begbies Traynor Central LLP (part of Begbies Traynor Group) for the work undertaken (and approved by creditors) in preparing the necessary documentation for the meetings of creditors and members held on 10 June 2010.

There have been no further payments since the last progress report.

Office Holders Fees & Expenses

The sum of £4,000 to date has been drawn as fees by the liquidators' and £463.71 in expenses. The liquidators' fees and category 2 expenses were agreed by creditors to be drawn on a time cost basis and at rates set out to creditors at and ahead of the meeting of creditors held on 10 June, respectively. Further details of the liquidators' remuneration and expenses are set at paragraph 6 of this report. No further disbursements have been recovered since the last progress report.

5. OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the directors' statement of affairs) are as follows and as reported in the progress report covering the period to 9 June 2011

Secured creditors

Skipton Business Finance

According to the statement of affairs they were owed, at liquidation, the sum of £32,000. Correspondence with them since liquidation indicates their final claim was £29,559.

HSBS Equipment Finance

According to the statement of affairs they were owed, at liquidation, the sum of £71,000. The liquidators' disclaimed the agreement given the sum outstanding exceeded the realisable value of the equipment on both an in situ and ex situ basis. To date no claim has been lodged by the secured creditor. It is not known whether the disclaimed goods have been recovered or otherwise as at the date of this report.

MS Ellison 1969 Trust

According to the statement of affairs they were owed, at liquidation, the sum of £262,241. The secured creditor is a family trust. Some of the ultimate beneficiaries are connected to the liquidated company. Since liquidation the Trust has submitted a statement of claim totalling £195,869. The sum comprises of payments due under an occupational lease and initial funds invested in the company at the outset.

No new claim has been submitted since the last progress report.

Administrators' of Ellison Metal Finishing

According to the statement of affairs they were owed, at liquidation, the sum of £75,000. The sum represents unpaid purchase consideration for the purchase of the business and assets from the administrators in 2008. Since liquidation the administrators' have corresponded with the liquidators' and have registered a claim in the sum of £75,833.04.

No new claim has been submitted since the last progress report.

Preferential creditors

Preferential claims of employees for arrears of wages, salary and holiday pay were estimated at Nil. Since liquidation the liquidators' have admitted claims in the total sum of £1,030.13 representing one former employee's claim.

No revised claim has been submitted since the last progress report.

Unsecured creditors

Unsecured creditors were estimated at £775,339. Very few claims have been admitted as creditors have tended not to submit claims on the basis of the lack of dividend prospects to this class of creditor. There have been no material changes to creditor unsecured creditor claims since the last progress report.

On the basis of realisations to date and no further realisations are anticipated (save for a potential Transaction at Undervalue Claim as set out at Paragraph in a sum in the region of £5,000) the liquidators' estimate the outcome for each class of the Company's creditors as follows:

Secured creditors

SBF

As reported above, SBF have recovered their indebtedness in full in the sum of £29,559

With regard to HSBC Equipment Finance, following the issuing of the disclaimer, it is unknown whether they took steps to recover their equipment and therefore, in part, mitigate their claim. Their claim for the purposes of the statement of affairs was estimated in the sum of £71,000 as reported above.

With regard to both Ellison Metal Finishing and the MS Ellison 1969 Trust there have been insufficient realisations to permit a distribution to those creditors pursuant to either their fixed or floating charges.

On the basis of current realisations there are insufficient funds to enable a distribution to any of the holders of floating charges in this liquidation.

Preferential creditors

Based upon realisations to date and estimated future realisations, it is anticipated that there will be insufficient funds available to enable a dividend to be paid to the preferential creditors.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property,
- ☐ 20% of net property thereafter,
- ☐ Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

There will be no distribution of the prescribed part as our estimate of the Company's net property is less than the minimum prescribed by the Insolvency Act 1986 (Prescribed Part) Order 2003 and we think, in accordance with Section 176A(3)(b) of the Act, that the costs of making a distribution of the prescribed part to unsecured creditors would be disproportionate to the benefits.

Total realisations to date, available for distribution under the Prescribed Part, stand at £17,307 with current defrayed costs of realisation at £11,376 leaving net funds available of £5,932. There are further costs and expenses to defray including legal and liquidators' fees leaving no net property available under the prescribed part after those costs have been defrayed. In addition there are the statutory costs of bringing this case to closure which also need to be taken into account. Furthermore assets realisations have proved insufficient to permit a distribution to preferential creditors, who have claims which rank in priority to the Prescribed Part.

Unsecured creditors

Based upon realisations to date and estimated future realisations it is anticipated there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors

Funds have been generally held in reserve pending the finalisation of enquiries in to the liquidator's potential claim (transaction at undervalue pursuant to S238 Insolvency Act 1986) against the Surface Protection Limited who purchased the chattel assets of the company shortly prior to liquidation. Now this matter is completed with no claim being pursued further the balance in hand will be used to defray, in part, the unpaid time costs of the liquidators', outstanding legal fees and the statutory costs that will be incurred in bringing this case to closure (e.g. statutory advertising)

6. REMUNERATION & DISBURSEMENTS

Our time costs for the period from 10 June 2010 to 25 June 2012 amount to £32,163.50 equating to 156.70 hours at an average rate of £205.26 per hour

The following further information in relation to our time costs and disbursements is set out at Appendix 2

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 10 June 2010 to 09 June 2011
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

To date the liquidators' have drawn the total sum of £4,000 plus disbursements of £504.07 on account

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been taken in accordance with the approval obtained are provided in the narrative summary of time costs incurred which is at Appendix 2

In addition to the table of time spent by us and our staff in attending to matters arising since our appointment, our table of time spent and charge out value for the period from 09 June 2011 to 16 April 2012 and a description of the work undertaken by us and our staff since our appointment is summarised below and also contained in the narrative summary of time costs incurred at Appendix 2

Since the last progress report further time costs totalling £6,518 has been incurred representing a further 24.90 hours of time giving an average charge out rate for the period 10 June 2011 to 25 June 2012 of £261.77

The work carried out has been general case administration including dealing with general telephone and written correspondence, general cashiering work, completing enquiries concerning the transaction at undervalue claim, and generally preparing the file for closure with its associated statutory responsibilities and requirements

Significant Expenditure incurred

As can be seen from the enclosed receipts and payments account there have been no significant items of expenditure requiring specific mention in this report, specifically with regard to the period since the last progress report dated 9 June 2011

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during since our last progress report is attached at Appendix 3

Since the last progress report additional expenses have been incurred in relation to archive charges relating to the storage of the company's books and records and legal expenses in relation to legal advice sought on the transaction at undervalue claim referred to earlier

Disbursement expenses incurred by the liquidators have not been recorded and/or recovered since the last progress report. Final disbursement costs will be recovered by the liquidators for the costs incurred in issuing this report, convening and holding the final meetings of the company's members and creditors

8. UNREALISABLE ASSETS

There are no assets that have proved to be unrealisable. The liquidators do not consider that the debts informally re-assigned to them and which proved not to be collectable are unrealised assets. The purported ledger indicated that all accounts outstanding were shown as disputed for various reasons ranging from defective workmanship, ledger balance posting errors, credit notes outstanding and various other contras. These were not payments due but represented incomplete postings to the sales ledger accounts which should have been written some time prior to liquidation.

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, as explained in the report circulated prior to the meeting of creditors convened pursuant to Section 98 of the Act, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills. We can confirm that we have discharged our duties in these respects.

Investigations completed and action taken

As explained in our first report the liquidators have been investigating the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect.

Specific enquiries were made in to the sale of the company's assets shortly prior to liquidation to a company known as Surface Protection Limited as previously reported. Full details of the transaction were reported to creditors on two occasions being the initial report presented at the meeting of creditors and the liquidators' progress report for the period ending 10 June 2011.

For ease of reference the connected party transaction is summarised below,

Connected party transactions

In accordance with Statement of Insolvency Practice 13, we confirm that the following assets were sold to a company known as Surface Protection Limited, which is a company controlled by a prior director of the liquidation company, namely Simon Ellison.

Date of sale	Asset sold and nature of transaction	Consideration paid and date	Name of Purchaser	Relationship with the Company

6 May 2010	All plant, equipment and chattels located at company's trading premises at date of sale	6 May 2010 in sum of £4,000 plus Vat	Surface Protection Limited	Common Director, Simon Ellison

The company was advised by Keeble Hawson Solicitors and Eddisons Commercial. The former provided legal advice and the former valuation advice and a valuation report.

The liquidators' had kept the case open pending final enquiries as to whether a recovery could be made. As has been reported, the liquidator appears, supported by legal advice, to have a valid claim under Section 238 of the Insolvency Act in that the chattel assets of the company were sold to a connected party at an undervalue. However, the quantum of the claim has diminished significantly following further investigations into the asset sold in conjunction with both the purchaser and the agent instructed to value the assets pre sale. Given the value of the claim is most likely in the region of £5,000 or less, on an ex-situ valuation of the assets, it is not economically viable to pursue this claim through the courts, with the legal costs of such an application far outweighing the sums being sought to be recovered.

Steps were therefore taken, as reported, to agree a settlement out of court but this has proved unsuccessful. The trading position of the purchaser is precarious with a recent company search indicating that a notice to strike off the company for non filing of accounts is underway. Furthermore, the assets of the company in question were badly damaged in a fire, impacting significantly on value.

The liquidators' do not consider it to be in creditors' best interests to pursue a claim against a company about to be struck off the company register and given the sums involved to restore a dissolved company, compared to the claim in question, the matter is not to be pursued further and is considered closed.

10. CONCLUSION

Should you require further explanation of any matters contained within this report, you should contact our office and speak to the case manager, Frazer Ulrick in the first instance, who will be pleased to assist.



J N R Pitts
Dated 28 June 2012

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 10 June 2011 to 25 June 2012

Ellison Technical Coatings Ltd
(In Liquidation)
s' Abstract of Receipts & Payments
From 10 June 2010 To 25 June 2012

S of A £		£	£
	HIRE PURCHASE		
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(71,000 00)	HSBC Asset Finance	NIL	
			12,544 64
	ASSET REALISATIONS		
	Cash at Bank	4,700 00	
	Debtors	63 03	
4,700 00	Cash at Bank	NIL	
			4,763 03
	COST OF REALISATIONS		
	Specific Bond	158 00	
	Preparation of S of A	5,000 00	
	Office Holders Fees	7,105 46	
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	Legal Fees (1)	4,390 00	
	Storage Costs	114 00	
	Statutory Advertising	76 50	
			(17,307 67)
	PREFERENTIAL CREDITORS		
NIL	Employee Arrears/Hol Pay	NIL	
			NIL
	FLOATING CHARGE CREDITORS		
(262,241 00)	M S Ellison 1969 Trust	NIL	
(75,000 00)	Administrator of Ellison Metal Finishing	NIL	
			NIL
	UNSECURED CREDITORS		
(460,204 31)	Trade & Expense Creditors	NIL	
(113,135 00)	HMR&C - PAYE	NIL	
(37,335 00)	HMR&C - VAT	NIL	
(108,664 93)	Suffolk Life (Rent)	NIL	
			NIL
	DISTRIBUTIONS		
(1 00)	Ordinary Shareholders	NIL	
			NIL
(1,049,881 24)			(0 00)
	REPRESENTED BY		
			NIL

**Ellison Technical Coatings Ltd
(In Liquidation)
s' Abstract of Receipts & Payments
From 10 June 2010 To 25 June 2012**

S of A £	£	£
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Julian Pitts

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred
- d Table of time spent and charge-out value for the period from 10 June 2010 to 26 June 2012

CVL - Ellison Technical Coatings Ltd | From 10/06/2010 To 25/06/2012

Partner	Director	Senior Manager	Manager	Senior Case Administrator	Case Administrator	Support & Cashiering	Other	Total Hours	Total Cost	Avg Rate
VAT and TAX	0	0.00	0.50	0.00	0.00	0.00	0.00	0.50	102.50	205.00
Case strategy and planning	0	11.30	0.00	0.00	0.00	0.00	0.00	11.30	3,852.50	340.93
Investigations	0	15.50	3.90	0.00	0.00	0.00	0.00	19.40	5,804.00	299.18
Claims, proofs and distributions	0	0.00	2.30	0.00	0.00	0.00	0.00	2.30	448.50	195.00
Old - Admin and Accounting	0	0.00	0.00	0.00	0.00	6.00	0.00	6.00	600.00	100.00
Banking	0.5	0.00	0.40	0.00	1.00	0.00	0.00	1.90	405.00	213.16
Employees	0	0.00	0.00	0.00	9.80	0.00	0.00	9.80	1,274.00	130.00
Administration	0	0.00	51.30	0.00	1.30	15.00	0.00	67.60	12,062.50	178.44
Debt Collection	0	0.00	12.70	0.00	0.00	0.00	0.00	12.70	2,483.50	195.55
Statutory reports and returns	0	0.00	5.50	0.00	0.00	0.00	0.00	5.50	1,087.50	197.73
CDDA reporting and follow up	0	0.00	6.00	0.00	0.00	0.00	0.00	6.00	1,170.00	195.00
Fixed Charge Assets	0	1.50	0.00	0.00	0.00	0.00	0.00	1.50	517.50	345.00
Pensions	0	0.00	1.50	0.00	0.00	0.00	0.00	1.50	292.50	195.00
Appointment activity	0	0.00	0.00	0.00	0.00	1.00	0.00	1.00	100.00	100.00
Sale of Business/Assets	0	0.00	9.70	0.00	0.00	0.00	0.00	9.70	1,983.50	202.42
Total Hours	0.50	28.30	93.80	0.00	12.10	22.00	0.00	156.70		
Total Cost	175.00	9,407.50	18,792.50	0.00	1,375.50	2,213.00	0.00		32,163.50	
						Employee / Disb Costs				504.07
						Disb Fees Drawn				504.07
						Time Fees Drawn				4,000.00
						Outstanding Costs				28,163.50

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	Ellison Technical Coating Limited
CASE TYPE	CREDITORS' VOLUNTARY LIQUIDATION
OFFICE HOLDERS	Philip Deyes and Julian Pitts
DATE OF APPOINTMENT	25 June 2010

1 CASE OVERVIEW

1 1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

1 2 Complexity of the case

This is an asset realisation based liquidation, unfortunately there are insufficient funds to make a distribution to the unsecured creditors in this instance

1 3 The office holders effectiveness

The Joint Liquidators have realised all assets included within the Company's Statement of Affairs and have continued with their enquiries with regard to a potential transaction at undervalue claim

1 4 Nature and value of property dealt with by the office holders

The assets of the company were limited to the collection of book debts and recovery of the cash held by lawyers following the sale of the company's assets prior to liquidation

1 5 Anticipated return to creditors

Unfortunately in this instance there are insufficient realisations to make a distribution to any class of creditors

1 6 Time costs analysis

An analysis of time costs incurred between 10 June 2010 and 09 June 2011 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type

The time costs analysis provides details of work undertaken by the Liquidators and their staff following their appointment only. A more detailed schedule of time spent is enclosed

1 8 Work undertaken prior to appointment

In addition to the post appointment time costs detailed in the Time Costs Analysis, the costs relating to work undertaken prior to the Liquidators' appointment in summoning, advertising and holding the creditors' meeting and assisting the directors in preparing the statement of affairs were approved by the creditors at the Section 98 meeting

1 9 The views of the creditors

Have been taken in to account during the course of this liquidation but no creditor has raised specific questions or requested specific enquiries be made by the liquidators

1 10 Approval of fees

It was resolved at the initial meeting of creditors dated 10 June 2010 that the Joint Liquidators' remuneration be fixed by reference to the time properly given by them (as liquidators') and the various grades of their staff at the prevailing charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the winding up

1 11 Approval of Expenses and Disbursements

It was resolved that in respect of disbursements, the Joint Liquidators' be authorised to draw disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9), in accordance with the firms policy, details of which accompanied the information presented to the creditors meeting held on 10 June and any subsequent prevailing rates as notified to creditors

1 12 Category 1 & 2 Disbursements

In accordance with the resolution obtained in relation to expenses and disbursements, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case since the date of my appointment

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage – cat 2	64 25
Copying – cat 2	237 15
Postage – cat 1	43 00
Document Storage – cat 2	114 00
Insurance Bond – cat 1	158 00
Parking – cat 1	1 67
TOTAL	618 07

1 13 Other professionals employed & their costs

This is fully disclosed at Appendix 3 of this report

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 2

2 2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 2

3 SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

3 1 Since our last progress report ending the period 10 June 2010 the following work has been undertaken

3 1 1 Administration, Case Strategy & Planning

File review and office holder review for closure
Review of case set up and diary matters, compliance

3 1 2 Statutory Matters

Final reports to members and creditors

3 1.3 Investigations and sale of assets, debt collection, fixed charge assets

Transaction at undervalue claim
Correspondence with lawyers
Review of current financial position of acquirer
Completion of matters and closing investigation

3 1 4 VAT and Tax

Final vat reclaims

BEGBIES TRAYNOR

POLICY FOR RE-CHARGING EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Standard professional practice¹ requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at.

DEFINITIONS

Required professional practice classifies expenses into two broad categories -

- ❑ *Category 1 expenses (approval not required)* – specific expenditure that is directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external supplier's invoice or published tariff of charges,
- ❑ *Category 2 expenses (approval required)* – all other items of expenditure
 - Which cannot, or cannot easily, be directly related to a particular insolvency case because there is an element of shared or allocated cost, and/or
 - Where the cost of the expense incurred is an estimated, unitised cost with the estimate based on external costs or opportunity cost

DISBURSEMENT CHARGES (Category 2 Disbursements)

- 1 Mileage is recovered at 40p per mile. The Category 2 element relates only to company cars.
- 2 Charges are made as follows:

Postage	Actual
Photocopying	15p per sheet
- 3 Internal Room Hire is charged at £150 per meeting.
- 4 Storage is provided by a connected storage company in which D F Wilson and J N R Pitts have an interest. Boxes are supplied at a cost of £4 each and boxes are stored at a cost of £12.00 per box per annum. Destruction charges are £5 per box. Van hire/transportation costs are charged at 75p per mile.
- 5 Asset Appraisal and Disposal services are provided by BTG Asset Consulting, a division of BTG Consulting LLP, which is part of Begbies Traynor Group plc. Asset Appraisal and Disposal costs are charged at £125 per hour and are reclaimed from asset realisations of the company.
- 5 The location of assets or individuals, surveillance and other investigative services are provided by BTG Intelligence, which is part of the Begbies Traynor Group plc. Costs are charged at from £250 per hour.

¹ Statement of Insolvency Practice 9 (SIP 9) effective from 1 April 2007

Professional Advisors

In a number of cases, we have the need to employ outside professional advisors, which may include Solicitors, Valuers and Agents or in some cases, Specialist Tax Advisors. We set out below the name and type of the advisors used and the basis on which their fees are paid.

Name of Professional Advisor	Basis of Fee Arrangement
Lee & Priestley	Limited time cost

Our choice of the above advisor is based on our knowledge of their experience and their ability to perform the type of work on which they have been instructed.

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions.

The rates applying to the Hull office as at the date of this report are as follows:

Grade of staff	Charge-out Rate (£ per hour)
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Cashier/Secretarial	110
Junior Administrator	110

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units).