

The Insolvency Act 1986

**Administrators' progress report****2.24B**

Name of Company Galvanic Technical Services Limited	Company number 04062696
In the Companies Court, Chancery Division, High Court of Justice	Court case number 9195 of 2008

We, John David Ariel and Matthew Richard Meadley Wild, of Baker Tilly Restructuring and Recovery LLP,  
12 Gleneagles Court, Brighton Road, Crawley, West Sussex RH10 6AD,

the Joint Administrators of the above company, attach a progress report for the period

from	to
21 April 2009	30 September 2009

Signed

J D Ariel – Joint Administrator

Dated: 30 September 2009

**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

J D Ariel	
Baker Tilly Restructuring and Recovery LLP, 12 Gleneagles Court, Brighton Road, Crawley, West Sussex	
RH10 6AD	Tel: 01293 843161
DX Number 57136	DX Exchange Crawley

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



# **GALVANIC TECHNICAL SERVICES LIMITED IN ADMINISTRATION**

## **JOINT ADMINISTRATORS' FINAL PROGRESS REPORT**

**30 SEPTEMBER 2009**

---

A31

03/10/2009  
COMPANIES HOUSE

329

### **1. PURPOSE OF REPORT**

This report is prepared pursuant to Rule 2.47 of the Insolvency Rules 1986 (as amended). The purpose of the report is to provide creditors with information relating to the progress of the administration from 21 April 2009 to 30 September 2009.

### **2. JOINT ADMINISTRATORS' APPOINTMENT**

John Ariel and Matthew Richard Wild of Baker Tilly Restructuring and Recovery LLP, 12 Gleneagles Court, Brighton Road, Crawley RH10 6AD were appointed Joint Administrators ("the Administrators") of Galvanic Technical Services Limited ("the Company") on 21 October 2008 by the Directors of the Company.

The notice of appointment was filed in the Companies Court, Chancery Division, High Court of Justice under reference number 9195 of 2008.

The Joint Administrators' appointment specified that they would have power to act jointly and severally. The Joint Administrators have exercised and will continue to exercise all of their functions jointly and severally as stated in the notice of appointment.

### **3. COMPANY DETAILS**

The registered number of the company is 4062696. The Registered Office of the company is Baker Tilly Restructuring and Recovery LLP, 12 Gleneagles Court, Brighton Road, Crawley RH10 6AD

### **4. RECEIPTS AND PAYMENTS SUMMARY**

We attach as Appendix A receipts and payments summary for the period from 21 April 2009 to date.

### **5. CONDUCT OF THE ADMINISTRATION**

The principal objective of the administration was to realise property in order to make a distribution to one or more secured or preferential creditors. This has not been possible due primarily to insufficient realisations in respect of debtors and work in progress, as stated in our previous report.

**6. ASSET REALISATION**

Since the last report, book debts of £1,751 have been realised, bringing the total book debt realisations to £25,948. Creditors will recall that the reasons behind the book debt realisations being significantly lower than those estimated in the Statement of Affairs, were detailed in our previous report.

It was previously reported that we were considering legal proceedings against a number of parties associated with the Company. However, after consulting with our legal advisors, it was decided that there were insufficient funds available in the case to enable such action to be brought.

There are no assets remaining to be realised.

**7. CREDITORS' CLAIMS AND DIVIDEND PROSPECTS**

**Secured Creditors**

The Company had a number of vans at the date of our appointment which were valued by our agents at £24,100. These were all subject to finance and were returned to the finance companies.

**Preferential Creditors**

There were 21 employees made redundant on the date of our appointment. We have not received a claim from the Insolvency Service in respect of payments they have made to the employees.

Since the aforementioned legal action was not pursued and there being insufficient funds available, there was not a distribution paid to the preferential creditors.

**Unsecured Creditors**

We have received a total of 51 unsecured creditors' claims totalling £408,133.26.

As there were no surplus funds after the payment of the administration costs, there was no prospect of a dividend to unsecured creditors. Consequently, we have filed the necessary paperwork at Companies House to dissolve the Company, pursuant to the eleventh proposal detailed below.

**8. JOINT ADMINISTRATORS' PROPOSALS**

The following proposals circulated on 4 December 2008 were approved by the creditors at the meeting held on 22 December 2008:

**Galvanic Technical Services Limited In Administration**  
**contd.**

---

1. The Administrators should continue to realise the assets of the Company upon the terms they consider to be most beneficial to creditors of the Company;
2. The Administrators should arrange to distribute available funds from the realised assets to those creditors entitled to them in such manner as they consider will lead to an early distribution of the available assets in an economic manner;
3. The Administrators be authorised to make such application to Court for directions as they consider appropriate with a view to achieving the purpose of the administration and/or their proposals;
4. To consider and, if thought fit, appoint a creditors' committee to assist the Administrator;
5. In the event that a creditors' committee is not established, the Administrators shall be authorised to draw their remuneration based upon time costs incurred by them in the Administration, to be paid out of the assets of the Company in accordance with Rule 2.106(2)(b) "by reference to the time properly given by the Administrators and their staff in attending to matters arising in the Administration" at Baker Tilly Restructuring and Recovery LLP's standard hourly rates, current details of which are attached at Appendix H but which are reviewed periodically;
6. In the event that a creditors' committee is not established, the Administrators shall be authorised to draw their disbursements and other expenses incurred by them in the Administration, to be paid out of the assets of the Company. Such disbursements to include "Category 2" disbursements;
7. The Administrators propose that the administration be brought to an end when all of the property and assets have been realised and distributed (after costs);
8. If funds are available to pay a dividend to unsecured creditors, the Administrators may end the Administration pursuant to Paragraph 83 by moving the Company into creditors' voluntary liquidation;
9. That John David Ariel and Matthew Wild of Baker Tilly Restructuring and Recovery LLP, 12 Gleneagles Court, Brighton Road, Crawley, West Sussex RH10 6AD be appointed Joint Liquidators of the Company in the event that the exit route from administration is by liquidation;
10. If no funds are available to pay a dividend to unsecured creditors but there are matters requiring investigation by a liquidator the Administrators may end the Administration by petitioning for the winding-up of the Company;

11. If no funds are available to pay a dividend to unsecured creditors and there are no matters requirement investigation by a liquidator, the exit from Administration will be to apply to dissolve the Company by filing the appropriate form with the Registrar of Companies pursuant to Paragraph 84 of Schedule B1 to the Insolvency Act 1986 as amended;
12. The Administrators be discharged from liability in respect of any action of theirs as Administrators 28 days following their cessation to act as Administrators.

## **9. EXTENSION OF THE ADMINISTRATION**

There have been no extensions of the administration.

## **10. JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS**

The statutory provisions relating to remuneration are set out in Rule 2.106 of the Rules. Further information is given in the Association of Business Recovery Professionals' publication "A Creditors Guide to Administrators' Fees", a copy of which can be obtained at their website at <http://www.r3.org.uk/publications> Statement of Insolvency Practice 9 ("SIP9"). Alternatively, I can provide you with a copy on request.

The basis of the Administrators' remuneration and disbursements was approved by creditors at the creditors meeting held on 22 December 2008, with creditors also authorising us to recover Category 2 disbursements in accordance with Baker Tilly Restructuring and Recovery LLP's charging, expenses and disbursements policy statement.

Since our appointment a total of 514.3 hours have been spent at a cost of £59,970.10 in the Administration, at an average hourly rate of £116.61. We have drawn fees of £32,233.20 but the balance of our costs will be written off. We have also incurred disbursements totalling £1,747.34 which have been drawn in full. Of the total disbursements incurred, £633.42 are Category 2 disbursements.

The following is attached for your information:

- Appendix A Receipts and Payments Account
- Appendix B Administrators' time cost report
- Appendix C Charging, Expenses, and Disbursement policy statement
- Appendix D Charge out rate summary
- Appendix E Summary of payments to Administrators and associated parties

**Galvanic Technical Services Limited In Administration**  
**contd.**

---

**11. CLOSURE OF THE ADMINISTRATION**

The Joint Administrators will now bring the administration to a close by striking the Company off at Companies House. The enclosed Form 2.35B has been filed and the Company will be dissolved soon after.

Should you have any queries please do not hesitate to contact Gemma Orr who is assisting me in this matter.

Yours faithfully  
For and on behalf of  
Galvanic Technical Services Limited

  
**J/D Ariel**  
**Baker Tilly Restructuring and Recovery LLP**  
**Joint Administrator**

John Ariel is licensed to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales

The affairs, business and property of the company are being managed by the Joint Administrators who act as agents of the company and without personal liability

**Receipts and Payments Abstract: Galvanic Technical Services Limited In Administration**

All Bank, Cash and Cash Investment Accounts: From: 21/10/2008 To: 30/09/09

SOA Value £		21/04/09 to 30/09/09		Total to 30/09/09	
		£	£	£	£
<b>SECURED ASSETS</b>					
5,000.00	Rent Deposit	0.00		0.00	
			0.00		0.00
<b>SECURED CREDITORS</b>					
( 5,000.00)	Claims	0.00		0.00	
			0.00		0.00
<b>FINANCE AND HIRE PURCHASE AGREEMENTS</b>					
24,100.00	Leased Assets	0.00		0.00	
(77,250.22)	Leased Assets (Amounts Owing)	0.00		0.00	
			0.00		0.00
<b>ASSET REALISATIONS</b>					
	Bank Interest Gross	0.00		23.62	
14,000.00	Cash at Bank - HSBC	0.00		12,773.09	
40,000.00	Debtors (Pre-Appointment)	1,751.00		25,948.14	
	Insurance Refund	0.00		125.00	
2800.00	Motor Vehicles	0.00		2,800.00	
	Petty Cash	0.00		18.55	
	Rates Refund	0.00		207.38	
	Road Tax Refund	0.00		165.00	
300.00	Stock/Inventory on Hand	0.00		300.00	
			1,751.00		42,360.78
<b>COST OF REALISATIONS</b>					
	Agents / Valuers Fees	0.00		(3,317.20)	
	Appointee Costs	(694.82)		(1,747.34)	
	Appointee Fees	(10,243.20)		(32,233.20)	
	Corporation Tax	0.00		(4.73)	
	Debt Collection Fees	(172.50)		(1,230.45)	
	Insurance	(357.00)		(357.00)	
	Legal Fees	0.00		(2,828.00)	
	Locksmiths	0.00		(75.00)	
	Mail Redirection	0.00		(49.80)	
	Statutory Advertising	0.00		(518.06)	
			(11,467.52)		(42,360.78)
<b>PREFERENTIAL CREDITORS</b>					
(5,996.80)	Holiday Pay	0.00		0.00	
(15,336.38)	Wages	0.00		0.00	
			0.00		0.00
<b>UNSECURED CREDITORS</b>					
(40,418.98)	Employees	0.00		0.00	
(401,414.73)	Trade and Expense Creditors	0.00		0.00	
			0.00		0.00
<b>EQUITY</b>					
(100.00)	Ordinary	0.00		0.00	
			0.00		0.00
(459,317.11)			( 9,716.52)		0.00

**Galvanic Technical Services Limited In Administration**  
**Administrators' time cost report**

Appendix B

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs	Average Time Costs
Administration and Planning	5.6	13.5	122.3	14.0	155.4	£17,661.50	£113.65
Investigations	0.0	17.2	66.2	0.6	84.0	£12,628.10	£150.33
Realisation of Assets	3.0	7.6	150.2	11.7	172.5	£17,243.30	£99.96
Creditors	0.9	15.9	68.7	11.4	96.9	£11,595.00	£119.66
Case Specific Matters	0.0	2.6	2.6	0.3	5.5	£842.20	£153.13
<b>TOTAL HOURS</b>	<b>9.5</b>	<b>56.8</b>	<b>410.0</b>	<b>38.0</b>	<b>514.3</b>	<b>£59,970.10</b>	
<b>TOTAL TIME COST</b>	<b>£3,325.00</b>	<b>£12,000.00</b>	<b>£41,575.60</b>	<b>£3,069.50</b>	<b>£59,970.10</b>		

**Administration and Planning**

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs	Average Time Costs
Appointment	5.0	8.9	16.0	0.0	29.9	£5,632.30	£188.37
Background information	0.0	0.0	2.9	8.4	11.3	£953.50	£84.38
Case Management	0.0	2.9	15.1	0.8	18.8	£2,166.40	£115.23
Pension Scheme	0.0	0.1	0.0	0.0	0.1	£25.00	£250.00
Post-appointment - general	0.0	0.0	9.7	2.3	12.0	£1,075.60	£89.63
Post-appointment taxation	0.0	0.2	3.8	0.0	4.0	£361.20	£90.30
Receipts and Payments	0.3	1.0	52.4	2.3	56.0	£5,041.00	£90.02
Shareholders/Director/Debtor/ Bkpt	0.3	0.2	16.0	0.2	16.7	£1,635.00	£97.90
Statement of Affairs	0.0	0.2	6.4	0.0	6.6	£771.50	£116.89
<b>Totals</b>	<b>5.6</b>	<b>13.5</b>	<b>122.3</b>	<b>14.0</b>	<b>155.4</b>	<b>£17,661.50</b>	<b>£113.65</b>

**Investigations**

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs	Average Time Costs
DTI/Official Receiver	0.0	2.5	0.2	0.0	2.7	£647.00	£239.63
Investigations/CDDA	0.0	14.7	66.0	0.6	81.3	£11,981.10	£147.37
<b>Totals</b>	<b>0.0</b>	<b>17.2</b>	<b>66.2</b>	<b>0.6</b>	<b>84.0</b>	<b>£12,628.10</b>	<b>£150.33</b>

**Realisation of Assets**

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs	Average Time Costs
Assets - general/other	0.3	1.9	10.2	0.3	12.7	£1,467.20	£115.53
Chattels	0.0	1.4	0.2	0.0	1.6	£374.00	£233.75
Debtors & sales finance	2.7	2.8	128.6	11.4	145.5	£13,879.60	£95.39
Land and Property	0.0	1.2	2.6	0.0	3.8	£533.90	£140.50
ROT/ Third Party Assets	0.0	0.1	4.7	0.0	4.8	£589.00	£122.71
Stock and WIP	0.0	0.2	3.9	0.0	4.1	£399.60	£97.46
<b>Totals</b>	<b>3.0</b>	<b>7.6</b>	<b>150.2</b>	<b>11.7</b>	<b>172.5</b>	<b>£17,243.30</b>	<b>£99.96</b>

**Creditors**

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs	Average Time Costs
1st creditors/shareholders meetings and reports	0.0	4.9	12.3	0.5	17.7	£2,630.00	£148.59
Employees	0.0	0.3	16.4	1.0	17.7	£1,868.20	£105.55
Other Creditor Meetings and Reports	0.0	8.1	16.5	0.0	24.6	£2,817.00	£114.51
Secured Creditors	0.0	0.0	1.9	0.0	1.9	£229.50	£120.79
Unsecured Creditors	0.9	2.4	21.6	9.9	34.8	£4,020.30	£115.53
Preferential Creditors	0.0	0.2	0.0	0.0	0.2	£30.00	£150.00
<b>Totals</b>	<b>0.9</b>	<b>15.9</b>	<b>68.7</b>	<b>11.4</b>	<b>96.9</b>	<b>£11,595.00</b>	<b>£119.66</b>



## **APPENDIX C**

### **BAKER TILLY RESTRUCTURING AND RECOVERY LLP CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT**

#### **Charging policy**

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units.
- Time billed is subject to Value Added Tax (VAT) at the applicable rate.

#### **Expenses and disbursements policy**

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to creditors, but do not require creditors' approval prior to being drawn from the insolvency estate. These are known as "Category 1" disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) require the approval of creditors prior to being drawn from the insolvency estate. These are known as "Category 2" disbursements.
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of creditors.
- Where applicable, expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate.
- The category two disbursements include mileage costs at 39.50 pence per mile, postage is recharged at cost and photocopying at 10 pence per copy. All other expenses have been recharged at cost.

**APPENDIX D****BAKER TILLY RESTRUCTURING AND RECOVERY LLP  
CHARGE OUT RATES**

	Charge out band as at date of 6 <sup>th</sup> monthly report	Charge out band as at date of report
Partner	£395	£395
Director / Manager	£150 - £300	£150 - £300
Administrators	£70 - £125	£70 - £125
Assistants & Support Staff	£85-£88	£85 - £88

**APPENDIX E****GALVANIC TECHNICAL SERVICES LIMITED – IN ADMINISTRATION****SUMMARY OF PAYMENTS TO OFFICE HOLDER AND ASSOCIATED PARTIES**

<b>AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S FIRM</b>	
<b>TYPE AND PURPOSE</b>	<b>£</b>
Administrators' fees	
Paid	32,233.20
Administrators' category 1 disbursements:	
Insolvency Bond Paid	264.00
Postage at cost Paid	256.96
Filing and search fees Paid	70.00
Storage Paid	522.96
Administrators' category 2 disbursements:	
Mileage at 39.75p per mile Paid	52.82
Photocopying at 10p per sheet Paid	580.60
<b>Total</b>	<b>£33,980.54</b>

<b>AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S AGENT</b>	
<b>TYPE AND PURPOSE</b>	<b>£</b>
King Sturge – Fees re valuation and sale of assets	2,967.20
De Vere – Fees re investigation and asset search	350.00
Royal Mail – Mail Redirection	49.80
TMP (UK) Limited – Statutory Advertising	518.06
Affordable Locksmiths – Changing the locks	75.00
Willis Limited - Insurance	357.00
<b>Total</b>	<b>£4,317.06</b>

<b>AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S SOLICITOR</b>	
<b>TYPE AND PURPOSE</b>	<b>£</b>
Thomas Eggar LLP – Fees	
Debt Collection Fees at 10% of realisations (minimum fee of £50 per debt) of which £172.50 was paid after 20 April 2009	1,230.32
Thomas Eggar LLP – Fees re placing the Company into Administration	2,828.00
<b>Total</b>	<b>£4,058.32</b>