

Rule 1 26A/1 54

The Insolvency Act 1986

Notice to Registrar of Companies of
Supervisor's Progress Report

Pursuant to Rule 1 26A(4)(a) or
Rule 1 54 of the
Insolvency Rules 1986

R.1.26A(4)(a)/ R.1.54

For Official Use

To the Registrar of Companies

Company Number

05734059

Name of Company

One Weld Mechanical Services Limited

I/ We

Keith Robin Cottam, 18 The Bridge Business Centre, Beresford Way, Chesterfield, S41 9FG,
DE4 2FN

Gareth Graham Self, 18 The Bridge Business Centre, Beresford Way, Chesterfield, S41 9FG,
DE4 2FN

supervisor(s) of a voluntary arrangement taking effect on

28 March 2013

Attach my progress report for the period

28 March 2014

to

27 March 2015

Number of continuation sheets (if any) attached

-

Signed



Date

2.15/15

Restart Business Turnaround and Insolvency Limited
18 Bridge Business Centre
Beresford Way
Chesterfield
S41 9FG

Ref ONE1313/KRC/GGS/NJ

For Official Use

Insolvency Section

Post Room

TUESDAY



A488VVU1

A10

26/05/2015

#38

COMPANIES HOUSE

Voluntary Arrangement of One Weld Mechanical Services Limited

Statement of Affairs		From 28/03/2014 To 27/03/2015	From 28/03/2013 To 27/03/2015
	ASSET REALISATIONS		
1,500 00	Motor Vehicles	NIL	NIL
240,000 00	Book Debts	NIL	NIL
	Cash at Bank	NIL	233,961 64
	Bank Interest Gross	106 73	195 07
		<u>106 73</u>	<u>234,156 71</u>
	COST OF REALISATIONS		
	Specific Bond	NIL	562 50
	Nominees Fees	NIL	4,500 00
	Supervisors Fees	5,000 00	13,000 00
	Office Holder Expenses	NIL	117 36
		<u>(5,000 00)</u>	<u>(18,179 86)</u>
	PREFERENTIAL CREDITORS		
(200 00)	Employees Wage Arrears	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(439,700 00)	Trade & Expense Creditors	NIL	NIL
(3,080 00)	Employees	NIL	NIL
(57,120 00)	Directors Loan Account	NIL	NIL
40,000 00	HM Revenue & Customs - CIS	NIL	NIL
(59,824 00)	HM Revenue & Customs - VAT	NIL	NIL
(23,035 00)	DSD Engineering Services Ltd	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(1,000 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(302,459 00)</u>		<u>(4,893.27)</u>	<u>215,976 85</u>
	REPRESENTED BY		
	VAT Receivable		2,735 97
	Bank Account (CHARGE VAT ON FEE)		213,240 88
			<u>215,976.85</u>

TUESDAY



A488VVS1

A10

26/05/2015

#29

COMPANIES HOUSE

RE ONE WELD MECHANICAL SERVICES LTD
COMPANY VOLUNTARY ARRANGEMENT

JOINT SUPERVISORS' ANNUAL REPORT
PURSUANT TO RULE 1.26(A) OF THE INSOLVENCY RULES 1986

I refer to my appointment as Joint Supervisor of the above Company Voluntary Arrangement on 28 March 2013 and append herein my second Annual Report on the administration of the Company's affairs. Ian Yerrill of Yerrill Murphy was appointed as Nominee for the purposes of the Arrangement however Keith Robin Cottam and I were appointed Joint Supervisors at the meeting of creditors held on 28 March 2013.

SUMMARY OF THE ARRANGEMENT

As set out in my previous report, One Weld Mechanical Services Limited ("the company") had undertaken works for a particular customer however during the process, two chiller units were damaged by the delivery companies employed the company. As a result, the customer withheld payments on all contracts it had with the Company. The incidents were subject to insurance claims and the Company believed that if it could continue and conclude the insurance claim then realisations from the customer would exceed £400,000.

Prior to approval of the Arrangement, the company received the insurance proceeds from their insurers and shortly after my appointment, the sum of £233,961.64 was paid into the Arrangement, representing the balance held in the Company's account as at the date of approval of the Arrangement. As sufficient funds were held in the Arrangement, on 21 May 2013, a Notice of Intended Dividend was issued to all non-proving creditors with the intention of making a distribution to creditors early on in the Arrangement. In addition, Irwin Mitchell LLP, solicitors, were instructed to liaise with the directors with regard to attempting to realise the balance due from the customer. Irwin Mitchell LLP are to be remunerated on a time cost basis, subject to both my agreement and sufficient funds in the Arrangement to discharge their costs. The choice of Irwin Mitchell LLP was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them.

Unfortunately, on 8 October 2013, following discussions with my solicitors, I had no alternative other than to cancel the dividend as I required further information regarding the background of the payment of the insurance claim made by the Company. It was also clear that a meeting was required with the customer in an attempt to try and resolve the final account with the Company as the receipt of the insurance claim formed a major part of this. Discussions were then undertaken between my solicitors and the directors of the Company with regard to the costs of such a meeting, those costs being that of quantity surveyors and those of the directors of the company in collating contracts and attending meetings with the customer. However, prior to arranging a meeting with the customer, I was advised by my solicitors that, given the correspondence I had received involving the insurers of the company and the customer, there was the possibility that the monies paid to the company prior to approval of the Arrangement may be subject to a claim. If successful, this would render the Arrangement with no funds to discharge the costs incurred by my solicitors and I in attempting to seek resolution of the final account with the customer. During the year, further advice has been entered into with my solicitors and, as advised in my letter of 16 March 2015, I have obtained counsel's opinion on the position regarding the funds that were paid into the Arrangement shortly after approval. This opinion is privileged and privileged is not waived. I still remain of the opinion that the funds paid into the Arrangement are held on trust in favour of the CVA and, as a result, my solicitors have entered into correspondence with the customer concerned regarding settlement of the account.

The customer has since instructed solicitors who have advised my solicitors that they believe their client has a proprietary interest in the insurance proceeds however, to date, they have not provided any arguments as to how they have come to this conclusion. My solicitors are to monitor progress in this regard with the intention of settling this particular matter and settlement of the account so that the Arrangement can be brought to a conclusion as swiftly as possible. Until I resolve the particular issue with regard to the insurance proceeds, I regret that I am unable to make a distribution to creditors.

The Arrangement also referred to the possibility of a CIS refund from HM Revenue & Customs however the accounts and returns require bringing up to date in order to proceed with this refund. The company's accountants have provided me with a quote for the preparation of these documents however, until the issue regarding the insurance proceeds has been resolved, I am unable to sanction payment of these third party fees from the Arrangement. Once, this matter has been resolved, I will make the necessary arrangements for submission of these documents.

My letter of 16 March 2015 notified creditors of a second extension to the Arrangement, to 28 June 2015. As the above matters are still unresolved, a further extension of the Arrangement is required however approval must be sought by creditors at a meeting of creditors. I am seeking a further extension of 12 months, to 28 June 2016, in order to try and conclude the Arrangement. In this regard the following documents are enclosed:

- Notice of meetings of creditors and members to be held on 12 June 2015
- Proxy form

Rule 1.13 of the Insolvency Rules 1986 requires me to have regard to the convenience of creditors when convening any general meeting. In my experience, creditors seldom attend such meetings and this meeting is therefore being convened in my own office in order to minimise costs. Should any creditor wishing to attend the meeting consider that the proposed venue is inconvenient, I will consider reconvening the meeting at an alternative venue more convenient to creditors. Any request to reconvene the meeting should be made in writing within the next seven days so that I may ensure that all creditors are aware of the revised arrangements.

I enclose herewith a copy of my Receipts and Payments Account, for the period of my second year as Joint Supervisor and would comment as follows:

RECEIPTS

Other than bank interest of £106.73, there have been no realisations during the year. The insurance proceeds of £233,961.64 were received during the first year of the Arrangement.

PAYMENTS

I trust the payments contained within this account are self-explanatory and would not propose to comment any further, unless required to do so, other than on the issue of the costs of Supervision, which are detailed below.

CREDITOR CLAIMS AND DIVIDENDS

I have received a total of 39 claims with a total value of £615,529.04 which includes amounts owed to the directors totalling £57,120 however does not take into account the possibility that the claim of HM Revenue & Customs will be set off against a refund due of £40,000. None of the claims contains a preferential element. There are 5 creditors who have not yet proven their debts with a potential value of £4,916.61 so total anticipated claims are £523,325.65. The claims are higher than anticipated in the Proposal, primarily due to a substantial increase in the claim from one particular creditor and this will be considered further once I am in a position to make a first distribution to creditors.

For the reasons set out above, I am still not yet in a position to make a distribution to creditors. Neither am I able to provide an estimate of the likely dividend at this stage.

REMUNERATION AND EXPENSES

During the second year of the Arrangement my staff and I have spent 24.20 hours on supervising this Arrangement at an average hourly rate of £222.23 giving a total cost of £5,378.00. A full breakdown of hours and rates charged by my staff and myself is attached to this report. The time cost analysis summary shows the various functions of the work undertaken by my staff and I as follows:

Administration and Planning includes case planning, administrative set procedures, general administration, maintenance of records and statutory reporting.

Realisation of Assets includes receipt and monitoring of contributions and the realisation of any other assets that are to be sold as part of the Arrangement

Trading includes the monitoring of the trading performance of the company

Case Specific Matters include vat and other tax issues

Creditors includes creditors meetings, communications with creditors and agreeing claims

In particular, my staff and I have dealt with the following matters

Statutory reporting including annual reporting and six monthly reviews

Monitoring compliance with the Proposal, in particular, the issues relating to the insurance proceeds and settlement of the customer's final account including correspondence with my solicitors, Irwin Mitchell LLP

General cashiering functions including bank reconciliations

General correspondence with creditors

The charge out rates for the individual members of staff of Probitas Limited who undertook work on this case during the year are set out below. There has been no change to these charge out rates during the year

Grade	Hourly Rate as at 28 March 2014
Director	£310
Associate Director	£255
Senior Manager	£240
Administrator	£135
Junior Administrator	£90
Cashier	£135
Junior Cashier	£40

As set out previously, with effect from 1 April 2014, the ongoing administration of this case is now being dealt with by Restart BTI. A copy of Restart BTI's guide to Fees, Expenses and Disbursements is also attached at Appendix C and the charge out rates set out below, are the rates which are effective from 1 April 2014. There has been no change to these rates during the year

Grade	Hourly Rate from 1 April 2014
Partner	£320
Associate Director	£280
Senior Manager	£250
Manager	£230
Administrator	£180
Cashier	£80
Support Staff	£80

As set out in my previous report, a significant amount of the time spent in dealing with this case has been done at a senior level given the complexity of the case as outlined above. During the year, fees in this regard of £5,000 have been drawn. A modification agreed at the meeting of creditors restricted my fees to £15,000 without further recourse to creditors

The following disbursements have been incurred by my Firm during the year but not repaid

Category 1 Disbursements	£	Category 2 Disbursements	£
Postage	43 23	Stationery	31 85

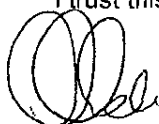
Category 1 Disbursements Payment of specific expenditure which generally comprise of external supplies and services specifically identifiable to the case which can be made without approval from creditors

Category 2 Disbursements: Payments to the office holder or any party that is an associate of the office holder which generally comprise of disbursements for services provided by the office holder's firm. Such payments require the approval from creditors

At Restart BTI we always strive to provide a professional and efficient service, however we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. If you should have cause to complain about the way we are acting, you should, in the first instance, put details of your complaints to Keith Cottam of Restart BTI, 18 The Bridge Business Centre, Beresford Way, Chesterfield S41 9FG. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior member of staff unconnected with the appointment.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licenses the Insolvency Practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, LEEDS, LS11 9DA, or you may e-mail ip.complaints@insolvency.gov.uk, or you may phone 0845 602 9848 – calls are charged at between 1p and 10 5p per minute from a land line, for mobiles between 12p and 41p per minute if you are calling from within the UK.

I trust this brings you up to date



Gareth Graham Self
Joint Supervisor

(Authorised to act as an Insolvency Practitioner in the UK by the Insolvency Practitioners Association)

Date: 21 May 2015

One Weld Mechanical Services Limited
(Under a Voluntary Arrangement)

Joint Supervisors' Abstract Of Receipts And Payments

RECEIPTS	Statement of Affairs (£)	From 28/03/2013 To 27/03/2014 (£)	From 28/03/2014 To 27/03/2015 (£)	Total (£)
Motor Vehicles	1,500 00	0 00	0 00	0 00
Book Debts	240,000 00	0 00	0 00	0 00
Cash at Bank		233,961 64	0 00	233,961 64
Bank Interest Gross		88 34	106 73	195 07
HM Revenue & Customs - CIS	40,000 00	0 00	0 00	0 00
		234,049 98	106 73	234,156 71
PAYMENTS				
Specific Bond		562 50	0 00	562 50
Nominees Fees		4,500 00	0 00	4,500 00
Supervisors Fees		8,000 00	5,000 00	13,000 00
Office Holder Expenses		117 36	0 00	117 36
Employees Wage Arrears	(200 00)	0 00	0 00	0 00
Trade & Expense Creditors	(439,700 00)	0 00	0 00	0 00
Employees	(3,080 00)	0 00	0 00	0 00
Directors Loan Account	(57,120 00)	0 00	0 00	0 00
HM Revenue & Customs - VAT	(59,824 00)	0 00	0 00	0 00
DSD Engineering Services Ltd	(23,035 00)	0 00	0 00	0 00
Ordinary Shareholders	(1,000 00)	0 00	0 00	0 00
		13,179 86	5,000 00	18,179 86
Net Receipts/(Payments)		220,870 12	(4,893 27)	215,976 85
MADE UP AS FOLLOWS				
Bank Account (CHARGE VAT ON FEES/DISBS)		219,134 15	(5,893 27)	213,240 88
VAT Receivable / (Payable)		1,735 97	1,000 00	2,735 97
		220,870 12	(4,893 27)	215,976 85

One Weld Mechanical Services Limited - Company Voluntary Arrangement

SIP9 Analysis

From 28 March 2014 to 27 March 2015

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	2 90	2 00	0 00	6 80	11 70	2,551 00	218 03
Case Specific Matters	2 80	3 60	0 00	0 50	6 90	1,814 00	262 90
Creditors	0 00	1 10	0 00	4 10	5 20	941 00	180 96
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of Assets	0 00	0 00	0 00	0 40	0 40	72 00	180 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	5 70	6 70	0 00	11 80	24 20	5,378 00	222 23
Supervisor's Fees Claimed						5,000 00	

Creditors Guide to the Fees, Expenses and Disbursements charged by Probitas Limited

Details of Insolvency Practitioners Licensing Bodies

Keith Robin Cottam and Gareth Graham Self are licensed by the Insolvency Practitioners Association of Valiant House, 4-10 Heneage Lane, London EC3A 5DQ

Insolvency Practitioners Fees

Where it has been agreed by resolution of the creditors or the creditor's committee that the office holders remuneration will be calculated by reference to the time properly given by the insolvency practitioner and his staff in attending to matters arising in the administration, then such remuneration will be calculated in units of 6 minutes at the following hourly rates -

Grade	Total Hourly Standard Rates £	Total Hourly Complex Rates £
Partners / Directors	280-350	360-450
Senior Managers & Managers	200-275	280-360
Administrators	105-160	165-290
Assistants and Support Staff	40-160	

These are our current hourly charge out rates and are exclusive of value added tax. Rates are reviewed annually and creditors will be advised of any alteration thereto.

The charge out rates referred to above includes rates for staff of The P & A Partnership, an associated firm of Probitas Limited, who may from time to time carry out work on cases where a director of Probitas Limited has been appointed as office holder.

In cases of exceptional complexity, the insolvency practitioner reserves the right to obtain authority from the committee or the creditors that their remuneration shall be fixed as a percentage of the value of the assets, which are realised or distributed, or both.

Debt Collection, Contested Asset Recovery and Related Services

Contested debt collection will be referred to P&A Receivables Services PLC, an associated company of Probitas Limited and its dedicated legal firm James Peters & Co. The fees of P&A Receivables Services PLC shall be charged by reference to the time properly given by their staff, such fees will be calculated in units of 6 minutes at the hourly rate of £80. P&A Receivable Services PLC may also be used to recover items such as plant and machinery, to locate debtors and to serve documents. The fees for work of this nature will be calculated in accordance with P&A Receivables Services PLC's standard rates. James Peters & Co fees will be charged by reference to time costs properly incurred, calculated in 6 minute units at an hourly rate of between £109 and £213, plus their disbursements. These fees are in accordance with the guideline rates for summary assessment of costs following consultation between the legal profession and the Designated Civil Judge and are typical of legal firms in this geographical area.

Expenses and Disbursements

The payment of **Category 1** disbursements will be a charge against the estate to recover the cost of the actual disbursement, including insolvency bonds, swearing fees, redirection of mail, accommodation and subsistence, hire of

meeting rooms or any other miscellaneous item paid out in respect of the administration of the estate. A separate amount will be charged by way of an expense to recover the cost of **Category 2** disbursements for services provided by the insolvency practitioner's firm. **Category 2** disbursements will include storage of company's books and records at the insolvency practitioner's own storage facility. The books and records will be stored in banker's boxes and a storage fee will be charged at the rate of £5 per box per month. This charge covers the transportation of records from the company's premises, storage, retrieval of books and records in storage for administration purposes and the destruction of such books and records after the first anniversary of the completion of the insolvency administration. The recharge for company searches and identification procedures for all new clients will depend on the documentation requested. The charges will be £10 per set of financial accounts, £5 for an annual return, £5 for a mortgage summary, £10 for a company report, £35 for the Memorandum and Articles of Association, £15 for credit references and £5 for any other documents. These charges reflect the insolvency practitioner's costs to cover the administration costs of collating the information in addition to the direct costs in obtaining the documents. The charge for the use of meeting rooms will be a flat rate of £100 per meeting. This includes where requested, the use of computer and media facilities. Travelling by motor vehicle on business for the administration of the insolvency will be charged to the estate per mile at the appropriate rate currently published by the "AA" for the type of vehicle and engine size used. All circulars will be sent out by first class post and the actual postage costs will be charged as an expense to the estate. In respect of circulars, stationery and photocopying will be charged out at the rate of 50p per letterhead, 25p per copy paper or facsimile, 09p per proxy form, 09p creditor's guide, 20p large envelope, 18p small envelope, 16p address labels. No charge will be made in respect of individual letters relating to the administration of the estate as the costs of these disbursements are reflected in the hourly rate. The charges stated above are subject to small annual increments and creditors will be advised of these with future circulars.

Introduction to Lending Sources

Probitas Limited may make referrals to P&A Lender Services Ltd ('PALS') being an associated company. PALS and its authorised representatives are not authorised under the Financial Services and Markets Act 2000 or by the Financial Services Authority to provide specific investment advice but they may be able to introduce funding seeking parties ('FSP's') to one or more reputable lending services ('Lender').

In such circumstances where any party associated with the referral is subsequently subject to any formal insolvency procedure and the Directors of Probitas Limited are appointed office holders in relation to any formal insolvency, then any arrangement fees or commissions or payments becoming due to PALS (if any) from any Lender in respect of the acquisition or future trading of the business and assets of the insolvent party, will be paid into the realisation fund in the formal insolvency for the benefit of creditors.

Creditors Guide to fees, expenses and disbursements charged by Restart Business Turnaround & Insolvency
Limited
Rates applicable from 1 September 2014

Details of Insolvency Practitioner Licensing Bodies

Keith Robin Cottam and Gareth Graham Self are licensed by the Insolvency Practitioners Association of Valiant House, 4-10 Heneage Lane, London EC3A 5DQ

Insolvency Practitioners Remuneration

The Insolvency Rules 1986 entitles Insolvency Practitioners to receive remuneration for his/her services and sets out the basis on how such remuneration shall be fixed which includes, a percentage of the assets realised and monies distributed in the insolvency process, a fixed amount, by reference to the time properly spent by the office holder(s), their partners, directors and their staff in attending to matters arising during the course of the insolvency, or one or more of the above basis and a different basis may be fixed for different tasks undertaken. Where it has been agreed by resolution of the secured creditors, a creditors committee, or creditors generally, that the office holder(s) remuneration will be calculated by reference to a time basis, then such remuneration will be calculated in units of 6 minutes at the hourly rates detailed below

Grade	Standard Hourly Rates £	Complex Hourly Rates £
Directors	320	480
Associate Directors	280	420
Senior Managers	260	390
Managers	230	345
Administrators	180	270
Assistants	150	N/A
Support Staff	50-80	N/A

(Secretarial services are outsourced by Restart BTI and are re-charged at an hourly rate of £50 per hour)

These represent our current hourly charge-out rates and are exclusive of VAT. Our rates are reviewed annually and creditors will be advised of any changes to these rates. In cases of an exceptionally complex nature or high risk we reserve the right to seek authority from the secured creditors, the creditors committee or the creditors generally to charge office holders remuneration at the complex rates as detailed above.

Expenses and Disbursements

The payment of **Category 1** disbursements will be a charge against the estate to recover the actual cost of the disbursement incurred in respect of the administration of the estate. A separate charge will be made to recover **Category 2** disbursements for services provided by the office holders firm.

Category 2 disbursements will include storage of the estates books and records at the office holders own premises. Books and records will be stored in banker's boxes and a storage fee of £6 per box per month will be charged. This charge covers the cost of transportation from the company's/debtor's premises, storage, retrieval of the books and records for administrative purposes and the destruction of such books and records at the conclusion of administration of the case.

The recharge for searches and electronic identification procedures for all new clients will depend on the documentation required. The charges will be £10 per set of financial accounts, £5 per annual return, £5 per mortgage summary, £10 per company report, £35 for Memorandum and Articles of Association, £15 for credit reference reports, £10 for any other documents and £20 per electronic identification verification reports. These charges reflect the firm's costs to cover the administrative costs of collating the documentation.

An annual charge of £150 will be made to corporate estates for the maintenance of the Company's registered office at the firm's office address. A standard charge of £100 will be made for the use of meeting room facilities at the firm's offices. Travel by motor vehicle for the purposes of the administration of the estate will be charged to the estate per mile and be based upon the appropriate rate currently published by the "AA" for the vehicle and engine size used. The rate charged will be based upon an annual mileage for the vehicle of 10,000 miles per annum.

A single charge of £100 will be made to the estate for the costs of computer facilities and case filing used during the course of the administration. All post and circulars relating to the case will be sent by first class post and will be recharged at the actual postage cost. Stationary and photocopying will be charged at a rate of 50p per letterhead, 50p per facsimile, 12p per photocopy (mono), 25p per copy (colour), 20p per large envelope, 15p per small envelope. These charges are subject to minor annual increases.