

The Insolvency Act 1986

**Statement of administrator's proposals****2.17B**

Name of Company Enpure Limited	Company Number 01678349
In the High Court of Justice Chancery Division Leeds District Registry (full name of court)	Court case number 1203 of 2012

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

We (a) Mr Mark David Charles Hopkins, Mr David Matthew Hammond of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT and Stephen Andrew Ellis of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP

attach a copy of our proposals in respect of the Administration of the above Company

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 25/10/12

Signed   
Joint Administrator (IP No 8365)

Dated 25/10/12

**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.

Neil Weldrick	
PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP	
	Tel 0113 289 4253
DX Number	DX Exchange

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



A03 26/10/2012 #156  
COMPANIES HOUSE

FRIDAY



**Enpure Limited and Enpure Holdings Limited – both  
in Administration**

**High Court of Justice, Chancery Division, Leeds  
District Registry  
Case No. 1203 and 1204 of 2012**

**Joint Administrators' proposals for achieving the  
purpose of administrations**

**22 October 2012**

## **1. Purpose of this document**

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### **Abbreviations used in this report:**

**"the Companies"** – Enpure Holdings Limited and Enpure Limited

**"the Administrators"** – Mark Hopkins, Matthew Hammond and Steve Ellis

**"EL"** – Enpure Limited

**"EHL"** – Enpure Holdings Limited

**"IA86"** – Insolvency Act 1986

**"IR86"** – Insolvency rules 1986

**"BOI"** – Bank of Ireland

**"AAM"** – Aberdeen Asset Managers Limited

**"Spirit"** – Spirit Capital Partners LLP

**"PwC"** – PricewaterhouseCoopers LLP

**"Purac"** – Purac Limited

## 1. The Administrators' statement of proposals

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We wrote to all creditors on 7 September 2012 to explain that the Companies had entered into Administration and that Matthew Hammond, Steve Ellis and I had been appointed as Joint Administrators' on 3 September 2012

We were appointed as Administrators to manage the affairs, business and property of the Companies. We will act until such time as our proposals for achieving the purpose of the administrations have been agreed by creditors and implemented, following which the administrations will be ended.

The purpose of the administrations is to achieve one of the following objectives -

- (a) Primarily, rescuing the Companies as a going concern, or failing that
- (b) Achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in administration), or finally
- (c) Realising property in order to make a distribution to one or more secured or preferential creditors

For the reasons detailed in this document, we are pursuing objective (b) in the Administration of EL and objective (c) for EHL. It was not reasonably practical to rescue either company as a going concern. Should it not be possible for objective (b) to be achieved for EL, objective (c) will be pursued.

This document and its appendices form the Administrators' statement of proposals for achieving the purpose of administrations as required by Paragraph 49 Schedule B1 of the Insolvency Act 1986 ("Sch.B1 IA86")

As detailed in Section 2, we have formed the view that neither of the Companies has sufficient property to enable a distribution to be made to unsecured creditors other than, potentially, by virtue of the prescribed part as provided for by Section 176A IA86. Accordingly, by virtue of Paragraph 52(1) Sch.B1 IA86, a meeting of creditors is not being convened at this time

In accordance with Rule 2.33(5) IR86 our proposals will be deemed to have been approved by creditors unless a meeting of creditors is requisitioned in the prescribed manner by at least 10% in value of creditors within 8 business days of the date on which these proposals are circulated. We will write to creditors again after the expiry of this period to confirm the deemed approval of the proposals, or alternatively to confirm that a meeting is to be held.

If you have any concerns or questions regarding the background to this case or what is being proposed, please do not hesitate to contact my colleague, Emma Lister on 0113 289 4344

Signed



Mark Hopkins  
Joint Administrator of the Companies

*Mark David Charles Hopkins, David Matthew Hammond and Stephen Andrew Ellis have been appointed as joint administrators of Enpure Holdings Limited and Enpure Limited on 3 September 2012 to manage their affairs, business and property as their agents without personal liability. All are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales*

*The joint administrators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the administration*

# **1. The Administrators' statement of proposals**

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## **a. Brief history and summary of the Administrators' actions to date**

### **Background**

EHL is a non-trading holding company. Its subsidiary, EL, was the trading entity and employed 160 staff providing project management services in the water and waste treatment industries. EL had been undertaking projects in Dubai, Saudi Arabia, Republic of Ireland and the UK.

EL was incorporated in 1983 as Purac and designed water treatment plants until it was acquired by Anglian Water in 1993. Purac was combined with two other companies at this time and diversified its services to include water waste and sludge treatment. In 2006, Purac's UK business was acquired by Spirit Capital (Aberdeen Asset Managers Ltd, later to become Spirit Capital Partners) and the management team of 5 directors, with 80% and 20% shareholdings respectively and EL was formed.

The purchase was funded by 40% Senior Debt, 50% Loan Notes at 12% coupon and 10% Equity.

### **The circumstances giving rise to the Administrators' appointment**

#### ***Historical difficulties***

Towards the end of 2009 a number of the waste and water projects managed by EL were suffering significant difficulties. The majority shareholders began to lose confidence in the business management and initiated a turnaround process. A re-organisation of the business was carried out and the operational aspects were split into two clear divisions; water, and waste & energy. There became a shared expertise across the divisions in respect of engineering, commercial construction and commissioning.

#### ***Contract Issues***

In the year ended March 2012, turnover in the water business had grown from £21m to £48m. However, turnover in the waste & energy division for the same period fell from £27m to £7m. Whilst there were issues with a small number of contracts in the water division the significant contract problems were in the waste & energy division.

One of the main contracts undertaken by EL was in respect of two individual contract sites at Bredbury & Reliance Street with Greater Manchester Waste Disposal Authority ("GMW").

EL incurred significant losses in respect of the GMW contract caused primarily by the composition of presented waste to the plant being different to the planned composition upon which the design had been based. The composition of the waste presented to the plant was outside EL's control and EL had been working with EL's immediate contract employer and the ultimate customer to attempt to resolve the resulting under performance of the plant.

In addition to the waste composition problems there were also concerns over the standard of work performed by certain subcontractors to EL.

The impact of these problems resulted in additional costs to EL which could not be recovered from EL's immediate contract employer under the sub-contract. The contractual issues also required a continued presence by EL on the sites, support costs and the provision of additional hardware, the overall effect of which was a significant decline in results across the waste & energy division.

The delays in respect of this major contract placed a considerable strain on the Companies' working capital position and given the position of both the contractor employer and the ultimate client, EL entered into an adjudication process with an estimated claim value of approximately £3.6m. EL believed that they would be successful at an adjudication hearing in securing the release of a cash payment of c £2m in relation to these items.

The outcome of the adjudication process in early August 2012 confirmed that there was an entitlement for compensation in relation to the composition of waste issue (an amount which becomes payable by the client after a test of the waste composition is made), but that the Adjudicator could not make a financial award due to the protection of a provision within the contracts known as Equivalent Project Relief. This

## **1. The Administrators' statement of proposals**

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provision effectively made EL's contract employer responsible for prosecuting the claim against the ultimate client, which if successful would entitle EL to pursue its contract employer for its claim

### ***Attempted solvent sale***

Following the year end results, PwC were engaged to perform an options analysis by the 80% shareholder, Spirit, which resulted in Spirit's decision to seek to sell its shareholding in May 2012. During June and July 2012 the Companies, Spirit and PwC researched and approached up to 25 interested parties with a view to achieving a solvent sale of the Companies.

A deadline for offers was set for 25 July 2012 and one offer was received. This interested party was then granted exclusivity and further due diligence was performed with a view to completion of the sale in early September. Unfortunately, during this additional due diligence period a number of commercial and financial issues came to light that caused the interested party to decide not to proceed with a purchase and to pull out of the process.

### ***Overall outcome***

The impact of the adjudication hearing in respect of the contract with GMW along with the withdrawal of the interested party for a solvent sale of the business at the end of August, intensified the already substantial pressure on the working capital of the business. In addition, there were significant cash outflows due in part to annual contributions of £210k to the Purac Limited Pension Scheme.

The directors reviewed the future cash flow forecasts and concluded that they were unable to continue to trade on a solvent basis. They obtained their own independent legal advice and invited the floating charge holders to appoint Administrators.

Mark Hopkins, Matthew Hammond and Steve Ellis were appointed as joint administrators on the 3 September 2012.

### ***Pre-administration costs***

Prior to our formal appointment as administrators, our firm accepted an engagement to plan for the administration of the Companies. This required us to develop an understanding of the key issues that would need to be dealt with as soon as the Companies entered into Administration, and covered areas such as the complex nature of EL's contracts, identifying key staff within the Companies and formulating a strategy for the Administrations based on the specific requirements of EL's key contract employer customers.

In carrying out this work, we recorded a total of 225.66 hours of work leading up to our appointment as Joint Administrators, 180.53 hours of this related to EL and 45.13 to EHL. At our firm's normal charge out rates this equates to fees of £77,240.08 and £18,348.08 respectively. A full analysis of this time is included in Appendix A of this report. It is proposed these costs will be paid as an expense of the administration of the Companies.

In addition, our solicitors, Walker Morris, who were instructed prior to my appointment, recorded 35 hours work in the period prior to appointment in relation to EL and 35 hours on EHL. This resulted in costs of £7,377.50 for EL and £7,377.50 for EHL, and these were incurred at an average hourly rate of £210.79. The work undertaken by our solicitors prior to my appointment included.

- Meetings and telephone conference calls with AAM, PwC and the Companies in respect of the short term strategy to be adopted in light of the current financial position of the Companies,
- Reviewing board minutes and advising on the activities of the Companies in light of the creditor and solvency position,
- Appointment of Administrators, including liaising with all parties, drafting documents, attendance at court, advising on appointment mechanics, and
- Advising on the structure and terms of offers made by potential buyers pre-appointment

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Walker Morris incurred expenses of £105 across the Administrations of EL and EHL, which related to Companies House and Land Registry fees along with Court appointment fees incurred in the period prior to appointment

Naismiths Limited were also instructed prior to our appointment to carry out a detailed review of the contract debtor position. For the period to 3 September 2012 this resulted in costs incurred of £6,750

It is proposed that all unpaid pre-appointment costs and expenses will be paid as an expense of the Administration. Such payment is subject to approval under Rule 2.67 of the IR 1986 and not part of the proposals subject to approval under paragraph 53 Sch B1 IA86.

The work performed detailed above was in connection with and resulted in the Companies being placed into Administration and was for the benefit of the creditors as a whole.

### **The manner in which the Companies' affairs and business have been managed and financed**

On appointment, we temporarily ceased the trading activities of the Companies in order to complete our review of EL's contracts, assess the level of outstanding contractual commitments to enable us to determine our strategy with each of EL's contract employers. In addition, we used our knowledge of the business and its market position to help us form the view that a sale of part or all of EL's business was a viable option.

#### ***Post –appointment trading sales***

Immediately prior to and upon appointment, a review was undertaken of EL's live contracts to establish the likely requirements of EL's contract employers. Following our review, we contacted each contract employer to agree the basis on which EL could continue to provide ongoing technical and commercial support for the contracts subject to receiving funding from the contract employers to cover at least the costs of retaining the employees, overheads and administrators costs. We have secured payments totalling £496k from contract employers in relation to this ongoing support.

The strategy of working with contract employers was also considered the one most likely to protect any in the contract debtors, and mitigating any counter claims from contract employers thus protecting the unsecured creditor position from being further diluted by costly counterclaims.

For contracts where the contract employers refused to work with us, for example those who refused to cover the costs associated with providing the necessary technical support etc, the contracts have either been terminated with related employees being made redundant. In cases where there has been the prospect of a sale of the underlying intellectual property aspects of the contract for value, key employees have been retained to preserve value.

#### ***Sale of business and Intellectual property***

The Administrators received significant interest in the business and assets from a large number of parties, however, the majority of these were unable to progress to an offer stage, either for reasons of not having sufficient liquidity themselves to fund a transaction or not having the ability to provide the appropriate performance bonds that would be a pre-requisite to a novation of the long running contracts undertaken by EL. There were a number of parties interested in a piecemeal disposal of assets.

Final offers from seven interested parties were received by 11 September 2012, of which two were considered to be of sufficient value and deemed to be viable. Exclusivity was agreed with one party in respect of the waste & energy business until 2 October 2012 and the sum of £125k was received in respect of this exclusivity period. Unfortunately, this deal subsequently fell away as the principal contractor was unable to agree a way forward with the interested party.

With regard to the water business a number of indicative bids were received with one bid representing notably higher value than others. On 15 October 2012 the first part of a sale of the water division was completed involving the sale of the Dissolved Air Flotation ("DAF") technology intellectual property,

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related patents, trademarks and related equipment. The value of this initial sale was £846k and these monies are currently being held by our solicitors, Walker Morris.

A sale of the remaining parts of the water business has been agreed and contracts exchanged with a view to imminent completion.

### ***Plant, furniture and equipment***

The other assets of the business are electronic testing equipment, office furniture and computer equipment located mainly at the head office in Birmingham, along with some equipment locally held on site.

The directors' Statements of Affairs shows the plant, office furniture and computer equipment with a book value of £268,327 and an estimated to realisable value of £7,500 on an ex situ basis. Given the specific operational nature of the equipment and its link to the contractual trading activities of EL it is anticipated that this equipment will generate the most value when included as part of a wider sale of business, which will also minimise the costs of realisation.

There was also one vehicle subject to a lease purchase agreement with Santander. The vehicle was subsequently returned to Santander following Administrators' consent as, based on agents' advice, there was no equity in the vehicle.

### ***Cash at bank***

There were small credit balances in the EL bank accounts held with HSBC bank Plc and Barclays Bank Plc on appointment. These monies are expected to be realised into the Administration in due course.

### ***Book debts***

As at the date of appointment the balance of book debts, according to the Directors' Statement of affairs, totalled £19,495,166 with an estimated to realise figure across all contracts of £1,119,311.

Of EL's external debts, £14,307,614 relates to contract debtors and £5,187,552 to contract retentions. We have carried out an assessment of these contract debts with a view to identifying those that can be realised bearing in mind the contractual nature of the debts and the breach of contract claims that are likely to be raised by contract employers.

To date we have realised £469,126 on account of a contract debt of £808k outstanding in connection with goods delivered to the Ras al Khair project in Saudi Arabia (steps are presently being taken to generate additional realisations in respect of this debt). In addition to the £808k identified as the existing debt due on the Ras al Khair project, we have paid a shipping fee of £29,887 to ENI shipping in order to release bills of lading to realise future receipts of c £133,000 in respect of this contract.

There is a lot of complexity within EL's contracts where there are historical and current contractual disputes which, when combined with the impact of creditor ransom payment requests by EL's sub-contractors on the ultimate contract employers, mean it is unlikely that there will be significant recoveries on retentions and contract debtors.

In addition, we have been advised that significant counter claims from contract employers are likely to fully erode the value of many outstanding contract debts.

There is a significant intercompany debtor in EL of £9,173,421 from EHL. This represents salary costs and interest paid on behalf of EHL and is expected to have a nil realisable value. The principal asset in EHL is the investment in EL valued at c £17m representing the consideration paid for EL. In the Directors' Statement of Affairs this has been given a nil value as there will not be a sale of the shares in EL.



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### Objective of the administration

#### ***EL***

As detailed above, based on the fact that parts of the EL business and assets have been sold for value, we are pursuing objective (b), achieving a better result for EL's creditors as a whole than would be likely if the company were wound up (without first being in administration)

#### ***EHL***

EHL was a non-trading holding company. The only known asset of EHL is its investment in the shares of EL. Given the early stages of the Administration and the uncertainty as to whether a realisation can be achieved from this source or other known assets, we are continuing to pursue objective (c), realising property in order to make a distribution to one or more secured or preferential creditors. In the event that it becomes clear there is no prospect of any realisations in this Administration, we will cease to act as Administrators and file notice with the Registrar of Companies for the company to be dissolved.

### Dividend prospects

#### ***Secured Creditors***

The BOI and AAM hold fixed and floating charges over the Companies' assets secured by debentures, both created on 24 November 2006. The charges provide BOI and AAM with fixed and floating charges over the Companies' intellectual property, goodwill, book debts, uncalled capital, buildings, fixed plant and machinery.

On appointment the BOI debt was £553,381 and AAM £7.5m. At present, we anticipate that there will be sufficient realisations to enable BOI to recover its debt in full. It is anticipated AAM will suffer a shortfall from the net realisations arising out of the Companies' assets.

#### ***Preferential Creditors***

Preferential claims relate to certain arrears of wages and unpaid holiday pay of the former employees. It is anticipated the preferential creditors of EL will be paid in full. It is unlikely there will be any return to the preferential creditors of EHL.

EHL has preferential creditors totalling £19,895 according to the directors' Statement of Affairs. Preferential creditors of EL are estimated to total £130,688 according to the directors' Statement of Affairs. None of the preferential claims have been formally agreed.

#### ***Unsecured Creditors***

Based on the directors' Statement of Affairs the total value of unsecured creditor claims in respect of EL is estimated to be £22,856,324. We cannot yet validate the accuracy of this figure as claims are still being received.

EL is a significant unsecured creditor of EHL, the balance of the intercompany debt being £9,173,421.

Based on our current estimated realisations, we consider that there will be insufficient funds to enable a distribution to unsecured creditors other than potentially by virtue of the prescribed part for either company.

#### ***Prescribed Part***

The Prescribed Part (Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs, to be set aside for unsecured creditors. For each company, this equates to

- 50% of net property up to £10,000
- 20% of net property in excess of £10,000

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- Subject to a maximum amount of £600,000

The Prescribed Part (Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where a floating charge was created on or after 15 September 2003. In such circumstances a proportion of the Companies "net property" (being floating charge realisations, net of costs and preferential claims), is to be set aside for unsecured creditors.

The Prescribed Part applies to the Companies as the charges were created and registered at Companies House following the Prescribed Part order coming into force on 15 September 2003. The amount of the Prescribed Part (if any) will be subject to future asset realisations and allowable costs.

It is considered that there will potentially be a prescribed part distribution in EL, however not in EHL. At this stage it is too soon to comment on the likely quantum and timing of any distribution in EL as this is dependent on total realisations

Should we consider that the costs of agreeing claims and making a distribution to unsecured creditors would be greater than the funds available, we may apply to court under S176A IA86 to disapply the Prescribed Part

### **Ending the administrations**

Once the objectives of the Administrations have been achieved, we may end in any one of the ways allowed by law. However, the most likely exit route will be one of those as set out in Section 2(b)(vii) of this report.

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## **b. Proposals for achieving the purpose of the Administrations**

The Administrators make the following proposals for achieving the purpose of administration.

- i) The Administrators will continue to manage and finance EL's business, affairs and property from trading revenues, asset realisations in such manner as they consider expedient with a view to achieving a better result for EL creditors as a whole than would be likely if EL were wound up (without first being in administration) or realising property in order to make a distribution to one or more secured or preferential creditors
- ii) The Administrators will continue to manage and finance EHL's business, affairs and property from asset realisations in such manner as they consider expedient with a view to realising property in order to make a distribution to one or more secured or preferential creditors
- iii) The Administrators may investigate and, if appropriate, pursue any claims that the Companies may have under the Companies Act 1985 or IA86 or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the administrations or to protect and preserve the assets of the Companies or to maximise their realisations or for any other purpose incidental to these proposals.
- iv) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator or supervisor of a company voluntary arrangement / scheme of arrangement and that the costs of so doing be met as a cost of the Administration as part of the Administrators' remuneration (where the Administrators think there will be sufficient funds for a distribution to unsecured creditors other than by virtue of the prescribed part) or out of the prescribed part as costs associated with the prescribed part (where the Administrators think that funds will become available to the unsecured creditors by virtue of the prescribed part but not otherwise)
- v) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion make an application to court for permission to make distributions to unsecured creditors under Paragraph 65(3) Sch B1 IA86.
- vi) As it is expected that there will be insufficient funds to enable a distribution to be made to the unsecured non-preferential creditors of the Companies other than by virtue of the prescribed part as provided for by Section 176A IA86, the Administrators do not propose to form creditors' committees
- vii) The Administrators may use any or a combination of "exit route" strategies in order to bring the administrations to an end, but in these instances the Administrators are likely to wish to pursue one from the following options in respect of each of the Companies as being the most cost effective and practical in the present circumstances. -
  - (a) Once asset disposals are complete, the Administrators will place the Company into creditors' voluntary liquidation. In these circumstances, it is proposed that Mark Hopkins, Matthew Hammond and Steven Ellis be appointed as Joint Liquidators and any act required or authorised to be done by the Joint Liquidators may be done by any of them. In accordance with Paragraph 83(7) Sch.B1 IA86 and Rule 2.117A(2)(b) IR86, creditors may nominate alternative liquidators, provided that the nomination is made before the proposals are approved; OR
  - (b) Once asset disposals are complete, the Administrators will apply to the Court to allow the Administrators to distribute surplus funds, if any, to unsecured non-preferential creditors. If such permission is given, the administration will be brought to an end by notice to the Registrar of Companies under Paragraph 84 Sch B1 IA86, following registration of which the Company will be dissolved three months later, OR
  - (c) Once all of the assets have been realised and the Administrators have concluded all work within the administration, the Administrators will file a notice under Paragraph 84(1) Sch B1 IA86 with the Registrar of Companies, following registration of which the Company will be dissolved three months later, OR

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- (d) Once all of the assets have been realised and the Administrators will make an application to court under Paragraph 79 Sch.B1 IA86 for the Administration to be ended, which may be accompanied by a petition under Section 124 IA86 for the Company to be wound up
- viii) The Administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch B1 IA86 in respect of any action of theirs as Administrators 14 days after they cease to be joint administrators of the Companies or in any case at a time determined by the court
- ix) In the circumstances of this case it will be for the secured and preferential creditors to approve the payment of the unpaid pre-administration costs as expenses of the administration.
- x) It is proposed that the Administrators' fees be fixed under Rule 2.106 IR86 by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature and that disbursements for services provided by the Administrators' own firm (defined as Category 2 disbursements in Statement of Insolvency Practice No 9) be charged in accordance with the Administrators' firm's policy. As the Administrators have stated that they think that each of the Companies has insufficient property to enable a distribution to be made to non-preferential unsecured creditors other than by virtue of Section 176A IA86, it will be for the secured creditors to determine these instead, or if a distribution has been or may be made to the preferential creditors, at a time resolved by the secured and preferential creditors. In any event, the basis of the Administrators' remuneration and Category 2 disbursements are to be fixed no later than 18 months after the date of the Administrators' appointment
- xi) The Administrators propose the books and records of the Companies will be destroyed one year after dissolution

## 1. The Administrators' statement of proposals

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### c. Statement of affairs

Statements of Affairs of the Companies were delivered to the Administrators on 28 September 2012. The statements were signed by Avtar Jirh and statements of concurrence have been provided by the other directors.

As Joint Administrators, we make the following comments on the Statement of Affairs: -

- In accordance with the standard format of the Statements of Affairs, no provision has been made for the costs of realising the Companies' assets or the costs of the Administrations
- We have not carried out anything in the nature of an audit on the information

#### EL

- The directors estimated a value of £750k for the DAF intellectual property, as noted earlier, this has now been sold for £846k
- The directors have estimated a value of £500,000 in respect of the water and waste intellectual property. We do not consider this value to be achievable. Given the options for termination incorporated in subcontracts, erosion of the value of the going concern business has taken place. Despite this we do anticipate that there remains value in this portion of the business at a discounted rate to that included in the statement of affairs
- AROC stands for 'accounts receivable on contracts'. The estimated realisation on the statement relates to the sums already received from the Ras al Khair contract
- The directors have estimated preferential claims at £130,688, our current estimate and based on company records and initial communications from the Redundancy Payments Service, is that preferential claims will total approximately £63,000

#### EHL

- The investment in EL of £17,121,372 has been shown as a fixed asset. This relates to EHL's purchase of EL as a trading business and will represent a share holding investment
- The directors have estimated preferential creditors at £19,895. Our current estimate for this is £15,000.

The statement of affairs is copied at Appendix A and, as is required by statute, includes details of the names, addresses and debts of creditors (including details of any security held)

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### d. Statutory and other information

<b>Court details for the administrations:</b>	High Court of Justice, Leeds District Registry County Court 1203 of 2012
<b>Full name and trading name:</b>	Enpure Limited
<b>Registered number:</b>	01678349
<b>Registered address:</b>	Enpure House Woodgate Business Park Kettleswood Drive B32 3DB
<b>Company directors:</b>	Avtar Jirh Michael Crane Peter Harvey Peter Pentecost
<b>Company secretary:</b>	Avtar Jirh
<b>Shareholdings held by the directors and secretary:</b>	Enpure Holdings Limited – 200,000 ordinary shares at £1
<b>Date of the administration appointments:</b>	3 September 2012
<b>Administrators' names and addresses:</b>	1&2 Mark Hopkins and Matthew Hammond Cornwall Court 19 Cornwall Street Birmingham B3 2DT  3 Steve Ellis Benson House 33 Wellington Street Leeds LS1 4JP
<b>Appointor's / applicant's name and address:</b>	Aberdeen Asset Managers Limited 10 Queen's Terrace Aberdeen Aberdeenshire AB10 1YG
<b>Objective being pursued by the Administrators:</b>	Objective (b) achieving a better result for EL's creditors as a whole than would be likely if the company were wound up (without first being in administration) If this cannot be achieved then objective (c) will be pursued, realising property in order to make a distribution to one or more secured or preferential creditors
<b>Division of the Administrators' responsibilities:</b>	In relation to paragraph 100(2) Sch.B1 IA86, the Joint Administrators of EL hereby state that all our functions as such administrators may be executed by any or all of us.

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**Proposed end of the Administrations:**

Dissolution, however should it become apparent a distribution to unsecured creditors is possible, the Administrators may file notice with Companies House and move the Companies into creditors' voluntary liquidation or make an application to court to distribute in the Administration.

**Estimated dividend for unsecured creditors:**

None (other than potentially via the prescribed part)

**Estimated values of the prescribed part and the company's net property:**

The quantum is uncertain at present and wholly dependent on realisations

**Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:**

The Administrators may make an application to the court under section 176A(5) IA86 on the grounds that the cost of making a distribution to unsecured creditors would be disproportionate to the benefits should the level of net property fall below what is anticipated. This is dependent on the success of asset realisations.

**The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):  
Any other information which the Administrators think necessary to enable creditors to decide whether or not to vote for adoption of the proposals:**

The European Regulation on Insolvency Proceedings applies to this administration and the proceedings are the main proceedings.  
None

## 1. The Administrators' statement of proposals

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<b>Court details for the administrations:</b>	High Court of Justice, Leeds District Registry County Court 1204 of 2012
<b>Full name and trading name:</b>	Enpure Holdings Limited
<b>Registered number:</b>	05933627
<b>Registered address:</b>	Enpure House Woodgate Business Park Kettleswood Drive B32 3DB
<b>Company directors:</b>	Avtar Jirh Michael Crane Peter Harvey Peter Pentecost Avtar Jirh
<b>Company secretary:</b>	Avtar Jirh
<b>Shareholdings held by the directors and secretary:</b>	<b>Ordinary B shares</b> Avtar Singh Jirh 18,750 at £0.10 Peter John Harvey 18,750 at £0.10 Michael John Crane 18,750 at £0.10
<b>Date of the administration appointments:</b>	September 2012
<b>Administrators' names and addresses:</b>	1&2 Mark Hopkins and Matthew Hammond Cornwall Court 19 Cornwall Street Birmingham B3 2DT  3. Steve Ellis Benson House 33 Wellington Street Leeds LS1 4JP
<b>Appointor's / applicant's name and address:</b>	Aberdeen Asset Managers Limited 10 Queen's Terrace Aberdeen Aberdeenshire AB10 1YG
<b>Objective being pursued by the Administrators:</b>	Objective (c) realising property in order to make a distribution to one or more secured or preferential creditors
<b>Division of the Administrators' responsibilities:</b>	In relation to paragraph 100(2) Sch B1 IA86, the Joint Administrators of EHL hereby state that all our functions as such administrators may be executed by any or all of us
<b>Proposed end of the Administrations:</b>	Dissolution or application to court under Paragraph 79 IA86, however, should it become apparent a distribution to unsecured creditors is possible, the Administrators may file notice with



## 1. The Administrators' statement of proposals

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	Companies House and move the Companies into creditors' voluntary liquidation or make an application to court to distribute in the Administration
<b>Estimated dividend for unsecured creditors:</b>	None (other than potentially via the prescribed part)
<b>Estimated values of the prescribed part and the company's net property:</b>	Nil
<b>Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:</b>	The Administrators may make an application to the court under section 176A(5) IA86 on the grounds that the cost of making a distribution to unsecured creditors would be disproportionate to the benefits should the level of net property fall below what is anticipated. This is dependent on the success of asset realisations
<b>The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000): Any other information which the Administrators think necessary to enable creditors to decide whether or not to vote for adoption of the proposals:</b>	The European Regulation on Insolvency Proceedings applies to this administration and the proceedings are the main proceedings None

## 2. Receipts and payments accounts

**Enpure Limited**  
**Abstract receipts and payments for the period 3 September 2012 to 17 October 2012**

		Total (£)
<b>Fixed charge receipts</b>		
Sale of intellectual property – non refundable deposit		125,000 00
		<u>125,000 00</u>
<b>Fixed charge payments</b>		
Security		(141 55)
Net wages		(108,223 16)
PAYE & NIC		(56,076 06)
Other payroll deductions		(1,072 09)
Pension deductions		(5,464 20)
Cleaning and site clearance		(32 51)
Employee related costs		(45 32)
Employee expenses		(28,133 17)
Telephone, fax etc		(602 55)
Rent		(22,179 17)
Repairs & maintenance		(52 50)
Service charges		(1,873 65)
Postage, stationery and printing		(2,520 00)
Total		<u>(226,415.93)</u>
<b>Total fixed charge receipts/(payments)</b>		<b>(101,415.93)</b>
<b>Floating charge receipts</b>		
Book debts		537,643 29
Trading account balance		344,724 44
Pre-appointment refund		13,570 52
Interest received gross		72 47
Total		<u>896,010 72</u>
<b>Floating charge payments</b>		
Book debts		(30,433 90)
Rent		(1,600 00)
IT Costs		(57 95)
Bank charges		(75 00)
Total		<u>(32,166.85)</u>
<b>Total Floating charge receipts/(payments)</b>		<b>863,843.87</b>
<b>VAT account (including trading account)</b>		<u>92,807 70</u>
<b>Balance at bank</b>		<b>855,235.64</b>

## 2. Receipts and payments accounts

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**Enpure Limited**  
**Abstract trading receipts and payments for the period 3 September 2012 to 17 October 2012**

	Total (£)
<b>Trading receipts</b>	
Post - appointment trading sales	441,759 85
<b>Total</b>	<u>441,759 85</u>
<b>Trading payments</b>	
Security	(60 67)
Net wages	(46,381 36)
PAYE & NIC	(24,032 60)
Other payroll deductions	(459 47)
Pension deductions	(2,341 80)
Cleaning and site clearance	(13 93)
Employee related costs	(19 42)
Employee expenses	(12,057 07)
Telephone, fax etc	(258 24)
Rent	(9,505 36)
Repairs & maintenance	(22 50)
Service charges	(802 99)
Postage, stationery and printing	(1,080 00)
<b>Total</b>	<u>(97,935 41)</u>
<b>Total fixed charge receipts/(payments)</b>	<u><b>344,724.44</b></u>

## **2. Receipts and payments accounts**

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**Enpure Holdings Limited**  
**Abstract receipts and payments for the period 3 September 2012 to 17 October 2012**

	<b>Total (£)</b>
<b>Floating charge receipts</b>	
Insurance refund	250 00
Total	<u>250 00</u>
<b>Floating charge payments</b>	
	0 00
Total	<u>0 00</u>
<b>Total floating charge receipts/(payments)</b>	<b><u>250.00</u></b>

## Appendix A      Pre-Administration costs

The following unpaid costs were incurred prior to the appointment of Administrators but with a view to the Companies entering Administration. There were no such costs which were paid pre-appointment. It is proposed that the unpaid costs will be paid as an expense of the Administrations. Such payment is subject to approval under Rule 2.67 of the Insolvency Rules 1986 and not part of the proposals subject to approval under paragraph 53 Sch.B1 IA86.

	Unpaid amount (£) EL	Unpaid amount (£) EHL
Fees charged by the Administrators	77,240.08	18,348.08
Expenses incurred by the Administrators	-	-
Fees charged by third parties instructed by the Administrators	7,377.50	7,377.50
Walker Morris (Lawyers), Naismiths (quantity surveyors)	6,750.00	
Expenses incurred by third parties instructed by the Administrators	52.50	52.50
Fees charged by other persons qualified to act as an insolvency practitioner	-	-
Expenses charged by other persons qualified to act as an insolvency practitioner	-	-
<b>Total</b>	<b>91,420.08</b>	<b>27,778.08</b>

## Appendix A Pre-Administration costs

### Empure Holdings Limited

Classification of Work	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Support (Hrs)	Total Hours (Hrs)	Time Cost (£)	Average Hourly Rate (£)
Pre-appointment work			3 98		3 25	3 25		10 48	2,923 88	279 13
Strategy and planning	6 75	14 25	1 50	4 50	0 50		0 40	27 90	12,206 70	437 52
Reporting to appointer/committee	3 00	2 00						5 00	2,430 00	486 00
Statutory and compliance		1 75						1 75	787 50	450 00
<b>Total</b>	<b>9 75</b>	<b>18 00</b>	<b>5 48</b>	<b>4 50</b>	<b>3 75</b>	<b>3 25</b>	<b>0 40</b>	<b>45 13</b>	<b>18,348.08</b>	<b>406.61</b>

### Empure Limited

Classification of Work	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Support (Hrs)	Total Hours (Hrs)	Time Cost (£)	Average Hourly Rate (£)
Pre-appointment work			3 78		0 25			7 28	2,023 88	278 20
Strategy and planning	6 75	18 75	38 10	102 00	0 50		0 40	166 50	58,913 70	353 84
Reporting to appointer/committee	2 00	3 00						5 00	2,430 00	486 00
Statutory and compliance		1 75						1 75	787 50	450 00
Assets		22 00	1 00	9 00				32 00	13,085 00	408 91
<b>Total</b>	<b>8 75</b>	<b>23 50</b>	<b>41 88</b>	<b>102 00</b>	<b>0 75</b>	<b>3 25</b>	<b>0 40</b>	<b>180 53</b>	<b>77,240.08</b>	<b>427 86</b>

# Appendix B Analysis of time costs for the period for the period 3 September 2012 to 12 October 2012

## Empure Limited - in Administration

Analysis of time costs for the period from 3 September 2012 to 12 October 2012

Aspect of assignment	Partner	Director	Senior Manager	Manager	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
1 Strategy & Planning	10 00	13 50	47 10	80 50	15 60	0 50	167 20	58,775 30	351 53
2 Administration	-	-	-	-	-	1 25	1 75	253 75	145 00
3 Trading	-	58 00	180 50	41 10	77 85	5 90	363 35	131,956 45	363 17
4 Assets	0 50	62 00	225 45	65 65	120 60	6 75	480 95	170,972 05	355 49
5 Investigations	-	-	-	-	-	-	-	-	-
6 Creditor claims/distributions	-	-	14 80	3 10	93 40	40 90	159 70	35,140 60	220 04
7 Accounting and treasury	-	0 50	2 63	0 40	43 60	21 40	68 53	13,505 95	197 08
8 Reporting to appointor/committee	-	15 50	3 00	-	25 35	-	43 85	14,411 55	328 66
9 Statutory and compliance	-	5 00	4 70	11 65	30 50	32 50	84 35	19,459 70	230 70
10 Tax/VAT/Pensions	-	2 20	8 75	14 10	21 00	35 90	82 60	13,243 12	160 33
11 Employees	-	25 50	35 75	13 70	174 20	10 75	259 90	66,633 35	256 38
12 Pre-appointment work	-	-	-	-	-	-	-	-	-
13 Closure procedures	-	-	-	-	-	-	-	-	-
<b>Total for the period from 3 September 2012 to 12 October 2012</b>	<b>10 5</b>	<b>182 2</b>	<b>522 7</b>	<b>230 2</b>	<b>602 1</b>	<b>155 1</b>	<b>1,712 18</b>	<b>524,351 82</b>	<b>306 25</b>

Current Charge out rates per hour

- insolvency	540	450	395	310	233	146	112
- specialist	1025	940	820	520	390	165	120

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

The Joint Administrators' policy for charging for disbursements is	Costs to date (£)
Photocopying is charged at 5p per sheet for creditors and bulk copying	54 72
Mileage is charged at a maximum of 64p per mile (up to 2000cc) or 81p per mile (over 2000cc)	1,135 29
All other disbursements are charged at cost	250 90
Travel Costs	1,163 00
Accommodation	19 15
Mobile Phone	2,623 06
<b>Total to 12 October 2012</b>	<b>2,623 06</b>

# Appendix B Analysis of time costs for the period for the period 3 September 2012 to 12 October 2012

## Enpure Holdings Limited - in Administration

### Analysis of time costs for the period from 3 September 2012 to 12 October 2012

Aspect of assignment	Partner	Director	Senior Manager	Manager	Associate	Senior Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
1 Strategy & Planning	5.50	-	1.10	1.50	1.05	0.50	-	9.65	4,203.65	435.61
2 Administration	-	-	-	-	-	-	-	-	-	-
3 Trading	-	-	-	-	-	0.30	-	0.30	43.80	146.00
4 Assets	0.50	-	-	-	0.10	-	2.70	3.30	598.40	181.33
5 Investigations	-	-	-	-	-	-	-	-	-	-
6 Creditor claims/distributions	-	-	0.10	-	2.15	-	2.70	4.95	845.55	170.82
7 Accounting and treasury	-	-	-	-	5.35	1.05	-	6.40	1,156.10	180.64
8 Reporting to appointor/committee	-	-	-	-	-	-	-	-	-	-
9 Statutory and compliance	-	-	1.25	3.90	6.20	17.80	-	29.15	5,709.55	195.87
10 Tax/VAT/Pensions	-	-	-	1.65	1.90	1.40	-	4.95	1,181.45	238.68
11 Employees	-	-	-	-	1.05	0.50	-	1.55	256.65	165.58
12 Pre-appointment work	-	-	-	-	-	-	-	-	-	-
13 Closure procedures	-	-	-	-	-	-	-	-	-	-
<b>Total for the period from 3 September 2012 to 12 October 2012</b>	<b>6.0</b>	<b>-</b>	<b>2.5</b>	<b>7.1</b>	<b>17.8</b>	<b>21.6</b>	<b>5.4</b>	<b>60.25</b>	<b>13,995.15</b>	<b>232.28</b>

#### Current Charge out rates per hour

- insolvency	540	450	395	310	233	146	112
- specialist	1025	940	820	520	390	165	120

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

#### The Joint Administrators' policy for charging for disbursements is.

	Costs to date (£)
Photocopying is charged at 5p per sheet for creditors and bulk copying	107.45
<b>Total to 12 October 2012</b>	<b>107.45</b>



## **Appendix C                      Copy of the statement of affairs**

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The lists of the Company's creditors and shareholders are available in a separate password-protected document. This was confirmed in my letter to creditors dated 22 October 2012.

The directors' statement of affairs did not provide any indication regarding the number of preferential claims, however preferential creditors in EHL have been estimated in the region of £19,895 and in EL are estimated at £130,688 in respect of arrears of wages and holiday pay.

We recognise that creditors may wish to contact each other to discuss certain aspects of the case. If you need further information to facilitate this please send your request in writing by post to Emma Lister at PricewaterhouseCoopers LLP, Benson House 33 Wellington Street, Leeds, LS1 4JP.

**Statement of affairs**

Name of company  
Enpure Holdings Limited

Company number  
05933627

In the  
High Court of Justice, Chancery Division, Leeds  
District Registry

(full name of court)

Court case number  
1203 of 2012

(a) Insert name and address of  
registered office of the company

Statement as to the affairs of (a) Enpure Limited, Enpure House, Woodgate Business Park,  
Kittleswood Drive, Birmingham, B32 3DB


on the (b) 3 September 2012, the date that the Company entered Administration

(b) Insert date

**Statement of Truth**

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the  
affairs of the above named Company as at (b) 3 September 2012, the date that the Company entered  
Administration

Full name AVTAK SIKH

Signed 

Dated 28/09/2012

## A - Summary of Assets - Enpure Holdings Limited

### Assets

		Book Value £	Estimated to Realise £
<b>Assets subject to fixed charge</b>			
Investment in Enpure Limited		17,121,372	0
			0
2nd Fixed charge holder - Spirit Capital	(8,107,265)		0
			0
<b>Assets subject to floating charge.</b>			
Prepayments		4,167	0
Cash & Bank		2,149	2,149
Uncharged assets			
<b>Estimated total assets available for preferential creditors</b>		<b>17,127,687</b>	<b>2,149</b>

# **A1 - Summary of Liabilities - Enpure Holdings Limited**

	<b>Estimated to Realise £</b>
<b>Estimated total assets available for preferential creditors</b> (carried from page A)	2,149
<b>Liabilities.</b>	
Preferential creditors - employees' hol pay, wages & pensions arrears	(19,895)
<b>Estimated deficiency/surplus as regards preferential creditors</b>	(17,746)
Estimated prescribed part of net property where applicable (to carry forward)	0
<b>Estimated total assets available for floating charge holders</b>	(17,746)
Debts secured by floating charges (8,107,265)	17,746
<b>Estimated deficiency/surplus of assets after floating charges</b>	0
Estimated prescribed part of net property where applicable (brought down)	0
<b>Total assets available to unsecured creditors</b>	0
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	(9,173,421)
<b>Estimated deficiency/surplus as regards non-preferential creditors</b> (excluding any shortfall to floating charge holders)	(9,173,421)
Shortfall to floating charge holders (brought down)	(8,125,012)
<b>Estimated deficiency/surplus as regards creditors</b>	(17,298,433)
Issued and called up capital	(499,600)
<b>Estimated total deficiency/surplus as regards members</b>	(17,798,033)

**Statement of affairs**

Name of company Empire Limited	Company number 01678349
In the High Court of Justice, Chancery Division, Leeds District Registry  (full name of court)	Court case number  1203 of 2012

(1) Insert name and address of  
registered office of the company

Statement as to the affairs of (a) Empire Limited, Empire House, Woodgate Business Park,  
Kettleswood Drive, Birmingham, B32 3DB


on the (b) 3 September 2012, the date that the Company entered Administration

(b) Insert date

**Statement of Truth**

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the  
affairs of the above named Company as at (b) 3 September 2012, the date that the Company entered  
Administration

Full name AVTAR JIRH

Signed 

Dated 28/09/2012

## A - Summary of Assets - Enpure Limited

### Assets

		Book Value £	Estimated to Realise £
<b>Assets subject to fixed charge.</b>			
Intellectual property	DAF/DMF	0	750,000
	Water/Wastewater	0	500,000
	Solid Waste	0	0
1st Fixed charge holder - Bank of Ireland	(517,689)		(517,689)
2nd Fixed charge holder - Spirit Capital	(8,107,265)		(732,311)
Tesla Roadster		91,658	50,000
Fixed charge holder - Santander	(97,251)		(50,000)
			0
<b>Assets subject to floating charge:</b>			
Fixed Assets		268,327	7,500
AROC		9,381,610	469,081
WIP		3,139,214	119,230
Trade Debtors		6,974,342	531,000
Debtors - Sundry		238,000	0
Prepayments		553,549	0
Cash & Bank		13,642	13,642
Corporation Tax Debtor		632,824	0
Deferred Tax Debtor		319,213	0
Intra Group Debtor - Enpure Holdings Ltd		9,173,421	0
Uncharged assets			
<b>Estimated total assets available for preferential creditors</b>		<b>30,785,799</b>	<b>1,140,452</b>

**A1 - Summary of Liabilities - Enpure Limited**

	<b>Estimated to Realise £</b>
<b>Estimated total assets available for preferential creditors</b> (carried from page A)	1,140,452
<b>Liabilities:</b>	
Preferential creditors - employees' hol pay, wages & pensions arrears	(130,688)
<b>Estimated deficiency/surplus as regards preferential creditors</b>	1,009,765
Estimated prescribed part of net property where applicable (to carry forward)	(204,953)
<b>Estimated total assets available for floating charge holders</b>	804,812
Debts secured by floating charges (7,374,954)	(804,812)
<b>Estimated deficiency/surplus of assets after floating charges</b>	0
Estimated prescribed part of net property where applicable (brought down)	204,953
<b>Total assets available to unsecured creditors</b>	204,953
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	(22,856,324)
<b>Estimated deficiency/surplus as regards non-preferential creditors</b> (excluding any shortfall to floating charge holders)	(22,651,371)
Shortfall to floating charge holders (brought down)	(6,570,143)
<b>Estimated deficiency/surplus as regards creditors</b>	(29,221,514)
Issued and called up capital	(200,000)
<b>Estimated total deficiency/surplus as regards members</b>	<b>(29,421,514)</b>