

In accordance with
Rule 3.61(1) of the
Insolvency (England
& Wales) Rules 2016
& Paragraph 84(8) of
Schedule B1 of the
Insolvency Act 1986.

AM23

Notice of move from administration to dissolution



Companies House



1 Company details

Company number 0 7 6 4 2 7 4 1

Company name in full Norvap Engineering Ltd

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Court details

Court name Business & Property Court Manchester

Court number 2 9 7 7 2 0 1 8

3 Administrator's name

Full forename(s) Lisa Marie

Surname Moxon

4 Administrator's address

Building name/number 7400 Daresbury Park

Street Daresbury

Post town Cheshire

County/Region

Postcode W A 4 4 B S

Country

AM23

Notice of move from administration to dissolution

5 Administrator's name ^①

Full forename(s) Christopher Benjamin

Surname Barrett

① Other administrator
Use this section to tell us about another administrator.**6 Administrator's address ^②**

Building name/number 7400 Daresbury Park

Street Daresbury

Post town Cheshire

County/Region

Postcode W A 4 4 B S

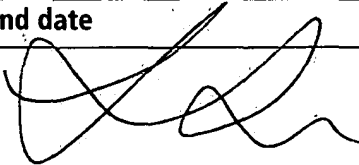
Country

② Other administrator
Use this section to tell us about another administrator.**7 Final progress report**☒ I have attached a copy of the final progress report**8 Sign and date**

Administrator's signature

Signature

X



X

Signature date

d 1 5 m 0 9 y 2 0 y 2 0

AM23

Notice of move from administration to dissolution

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Katie Smith**

Company name **Dow Schofield Watts Business Recovery LLP**

Address **7400 Daresbury Park**

Daresbury

Post town **Cheshire**

County/Region

Postcode **W A 4 4 B S**

Country

DX

Telephone **0844 7762740**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Norvap Engineering Ltd ("the Company") – In Administration
Company number: 07642741

Joint Administrators' Fourth and Final Progress Report

In accordance with the Insolvency Act 1986 and Rules 3.53, 18.3 and 18.6
of the Insolvency (England and Wales) Rules 2016

Reporting period: 16 April 2020 to 11 September 2020

Contents	
1	Introduction
2	Administrators' actions during the period
3	Expenses of the administration
4	Outcome for creditors
5	End of administration
Appendices	
A	Statutory Information
B	Joint Administrators' Receipts & Payments Account
C	Joint Administrators' Remuneration & Expenses
D	Joint Administrators' Proposals

1. Introduction

On 16 October 2018, Lisa Marie Moxon and Christopher Benjamin Barrett of Dow Schofield Watts Business Recovery LLP were appointed as Joint Administrators of the Company by its directors. Statutory information concerning the Company and the Joint Administrators is set out at **Appendix A**.

This is the Joint Administrators' final progress report to creditors showing how the administration has been conducted. The report covers the period from 16 April 2020 to 11 September 2020.

This progress report should be read in conjunction with the previous progress reports and the Joint Administrators' proposals which were issued to creditors on 11 December 2018. No decision of creditors regarding approval of the proposals was required and the Joint Administrators' proposals were deemed approved on 27 December 2018.

A further copy of the proposals is attached at **Appendix D**. There have been no major deviations from or amendments to the approved proposals.

I consider that the EU Regulation on Insolvency Proceedings applies and that these are "main proceedings" as defined in Article 3 of the EU Regulation as the centre of main interests of the Company is in the United Kingdom.

2. Administrators' actions during the period

Following our appointment, we dealt with the initial statutory requirements, including statutory advertising and notifications to the Registrar of Companies, members and creditors of the Company, and took steps to achieve the purpose of administration.

2.1 Objective of the administration and the Joint Administrators' strategy

The purpose of an administration is to achieve one of the three hierarchical objectives set out in the insolvency legislation, which are to:

- (a) rescue the company as a going concern; or
- (b) achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration); or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors.

Objective (a) could not be achieved as no purchaser could be found for the shares of the Company and the financial circumstances of the Company meant that a Company Voluntary Arrangement was not appropriate.

The Joint Administrators' initial strategy was to try and achieve objective (b) through a sale of the business and certain assets of the Company following a short period of pre-appointment marketing. This would have increased the value of the assets to be realised, allowed the employees of the Company to transfer to a purchaser thereby limiting employee claims, and achieved a better result for the Company's creditors as a whole. Due to the lack of interest in the business objective (b) could not be achieved.

As a result, we were seeking to achieve objective (c) and agents were instructed to sell the Company's tangible assets to allow a distribution to be made to secured and preferential creditors.

2.2 Joint Administrators' receipts and payments account

The Joint Administrators' receipts and payments account for the period from 16 April 2020 to 11 September 2020, and cumulatively from the commencement of the administration to 11 September 2020 is attached at **Appendix B**.

Asset realisations to date total £34,472 Payments totalling £33,828 have been made in respect of expenses of the administration and distributions totalling £500 have been made. Further details are set out below.

The administration estate funds were held in an interest-bearing account in the name of the Company and controlled by the Joint Administrators.

2.3 Asset Realisations

Encumbered Plant & Machinery - Close Brothers Business Finance Ltd

The Company had plant and machinery subject to Hire Purchase agreements with Close Brothers Business Finance Ltd ("Close"). The plant and machinery had a book value of £100,352 with an estimated to realise value of £10,000 as per the valuation provided by JPS Chartered Surveyors ("JPS").

The liability owing to Close at the date of appointment was £44,833, therefore there was no equity in the hire purchase agreements.

Following the Joint Administrators' appointment, Close consented to the agreements being novated to Norvap International Ltd. Norvap International Ltd is a connected company by virtue of the former directorship of Philip Gostling.

Encumbered Plant & Machinery – Aldermore Bank Plc

The Company had plant and machinery subject to a Hire Purchase agreement with Aldermore Bank Plc ("Aldermore"). The plant and machinery had a book value of £391,530 with an estimated to realise value of £39,000 as per the valuation provided by JPS.

The liability owing to Aldermore at the date of appointment was £75,280. There was no equity in the hire purchase agreement therefore the equipment was recovered from site by Aldermore.

Encumbered Plant & Machinery - Societe Generale Equipment Finance Ltd

The Company had plant and machinery subject to a Hire Purchase agreement with Societe Generale Equipment Finance Ltd ("Societe"). The plant and machinery had an estimated book value of £255,976 with an estimated to realise value of £25,500 as per the valuation provided by JPS.

The liability owing to Societe at the date of appointment was £27,803. There was no equity in the hire purchase agreement therefore the equipment was recovered from site by Societe.

Encumbered Plant and Machinery – Hitachi Capital (UK) Plc

The Company had plant and machinery subject to Hire Purchase agreements with Hitachi Capital (UK) Plc ("Hitachi"). The plant and machinery had a book value of £36,142 with an estimated to realise value of £3,600 as per the valuation provided by JPS.

The liability owing to Hitachi at the date of appointment was £1,611, therefore there was potential equity in the agreement of £1,989. On 29 October 2018, the equity was purchased by Norvap International Limited

for £5,250 plus VAT. Norvap International Limited was a connected company at the date of purchase by virtue of the common directorship of Philip Gostling.

Following the acquisition of the equity in the agreement, Norvap International Limited took the decision not to novate the finance agreement across to Norvap International Limited and as such the plant and machinery remained an asset of the Company.

The plant and machinery was sold by JPS to an independent third party for £1,900 plus VAT during a previous reporting period. A settlement fee was requested from Hitachi in respect of the outstanding agreement and the sum of £1,257 was paid to Hitachi.

Plant and Machinery/ Office Equipment/ Stock

The Company's records included unencumbered plant and machinery, office equipment and stock with book values of £91,445, £18,850 and £237,532, respectively and estimated to realise values of £6,550, £1,350 and £11,850, respectively as per the valuation provided by JPS. Following our appointment, we instructed JPS to assist with the sale of the Company's assets.

On 29 October 2018 the Company's plant and machinery, office equipment, stock was sold to Norvap International Ltd for the sum of £19,750 plus VAT. The consideration was apportioned as follows:

Plant & Machinery:	£6,550 plus VAT
Office equipment:	£1,350 plus VAT
Stock:	£11,850 plus VAT

The sale was concluded following advice from independent agents, JPS, as the consideration offered was higher than the ex-situ valuation of JPS. Additional costs of removal, sale and insurance were avoided by completing the sale. It is not known whether the purchaser took independent advice regarding the transaction. It was not possible for the Joint Administrators to consult a creditors' committee before concluding the sale as no committee had been formed.

Payment was received in full by JPS on 29 October 2018.

Director's Loan Account

At the date of administration, the Company was owed the sum of £29,005 by its director, Philip Gostling, in respect of an overdrawn director's loan account ("DLA"). The estimated to realise value was shown as uncertain in the Joint Administrators' estimate of the Company's financial position enclosed with the proposals.

On 12 March 2019, a bankruptcy order was made against Mr Gostling following the presentation of a petition against him. A claim has previously been lodged in the bankruptcy estate in respect of the overdrawn DLA.

The Joint Administrators were in correspondence with the Trustee of the bankrupt estate, who advised that the dividend prospects for unsecured creditors remained uncertain and dependent on future asset realisations.

During the period, the Joint Administrators have reviewed the potential dividend prospects from the bankruptcy estate based on the anticipated asset realisations, the Trustee's fees and expenses and level of unsecured creditor claims, and concluded that any return to the Company is likely to be minimal. It is therefore not considered cost effective or in the best interests of the Company's creditors to make an application to Court to further extend the Company's administration in order to realise the potential dividend payment in respect of the DLA.

Intercompany loan: Gostling Ltd – in Administration (“Gostling”)

At the date of administration, the Company was owed the sum of £75,000 by Gostling in respect of an intercompany loan. The Company also owed the sum of £39,624 to Gostling as at the date of administration and therefore, after applying set off, the sum of £35,376 was due to the Company by Gostling. Gostling is a connected company by virtue of the common directorship and shareholding of Philip Gostling.

Gostling was placed into administration on 26 February 2019 with Henry Anthony Shinnars and Emma Louise Thompson of Smith and Williamson LLP being appointed as Joint Administrators. A claim has previously been lodged in the administration estate of Gostling in respect of the intercompany loan.

Based on the previous progress reports issued in the administration of Gostling, there may a distribution to Gostling’s unsecured creditors, however, this is dependent on the level of book debt realisations. The exact timing and quantum of any such distribution remained uncertain.

During the period, the Joint Administrators have reviewed the potential dividend prospects from the administration estate of Gostling and concluded that any return to the Company would be minimal. It is therefore not considered cost effective or in the best interests of the Company’s creditors to make an application to Court to further extend the Company’s administration in order to realise the potential dividend payment in respect of the intercompany loan.

Intercompany loan – Arc Multi-Metal Services Ltd – in Liquidation (“Arc”)

At the date of administration, the Company was owed the sum of £94,428 by Arc in respect of an intercompany loan. The Company also owed the sum of £78,909 to Arc as at the date of administration and therefore, after applying set off, the sum of £15,519 was due to the Company. Arc is a connected company by virtue of the common directorship and shareholding of Philip Gostling.

Arc was placed into liquidation on 15 November 2018 with Henry Anthony Shinnars and Andrew Stephen McGill of Smith & Williamson LLP as Joint Liquidators. A claim has previously been lodged in the liquidation estate of Arc in respect of the intercompany loan.

The Joint Liquidators have previously advised that the prospects of a dividend distribution for Arc’s unsecured creditors remained uncertain.

Based on the information provided by the Joint Liquidators, it is not considered cost effective or in the best interests of the Company’s creditors to make an application to Court to further extend the Company’s administration in order to realise any potential dividend payment in respect of the intercompany loan.

Triumph Stag Motor Vehicle

During the course of the Joint Administrators’ investigations, they identified that the Company had acquired a Triumph Stag motor vehicle in 2014, which at the date of the administration was free of any finance and was in the possession of the director.

As previously reported, the vehicle was sold to Joanne Gostling, the wife of the Company’s director, on 17 October 2019 for £7,500.

The sale proceeds were received by JPS and subsequently transferred to the administration account during the previous period.

Sundry refunds

Since our appointment we have collected refunds of £31.

Bank interest

No bank interest has been received during the final period. Bank interest received to the date of our previous progress report was £41.

2.4 Investigations

The Joint Administrators have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the date of administration and submit a confidential report or return to the Insolvency Service Disqualification Unit. The confidential report or return on the conduct of the directors of the Company was submitted to the Insolvency Service during the first period of the administration.

The Joint Administrators are also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf.

Appropriate investigations have been carried out and were concluded during the previous period of the administration. There are no outstanding lines of enquiry.

2.5 Extension to period of administration

On 30 September 2019 the period of administration was extended by 12 months by consent of the Company's secured and preferential creditors in order to allow additional time to conclude asset realisations and for a distribution to be made to the Company's preferential creditors.

3. Expenses of the administration

Approval of remuneration and disbursements

The Joint Administrators' proposals stated that approval would be sought for the Joint Administrators to draw their remuneration by reference to time properly spent by them and their staff in dealing with matters relating to the administration of the Company. The Joint Administrators' remuneration on the basis outlined in the proposals was approved by the secured creditors on 13 August 2019 and by the preferential creditors on 5 June 2019.

It was also resolved that the Joint Administrators be authorised to draw category 2 disbursements at the rates set out in **Appendix C** of this report.

The Fees Estimate provided to creditors prior to obtaining fee approval was £36,447.50 and the expenses estimate was £6,455. Remuneration cannot be drawn in excess of the Fees Estimate without further approval from creditors.

Remuneration and disbursements charged and paid in the period

The Joint Administrators' time costs and disbursements incurred and drawn during the current period from 16 April 2020 to 11 September 2020, during the previous period, and cumulatively for administration to date are as follows:

Remuneration

From appointment on 16 October 2018 to 15 April 2020

From 16 April 2020 to 11 September 2020

Incurring (£)	Paid (£)
42,921.00	9,000.00
10,301.00	5,161.40
<u>53,222.00</u>	<u>14,161.40</u>

Disbursements

Category 1 disbursements from 16 October 2018 to 15 April 2020

Category 1 disbursements from 16 April 2020 to 11 September 2020

Incurring (£)	Paid (£)
1,019.69	1,019.69
147.76	122.01
<u>1,167.45</u>	<u>1,141.70</u>

Category 2 disbursements from 16 October 2018 to 15 April 2020

Category 2 disbursements from 16 April 2020 to 11 September 2020

91.80	91.80
0.00	0.00
<u>1,259.25</u>	<u>1,233.50</u>

Appendix C includes further details of these time costs and disbursements. This includes details of hourly charge out rates, a breakdown of the time costs incurred by work type and staff grade and an analysis of the disbursements incurred and paid.

The remuneration drawn by the Joint Administrators in this matter will not exceed the Fees Estimate, and any unbilled time costs will be written off.

Professional advisers and other expenses

The following professional advisers have been instructed to assist the Joint Administrators in this matter:

Professional Advisor	Nature of Work	Fee Arrangement
JPS Chartered Surveyors	Valuation of equipment and stock and motor vehicle, advice on sale strategy, advice on offers received.	Time Costs / Commission
Taylor Solicitors LLP	Assistance with appointment formalities and advice on validity of security.	Time Costs

The choice of professionals and the Joint Administrators' fee arrangement with them was based on our assessment of the nature and complexity of the work required and their experience and ability to perform that work.

Details of the administration expenses incurred and paid during the final period from 16 April 2020 to 28 August 2020, during previous periods, and cumulatively for the whole administration are set out at **Appendix C**.

In addition, £80 has been paid in respect of statutory advertising, £168 has been paid in respect of insurance over the Company assets and £65 has been paid in respect of courier costs.

The expenses incurred during the administration have exceeded the expenses estimate due to the additional costs incurred in realising the asset identified during our investigations.

Pre-administration costs

On 13 August 2019, the secured creditors, and on 5 June 2019, the preferential creditors approved that the

Joint Administrators be authorised to draw pre-administration costs of £11,181 plus VAT. The approved pre-appointment costs and amounts paid to date are as follows:

	Approved (£)	Paid (£)
Dow Schofield Watts Business Recovery LLP fees	4,654.50	4,654.50
Legal fees and disbursements: Taylors Solicitors LLP	1,962.50	1,962.50
Agents' fees and disbursements: JPS Chartered Surveyors	4,564.00	4,564.00
Total	11,181.00	11,181.00

Creditors' guide to fees and creditors' rights regarding fees

Further information relating to administrators' remuneration can be found in the publication "A creditor's guide to administrators' fees" which can be accessed at the website of the Insolvency Practitioners' Association (www.insolvency-practitioners.org.uk > Regulation Guidance > Creditors Guides), or the Institute of Chartered Accountants in England & Wales (www.icaew.com > Technical Resources > By Industry or Sector > Insolvency > Creditors' guides to IP fees). The guide includes details of creditors' right to request information under Rule 18.9 of the Insolvency (England and Wales) Rules 2016 and their right to challenge administrators' remuneration and expenses under Rule 18.34. A summary of these rights is also set out in **Appendix C**. A copy of the guide will be provided free of charge upon request to Dow Schofield Watts Business Recovery LLP.

4. Outcome for creditors

Secured Creditors

Assetz Capital Trust Company Limited ("Assetz") holds fixed and floating charges over the assets of the Company and was owed £4,594 at the date of administration. Assetz were provided with a cross guarantee from Gostling as additional security for the lending. Assetz have confirmed that they have recovered the balance outstanding under the terms of the cross guarantee. As such there is no balance outstanding to Assetz.

The North West Fund for Business Loans LP ("NWF") holds fixed and floating charges over the assets of the Company and was owed £50,222 at the date of administration in respect of a cross guarantee given by the Company for monies advanced to Northwest Anaesthesia Ltd ("Northwest"). Northwest is a connected company by virtue of the former directorship and shareholding of Philip Gostling. Northwest went into liquidation on 19 November 2018 thereby crystallising the guarantee. There were insufficient asset realisations to allow a distribution to be made to NWF under the terms of their security.

The Security Trustee Services Limited ("Rate Setter") holds fixed and floating charges over the assets of the Company and was owed £257,812 at the date of administration in respect of a cross guarantee given by the Company for monies advanced to Norvap Ltd. ("Norvap"). Norvap is a connected company by virtue of the former directorship and shareholding of Philip Gostling. Norvap went into liquidation on 16 October 2018 thereby crystallising the guarantee. There were insufficient asset realisations to allow a distribution to be made to Rate Setter under the terms of their charge.

Preferential Creditors

The Company's former employees had preferential claims in respect of wage arrears and unpaid holiday pay at the date of administration. The Redundancy Payments Service has a preferential claim to the extent that it has paid the employees' preferential claims.

The preferential claims have been agreed at £20,552 and a first and final distribution of 2.43p in the £ has been paid to preferential creditors during the final period.

Prescribed Part

In cases where a company gave a floating charge over its assets to a creditor on or after 15 September 2003, the prescribed part provisions set aside a proportion (the "prescribed part") of the funds that would otherwise have been available for distribution to floating charge creditors (the "net property") so that the prescribed part can be distributed to unsecured creditors.

As there are insufficient realisations to allow a distribution to the floating charge creditor, the net property and prescribed part are both nil.

Unsecured Creditors

The Company's unsecured creditors are estimated to total £2,928,492, however, the asset realisations in this matter are insufficient to allow a distribution to unsecured creditors in this matter.

5. End of administration

The objective of the administration, to allow a distribution to be made to secured and preferential creditors, has been achieved.

All assets have now been realised. Form AM23 Notice of move from administration to dissolution has been submitted to the Registrar of Companies by the Joint Administrators. The Company will be dissolved three months after the form is registered by the Registrar of Companies.

The Joint Administrators have obtained the agreement of the secured and preferential creditors that upon the Company proceeding into dissolution, the Joint Administrators' discharge from liability, pursuant to paragraph 88 of Schedule B1, shall take effect 14 days following the filing of the notice of moving from administration to dissolution.



Lisa Marie Moxon
Joint Administrator

Licensed in the United Kingdom to act as an insolvency practitioner by the Insolvency Practitioner's Association
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

Appendix A: Statutory Information

Company Information

Company Name: Norvap Engineering Ltd

Trading Name: N/a

Previous Name: Acies Engineering Ltd

Company Number: 07642741

Date of Incorporation: 23 May 2011

Former Trading Address: Units 1 & 2 Union Business Park, Snaygill Industrial Estate, Keighley Road, Skipton, BD23 2QR

Current Registered Office: c/o Dow Schofield Watts Business Recovery LLP, 7400 Daresbury Park, Daresbury, Warrington, WA4 4BS

Former Registered Office: c/o Oakfield Park Professionals Ltd, Unit 1 Union Business Park, Snaygill Industrial Estate, Keighley Road, Skipton, BD23 2QR

Principal Trading Activity: Manufacturing of parts for anaesthetic vaporisers

Appointment details

Date of appointment: 16 October 2018

Appointment made by: Philip Gostling

Court Name and Reference: Business and Property Courts Manchester
2977 of 2018

Joint Administrators' names and address: Lisa Marie Moxon (IP number 16370)
and
Christopher Benjamin Barrett (IP number 9437)
Dow Schofield Watts Business Recovery LLP, 7400 Daresbury Park,
Daresbury, Warrington WA4 4BS.

Pursuant to Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, any function required or authorised to be done by the Joint Administrators may be done jointly by both of them or by any one of them.

Extension to period of appointment: Extended to 15 October 2020

Officers of the Company

Directors

Philip Gostling
Philip Gostling
Philip Gostling

Shareholding

100 Ordinary shares
1 Class A Ordinary shares
1 Class B Ordinary shares

Company secretary:

N/a

Share Capital

Allotted, called up and fully paid:

100 Ordinary shares of £1 each
1 Class A Ordinary shares of £1 each
1 Class B Ordinary shares of £1 each

Charges

Assetz Capital Trust Company Limited
The North West Fund for Business Loans LP
The Security Trustee Services

Fixed and floating charges created 13 November 2013
Fixed and floating charges created 10 June 2014
Fixed and floating charges created 25 September 2017

Appendix B: Receipts and Payments Account

Norvap Engineering Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 16/04/2020 To 11/09/2020 £	From 16/10/2018 To 11/09/2020 £
	SECURED CREDITORS		
(4,593.72)	Assetz Capital Trust Company Limited	NIL	NIL
(50,221.50)	The North West Fund for Business Lo	NIL	NIL
(257,812.00)	Security Trustee Services Limited	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	HIRE PURCHASE		
10,000.00	Encumbered Plant & Machinery	NIL	NIL
(44,833.00)	Close Brothers Business Finance	NIL	NIL
39,000.00	Encumbered Plant & Machinery	NIL	NIL
(75,280.00)	Aldermore Bank Plc	NIL	NIL
25,500.00	Encumbered Plant & Machinery	NIL	NIL
(27,803.00)	Societe Generale Equipment Finance	NIL	NIL
1,610.71	Encumbered Plant & Machinery	NIL	1,900.00
(1,610.71)	Hitachi Capital (UK) Plc	NIL	(1,256.56)
		<u>NIL</u>	<u>643.44</u>
	ASSET REALISATIONS		
6,550.00	Plant and Machinery	NIL	6,550.00
1,350.00	Office Equipment	NIL	1,350.00
11,850.00	Stock	NIL	11,850.00
5,250.00	Equity in Hitachi Capital Agreement	NIL	5,250.00
	Motor Vehicle	NIL	7,500.00
Uncertain	Director's Loan Account Philip Gostling	NIL	NIL
Uncertain	Intercompany - Gostling Limited	NIL	NIL
Uncertain	Intercompany - Arc Multi Metal	NIL	NIL
	Sundry Refund	NIL	31.25
	Bank Interest Gross	NIL	40.50
		<u>NIL</u>	<u>32,571.75</u>
	COST OF REALISATIONS		
	Pre-Appointment Fees	NIL	4,654.50
	Office Holders Fees	5,161.40	14,161.40
	Office Holders Expenses	122.01	1,233.50
	Pre Appointment Agents' Fees	NIL	4,564.00
	Pre Appointment Legal Fees	NIL	1,962.50
	Agents Fees	NIL	4,072.34
	Agent's disbursements	NIL	350.00
	Legal Fees	NIL	1,404.50
	Courier Charge	NIL	65.00
	Statutory Advertising	NIL	79.45
	Insurance of Assets	NIL	168.00
		<u>(5,283.41)</u>	<u>(32,715.19)</u>
	PREFERENTIAL CREDITORS		
(19,626.18)	Employee Arrears/Hol Pay	500.00	500.00
		<u>(500.00)</u>	<u>(500.00)</u>
	UNSECURED CREDITORS		
(2,032,799.55)	Trade & Expense Creditors	NIL	NIL
(76,691.78)	Employees - Redundancy / PILON	NIL	NIL
(570,575.12)	Intercompany - Norvap Ltd	NIL	NIL
(21,496.00)	Intercompany - Norvap Service Limited	NIL	NIL
(79,426.00)	Intercompany - Northwest Anaesthesia	NIL	NIL
(30,444.40)	H.M Revenue & Customs	NIL	NIL
(10,500.00)	Intercompany - Express Dispense Limi	NIL	NIL
(57,589.96)	Intercompany - Diamondzye Ltd	NIL	NIL

Norvap Engineering Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 16/04/2020 To 11/09/2020 £	From 16/10/2018 To 11/09/2020 £
		NIL	NIL
(102.00)	DISTRIBUTIONS Ordinary Shareholders	NIL	NIL
		NIL	NIL
<u>(3,260,294.21)</u>		<u>(5,783.41)</u>	<u>NIL</u>
	REPRESENTED BY		
	Bank 1 Current		NIL
			<u>NIL</u>

Appendix C: Information relating to the Administrators' Remuneration and Expenses

1. Time recording policy

Work undertaken on insolvency appointments is recorded in 6 minute units on an electronic time recording system. Time properly incurred on cases is charged at the hourly charge-out rate of the grade of staff undertaking the work.

The current hourly charge-out rates are as follows:

Staff grade	Hourly rate (£) from 1 April 2020
Partner and Insolvency Practitioner	320
Manager	245-265
Assistant Manager	195-240
Senior Case Administrator	155-190
Case Administrator	105-150
Cashier	135
Trainee Case Administrator	80-100

The hourly charge-out rates are reviewed annually and may have increased during the course of the administration.

2. Existing Fee Arrangements

The existing fee arrangements were decided by the secured creditors on 13 August 2019 and preferential creditors on 5 June 2019.

The Joint Administrators are authorised to draw their remuneration on the basis of time properly spent in dealing with this matter, and they are permitted to charge Category 2 disbursements in accordance with the tariff set out below. The Joint Administrators' Fees Estimate provided to creditors when initially seeking fee approval was £36,447.50.

3. Time and Charge out summary

For the period of the report, from 16 April 2020 to 11 September 2020, a total of 55.5 hours have been spent at an average charge out rate of £185.60 bringing the time costs for this period to £10,301.00. A summary table is shown overleaf.

From the commencement of the administration to 11 September 2020, the total time costs incurred are £53,222.00, this being 297.40 hours spent at an average charge out rate of £178.72. The second table overleaf shows a summary of these costs.

The fees drawn to date total £14,161.40. Due to limited realisations in this matter, the remaining unbilled time costs of £39,060.60 will be written off.

Time Entry - SIP9 Time & Cost Summary

N007 - Norvap Engineering Ltd
 Project Code: POST
 From: 16/04/2020 To: 11/09/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	2.10	3.30	6.60	6.40	18.40	3,224.50	175.24
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	3.80	7.80	22.30	0.00	33.90	6,364.50	187.74
Investigations	0.20	0.60	1.30	0.00	2.10	398.50	189.76
Realisation of Assets	0.40	0.70	0.00	0.00	1.10	313.50	285.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	6.50	12.40	30.20	6.40	55.50	10,301.00	185.60
Total Fees Claimed						5,161.40	
Total Disbursements Claimed						122.01	

Time Entry - SIP9 Time & Cost Summary

N007 - Norvap Engineering Ltd
 Project Code: POST
 From: 16/10/2018 To: 11/09/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	12.40	13.00	26.80	14.40	66.60	12,583.50	188.94
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	13.80	33.60	117.50	11.80	176.70	29,732.00	168.26
Investigations	2.50	10.80	13.10	0.00	26.40	5,082.50	192.52
Realisation of Assets	7.60	6.30	14.00	0.20	28.10	5,824.00	207.26
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	36.30	63.70	171.40	26.40	297.80	53,222.00	178.72
Total Fees Claimed						14,161.40	
Total Disbursements Claimed						1,233.50	

4. Description of work carried out during the period

The work carried out during the final period of the administration can be summarised as follows:

4.1 Administration and planning

- Processing bank receipts and payments;
- Maintaining financial records and carrying out bank reconciliations;
- Case reviews; and
- Dealing with taxation returns and correspondence.

4.2 Realisation of Assets

- Liaising with Trustee in Bankruptcy in respect of the DLA; and
- Concluding recovery of intercompany debtors.

4.3 Creditors

- Recording and maintaining the list of creditors;
- Liaising with secured creditors;
- Dealing with employee related matters;
- Recording creditor claims;
- Reporting to creditors and members;
- Responding to creditor queries; and
- Distribution to preferential creditors.

Staff of different levels were involved in the activities above depending on the experience required.

5. Disbursements

Disbursements policy

Office holders' disbursements fall under two categories:

Category 1 disbursements consist of external supplies of goods or services specifically relating to the case. Where such costs are paid by Dow Schofield Watts Business Recovery LLP, creditor approval is not required for those costs to be recharged to the insolvency estate. Category 1 disbursements will typically include costs such as statutory advertising, specific bond insurance, company search fees, storage, postage, external room hire and travel expenses (excluding business mileage).

Category 2 disbursements are costs that are directly referable to the case but not to a payment to an independent third party. They include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. Such disbursements can only be charged to the insolvency estate with the approval of creditors. It is our policy to seek creditor approval for the payment of the following Category 2 disbursements:

Disbursement type	Rate
Mileage	45p per mile

The following disbursements have been incurred since the commencement of the administration:

	This period		Previous period(s)		Cumulatively	
	Incurring (£)	Paid (£)	Incurring (£)	Paid (£)	Incurring (£)	Paid (£)
Category 1 disbursements						
Bordereau	0.00	0.00	117.60	117.60	117.60	117.60
Mail redirection	0.00	0.00	204.00	204.00	204.00	204.00
Postage	122.01	122.01	698.09	698.09	820.10	820.10
ISA fees	25.75	0.00	0.00	0.00	25.75	0.00
Subtotal	147.76	122.01	1,019.69	1,019.69	1,167.45	1,141.70
Category 2 disbursements						
Mileage	0.00	0.00	91.80	91.80	91.80	91.80
Total disbursements	147.76	122.01	1,111.49	1,111.49	1,259.25	1,233.50

The above costs exclude VAT.

6. Professional advisors and expenses

The following expenses have been incurred since the commencement of the administration in connection with the instruction of the following parties:

Name	This period		Previous period(s)		Cumulatively	
	Incurring (£)	Paid (£)	Incurring (£)	Paid (£)	Incurring (£)	Paid (£)
JPS Chartered Surveyors (agents)	0.00	0.00	4,422.34	4,422.34	4,422.34	4,422.34
Taylor's Legal Services Limited (solicitors)	0.00	0.00	1,404.50	1,404.50	1,404.50	1,404.50
Total	0.00	0.00	5,826.84	5,826.84	5,826.84	5,826.84

The above costs exclude VAT and are in addition to the pre-administration expenses set out at section 3 above.

7. Creditors' rights

Under rule 18.9 of the Insolvency (England and Wales) Rules 2016, creditors are entitled to request information from the office-holders about their remuneration or expenses set out in this report.

Any request must be made by a secured creditor, an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or by any unsecured creditor with the permission of the court. A request, or an application to the court for permission, must be made within 21 days of receipt of the report or account:

The office-holder must, within 14 days of receipt of such a request respond by: providing all of the information requested; providing some of the information requested; or declining to provide the information requested.

The office-holder may respond by providing only some of the information requested or decline to provide the information if: the time or cost of preparation of the information would be excessive; disclosure of the information would be prejudicial to the conduct of the proceedings; disclosure of the information might reasonably be expected to lead to violence against any person; or the office-holder is subject to an obligation of confidentiality in relation to the information. An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.

A creditor may apply to the court within 21 days of: the office-holder giving reasons for not providing all of the information requested; or the expiry of the 14 days within which an office-holder must respond to a request. The court may make such order as it thinks just.

Under rule 18.34 of the Insolvency (England and Wales) Rules 2016, an application to court may be made on the grounds that the office-holders' remuneration is in all the circumstances excessive, the basis of remuneration is inappropriate, or the expenses incurred by the office-holders are in all the circumstances excessive.

Any application may be made by a secured creditor, an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors (including the creditor in question), or by any unsecured creditor with the permission of the court. The application must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question.

If the court considers the application to be well-founded, it must make one or more of the following orders: an order reducing the amount of remuneration; an order reducing any fixed rate or amount; an order changing the basis of remuneration; an order that some or all of the remuneration or expenses in question is not to be treated as expenses of the administration; an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by the liquidator to the company; any other order that it thinks just.

Unless the court orders otherwise, the costs of the application must be paid by the applicant and are not payable as an expense of administration.

Appendix D

Joint Administrators' Proposals

The Joint Administrators' proposals to achieve the purpose of the administration were as follows:

- a) they continue to manage the business, affairs and property of the Company in order to achieve the purpose of the administration. In particular that they:-
 - (i) propose to conclude the collection of the intercompany balances owed and pursue the director for amounts due under his Director's Loan Account;
 - (ii) deal with any creditor queries, monitor creditor claims received and update their records accordingly;
 - (iii) sell the Company's assets at such time(s) and on such terms as they consider appropriate;
 - (iv) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company; and
 - (v) do all such things and generally exercise all available powers as Joint Administrators that they consider desirable or expedient in order to achieve the purpose of the administration or protect and preserve the assets of the Company or maximise the realisations of those assets or for any purpose incidental to these proposals.