



SATURDAY



A90BYWM2

A11

07/03/2020

#52

COMPANIES HOUSE

, please
at
house

1 Company details

Company number 0 2 3 5 6 9 7 2

Company name in full Feltech Electronics Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Bijal

Surname Shah

3 Administrator's address

Building name/number 27 Church Street

Street

Post town Rickmansworth

County/Region Hertfordshire

Postcode WD 3 1 D E

Country

4 Administrator's name

Full forename(s) Robert

Surname Cundy

Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address

Building name/number Hayes House

Street 6 Hayes Road

Post town Bromley

County/Region Kent

Postcode BR 2 9 A A

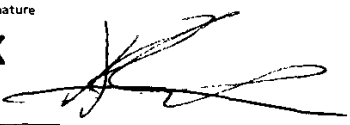
Country

Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6	Period of progress report										
From date	1	2	0	8	2	0	1	9			
To date	1	1	0	2	2	0	2	0			
7	Progress report										
<input checked="" type="checkbox"/> I attach a copy of the progress report											
8	Sign and date										
Administrator's signature	Signature								X		
Signature date	d	0	5	m	0	3	y	2	0	2	0

AM10

Notice of administrator's progress report



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.

Bijal Shah

Edge Recovery Limited

27 Church Street

Rickmansworth

Hertfordshire

Postcode

W D 3 1 D E

DX

+44 (0)1923 776 223



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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

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

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☐ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

● You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)

Surname

3 Insolvency practitioner's address

Building name/number

Street

Post town

County/Region

Postcode

Country

Feltech Electronics Limited ("the Company") – In Administration

ADMINISTRATORS' PROGRESS REPORT TO CREDITORS

For the six months ending 11 February 2020

STATUTORY INFORMATION

Company name:	Feltech Electronics Limited
Court name and reference:	High Court of Justice CR-2019-005052
Registered office:	Hayes House, 6 Hayes Road, Bromley, Kent, BR2 9AA
Former registered office:	5 Homewood Road, St Albans, Hertfordshire, AL1 4BE
Registered number:	02356972
Joint Administrators' names:	Bijal Shah and Robert Cundy
Joint Administrators' address:	Hayes House, 6 Hayes Road, Bromley, Kent, BR2 9AA
Joint Administrators' date of appointment:	12 August 2020
Actions of Administrators	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

ADMINISTRATORS' ACTIONS SINCE APPOINTMENT

Since appointment we have facilitated the pre-pack sale of the business to Powerhouse Systems Limited as per the SIP 16 disclosure already provided to creditors. We have also been pursuing debtors for the amounts due to the Company. There is certain work that we are required by the insolvency legislation to undertake in connection with the Administration that provides no financial benefit for the creditors. A description of the routine work undertaken since our appointment as Administrators is contained in Appendix 2.

RECEIPTS AND PAYMENTS ACCOUNT

Our Receipts & Payments Account for the period from 12 August 2019 to 11 February 2020 is attached at Appendix 1.

The balance of funds are held in a non-interest bearing estate bank account.

ASSETS

The assets detailed below were sold for £80,000 to Media Powerhouse as a pre-pack sale. An outline of the different types of asset sold and the amount for which they were sold, together with a comparison against the valuation realised is detailed below:

Asset category	Valuation basis & amount (£)		Sale Consideration (£)
	Market Value as a whole in place	Market Value for removal (6 week marketing period)	
Leasehold property	Nil	Nil	Nil
Stock	327,000	64,500	43,994
Work in progress	235,000	Speculative	1
Plant & Equipment	21,250	5,800	}15,000
Office equipment	16,000	5,700	
Service Maintenance Contracts	35,000	Speculative	}
Motor Vehicles	10,500	7,600	}
Books & records			1
Intellectual Property			1
Information Technology			1
Websites			1
Customer Contracts			1
Goodwill			1,000
Total	644,750	83,600	60,000

As you will note the break-up value of the assets was estimated to be £83,600. Lambert Smith Hampton ("LSH") advised that in an online auction perhaps there could be an uplift of say 10% over and above a dealer trade sale and could produce say £90,000. However, from this would have to be deducted costs of holding a sale and, whilst not calculated, LSH advised that it would not be unrealistic to assume these costs could be in the order of say £15,000 to cover marketing, Health and Safety, portorage and other ancillary costs etc., plus their sale commission of £9,000 and so result in a realisation net of costs of some £66,000.

Although the sale realisations would have been slightly higher in a break-up sale, the agreed sale allowed for a higher recovery of the book debts which would be greatly jeopardised if the business were to have closed. The sale also agreed that the majority of the staff were to be transferred to the new company, thereby reducing the preferential and unsecured claims. The sale achieved was, therefore, recommended by LSH.

Debtors

The Statement of Affairs shows debtors with a book value of £784,675 and an estimated to realise value of £545,714. To date £414,538.91 has been collected in the Administration and debts totalling £161,701.79 have been written off. Debts were initially being collected with the assistance of the director and after a short period of time debt collection was continued by my staff. Judge & Priestly LLP, solicitors, have now been instructed to assist in collecting the remaining debtors.

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has granted the following charges:

- Barclays Bank Plc, Fixed and Floating charges created 3 February 1994 and 2 May 2013
- Aldermore Bank Plc, Fixed and Floating charge created 31 October 2017

We have been advised that the money due to Aldermore Bank Plc has been fully repaid by the Company

prior to our appointment. As a result, I will not have to pay any money under their floating charge, and the prescribed part provisions will not apply.

I understand that the debt due to Barclays Bank Plc has also been repaid in full from debtor receipts received immediately prior to our appointment. No payment is, therefore, due under the floating charge and the prescribed part provisions will not apply.

The Company also gave a fixed and floating charge to Barclays Bank Plc on 3 February 1994. Since this charge was given before 15 September 2003 the prescribed part provisions will not apply.

Set off was applied to money held in the pre-appointment bank account by Barclays totalling £22,180.30 in respect of amounts due to Barclaycard in the reporting period.

Preferential Creditors

The statement of affairs anticipated £94,721 in preferential creditors. A claim totaling £26,936.87 has been received from the Insolvency Service in respect of payments made to the employees. A dividend will also be paid to employees for any amounts due preferentially in excess of the government statutory limits. A dividend will be paid to preferential creditors in the next few months. As per the sale agreement, the purchaser has indemnified the Administration for the liability of staff claims under the Transfer of Undertakings, protection of Employment regulations (TUPE). Once these claims have been adjudicated upon, the purchaser will be notified of the amounts to be paid to the Administration under this indemnity.

The dividend due to preferential creditors is anticipated to be 100p in the £.

Crown Creditors

The statement of affairs included £265,633 owed to HMRC. HMRC has submitted its claim in the Administration of £423,977.84. £81,626.60 of this claim relates to a VAT assessment.

Non-preferential Unsecured Creditors

The statement of affairs included 221 non-preferential unsecured creditors with an estimated total liability of £2,855,480. I have received claims from 87 creditors at a total of £2,875,657.06. We have received a number of claims that are higher than the figure shown in the Statement of Affairs and have also received claims from creditors whose claims were not included in the Statement of Affairs.

It is anticipated that a dividend will be paid to unsecured creditors in the Liquidation.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

We undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. We are required by the Statements of Insolvency Practice to undertake such an initial investigation and the work detailed below has been undertaken in connection with that initial investigation. Specifically, we recovered, listed and reviewed the Company's accounting records; obtained from the Company's bankers and reviewed copy bank statements for the period prior to the Company ceasing to trade; and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the Administration and made enquiries about the reasons for the changes.

We have not identified any matters that justified further investigation in the circumstances of this appointment.

Within three months of my appointment as Administrator, We are required to submit a confidential report to the Secretary of State to include any matters which have come to our attention during the course of our

work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. We would confirm that our report has been submitted.

PRE-ADMINISTRATION COSTS

On 24 September 2019 the following pre-administration costs were approved by the creditors:

Pre-administration fees charged by Edge Recovery Limited: £16,182.

Pre-administration expenses incurred: £29,638.

The pre-administration fees of £16,182 plus VAT have been paid in the period since the reporting period. The pre-administration expenses have been paid in full, as detailed in the attached receipts and payments account.

ADMINISTRATORS' REMUNERATION

Our remuneration was previously authorised by the creditors on 24 September 2019. We were authorised to draw a fixed fee of £30,000 for our work in respect of Administration, Investigations up to submission of the conduct report, creditor communication and distribution to preferential creditors.

We have drawn £30,000 plus VAT in the period since the reporting period in respect of work done for which our fees were approved as a fixed fee.

We were also authorised to draw 5% of realisations for our work in respect of the debtor realisations. Based on debtor realisations we have achieved to date we are entitled to remuneration of £20,726.95. We have drawn £20,726.95 plus VAT in the period since the reporting period for work approved as a percentage of realisations.

Information about this insolvency process may be found on the R3 website at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors' Guide to Fees' may be found at <http://www.edgerecovery.com/wp-content/uploads/2016/02/Administration-creditor-fee-guide-6-April-2017.pdf>. The firm's charge-out rate and disbursement policy may be found at <http://www.edgerecovery.com/wp-content/uploads/2016/02/Charging-policy-from-1-January-2016.pdf>. A hard copy of both the Creditors' Guide and the firm's charge-out rate and disbursement policy may be obtained on request.

ADMINISTRATORS' EXPENSES

We have incurred total expenses of £603.00 since our appointment as Administrators and have drawn £603.00 plus VAT in the period since the reporting period.

We have incurred the following expenses in the period since our appointment as Administrators:

Type of expense	Amount Incurred/ accrued in the reporting period
Case Management Fee	£110.00
Statutory Advertising	£73.00
Bordereau	£420.00

We have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Gowling WLG (UK) LLP	Solicitors	Time costs
Judge & Priestly	Solicitors	Percentage of realisations

The choice of professionals used was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them. We have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of this case.

In the reporting period we have sought advice from Gowling WLG (UK) LLP in respect of one of the debtors who disputed its claim. We have also sought advice with regard to TUPE in order to clarify with whom the liability for employee claims falls. Gowling WLG (UK) LLP has been paid £20,050 plus VAT in the reporting period. Their outstanding costs are £6,041 plus VAT.

Judge & Priestly will be paid a fee on a percentage basis. No fees have been incurred to date.

We do not anticipate that the expenses we will incur in this matter will exceed the total expenses we estimated we would incur when our remuneration was authorised by the creditors

FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Administrator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Edge Recovery Limited can be found at <http://www.edgerecovery.com/wp-content/uploads/2018/10/Provision-of-Services-Regulations-summary-sheet.pdf>.

The processing of personal data is regulated in the UK by the General Data Protection Regulation EU 2016/679, as supplemented by the Data Protection Act 2018, together with other laws which relate to privacy and electronic communications. Our privacy statement, which can be accessed at <http://www.edgerecovery.com/wp-content/uploads/2016/02/External-Privacy-Statement.pdf> explains how we process personal data. A copy of this document can be sent to you upon request.

SUMMARY

The Administration will remain open until the preferential creditors have been paid. We estimate that this will take approximately 3 months, and once these matters have been finalised the Administration will be converted to a Liquidation, as approved in the proposals.

If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available on-line, they should contact Jeannine Cirullo by email at jeannine.cirullo@edgerecovery.com, or by phone on 0208 315 7430.



Bhal Shah
Joint Administrator

Feltech Electronics Limited - In Administration
Joint Administrators' Abstract of Receipts & Payments

From 12 August 2019 To 11 February 2020

S of A £		As Previously Reported	12/08/19 to 11/02/20	Total £
RECEIPTS				
545,714	Book Debts	NIL	414,538.91	414,538.91
NIL	Cash at Bank	NIL	12,299.17	12,299.17
NIL	Bank Interest Gross	NIL	19.23	19.23
NIL	Rates Refund	NIL	1,302.10	1,302.10
NIL	Sundry	NIL	711.02	711.02
NIL	Sundry Refund	NIL	1,159.49	1,159.49
60,000	Sale of Business	NIL	60,000.00	60,000.00
<u>605,714</u>		<u>NIL</u>	<u>490,029.92</u>	<u>490,029.92</u>
PAYMENTS				
	Secured Creditors	NIL	(22,180.30)	(22,180.30)
	Agents/Valuers Fees (1)	NIL	(9,944.98)	(9,944.98)
	Legal Fees	NIL	(20,050.00)	(20,050.00)
	Bank Charges	NIL	(2,186.67)	(2,186.67)
	Vat Receivable	NIL	(5,989.00)	(5,989.00)
		<u>NIL</u>	<u>(60,350.95)</u>	<u>(60,350.95)</u>
CASH IN HAND				
		<u>NIL</u>	<u>429,678.97</u>	<u>429,678.97</u>

Appendix 2

1. Administration

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder and their managers. It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the Insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up physical case files.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and others required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Convening a decision procedure to obtain the approval of the Administrators' proposals.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing SIP 16 disclosure to creditors and members.
- Preparing, reviewing and issuing 6 monthly progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

2. Creditors

Employees - The office holder needs to deal with the ex-employees in order to ensure that their claims are processed appropriately by the Redundancy Payments Office (RPO). The office holder is required to undertake this work as part of their statutory functions.

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

Dividends - the office holder has to undertake certain statutory formalities in order to enable him to pay a dividend to creditors. This includes reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.

- Obtaining information from the case records about employee claims.
- Completing documentation for submission to the Redundancy Payments Office.
- Corresponding with employees regarding their claims.
- Liaising with the Redundancy Payments Office regarding employee claims.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.

3. Investigations

The insolvency legislation gives the office holder powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure and also in respect of matters such as misfeasance and wrongful trading. The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors. If potential recoveries or matters for further investigation are identified then the office holder will need to incur additional time to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors and approval for an increase in fees will be made as necessary. Such recovery actions will be for the benefit of the creditors and the office holder will provide an estimate of that benefit if an increase in fees is necessary. The office holder is also required by legislation to report to the Department for Business, Innovation and Skills on the conduct of the directors and the work to enable them to comply with this statutory obligation is of no direct benefit to the creditors, although it may identify potential recovery actions.

- Collection, and making an inventory, of company books and records
- Correspondence to request information on the company's dealings, making further enquiries of third parties
- Reviewing questionnaires submitted by creditors and directors
- Reconstruction of financial affairs of the company
- Reviewing company's books and records
- Preparation of deficiency statement
- Review of specific transactions and liaising with directors regarding certain transactions
- Liaising with the committee/creditors or major creditors about further action to be taken
- Preparing statutory investigation reports
- Liaising with the Insolvency Service
- Submission of report to the Insolvency Service