

AM10

Notice of administrator's progress report



Companies House

SATURDAY



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21/12/2019

#298

COMPANIES HOUSE

1 Company details

Company number 0 2 7 6 4 3 7 6

Company name in full Omnia-Chem Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Mike

Surname Kienlen

3 Administrator's address

Building name/number Third Floor

Street 10 South Parade

Post town Leeds

County/Region

Postcode L S 1 5 Q S

Country

4 Administrator's name ①

Full forename(s) Rob

Surname Adamson

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Third Floor

Street 10 South Parade

Post town Leeds

County/Region

Postcode L S 1 5 Q S

Country

② Other administrator

Use this section to tell us about
another administrator.

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6

Period of progress report

From date	d	3	d	0	m	0	m	5	y	2	y	0	y	1	y	9
To date	d	2	d	9	m	1	m	1	y	2	y	0	y	1	y	9

7

Progress report

☒ I attach a copy of the progress report

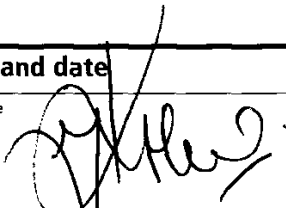
8

Sign and date

Administrator's
signature

Signature

X



X

Signature date

d

1

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m

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2

y

0

y

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9

04/17 Version 1.0

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.

Contact name	Alex Weil
Company name	Armstrong Watson LLP
Address	Third Floor 10 South Parade
Post town	Leeds
County/Region	
Postcode	L S 1 5 Q S
Country	
DX	
Telephone	0113 2211300



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

Omnia-Chem Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 30/05/2019 To 29/11/2019 £	From 30/11/2018 To 29/11/2019 £
	ASSET REALISATIONS		
45,323.00	Deferred Consideration	22,661.00	45,322.00
5,000.00	Directors loan account	NIL	NIL
		22,661.00	45,322.00
	COST OF REALISATIONS		
	Administrators disbursement	NIL	153.45
	Administrators Fees	22,011.40	40,511.40
		(22,011.40)	(40,664.85)
	UNSECURED CREDITORS		
(1,518,140.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
(1,467,817.00)		649.60	4,657.15
	REPRESENTED BY		
	Bank Account (Non Interest Bearing)		3,679.19
	Unclaimed dividend from CVA		(591.04)
	VAT Receivable		1,569.00
			4,657.15

The Administrators' progress report

Omnia-Chem Limited – In Administration

19 December 2019

OMNIA-CHEM LIMITED - IN ADMINISTRATION

CONTENTS

- 1** Introduction
- 2** Progress of the Administration
- 3** *The Administrators' remuneration*
- 4** Estimated outcome for creditors
- 5** Ending the Administration
- 6** Creditors' rights
- 7** Next report

APPENDICES

- A** Receipts and payments account for the period from 30 May 2019 to 29 November 2019, together with a cumulative receipts and payments account for the period from 30 November 2018 to 29 November 2019
- B** Additional information in relation to the Administrators' fees, expenses and disbursements
- C** Estimated outcome statement as at 29 November 2019

OMNIA-CHEM LIMITED - IN ADMINISTRATION

1 Introduction

- 1.1 I, Mike Kienlen, together with my colleague Rob Adamson, was appointed Joint Administrator of Omnia-Chem Limited ("the Company") on 30 November 2018. The appointment was made by the Company's director Mr R Finch ("the Director") c/o 65 Compton Street, London, EC1V 0BN.
- 1.2 This Administration is being handled by Armstrong Watson LLP ("AW") at Third Floor, 10 South Parade, Leeds, LS1 5QS. The Administrators' contact details are by phone on 0113 2211 300 or via email at insolvency@armstrongwatson.co.uk. The Administration is registered in the High Court of Justice, Business and Property Courts in Leeds, *Insolvency & Companies list*, under reference number 1184 of 2018.
- 1.3 Information about the way that AW will use and store personal data on insolvency appointments can be found at www.armstrongwatson.co.uk/privacy-policy. If you are unable to download this, please contact me and a hard copy will be provided to you.
- 1.4 The trading address of the Company was Unit 9-10, Waterside Business Park, Waterside, Glossop, SK13 1BE.
- 1.5 The registered office of the Company has been changed to Third Floor, 10 South Parade, Leeds, LS1 5QS and its registered number is 02764376.
- 1.6 As Administrator, I am required to provide a progress report covering the period of six months commencing from the date the Company entered Administration and every subsequent period of six months. This progress report covers the period from 30 May 2019 to 29 November 2019 ("the Period") and should be read in conjunction with my earlier proposals report and any previous progress reports which have been issued.

2 Progress of the Administration

- 2.1 You may recall that the statutory objective being pursued in the Administration was the third objective which is realising property to make a distribution to one or more secured or preferential creditors. In addition to the pursuance of this statutory objective, the Administrators have duties imposed by insolvency and other legislation, some of which may not provide any financial benefit to creditors.
- 2.2 This section of the report provides creditors with an update on the progress made in the Period, both in terms of the achievement of the statutory objective, but also work which is required of the Administrators under other related legislation.
- 2.3 It is anticipated that the objective of the Administration may be achieved, resulting in Aldermore being paid an amount due from the Company's book debt ledger, following payment of the insurance claim. Further details are provided in this report.
- 2.4 At Appendix A is my receipts and payments account covering the Period, together with a cumulative receipts and payment from the date of my appointment as Administrator to the end of the Period.
- 2.5 Further information about the basis of remuneration agreed in this case and the Administrators' fees estimate can be found in section 3 of this report, together

OMNIA-CHEM LIMITED - IN ADMINISTRATION

with any relevant information about revisions to my initial estimate, where applicable.

Extension of the Administration

- 2.6 On 23 October 2019, the Administrators wrote to creditors to seek an extension of the Administration for a period of one year from 30 November 2019. The extension was requested in order to continue pursuing the credit insurance claim, continue making enquiries into certain fixed charged assets and recovering the over drawn Director's loan account. The secured creditors duly consented to the extension and no objections were received from unsecured creditors. The Administration was therefore formally extended to 29 November 2020.

Administration (including statutory compliance and reporting)

- 2.7 As noted above, the Administrators must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work that I anticipated would need to be done in this area was outlined in my proposals report.
- 2.8 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Administrators.
- 2.9 As noted in my initial fees estimate, this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

Realisation of assets

- 2.10 It is considered that the work the Administrators and their staff have undertaken to date will bring a financial benefit to creditors. This may be a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors).

Deferred consideration

- 2.11 The Company's business and certain assets were sold to Omnia Chemical Group Limited ("OCG") on 16 November 2018 for £45,322 prior to the Company entering into Administration.
- 2.12 During the Period, the Administrators received £22,661; being the balance of the deferred consideration due from OCG.

Book debts

- 2.13 Aldermore Bank Plc ("Aldermore") have an invoice finance agreement over the Company's book debt ledger as security. The amount outstanding to Aldermore is approximately £152,186. This does not include any default interest or termination charges.
- 2.14 At the time of my appointment, the collection of the ledger was being undertaken by Aldermore. On 14 January 2019, the Company's major customer, Arjo Wiggins Fine Paper Ltd, entered Administration. The Administrators submitted a credit insurance claim on behalf of the Company on 7 February 2019 for the sum of £114,139. The benefit of any claim payments will be paid direct to Aldermore who are the loss payee.

OMNIA-CHEM LIMITED - IN ADMINISTRATION

- 2.15 During the Period, the claim was rejected by the credit insurers. The Administrators are not satisfied with the credit insurer's decision and following legal advice from Clarion, consider that their decision can be challenged. The Administrators have instructed Clarion to assist with pursuing the claim. An update will be provided in my next progress report.

Fixed assets

- 2.16 The Director has advised that the Company has fixed assets with a book value of £8,000. These assets are subject to a fixed charge in favour of The Trustees of the Omnia-Chem Limited Pension Scheme ("OCPS") created on 24 March 2011. The amount outstanding to the OCPS which is secured against these specific assets is £46,766.
- 2.17 My investigations into these assets are ongoing and an update will be provided in my next progress report.

Director's loan account

- 2.18 The Company records show that there is an outstanding Director's loan account with a book value of £49,114. As detailed on the Director's Statement of Affairs, this has an estimated to realise value of £5,000. In the Period a meeting was held with the Director to discuss the loan account. A negligible offer for full and final settlement of the loan account was proposed by the Director and rejected by the Administrators. Negotiations for settlement are ongoing and an update will be provided in my next progress report.

Creditors (claims and distributions)

- 2.19 Further information on the anticipated outcome for creditors in this case can be found at section 4 of this report. The Administrators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of the secured creditors of the Company. This has involved separately reporting to Aldermore, progressing with the insurance claim and dealing with realisations from assets caught under their security.
- 2.20 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal. However, there are no preferential claims in this matter.
- 2.21 The above work will not necessarily bring any financial benefit to creditors generally, however the Administrators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Administrators in dealing with those claims.

Investigations

- 2.22 You may recall from my first progress report to creditors that some of the work the Administrators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 ("CDDA 1986") and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that can be pursued for the benefit of creditors.

OMNIA-CHEM LIMITED - IN ADMINISTRATION

2.23 My report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the first period of the Administration and is confidential.

2.24 Since my last progress report I would advise that no further asset realisations have come to light that may be pursued by me for the benefit of creditors

What remains to be done in the Administration

2.25 The following remains to be done in the Administration:

- Continue to pursue the credit insurance claim;
- Continue enquiries into certain fixed charged assets and clarify whether the Administrators hold any interest in the assets;
- Agree a settlement of the Director's loan account.

3 The Administrators' remuneration

3.1 The basis of the Administrators' fees has been fixed as a set amount of £44,000 plus VAT and disbursements. The Administrators have drawn £40,511 plus VAT against the total set fee agreed together with disbursement of £153 plus VAT.

3.2 At the date of this report, I confirm that my fee basis for the Administration remains unchanged. I reserve my right to refer back to creditors should I need to change the fee basis and seek an increase to my fees.

3.3 A copy of "A Creditors' Guide to the Administrators' Fees" is available on request or can be downloaded from:

http://www.armstrongwatson.co.uk/sites/armstrongwatson.co.uk/files/guide_to_administrators_fees_oct_2015_0.pdf

3.4 Attached at appendix B is additional information in relation to the Administrators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

4 Estimated outcome for creditors

4.1 An estimated outcome statement as at 29 November 2019 is attached at Appendix C.

Secured creditors

Aldermore

4.2 Aldermore holds a fixed charge over the Company's book debts and a floating charge over the remaining assets of the Company. At the date of the Administration, the indebtedness to Aldermore was estimated at £152,000. I confirm that £152,186 is outstanding, however, this does not include any default interest or termination charges that may be charged in addition.

OMNIA-CHEM LIMITED - IN ADMINISTRATION

OCPS

- 4.3 OCPS have a fixed charge over specific Company assets which was created on 24 March 2011. The amount outstanding to the OCPS which is secured against these specific assets is £46,766. My investigations into these assets are ongoing.

Preferential creditors

- 4.4 The Company has no preferential creditors.

Unsecured creditors

- 4.5 The Company granted a fixed and floating charge to Aldermore Bank PLC on 27 October 2016. Accordingly, I am required to create a fund out of the Company's net floating charge property for the benefit of unsecured creditors (known as the Prescribed Part).
- 4.6 Based on present information, I estimate the value of the Company's net floating charge property to be nil. Therefore, it will not be possible to create a Prescribed Part fund. Should the position change, further updates will be provided in my progress reports in due course.

5 Ending the Administration

- 5.1 Based on present information, the Administrators believe that the Company has insufficient property to permit a distribution to the unsecured creditors and that there may only be a distribution available to the secured creditors of the Company. As a result, once these distributions have been made, a notice will be filed at Court and with the Registrar of Companies with the Administrators' final report, for the dissolution of the Company.
- 5.2 The Administrators' appointment will end following the registration of the notice by the Registrar of Companies.
- 5.3 The Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.

6 Creditors' rights

- 6.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Administrators, as set out in this progress report, are excessive.

OMNIA-CHEM LIMITED - IN ADMINISTRATION

7 Next report

- 7.1 The Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised or he wishes to extend it.

For and on behalf of
Omnia-Chem Limited



Mike Kienlen
Joint Administrator

Michael Kienlen and Robert Adamson are licensed to act as Insolvency Practitioners in the UK by the Insolvency Practitioners Association.

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

OMNIA-CHEM LIMITED - IN ADMINISTRATION

Appendix A

Receipts and payments account for the period from 30 May 2019 to 29 November 2019, together with a cumulative receipts and payments account for the period from 30 November 2018 to 29 November 2019

Statement of Affairs £		From 30/05/2019 To 29/11/2019 £	From 30/11/2018 To 29/11/2019 £
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45,323.00	Deferred Consideration	22,661.00	45,322.00
5,000.00	Directors loan account	NIL	NIL
		22,661.00	45,322.00
	COST OF REALISATIONS		
	Administrators disbursement	NIL	153.45
	Administrators Fees	22,011.40	40,511.40
		(22,011.40)	(40,664.85)
	UNSECURED CREDITORS		
(1,518,140.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
(1,467,817.00)		649.60	4,657.15
	REPRESENTED BY		
	Bank Account (Non Interest Bearing)		3,679.19
	Unclaimed dividend from CVA		(591.04)
	VAT Receivable		1,569.00
			4,657.15

OMNIA-CHEM LIMITED - IN ADMINISTRATION

Appendix B

Additional information in relation to the Administrators' fees, expenses and disbursements

1 Staff allocation and the use of sub-contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Executive or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 We are not proposing to utilise the services of any sub-contractors in this case.

2 Professional advisors

- 2.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Clarion Limited (legal advice)	Hourly rate and disbursements
Pinder Asset Solutions (valuation and disposal advice)	Hourly rate and disbursements

- 2.2 Our choice 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.

3 The Administrators' expenses and disbursements

- 3.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the Administration was provided to creditors in the Administrators' Proposals Report a copy of which is set out below:

Agent's costs in dealing with valuation of assets	Pinder Asset Solutions	Time costs	1,500
Statutory advertising	Courts Advertising Ltd	Cost = £157	157
Legal Costs	Clarion Limited	Time costs	2,000
Joint Administrators bond	Willis Ltd	Cost = £150	150
Category 2 – mileage	-	45 pence per mile	100

Current position of the Administrators' expenses

- 3.2 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

OMNIA-CHEM LIMITED - IN ADMINISTRATION

Agents' costs	Nil	Nil	1,000	1,500
Solicitors' costs	Nil	Nil	2,000	5,000
Statutory advertising	78	Nil	Nil	159
Specific penalty bond	75	Nil	Nil	75
External storage of books & records	Nil	Nil	Nil	500
Category 2 disbursements - Business mileage	Nil	Nil	Nil	100

- 3.3 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.
- 3.4 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided in the Administrators' Proposals Report and approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

OMNIA-CHEM LIMITED - IN ADMINISTRATION

Appendix C

Estimated outcome statement as at 29 November 2019

	Notes	Realisations to date £	Anticipated Future Realisations £	Anticipated Total Realisations £
Assets subject to fixed charge charge				
Book debts		-	Uncertain	Uncertain
Less: Aldermore Bank PLC	1	-	(152,186)	(152,186)
		-	(152,186)	(152,186)
 Equipment		-	Uncertain	Uncertain
Less: Omnia-Chem Limited Pension Scheme (c/d)	2	-	(46,766)	(46,766)
Total asset realisations		-	(46,766)	(46,766)
 Floating charge assets				
Deferred consideration	3	45,322	-	45,322
Directors' Loan Account	4	-	Uncertain	Uncertain
Total asset realisations		45,322	-	45,322
 Less: Costs of Administration		Paid to date	Anticipated future	Anticipated total costs
		£	£	£
Post Appointment Joint Administrators' Fees	5	(40,511)	(3,489)	(44,000)
Joint Administrators' Disbursements		(153)	-	(153)
Agent's fees		-	(1,500)	(1,500)
Legal fees		-	(3,000)	(3,000)
Storage costs		-	(500)	(500)
Travel Costs		-	(100)	(100)
		(40,665)	(8,589)	(49,254)
Assets available for preferential creditors		4,657	(8,589)	(3,932)
Preferential creditors	6			-
Net floating charge assets before prescribed part				(3,932)
Less: prescribed part				-
Assets available for floating charge creditor				(3,932)
Amount due to floating charge creditor b/d				(152,186)
Shortfall after floating charge creditor				(156,118)
 Unsecured creditors (estimated):				
Trade creditors	7			(1,478,140)
HM Revenue & Customs				(40,000)
Total Unsecured creditors	8			(1,518,140)
Shortfall as regards unsecured creditors				(1,674,258)

Notes

1. Amount due to Aldermore Bank PLC as at 23 January 2019, excluding any default interest or termination charges.
2. Amount due to The Trustees of the Omnia-Chem Limited Pension Scheme.
3. Deferred consideration due in respect of the sale of the business and certain assets.
4. The Directors' Loan Account will be investigated by the Administrators. However, the Director's Statement of Affairs states a realisable value of £5,000.
5. Set fee of £44,000 plus VAT agreed by creditors.
6. The Company does not have any preferential creditors.
7. Unsecured trade creditors as per claims received and company information.
8. Total claims anticipated will be received but not yet adjudicated.