

The Insolvency Act 1986

**Administrator's progress report**

Name of Company Taylor & Sons Limited	Company number 67032
In the High Court of Justice, Chancery Division, Cardiff District Registry	Court case number 277 of 2009

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

I/ We (a) Alistair Gareth Wardell and Nigel Morrison of Grant Thornton UK LLP, 11-13 Penhill Road, Cardiff, CF11 9UP

administrator(s) of the above company attach a progress report for the period

from

to

(b) 9 April 2009

(b) 8 October 2009

(b) Insert dates

Signed [Signature]  
Joint / Administrator(s)Dated 29/10/2009**Contact Details:**

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

Grant Thornton UK LLP, 11-13 Penhill Road, Cardiff, CF11 9UP	
	Tel
DX Number	DX Exchange

I have completed and signed this form please send it to the Registrar of Companies at:

House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

WEDNESDAY

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04/11/2009  
COMPANIES HOUSE  
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**Appendix I****Taylor & Sons Limited - In Administration****Receipts and Payments account for the period from 9 April 2009 to 8 October 2009**

	Fixed Charge £	Floating Charge £	Total £
<b>RECEIPTS</b>			
Sales	0	100,013	100,013
Freehold property - Curran Road	440,000	0	440,000
Rent Received	7,000	27,600	34,600
Insurance recovered	2,581	0	2,581
Plant machinery and motor vehicles	0	307,622	307,622
Stock/WIP	0	55,099	55,099
Assigned book debts	0	897,840	897,840
Un-assigned book debts	0	92,117	92,117
Misc Refunds	0	846	846
Goodwill and contracts	0	4	4
VAT payable	66,000	30,047	96,047
	<b>515,581</b>	<b>1,511,188</b>	<b>2,026,769</b>
<b>PAYMENTS</b>			
Employee expenses	0	758	758
Rates	0	1,701	1,701
Heat & Light	0	21,459	21,459
Telephone	0	3,658	3,658
Property Expenses	0	1,808	1,808
PAYE/NI	0	31,127	31,127
Net Wages	0	88,075	88,075
Sundry Trading Expenses	0	2,668	2,668
Legal Fees	17,078	0	17,078
Agents/Valuers Fees	12,760	0	12,760
Chargeholder	420,000	0	420,000
Preparation of S. of A.	0	5,422	5,422
Agents/Valuers Fees	0	28,303	28,303
Legal fees	0	49,246	49,246
Professional Fees	0	13,900	13,900
Debt Collection	0	11,881	11,881
Factoring termination fee	0	139,281	139,281
Stationery & Postage	0	1	1
Statutory Advertising	0	242	242
Bank Charges	0	762	762
Repayment of factors	0	472,946	472,946
VAT receivable	2,721	17,477	20,198
	<b>452,559</b>	<b>890,713</b>	<b>1,343,272</b>
Balances in Hand	<b>63,022</b>	<b>620,475</b>	<b>683,497</b>
	<b>515,581</b>	<b>1,511,188</b>	<b>2,026,769</b>



# Grant Thornton

Our Ref AGW/KWS/AD/T00183/7

To the Creditors

Recovery and Reorganisation

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WEDNESDAY

04/11/2009  
COMPANIES HOUSE

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29 October 2009

Dear Sirs

**Taylor & Sons Limited - In Administration (The Company)**  
**High Court of Justice, Chancery Division, Cardiff District Registry Number**  
**277 of 2009**

## 1 INTRODUCTION

- 1.1. Following the appointment of Nigel Morrison and myself as joint administrators of the Company by director on 9 April 2009, I now report on the progress of the administration to date.
- 1.2. I enclose Form 2.24B together with an account of my receipts and payments for the 6 months ended 8 October 2009 (Appendix I) in accordance with Rule 2.47 of the Insolvency Rules 1986.
- 1.3. In accordance with paragraph 100 (2) of Schedule B1 to the Insolvency Act 1986 the functions of the administrators are to be exercised by any or all of them.

## 2 STATUTORY INFORMATION

- 2.1. The company's statutory details are as follows:

registered number 67032

registered office C/O Grant Thornton UK LLP  
11-13 Penhill Road  
Cardiff  
CF11 9UP

Chartered Accountants  
Member firm within Grant Thornton International Ltd  
Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: Grant Thornton House, Mellon Street, Euston Square, London NW1 2EP  
A list of members is available from our registered office.

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business.

A list of personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address.

former trading addresses

Regent Street  
Britton Ferry  
Neath  
SA11 2JA

5/6 Curran Road  
Cardiff  
CF10 5DF

Canal Parade  
Cardiff  
CF10 5HJ

### **3     PROGRESS REPORT**

- 3.1. The strategy for the realisation of the Company's assets was detailed in the proposal report dated 2 June 2009.

#### **Reappointment over the Company**

- 3.2. Following my proposal report, I discovered that proper notice had not been served on Duncan and Barbara Taylor who hold a fixed and floating charge debenture over the assets of the Company. In order to rectify this situation I made a successful application to court and on 2 July 2009 the court confirmed our appointment as joint administrators of the Company as effective from 9 April 2009. Grant Thornton UK LLP has borne the legal costs of this application to court.

- 3.3. The following has been achieved since my appointment:-

- the Engineering business based in Curran Road, Cardiff was sold to TEMA Engineering Limited (TEMA) on 17 April 2009
- the Rubber division based in Canal Parade, Cardiff was sold to Cyrus RW Group Limited (Cyrus) on 24 April 2009
- the sale of the businesses operated out of Briton Ferry were also sold to Cyrus on 7 May 2009
- sufficient debts have been collected to repay Lloyds TSB Commercial Finance (LTSBCF) its total principal lending of £472,946 in full and termination charges, accrued interest and other charges of £139,281
- Go Industry Dove Bid plc (Go Industry) have sold the remaining physical assets at auction and via private treaty sales where appropriate
- assigned trade debts have realised £989,956 to 8 October 2009
- the premises at Curran Road, Cardiff were sold to TEMA on 14 August 2009 for £440,000

## **4 REALISATION OF ASSETS**

### **Fixed charge assets - properties**

Canal Parade, Cardiff

- 4.1. Prior to the administration, this property and the adjoining third party property were to be sold under a joint venture arrangement to a major developer, the proceeds to be split 52/48 in favour of the adjoining owner, an associated company of Cyrus, Redijo Limited (Redijo). The collapse in residential values and the banking crisis at the end of last year caused this deal to fail.
- 4.2. I have met with the managing director of Redijo and we have agreed that DTZ should be jointly instructed to offer the combined site to the market with expressions of interest invited. This is ongoing at present.
- 4.3. The Company's Rubber division, which was sold to Cyrus, operated from part of this premises. I allowed Cyrus to continue to operate from the premises under a licence to occupy from 24 April 2009 to 23 September 2009 at a commercial rent.

Curran Road, Cardiff

- 4.4. Following the sale of the Engineering business on 17 April 2009, the Curran Road property was sold to TEMA on 14 August 2009 for £440,000 with a potential overage uplift if the property is on sold within a certain period. The sale was recommended by my agents, DTZ.
- 4.5. The benefit of the overage agreement has been assigned to the mortgagee.

Church Street, Briton Ferry

- 4.6. In conjunction with the sale of the Briton Ferry businesses sold on 7 May 2009, I granted Cyrus a three year lease for the property at a commercial rent.

## **5 FLOATING CHARGE ASSETS**

### **Assigned trade debtors**

- 5.1. Certain of the trade debtors of the Company were assigned to LTSBCF.

- 5.2. Details of the debts assigned and the amounts due to LTSBCF at the date of my appointment are set out below together with the termination charges and accrued interest that I settled from the collection of the trade debts.

Debts assigned	<u>£ 1,110,373</u>
Due to LTSBCF	
Repayment of principal sum	472,946
Termination charges and accrued interest	<u>139,281</u>
	<u>612,227</u>
Potential equity	<u>498,146</u>

- 5.3. The termination charges above are 12.5% of the debts assigned value with the balance being accrued interest charges.
- 5.4. The total book value of the Company's debts at the date of my appointment were shown to be £3,317,085 including £1,146,482 due from associated companies Taylor Products Limited and £363,383 due from Taylor Marine Engineering Limited, leaving net external debts due of £1,807,220 (of which £1,110,373 were assigned to LTSBCF).
- 5.5. Realisations to 8 October 2009 have amounted to £989,956, which includes a net £92,117 realisation of Engineering debts mentioned in paragraph 5.9 below.
- 5.6. I have instructed my solicitors, Bond Pearce LLP (Bond Pearce), to assist with the collection of book debts. Various statutory demands and letters before action have been sent to debtors. The collection of debtors is ongoing.

#### **Sale of the businesses**

##### **Sale of the Engineering division**

- 5.7. The Engineering division based in Curran Road, Cardiff was sold to TEMA on 17 April 2009.
- 5.8. I sold the equipment for £35,000 and the goodwill, business information, intellectual property rights, the benefit (subject to the burden) of the required contracts, the stock and work in progress for £1.
- 5.9. In addition, TEMA have assisted me with the collection of the contractual trade debtors of this division and a net £92,117 has been realised.

##### **Sale of the Rubber division**

- 5.10. The Rubber division was sold to Cyrus on 24 April 2009.
- 5.11. I sold the plant and machinery for £59,898; stocks and work in progress for £100; goodwill for £1 and the benefit and burden of the division's interest in a contract with AmClyde for £1.

Sale of Briton Ferry Workshops businesses

- 5.12. The sale of the businesses operated out of Briton Ferry were also sold to Cyrus on 7 May 2009.
- 5.13. The stock and work in progress was sold for £49,999 and the goodwill for £1. I also agreed to sell the plant and machinery for £200,000 on a deferred consideration basis. Of this amount, £82,500 had been received to 8 October 2009.

#### **Other plant, machinery and vehicles**

- 5.14. The remaining plant, machinery and motor vehicles, not included in the above sales were sold by auction and private treaty by Go Industry. A further £130,224 was realised for these assets.

#### **Potential claims against third parties**

- 5.15. I am continuing to investigate a potential claim against a third party and am unable to disclose further details at present as such disclosure could prejudice the claims.

### **6 ADMINISTRATORS' REMUNERATION**

- 6.1. As there will be no funds available for unsecured creditors, Rule 2.106(5A) of the Insolvency Rules provides that the joint administrators' remuneration is to be approved by the secured and preferential creditors, namely the Bank, LTSBCF and the Redundancy Payments Service. I will be requesting them to approve my remuneration according to time properly given by me and my staff in attending to matters arising in the administration.
- 6.2. Total time costs to 20 October 2009 amount to £387,391 representing 1,542 hours at an average of £251 per hour. Disbursements to 20 October 2009 amount to £4,452. No remuneration or disbursements have been drawn to date.

### **7 LIABILITIES AND OUTCOME FOR CREDITORS**

#### **Secured creditors**

- 7.1. The security registered against the assets of the Company, as shown at Companies House is as follows:

Security holder	Date of registration
<b>The Bank</b>	
Omnibus Guarantee & Set Off Agreement	25 February 2008
Debenture - Fixed and Floating charges	29 March 1971
- Fixed and Floating charges	11 September 2007
Legal charge - Canal Parade, Cardiff	04 September 2000
- Curran Road, Cardiff	26 March 2002
- Villiers Hotel, Briton Ferry	26 March 2002
- Foundry, Briton Ferry	26 March 2002
Chattels Mortgage	16 December 2003
<b>LTSBCF</b>	
Debenture - Fixed and Floating charges	24 January 2008

Duncan & Barbara Taylor  
Debenture - Fixed and Floating charges  
Chattel Mortgage

26 March 2002  
26 March 2002

PMG Wales Limited  
Agreement re Canal Parade

07 May 2004

- 7.2. There is a Deed of Priority in place between the Bank and Duncan and Barbara Taylor. My solicitors advised that the Bank has unlimited priority over their security.
- 7.3. LTSBCF has been repaid its lending in full.
- 7.4. The PMG Wales Limited security has been discharged but a memorandum of satisfaction to reflect this has not been filed at Companies House.
- 7.5. The Bank is owed £4,482,340 by the Company at the date of our appointment and has a further claim of £1,258,513 under its guarantee security. The Bank received a distribution of £420,000 under its fixed charge following the sale of Curran Road, Cardiff. The Bank will receive further distributions from the sale of the remaining properties and from the floating charge surplus after preferential creditors have been paid in full, but will incur a substantial shortfall on its lending.
- 7.6. Duncan and Barbara Taylor will not receive any dividend on any amounts that they are owed by the Company due to the Bank's priority arrangements with them.

**Preferential creditors**

- 7.7. The Company employed 180 members of staff. I currently estimate that preferential arrears of wages and holiday pay claims arising from employees will amount to £194,000 although I have raised numerous queries with the Redundancy Payments Office (RPO) and await their response. Preferential creditors will be paid in full once I have resolved the outstanding queries with the RPO.

**Prescribed part**

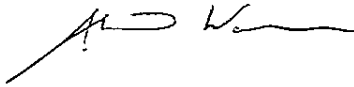
- 7.8. As one of the Bank's debentures pre-dates 15 September 2003, there is no prescribed part available for unsecured creditors.



**Unsecured creditors**

- 7.9. There will be no dividends to unsecured creditors in this matter.

Yours faithfully  
for and on behalf of Taylor & Sons Limited

A handwritten signature in black ink, appearing to read 'A. Wardell', with a long horizontal stroke extending to the right.

Alistair Wardell  
Joint Administrator

The affairs, business and property of Taylor & Sons Limited are being managed by Alistair Wardell and Nigel Morrison, appointed joint administrators on 9 April 2009.