

The Insolvency Act 1986

Administrator's progress report

Name of Company

Taylor & Sons Limited

Company number

00067032

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

(full name of court)

Court case number
277 of 2009(a) Insert full
name(s) andaddress(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

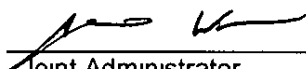
To

(b) Insert date

(b) 9 April 2010

(b) 8 October 2010

Signed


Joint Administrator

Dated

3/11/2010

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

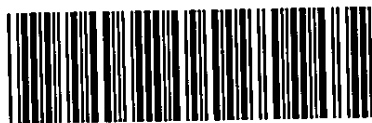
The contact information that you give will be visible to searchers of the public record

C/O Grant Thornton UK LLP, 11/13 Penhill Road, Cardiff, CF11 9UP

DX Number

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SATURDAY



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COMPANIES HOUSE

When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff



Grant Thornton

Our Ref AGW/SJH/ALW/T00183/7

To the Creditors

Recovery and Reorganisation

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3 November 2010

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 directors on 9 April 2009, I now report on the progress of the administration since my interim report dated 3 September 2010 to date
- 1 2 On 15 September 2010, I obtained a Court Order extending the period of the administration until 7 October 2011 in accordance with paragraph 76(2)(a) of Schedule B1 to the Insolvency Act 1986, in order to allow for the Company's property and other remaining assets to be realised
- 1 3 I enclose Form 2 24B together with an account of my receipts and payments for the period ended 8 October 2010 (Appendix I) in accordance with Rule 2 47 of the Insolvency Rules 1986
- 1 4 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

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.

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
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
- 3.2 Receipts and payments since my last report are detailed in the attached receipts and payments account, Appendix I
- 3.3 The Company's property in Canal Parade, Cardiff is being marketed for sale, a number of offers have been received and are being considered. Exchange of contracts has taken place on the Company's property in Briton Ferry and completion is expected to take place in early November 2010

4 CLAIM AGAINST COMPANIES HOUSE

- 4 1 The Company has a potential claim against Companies House in relation to the events detailed below
- 4 2 Prior to its administration the Company had a turnover of approximately £30million per annum and employed significant numbers of people in the South Wales area and in associated operations overseas. One of the Company's major customers was Corus
- 4 3 I instructed solicitors, Bond Pearce LLP (Bond Pearce) to review the potential claim
- 4 4 Bond Pearce has established that Companies House received an order of the Court to wind up Taylor & Son Limited (company number 05044596) and not the Company, Taylor & Sons Limited, on 12 February 2009. The Court reference was 10566 of 2008. There was apparently no company number on the order and no covering form. It is alleged that a Companies House employee incorrectly wrote the Company number 67032 on the order and that Companies House then processed the order against Taylor & Sons Limited in error. The wrong company was then shown as being in liquidation on the Companies House register
- 4 5 Bond Pearce advised that Companies House removed the entry when L G Williams & Prichard (the Company's solicitor in this matter) contacted them on 23 February 2009
- 4 6 During the period which the Company was erroneously shown as being in liquidation at Companies House, it is alleged that serious consequences flowed from the mistake including
- a there was increased pressure from the Company's creditors,
 - b a Credit Safe report dated 10 March 2009 obtained by Bond Pearce drew on information from Companies House recording the Company as being wound up,
 - c Corus advised the Company that they had not been awarded three contracts worth £600,000 each, which would otherwise have been awarded to them, because of the above report. The contracts were specifically for the construction of three life boat stations for the RNLI. We are advised that the Company would have made substantial profits on those contracts, and
 - d suppliers demanded payment immediately or the return of their goods and equipment
- 4 7 The directors believe that the mistake, caused creditor panic and cancelled contracts and was a serious factor which led the Company to enter into administration on 9 April 2009
- 4 8 Bond Pearce considers that the Company may have a claim against Companies House for negligent mis-statement or otherwise
- 4 9 The joint administrators have no funds to progress the claim and intend to assign it to a third party, for a price to be agreed, in order to realise funds in the administration. Accordingly, we are writing to potentially interested parties (including creditors) to establish whether there is

any interest in purchasing the course of action

4 10 The claim is at the same time being offered to other parties who may be interested in pursuing it and the Administrators' duty is to maximise the value obtained on the assignment

4 11 Please note that

- a it is a matter for the joint administrators to decide which bid to accept and they are not obliged to accept the highest offer,
- b the joint administrators have the right to reject all offers,
- c we reserve the right to seek clarification of offers and to enter into correspondence with any bidder,
- d we may summon a meeting of creditors or correspond with creditors if so advised concerning the bids,
- e in the event that we consider that there is little difference between the offers, we reserve the right to invite further bids,
- f we may if we so wish reveal the terms of the original bids if we decide to hold a further round of bidding, and
- g we reserve the right to apply to the court for directions and/or sanction as to which offer should be accepted

4 12 In the event that you are interested in purchasing the claim, please confirm your interest in writing and state at what price you wish to purchase the claim by no later than 25 November 2010

4 13 Please note that there is an estimated shortfall due to Lloyds TSB Plc (the Bank) of £3 7million and any recoveries from this claim, net of costs, would have to be significantly higher than the amount of the shortfall in order to result in the possibility of a dividend to unsecured creditors

5 LIABILITIES AND OUTCOME FOR CREDITORS

Secured creditors

5 1 The position with secured creditors has not changed since our last report dated 3 September 2010

Preferential creditors

5 2 Preferential claims of £174,846 have been agreed and £159,921 was paid to the date of the receipts and payment account. The balance relates to a deferred dividend, which will be paid in due course

Prescribed part

- 5 3 As one of Lloyds TSB Plc's (the Bank) debentures pre-dates 15 September 2003, there is no prescribed part of floating charge assets to be set aside for the benefit of unsecured creditors under Section 176A of the Insolvency Act 1986

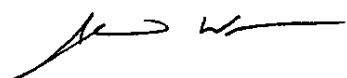
Unsecured creditors

- 5 4 We continue to estimate that there will be no dividends to unsecured creditors in this matter

6 ADMINISTRATORS' REMUNERATION

- 6 1 As there will be no funds available for unsecured creditors, Rule 2 106(5A) to the Insolvency Rules provides that the joint administrators' remuneration is to be approved by secured creditors, namely the Bank and Lloyds TSB Commercial Finance Limited. I have obtained their approval to draw remuneration to date according to time properly given by me and my staff in attending to matters arising in the administration.
- 6 2 In accordance with Statement of Insolvency Practice (SIP 9), I attach as Appendix II a summary of my time costs to 3 November 2010 by grade of staff and type of work. Total time costs to 3 November 2010 amount to £559,171 representing 2,258 hours at an average of £248 per hour. Disbursements to 3 November 2010 amount to £6,629. Remuneration of £305,000 and disbursements of £6,629 have been drawn to date.
- 6 3 Details of any matters which have had a significant impact on the time costs are included in the appendix, together with details of any disbursements charged during the period under review.

Yours faithfully
for and on behalf of Taylor & Sons Limited



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.

Taylor & Sons Limited
(In Administration)

Floating charge receipts and payments account for the period
from 9 April 2009 to 8 October 2010

Appendix I

	Statement of affairs	9 4 2009 to 3 9 2010	4 9 2010 to 8 10 2010	Total
	£	£	£	£
RECEIPTS				
Freehold land and property	5,500,000 00	440,000 00	0 00	440,000 00
Stock and work in progress	600,000 00	60,194 00	0 00	60,194 00
Contracts	0 00	1 00	0 00	1 00
Goodwill	0 00	3 00	0 00	3 00
Plant and machinery	750,000 00	308,691 75	0 00	308,691 75
Book debts	1,300,000 00	1,386,135 12	1,237 40	1,387,372 52
Wages recharged to Cyrus	0 00	1,135 86	0 00	1,135 86
Rent received from Cyrus	0 00	51,000 00	0 00	51,000 00
VAT bad debt relief claim	0 00	71,831 31	0 00	71,831 31
Hire purchase surplus	0 00	3,978 70	0 00	3,978 70
Miscellaneous refunds	0 00	1,268 03	0 00	1,268 03
Sales	0 00	100,132 04	0 00	100,132 04
Fixed charge VAT payable	0 00	66,000 00	0 00	66 000 00
Floating charge VAT payable	0 00	40,442 20	0 00	40,442 20
	8,150,000 00	2,530,813 01	1,237 40	2,532,050 41
PAYMENTS				
Direct expenses		797 89	0 00	797 89
Rates		3,361 01	0 00	3,361 01
Heat & light		22,061 26	0 00	22,061 26
Travel		781 91	0 00	781 91
Telephone		4,973 06	0 00	4,973 06
Professional Fees		3,900 00	0 00	3,900 00
Repairs & Maintenance		8,328 98	0 00	8,328 98
Property Expenses		2,407 75	0 00	2,407 75
PAYE/NI		51,881 36	0 00	51,881 36
Net wages		130,925 59	8,586 92	139,512 51
Sundry trading expenses		4,082 82	0 00	4,082 82
Legal Fees		90,173 25	0 00	90,173 25
Agents fees		42,985 21	0 00	42,985 21
Insurance		22,456 04	0 00	22,456 04
Bank charges		1,725 80	129 44	1,855 24
Fixed charge holder		545 000 00	0 00	545,000 00
Factor's interest		104 97	0 00	104 97
Preparation of statement of affairs		19,421 57	0 00	19,421 57
Administrators' fees		305,000 00	0 00	305,000 00
Administrators' expenses		6,628 96	0 00	6,628 96
Printing and postage of creditor reports		1,072 36	0 00	1,072 36
Debt collection fees		13,928 81	0 00	13,928 81
Factoring termination fee		139,281 37	0 00	139,281 37
Stationery and postage		1 14	0 00	1 14
Statutory advertising		241 85	0 00	241 85
Preferential creditors - dividend of 100p in the £		156,951 95	2,969 26	159,921 21
Repayment of factors		472,946 08	0 00	472,946 08
Floating charge holder		261,327 08	0 00	261,327 08
Floating VAT receivable		78,619 12	0 00	78,619 12
Fixed Ch Vat Receivable		3,358 20	0 00	3,358 20
VAT control account		47 506 63	-17,142 52	30,364 11
Trade creditors		0 00	10,568 45	10,568 45
		2,442,232 02	5,111 55	2,447,343 57
Balance in hand		88,580 99	-3,874 15	84,706 84
		2,530,813 01	1,237 40	2,532,050 41

Laylor & Sons Limited - In Administration
SIP 9 TIME COST ANALYSIS
9 April 2009 to 3 November 2010

Standard	Partner			Manager			Executive			Administrator			Total		
	Hrs	£	Avg Hnly Rate	Hrs	£	Avg Hnly Rate	Hrs	£	Avg Hnly Rate	Hrs	£	Avg Hnly Rate	Hrs	£	Avg Hnly Rate
Administrative and Planning Creditors	35 26	13,414 10	380 43	198 21	58,875 35	297 04	261 45	52,959 75	202 56	166 42	24,670 05	148 24	661 34	149,919 23	226 69
Hiatus period	3 00	1,095 00	365 00	142 25	48,372 25	340 05	230 05	46,781 25	203 35	127 75	19,037 50	149 02	503 05	115,286 00	229 17
Investigation															
Realisation of Assets	34 50	12,802 50	371 09	371 50	126,507 50	340 53	227 00	46,555 50	205 09	73 95	11,424 25	154 49	4 90	1,114 50	227 45
Trading	37 50	13,737 50	366 33	188 00	59,430 00	316 12	28 70	5,973 50	208 14	128 00	16,420 00	128 28	382 20	95,561 00	250 03
Total	110 26	41,049 10	372 29	900 96	293,500 10	325 76	751 10	153,069 50	203 79	496 12	71,551 80	144 22	2,258 44	559,170 50	247 59

EXPLANATION OF GRANT THORNTON UK LLP CHARGING AND DISBURSEMENT RECOVERY POLICIES

Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown on the above schedule. Details of the hourly charge-out rates are made available to creditors or committees at the

The firm's hourly charge out rates for the year commencing 1/7/08, 1/7/09 and 1/7/10 are as follows

Grade	£		£		£	
	1/7/08	1/7/09	1/7/10	1/7/08	1/7/09	1/7/10
Partner	390	410	425			
Director	365	385	405			
Associate	335	355	365			
Director	260	275	285			
Manager	220	235	245			
Senior 2	195	205	210			
Senior 1	185	195	200			
Administrative or 2	155	165	170			
Administrative or 1	125	135	140			
Secretary	115	125	130			
Filing Clerk	115	125	130			
Treasury	135	145	150			

Disbursements

Out of pocket expenses are charged at cost. Mileage is charged at standard rates which comply with HM Revenue and Customs limits or AA recommended rates.