

2.24B**Administrator's progress report**

Name of Company Metalrax Group Plc	Company number 00793639
In the High Court of Justice Chancery Division Birmingham District Registry	Court case number 8169 of 2013

We
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KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Mark Orton
KPMG LLP
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Administrators of the above company attach a progress report for the period

from	to
2 October 2013	13 March 2014

Signed

Dated

13 March 2014

Contact Details:

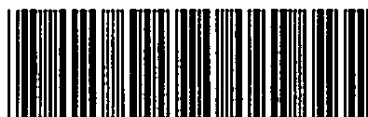
You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Rishi Thakrar KPMG LLP One Snowhill Snow Hill Queensway Birmingham B4 6GH DX Number DX 709850 Birmingham 26		Tel 0121 609 6189 DX Exchange
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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



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Metalrax Group Plc
– in administration

Final Report to creditors pursuant to Rule 2.110
of the Insolvency Rules 1986 (as amended)

For the period
2 October 2013 to 13 March 2014

KPMG LLP
13 March 2014
wjw/sn/er/rt/lm



Metalrax Group Plc
- in administration
2 October 2013 to 13 March 2014
KPMG LLP
13 March 2014

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*Metalrax Group Plc
- in administration
2 October 2013 to 13 March 2014
KPMG LLP
13 March 2014*

Notice: About this report

This report has been prepared by myself, Mark Orton and William Wright, the Joint Administrators of Metalrax Group Plc (the 'Company') solely to comply with our statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of being used, and is not suitable to be used, to inform any investment decision in relation to the debt of, or any financial interest in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this Report for any purpose or in any context other than under paragraph 49 Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability in respect of this report.

William Wright is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

I, Mark Orton am authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

Administrators act as agents for the Company and contract without personal liability.

The appointments of the Joint Administrators are personal to us and, to the fullest extent permitted by law, KPMG LLP (KPMG) does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

1 Glossary

Act	The Insolvency Act 1986 (as amended)
AIM	Alternative Investment Market
Bank/RBSIF	The Royal Bank of Scotland Invoice Finance Limited
Buyer/Bowman	The purchaser of the majority of Metalrax Group Plc's business and assets, Bowman Birmingham Limited (and any other entities under its control)
Company	Metalrax Group Plc – in administration (ultimate parent of all members of the Group as defined below)
Court	High Court of Justice, Chancery Division, Birmingham District Registry
CVL	Creditors' Voluntary Liquidation
Directors/Board	The Directors of the Metalrax Group
Group/Metalrax Group	Metalrax Group Plc, Metalrax Engineering Support Services Limited, Metalrax Specialist Applications Limited and Down & Francis Industrial Products Limited (all in administration) and Metalrax Housewares Limited, Metalrax Overseas Holdings Limited and other dormant subsidiaries owned ultimately by Metalrax Group Plc
Joint Administrators/ Administrators	William Wright and Mark Orton of KPMG LLP, One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH
KPMG	KPMG LLP
TUPE	Transfer of Undertakings (Protection of Employment) Regulations
VAT	Value Added Tax

The references in these Proposals to sections, paragraphs or rules are to sections, paragraphs and rules of the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules 1986 respectively

2 Executive Summary

- The Company, acting by its directors, resolved on 2 April 2013 to appoint William Wright and myself, Mark Orton as Joint Administrators of the Company. The notice of appointment was lodged at the High Court of Justice, Chancery Division, Birmingham District Registry, on 2 April 2013.
- The Company was the non-trading parent company of the Metalrax Group. The Group was a niche manufacturing group of companies, focussing on the specialist engineering and consumer durables sectors.
- As previously reported, the principal business and assets of the Company were sold to Bowman Birmingham Limited ('Bowman') on 2 April 2013 for £1.97 million. In addition, the Company's shares in Metalrax Housewares Limited were sold to Cable Capital Partners Limited for £1 plus an agreement to repay The Royal Bank of Scotland Invoice Finance (the 'Bank') the debt owed by Metalrax Housewares Limited in full on the same date (£1.99m).
- The Royal Bank of Scotland Invoice Finance (the 'Bank') provided rolling asset based facilities to the Group, capped at £14 million, which was drawn at approximately £8.8 million (including Metalrax Housewares Limited) at the time the Company was placed into administration. All trading companies in the Group, as well as Metalrax Group Plc, provided universal cross guarantees for other members of the Group.
- We do not anticipate that there will be any preferential claims, as all employees of the Company transferred to the purchaser following the sale of the Company's assets.
- It is anticipated that funds will become available to enable a small distribution to unsecured creditors and therefore the Company is being placed into creditors' voluntary liquidation.
- It should be noted that funds will not be available in the Company to enable a distribution to unsecured creditors until intercompany dividends are received from the insolvencies of other group companies as well as potential realisations due to the rights of subrogation of the Company following repayment of the Bank's debt in full. Accordingly the quantum and timing of any dividend cannot currently be confirmed.
- Full details of the Administrators' final progress report are attached together with all the relevant statutory information included by way of Appendices.



Mark Orton
Joint Administrator

3 Objectives of the administration

In accordance with paragraph 3(1) of Schedule B1 of the Act, the Joint Administrators have the following hierarchy of objectives

- (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 was wound-up (without first being in administration), or
- (c) realising property in order to make a distribution to one or more of the Company's secured or preferential creditors

Our primary objective as administrators is to rescue the Company as a going concern. However this was not possible due to the significant level of indebtedness, the significant difficulties and risk associated with continuing to trade the business in administration and the absence of solvent offers received for the Group as part of the robust marketing process to investigate sale or refinance options.

As a result our objective has been to achieve a better result for the Company's creditors as a whole, than would be likely if the Company was wound up without first being in administration. This has been achieved via the sale of the Company's business and assets at prices that could not have been achieved had the Company been wound up.

The Company is now being placed into creditors' voluntary liquidation to enable a distribution of surplus funds to be made to unsecured creditors.

4 Administrators' Proposals

Our Statement of Proposals ('Proposals') was circulated on 16 May 2013 (see appendix 5). A meeting of creditors was not held as it was estimated that the Company had insufficient assets to enable a distribution to the unsecured creditors, including via the prescribed part. No creditors requested an initial creditors' meeting within eight business days of the Proposals being sent out. Our Statement of Proposals was therefore deemed approved on 29 May 2013 and was not modified.

The proposals in relation to the drawing of Administrators' fees on a time cost basis and the discharge of the administrators' liability upon the filing of the final receipts and payments account was initially approved by the secured creditor on 6 June 2013.

The administrators have subsequently called a meeting of creditors, the business of which was conducted by correspondence, with a deadline of 21 February 2014 to obtain additional approval for the drawing of fees and discharge of liability from the unsecured creditors. This was considered appropriate given that there are now anticipated to be surplus funds available to unsecured creditors. This approval has been granted although our fees are subject to a 20% discount on standard time costs rates.

5 Progress of the administration

4.1 Asset Realisations

There have been no further realisations in the period covered by this report, other than bank interest received of £297 (see appendix 2)

4.2 Leasehold Properties

All leasehold properties have now been either surrendered back to the landlord or assigned

6 Costs of Realisations

6.1 Legal Fees

Legal costs of £12,497 incurred with Messrs Eversheds, have been paid in the period, of which £3,747 relates to the period. A further £468 of legal fees have been incurred but not yet paid. These costs relate primarily to the variation of the original agreements for the sale of the Group's properties which the Company are party to, along with finalising the surrender or assignment of the Company's leasehold properties. This brings total legal costs during the Administration to £67,489.

6.2 Other costs

Insurance costs of £395 have been paid in the Period as detailed in appendix 4. This brings total insurance costs in the Administration to £2,434. No further insurance costs are anticipated.

7 Joint Administrators' time costs, disbursements and fee approval

7.1 Joint Administrators' Remuneration

Our time costs in the period 2 October 2013 to 13 March 2014 total £82,248 being 274 hours at an average of £300 per hour.

A detailed analysis of our time costs is attached at appendix 3. I can confirm that the above time costs have all been incurred in respect of post-appointment time, and no pre-appointment time is included.

Key areas where we have incurred their time costs to date are as follows:

- Dealing with corporation tax and VAT matters,
- Dealing with unsecured creditor queries and liaising with the secured creditor of the Company,
- Fulfilling statutory obligations to creditors and the Registrar of Companies,
- Progressing the administration towards closure.



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Disbursements of £190 have been incurred in the period (see appendix 3)

We also advise that we have instructed KPMG environmental, VAT, tax and pensions specialists to carry out reviews and assessments of the Company's position in these areas. Their associated costs are included in the above time costs to date.

A creditors' guide to fees can be found at www.r3.org.uk/media/documents/technical_library/SIPS/SIP_9_EW_Nov_2011.pdf. However, if creditors are unable to access this guide, and would like a copy, please contact Rishi Thakrar on 0121 609 6189.

We proposed that our remuneration be fixed on the basis of time properly given by ourselves and our staff in dealing with matters arising during the period of the administration, based on time properly spent at KPMG charge out rates that reflect the complexity of this assignment.

Under rule 2.106 of the Rules, where the administrators have made a statement under Paragraph 52(1)(b) of Schedule B1 of the Act that, on the basis that there will be no surplus available to creditors over and above the prescribed part, then it is for the secured and preferential creditors to fix the remuneration of the administrators. Where there are no preferential creditors, it is for the secured creditors alone to approve the Administrators' remuneration.

We requested that the secured creditor confirmed their approval that we be authorised to draw fees on account from the assets of the Company and also that we should be discharged from liability in accordance with Paragraph 98 of Schedule B1 ("Sch B1") of IA86, upon the filing of the final receipts and payments account in accordance with Rule 2.110 of the Insolvency Rules 1986. This approval was granted by RBSIF on 6 June 2013.

Whilst we are entitled to rely on the approval that we had already obtained from the secured creditor regarding authorising our fees and our discharge, we considered it appropriate to also seek the authority of the Company's unsecured creditors in relation to these matters, given that it is now anticipated that there will be funds available to enable a distribution to unsecured creditors (it should be noted that the anticipated additional realisations are dependent on the receipt of dividends that are to be paid from other Group companies which are also in administration, and therefore the quantum and timing of these realisations cannot currently be confirmed).

Consequently, a meeting of creditors, the business of which was conducted by correspondence, was called with a deadline of 21 February 2014. The resolutions regarding the drawing of our fees was approved subject to a discount on our standard charge out rates for this type of work of 20% and approval for discharge of the administrators' liability was granted.

Fees of £150,000 have been drawn in the period and further administrators' fees of £50,000 will be drawn in the liquidation when additional funds become available, following a VAT reclaim and the receipt of unsecured distributions from other group companies.

8 Funds available to creditors

8.1 Secured creditors

RBSIF provided facilities to the Group totalling approximately £6.8 million at the time of our appointment following the repayment of approximately £1.99 million by Cable Capital Partners, the purchaser of Metalrax Housewares Limited.

All trading companies in the Group in addition to the Company, provided universal cross guarantees for other members of the Group, and therefore RBSIF have been able to cross collateralise and claim for any debt due from the Group, against any entity within the Group. Bank debt of £1,786,438 has been repaid from realisations of the Company.

The Bank has now been repaid its debt in full across the Group and no additional distributions were required from the Company. Now that RBSIF have been repaid in full, the liquidators/administrators will give consideration to the rights of subrogation between the various Metalrax companies that were captured under the cross guarantee.

This could potentially result in additional realisations in the Company but only if there is any surplus over and above the prescribed part in other insolvent group companies. Consequently the quantum and timing of any additional realisation in this regard cannot currently be confirmed.

8.2 Preferential creditors

Claims in respect of certain arrears of wages and holiday pay rank preferentially in insolvencies. We do not anticipate that there will be any preferential claims, following all employees of the Company transferring to the Purchaser under TUPE.

8.3 Unsecured creditors

According to the Directors' estimated statement of affairs, total unsecured creditors were estimated at £4.4 million on appointment. However, the level of the Pension Protection Fund claim was considerably understated and this claim is in fact £19.1 million.

Unsecured creditors	Total outstanding balance £000
Trade creditors	525
Tax and Social Security	85
Pension Fund deficit	3,772
Total	4,382

Source: Directors' statement of affairs

It is anticipated that funds will become available to enable a small distribution to unsecured creditors and therefore the Company is being placed into creditors' voluntary liquidation.

It should be noted that funds will not be available in the Company to enable a distribution to unsecured creditors until intercompany dividends are received from the insolvencies of

other group companies. Additional funds may also become available once the rights of subrogation of each group company have been investigated fully following the repayment of the Bank's debt in full across the group.

Accordingly the quantum of timing of any dividend cannot currently be confirmed.

8.3.1 Prescribed Part

In accordance with Section 176A of the Act, the administrators are required to set aside a prescribed part of the Company's net property that would otherwise be available to the holder of the floating charge, for the benefit of unsecured creditors.

The prescribed part is a computation based on the company's net property and is calculated as 50% of the first £10,000 of floating charge realisations after costs of realisation, and 20% of floating charge realisations after costs thereafter, which is capped at £600,000. The Prescribed Part is dependent upon final asset realisations.

No floating charge distribution has been made to the secured creditor from this Company and accordingly any surplus funds (after costs) will be available to unsecured creditors.

9 Other Matters

9.1 EC Regulations

EC regulations will apply and these proceedings will be the main proceedings as defined in Article 3 of the EC Regulations. The centre of main interest of the Company is in England within the EC.

9.2 Investigations

We have a duty to investigate the affairs of the Company prior to the administration and submit a report to the Insolvency Service on the conduct of those persons who were a director or shadow director in the three years prior to the administration.

We can confirm that we have complied with the above matters although we are not at liberty to disclose the nature or content of the report to the Insolvency Service.

The detailed investigation matters as set out in Statement of Insolvency Practice 2 and Statement of Insolvency Practice 4 have now been completed.

10 Future Strategy

The Joint Administrators will pass funds held to the Joint Liquidators. The Joint Liquidators will submit ongoing VAT returns to recover net VAT receivable, as well as final Administrators' corporation tax returns in addition to ongoing liquidation tax returns. Funds of £27,769 currently held by the Joint Administrators will be transferred to the Joint Liquidators, plus funds held separately relating to unclaimed dividends of £1,242. It should be noted that there is also a current VAT net receivable position of £32,513. This brings the total administration surplus to be transferred to the Liquidators of £60,282 (plus additional unclaimed dividends of £1,242). Final administration legal costs of £468 plus Joint Administrators' fees of £50,000 are outstanding to be paid in the liquidation from the administration surplus. This will result in an administration surplus.

of £9,814, however further realisations are anticipated in the liquidation from intercompany dividends and the rights of subrogation. Surplus funds, after liquidation costs, will be available to unsecured creditors.

In accordance with the Joint Administrators' approved Proposals (and subsequent creditor approval), and as creditors' voluntary liquidation is deemed appropriate, William Wright and Mark Orton of KPMG LLP will be appointed as Joint Liquidators of Metalrax Group Plc on conclusion of the administration. Any act required or authorised under any enactment to be done by William Wright and Mark Orton, the Joint Liquidators, may be done by one of them.

Pursuant to paragraph 99(3) of Schedule B1 to the Insolvency Act 1986, any of the Joint Administrators' outstanding remuneration and expenses will be payable as an expense of the liquidation.

Following the registration at Companies House of the notice given pursuant to Paragraph 83 of Schedule B1 of the Insolvency Act 1986, moving the administration to creditors' voluntary liquidation, the Joint Administrators are to be discharged from liability in respect of any action of theirs as Joint Administrators pursuant to Paragraph 98(1) of Schedule B1 of the Insolvency Act 1986.

This concludes the Joint Administrators' final progress report. Should you require any further information, please contact Rishi Thakrar on 0121 6096189.

11 Comments on appendices

11.1 Appendix 1: Statutory information

The information required to be presented in accordance with Rule 2.33 is shown in this appendix.

11.2 Appendix 2: Joint Administrators' receipts and payments account

The Joint Administrators' receipts and payments account for the period 2 October 2013 to 13 March 2014 is attached. The figures on the account are shown inclusive of VAT as the Company is not VAT registered and VAT therefore represents a cost to the administration.

11.3 Appendix 3: Analysis of the Joint Administrators' post-appointment time costs

Full details of time spent by the Joint Administrators' and their staff are included and categorised in accordance with the Association of Business Recovery Professionals' Statement of Insolvency Practice No. 9 ("SIP 9").

11.4 Appendix 4: Schedule of expenses

Details of expenses both paid and accrued by the Administrators' in the period 2 October 2013 to 13 March 2014.



*Metalrax Group Plc
- in administration
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KPMG LLP
13 March 2014*

11.5 Appendix 5: Administrators' Proposals

A summary of the resolutions included in the Administrators' Proposals dated 16 May 2013

Appendix 1

Statutory information

For Period	2 October 2013 to 13 March 2014		
Company name	Metalrax Group PLC		
Nature of Business	Ultimate parent of the Metalrax Group of Companies		
Administration Order	<p>The Administration Order was granted by the High Court of Justice, Chancery Division, Birmingham District Registry following an application made by the Company</p> <p>Court case number 8169 of 2013</p> <p>2 April 2013</p>		
Administrators details	<p>William Wright is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales</p> <p>Mark Orton is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association</p>		
Functions	The functions of the Administrators are being exercised by any or one of them in accordance with Paragraph 100(2) of Schedule B1 of the Act		
Application of EC regulations	EC regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations		
Company Directors		From	To
	Caroline Inez Green	12/01/2012	11/07/2013
	Ian Hamilton Paling	04/04/2008	2/04/2013
	Andrew John Richardson	12/10/2007	11/07/2013
	Gerard Bernard Wainwright	02/09/2010	2/04/2013
	Andrew John Walker	09/08/2010	2/04/2013
Date of incorporation	27/02/1964		
Company registration number	00793639		
Present registered office	KPMG LLP, One Snowhill, Snow Hill, Queensway, Birmingham, B4 6GH		
Previous registered office	Rectory Court, Old Rectory Lane, Alvechurch, Birmingham, B48 7SX		



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Details of the Company's trading results are shown below (Consolidated Annual Accounts):

	<i>Year ended 31/12/2011 £'000</i>	<i>Year ended 31/12/2010 £'000</i>	<i>Year ended 31/12/2009 £'000</i>
Turnover	63,000	65,500	61,200
Gross profit	16,300	17,000	14,600
Profit / (loss) before tax	100	300	(11,500)



*Metalrax Group Plc
- in administration
2 October 2013 to 13 March 2014
KPMG LLP
13 March 2014*

Appendix 2

Joint Administrators' receipts & payments accounts

2 October 2013 to 13 March 2014

Metalrax Group PLC
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 02/10/2013 To 13/03/2014	From 02/04/2013 To 13/03/2014
	FIXED CHARGE ASSETS		
574,000 00	Freehold property	NIL	482,619 00
1,580,000 00	Shares in Metalrax Overseas Ltd	NIL	1,580,426 00
	Shares in Metalrax Housewares Limited	NIL	2 00
	Goodwill	NIL	1 00
	Bank interest, gross	283 69	513 55
		283 69	2,063,561 55
	FIXED CHARGE COSTS		
	Administrators' fees	150,000 00	150,000 00
	Legal fees	12,497 25	27,550 25
	Pre-appt legal fees	NIL	39,470 34
	Agents'/Valuers' fees	NIL	1,563 22
	Pre-appt agents fees	NIL	1,794 66
	Insurance	NIL	707 86
	Bank charges	NIL	40 00
		(162,497 25)	(221,126 33)
	FIXED CHARGE CREDITORS		
(1,874,000 00)	Fixed charge creditor	NIL	1,786,437 73
		NIL	(1,786,437 73)
	ASSET REALISATIONS		
	Leasehold property - Crossgate	NIL	1 00
	Leasehold property - Alvechurch	NIL	1 00
	Leasehold property - Unit E	NIL	1 00
10,000 00	Plant & machinery/fixtures and fittings	NIL	9,988 00
	Contracts	NIL	1 00
	Motor vehicles	NIL	1 00
	Stock	NIL	1 00
	Tax rights	NIL	1 00
	Book debts	NIL	1 00
	Claims and litigation	NIL	1 00
	Paradigm assignment	NIL	1 00
	Property rights/Patents	NIL	1 00
	IP assignment	NIL	1 00
	Petty cash	NIL	1 00
	Rent	NIL	78,246 00
	Insurance policies	NIL	1 00
	Business records	NIL	1 00
		NIL	88,249 00
	OTHER REALISATIONS		
	Bank interest, gross	12 83	155 33
	Thrd party funds	(33 16)	NIL
	Unclaimed dividends	NIL	1,238 14
		(20 33)	1,393 47
	COST OF REALISATIONS		
	Pre-appt agents' fees	NIL	3,105 00
	Professional fees	NIL	700 00
	Statutory advertising	84 60	253 80
	Rent	NIL	78,246 00

Metalrax Group PLC
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 02/10/2013 To 13/03/2014	From 02/04/2013 To 13/03/2014
Insurance of assets	395 38	1,726 21
Bank charges	<u>NIL</u>	<u>84 67</u>
	(479 98)	(84,115 68)
UNSECURED CREDITORS		
(525,000 00) Trade & expense	NIL	NIL
(3,772,000 00) Pension fund	NIL	NIL
(85,000 00) Non-preferential NIC/PAYE	<u>NIL</u>	<u>NIL</u>
	NIL	NIL
DISTRIBUTIONS		
(5,995,000 00) Ordinary shareholders	<u>NIL</u>	<u>NIL</u>
	NIL	NIL
(10,087,000.00)	<u>(162,713.87)</u>	<u>61,524.28</u>
REPRESENTED BY		
Floating ch VAT rec'able		16,460 96
Fixed charge current		23,501 44
Floating charge current		4,267 68
Unclaimed PLC Dividend Trust Account		1,242 19
Fixed charge VAT rec'able		43,949 82
Fixed charge VAT payable		(96,523 80)
Floating ch VAT payable		(17,649 40)
Floating ch VAT control		1,205 36
Fixed charge VAT control		85,070 03
		<u>61,524 28</u>



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Appendix 3

Analysis of Joint Administrators' post-appointment time costs

2 October 2013 to 13 March 2014

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Administration & planning							
Bankrupt/Director/Member							
Dissenting shareholders			2 20		2 20	£429 00	£195 00
Cashiering							
General (Cashiering)	1 20		6 20		7 40	£2,314 00	£312 70
Reconciliations (& IPS accounting reviews)			2 90		2 90	£768 50	£265 00
General							
Fees and WIP		3 10	2 00		5 10	£1,637 50	£321 08
Statutory and compliance							
Appointment and related formalities			0 50		0 50	£97 50	£195 00
Checklist & reviews		18 10	9 95		28 05	£10,033 75	£357 71
Closure and related formalities		9 45	10 60		20 05	£5,705 25	£284 55
Pre-appointment checks			23 40		23 40	£4,563 00	£195 00
Strategy documents	0 40	8 80	0 50		9 70	£3,711 50	£382 63
Tax							
Initial reviews - CT and VAT			4 00		4 00	£1,060 00	£265 00
Post appointment corporation tax		2 75	2 50		5 25	£1,581 25	£301 19
Post appointment VAT	6 80	5 10	12 35		24 25	£8,061 25	£332 42
Creditors							
Creditors and claims							
General correspondence	2 60	3 75	3 30	0 10	9 75	£3,568 25	£365 97
Legal claims			3 00		3 00	£585 00	£195 00
Pre-appointment VAT / PAYE / CT		0 50			0 50	£192 50	£385 00
Secured creditors		0 50	0 50		1 00	£290 00	£290 00
Statutory reports	0 75	13 90	15 70		30 35	£9,241 75	£304 51
Employees							
Correspondence	0 10	3 20			3 30	£1,288 50	£390 45
Pension funds	0 40	0 90			1 30	£572 50	£440 38
Pensions reviews	1 00	11 50	33 10	0 70	46 30	£13,231 00	£285 77
Investigation							
Directors							
Correspondence with directors		0 50			0 50	£192 50	£385 00
D form drafting and submission			0 50		0 50	£97 50	£195 00
Investigations							
Claims against 3rd party advisors			0 50		0 50	£97 50	£195 00



Metalrax Group Plc
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KPMG LLP
13 March 2014

Realisation of assets

Asset Realisation

Cash and investments		1 20	15 80	17 00	£4,047 00	£238 06
Freehold property	1 10	1 00	1 60	3 70	£1,408 50	£380 68
Leasehold property		12 50	4 30	16 80	£5,831 00	£347 08
Open cover insurance		0 50	2 00	2 50	£582 50	£233 00
Other assets	0 10	0 80	3 50	0 10 4 50	£1,059 00	£235 33
Total in period				274 30	£82,247 50	£299 85

All staff who have worked on this assignment, including cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates

Note

Any additional information regarding remuneration or expenses charged for the period is available from the Administrators upon request by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with Rule 2 48A. This request must be made within 21 days of receipt of the report. In addition creditors are reminded that the quantum can be challenged by any secured creditor or any unsecured creditor(s) with at least 10% in value (including that creditor's claim) of the unsecured debt by making an application to Court in accordance with Rule 2 109 within eight weeks of receipt of this report. The full text of these rules can be provided upon request.

Schedule of KPMG LLP charge our rates for Restructuring and other partners and staff who may be used in this case

Scale rates	FY14 £	FY13 £
Partner	565	565
Director	485	485
Senior Manager	475	450
Manager	385	365
Administrator	265	250
Assistant Administrator	195	185
Secretary	120	115



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KPMG LLP
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Summary of Joint Administrators' post-appointment disbursements

The Joint Administrators have not incurred any disbursements in the period.

	£
Printing costs	24 70
Transportation costs	164 80
Total	189.50



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Appendix 4

Schedule of expenses

2 October 2013 to 13 March 2014

Section	Account	Accrued	Paid	Total
Fixed charge costs	Legal fees	468 24	12,497 25	12,965 49
	Administrators fees	50,000 00	150,000 00	200,000 00
		50,468.24	162,497.25	212,965.49
Cost of realisations	Statutory advertising		84 60	84 60
	Insurance of Assets		395 38	395 38
			479.98	479.98
TOTAL		50,468.24	162,977.23	213,445.47

Appendix 5

Administrators' Proposals

Our Proposals, which were circulated to all known creditors on 16 May 2013, are as follows

- Our remuneration on the basis of time properly given by ourselves and the various grades of our staff in accordance with KPMG's usual charge out rates for work of this nature, and
- Disbursements for services provided by KPMG, defined as Category two disbursements in Statement of Insolvency Practice 9 will be charged in accordance with KPMG's policy as set out in Appendix 3
- The payment of unpaid pre-administration costs as an expense of the administration is subject to the same approval as our remuneration, as outlined at Section 9. It is not part of our proposals. We confirm that we are seeking approval of the secured creditor to pay these costs in full as an expense of the Administration
- We consider it prudent to retain all of the options available to us to bring the administration to a conclusion, however, in this particular instance we are likely to wish to pursue one of the following options as being the most cost effective and practical in the present circumstances
 - a) Once all the assets have been realised and a distribution to creditors has been made where relevant and we have concluded all work within the administration, we will file notice with the Registrar of Companies, following registration of which, the Company will be dissolved three months thereafter, or
 - b) If creditors voluntary liquidation is deemed appropriate, that we William Wright and Mark Orton be appointed as Joint Liquidators of the Company without any further recourse to creditors. Any act required or authorised under any enactment to be done by us may be done by either one of us. The creditors may nominate a different person as the proposed Liquidators, provided that the nomination is made after the receipt of the proposals and before these proposals are approved. The nomination of the alternative Liquidator must be accompanied by confirmation of consent to act by the nominated liquidator
 - c) Once assets have been realised and we have concluded all work within the administration, we will apply to court for the administration to be ended and, if appropriate, for the Company to be placed into compulsory liquidation

Further options available to bring the administration to an end are

- a) Automatically one year after the administration order was made, or
- b) By notice to the Registrar of Companies on completion of the administration



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If it is not possible to conclude the administration within 12 months we will seek approval for an extension to the administration period from the secured creditor. However, it is currently anticipated that the Company will be moved to dissolution prior to the automatic end of the administration on 1 April 2014.

- We shall seek to be discharged from any liability in respect of any action of ours as Administrators upon the filing of our final receipts and payments accounts and progress reports with Companies House. In the event that no creditors' meeting is called and no committee formed, we will seek this approval from the secured creditor.



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2 October 2013 to 13 March 2014
KPMG LLP
13 March 2014*

Notice: About this report

This report has been prepared by myself, Mark Orton and William Wright, the Joint Administrators of Metalrax Group Plc (the 'Company') solely to comply with our statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of being used, and is not suitable to be used, to inform any investment decision in relation to the debt of, or any financial interest in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this Report for any purpose or in any context other than under paragraph 49 Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability in respect of this report.

William Wright is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

I, Mark Orton am authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

Administrators act as agents for the Company and contract without personal liability.

The appointments of the Joint Administrators are personal to us and, to the fullest extent permitted by law, KPMG LLP (KPMG) does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.