

Form 3.10

The Insolvency Act 1986  
**Administrative  
 Receiver's Report**

Pursuant to section 48(1) of the Insolvency  
 Act 1986 and Rule 3.8(3) of the Insolvency  
 Rules 1986

**S.48(1)**

To the Registrar of Companies

For official use

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Company Number

1159943

Name of Company

Insert full name of  
company

JOHN CHAPLIN (MACHINERY)

Limited

We M E G SAVILLE AND P S FLESHERof GRANT THORNTONST JOHNS CENTRE, 110 ALBION STREET,LEEDS, LS2 8LA

administrative receiver(s) of the company attach a copy of ~~my~~ <sup>XX</sup> [our] report to  
 creditors ~~and a copy of the statement of affairs~~ of the company

Signed

Dated

9/10/95

Presenter's name,  
 address and reference  
 (if any):

GRANT THORNTON

ST JOHNS CENTRE

110 ALBION STREET

LEEDS  
LS2 8LA

For Official Use  
 Insolvency Section Post Room



A11 \*A18VYF19\* 98  
 COMPANIES HOUSE 10/10/95

Our ref MEGS/NM/PAK/C5274J1

**TO THE CREDITORS**

When telephoning please ask for Paul Kirkbright

5 October 1995

Dear Sirs

**JOHN CHAPLIN (MACHINERY) LIMITED - IN RECEIVERSHIP**

Further to my letter of 26 July 1995, I enclose a copy of my report on the above receivership. In addition, I enclose a notice convening a meeting of creditors, together with a form of proxy for that meeting. You should note that if you wish to vote at this meeting you should send me details of your claim against the above company before the date of the meeting. The form of proxy will enable you to appoint a representative to vote on your behalf at the meeting.

Yours faithfully  
for and on behalf of  
**JOHN CHAPLIN MACHINERY LIMITED**



Michael E G Saville  
Joint Administrative Receiver

Enc

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110 Albion Street  
Leeds LS2 8LA  
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**JOHN CHAPLIN (MACHINERY) LIMITED****REPORT TO CREDITORS PURSUANT TO SECTION 48 OF THE  
INSOLVENCY ACT 1986****1 HISTORY AND EVENTS LEADING UP TO THE APPOINTMENT OF  
ADMINISTRATIVE RECEIVERS**

1.1 The company was incorporated on 12 February 1974 although the business had been in operation since 1926. The present director of the company, Mr M J Chaplin, has held office since 1987 and became sole director on 31 December 1994 upon the resignation of Mr S J Chaplin.

1.2 The principal business activity of the company was the sale and service of grass cutting and related machinery and accessories.

1.3 The recent trading performance of the company can be summarised as follows:

	<b>6 Months Ended 30.6.95 Draft £'000</b>	<b>Year Ended 31.12.94 Draft £'000</b>	<b>Year Ended 31.12.93 Audited £'000</b>
Sales	296	442	553
Gross profit	94	134	190
Operating profit/(loss)	18	(77)	(28)
Profit/(loss) before tax	9	(89)	(36)

1.4 The company had suffered a difficult year in 1994 due to a combination of weather conditions which were unfavourable for the trade and a reducing market in the professional sector (golf courses, local authorities etc.) which accounted for a significant proportion of the company's sales. Although a slight improvement had been achieved in the six months ended 30 June 1995, trading and cashflow forecasts prepared by the director for the year to June 1996 demonstrated little prospect of achieving the necessary profitability and cash flow to enable a continuation of activities in the foreseeable future.

1.5 As a result of the forecasts and the potentially worsening position of creditors, the director, being aware of his responsibilities under the Insolvency Act 1986 and the Company Directors' Disqualification Act 1986, sought advice from the company's auditors and invited the company's bank, Midland Bank plc, to appoint an administrative receiver.

- 1.6 The bank complied with the request and Michael E G Saville and Peter S Flesher were appointed joint administrative receivers on 25 July 1995.

## **2 DISPOSAL OF THE ASSETS**

- 2.1 Immediately following our appointment, a rapid appraisal of the state of the business was carried out together with an assessment of the prospects of selling the business.
- 2.2 In view of the desire to maximise realisations from stock and to allow an opportunity for any prospective buyers of the business to come forward we considered it necessary to continue to trade the business in the short term.
- 2.3 The necessity to minimise our costs associated with the trading required us to make three employees of the company redundant immediately.
- 2.4 Despite an aggressive marketing campaign, including advertising in The Yorkshire Post, no formal offers for the business were received and we therefore ceased to trade the business on 19 August 1995. At this point all remaining employees were made redundant.
- 2.5 The results of our trading of the business showed a profit of £4,000 for the period due to sales of much of the stock at values in excess of those which would have been achievable in the case of an immediate shutdown.
- 2.6 The remaining assets of the company, excluding the company's premises, were disposed of by auction on the advice of our agents Messrs Eddisons realising in total £38,000 before costs.
- 2.7 A sale of the company's long leasehold premises at a price of £150,000 has been agreed subject to contract.

## **3 SECURED AND PREFERENTIAL CREDITORS**

- 3.1 The amount due to Midland Bank plc at the date of our appointment was £142,000 and this was secured by a fixed charge over the leasehold property and book debts and a floating charge over all other assets of the company.
- 3.2 An amount of £85,000 is believed to be due to Mr M J Chaplin and is believed to be secured by a second fixed charge over the leasehold property of the company. This matter will require further investigation.

- 3.3 The preferential creditors are presently estimated to be as follows:

	£'000
PAYE/NIC	4.4
VAT	8.1
Employee claims	3.6
	<hr/>
	16.1
	<hr/>

- 3.4 The above estimates are preliminary and the claims are subject to formal agreement. It is expected that the preferential creditors will receive a dividend.

#### **4 OUTCOME AS REGARDS UNSECURED CREDITORS**

- 4.1 Until the sale of the leasehold property has been concluded, the book debts have been collected and the final level of preferential claims has been determined, the likelihood of a dividend to unsecured creditors is uncertain.

#### **5 OTHER MATTERS**

- 5.1 A copy of the notice convening a meeting of creditors is attached. At the meeting this report will be presented to creditors who will be able to vote on the appointment of a creditors' committee.
- 5.2 We have not yet received the directors sworn statement of affairs, however we expect to have done so by the date of the meeting of creditors and copies should be available at the meeting.

**THE INSOLVENCY ACT 1986**

**Grant Thornton** 

**JOHN CHAPLIN (MACHINERY) LIMITED - IN RECEIVERSHIP**

**REGISTERED NO:** 1159943

**TRADING ADDRESS:** 85 ROSEVILLE ROAD, LEEDS

**REGISTERED OFFICE:** GRANT THORNTON , ST JOHNS CENTRE,  
110 ALBION STREET LEEDS LS2 8LA


Notice is hereby given pursuant to Section 48 of the Insolvency Act 1986, that a meeting of creditors of the above company will be held at the Griffin Hotel, Boar Lane, Leeds at 10.30am on Tuesday 24 October 1995.

A form of proxy is enclosed.

In order to be able to vote, details of your claim must be lodged at the offices of Grant Thornton, St Johns Centre, Leeds, LS2 8LA not later than 12 noon on Monday 23 October 1995. In addition, a form of proxy must also be lodged prior to the meeting.

Creditors whose claims are wholly secured are not entitled to attend or be represented at the meeting. Creditors whose claims are partially secured should deduct the value of their security from their total claim and they will only be allowed to vote on the unsecured portion of their claim. Creditors should note that the joint administrative receivers can call for any document or other evidence to be produced to substantiate their claim.

DATED THIS 5 DAY OF OCTOBER 1995

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Michael E G Saville  
Joint Administrative Receiver

## Insolvency Act 1986

Notes to help  
completion of the  
form

**PROXY (Administrative Receivership)****JOHN CHAPLIN (MACHINERY) LIMITED**

Please give full name  
and address for  
communication

Name of creditor/member \_\_\_\_\_

Address \_\_\_\_\_

Please insert name of  
person (who must be  
18 or over) or the  
"chairman of the  
meeting".  
If you wish to  
provide for alternative  
proxy-holders in the  
circumstances that  
your first choice is  
unable to attend  
please state the  
name(s) of the  
alternatives as well

Name of proxy-holder \_\_\_\_\_

1 \_\_\_\_\_

2 \_\_\_\_\_

3 \_\_\_\_\_

Please delete words in  
brackets if the proxy-  
holder is only to vote  
as directed ie he has  
no discretion

I appoint the above person to be my/the creditor's proxy-holder at the meeting of creditors to be held on Tuesday 24 October 1995, or at any adjournment of that meeting. The proxy-holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

**Voting instructions for resolutions**

for the appointment of \_\_\_\_\_

of \_\_\_\_\_

representing \_\_\_\_\_

as a member of the creditors' committee

This form must be signed

Signature \_\_\_\_\_ Date \_\_\_\_\_

Name in CAPITAL LETTERS \_\_\_\_\_

Only to be completed  
if the creditor/member  
has not signed in  
person

Position with creditor or relationship to creditor or other authority for  
signature \_\_\_\_\_