

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company INDUSTRIAL MAINTENANCE PRODUCTS LIMITED	Company number 01332080
In the High Court of Justice Chancery Division Manchester District Registry	Court case number 1407 of 2009

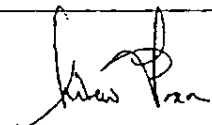
(a) Insert full name(s)
and address(es) of
administrator(s)

I/We (a) J M Tittle & A Poxon of Leonard Curtis, DTE House,
Hollins Mount, Bury BL9 8AT

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

(b) Insert dates	from (b) 19 May 2009	to (b) 18 November 2009
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Signed


Joint / Administrator(s)

Dated

14 December 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

Leonard Curtis	
DTE House, Hollins Mount, Bury BL9 8AT	
Ref: KL/19	Tel 0161 767 1250
DX Number	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



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**INDUSTRIAL MAINTENANCE PRODUCTS LIMITED
(IN ADMINISTRATION)**

**Joint Administrators' First Progress Report
for the period 19 May 2009 to 18 November 2009**

14 December 2009

Leonard Curtis
DTE House, Hollins Mount, Bury, Lancashire BL9 8AT
Tel: 0161 767 1250 Fax: 0161 767 1240

INDUSTRIAL MAINTENANCE PRODUCTS LIMITED– IN ADMINISTRATION

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INDUSTRIAL MAINTENANCE PRODUCTS LIMITED- IN ADMINISTRATION

STRICTLY PRIVATE AND CONFIDENTIAL
NOT FOR PUBLICATION

TO: THE REGISTRAR OF COMPANIES
THE COURT
ALL CREDITORS
ALL MEMBERS

1 STATUTORY INFORMATION

- 1.1 John Titley and I were appointed Joint Administrators of Industrial Maintenance Products Limited ("the Company") in the jurisdiction of the High Court of Justice, Manchester District Registry, number 1407 of 2009 on 19 May 2009. The administration application was made by the directors of the Company.
- 1.2 The Administration is being handled by Leonard Curtis' Bury office, which is situated at DTE House, Hollins Mount, Bury, Lancashire BL9 8AT.
- 1.3 The trading address of the Company was New Britannia Works, Hulme Road, Radcliffe, Manchester, M26 1EY.
- 1.4 The Company's registered office address at the date of the appointment of administrators was New Britannia Works, Hulme Road, Radcliffe, Manchester, M26 1EY. This was subsequently changed to the administrators' office at DTE House, Hollins Mount, Bury, Lancashire BL9 8AT on 2 June 2009. The Company's registered number is 01332080.
- 1.5 The functions of the Administrators may be exercised by either or both, acting jointly or alone.

2 PROGRESS OF THE ADMINISTRATION

- 2.1 Attached at Appendix A is the Joint Administrators' receipts and payments account for the six month period from 19 May 2009 to 18 November 2009.
- 2.2 **Sale of Business**

Creditors will be aware that the Joint Administrators were able to complete a going concern sale of the business to General Business Services 2 Limited ("the purchaser"), a Company connected by way of a common shareholder. This Company later changed its name to IMP Chemicals Limited.

The agreed sales consideration was £175,000 which was apportioned as follows:

	£
Stock/WIP	60,000.00
Goodwill	40,000.00
Plant and machinery	75,000.00
	<u>175,000.00</u>

A sum of £25,000 was paid upon completion and £150,000 was payable by 5 monthly instalments of £30,000 each. To date £85,000 has been received. A sum of £95,000 remains outstanding and a payment plan has been agreed, which is up to date.

2.3 Debtors

Lloyds TSB Commercial Finance ("Lloyds") provided an invoice finance facility which was secured by a fixed charge over the debtors and floating charges over all the assets. At the date of appointment the gross ledger equated to £606,567 with an approved ledger of £372,339. Collections to date equate to £311,130. At the date of appointment Lloyds were owed £308,824. Lloyds have been repaid in full out of debtor realisations in this instance. It is not yet certain whether a surplus will be made available to the administrators at this time as it is subject to interest and charges being applied by Lloyds. We have instructed an independent debt collection agent to assist with recovery of the remaining debtors.

3 ASSETS STILL TO BE REALISED

- 3.1 The assets still to be realised are the deferred consideration detailed at 2.2 above and the book debts as detailed at 2.3 above.

4 JOINT ADMINISTRATORS' REMUNERATION

- 4.1 The secured creditors have approved that the basis of the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the Administration. This has been capped at £15,000 by Nat West Bank.
- 4.2 The Joint Administrators' time costs at 18 November 2009 are £17,658.00. This represents 92.1 hours at an average rate of £191.73 per hour. Attached at Appendix B is a time analysis which provides details of the activity costs incurred by staff grade during this period.
- 4.3 The time analysis at Appendix B does not include a sum of £4,059.00 which was incurred in the period prior to our appointment on 19 May 2009, which creditors are not required to approve.
- 4.4 To date £15,000 has been drawn on the account. No further times costs will be taken.
- 4.5 Attached as Appendix C is additional information in relation to the firm's policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade.

5 ESTIMATED OUTCOME FOR CREDITORS

5.1 Secured Creditors

The third purpose of administration has been achieved in this instance, this being the realisation of property in order to make a distribution to one or more secured or preferential creditors. In this instance Lloyds hold a debenture dated 7 June 2001 which incorporates fixed and floating charges over all Company assets. Lloyds have been repaid in full from debtor realisations. Nat West also has a debenture dated 29 May 2002 and is a creditor in the sum of £645,000 at the date of administration. Nat West will also be part repaid from the sales consideration, when it has been received in full. Any shortfall to Nat West has been guaranteed by an associated business and personally by the directors.

5.2 Prescribed Part

The administrators are required by law, subject to certain rules, to set aside a proportion of the funds which would normally be paid to the floating charge holder under the terms of its security, for the benefit of unsecured creditors. This is known as the "Prescribed Part" where the charge is created after 15 September 2003. In this instance, given that the security granted by the Company predates the Enterprise Act, there is no requirement to calculate a prescribed part.

INDUSTRIAL MAINTENANCE PRODUCTS LIMITED— IN ADMINISTRATION

5.3 Preferential Creditors

With effect from 15 September 2003 preferential status has been abolished for debts owing to HM Revenue and Customs. Such debts rank alongside other unsecured non-preferential creditors' claims. The claims which remain preferential are those of employees in respect of wages (up to £800 per employee) and holiday pay. As detailed in 2.2 above it was possible to achieve a sale of the business and assets as a going concern in this instance. It was also possible to transfer the employees to the purchaser under TUPE regulations. Accordingly a preferential claim is not expected from the Redundancy Payments Office.

5.4 Unsecured Non Preferential Claims

All unsecured non-preferential claims will be subject to agreement by a subsequently appointed Liquidator in due course, should liquidation be the appropriate exit route from the administration process. It is unlikely that there will be sufficient funds to enable a distribution to be made to the unsecured non preferential creditors in this instance.

6 ENDING THE ADMINISTRATION

- 6.1 It is unlikely that a request will be submitted to creditors for an extension of time to the current 12 month duration of the administration. If required, a request for an extension of time will be communicated to creditors in due course. The exit route from administration is likely to be by way of liquidation if there is a prospect of a dividend being paid to unsecured non preferential creditors or by dissolution if it is not possible to pay a dividend.

7 NEXT REPORT

- 7.1 The Joint 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.

For and on behalf of

INDUSTRIAL MAINTENANCE PRODUCTS LIMITED



A POXON

JOINT ADMINISTRATOR

14 December 2009

INDUSTRIAL MAINTENANCE PRODUCTS LIMITED– IN ADMINISTRATION

APPENDIX A

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM
19 MAY 2009 TO 18 NOVEMBER 2009

	Per Statement of Affairs	Receipts and Payments at 18/11/09	Amounts Collected by Lloyds
	£	£	£
Receipts			
Stock/WIP	60,000.00	25,000.00	-
Goodwill	40,000.00	-	-
Plant and machinery	75,000.00	60,000.00	
Debtors subject to finance	372,000.00	-	311,130.52
Non-factored debtors	-	17,398.72	-
	<u>547,000.00</u>	<u>102,398.72</u>	<u>311,130.52</u>
Payments			
Solicitors' Fees & Expenses		5,005.00	-
Administrators' Disbursements		48.85	-
Administrators' Remuneration		15,000.00	-
Agents' Fees & Expenses		3,036.30	-
Debt Collection Expenses		2,500.00	-
Statutory Advertising		75.60	-
Secured Creditor – Lloyds		17,398.72	311,130.52
Sundry Expenses		75.00	-
Bordereau Fee		400.00	-
		<u>(43,539.47)</u>	<u>(311,130.52)</u>
Balance In Hand		<u>58,859.25</u>	<u>Nil</u>

INDUSTRIAL MAINTENANCE PRODUCTS LIMITED- IN ADMINISTRATION

APPENDIX B

SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD TO 18 NOVEMBER 2009

	Director		Senior Manager		Manager 1		Administrator 2		Administrator 3		Administrator 4		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory & Review	2	79.00	-	-	7	199.50	-	-	28	420.00	-	-	37	698.50	188.78
Receipts & Payments	-	-	-	-	-	-	-	-	2	30.00	6	63.00	8	93.00	116.25
Insurance	-	-	-	-	-	-	5	85.00	-	-	-	-	5	85.00	170.00
Assets	-	-	102	3,570.00	-	-	170	2,890.00	15	225.00	18	189.00	305	6,874.00	225.38
Liabilities	-	-	8	280.00	-	-	129	2,193.00	25	375.00	60	630.00	222	3,478.00	156.67
Debenture Holder	-	-	13	455.00	-	-	-	-	15	225.00	-	-	28	680.00	242.86
General Administration	12	474.00	-	-	-	-	-	-	10	150.00	21	220.50	43	844.50	196.40
Appointment	-	-	9	315.00	-	-	63	1,071.00	-	-	48	504.00	120	1,890.00	157.50
Post Appointment Creditors Meetings	-	-	8	280.00	-	-	130	2,210.00	-	-	-	-	138	2,490.00	180.43
Investigations	-	-	15	525.00	-	-	-	-	-	-	-	-	15	525.00	350.00
Total	14	553.00	155	5,425.00	7	199.50	497	8,449.00	95	1,425.00	153	1,606.50	921	17,658.00	

Average Hourly Rate (£)

395.00 350.00 285.00 170.00 150.00 105.00 191.73

All Units are 6 minutes

Joint Administrators' Progress Report

14 December 2009

ADDITIONAL INFORMATION IN RELATION TO ADMINISTRATORS' FEES AND DISBURSEMENTS PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9

The following information relating to the policy of Leonard Curtis is considered to be relevant to creditors:

Staff Allocation, Support Staff and the Use of Subcontractors

We take an objective and practical approach to each assignment which includes active partner involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case.

Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is charged.

With effect from 1 January 2009 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

Partner	£395	Administrator 2	£170
Senior Manager	£350	Administrator 3	£150
Manager 1	£285	Administrator 4	£105
Manager 2	£245	Support	£0
Administrator 1	£195		

We have not utilised the services of any sub-contractors in this case.

Professional Advisors

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

On this case 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.

Name of professional advisor	Basis of fee arrangement
Hill Dickinson (Legal advice)	Hourly rate and disbursements
Eddisons (Physical Asset Valuation)	Hourly rate and disbursements
Cerberus Recoveries (Debt Collection)	Hourly rate and disbursements

Disbursements

Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as a "category 1 disbursement". Category 1 disbursements will generally comprise supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses, including car mileage at 40p a mile, incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage. Category 1 disbursements incurred on this case are detailed in Appendix A.

Where we propose to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, documents storage or communication facilities provided by us) they must be disclosed and be authorised by those responsible for approving the administrator's remuneration. Such expenditure is referred to as a "category 2 disbursement". The following items of expenditure are ordinarily recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£62.90 per box

No category 2 disbursements have been drawn on this case to date.