

The Insolvency Act 1986

**Statement of administrator's proposals**

Name of Company <b>MIGHTYHIRE LIMITED – IN ADMINISTRATION</b>	Company Number <b>1888913</b>
In the <b>KINGSTON UPON HULL COUNTY COURT</b> <div style="text-align: right;">[full name of court]</div>	Court case number <b>50 of 2008</b>

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

I / We (a) Andrew James Nichols

Redman Nichols, Maclaren House, Skerne Road, Driffield, YO25 6PN

\* Delete as applicable

attach a copy of \*my / ~~our~~ proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 14 November 2008

Signed

  
Joint Administrator(s)

Dated

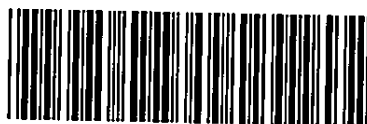
14 November 2008

**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.

	Tel
DX Number	DX Exchange

TUESDAY



A55 18/11/2008 285  
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

# **In the Kingston Upon Hull County Court    Case No 50 of 2008**

## **Mightyhire Limited - in administration**

### **Report of the administrator incorporating a statement of the administrator's proposals pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986**

I, Andrew James Nichols, of Redman Nichols, Maclaren House, Skerne Road, Driffield, East Yorkshire, YO25 6PN, was appointed administrator of Mightyhire Limited ("the company" or "Mightyhire") by the directors, with effect from 26 September 2008

#### ***Statutory information***

The directors of the company are as follows:-

<b>Directors</b>	<b>Shares held</b>
Philip Paul Williams	0
Vernon Ian Phillips	0
	<hr/>
	0
	<hr/>

The company secretary is Nicola Williams

The only shareholder is Mightyhire Holdings Limited "Holdings", a company owned and controlled by Phillip Williams Holdings holds 100 £1 ordinary shares in the company.

The company was incorporated on 22 February 1985 The company number is 1888913

The registered office address of the company was Unit 40 Foster Street Industrial Estate, Stoneferry, Hull until recently when it was changed to Maclaren House, Skerne Road, Driffield, YO25 6PN for the sake of these proceedings.

#### ***An account of the circumstances giving rise to my appointment***

When it commenced the business was principally owned and controlled by Philip Barker. The current directors Philip Williams and Vernon Phillips became directors in May 1999 and March 2005 respectively. The company has traded as earth product suppliers & transporters, demolition contractors and construction related plant & machinery hirers. The company operated from leased premises in Foster Street, Hull. The company traded successfully and profits were made.

During 2007 Mr Barker decided to move abroad and bring his business interests in this country to an end. Solicitors and accountants were involved in negotiations which resulted in a transfer of the shares of Mightyhire from Philip Barker to Mightyhire Holdings Limited, a new company formed for this purpose. The transfer was completed

on 30 April 2008 The consideration for the transfer was £800,000, £500,000 of which was paid on transfer with £300,000 due under deferred payment. The Company loaned Holdings funds to pay the initial transfer sum and the costs of the transaction.

During the summer of 2008 the directors were concerned that there was a downturn in the demand for the goods and services supplied by the company. They were hopeful that the position would improve and in an effort to streamline the operations of the company and generate funds various surplus assets of the company, plant machinery, vehicles etc were sold

During September 2008 the directors approached the company's accountants for advice as they were concerned that the market place in which the company operated was experiencing problems and it was not considered that the position would improve in the near future. The directors appreciated that the company's turnover had fallen significantly. As a result of the discussions with the accountants Redman Nichols were asked to meet with the directors, who sought advice on their obligations under the Insolvency Act 1986 and related legislation. As a result of the discussions it was decided that the company should proceed into administration and the directors commenced these proceedings. My appointment as administrator became effective on 26 September 2008.

#### ***Directors' statement of affairs***

A copy of the director's statement of affairs of the company as at 26 September 2008 is attached to this report. The statement was produced with the assistance of the company's accountants Try Lunn & Co of Hull I have no reason to question the accuracy of the statement I make the following additional comments:-

- In the period since the commencement of the administration certain of the company's debtors have continued to pay the amounts owed by them by way of direct payment into the company's bank account. It is understood that this has resulted in the amount due to the bank having been paid and account now has a credit balance. The funds held in the bank account will be payable to me as administrator in due course
- The preferential creditors detailed on the statement are the former employees in respect of accrued wages and holiday pay. The amounts due to them in regard to the wages (not holiday pay) have been paid from the administration estate

#### ***Manner in which the company's affairs have been conducted since the date of my appointment***

Upon my appointment the company employed 23 people, including the two directors

Immediately following my appointment, I instructed agents, Gilbert Baitson, to market the assets and undertakings of the company. It was decided that, with the continued assistance of the workforce and directors, attempts would be made to sell the business and realise the stock by selling it from the company's trading premises. Nt3 Commercial Chartered Surveyors were instructed to advise and assist in relation to the company's interest in the lease and a waste licence attached to the company/property.

On 30 September 2008 nine employees were made redundant

My agents, having considered the position and the marketplace, advised me that it was unlikely that it would be possible to sell the company as a going concern. The decision was made to close the business and sell the remaining assets by public auction. The remaining employees were dismissed on 7 and 8 September 2008. An auction of assets on site was held at the company premises on 14 October 2008. The keys of the premises were returned to the landlord on 21 October 2008.

In a separate auction at his premises my agent sold the company's tickets for the KC Stadium.

The asset realisation process of the administration is ongoing. My agent continues to market and sell the remaining sundry assets of the company and the collection of the book debts owing to the company is ongoing. In addition to the amounts paid to me some, payments are still being made by various debtors direct in to the company's bank account. Solicitors will assist in the debt collection process as appropriate in due course.

Accordingly, although I have been unable to rescue the company as a going concern, the purpose of the administration has been achieved in that a better result for the company's creditors as a whole than would have likely if the company were wound up (without first being in administration) has been secured.

I advise that, based on the information available to me at present, after payment of the likely costs and expenses of the administration and payment of the secured and preferential unsecured creditors there will be funds available to pay a dividend to the unsecured creditors in this case and hence the company will proceed into creditors' voluntary liquidation in due course.

In this regard, creditors should note that, in an administration, the administrator has a statutory duty to agree and admit only preferential unsecured creditors' claims and pay dividends on them. The administrator does not have a duty to agree and admit non preferential unsecured creditors' claims and pay dividends in an administration, unless the court orders otherwise.

### ***The prescribed part***

The provisions of Section 176A of The Insolvency Act 1986 relating to a prescribed part are relevant in these proceedings as there is a floating charge created after 15 September 2003. The position regarding the amount of the prescribed part is detailed on the director's statement of affairs. It should be noted that even after payment, in full, of the debt due to the floating charge holder it is envisaged that the amount available to pass to a liquidator to allow a distribution to the non preferential unsecured creditors is in excess of the prescribed part.

### ***Receipts and payments account***

An account of my receipts and payments to date is attached to this report.

### ***Statement of Insolvency Practice 9 – Remuneration of insolvency office holders***

Statement of Insolvency Practice 9 provides that I am required to disclose to creditors my firm's time costs to date, together with an analysis of the types of work that we have undertaken in administering this case.

In addition, I am required to disclose how much has been drawn by my firm from estate funds in respect of remuneration and on what basis these sums were drawn as well as who and when these sums were sanctioned. I am also required to advise creditors what expenses have been recovered from the administration estate. Category 1 expenses are expenses directly attributable to the case and Category 2 expenses are additional overheads that relate to the case but are not directly attributable.

A copy of the creditors' guide to administrator's fees is attached to this report for creditors' information, together with a creditors' guide to Redman Nichols fees and expenses

### ***My firm's current charge out rates***

My firm's current charge out rates are as follows:-

<b>Grade</b>	<b>Rate (£)</b>
Partner	265
Manager	190
Assistant Manager	165
Administrator	145
Support staff	80

### ***Pre Administration Order costs***

My firm's costs in assisting the directors in the period to 26 September 2008, based on time costs at our usual rates, total £3,503.32.

### ***My firm's time costs to date in administering this case and an estimated analysis of the types of work carried out on it***

My firm's time costs, to date, in dealing with the proper administration of this case total £38,932. An estimated analysis by reference to the types of work carried out on this administration can be found on the attached schedule.

### ***Funds drawn to date on account of remuneration***

I advise that I have not drawn any sums on account of my firm's remuneration to date

***Basis of amount of administrator's remuneration, who agreed that basis and when***

My proposals make provision for creditors to agree the basis of my firm's remuneration on the basis of my firm's time costs as detailed above. These proposals will be considered and voted on at the meeting of creditors to be held on 3 December 2008.

***Administrator's/Redman Nichols expenses***

To date we have recovered £3,273 49 in respect of Category 1 expenses. Category 1 expenses incurred to date are summarised on the attached schedule. We have not sought to recover any Category 2 expenses.

***Professionals engaged to assist the administrator to carry out his duties***

<b><i>Firm</i></b>	<b><i>Fees paid to date (£)</i></b>	<b><i>Basis of those fees</i></b>	<b><i>Brief description of work carried out</i></b>	<b><i>Basis of review of reasonableness of fees</i></b>
<i>Gilbert Batson, auctioneers and valuers</i>	<i>0</i>	<i>Time cost basis/ commission basis plus expenses</i>	<i>Assistance and advice re valuation, marketing and realisation of the company's assets</i>	<i>N/A at this stage</i>
<i>Raworth Solicitors</i>	<i>0</i>	<i>Time cost basis plus expenses</i>	<i>Assistance and advice re the transfer of the company's shares and associated matters, the validity of the bank's debenture, book debt collections and any other matters arising</i>	<i>N/A at this stage</i>
<i>nt3 Commercial Chartered surveyors</i>	<i>0</i>	<i>Time costs basis plus expenses</i>	<i>Assistance and advice re the company's interest in the property lease</i>	<i>N/A at this stage</i>
<i>Rollits Solicitors</i>	<i>0</i>	<i>Time cost basis plus expenses</i>	<i>Assistance and advice re the administration procedure</i>	<i>N/A at this stage</i>
<i>Try Lunn &amp; Co</i>	<i>0</i>	<i>Time cost basis plus expenses</i>	<i>Accounting information, tax matters and assistance in preparing the statement of affairs</i>	<i>NA at this satge</i>

*A J Nichols*  
*Administrator*

*14 November 2008*

## **Mightyhire Limited – in administration**

### **My proposals are as follows:**

- 1      Should the administrator form the opinion that it is likely that there will be a dividend to unsecured non preferential creditors, he shall take steps to procure that the company is placed into liquidation, ideally creditors' voluntary liquidation and if not, then compulsory liquidation. Should the company be placed into creditors' voluntary liquidation then the proposed liquidator will be the administrator. However, creditors may nominate a different person as the proposed liquidator.
- 2      However, if it subsequently appears likely that there will not be funds available to pay a dividend to the unsecured non preferential creditors, the administrator shall, upon completion of the administration, move the company straight to dissolution.
- 3      In the period up to liquidation or dissolution of the company, the administrator shall continue to realise all the company's remaining assets, principally the collection of the outstanding book debts and the sale of the remaining stock and chattel assets.
- 4      In the period up to liquidation or dissolution of the company, the administrator may do all such other things and generally exercise all his powers as administrator as he considers desirable in order to achieve the purposes of the administration or to protect and preserve the assets of the company or to maximise their realisations.
- 5      If the creditors so wish it, a creditors' committee shall be established and the administrator shall consult with the committee at appropriate intervals concerning the conduct of the administration and the implementation and development of these proposals and, at intervals of not less than six months, send to the committee reports on the progress of the administration.
- 6      The remuneration of the administrator's firm for their work in assisting the directors in the period to 26 September 2008 in applying for the administration proceeding, (based on their time costs at their usual charge out rates) which total £3,503.32 are to be paid as an expense of the administration.
- 7      In the event that no creditors' committee is formed, the administrator's remuneration shall be based upon his firm's time costs and the administrator shall be entitled to draw remuneration in respect of his costs at such time as he considers appropriate after those costs have been incurred.
- 8      If the administrator considers it appropriate, he may summon a creditors' meeting to consider any revisions to the proposals in accordance with paragraph 54 of Schedule B1 of the Insolvency Act 1986, provided that the proposed revision is substantial.
- 9      As the company's main centre of interest is based in England, EC Regulations do apply. These proceedings will be main proceedings as defined in Article 3 of the EC Regulations.

... ..  
**A J Nichols**  
**Administrator**

## HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	4 50	65 33	0 00	10 80	80 63	15,171 85	188 16
Investigations	0 00	0 33	0 00	0 00	0 33	63 33	190 01
Realisation of Assets	0 00	44 17	0 00	0 00	44 17	8,391 67	190 00
Trading	16 00	19 08	0 00	0 00	35 08	7,865 83	224 20
Creditors	0 00	37 50	0 00	2 17	39 67	7,439 17	187 54
Total Fees Claimed £	5,432 50	31,619 19	0 00	1,880 16		38,931 85	
Total Hours	20 50	166 42	0 00	12 97	199 88		
Average Rate	265 00	190 00	0 00	145 00			

## CATEGORY &amp; DISBURSEMENTS

Type & Purpose			Amount £
07/10/2008	Stationery	Letters to debtors with invoices	3 04
07/10/2008	Postage	Letters to debtors with invoices	39 52
15/10/2008	Redirection of Post		24 90
12/10/2008	Bordereau		150 00
12/10/2008	Bordereau		425 00
10/10/2008	Company Search		28 00
14/10/2008	Travel	MT - Travel to & from company 26/9/08 - 14/10/08	107 80
03/11/2008	Advertising	Appointment of administrator	131 85
03/11/2008	Stationery	Archive boxes	214 14
29/09/2008	Sundry	Petty cash for Diesel	1,000 00
01/10/2008	Sundry	Cash float for Diesel	600 00
02/10/2008	Sundry	Cash float for diesel	500 00
03/10/2008	Stationery	Notice of administration to Creditors	9 76
03/10/2008	Postage	Notice of administration to Creditors	39 48
			<b>3,273 49</b>



## **Mightyhire Limited - in administration**

### **Receipts and Payments Account from 26 September 2008 to 14 November 2008**

	<b>£</b>	<b>£</b>	<b>£</b>
<b>Receipts</b>			
Book debts		28,229	
Sale of stock/ trading receipts		2,409	
Sale of office furniture and equipment		1,375	
Sale of plant, machinery, equipment and vehicles		50,967	
Sale of KC Stadium tickets		8,800	
Corporation tax refund		11,145	
Rates refund		5,435	
VAT-payable		<u>10,450</u>	
<b>Total receipts</b>			<b>118,810</b>
<b>Payments</b>			
Administrators expenses		1,173	
Diesel/petty cash items		2,100	
Employees -wages		<u>14,656</u>	
<b>Total payments</b>			<b><u>17,929</u></b>
<b>Balance in hand</b>			<b><u>100,881</u></b>