

Final

Rule 2 47

The Insolvency Act 1986

Form 2 24B

2.24B

Administrator's progress report

Name of Company Textile Assemblies Limited	Company number 02041350
In the High Court Birmingham District Registry	Court case number 8440 of 2009

We
Andrew Stephen McGill
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Richard James Philpott
KPMG LLP, One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

AdministratorS of the above company attach a progress report for the period

from	to
8 July 2010	10 December 2010

Signed

[Signature]

Joint Administrator

Dated

10 December 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.

Natalie Ellerington

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

DX Number DX 709850 Birmingham 26

Tel
DX Exchange

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

WEDNESDAY



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COMPANIES HOUSE



**Textile Assemblies Limited
(in administration)**

Final Report to Creditors pursuant to Rule
2.47 and 2.110 of the Insolvency
(Amendment) Rules 2003

10 December 2010

KPMG LLP Restructuring



KPMG LLP

Textile Assemblies Limited (in administration)

Joint Administrators – Andrew Stephen McGill and Richard James Philpott

10 December 2010

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1 Notice: About this report

This Report has been prepared by Andrew Stephen McGill and Richard James Philpott, the Joint Administrators of Textile Assemblies Limited, solely to comply with their 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 it being used, and is not suitable to be used, to form any investment decision in relation to the debt of or any financial interest in Textile Assemblies Limited.

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 the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Andrew Stephen McGill is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales. Richard James Philpott is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

The Joint Administrators act as agents for Textile Assemblies Limited and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP 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.

2 Glossary

“Joint Administrators”/ “administrators”	Andrew Stephen McGill and Richard James Philpott, both of One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH
“the Company”	Textile Assemblies Limited (in administration) (Company registration number 02041350)
“The Bank” / “RBS”	The Royal Bank of Scotland Plc
“The Act”	The Insolvency Act 1986
“The Rules”	The Insolvency (Amendment) Rules 2003

3 Introduction

Creditors have previously been advised that, following a request by the directors, Andrew Stephen McGill and Richard James Philpott, both of KPMG LLP, were appointed Joint Administrators of Textile Assemblies Limited on 8 July 2009. The appointment was registered in the High Court of Justice, Chancery Division, Birmingham District Registry. The Court case number is 8440 of 2009.

In accordance with Paragraph 100(2) of Schedule B1 of the Act the functions of the Joint Administrators are being exercised by any of the Joint Administrators.

In accordance with Rule 2.47 and Rule 2.110 of the Insolvency (Amendment) Rules 2003 we are writing to provide an update on the progress since our previous report covering period 8 July 2010 to 10 December 2010. We enclose Form 2.24B providing formal notice to that effect.

An abstract of receipts and payments for the period 8 July 2010 to 10 December 2010 is attached at Appendix 3. Other information required by Rule 2.47 of the Insolvency (Amendment) Rules 2003 is attached at Appendix 1 and a schedule of the administrators' time costs is attached at Appendix 2.

4 Purpose and progress of the administration

4.1 Purpose of the administration

In accordance with paragraph 3(1) of Schedule B1 of the Insolvency Act 1986 the purposes of the administration were:

- (a) rescuing the Company as a going concern, or,
- (b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), or,
- (c) realising property in order to make a distribution to one or more secured or preferential creditors.

Due to the financial position of the Company on appointment purpose (a) was not achievable and the administrators performed their functions to achieve purpose (b). Purpose (b) has been achieved by continuing to trade for a short period during the administration, which protected the book debts and enabled a successful sale of part of the business as a going concern. This significantly enhanced overall realisations and minimised preferential claims.



4.2 Progress of the administration

4.2.1 Sale of business

As previously reported, we completed a sale of part of the business to International Automotive Components Group Limited on 25 July 2009. This enhanced asset realisations over what would have been achievable in a wind down scenario, as well as securing jobs of 68 employees and therefore limiting preferential claims.

4.2.2 Trading

As previously reported, the administrators' trading period generated a trading surplus of approximately £315,000 before administrators' time costs.

4.2.3 Pre-appointment book debts

As previously reported, a total of £470,709 book debts have been collected and the administrators' do not consider that any further debts remain collectable.

4.2.4 Plant, machinery and motor vehicles

We have realised a total of £53,504 for unencumbered plant, machinery and motor vehicles. No further realisations will be achieved from this source.

4.2.5 Stock

We have realised a total of £41,722 for residual stock remaining following the cessation of trading and sale of part of the business and assets on 25 July 2009. No further realisations will be achieved from this source.

4.2.6 Leasehold premises

Following our agent's advice that the Company's lease had no value, it was successfully surrendered back to the landlord.

5 Joint Administrators' proposals

In accordance with Paragraph 52 of Schedule B1 of the Act, the administrators decided not to call a meeting of creditors of the Company to consider the proposals as it was considered unlikely that the Company has sufficient property to enable a distribution to unsecured creditors.

The proposals, other than those set out below, are deemed to have been approved by creditors in accordance with Rule 2.33(5) of the Insolvency (Amendment) Rules 2003.

Our proposal with regard to the drawing of administrators' remuneration required approval by the secured and preferential creditors of the Company in accordance with Rule 2.108 of the Rules. As previously advised, we received approval to

draw fees by reference to time properly spent by the administrators and their staff in attending to matters arising in the administration

Our proposal with regard discharge from liability as administrators is also not automatically approved and required approval by the secured and preferential creditors of the Company. We can confirm that we have now received approval to receive our discharge from any liability in respect of our actions as administrators upon the filing of the final receipts and payments account with the Registrar of Companies.

6 Joint Administrators' time costs

Total KPMG LLP time costs since the administrators' appointment to 10 December 2010 are £384,141.50 representing 1,711.6 hours at an average rate of £224.43 per hour. In the period from 8 July 2010 to 10 December 2010, we have incurred additional time costs of £16,438.50 representing 71.7 hours at an average rate of £229.27 per hour.

Key areas where costs have been incurred in the last five months are as follows:

- Agreement and distribution of preferential creditor distribution,
- Finalising the tax position in administration,
- Dealing with creditor queries, and
- Attending to all statutory duties that are associated with this type of insolvency.

A detailed analysis of the Joint Administrators' time costs from 8 July 2010 to 10 December 2010 is attached at Appendix 2.

We have agreed to limit our fees in this matter and confirm that to date the Joint Administrators have drawn fees of £200,000 plus VAT and disbursements of £2,040.58. No further fees are anticipated to be drawn in this matter.

7 Funds available to creditors

7.1 Secured creditors

As previously advised, RBS hold a debenture containing fixed and floating charges over all the assets of the Company, the validity of which has been confirmed by the administrators' solicitors.

At appointment the Bank's total indebtedness stood at £1.16 million and we have distributed £543,731 to date under their debenture, with a final distribution of £18,730.92 being made since our last report.

7.2 Preferential creditors

Preferential claims are made up of holiday pay, accrued wages and salaries and subrogated claims

A large number of the preferential creditors on appointment were paid in the normal course of trading and the only preferential liabilities relate to the employees that were made redundant

Preferential claims have been finalised since our last report and a distribution of 100p in the £ has been made. Four preferential creditors have not presented their distribution cheques at the time of this report. The bank account will therefore remain open until 19 March 2011, to give these a full six months to clear, after which date the Bank will submit any remaining funds to the insolvency service as unclaimed dividends.

7.3 Unsecured creditors

As previously advised, the Bank's charge was registered before the Enterprise Act 2003 took effect and therefore there is no requirement for the administrators to make funds available under the prescribed part, in accordance with Paragraph 176A of the Act.

As the Bank has suffered a significant shortfall against its total indebtedness there will be no surplus funds available to unsecured creditors in this matter.

8 Other matters

The EC regulations will apply to these proceedings which constitute main proceedings as defined in Article 13 of the EC Regulations. The centre of main interest of the Company is in England within the EC.

9 Closure of the administration

As there are no assets remaining in the Company which would enable further realisations for the benefit of creditors, the Joint Administrators have sent the appropriate notice to the Registrar of Companies that will move the Company into dissolution, in accordance with Paragraph 84 of Schedule B1 to the Insolvency Act 1986. Upon registration of this notice, the appointment of the Joint Administrators will cease to have effect and three months thereafter, the Company will be dissolved.



KPMG LLP

Textile Assemblies Limited (in administration)
Joint Administrators – Andrew Stephen McGill and Richard James Philpott
10 December 2010

Should you require any further information please contact Natalie Ellerington of my staff,
on 0121 609 2316

Yours faithfully
For and on behalf of Textile Assemblies Limited

AS McGill
Joint Administrator

The affairs, business and property of the Company are being managed by the joint administrators

The joint administrators act as agents of the Company and contract without personal liability

Richard James Philpott is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association

Andrew Stephen McGill is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in
England & Wales



Appendix 1 – Statutory information

<i>Company name & Trading style</i>	<i>Textile Assemblies Limited</i>	
<i>Administration Order</i>	<i>The Administration Order was granted in the Companies Court, Chancery Division, High Court of Justice Ref High Court No 8440 of 2009</i>	
<i>Date of appointment</i>	<i>8 July 2009</i>	
<i>Administrators details</i>	<i>Andrew Stephen McGill is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales</i> <i>Richard James Philpott is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association</i>	
<i>Functions</i>	<i>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</i>	
<i>Application of EC regulations</i>	<i>EC regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations</i>	
<i>Company Directors</i>		<i>From</i>
	<i>Gerald Philip Bloom</i>	<i>1 June 2008</i>
<i>(Source Annual Returns)</i>	<i>John Anthony Pendleton</i>	<i>7 December 1999</i>
<i>Company Secretary</i>	<i>John Anthony Pendleton</i>	<i>1 June 2008</i>
<i>(Source Annual Returns)</i>		
<i>Date of incorporation</i>	<i>28 July 1986</i>	
<i>Company registration number</i>	<i>02041350</i>	
<i>Present registered office</i>	<i>c/o KPMG LLP</i> <i>One Snowhill, Snow Hill Queensway, B4 6GH</i>	
<i>Previous registered office</i>	<i>29 Waterloo Road, Wolverhampton, West Midlands WV1 4DJ</i>	
<i>Trading address</i>	<i>Stella House, Talbot Way,</i> <i>Small Heath Business Park, Birmingham</i> <i>B10 0HJ</i>	
<i>Employees</i>	<i>171</i>	



KPMG LLP

Textile Assemblies Limited (in administration)

Joint Administrators – Andrew Stephen McGill and Richard James Philpott

10 December 2010

Details of the Company's trading results are shown below:

	<i>Y/E</i> <i>30/04/2009</i> <i>(draft)</i> <i>£'000</i>	<i>Y/E</i> <i>30/04/2008</i> <i>(audited)</i> <i>£'000</i>	<i>16 Months to</i> <i>30/04/2007</i> <i>(audited)</i> <i>£'000</i>	<i>Y/E</i> <i>30/12/2005</i> <i>(audited)</i> <i>£'000</i>
Turnover	9,687	Not clear (abbreviated accounts)	12,707	6,849
Gross profit	1,794	2,007	2,805	1,938
Profit / (loss) after tax	(588)	(324)	(285)	159
Shareholders' funds	24	111	110	384
Dividends paid	Not clear	Nil	Nil	Nil
Retained profits/(losses)	Not clear	(324)	(285)	159
Directors' emoluments	Not clear	215	375	297
Source Audited & Management accounts				

Details of the Company's share capital and holdings

Authorised share capital	£685,000 (685,000 x ordinary £1 shares)	
Issued share capital	£685,000 (685,000 x ordinary £1 shares)	
(Source Annual Returns)		
Shareholders	Gerald Philip Bloom	685,000
		<hr/>
		685,000
(Source Annual Returns)		



KPMG LLP

Textile Assemblies Limited (in administration)

Joint Administrators – Andrew Stephen McGill and Richard James Philpott

10 December 2010

Appendix 2

Time Cost Analysis – 8 July 2010 to 10 December 2010

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Administration & planning							
Cashiering							
General (Cashiering)	0 30		2 20	4 50	7 00	£1 063 00	£151 86
Reconciliations (& IPS accounting review s)			2 00	0 60	2 60	£518 00	£199 23
Statutory and compliance							
Checklist & review s		2 00			2 00	£690 00	£345 00
Closure and related formalities	1 00	3 00			4 00	£1 790 00	£447 50
Reports to debenture holders		1 00			1 00	£345 00	£345 00
Statutory receipts and payments accounts		0 75	0 70		1 45	£408 00	£281 38
Strategy documents	0 50				0 50	£257 50	£515 00
Tax							
Post appointment corporation tax			10 10		10 10	£2 139 00	£211 78
Post appointment VAT		0 40			0 40	£135 50	£338 75
Creditors							
Creditors and claims							
Agreement of preferential claims		1 20	11 00		12 20	£2 299 00	£188 44
General correspondence		0 60	1 10	1 40	3 10	£547 50	£176 61
Payment of dividends		1 80			1 80	£603 50	£335 28
Statutory reports	0 50	6 50		0 90	7 90	£2 437 00	£308 48
Employees							
Correspondence		1 10	11 20	2 40	14 70	£2 486 50	£169 15
Pensions reviews		0 50	1 65	0 30	2 45	£588 00	£240 00
Investigation							
Investigations							
Review of pre-appt transactions		0 30			0 30	£96 00	£320 00
Realisation of assets							
Asset Realisation							
Open cover insurance			0 20		0 20	£35 00	£175 00
Total in period					71 70	£16,438 50	£229 27

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



KPMG LLP

Textile Assemblies Limited (in administration)
Joint Administrators – Andrew Stephen McGill and Richard James Philpott
10 December 2010

Schedule of current KPMG LLP charge out rates for all staff who may be used in this case

£ per hour per Restructuring grade	2009/10	2010/11
Partner	515	535
Director	440	460
Senior Manager	405	425
Manager	320	345
Senior Administrator	225	240
Assistant Administrator	165	175
Support Staff	105	110

Disbursements (drawn in the period 8 July 2009 to 10 December 2010)

Type	£
Lunch / meal allowance	475 47
Transport - other	527 23
Transport - mileage	467 10
Transport - train	29 70
Sundry expenses	89 95
Land registry searches	12 00
Telephone / mobile	198 52
Stationary	67 08
Subcontractors	173 53
	2,040 58



KPMG LLP

Textile Assemblies Limited (in administration)

Joint Administrators – Andrew Stephen McGill and Richard James Philpott

10 December 2010

Appendix 3

Receipts and payments from 8 July 2010 to 10 December 2010

Textile Assemblies Limited
(In Administration)
Administrators' Trading Account

Statement of Affairs	From 08/07/2010 To 10/12/2010	From 08/07/2009 To 10/12/2010
POST-APPOINTMENT SALES		
Sales	NIL	802,560 16
IAC Contribution to Trading	NIL	70,000 00
ROT Contribution	NIL	65,838 48
Ransom Contributions	NIL	13,200 00
	<u>NIL</u>	<u>951,598 64</u>
PURCHASES		
Purchases	NIL	257,460 23
Retention of Title	NIL	70,069 59
Trade Incentive Payments	NIL	13,200 00
	<u>NIL</u>	<u>(340,729 82)</u>
OTHER DIRECT COSTS		
Direct labour	41 72	130,977 48
Direct expenses	NIL	36 50
Security	NIL	1,421 61
Consumable stores	NIL	216 04
	<u>(41 72)</u>	<u>(132,651 63)</u>
TRADING EXPENSES		
Employee deductions	NIL	44,775 41
Rent	NIL	34,280 68
Rates	NIL	5,624 67
Water rates	NIL	929 81
Heat & light	NIL	5 144 55
Telephone/Telex/Fax	NIL	990 38
Carriage	NIL	19 606 38
Insurance	NIL	25,417 51
HP/Leasing payments	NIL	19,571 16
Hire of equipment	NIL	2,753 95
Repairs and maintenance	NIL	798 65
Sundry expenses	NIL	1,600 83
Commission on sales	NIL	682 05
Vehicle running costs	NIL	1,126 91
	<u>NIL</u>	<u>(163,302 94)</u>
TRADING SURPLUS/(DEFICIT)	<u>(41 72)</u>	<u>314,914 25</u>

Textile Assemblies Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 08/07/2010 To 10/12/2010	From 08/07/2009 To 10/12/2010
FIXED CHARGE ASSETS		
Goodwill	NIL	3 00
	NIL	3 00
ASSET REALISATIONS		
30,000 00	NIL	NIL
	NIL	48,754 03
	NIL	4,750 00
175,000 00	NIL	41,721 56
500,000 00	NIL	470,708 86
	NIL	3,000 00
	NIL	120 00
	NIL	123 08
	NIL	569,177 53
OTHER REALISATIONS		
	30 42	201 09
	(41 72)	314,914 25
114,000 00	NIL	NIL
20,000 00	NIL	NIL
	(11 30)	315,115 34
COST OF REALISATIONS		
	NIL	5,000 00
	NIL	200,000 00
	NIL	2,040 58
	262 50	297 19
	NIL	13,104 84
	1,500 00	30,377 50
	30 00	30 00
	NIL	670 74
	NIL	52 05
	NIL	804 00
	(1,792 50)	(252,376 90)
PREFERENTIAL CREDITORS		
	71,538 72	71,538 72
(13,000 00)	16,649 33	16,649 33
	(88,188 05)	(88,188 05)
FLOATING CHARGE CREDITORS		
(1,225,000 00)	18,730 92	543,730 92
	(18 730 92)	(543,730 92)
UNSECURED CREDITORS		
(3,286,000 00)	NIL	NIL
	NIL	NIL
DISTRIBUTIONS		
(1,185,000 00)	NIL	NIL
	NIL	NIL
(4,870,000 00)	(108,722 77)	0 00

Floating ch VAT rec'able
Floating ch VAT payable
Floating ch VAT control

67,892 35
(134 395 97)
66,503 62

NIL
