

The Insolvency Act 1986

Administrative  
receiver's report**S.48(1)**Pursuant to section 48(1) of the  
Insolvency Act 1986 and rule 3.8(3)  
of the Insolvency Rules 1986

To the Registrar of Companies

For official use

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Company number

02796589
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Name of company

Insert full name of  
company

ADA Manufacturing Services Limited

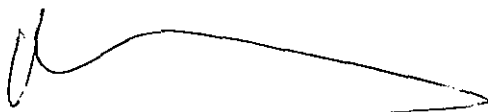
Insert full names  
and addressesWe, Brian Green  
of 2 Cornwall Street  
Birmingham  
B3 2DL United Kingdom

Myles Antony Halley

Richard James Philpott

the administrative receivers of the company, attach a copy of our report to creditors and a  
copy of the statement of affairs of the company.

Signed



Dated 26 March 2003

Presenter's name,  
address and  
reference (if any)2 Cornwall Street  
Birmingham  
B3 2DL United Kingdom

Insolvenc

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COMPANIES HOUSE0790  
21/06/03



ADA Manufacturing Services Limited  
in administrative receivership  
Section 48 Report  
3 March 2003

KPMG

*This report contains 7 page*

*Appendices contain 1 page*

Gardner/ADA/creditors/sec48

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Appendix 1	Receipts and payments	
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## 1 Introduction

In accordance with Section 48(1) of the Insolvency Act 1986, I set out below my report on the receivership of ADA Manufacturing Services Limited ("ADA") following the appointment of Myles Halley, Brian Green and myself as joint administrative receivers of the company on 9 January 2003.

## 2 Statutory Information

Date of incorporation:	5 March 1993
Registered number:	02796589
Registered office:	
Previously:	Whitacre Road Nuneaton CV11 6BP
Now:	Saint James Square Manchester M2 6DS
Shareholders:	Barclays Group Holdings Limited 1,998 ordinary shares of £1 *
Trading address:	Kayley Industrial Estate Richmond Street Ashton under Lyne OL7 0AU
Business:	Machining heavy components
Directors:	Stephen John Bolekow Hollis Ian Michael Whybrow

\* Registered as shareholder pursuant to the security granted by L Gardner Group Plc in favour of Barclays Bank PLC as security trustee for the syndicate of bank lenders

**Fig 1: Financial information**

	Year ended 31 Aug 2002 £'m	3 months to 30 Nov 2002 £'m
Turnover	2.0	0.3
Gross profit	0.8	0.1
Operating expenses	(0.5)	(0.1)
Depreciation	(0.1)	-
Operating profit	0.2	-
<i>Source: management accounts</i>		

### 3 Events leading up to receivership

The trading profit of c£0.2m in the year to 31 August 2002 was before exceptional write downs of £0.6m. The business has suffered from cost pressures within the industry. The loss of a major customer from the energy sector in November 2002 caused a substantial decrease in turnover, resulting in heavy trading losses.

The directors attempted to sell the business as a going concern prior to receivership but there was limited interest from potential purchasers. Attempts to sell the business to one particular party failed after the purchaser withdrew his offer.

In the light of increasing losses, lack of sufficient funding and in the absence of finding a buyer for the business, the directors invited the company's bankers to appoint administrative receivers. The appointment was made on 9 January 2003.

### 4 Action taken since appointment

#### 4.1 Receivership strategy

Immediately following our appointment we sought to stabilise the business and rationalise the cost base so that a limited period of receivership trading could continue. Trading was permitted whilst we sought to achieve a going concern sale of the business and assets. A going concern sale should maximise the realisations of the assets and enhance book debt collections.

## 4.2 **Sale of business**

The business was advertised for sale in the Financial Times on 14 January 2003. A Sales Memorandum was prepared and sent to interested parties. Visits were arranged for three interested parties who met with the receivers' staff and management, resulting in one formal offer being received.

A sale of the business and assets as a going concern was completed on 28 February 2003 for £107,000.

## 5 **Debenture holder**

Barclays Bank PLC (on behalf of itself and a syndicate of banks) holds a fixed and floating charge over the business and assets of the company pursuant to a security agreement dated 18 March 2000. The total debt due to Barclays Bank PLC at the date of our appointment was £40.8m.

## 6 **Preferential creditors**

Estimated preferential creditor claims are as follows:

**Fig 2: Estimated preferential creditors**

	£
HM Customs & Excise – VAT	17,863
Inland Revenue/DSS – PAYE/NIC	40,108
DTI/Employees – Wages/holiday pay	3,355
	<u>61,326</u>
<i>Source: Receivers' estimates</i>	

We have yet to receive formal confirmation of the claims of preferential creditors. It is unlikely there will be a dividend available to preferential creditors in the receivership.

## 7 **Non-preferential creditors**

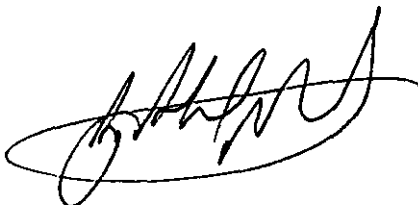
The company's books and records indicate that a total of c£0.53m is owed to non-preferential creditors. It is highly unlikely that there will be any surplus monies available to pay a dividend to non-preferential creditors.

8      **Receipts and payments**

A summary of receipts and payments as at 28 February 2003 (being the last practical date) is included at appendix 1 of this report.

9      **Statement of Affairs**

The directors' estimated Statement of Affairs has not yet been received. A copy will be provided at the meeting of creditors if it is available at that time.

A handwritten signature in black ink, appearing to be 'RJ Philpott', written in a cursive style.

RJ Philpott  
*Joint Administrative Receiver*

## Appendix 1

### Summary of receipts and payments in the receivership as at 28 February 2003

	£
<b>Receipts</b>	
Book debts	311,728
Receivership trading receipts	45,929
Goodwill	0
Plant, machinery and equipment	104,995
Stock and WIP	2,713
VAT	7,163
Total receipts	472,528
<b>Payments</b>	
Wages and salaries	40,875
PAYE/NIC	0
VAT	2,701
Trading purchases	869
Agents fees	0
Receivers' fees	0
Lawyers' fees	0
Utilities	1,218
Rent	14,564
Advertising	0
Insurance	10,000
Sundry costs	365
Total payments	70,592
<b>Balance at 28 February 2003</b>	<b>401,936</b>
<i>Source receivers' records</i>	