

The Insolvency Act 1986

Administrator's progress report

2.24B

Name of Company GAP STEEL TRADING LIMITED	Company number 02978873
In the High Court of Justice Chancery Division Manchester District Registry	Court case number 4099 of 2008

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

I/We (a) J M Tittley & 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) 15 December 2009	to (b) 14 June 2010
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Signed J M Tittley
Joint Administrator(s)

Dated 14 June 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.

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

If 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



A48 30/06/2010 140
COMPANIES HOUSE



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**GAP STEEL TRADING LIMITED
IN ADMINISTRATION**

**High Court of Justice, Manchester District Registry, Chancery Division
Court Ref: 4099 of 2008**

Third and final progress report in accordance with

Rule 2.47 & 2.110 of The Insolvency (Amendment) Rules 1986

For the period to 14 June 2010

Joint Administrators

**A Poxon and J Titley
Leonard Curtis
DTE House
Hollins Mount
Bury
Lancashire, BL9 8AT
(Both licensed by the Institute of Chartered Accountants
in England and Wales)**

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NOT FOR PUBLICATION**

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

**GAP STEEL TRADING LIMITED
IN ADMINISTRATION
THIRD AND FINAL PROGRESS REPORT IN ACCORDANCE WITH
RULE 2.47 AND 2.110 OF THE INSOLVENCY (AMENDMENT) RULES 1986**

1 INTRODUCTION

- 1 1 John Titley and I were appointed Joint Administrators of Gap Steel Trading Limited ("the Company") in the jurisdiction of the High Court of Justice, Manchester District Registry, number 4099 of 2008 on 15 December 2008. The administration appointment was made by the directors.
- 1 2 For the purposes of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, it should be noted that during the period in which the Administration Order is in force, any act or function required or authorised under any enactment to be done by the Administrator may be exercised by both or either of the persons holding that office.
- 1 3 The Company's registered office was changed from Units 2, 3 & 4 Warrington Central Trading Estate, Bewsey Road, Warrington, Cheshire, WA2 7LP to DTE House, Hollins Mount, Bury BL9 8AT on 31 December 2008. The registered number is 02978873.
- 1 4 In accordance with the requirements of Rule 2.47 & 2.110 of The Insolvency (Amendment) Rules 1986 we are now submitting our third and final progress report to creditors. This report contains the information set out in Rules 2.47 and 2.110.

2 RECEIPTS AND PAYMENTS

- 2 1 Attached at Appendix I is a copy of the Joint Administrators' receipts and payments for the period from 15 December 2008 to 14 June 2010.

3 REALISATION OF ASSETS

3 1 Debtors

As detailed in our previous report, Royal Bank of Scotland Commercial Services Limited ("RBSCS") hold a fixed charge over the Company's book debts.

I can advise that since our appointment, collections in the sum of £465,839 have been received and paid to RBSCS under their fixed charge. I can report that collections have been insufficient to pay RBSCS in full.

No further realisations are anticipated.

3 2 Non-Factored Debtors

As detailed in our previous report, the outstanding non-factored debtor's ledger at the date of our appointment totalled £138,412.

Independent debtor collection agents undertook a review of the ledger and identified a number of contra and potential bad debts and estimated that £22,295 could be collectable

To date, £1,627 has been received No further collections are anticipated

3 3 Plant, Machinery, Office Equipment and Vehicles

The Company owned several items of used Plant & Equipment as well as a small quantity of office furniture and equipment The Company also owned two vehicles which were seven and twelve years old respectively

A sale of the above assets was completed on 7 January 2009 to Focusplay Limited following advice from independent agents The consideration agreed was £30,000 plus VAT which has been received in full

3 4 Assets Still to be Realised

The only asset still to be realised is the VAT reclaimable in the administration

4 INVESTIGATIONS

- 4 1 I can confirm that I have complied with my obligations and submitted a report to the Insolvency Service regarding the conduct of the Company directors

5 DISTRIBUTIONS

5 1 National Westminster Bank Plc ("Natwest")

Natwest hold security in the form of a debenture over the Company's assets created on 22 March 1995 and security in the form of a Legal Mortgage debenture dated 13 July 2001

The Company operated a current account with Natwest and it had a temporary overdraft facility of £150,000 up until 30 November 2008 As detailed above, the facility was due to reduce to its existing level of £100,000 with effect from 1 December 2008 At the date of our appointment, the account was overdrawn in the sum of approximately £120,000

I can advise that there have been insufficient realisations to enable a distribution to Natwest under its floating charge

The amount due to Natwest is subject to guarantees from the directors in the sum of £75,000 in respect of Mr A Pache and £25,000 in respect of Mr N Clegg

5 2 RBSCS

RBSCS hold security in the form of a fixed charge over the Company's book debts created on 8 December 2003 and provided an invoice factoring facility to the Company

The outstanding debtor ledger at our appointment totalled £1,000,198 of which £877,472 was approved for funding A review by our debt collection agents estimated that £674,000 was collectible

The Company's indebtedness to RBSCS in respect of the invoice finance agreement at the date of appointment was £854,006 A further termination charge has also been applied and interest has continued to accrue on the indebtedness

To date, £465,839 has been received and paid or is due to be paid to RBSCS under its fixed charge. A sum of £246 31 is also due to be paid in respect of debtor collections received by the administrators. No further collections are anticipated and collections have been insufficient to repay RBSCS in full.

The shortfall is subject to personal guarantees from both directors up to £15,000 each.

5.2 Preferential Claims

With effect from 15 September 2003 preferential status has been abolished for debts owing to the HM Revenue and Customs. Such debts rank alongside other unsecured creditors' claims. The only claims which remain preferential are those of employees in respect of wages (up to £800 per employee) and holiday pay.

A claim in the sum of £9,710 95 has been received from the Redundancy Payments Office. I can confirm that there may be sufficient realisations to enable a distribution to preferential creditors dependant on receipt of VAT which is reclaimable in the administration.

5.3 Unsecured Creditors

There are insufficient funds available to enable a distribution to unsecured creditors.

6 COSTS OF ADMINISTRATION

6.1 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.

6.2 Time costs in the sum of £3,005 50 were incurred prior to our appointment on 15 December 2008, which creditors are not required to approve although we are bringing the level of pre-appointment time to the attention of creditors for information purposes. This time was spent assessing the available options and ensuring that an administration purpose could be achieved. This time has been paid in full.

6.3 The Joint Administrators' time costs at 31 May 2010 are £22,544 00. This represents 113 4 hours at an average rate of £198 80 per hour. Attached at Appendix II is a time analysis which provides details of the activity costs incurred by staff grade during this period.

6.4 To date remuneration of £12,994 50 has been drawn by the Joint Administrators. An amount of time has been spent in May and June, finalising the administration and estimated at £4,000, which has not yet been posted to the system. A sum of £13,549 50 will be taken on finalisation. Any remaining time will be written off.

6.5 Attached as Appendix IV is 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.

7 ADMINISTRATORS' PROPOSALS

7.1 Attached at Appendix III is a summary of the Joint Administrator's Proposals. The meeting of creditors having been dispensed with pursuant to paragraph 52(1) of schedule B1 to the Insolvency Act 1986, the proposals were circulated to all creditors and were deemed approved in accordance with Rule 2.33 of the Insolvency Act 1986 without modification. There have been no variations to the proposals. Also attached are the resolutions approved by the secured creditors.

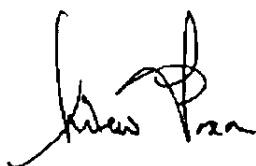
8 CONCLUSION OF ADMINISTRATION

8.1 The exit from administration will be by dissolution.

- 8 2 Please find attached at Appendix V of this report a Form 2 35B, being Notice of Move from Administration to Dissolution Form 2 35B and copies of the report have been forwarded to Manchester High Court of Justice and the Registrar of Companies
- 8 3 The Administrators have achieved the third purpose being a distribution to the Company's secured creditor, as RBSCS have received payment in part from debtor collections

9 JOINT ADMINISTRATORS' DISCHARGE FROM LIABILITY

- 9 1 The Joint Administrators' appointment will cease upon registration of Form 2 35B Notice of Move from Administration to Dissolution by Companies House The resolutions approved by the secured creditors stipulated that the administrators receive their release immediately upon their appointment ceasing to have effect



A POXON
JOINT ADMINISTRATOR
14 June 2010

**Joint Administrators' Final Receipts and Payments Account
for the period 15 December 2008 to 14 June 2010**

	Estimated to realise in Statement of Affairs	Received by RBSCS	Received/Paid by Joint Administrators	Future	Total
Receipts			£		
Book Debts subject to Fixed Charge	674,000	465,839 12	246 31	-	466,085 43
Plant, Machinery, Office Equipment and Vehicles	30,000	-	30,000 00	-	30,000 00
Book Debts not subject to Fixed Charge	138,412	-	1,627 27	-	1,627 27
Sundry Receipts	-	-	57 58	-	57 58
Bank Interest	-	-	0 05	-	0 05
	<u>842,412</u>	<u>465,839 12</u>	<u>31,931 21</u>	<u>-</u>	<u>497,770 33</u>
Less: Payments					
Pre-Appointment Fees			(3,005 50)	-	(3,005 50)
Administrators Remuneration			(12,994 50)	(13,549 50)	(26,544 00)
Agents Fees and Expenses			(5,000 00)	-	(5,000 00)
Debt Collection Fees			(1,627 27)		(1,627 27)
Solicitors Fees and Expenses			(2,805 00)	-	(2,805 00)
Other Professional Fees			(540 00)	-	(540 00)
Sundry Expenses / Disbursements			(75 00)	-	(75 00)
Administrators Disbursements			<u>(348 92)</u>	<u>(118 83)</u>	<u>(467 75)</u>
			(26,396 19)	(13,668 33)	(40,064 52)
Less: Distributions					
Preferential Creditors				(2,523 72)	(2,523 72)
RBSCS		(454,935 78)	-	(246 31)	(455,182 09)
		<u>(454,935 78)</u>	<u>-</u>	<u>(2,770 03)</u>	<u>(457,705 81)</u>
Balance		<u>10,903 34</u>	<u>5,535 02</u>	<u>(16,438 36)</u>	<u>-</u>

Note 1: The majority of book debts subject to fixed charge collections have been paid directly to RBSCS under their fixed charge dated 8 December 2003

GAP STEEL TRADING LIMITED – IN ADMINISTRATION

APPENDIX II

Schedule of Administrator's Time Costs as at 31 May 2010

	Director		Senior Manager		Manager 2		Administrator 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 £	Units	Cost £	
Statutory & Review	-	-	-	-	-	-	10	195 00	-	-	5	75 00	15	180 00	30	450 00	150 00
Receipts & Payments	-	-	-	-	3	73 50	-	-	-	-	-	-	11	115 50	14	189 00	135 00
Insurance	-	-	-	-	5	115 00	-	-	-	-	-	-	-	-	5	115 00	230 00
Assets	16	602 00	84	2,779 00	45	1,102 50	-	-	45	765 00	-	-	5	52 50	195	5,301 00	271 85
Liabilities	-	-	6	189 00	47	1,106 50	-	-	80	1,360 00	12	190 00	39	409 50	184	3,255 00	176 90
Trading	-	-	-	-	-	-	-	-	-	-	-	-	8	84 00	8	84 00	105 00
Debtenture Holder	-	-	12	409 50	-	-	-	-	-	-	-	-	-	-	12	409 50	341 25
General Administration	-	-	-	-	125	3,017 50	-	-	-	-	1	15 00	19	194 50	145	3,227 00	222 55
Appointment	16	584 00	7	220 50	20	460 00	-	-	-	-	-	-	108	1,098 00	151	2,362 50	156 46
Post Appointment Credits Mtrgs	-	-	3	105 00	-	-	-	-	140	2,380 00	-	-	62	651 00	205	3,136 00	152 98
Investigations	5	197 50	15	525 00	65	1,592 50	-	-	100	1,700 00	-	-	-	-	185	4,015 00	217 03
Total	37	1,383 50	127	4,228 00	310	7,467 50	10	195 00	365	6,205 00	18	280 00	267	2,785 00	1,134	22,544 00	
Average Hourly Rate (£)		373 92		332 91		240 89		195 00		170 00		155 56		104 31		198 80	

All units are 6 minutes

Administrators Proposals & Resolutions

It is proposed that

- 1 The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration
- 2 If appropriate, the Joint Administrators will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors Voluntary Liquidation. It is further proposed that Andrew Poxon and/or John Titley be appointed (Joint) Liquidator(s) of the Company. NB Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved
- 3 In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators will file a Notice with the Registrar of Companies that the Company should be dissolved
- 4 The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company
- 5 The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that Andrew Poxon and/or John Titley be appointed (Joint) Liquidator(s) of the Company

Resolutions Agreed by the Secured Creditors

Resolution 1

Under Rule 2 106 of the Insolvency (Amendment) Rules 2003 and in the absence of a Creditors' Committee, the remuneration of the Joint Administrators be fixed by reference to time properly spent by them and their staff in attending to matters arising from the Administration, and the Joint Administrators be authorised to draw remuneration as and when funds are available on account of their time costs

Resolution 2

For the discharge of Category 2 disbursements as detailed on the attached guide to fees

Resolution 3

The Joint Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect

APPENDIX IV

**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 2010 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis.

Partner	£395	Administrator 2	£190
Senior Manager	£350	Administrator 3	£170
Manager 1	£300	Administrator 4	£120
Manager 2	£260	Support	£0
Administrator 1	£210		

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
Charles Taylor (valuation and disposal advice)	Hourly rate and disbursements
Turner Parkinson (legal advice)	Hourly rate and disbursements
Largo (debt collection services)	Hourly rate and disbursements
EK Employment Consultants (employee services)	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)	£66.09 per box

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

Notice of move from administration to dissolution (Form 2.35B)

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company

GAP STEEL TRADING LIMITED

Company number

02978873

In the High Court of Justice
Chancery Division
Manchester District Registry

Court case number

4099 of 2008

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

I/We (a) J M Tittley & 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) 15 December 2009

to

(b) 14 June 2010

Signed

Joint Administrator(s)

Dated

14 June 2010

Contact DetailsYou do not have to give any contact information in the box
opposite to the boxuse to
contact
of the

Leonard Curtis	
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