

**The 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

Company Number

03061527

Name of Company

Insert full name of
company

Normanby Wefco Limited

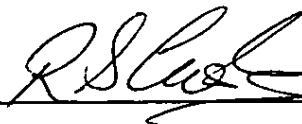
We Russell Stewart Cash and Ian David Green

of PricewaterhouseCoopersLLP

101 Barbirolli Square, Lower Mosley Street, Manchester M2 3PW

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

21/11/07

Presenter's name
address and reference
(if any)

Lucy Norfolk
PricewaterhouseCoopers LLP
Benson House
33 Wellington Street
Leeds
LS1 4JP

For Official use

Receivers Section Post Room

FRIDAY



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30/11/2007

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COMPANIES HOUSE

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To All Known Creditors

21 November 2007

When telephoning please ask for Lucy Norfolk on 0113 289 4841

Our ref LVN/KRB/Normanby Wefco/101601/S48

Dear Sirs

Normanby Wefco Limited – in administrative receivership ("the Company")

Following my letter dated 3 October 2007, I write to inform you that as joint administrative receiver of the Company, I am required to prepare a report on the receivership and call a meeting of the Company's creditors at which the report will be presented. It contains all of the information that I must give to creditors under the provisions of Section 48 of the Insolvency Act 1986. A copy of the report is enclosed.

The notice for the meeting of the Company's creditors, to be held on 7 December 2007, is enclosed. The purpose of the meeting is to receive the joint administrative receivers' report and, if the creditors wish, to appoint a creditors' committee for the Company. The meeting is not convened to appoint a liquidator and creditors are not entitled to question the directors, who are not required to attend.

Creditors wishing to vote at the meeting must complete and lodge with me the enclosed proxy form, unless they are individuals attending the meeting personally or are companies authorising a representative under Section 375 of the Companies Act 1985.

All creditors who wish to vote at the meeting whether in person, by proxy, or in some other way, must give details of their claim against the Company before noon on the last working day before the meeting, 6 December 2007. A secured creditor is entitled to vote only in respect of the balance (if any) of their debt after deducting the value of their security as estimated by them.

Creditors whose claims include VAT may be able to obtain VAT bad debt relief six months after the taxable supply. If you are not familiar with the procedure you should contact your local VAT office.

Under the insolvency legislation, the joint administrative receivers have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the date of our appointment.

If there is anything that you feel I should be aware of, please provide me with the details at the above address. This is part of our usual procedures and does not imply any criticism of the directors' conduct.

Yours faithfully
For and on behalf of the Company



Russell Cash
Joint Administrative Receiver

Enclosures Section 48 Report
 Notice of the Creditors' Meeting
 Proxy Form
 Statement of Claim Form

Russell Cash and Ian Green have been appointed as joint administrative receivers of Normanby Wefco Limited. Both are licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The administrative receivers act as agents of the Company without personal liability.

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To All Known Creditors of Normanby Wefco Limited

21 November 2007

When telephoning please ask for Lucy Norfolk on 0113 289 4841

Our ref LVN/KRB /Normanby Wefco/101601/S48

Dear Sirs

Normanby Wefco Limited - in administrative receivership ("the Company" or "Normanby")

I was appointed joint administrative receiver of Normanby Wefco Limited ("the Company") on 28 September 2007, together with my colleague, Ian Green. This is the report which I am obliged to prepare for creditors under the provisions of Section 48 of the Insolvency Act 1986. This report is to be given to the meeting of creditors to be held at PricewaterhouseCoopers LLP, 101 Barbirolli Square, Lower Mosley Street, Manchester M2 3PW.

Statutory Information

The statutory information, as shown at Companies House, in relation to the Company is given at Appendix A to this report.

Brief History

The Company was incorporated in May 1995.

The Company traded as a steel fabrication company, manufacturing steel tanks and storage vessels alongside another company Wefco (Gainsborough) Limited which operates from the same leasehold premises in Gainsborough.

Normanby had incurred losses totalling in excess of £650,000 in the four years ended March 2007. The actual losses are likely to be in excess of this figure once the true extent of problems associated with certain contracts have been quantified. Historic losses were attributed initially to disruption costs after the move to Gainsborough. Since March 2006, further losses on specific contracts have been incurred and resulted in added cash flow pressures.

Events leading up to our appointment

In the months prior to appointment the majority of Normanby's work had been concentrated on one major contract where significant delays and cost overruns had been encountered.

The losses over the last year had resulted in a build up of Crown debt (estimated at £600,000) and a stretched position with trade creditors.

Further funding was requested by the Company in early September 2007, at which point the Bank decided to review the Company's financial situation. The Bank were not prepared to advance additional funding. The Company was placed into Administrative Receivership on 28 September 2007.

Events since appointment

The administrative receivers reviewed the Company's situation and concluded that the business could not be traded post insolvency. This was due to the lack of future orders on the Company's books and ongoing issues with the major contract (the estimated cash costs to complete were in excess of the proposed fixed price for the future work and potential further cost overruns) which meant that it was not feasible to complete the work.

The Company ceased to trade on appointment. 34 employees were made redundant and 30 employees transferred to Wefco (Gainsborough) Limited. The remaining 4 employees were retained to assist the administrative receivers for a limited period of time, and have since been made redundant.

Since appointment I have appointed agents to value and market the plant and machinery held by the Company.

We are actively pursuing the collection of book debts. The ledger on appointment totalled £436,928. However, a substantial proportion of debts were disputed and needed to be provided against, in addition the ledger needed to be brought up to date to reflect a number of payments received prior to our appointment. To date £108,882 has been collected.

Amounts owing to the debenture holder

At the date of my appointment some £1,064,000 was owed to the Bank by the Company. This sum was secured by a debenture dated 14 July 1995 granted by the Company.

Preferential creditors

The claims of preferential creditors are estimated in the directors' statement of affairs at some £60,000. On current information I believe claims may be in the region of £40,000. All preferential claims relate to unpaid employee wages and holidays. Claims have yet to be agreed.

We anticipate that there will be sufficient funds to allow preferential claims to be paid in full.

Amounts available for the payment of unsecured creditors

It is unlikely that there will be a return to the unsecured creditors.

The prescribed part under Section 176A of the Insolvency Act 1986 will not apply as the Bank's floating charge was created prior to 15 September 2003.

Statement of affairs

The directors have submitted a statement of affairs in respect of the Company as at the date of appointment. A summary of the directors' statement of affairs is enclosed with this report.

The statement includes the book amounts of the assets and liabilities of the Company at the date of our appointment, together with the directors' estimate of the value that the assets will realise in the administrative receivership. The statement does not include any provisions for the costs of realisation, or for liens, reservation of title claims and duress exercised by creditors during the administrative receivership.

Distribution of this report

In accordance with Section 48 of the Insolvency Act 1986, a copy of this report has been sent to the Registrar of Companies and to the secured, preferential and unsecured creditors of the Company.

If you have any queries regarding this report, please contact Lucy Norfolk on 0113 289 4841.

Yours faithfully

For and on behalf of Normanby Wefco Limited



R S Cash

Joint Administrative Receiver

Enclosures Appendix A Statutory Information
 Appendix B Summary of the Directors' Statement of Affairs
 Notice of meeting
 Proxy Form 8.3

Russell Cash and Ian Green have been appointed as joint administrative receivers of Normanby Wefco Limited. Both are licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The administrative receivers act as agents of the Company without personal liability.

Normanby Wefco Limited – in administrative receivership

Statutory and other information

Registered Number:	03061527
Registered Office:	PricewaterhouseCoopers LLP Benson House 33 Wellington Street Leeds LS1 4JP
Former Registered Office:	Britannia Works Spring Gardens Gainsborough Lincolnshire DN21 2AZ
Date of Incorporation:	25 May 1995
Company Secretary:	Paula Mary Barron
Directors:	Ronald Paine John Jenkinson Paula Barron John Nock Paul Cook Glenn Black David Hamilton Steven Knowles
Trading Address:	Britannia Works Spring Gardens Gainsborough Lincolnshire DN21 2AZ