

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company Greenwood Engineering Ltd	Company number 03143557
In the High Court of Justice Chancery Division Manchester District Registry (full name of court)	Court case number 594/2011

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

I/We (a)
Jeremy Nigel Ian Woodside
RSM Tenon Recovery
Arkwright House
Parsonage Gardens
Manchester
M3 2LF

Christopher Ratten
RSM Tenon Recovery
Arkwright House
Parsonage Gardens
Manchester
M3 2LF

*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) 2 June 2011

Signed


Joint Administrator(s)

Dated

12/06/2011.

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 researchers of the public record

Jeremy Nigel Ian Woodside
RSM Tenon Recovery
Arkwright House
Parsonage Gardens
Manchester
M3 2LF

DX Number

+44 (0)161 834 3313
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

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COMPANIES HOUSE

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**Joint Administrators' Proposals relating to
Greenwood Engineering Ltd ("the Company") – In
Administration**

Issued on: 2 June 2011

Jeremy Nigel Ian Woodside of RSM Tenon Recovery and Christopher Ratten of RSM Tenon Recovery are the Joint Administrators of the Company and these are the Joint Administrators' statutory proposals relating to the Company

1 Statutory Information

Statutory information relating to the Company is attached at **Appendix I**

2. Circumstances leading to the appointment of the Joint Administrators

The Company was incorporated on 4 January 1996 under the name Cobco (183) Limited. On 8 July 1996 Jack Clarke, Robert Michael Hannam, James Barrie Whitham were appointed as directors and Robert Michael Hannam being appointed company secretary. The Company's authorised share capital on incorporation was 1,000 ordinary shares of £1 each. On 8 July 1996 the share capital was increased to 50,000 ordinary shares of £1 each, of which 50,000 were issued and fully paid with Robert Michael Hannam and James Barrie Whitham holding 20,000 ordinary shares each and Jack Clarke holding 10,000 ordinary shares.

The Company commenced trading in 1996, manufacturing "point of weave" equipment for the carpet industry, precision engineering and tool making. The Company traded from leased premises at Unit 1, Scotts Industrial Park, Fishwick Street, Rochdale, OL16 5NA. The Company's bankers were Barclays Bank Plc ("Barclays").

On 12 June 1996, the Company changed its name to Greenwood Engineering Limited. On 26 July 1996, Barclays were granted a debenture creating fixed and floating charges over the assets of the Company as security for the overdraft facility.

In January 1997 3,333 ordinary £1 shares were transferred from Robert Michael Hannam and 3,333 ordinary £1 shares transferred from James Barrie Whitham, to Jack Clarke increasing his shareholding to 16,666. A further 100 ordinary shares were transferred from Jack Clarke and 100 ordinary shares from Robert Michael Hannam, to Mrs Hannam and Mrs Clarke each holding 100 ordinary shares.

In March 1999 Mrs Hannam transferred 100 ordinary shares and Robert Michael Hannam transferred 16,567 ordinary shares to Greenwood Engineering (Holdings) Ltd ("Holdings"). Holdings is a connected company by virtue of the common directorship of Keith Andrew Bevan, Ian Stuart Hogg and David Joseph Potter. Also James Barrie Whitham transferred 15,667 ordinary shares to Holdings and in June 1999 transferred his remaining 1,000 ordinary shares to Holdings, resulting in Holdings owning 33,334 ordinary shares.

On 30 June 1999 James Barrie Whitham resigned as a director and on 1 April 2000 Timothy John Kirker was appointed director. Subsequently on 30 June 2000 Jack Clarke resigned as a director and on that same day Mrs Clarke transferred her 100 ordinary shares and Jack Clarke transferred his 16,566 ordinary shares to Holdings resulting in Holdings holding the 50,000 ordinary shares.

The annual accounts for the year ended 30 June 2009 showed the Company's turnover had reached £1,110,074 with a trading profit of £34,157 being achieved. The accounts report net assets of £384,729.

On 18 December 2009, Robert Michael Hannam resigned as the company secretary and director and Timothy John Kirker resigned as director. David Joseph Potter and Ian Stuart Hogg were appointed as directors.

Merseyside Special Investment Fund ("MSIF") assisted Buffalo Holdings Limited ("Buffalo"), the parent company, with the cash requirements to fund the share purchase of Applied Fusion Ltd ("Applied") for the sum of £250,000. Applied is a connected company by virtue of the common directorship of Keith Andrew Bevan, Ian Stuart Hogg and David Joseph Potter. In December 2009, the Company provided a cross guarantee to MSIF in respect of these

borrowings and granted a debenture to MSIF creating fixed and floating charges over the assets of the Company

The directors took the decision in December 2009 to factor the debts of the Company to Positive Cashflow Finance Ltd ("Positive") to assist with the Company's cash flow requirements. On 31 December 2009, Positive was granted an assignment of the Company's book debts and a debenture creating fixed and floating charges over the remaining assets of the Company.

The annual accounts for the period ending 31 May 2010 showed the Company's turnover had declined to £744,233 resulting in a net loss of £28,502. The accounts report net assets of £356,227.

On 1 December 2010, Keith Andrew Bevan was appointed director.

The management accounts for the period ending 31 March 2011 showed the Company generated turnover of £774,498 however a net loss of £71,020 was incurred. The management accounts report net assets of £285,545.

A summary of the Company's recent trading performance is shown below.

	Management Accounts 1 June 2010 to 31 March 2011 £'000	Statutory Accounts 1 July 2009 to 31 May 2010 £'000	Statutory Accounts 1 July 2008 to 30 June 2009 £'000
Turnover	774	744	1,110
Cost of Sales	(551)	(495)	(741)
Gross Profit	223	249	369
Gross Profit %	28.8%	33.5%	33.2%
Overheads	(294)	(284)	(325)
Tax	-	6	(10)
Net Profit/(Loss) after tax	(71)	(29)	34

It should be noted that the management accounts have not been verified for accuracy and therefore may not reflect the Company's true trading position.

The Company had experienced deterioration in the general business, mainly in the axminster carpet component division. The turnover had reduced significantly which resulted in serious cash flow problems and losses for the Company. In addition other members of the Buffalo Group experienced cash flow difficulties and therefore the Company could not obtain any further financial assistance.

As a result of concerns regarding the Company's financial position the directors approached RSM Tenon Recovery for independent insolvency advice. In particular the impact of the recent Administrations of other companies within the group, Applied and Autoscrew Limited ("Autoscrew"), was reviewed.

Further discussions were held regarding the Company's options and it was agreed that the best option would be to market the business for sale with a view to its disposal through a formal insolvency process.

The Company's business and assets were marketed for sale. A sales flyer was sent to potential interested parties on Friday 18 March 2011 with a deadline for offers set for Wednesday 23 March 2011.

On 8 April 2011, Christopher Ratten and I were appointed by the directors of the Company as Joint Administrators of the Company. The appointment permitted the Joint Administrators to take any actions required either jointly or alone.

3. Objectives of the Administration of the Company and the Joint Administrators' strategy for achieving them

The purpose of an Administration is to achieve one of the three objectives set out in the insolvency legislation, which are to -

- (a) rescue the company as a going concern, or
- (b) achieve 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) realise property in order to make a distribution to one or more secured or preferential creditors

Objective (a) could not be achieved as no purchaser could be found for the shares of the Company and the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement was not appropriate.

As a result, I am seeking to achieve objective (b) for the Company, and will do this by an immediate sale of the business and certain assets of the Company.

The insolvency legislation has set a 12 month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. If I am unable to complete the Administration of the Company within 12 months then I will either apply to the Court, or hold a meeting of creditors, in order to seek approval to extending the duration of the Administration.

4. Actions of the Joint Administrators following appointment

The Joint Administrators decided that it was not appropriate to continue the business of the Company and that an immediate sale of the Company's business and assets was the best way to achieve the objective of the Administration.

We instructed agents, JPS Chartered Surveyors ("JPS") to market the business and assets of the Company. Expressions of interest were received from 1 interested party and we provided them with sufficient information in order for them to commence the necessary due diligence process.

As a result, on 8 April 2011, the Company's business and assets were sold to Greenwood Lonsdale Limited ("Lonsdale"). The Company and Lonsdale are connected parties, through the common directorship of Ian Stuart Hogg and David Joseph Potter. In addition the 30 employees were transferred to the purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE").

The sale of the business and certain assets of the Company to Lonsdale was completed on 8 April 2011 for the total sum of £57,000 as detailed below.

Assets	Value (£)
The Business Name	1
The Business Rights	1
The Customer Contracts	1
The Goodwill	1
The Intellectual Property	1

The Office Equipment	1,000
The Plant and Machinery	53,994
The Stock	1,000
The Transferred Records	1
The Vehicle	1,000
Total	57,000

The sum of £40,000 was payable upon completion with the remaining £17,000 payable on 8 June 2011. The deferred consideration has been personally guaranteed by the two directors Ian Hogg and David Potter.

The above action was appropriate to achieve the objective of the Administration.

5 Financial Position of the Company

I have asked the directors to prepare a summary of the Company's estimated financial position as at 8 April 2011, which is known as a Statement of Affairs, but this has not yet been finalised.

I have prepared an estimate of the financial position of the Company as at 8 April 2011 from the records of the Company, and that is attached at **Appendix II**, together with a list of names and addresses of all known creditors, and the amounts of their debts.

My comments on the Statement of Affairs are as follows:

5.1. Goodwill, Intellectual Property, Business Name, Rights and Records

Prior to our appointment a sale of the business and certain assets was concluded to Lonsdale as detailed in paragraph 4. This included the goodwill, intellectual property, business name, rights and records for the sums of £1, £1 and £4 respectively and is subject to the fixed charge of MSIF.

5.2. Book Debts

The Company factored its book debts, and as a result they are held as security by Positive. The book value at the date of appointment was £116,489 with a balance of £58,891 owing to Positive. The realisable value given to book debts takes into account a general bad debt provision of 10% and as such estimates that £104,840 will be realised.

5.3. Non Factored Book Debts

As at the date of appointment the Company had non factored book debts with a book value of £13,745. The realisable value given to book debts takes into account a general bad debt provision of 10% and as such estimates that £12,371 will be realised.

5.4. Applied Fusion Ltd

The sum of £464 is due to the Company from a connected company, Applied. Applied was placed into Administration on 9 March 2011 and no unsecured dividend is anticipated.

5.5. Buffalo Holdings Ltd

The sum of £3,333 is due to the Company from a connected company, Buffalo Holdings Limited ("Buffalo"). Buffalo is a non trading entity with its only assets being investments in the Autoscrew, Applied, Beverley Environmental Engineering Limited ("Beverley") and Greenwood Engineering (Holdings) Ltd. Autoscrew and Applied were placed into Administration on 9 March 2011 and no unsecured dividend is anticipated. It is anticipated that Beverley was placed into Creditors Voluntary Liquidation on 1 June 2011 and no unsecured dividend is anticipated. Due to the financial position of Beverley, the amount estimated to realise from Buffalo Holdings is Nil.

5.6. Plant and Machinery

At the date of appointment, the Company owned plant and machinery with a book value of £117,805, excluding assets subject to Hire Purchase. Independent agents, JPS, have advised that the estimated to realise value is £44,650. The plant and machinery was sold to Lonsdale as discussed in section 4.

Specific items of the Company's plant and machinery were purchased under a hire purchase agreement with Barclays. JPS have advised that the estimated to realise value is £4,000.

Specific items of the Company's plant and machinery were purchased under a hire purchase agreement with ING Lease (UK) Ltd ("ING"). JPS have advised that the estimated to realise value is £16,000. On current information it is likely that insufficient funds will be realised from the plant and machinery to repay the balance outstanding of £43,634 to ING.

5.7. Office Equipment

At the date of the appointment, the Company owned office equipment with a book value of £3,332. JPS have advised that the estimated to realise value is £800. The office equipment was sold to Lonsdale as discussed in section 4.

5.8. Motor Vehicles

At the date of the appointment, the Company owned motor vehicles with an estimated to realise value of £650. The motor vehicles were sold to Lonsdale as discussed in section 4.

5.9. Stock

The Company held stock at the date of appointment with a book value of £8,000. JPS valued the stock on our behalf at £1,000. All the stock was sold to Lonsdale as discussed in section 4.

5.10. Preferential creditors

There are no preferential creditors in this matter due to the employees being transferred to the purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE").

5.11. Prescribed Part

There are provisions in the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company granted a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property". A Company's net property is that left after paying the preferential creditors and costs and expenses of the administration, but before paying the lender who holds a floating charge. An Administrator has to set aside

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum prescribed part of £600,000.

The Company granted fixed and floating charges to Barclays on 26 July 1996. Since this charge was given before 15 September 2003 the prescribed part provisions will not apply.

The Company granted fixed and floating charges to MSIF on 18 December 2009 and the prescribed part provisions will apply. The Administrators' estimate of the financial position of the Company shows that the net property of the Company is £111,041 and I estimate that the prescribed part of the net property for unsecured creditors is £25,208.20. However, these estimates do not take into account the costs of the Administration which will reduce the amount of the Company's net property.

The Company also granted fixed and floating charges to Positive on 31 December 2009 and the prescribed part provisions will apply. The Administrators' estimate of the financial position of the Company shows that Positive will be paid in full under their fixed charge. As a result, I will not have to pay them any money under their floating charge, such that the prescribed part provisions will not apply.

An estimate of the prescribed part is shown in the statement of affairs but it should be noted that this is based upon the Company's gross assets prior to the costs of the Administration process.

6. Joint Administrators' Receipts and Payments Account

I attach a summary of my receipts and payments relating to the Company for the period from when it entered Administration, 8 April 2011, to the date of these proposals, at **Appendix IV**.

6.1. Goodwill, Intellectual Property and Business Name, Rights & Records

The goodwill, intellectual property and business name, rights & records was sold to Lonsdale for £1, £1, and £4 respectively. Further details are set out in section 4.

6.2. Factored Book Debts

As discussed in section 5.2, Positive have an assignment of the Company's book debts, in addition to fixed and floating charges over the assets of the Company.

At the date of our appointment, the book value of the debt was £116,489 with an estimated to realise value of £104,840. The outstanding liability to Positive was £58,891, in addition termination charges of £20,858 plus VAT have been applied.

Collection work is ongoing and we can confirm that to date book debts totalling £79,290 have been realised. The liability outstanding to Positive as at 27 May 2011 is £5,846.

6.3. Plant & Machinery

The plant & machinery was sold to Lonsdale for the sum of £53,994. To date the sum of £36,994 has been received. The remaining £17,000 of the deferred consideration is payable on 7 July 2011.

Specific items of the Company's plant and machinery were purchased under a hire purchase agreement with Barclays. The Plant and Machinery was sold for £4,750.

On 3 May 2011 a distribution of £4,273 was paid to Barclays discharging their liability in full.

6.4. Office Equipment

As discussed in section 4, the office equipment was sold to Lonsdale for the sum of £1,000.

6.5. Motor Vehicles

The motor vehicles were sold to Lonsdale for the sum of £1,000. Further details can be found at section 4.

6.6. Stock

The stock the Company held at the date of Administration was sold to Lonsdale for the sum of £1,000.

6.7. Licence Fee

Under the terms of the sale and purchase agreement the Joint Administrators granted Lonsdale a licence to occupy the trading premises of the Company for a period of 6 months

The licence fee for the period 8 April 2011 to 23 June 2011 totals £9,254 34 inclusive of VAT was received from Lonsdale on the date of completion

The licence fee for the period 24 June 2011 to 23 September 2011 totals £10,936 94 inclusive of VAT This is payable by Lonsdale to the Joint Administrators on 24 June 2011 Once this is received it will be paid to the relevant landlords

7. Proposed Future Actions of the Joint Administrators to Achieve the Objective of the Administration

In order to achieve the objective of the Administration of the Company we propose to realise the outstanding book debts, collect the deferred consideration and review the position of Buffalo Holdings Limited in respect of potential recovery action

It is anticipated that as a result of the sale of the assets and the above future actions, sufficient funds will be realised to discharge Barclays Bank Plc liability in full In addition it is anticipated that a distribution will be made to Merseyside Special Investment Mezzanine Fund under their fixed and floating charges

The Company's financial position means there are insufficient assets to pay a dividend to unsecured creditors, although it is likely I will be able to make a distribution of the prescribed part of the net property

It is proposed that on completion of the administration, the Company shall be dissolved as there are insufficient assets to enable a distribution in excess of the prescribed part

8. Meeting of Creditors

I am not convening a meeting of creditors as in the Administrators' opinion the company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the prescribed part

However, creditors whose debts amount to at least 10% of the total debts of the company can require me to call a meeting Such a request must be made to me on Form 2 21B within 8 business days of the date of the letter accompanying these proposals

If creditors do not require me to convene a meeting of creditors within that time period, then my proposals will be deemed to have been approved

Creditors are also entitled at a meeting of creditors to establish a Creditors' Committee should they so wish, provided that there are no fewer than three and no more than five wishing to be represented on the Committee

9. Pre-Administration Costs

Before a company enters into any form of insolvency proceedings, professional costs are necessarily incurred in order to ensure that -

- The most appropriate form of proceedings is chosen, in the interests of creditors and
- To deal with the mechanics of initiating the proceedings and appointing an insolvency practitioner

The basis on which these costs are to be paid varies according to the insolvency procedure adopted In the case of a company entering into Administration, the Administrator must make

a 'Statement of Pre-Administration Costs', the content of which is prescribed by the Insolvency Rules, and seek approval for their payment from the creditors of the Company

My statement of Pre-Administration costs is set out at **Appendix III**

In this case, further work was also done in the interests of creditors prior to my appointment as Administrator to prepare for the sale of the business and assets prior to our appointment. It will be appreciated that, had this commercial opportunity not been available, it would have still been necessary to obtain valuations and instruct agents and solicitors to assist in disposing of the assets following our appointment, and for us to manage and oversee the asset realisation process. To that extent, these costs are not additional costs that would have been saved, had the assets been disposed of later.

We should point out that our request for payment of our Pre-Administration costs does not comprise part of my formal Proposals for the conduct of the Administration.

10. Joint Administrators' Remuneration and Expenses

I propose that our fees will be charged by reference to the time properly spent by us and our staff in dealing with the matters relating to the Administration of the Company. This time will be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken. Information about current charge out rates is set out in **Appendix III**.

I also propose that we are permitted to charge what are known as category 2 expenses. Information about category 2 expenses is also set out in **Appendix III**.

As stated in section 8, I am not convening a meeting of creditors and consequently it will be for MSIF as the secured creditor to approve my remuneration and category 2 expenses.

To the date this report is prepared, my time costs amount to £13,271.85, representing 65.65 hours work, at an average charge out rate of £202.16. **Appendix III** contains information about remuneration and expenses, including the total time spent on the affairs of the Company for the period from when it entered Administration, 8 April 2011, to the date of these proposals, and the cost of that time based on the charge out rates of the staff undertaking the work.

Please go to <http://www.rsmtenon.com/creditorsguide> and click on 'Remuneration Guidelines Administration (post 6 April 2010)' if you require further information relating to Administrator's Remuneration. The Guide also gives important information about Creditors' Rights. Alternatively a copy is available free of charge upon request from the address below.

11. Discharge from liability

As there will be only the prescribed part for the unsecured creditors we will, in accordance with legislation, be seeking a resolution from the secured creditors, as appropriate for discharge from liability in respect of any action of ours as Administrators to take effect immediately following our cessation to act as Administrators.

12. Joint Administrators' Investigations

I 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 Administration. I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. I should be pleased to receive from you any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure.

13. EC Regulation on Insolvency Proceedings

I consider that the EC Regulation on Insolvency Proceedings applies and that these proceedings are main proceedings as defined in Article 3 of the EC Regulations as the centre of main interest of the company is in England and Wales

14. Joint Administrators' Proposals

In order to achieve the objective set out at Section 3 above, Jeremy Nigel Ian Woodside of RSM Tenon Recovery and Christopher Ratten of RSM Tenon Recovery, the Joint Administrators formally propose to creditors that

- (a) they continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that they
 - (i) realise the outstanding book debts, collect the deferred consideration and review the position of Buffalo Holdings Limited in respect of potential recovery action
 - (ii) sell the Company's assets at such time(s) on such terms as they consider appropriate,
 - (iii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company, and
 - (iv) do all such things and generally exercise all their powers as Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- (b) As there will be no funds available for distribution to the unsecured creditors, other than by virtue of the prescribed part the company exits Administration by way of dissolution
- (c) If there are funds available to be distributed to the unsecured creditors, the company exits the Administration by way of a Creditors Voluntary Liquidation, and that Jeremy Nigel Ian Woodside and Christopher Ratten are appointed the Joint Liquidators of the Company, and that they will act jointly and severally in their duties. Creditors may nominate a different person(s) as the proposed liquidator(s), but must make the nomination(s) at any time after receipt of these proposals, but before they are approved. Information about the approval of the proposals is set out at Section 8

15 Further Information

Should you require any further information relating to these proposals or the Administration of the Company please do not hesitate to contact Nicola McAvoy on the telephone number shown in the covering letter enclosing these proposals


Jeremy Nigel Ian Woodside
Joint Administrator

Licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales
The affairs, business and property of the Company are being managed by the Administrators

Appendix I

Company Information

Company Name	Greenwood Engineering Ltd
Previous Name	Cobco (183) Ltd changed on 12 June 1996
Trading Name	Greenwood Engineering Ltd
Company Number	03143557
Date of Incorporation	4 January 1996
Trading Address	Unit 1 Scotts Industrial Park, Fishwick Street, Rochdale, Lancashire, OL16 5NA
Current Registered Office	Arkwright House, Parsonage Gardens, Manchester, M3 2LF
Former Registered Office	Unit 1 Scotts Industrial Park, Fishwick Street, Rochdale, Lancashire, OL16 5NA
Principal Trading Activity	Manufacture of other general machinery

Appointment details

Date of Appointment	8 April 2011
Appointment made by	Directors
Court Name and Reference	High Court of Justice Chancery Division Manchester District Registry No 594 of 2011
Administrators Appointed	Jeremy Nigel Ian Woodside IP Number 9515 Christopher Ratten IP Number 9338

Officers of the company

Directors	Name	Shareholding
	Keith Andrew Bevan	
	Ian Stuart Hogg	
	David Joseph Potter	

Company Secretary
No Company secretary

Share Capital

Authorised	Allotted, called up and fully paid
50,000 ordinary shares £1 each	50,000 ordinary shares of £1 each

Charges

Debenture dated 26 July 1996 in favour of Barclays Bank Plc

Debenture dated 18 December 2009 in favour of Merseyside Special Investment Mezzanine Fund

Debenture dated 31 December 2009 in favour of Positive Cashflow Finance Limited

Appendix II

Joint Administrators' Estimate of the Financial Position of the Company

as at 8 April 2011

Greenwood Engineering Ltd
Statement Of Affairs as at 8 April 2011

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £	
Assets subject to fixed charge:			
Goodwill	NIL	1 00	
Intellectual Property	NIL	1 00	
Business Name / Rights / Records	NIL	4 00	
Merseyside Special Investment Mezzanine		(430,000 00)	
Deficiency c/d		(429,994 00)	
Book Debts	416,489 00	104,840 00	
Positive Cashflow Finance Ltd		(58,891 00)	
		45,949 00	45,949 00
Plant & Machinery	4,000 00	4,750 00	
Barclays Bank plc		(4,273 00)	
		477 00	477 00
Plant & Machinery	10,287 00	14,500 00	
ING Lease (UK) Ltd		(43,634 00)	
Deficiency c/d		(29,134 00)	
Assets subject to floating charge:			
Plant & Machinery	17,805 00		49,244 00
Office Equipment	3,327 00		1,000 00
Motor Vehicles	NIL		1,000 00
Stock	8,000 00		1,000 00
Book Debts	13,745 00		12,371 00
Applied Fusion Ltd	464 00		NIL
Buffalo Holdings Ltd	3,333 00		NIL
Uncharged assets:			
Estimated total assets available for preferential creditors			111,041 00

Signature _____ Date _____



Greenwood Engineering Ltd
Statement Of Affairs as at 8 April 2011

A1 - Summary of Liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)	111,041 00
Liabilities	
Preferential Creditors -	
	<u>NIL</u>
Estimated deficiency/surplus as regards preferential creditors	111,041 00
Debts secured by floating charge pre 15 September 2003	
Other Pre 15 September 2003 Floating Charge Creditors	<u>NIL</u>
	111,041 00
Estimated prescribed part of net property where applicable (to carry forward)	25,208 20
Estimated total assets available for floating charge holders	85,832 80
Debts secured by floating charges post 15 September 2003	
Deficiency b/d	429,994 00
	429,994 00
Estimated deficiency/surplus of assets after floating charges	<u>(344,161 20)</u>
Estimated prescribed part of net property where applicable (brought down)	25,208 20
Total assets available to unsecured creditors	25,208 20
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
Deficiency b/d	29,134 00
Trade & Expense Creditors	146,778 00
HM Revenue & Customs - VAT	25,780 00
HM Revenue & Customs - PAYE	72,657 00
Unicorn Self Drive Ltd	8,043 00
Applied Fusion Ltd	4,881 00
Everidge Precision Engineering Ltd	264 00
Heavey Engineering Ltd	5,344 00
	292,881 00
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)	(267,672 80)
Shortfall in respect of F C's post 14 September 2003 (brought down)	344,161 20
Estimated deficiency/surplus as regards creditors	<u>(611,834 00)</u>
Issued and called up capital	
Ordinary Shareholders	50,000 00
	50,000 00
Estimated total deficiency/surplus as regards members	<u>(661,834 00)</u>

Signature _____ Date _____

RSM Tenon Recovery
Greenwood Engineering Ltd
B - Company Creditors

Key	Name	Address	£
C300	3 Thousand	Brockloch Cottage, Kirkpatrick Durham, Castle Douglas, Dumfries & Galloway, DG7 3HU	777 00
CA00	AALCO Metals Ltd	Express Trading Estate, Stonehill Road, Farnworth, Bolton, BL4 9NN	2,378 00
CA01	Aalto Technical Services Ltd	Aalto House, Imrass Trading Estate, Trafford Park Road, Manchester, M17 1AN	667 00
CA02	Abbey Spun Cast Ltd	21 Stringes Lane, Willenhall, West Midlands, WV13 1LB	827 00
CA03	Advanced Machine Tool Systems	Units 4-5 Salford Industrial Estate, Rochdale Road, Todmorden, Lancashire, OL14 7LF	571 00
CA04	Alpha Publishing	26 Hockerill Court, London Road, Bishop's Stortford, Hertfordshire, CM23 5SB	354 00
CA05	ALD Automotive Ltd	Oakwood Park, Lodge Causeway, Bristol, BS16 3JA	283 00
CA06	Anglo Precision Steels Ltd	c/o Bibby Factors Ltd, Packington House, 3-4 Horse Fair, Banbury, Oxon OX16 5DR	2,799 00
CA07	AnoChrome	c/o RBS Invoice Finance Ltd, Smith House, Box 50, Elmwood Avenue, Feltham, Middlesex TW13 7QD	300 00
CA08	Apex Logistics (UK) Ltd	Unit 15A Canalside Industrial Estate, Woodbine Street East, Rochdale, Lancashire, OL16 5LB	325 00
CA09	Applegate Directory Ltd	Applegate House, Riverside Road, Nottingham Business Park, Barnstaple, EX31 1LS	471 00
CA0A	Applied Fusion Ltd	Prescot Road, St Helens, Merseyside, WA10 3BZ	4,881 00
CA0B	David J Ashton (Electrical) Ltd	17 War Office Road, Bamford, Rochdale, Lancashire, OL11 5HR	2,073 00
CA0C	Ashworth Frazer	Higher Ainsworth Road, Radcliffe, Manchester, M26 4AF	61 00
CA0D	A W Precision Ltd	Cosford Lane, Rugby, Warwickshire, CV21 3QN	5,318 00
CB00	Barclays Bank Plc	1 Chesham Place, London, E14 5HP	4,273 00
CB01	R D Barrett	Brown Mills Industrial Estate, Bridge House Road, Hyperholme, Halifax, HX3 8DD	1,905 00
CB02	Bearing & Engineering Services	Unit 11 Canalside Industrial Estate, Woodbine Street East, Rochdale, Lancashire, OL16 5LB	44 00
CB03	Be Fuelcards Ltd	2nd Floor Kings Lodge, 28 Church Street, Epsom, Surrey, KT17 4QB	80 00
CB04	Best for Pneumatic Systems Ltd	Bridge Street Church, Lancashire, BB5 4HU	2,978 00
CB05	Bexley Flooring Ltd	140 Bexley Road, Erith, Kent, DA8 3SP	353 00
CB06	Frank Blakeley & Son Ltd	Poor Peg Mill, Buckley Street, Heywood, Lancashire, OL10 4HZ	3,312 00
CB07	Blue Diamond Machine Tools	Unit 6B, Hackworth Industrial Park, Shildon, County Durham, DL4 1HG	4,855 00
CB08	Bodycote Heat Treatments Ltd	Hulley Road, Macclesfield, Cheshire, SK10 2SG	106 00
CB09	Boneham & Turner Ltd	Oddicroft Industrial Estate, Oddicroft Lane, Sutton-in-Ashfield, Nottinghamshire, NG17 5FS	25 00
CB0A	Brandvik Ltd	7 Stamford Square, Ashton under Lyne, Lancashire, OL6 6QU	1,000 00

Signature _____

RSM Tenon Recovery
Greenwood Engineering Ltd
B - Company Creditors

Key	Name	Address	£
CB0B	British Gas Business (Electricity)	P O Box 254, Camberley, Surrey, GU15 3WA	1,894 00
CC00	Celect Tools	Unit F1, Hanson Park, Hanson Close, Middleton, Manchester, M24 2HD	144 00
CC01	Central Hydraulic Services Ltd	Walker Street, Rochdale, Lancashire, OL16 2AB	180 00
CC02	Chubb Electronic Security	Shadsworth Road, Blackburn, Lancashire, BB1 2PR	538 00
CC03	Chelburn Precision Ltd	C/o Atradius Collections Ltd, 3 Harbour Drive, Capital Waterside, Cardiff, CF10 4WZ	1,407 00
CC04	Citroen Contract Motoring	Quadrant House, Princess Way, Redhill, Surrey, RH1 1QA	372 00
CC05	CNC Fluids Ltd	Broadmead Lane, Heynsham, Breda, BS31 1ST	521 00
CC06	Constell Engineers Ltd	Eagle Building, Crawford Street, Rochdale, Lancashire, OL16 5NU	411 00
CD00	DDM Haulage Ltd	A10-11 Fieldhouse Industrial Estate, Fieldhouse Road, Rochdale, Lancashire, OL12 0AA	1,200 00
CD01	DHL International (UK) Ltd	P O Box 192, Feltham, Middlesex, TW11 0LR	55 00
CE00	Elder Engineering (Herts) Ltd	City Park, Watlington, Watlington, Herts, AL7 1LT	195 00
CE01	Energas Ltd	Westmoreland Street, Hull, HU2 0HX	97 00
CE02	European Tubes Ltd	Unit 3, Pagefield Industrial Estate, Ferry Lane, Wigan, Lancashire, WN6 7LA	224 00
CE03	Everidge Precision Engineering	Holmesdale Works, Holmesdale Road, South Darenth, Dartford, Kent, DA4 9JP	264 00
CF00	The Farnworth Grinding Co Ltd	20 Gk Road, Mar North, Bolton, Lancashire, BL4 7EH	1,814 00
CF01	Fast-Pak Packaging Ltd	Unit 7, Pavley Industrial Estate, Richmond Street, Ashton-under-Lyne, Tameside, OL7	453 00
CG00	Gilt Edged Promotions Ltd	King's Meadow, Lough Park, Northampton, NN3 6LL	863 00
CG01	Glendower Cutting Tools Ltd	Lakes Business Park, Pinfold Road, Thurmaston, Leicester, LE4 8AS	44 00
CG02	GPT Logistics Ltd	The Old Railway Yard, Fishwick Street, Rochdale, Lancashire, OL16 5NA	287 00
CG03	A Griffiths Cleaning	42 Rossmore, Smithybridge, Littleborough, Lancashire, OL15 8QJ	13 00
CG04	GTS Sheetmetal Ltd	Rea Park Mill, Bury Road, Rochdale, Lancashire, OL11 4EE	194 00
CH00	R M Hannam	Lea Farm, Lee Lane, Todmorden, M30 0GJ	219 00
CH01	Heavey Engineering	Fielding Street, Patncroft, Eccles, M30 0GJ	5,344 00
CH02	Hetherington Office Supplies Ltd	Unit 5A, Fieldhouse Industrial Estate, Fieldhouse road, Rochdale, Lancashire, OL12 0AA	229 00
CH03	High Peak Steels Ltd	Thornfield House, Brookfield Industrial Estate, Glossop, Derbyshire, SK13 6LQ	2,167 00
CH04	Hills Packaging Ltd	Lincoln Street Business Park, Rochdale, Lanc, OL11 1LB	17 00
CH05	Hollinbrow Precision Products (UK) Ltd	C/o Atradius Collections Ltd, 3 Harbour Drive, Capital Waterside, Cardiff, CF10 4WZ	3,089 00
CH06	Holt Brothers (Halifax) Ltd	Hope Street, Halifax, West Yorkshire, HX1 5BT	402 00
CH07	HM Revenue & Customs	ICHU EIS Tyne & Wear, RM BP2302, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ	72,657 00

Signature



RSM Tenon Recovery
Greenwood Engineering Ltd
B - Company Creditors

Key	Name	Address	£
CH08	HM Revenue & Customs	National Insolvency Unit, 3NW, Queens Dock, Liverpool, L74 4AA	25,780 00
CI00	George Ibboston (Steels) Ltd	16 Atlas Way, Sheffield, S4 7QQ	835 00
CI01	ISOQAR Ltd	Cobra Court, 1 Blakemore Road, Stretford, Manchester, M32 0QY	216 00
CI02	ING Lease (UK) Ltd	60 High Street, Redhill, Surrey, RH1 1NY	43,636 00
CJ00	MSC/J & L Industrial Supply	7 Pacific Avenue, Wednesbury, West Midlands, WS10 7WP	66 00
CK00	Kelvin Homes Associates	90 Parkway, Chadderton, Oldham, Lancashire, OL9 0AR	300 00
CK01	T J Kirker	356 Oldham Road, Ripponden, Sowerby Bridge, West Yorkshire, HX6 4QU	4,271 00
CK02	Knight Strip Metals Ltd	Salt Business Park, Cumbria Way, Saltley, Birmingham, B8 1BH	2,956 00
CK03	K Supplies Ltd	Hill Lane, Cloughfold, Rawtenstall, Lancashire, OL15 8JS	327 00
CL00	LEW Diecastings Ltd	Town Lane, Cloughfold, Rawtenstall, Lancashire, OL11 2UF	478 00
CL01	Lund Engineering	Unit 3, Verve Engineering, Far Head, Liverpool, L3 1DS	2,350 00
CM00	Merseyside Special Investment Fund 2	Unit 6, Church Lane, Limestone Hall Lane, Church Lawford, Rugby,	430,000 00
CM02	Machine Support Services	19 Southlink, Woodcote Street, Gloucestershire, GL6 5PE	1,678 00
CM03	Makrep Ltd	Machining Co Ltd, Road, Cheshire, M3 7JS	6,173 00
CM04	Manchester Automatic Machining	Unit 1-4, Meadowside, Salford, Manchester, M17 1PA	4,202 00
CM05	Manchester Metals	96 Towngate, Wyke, Bradford, West Yorkshire, BD12 9JB	5,438 00
CM06	Mandate Systems Ltd	33 Great Portland Street, London, W1W 8PS	300 00
CM07	Mason Phillips	Mercury Park, Amber Close, Amington, Tamworth, Staffordshire, B77 4RP	11,381 00
CM08	Maydown International Tools	Burystead Court, Calverton Lake Drive, Milton Keynes, MK7 8ND	3,432 00
CM09	Mercedes-Benz Finance	45 Moorside Green, Drighlington, Bradford, BD11 1HG	420 00
CM0A	Moorside Machinery Services Ltd	Unit 31, Oakhill Trading Estate, Devonshire Road, Walkden, Manchester, M28 3PT	1,111 00
CN00	NIPRO Ltd	No 3 Sandal House, 1 Argyle Road, Southport, Merseyside, PR9 9LG	2,703 00
CN01	North West Design Services	Greenbank Technology Park, Challenge Way, Blackburn, Lancashire, BB1 5QB	1,750 00
CN02	Northern Carbide Specialists Ltd	Elm Tree Street, Belle Vue, Wakefield, West Yorkshire, WF1 5EQ	2,072 00
CN03	Northern Profiles	4th Floor, Castlefield House, 48 Liverpool Road, Manchester, M3 4SB	5,342 00
CP00	Positive Cashflow Finance Ltd	Wolverhampton Street, Willenhall, West Midlands, WV13 2NF	60,195 00
CP01	P B R Abrasives (W'ton) Ltd	425 Garstand Road, Broughton, Preston, PR3 5JA	449 00
CP02	Preston Grinding Ltd	Walton Street, Sowerby Bridge, West Yorkshire, HX6 1AN	1,688 00
CP03	Abram Pulman & Sons Ltd		406 00

Signature



RSM Tenon Recovery
Greenwood Engineering Ltd
B - Company Creditors

Key	Name	Address	£
CP04	Pure Cean	Old Moor Road, Off Ashton Road, Bredbury, Stockport, SK6 2QE	149 00
CQ00	QIMTEK Ltd	The Square, Basing View, Basingstoke, Hampshire, RG21 4EB	480 00
CR00	Ravenace Metals Ltd	Steelbright Road, Rabone Lane, Smethwick, West Midlands, B66 2NW	463 00
CR01	Reddish Electro-Plating (Stockport) Ltd	23 Mersey Street, Portwood, Stockport, SK1 2HX	1,318 00
CR02	Rhenus Logistics Ltd	Unit 2, Westpoint Enterprise Park, Clarence Avenue, Trafford Park, Manchester, M17 1QS	366 00
CR03	Joseph Rhodes Ltd	Belle Vue, Wakefield, West Yorkshire, WF1 5BQ	1,979 00
CR04	Rochdale Business Machines	Unit 1, Grove House, Reem Street, Haslingden, Lancashire, BB4 5JA	41 00
CR05	Rochdale M B C	Corporate Services Department, 57-59 Drake Street, Rochdale, OL16 1XL	6,710 00
CR06	Rochdale Online Ltd	847-849 Manchester Road, Castleton, Rochdale, Lancashire, OL11 2UY	177 00
CR07	Rock Oil Co	90 Priestley Street, Warrington, Cheshire, WA5 1SU	110 00
CS00	SAGE (UK) Ltd	Sage House, Benetton Park Road, Newcastle Upon Tyne, NE7 7LZ	390 00
CS01	Shaw Sheet Metal Co Ltd	Thomas Street, Shaw, Oldham, Lancashire, OL2 8PG	1,602 00
CS02	Shearline Steel Strip Ltd	Unit 3, Globes Industrial Park, Pensnett, Kingswinford, West Midlands, DY6 8XF	4,494 00
CS03	E L Sibbles Ltd	Woolloolun Road, Bladford, West Yorkshire, BD4 7BT	841 00
CS04	D G Steel & Son Engineering Ltd	Barbrook, Bear Works, Brook Street, Bury, BL9 6AF	144 00
CS05	The Sunlight Service Group Ltd	P O Box 6044, Basingstoke, Hampshire, RG24 8JP	500 00
CS06	Surface Technology PLC	Long Causeway, Cross Green, Leeds, West Yorkshire, LS9 0NY	217 00
CS07	Henry Sutcliffe Ltd	Hume Street, Salford, Manchester, M5 4PX	396 00
CS08	SWS (Metal Treatments) Ltd	Head Office, Unit A Link 580, 188 Moorside Road, Swinton, Manchester, M27 9LB	128 00
CT00	Target Fire Protection Ltd	Unit 3B, Backley Road Industrial Estate, Rochdale, Lancs, OL12 9EF	201 00
CT01	Taylor Special Steels Ltd	Pearsall Drive, Oldbury, West Midlands, B69 2RA	1,573 00
CT02	Taylorsteel (North West) Ltd	Windsor Street, Shaw Road, Oldham, Lancashire, OL1 4AD	2,682 00
CT03	Thermatic Maintenance Ltd	Unit 3, Sovereign Ent Park, King William Street, Salford, M50 2UP	193 00
CT04	T P Houghton	14 Denver Road, Rochdale, Lancashire, OL11 1TT	394 00
CT05	Tru-Cal Metrology Ltd	Unit 1, Industrial Estate, Froxmer Street, Gorton, Manchester, M18 8EF	529 00
CT06	Trufab Ltd	Railway Works, Fishwick Street, Rochdale, Lancashire, OL16 5NA	2,281 00
CU00	UNICEF	P O Box 290, Wetherby, West Yorkshire, LS23 7XN	219 00
CU01	Unicorn Self Drive Ltd	Fielding Street, Patricroft, Eccles, M30 0GJ	8,043 00

Signature _____

RSM Tenon Recovery
Greenwood Engineering Ltd
B - Company Creditors

Key	Name	Address	£
CV00	Vapor-Tek Ltd	Fairclough Street, Bolton, Lancashire, BL3 2AF	287 00
CW00	Wallace Cameron & Co Ltd	26 Netherhall Road, Netherton Industrial Estate, Wishaw, ML2 0JG	19 00
CW01	Wallwork Heat Treatment Ltd	Lord Street, Bury, Lancashire, BL9 0RE	2,736 00
CW02	WDS Components Ltd	Richardsshaw Road, Grangefield Industrial Estate, Pudsey, Leeds, LS28 6LE	922 00
CW03	Webster & Horsfall Ltd	The Fordrough, Hay Mills, Birmingham, B25 8DW	1,647 00
CW04	Wilson Gunn	5th Floor, Blackfriars House, The Parsonage, Manchester, M3 2JA	247 00
CW05	WNT (UK) Ltd	Sheffield Airport Business Park, Farnley Park, Sheffield, S9 1XU	697 00
CW06	The Works (UK) Ltd	36 Market Place, Heckmondwike, Yorkshire, WF16 0JG	2,363 00
CW07	Thomas Wright/Thorite Group	Thorite House, Laisterdyke, Leeds, West Yorkshire, BD4 8BZ	34 00
CZ00	Zen Internet Ltd	Sandbrook Park, Sandbrook Way, Rochdale, OL11 1RY	14 00
HG00	Greenwood Engineering (Holdings) Limited	Unit 1, Scotts Industrial Park, Fishwick Street, Rochdale, Lancashire, OL16 5NA	50,000 00
123 Entries Totalling			851,851.00

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Appendix II

NOTES TO THE JOINT ADMINISTRATORS' ESTIMATE OF THE FINANCIAL POSITION OF THE COMPANY

As at 8 April 2011

- 1 The Joint Administrators' estimate of the Financial Position of the Company does not take into account the costs of the Administration
- 2 The figures contained in the Joint Administrators' estimate of the Financial Position of the Company reflects information obtained from the Company's records
- 3 JPS Chartered Surveyors carried out a valuation of the assets of the company

Appendix III

**Information relating to
Joint Administrators' Remuneration
and Expenses**

Information relating to the Joint Administrators' Fees and Expenses

1. Overview of Case

1.1. Appointment

We were appointed Joint Administrators on 8 April 2011 following an application by the directors pursuant to paragraph 22 of schedule B1 of the Insolvency Act 1986

1.2. Strategy

In order to achieve the objective of the Administration of the Company an immediate sale of the business and certain assets was appropriate. We propose to realise the outstanding book debts, collect the deferred consideration and review the position of Buffalo Holdings Limited in respect of potential recovery action.

The above has included attending to all statutory matters as and when required and to realise the Company's assets.

1.3. Staffing

A number of staff of various levels have been required. Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake. This has been necessary in order to deal with all aspects of the case.

1.4. Existing fee arrangements

There are no existing fee arrangements.

It is our intention to seek fee approval from the Company's secured creditors.

1.5. Anticipated return to creditors/outcome

It is currently anticipated that sufficient funds will be realised from the Company's book debts to discharge Positive Cashflow Finance Ltd's liability in full.

From the sale of the plant and machinery, sufficient funds were received to make a first and final distribution to Barclays Bank Plc to discharge their liability in full.

It is anticipated that there will be insufficient asset realisations to discharge Merseyside Special Investment Fund ("MSIF") liability in full.

There are insufficient assets in this matter to allow a distribution to unsecured creditors apart from a prescribed part distribution.

Explanation of office-holders charging and disbursement recovery policies

1.6. Time recording

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge out rates are

	£
	From 4 January 2011
Director and licensed Insolvency Practitioners	355
Associate Director (appointment taker)	355
Associate Director	355
Senior Manager	290
Manager	200
Assistant Manager	185 – 210
Administrator	126 – 194
Cashier	121

Secretarial and support staff are not charged to the cases concerned, being accounted as an overhead of RSM Tenon Recovery.

1.7. Disbursement recovery

Disbursements are categorised as either Category 1 or Category 2.

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Where these have initially been paid by RSM Tenon Recovery and then recharged to the case, approval from creditors is not required. The amount recharged is the exact amount incurred.

Examples of Category 1 expenses are postage, case advertising, specific bond insurance, company search fees, invoiced travel and properly reimbursed expenses 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 2 disbursements include elements of shared or allocated costs incurred by RSM Tenon Recovery and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, and internal storage.

It is proposed that the following Category 2 disbursements are recovered by RSM Tenon Recovery.

Room hire	£60.00
Envelope	4.2p
Paper (photocopies per sheet)	1.75p
Postage (depending on size and weight)	At cost
Files and dividers (cost per 100 creditors)	£2.00
Storage of archive box for one quarter	£1.60
Travel (per mile)	40p

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.

2. Description of work carried out

Section 3 of this appendix outlines the time costs to date in relation to activities undertaken during this matter. These matters can be summarised as follows:

2.1. Pre-appointment

Full details of our pre-appointment costs are set out separately in Appendix V.

2.2. Administration and planning

The following activities have been undertaken:

- > Statutory duties associated with the appointment including the filing of relevant notices,
- > Notification of the appointment to creditors, members, employees and other interested parties,
- > Setting up case files,
- > Reviewing available information to determine appropriate strategy,
- > Setting up and maintaining bank accounts

Staff of different levels were involved in the above activities depending upon the experience required.

2.3. Investigations

The time spent includes:

- > Corresponding with the former directors and management,
- > Review of questionnaires and comments provided by interested parties,
- > Review of company documentation,

Due to the complex nature and importance of the investigations, the staff utilised to conduct such work involved experienced members of staff.

2.4. Realisation of assets

Please refer to the main body of the report but in summary the time spent includes:

- > Liaison with solicitors and agents,
- > Correspondence and meetings with interested parties,
- > Reviewing offers,
- > Agreement of contracts
- > Collection of the book debts of the Company

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake.

2.5. Creditors

The time spent includes the following matters:

- > Recording and maintaining the list of creditors,
- > Dealing with employee related matters,
- > Dealing with retention of title claims,
- > Recording creditor claims,
- > Reporting to creditors,
- > Meetings of creditors,
- > Dealing with creditor queries,
- > Reviewing and evaluating creditor claims

3. Time and chargeout summary

To date a total of 65 65 hours have been spent at an average charge out rate of £202 16 bringing the total cost to date to £13,271 85

A summary table is shown below

Classification of work function	Insolvency Practitioner/ Director/ Associate Director	Manager	Hours Other senior professionals	Assistants and support staff	Total	Time cost £	Average Hourly rate £
Administration and Planning	18 50	2 40	11 00	2 05	33 95	8,725 55	257 01
Investigations	0 00	0 10	0 50	0 00	0 60	85 00	141 67
Realisation of assets	0 00	0 80	1 00	0 00	1 80	290 00	161 11
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	1 00	1 90	26 40	0 00	29 30	4,171 30	142 37
Total hours	19 50	5 20	38 90	2 05	65 65		
Total fees claimed £	6,922 50	1,040 00	5,061 30	248 05		13,271 85	

The above costs exclude VAT

4. Disbursements

4.1. Category 1

Category 1 disbursements incurred are outlined below

	Incurred £	Paid £
Mileage	9 00	0 00
Bond	210 00	0 00
Total	<u>219.00</u>	<u>0.00</u>

The above costs exclude VAT

4.2. Category 2 disbursements

No Category 2 disbursements have been charged to this matter

Appendix IV

Joint Administrators'
Receipts and Payments Account

Greenwood Engineering Ltd
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 25/05/2011

S of A £		£	£
	SECURED ASSETS		
1 00	Goodwill	1 00	
1 00	Intellectual Property	1 00	
4 00	Business Name / Rights / Records	4 00	
(430,000 00)	Merseyside Special Investment Mezza	NIL	
126,730 00	Book Debts	NIL	
(60,195 00)	Positive Cashflow Finance Ltd	NIL	
			6 00
	PLANT & MACHINERY		
4,750 00	Plant & Machinery	4,750 00	
(4,273 00)	Barclays Bank plc	(4,272 82)	
14,500 00	Plant & Machinery	NIL	
(43,634 00)	ING Lease (UK) Ltd	NIL	
			477 18
	ASSET REALISATIONS		
49,244 00	Plant & Machinery	32,244 00	
1,000 00	Office Equipment	1,000 00	
1,000 00	Motor Vehicles	1,000 00	
1,000 00	Stock	1,000 00	
12,371 00	Book Debts	NIL	
NIL	Applied Fusion Ltd	NIL	
NIL	Bufallo Holdings Ltd	NIL	
	Licence Fee Receivable	7,711 95	
			42,955 95
	COST OF REALISATIONS		
	Solicitors' Fees	6,000 00	
	Solicitors' Disbursements	95 00	
			(6,095 00)
	COST OF ADMINISTRATION		
	Statutory Advertising	75 60	
	Mail Redirection	24 90	
			(100 50)
	UNSECURED CREDITORS		
(146,778 00)	Trade & Expense Creditors	NIL	
(25,780 00)	HM Revenue & Customs - VAT	NIL	
(72,657 00)	HM Revenue & Customs - PAYE	NIL	
(8,043 00)	Unicorn Self Drive Ltd	NIL	
(4,881 00)	Applied Fusion Ltd	NIL	
(264 00)	Everidge Precision Engineering Ltd	NIL	
(5,344 00)	Heavy Engineering Ltd	NIL	
			NIL
	DISTRIBUTIONS		
(50,000 00)	Ordinary Shareholders	NIL	
			NIL
(641,248 00)			37,243.63

Greenwood Engineering Ltd
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 25/05/2011

S of A £	£	£
REPRESENTED BY		
VAT Receivable	1,222 12	
Floating Account	37,563 90	
VAT Payable	(1,542 39)	
		37,243.63

Greenwood Engineering Ltd ("the Company") – In Administration**Statement of Pre-Administration Costs**

Pre-Administration costs are defined in the Insolvency Rules as fees charged and expenses incurred by the administrator or his firm, or another person qualified to act as an insolvency practitioner, before the company entered administration but with a view to its doing so

Summary of the Joint Administrators' pre-Administration costs

The Joint Administrators make the following statement in accordance with Rule 2.33 (2B) of the Insolvency Rules 1986 as amended ("the Rules") in relation to their pre-Administration costs

The Joint Administrators' pre-Administration costs comprise -

	£
Pre – Administration time costs	5,453 70
Pre – Administration expenses	
Legal costs	6,095 00
Agents costs	-
Pre – Administration disbursements	
Category 1	-
Category 2 (see Appendix III)	-
Total	<u>£11,548.70</u>

In accordance with Rule 2.67A (3)(b) the Joint Administrators will be seeking approval for payment of their Pre-Administration costs from Merseyside Special Investment Fund

Further information on each category of pre-Administration cost is given below

Pre-administration time costs of the Joint Administrators

The Joint Administrators' unpaid pre-appointment time costs total £5,453 70 at RSM Tenon Recovery's standard charging rates (see Appendix III) This relates to costs incurred specifically with a view to Administration. These costs were all incurred on or after 12 March 2011 and in relation to the following activities

- Confirming that one of the statutory objectives of administration could be achieved
- Negotiating a pre-packaged sale of the Company's business and assets
- Liaising with secured creditors, key stakeholders and major creditors
- Carrying out all necessary steps in order to place the Company into Administration

The agreement under which we incurred the pre-Administration costs was in accordance with verbal instructions from the directors on 12 March 2011 and RSM Tenon Recovery's Letter of Engagement from the Company dated 23 March 2011

None of these costs has been paid

Pre-Administration expenses

Details of pre-Administration expenses which have been incurred with a view to the Company's administration are

Advisor and Nature of Work	Date of Engagement	Fees £
Bermans Solicitors	16 March 2011	
Appointment documentation, Sale and Purchase Agreement		6,000 00
Disbursements		95 00
		<u>6,095 00</u>
JPS Chartered Surveyors	15 March 2011	
Valuation of assets		1,500 00
Disbursements		37 00
		<u>1,537 00</u>
Total		<u>£7,632.00</u>

We instructed JPS Chartered Surveyors ("JPS") to carry out an inventory and valuation of the Company's assets on going concern (in situ and ex situ) bases and a forced sale basis, and to advise us with respect to the offer received from the purchaser for the Company's business and assets. These pre-Administration expenses have been incurred by JPS on a time cost basis, plus disbursements.

None of these expenses have been paid.

We instructed Bermans Solicitors to assist with drafting the appointment documents and the sale and purchase agreement.

These expenses have been paid in full.

Pre-Administration disbursements

No pre-Administration disbursements were incurred in this matter.

Work done

The work done by us, and by our advisors, in the period leading up to administration was reported in the first notification that we sent to creditors on 12 April 2011, immediately following the making of the administration order. That notification explained how our pre-administration work was in the interests of creditors, and was in furtherance of the objective to achieve a better result for the company's creditors as a whole than would be likely if the Company were wound up.

If any creditor would like a further copy of that notification, please do not hesitate to contact this office.

Other persons entitled to claim

We are unaware of any additional costs incurred by any other professionals qualified to act as an insolvency practitioner in respect of the Company. Should any such claims subsequently come to light, they will be dealt with in the manner provided for by the Insolvency Rules.

Not part of the Administrators' Proposals

Please note that our request for payment of pre-Administration costs is separate to and does not form part of our Proposals to creditors for the conduct of the administration.