

The Insolvency Act 1986

Statement of administrator's proposals**2.17B**

Name of Company A & T Engineering Limited	Company number 03254369
In the High Court of Justice, Chancery Division, Manchester District Registry	Court case number 2162 of 2012

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

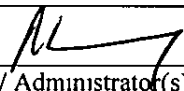
We (a) Robert Cooksey – MIPA and Jonathan Lord – MIPA both of Bridgestones, 125/127 Union Street, Oldham, OL1 1TE

* Delete as applicable

attach a copy of ~~any~~ our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 21st March 2012Signed 
Joint / Administrator(s)Dated 20th March 2012**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.

	Tel
DX Number	DX Exchange

FRIDAY



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Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
MANCHESTER DISTRICT REGISTRY
NO. 2162 OF 2012

A & T ENGINEERING LIMITED – IN ADMINISTRATION

**REPORT AND PROPOSALS OF THE JOINT
ADMINISTRATORS**

19TH MARCH 2012

**JOINT ADMINISTRATORS: ROBERT COOKSEY – MIPA
 JONATHAN LORD – MIPA**

**BRIDGESTONES
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A & T ENGINEERING LIMITED – IN ADMINISTRATION

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This Report has been prepared by Jonathan Lord and Robert Cooksey, the Joint Administrators of A & T Engineering Limited solely to comply with their statutory duty under paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes of the Administration and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This Report has not been prepared in contemplation of it being used, and it is not suitable to be used to inform any investment decision in relation to the debt of or any financial interest in A & T Engineering Limited.

Any estimated outcome for creditors included in this Report are illustrative only and cannot be relied upon as guidance to the actual outcome for creditors.

Any person that chooses to rely on this Report for any purpose or in any context other than under paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at his own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report.

The Joint Administrators act as agents for A & T Engineering Limited and contract without personal liability. The appointments of the Joint Administrators are personal to them and to the fullest extent permitted by law, Bridgestone does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the Administration.

A & T ENGINEERING LIMITED – IN ADMINISTRATION

STATEMENT OF JOINT ADMINISTRATORS' PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986

1. SUMMARY

A & T Engineering Limited ("the Company") was placed into Administration on the 15th February 2012 Jonathan Lord – MIPA and Robert Cooksey – MIPA both of Bridgestones, 125/127 Union Street, Oldham, OL1 1TE were appointed as Joint Administrators

The Company's main financial difficulties occurred in 2010 when it undertook a contract that resulted in estimated losses of £350,000 The Company's problems were further compounded in 2011 when its Bankers took the decision to reduce the Company's overdraft from £250,000 to £100,000 This reduction was to be carried out on a gradual monthly basis, but left the Company with little cash flow manoeuvrability

With the costs of overheads and employees, the Company was unable to manage with such a drastic reduction in its overdraft facility As such the Company sought professional advice and Bridgestones were contacted, and consequently administrators were appointed

This is not a pre pack Administration There has been no sale of the business to any new company

The Company has approximately £693,036 due to it in relation to its outstanding debtor ledger However of this amount £126,777 is known to be disputed debt

Attached is an Estimated Outcome Statement prepared by the Joint Administrators based on information received At this stage it is uncertain as to the possibility of a dividend being declared to unsecured creditors as this is dependent upon the level of realisations made

The Joint Administrators' have decided to hold a creditors meeting at this time to approve their proposals for achieving the purpose of the Administration Those proposals are contained herein, and the Joint Administrators' request that creditors complete the relevant forms that are attached for this purpose

2. INTRODUCTION

Jonathan Guy Lord and Robert Lochmohr Cooksey were appointed as Joint Administrators of A & T Engineering Limited ("the Company") on the 15th February 2012 The Director, Mr Alan Jones, made the administration

application pursuant to the provisions of Paragraph 12, Schedule B1 of the Insolvency Act 1986

For the purposes of paragraph 100 (2) of Schedule B1 to the Act the Joint Administrators confirm that any act required or authorised under any enactment to be done by the Joint Administrators may be done by all or any one or more of the persons at the time holding office as Administrator. No functions are required to be undertaken by both Administrators acting together and no functions are specifically the responsibility of either Administrator.

The Joint Administrators' now submit proposals, pursuant to paragraph 49 of Schedule B1 of the Insolvency Act 1986 for achieving the purpose of the administration. This report contains the information required by Rule 2.33 of the Insolvency Rules 1986.

The EC Regulation will apply to this administration and the proceedings will be main proceedings as defined in Article 3 of the EC Regulation. The Company's registered office and its centre of main interest are in England.

3 STATUTORY INFORMATION

The Company was incorporated on the 24th September 1996.

The registered office address of the Company was 56 Hamilton Square, Birkenhead, Wirral, CH41 5AS. Following the appointment of Joint Administrators', it has been changed to 125/127 Union Street Oldham OL1 1TE.

The trading address of the Company was Units 9/10 The Lynx Business Centre, Carr Lane Industrial Estate, Hoylake, CH47 4AX.

The Company number is 03254369.

The Company traded under the name of A & T Engineering Limited.

The director of the Company was Mr Alan Jones who was appointed on the 24th September 1996.

The Company secretary was also Alan Jones.

The share capital in issue is 5,000. These shares are held by Mr Ian Jones (2,500 shares) and Mrs Rita Ellen Jones (2,500 shares).

4 STATUTORY PURPOSES OF ADMINISTRATION

Paragraph 3(1) of Schedule B1 of the Insolvency Act 1986 provides that administration proceedings may be instituted for one or more of the following purposes, namely,

- a) Rescuing the Company as a going concern, or if that is not achievable,
- b) Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), or, if neither a) nor b) is achievable,
- c) Realising 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 due to its financial position a Company Voluntary Arrangement would not be appropriate

As a result, the Joint Administrators are seeking to achieve objective (b) for the Company. The Company's outstanding debtor ledger involves JCT contracts, which are currently ongoing. The Company's involvement in these contracts would terminate automatically if the Company entered into liquidation and as such would reduce the prospects of realisation. However by entering into administration first it has provided a greater scope to recover monies due to the Company.

The insolvency legislation has set a 12 - month maximum duration for Administrations, unless it is extended by the court or the creditors. If the Joint Administrators are unable to complete the Administration of the Company within 12 months then the Joint Administrators will either apply to the court, or hold a meeting of creditors, in order to seeking approval to extending the duration of the Administration.

5 CIRCUMSTANCES LEADING TO THE APPOINTMENT OF ADMINISTRATORS

The Director of the Company has provided the Joint Administrators' with the following information:

A & T Engineering Limited was formed by Mr Alan Jones and traded as heating and plumbing engineers initially within the Merseyside area. The Company was incorporated on 24th September 1996 with Mr Jones named as the sole director.

Mr Alan Jones had previously traded as a sole trader within this field from 1993 and as such when the decision was made to incorporate the business into a limited entity, it already had ongoing contracts and cash reserves. Therefore only minimal start up capital was required.

The start up of the Company was financed by overdraft facilities provided by Barclays Bank Plc, which were secured by way of a fixed and floating charge registered at Companies House on the 22nd November 1996.

In August 2002 the Company moved its banking to the National Westminster Bank Plc, where it was granted a £250,000 overdraft facility secured by way of a personal guarantee from Alan Jones and a fixed and floating charge,

over the Company's assets, registered at Companies House on the 22nd August 2002

The Company faced increasing competition within the commercial/ industrial plumbing and heating industry and as such strived to ensure that it had an outstanding reputation and would promote itself through gaining numerous respected accreditations

The Company also embarked upon a policy of hiring apprentices under the Government sponsored apprenticeship scheme. This scheme would provide financial support to the Company in relation to all apprentices taken on who were under the age of 18. However the Company would also employ older apprenticeships at a direct cost.

During the course of trade the Company was able to expand and undertake more lucrative contracts with some of the largest contracts being for universities and schools.

However as the majority of this work proved to be seasonal, for example universities and schools not wanting to have construction work undertaken on campus during term time, it meant that the Company had to devote all its man power to completing contracts within a tight time frame.

As a consequence the Company was required to employ PAYE staff rather than subcontractors, as it needed to ensure that it had staff available to complete contracts as and when they arose. This ultimately affected the Company's cash flow on a regular basis, as there would always be labour costs even if the Company experienced a period without any new work. Having PAYE employees also meant that the Company would be unable to reduce its work force without having to pay the costs associated with making redundancies.

Although the Company had many successes during the course of trade, the turning point came in 2010 when it undertook a contract at Lancaster University.

This particular contract overran by a period of twenty-four weeks for which the Company was held liable for half of the delay. Although the Company disputed this, the contractor levied a charge of circa £11,000 per day for the twelve days delay incurred.

In addition to the charge of £132,000 the delay had also caused the Company to overspend on its original budget due to increased labour costs etc. Overall the Company believes that it lost in the region of £350,000 on this one contract alone, putting increased pressure on the Company's financial situation.

In late 2011 the Company's problems were further compounded when its Bankers made the decision to reduce the Company's overdraft facility from £250,000 to £100,000 with interest payable at 3% above the base rate.

Although this reduction was due to take place over a set period of time, it would involve the Company paying circa £30,000 off the overdraft each month.

Coupled with the general reduction in new contracts available for tender, the Company concluded that it would be unable to facilitate the reduction in its overdraft and pay its ongoing costs such as wages and general overheads

At that point, the Director of the Company decided to appoint Administrators and as a result, Jonathan Lord and Robert Cooksey were appointed Joint Administrators' on the 15th February 2012

6. ACTIONS OF THE ADMINISTRATORS FOLLOWING APPOINTMENT

The Joint Administrations decided that the objective of the administration was best achieved by the Company ceasing trade. As a result, the Company ceased trading on 6th February 2012 and its employees were dismissed on that date. Since then I have been dealing with the collection of the Company's outstanding debtor and retention ledger with the assistance of quantity surveyors and debt collection agencies

Consequently, the Company Director, Mr Alan Jones, met with The Vinden Partnership, who are experienced insolvency quantity surveyors based at Regent House, Folds Point, Folds Road, Bolton, BL1 2RZ

The Vinden Partnership have provided a review of the outstanding debtor ledger and have stated, that in their opinion, only £74,496 is collectable against the ledger of £693,036. This statement is based upon the belief that due to the type of outstanding debtors it would be unlikely for more than 10% of the overall balance to be realisable

The outstanding debtor ledger will now be passed on to an experienced construction industry debt collection agency who will pursue all monies owed

In addition to the actions undertaken in connection with monies due to the Company, the Joint Administrators have also sought the collection of the Company's leased vehicles, which will be returned to the respective leasing companies

7. FINANCIAL POSITION OF THE COMPANY

The Joint Administrators' have asked the director to prepare a summary of the Company's estimated financial position as at 15th February 2012, which is known as a statement of affairs, but this has not yet been returned. The Director has stated that this has nearly been finalised, and will be returned shortly

The Joint Administrators' will continue to press for its submission. The penalty for failure to provide a statement of affairs is a fine and continuing daily default fine

In the absence of a statement of affairs, the Joint Administrators' have attached a draft Estimated Outcome Statement (Appendix 1) together with a list of names and addresses of all known creditors and the amounts of their

debts The Joint Administrators have no reason to expect that this document will differ significantly from the statement of affairs to be provided by the Director

Book Debts and Retentions

The Company has an outstanding debtor/ retention ledger with a book value of £693,036 45 of which £126,777 41 is known to be a disputed debt. It is not expected that debts will be collected in full due to the nature of the debts and retentions involved.

As such, following a review of the debtor information by The Vinden Partnership, it is estimated that of the £693,036 outstanding, only £74,496 may be realisable for the benefit of the administration.

A debt collection agency will now be appointed to assist in the collection of the outstanding monies due to the Company.

Preferential Creditors

The only known preferential creditors are former employees of the company for unpaid wages and holiday pay. Their claims are subject to a maximum limit set by the insolvency legislation.

Prescribed Part

There are provisions of 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 gave a "qualifying 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, 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 of £600,000

As the Bank's fixed and floating charge was registered against the Company on the 22nd August 2002, the prescribed part provisions do not apply.

8 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, the Joint Administrators propose to collect the monies that are outstanding from the Company's debtor/ retention ledger and make a distribution to the Company's preferential and secured creditors.

If sufficient monies are realised as to allow a dividend to be paid to unsecured creditors, the Joint Administrators will look to place the Company into Creditors Voluntary Liquidation to allow such a dividend to be paid

9. JOINT ADMINISTRATORS REMUNERATION AND EXPENSES

In accordance with Rule 2 106(2) of the Insolvency Rules 1986, the basis of the Joint Administrators' remuneration shall be fixed

- a) as a percentage of the value of the property with which he has to deal, or
- b) by reference to the time properly given by the insolvency practitioner (as Administrator) and his staff in attending to matters arising in the Administration, or
- c) as a set amount

In this case, the Joint Administrators propose that their fees will be charged by reference to the time properly spent by the Joint Administrators and their staff in dealing with 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 and the units of time in which work done is recorded is set out in appendix 2. The Joint Administrators also propose that they are permitted to charge what are known as category 2 expenses. Information about category 2 expenses is set out in appendix 2.

The approval of the basis of the remuneration of the Joint Administrators (and category 2 expenses) forms part of these proposals for which approval is being sought, details of which are set out in section 12 below, but if a creditors committee is appointed at the forthcoming meeting of creditors then the Joint Administrators will seek approval from that committee instead.

The Joint Administrators time costs since appointment amount to £7,442.50 representing 41.20 hours work at an average charge out rate of £180.64. An analysis is attached at Appendix 2.

A copy of 'A Creditors Guide to Administrators' fees' published by the Association of Business Recovery Professionals and 'A Statement of Insolvency Practice 9 (Revised)' is attached in appendix 3.

10 JOINT ADMINISTRATORS DUTIES & INVESTIGATIONS

A description of the routine work undertaken in the Administration to date is as follows:

Administration and Planning

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence

- Maintaining physical case files and electronic case details
- Review and storage
- Case bordereau
- Case planning and administration
- Preparing reports to members and creditors
- Convening and holding meetings of members and creditors

Creditors

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors
- Maintaining creditor information
- Reviewing and adjudicating on proofs of debt received from creditors
- Dealing with employee claims, reviewing and submitting the claims to the Redundancy Payments Office
- Appointing external accountants to deal with the employee P45 documents

Investigations

- Review and storage of books and records
- Preparing a return pursuant to the Company Directors Disqualification Act
- Conducting investigations into the affairs of the Company
- Reviewing books and records to identify any transactions or actions a liquidator may take against a third party in order to recover funds for the benefit of creditors
- Reviewing books and records and accounts to ensure that all assets have been disclosed, and obtaining explanations for any discrepancies revealed
- Reviewing whether any preferences or transactions at undervalue have been entered into

Realisation of Assets

- Corresponding with debtors and any appointed debt collection agencies in an attempt to collect the outstanding book debts and retention monies
- Liaising with the Company's bank regarding the closure of the account

Cashiering

- Maintaining and managing the Administrators cashbook and bank account
- Ensuring statutory lodgements and tax reporting obligations are met

Administrators Investigations

The Joint Administrators 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. The Joint Administrators are 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 and would be pleased to receive from you any information you have that you consider will assist us in this duty. The Joint Administrators would stress that this request for information forms part of the normal investigation procedure.

Administrators have powers of investigation into the affairs of a company that are similar to those of a liquidator, although certain remedies for misconduct

or antecedent recovery under the Insolvency Act 1986 are available only to a liquidator

11 PRE – APPOINTMENT FEES AND EXPENSES

The board of the Company instructed Bridgestones to assist in placing the Company into Administration on the 1st February 2012. The Joint Administrators attach at appendix 2 a detailed time cost table showing the pre-appointment time costs incurred by category and staff grade.

The following work was undertaken

- Provided advice for the different insolvency options available to the Director
- Took steps to establish the preferred route through Administration
- Established the assets situation of the Company
- Established the financial position of the Company
- Instructed agents
- Instructed Solicitors
- Examined the option of sale
- Discussed the creditors situation with the Director and obtained feedback on the Administration process from the creditors
- Prepared a report to court
- Dealt with the Company's bank by providing them with a detailed report advising them of the situation
- Prepared relevant correspondence with the Company including letter of engagement
- Ensured that the Director understood as much as possible about the process of Administration

The pre appointment time costs incurred by Bridgestones and its staff up to the date of appointment amounted to £6,997.50 representing 29.20 hours work at an average charge out rate of £239.64. An analysis is attached at Appendix 2.

In addition to Bridgestones own time costs, fees and expenses were also incurred by Messrs Freeth Cartwright LLP (Solicitors), 3rd Floor, St James Building, 61 – 95 Oxford Street, Manchester, M1 6FQ LLP and Philip Davies & Sons Auctioneers and Valuers (Valuation Agents) The Auction Centre, 9-11 Hammond Avenue, Stockport, SK4 1PQ.

The work carried out by Freeth Cartwright included

- Drafting all administration documents including application, witness statements, statements of proposed administrators, joint administrators' statement, statement of service
- Serving the documentation on all relevant parties
- Issuing the application at the court

The Joint Administrators have yet to receive an invoice from Freeth Cartwright LLP however they are to be remunerated on a time cost basis with the agreement that no invoices will be raised without the Joint Administrators

consent Freeth Cartwright have stated that the time costs that they have incurred for pre appointment work carried out amounted to £1,545

The work carried out by Philip Davies & Sons includes

- Initial discussion and meeting with Director
- The uplifting of the three Citroen Berlingo's held by the Company at the time of cessation of trade
- Request for supplementary information in relation to the motor vehicles
- Contacting the leasing companies in relation to the three Citroen Berlingo vans
- Discussions and negotiations with potential buyers

The Joint Administrators have yet to receive an invoice from Philip Davies & Sons however they are to be remunerated on a time costs basis Philip Davies & Sons have stated that the fees incurred by them up to the appointment date was in the region of £595

Both Philip Davies & Sons and Freeth Cartwright have been used because of their vast experience, expertise and knowledge within their line of work that was required in order to achieve a better realisation for creditors

Please note that Bridgestones have received the sum of £10,000 + VAT in relation to the costs incurred pre appointment, both by Bridgestones and its appointed agents This sum was paid by the Company prior to its entry into administration

The following statement sets out Bridgestones pre-appointment fees and expenses incurred

Description	Paid pre-appointment	To be paid
	£	£
Administrator's remuneration	6,997 50	NIL
Valuation agents	NIL	595
Legal fees	NIL	1,545
Total	6,997 50	2,140

12. ADMINISTRATORS' PROPOSALS & EXPECTED OUTCOME OF THE ADMINISTRATION

The following constitute the Joint Administrators' proposals

- The Joint Administrators will attempt to collect all of the monies that are due to the Company by way of the outstanding debtor and retention ledgers
- The Joint Administrators' anticipate that when the realisation of the Company's assets are completed, and after the costs of the administration have been satisfied, then funds will be made available to the Company's preferential creditors

- If, following payment in full to preferential creditors, any funds remain, then these funds will be made available to the floating charge holder (the National Westminster Bank Plc)
- The Joint Administrators' will continue to investigate the affairs of the Company and will submit a Conduct Report to the Insolvency Services of the Department of Trade and Industry pursuant to the Company Directors Disqualification Act 1986 regarding the directors. This report is confidential so the contents cannot be disclosed
- The Joint Administrators' will 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
- The Joint Administrators' will do all such things and generally exercise all their powers as Joint Administrators as they have 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
- If the Joint Administrators' consider it appropriate once realisations have been made they may, in the interests of creditors, consider making an application to Court for permission to make a distribution to unsecured creditors within the administration pursuant to paragraph 65 of Schedule B1 of the Insolvency Act 1986. Should this course of action be considered appropriate the Administrators will be permitted to conclude the Administration in accordance with Paragraph 80 of Schedule B1 to the Insolvency Act 1986. Due to the timeframe for the collection of the outstanding debtor and retention monies, it is not anticipated that the Joint Administrators will be in a position to distribute a dividend to unsecured creditors within twelve months
- As it is expected that assets will still need to be realised and it is hoped that a distribution will be made to unsecured creditors, the Administration will end by placing the Company into Creditors Voluntary Liquidation, and I propose that I, Jonathan Lord am appointed as the Liquidator of the Company. Creditors may nominate a different person(s) as the proposed liquidator(s), but you must make this nomination(s) at any time after you receive these proposals, but before they are approved
- If a distribution to unsecured creditors is not expected to be made and issues are discovered that require further investigation, then the Administration will end by the presentation of a winding up petition to the court for the compulsory liquidation of the Company, and I propose that I, Jonathan Lord am appointed Liquidator of the Company by the court
- If the Joint Administrators consider it appropriate they may make an application to court for an extension of the Administration period
- In the event that all the Company's assets have been realised and distributed, and there is no further property, which might permit a distribution to creditors, the Administration of the Company will end by filing notice of dissolution with the registrar of Companies. The Company will then automatically be dissolved by the Registrar of Companies 3 months after the notice is registered

- The Joint Administrators' propose to be remunerated by reference to the time properly given by the Joint Administrators' and their staff in attending to matters arising in the Administration, and to draw remuneration on account as and when required
- The Joint Administrators will be authorised to draw category 2 expenses as outlined in appendix 2 of these proposals
- The Joint Administrators will be authorised to pay the pre-appointment expenses (Legal and Agents Costs) incurred in relation to placing the Company into Administration

13. APPROVAL OF PROPOSALS

The Joint Administrators are holding a meeting of creditors to enable creditors to consider and vote on the formal proposals to achieve the objective of the administration of the company. The meeting will be held on 19th April 2012 at 11 00am at De Vere Daresbury Park, Daresbury, Warrington, Cheshire, WA4 4BB and a formal notice of the meeting is enclosed with these proposals

I also enclose a proxy form and a proof of debt form for your use at the meeting of creditors. As a creditor you can only vote if you complete and send these forms to this office and your claim is admitted. I must receive your completed forms by no later than noon on the business day before the day of the meeting. You are not required to attend the meeting, and non-attendance will not affect your rights against the company. Creditors whose claims are wholly secured are not entitled to vote, but can attend or be represented at the meeting.

The meeting of creditors will be given the opportunity to appoint a creditors' committee. A committee is made up of between three and five representatives of creditors who will then meet the Joint Administrators' on a regular basis to discuss the administration of the company. If a committee is appointed then it will be for them to approve the Joint Administrators' remuneration (and category 2 expenses). If a committee is not appointed then approval of remuneration (and category 2 expenses) will be considered as part of these formal proposals.)

14 FURTHER INFORMATION

Should you require any further information relating to these proposals or the administration of the company please do not hesitate to contact Miss Lindsey Miller at this office on 0161 785 3700



Jonathan Lord - MIPA
Joint Administrator
A & T Engineering Limited

19th March 2012

A & T ENGINEERING LIMITED

APPENDICES

1. ESTIMATED OUTCOME STATEMENT, NOTES & LIST OF CREDITORS
2. JOINT ADMINISTRATORS' TIME COSTS. PRE APPOINTMENT & POST APPOINTMENT
3. CREDITORS' GUIDE TO ADMINISTRATOR'S FEES
4. PROOF OF DEBT FORM
5. PROXY FORM
6. NOTICE OF CREDITORS MEETING

A & T ENGINEERING LIMITED

ESTIMATED OUTCOME STATEMENT **AS AT 19TH MARCH 2012**

	Notes	Book Value £	Estimated to Realise £
<u>ASSETS SUBJECT TO FLOATING CHARGE</u>			
Book Debts	1	693,036	74,496
ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS		<u>693,036</u>	<u>74,496</u>
<u>PREFERENTIAL CREDITORS</u>			
Employee Claims	2		(12,855)
ESTIMATED SURPLUS AS REGARDS PREFERENTIAL CREDITORS			<u>61,642</u>
Estimated prescribed part of net property (to carry forward)	3		N/A
ESTIMATED TOTAL ASSETS AVAILABLE FOR FLOATING CHARGE HOLDERS			<u>61,642</u>
Less Due to National Westminster Bank Plc	4		(66,635)
ESTIMATED DEFICIENCY OF ASSETS AFTER FLOATING CHARGES			<u>(4,993)</u>
Estimated prescribed part of net property (brought down)	3		N/A
TOTAL ASSETS AVAILABLE TO UNSECURED CREDITORS			<u>(4,993)</u>
<u>NON-PREFERENTIAL CREDITORS</u>			
HM Revenue & Customs (PAYE, CT)	5	(127,079)	
HM Revenue & Customs (VAT)	5	(22,921)	
Trade & Expense Creditors	6	(629,911)	
Employee Claims	2	<u>Uncertain</u>	<u>(779,911)</u>
ESTIMATED DEFICIENCY AS REGARDS NON-PREFERENTIAL CREDITORS			(784,904)
<u>SHARE CAPITAL</u>			
5,000 Ordinary £1 Shares			(5,000)
ESTIMATED TOTAL DEFICIENCY AS REGARDS MEMBERS			<u><u>£ (789,904)</u></u>

A & T ENGINEERING LIMITED

NOTES TO THE ESTIMATED OUTCOME STATEMENT

- 1 At the time of cessation of trade the Company had an outstanding debtor and retention ledger with a book value of £693,036. This ledger has been reviewed by The Vinden Partnership who believe that £74,496 is realisable due to the nature of the debts and retentions outstanding.
- 2 The Company owes its former employees wages and other monies. These monies are protected under employment protection legislation, and may be paid in part, or in full by the Redundancy Payments Service. Claims for wages and holiday pay have preferential status in the administration. Claims for redundancy and notice pay have unsecured status in the administration. However at this time it is not possible to quantify the level of the unsecured claims as the employees notice period has not yet lapsed.
- 3 There are provisions of 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 gave a "qualifying 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, 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 of £600,000

In this case as the only existing fixed and floating charge was registered prior to the 15th September 2003, and therefore the provisions of the prescribed part do not apply.
- 4 The Company banked with the National Westminster Bank Plc who hold a fixed a floating charge over the Company's assets, registered at Companies House on 22nd August 2002.
- 5 Crown Preference was abolished with effect from 15th September 2003, therefore the liability to HM Revenue & Customs has unsecured status within the administration.
- 6 There is a schedule of Trade and Expense Creditors attached to this report. Should creditors claims differ from those stated on this schedule, this will not prejudice creditors from proving for the correct amount.

COMPANY CREDITORS.

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amount paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession

Name of Creditor or Claimant	Address (with postcode)	Amount of Debt	Details of any security held by Creditor	Date security given	Value of security £
Agora Business Publications	Nesfield House, Broughton Hall Business Park, Skipton, Yorkshire, DB23 3AN	79 80			
Air Handling Equipment Ltd	23 Cotton Street, Liverpool, L3 7DY	1,917 60			
Airedale International	Leeds Road, Rawdon, Leeds, LS19 6JY	1,338 00			
Allied Pipefreezing Services Ltd	Unit 2 Caroline Court, Billington Road, Burnley, Lancashire, BB11 5UB	3,497 20			
Alumasc Interior Building	C/O Atradius Collections, 3 Harbour Drive, Cardiff Bay, CF10 4WZ	3,622 95			
Ascot Commissioning Services UK	The Sawmills, 52 Rosedale Ave, Atherton, Manchester, M46 0DZ	1,839 06			
Ashford Instrumentation	Hamstreet Road, Ashford, TN26 2PL	390 75			
B V Insulations Ltd		120 00			
BMC Ltd	16 St Johns Road, Bootle, Liverpool, L20 8BH	942 06			
BOC Gases	Customer Service Centre, Priestley Road, Worsley, Manchester, M28 2UT	9 00			
BSM Maintenance	15 Kellet Lane, Bamber Bridge, Preston, PR5 6AN	18,000 00			
Banque PSA Finance	C/O BDO LLP, 55 Baker Street, London, W1U 7EU	0 00			
Barry's Skip Hire	Railway Sidings, Bankhall, Liverpool, L20 8JB	150 00			
British Gas Business	Spinneyside, Penman Way, Grove Park, Leicestershire, LE19 1SZ	290 26			
Broag Ltd	Remeha House, Molly Millars Lane, Wokingham, RG52 2QP	4,503 24			
Brodex Ltd	Formby Business Park, Stephenson Way, Liverpool, L37 8EG	3,872 40			

Building Technology Systems	234 Europa Boulevard, Gemini Business Park, Warrington, WA5 7TN	1,730 27			
C S Digital Systems	65 Eastbrook Street, Southport, Merseyside, PR8 1EJ	648 34			
CU-Plas Supplies Ltd	62-64 Durning Road, Liverpool, L7 5NG	27,654 71			
Citroen Contract	221 Bath Road, Slough, SL1 4BA	1,201 95			
Citroen Contract Motoring	Quadrant House, Princess Way, Redhill, Surrey, RH1 1QA	228 86			
Comyn Ching & Co (Solray) Ltd	Solray Works, Garngoch Ind Estate, Gorseinon, Swansea, SA4 9WF	11,975 76			
Coolair Equipment Ltd	Coolair House, Globe Lane, Dukinfield, Cheshire, SK16 4UK	9,994 80			
Coolair Services Ltd	100E Cumbernauld Road, Muirhead, Glasgow, G69 9AB	5,982 00			
DST Group Ltd	Design House, 2c Southgate, White Lund Ind Estate, Morecambe, LA3 3PB	264 50			
Digitel Europe Ltd	1 Ivy Street, Birkenhead, CH41 5EG	206 00			
Dovebrace Ltd	16 Bumpers Lane, Sealand Industrial Estate, Chester, CH1 4LT	384 00			
Ducting Direct	Unit 15 Faraday Road, Britonwood Trading Estate, Knowsley Industrial Park, Merseyside, L33 7UT	196 20			
Edmundson Electrical Ltd	PO Box 11, 1st Floor Unit 8, Turnstone Business Park, Widnes, WA8 0WN	4,921 19			
End Systems Ltd	Redwater House, Brunswick Street, Leigh, WN7 2PL	900 00			
Fenton Flue & Chimney Supplies	31-37 William Moulit Street, Liverpool, L5 5AS	54 72			
Fibutex	Orford Park, Greenfold Way, Leigh, Lancashire, WN7 3XJ	3,750 00			

Flamefast (UK) Ltd	Unit 2 Labtec Street, Manchester, M27 8SE	294 48			
GDL Air Systems Ltd	Air Duffusion Works, Woolley Bridge Road, Hadfield, Glossop, SK13 1AB	3,269 85			
HM Revenue & Customs (PAYE, CT)	Insolvency & Securities, 3rd Floor Euston Tower, 286 Euston Road, London, NW1 3UQ	127,079 35			
HM Revenue & Customs (VAT)	Insolvency Operations, Queens Dock, Liverpool, L74 4AF	22,920 65			
HVCA	Esca House, 34 Palace Court, London, W2 4JG	4,269 57			
Haven Power Ltd	The Havens, Ipswich, IP3 9SJ	411 62			
Hilti (GB) Ltd	1 Trafford Wharf Road, Trafford Park, Manchester, M17 1BY	1,299 89			
Hire Station	Fields Farm Road, Long Eaton, Nottingham, NG10 3FZ	4,009 28			
Hobs Reprographics Plc	8 Castle Street, Liverpool, L2 ONE	468 99			
Impact Control Systems	9 Tipton Way, Wavertree Business Village, Liverpool, L13 1DA	1,000 00			
Industrial Acoustics Co Ltd	IAC House, Moorside Road, Winchester, Hampshire, SO23 7US	453 60			
Investec Asset Finance Plc	Windrush Court, Blacklands Way, Abingdon, Oxfordshire, OX14 1SY	0 00			
JBC Control Systems Ltd	Unit 9 Stirling Industrial Estate, Chorley New Road, Horwich, Bolton, BL6 6DU	17,334 00			
Kerrigans Construction	4 Abbots Quay, Monks Ferry, Birkenhead, Merseyside, CH41 5LH	5,396 04			
MBS Industrial Supplies	1 Boundary Street, Liverpool, L5 9UD	46 76			
MSL	Unit 1 Ashcroft House, Ashcroft Road, Kirby Industrial Estate, L33 7TW	18,963 59			

Mark Thorpe T/A MTE Building Services	C/O Legal Gateway Solicitors, Orbit House, Albert Street, Eccles, Manchester, M30 0BL	0 00			
Medical Installation		5,716 41			
Medical Pipeline Services Ltd	Unit 2, Waterloo Park Industrial Estate, Upper Brook Street, Stockport, SK1 3BP	30,876 00			
Medigas Services Ltd	Unit 16 Arkwright Court, Astmoor Industrial Estate, Runcorn, WA7 1NX	9,900 00			
Mercedes Benz		394 45			
Merseyside Pipeline Supplies Ltd	Unit A, Baltic Road, Bootle, Merseyside, L20 1AW	16,228 39			
Millwrights (Liverpool) Ltd	31-33 Naylor Street, Liverpool, L3 6DR	24,888 69			
Mobile Mini UK Ltd	Stag Lane, Triumph Trading Park, Speke Hall Road, Liverpool, L24 9BD	772 28			
Modgate Ltd T/A Cumbria Heating Components	Unit 2D New Cut Industrial Estate, Woolston, Warrington, WA1 4AG	20,639 10			
Mr Alan Jones	Vervan Hanns Wall Road, Neston, Cheshire, CH46 7TG	25 99			
Nobbs & Jones Ltd	70/71 Roman Way, Preston, PR2 5BG	11,750 00			
Nuair Ltd	Western Industrial Estate, Caerphilly, CF83 1NA	19,597 02			
Oventrop UK Limited	C/O Warner Goodman Commercial, 8/9 College Place, London Road, Southampton, SO15 2FF	3,090 10			
Plant And Ductwork Installation	16-18 Badger Way, North Cheshire Trading Estate, Birkenhead, Wirral, CH43 3HQ	10,618 35			
Quinn Radiators UK Ltd	C/O Clarke Willmott LLP, Blackbrook Gate, Blackbrook Park Avenue, Taunton, TA1 2PG	28,591 73			
R & N Ventilation Accessories Ltd	Unit 9 Spindus Road, Speke Hall Industrial Estate, Liverpool, L24 1YA	27 62			

R J Urmson	Kellett Street Works, Fellery Street, Chorley, Lancashire, PR7 1EL	6,071 63			
RBS Invoice Finance Limited	Scottaire HVCA Limited, PO Box 50, Smith House, Elmwood Avenue, Feltham, TW13 7QD	1,950 92			
Reznor UK Ltd	Park Farm Road, Folkestone, Kent, CT19 5DR	1,771 08			
Ruskin Air Management	South Street, Whitstable, Kent, CT5 3DU	2,760 57			
Schneider Electric	Europa House, Gemini Business Park, 210 Europa Boulevard, Warrington, WA5 7XR	19,696 32			
Senate Mech Ltd	13 Love Lane, Liverpool, L3 7DD	102 60			
Spares Centre Ltd	146 Townsend Avenue, Norris Green, Liverpool, L11 5AF	8 18			
Speedy Asset Services Ltd	Chase House, 16 The Parks, Newton Le Willows, WA12 0JQ	705 57			
Systemair Fans & Spares	72 Cheston Road, Birmingham, B7 5EJ	4,967 46			
Target Scaffolding	Target House, Liver Industrial Estate, Liverpool, L9 7ES	240 00			
Tecra Ltd	14 Bumpers Lane, Sealand Industrial Estate, Chester, CH1 4LT	51,177 48			
The BSS Group Ltd	Fleet House, Lee Circle, Leicester, LE1 3QG	180,886 54			
The BSS Group T/A PTS	Fleet House, Lee Circle, Leicester, LE1 3QG	85 81			
The National Westminster Bank Plc	West Kirby Branch, 10 Banks Road, West Kirby, Wirral, Merseyside, CH48 4LG	66,634 87			
United Utilities	PO Box 457, Warrington, WA55 1DR	92 96			
Vodafone Retail Ltd		1,091 12			
Whole House Vent Ltd	1 Westwood Court, Clayhill Industrial Estate, Neston, Wirral, CH64 3UU	7,303 63			

A & T Engineering Limited

Analysis of Time Costs for the Period to 15 February 2012

Classification of work function	Hours					Total Hours	Time Costs (£)	Average Hourly Rate (£)
	Insolvency Practitioner	Manager	Other Senior	Case Administrators & Support Staff				
Administration and Planning	11 90	11 70	0 00	0 90		24 50	6,051 00	246 98
Realisation of Assets	0 50	1 90	0 00	0 00		2 40	497 50	207 29
Creditors	0 30	2 00	0 00	0 00		2 30	449 00	195 22
Total Gross Costs						29 20	6,997 50	239 64

Hourly Rate Range	From	To
Insolvency Practitioner	330 00	330 00
Manager	175 00	175 00
Other Senior	0 00	0 00
Case Administrators & Support Staff	85 00	85 00

A & T Engineering Limited

Analysis of Time Costs for the Period from 15 February 2012 to 19 March 2012

Classification of work function	Hours					Total Hours	Time Costs (£)	Average Hourly Rate (£)
	Insolvency Practitioner	Manager	Other Senior	Case Administrators & Support Staff				
Administration and Planning	1 10	24 10	0 00	0 00	0 00	25 20	4,580 50	181 77
Realisation of Assets	0 20	5 90	0 00	0 00	0 00	6 10	1,098 50	180 08
Creditors	0 20	9 70	0 00	0 00	0 00	9 90	1,763 50	178 13
Total Gross Costs						41 20	7,442 50	180 64

Hourly Rate Range	From	To
Insolvency Practitioner	330 00	330 00
Manager	175 00	175 00
Other Senior	0 00	0 00
Case Administrators & Support Staff	0 00	0 00

Category 2 Disbursements

These fees will cover all category 2 disbursements as classified in the "Creditors Guide to Insolvency Practitioner's Fees" and will be based on the following charges

Photocopying	15p per copy
Box Storage	£2 50 per month
Printed Paper	15p per sheet
Copy Paper	10p per sheet
Mileage	13p – 40p per mile
Room Hire	£60 per half day
Postage	36p - £1 10 per item
<i>(in line with Royal Mail rates at the time the Proposal was prepared and subject to future postage increases)</i>	

A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

ENGLAND AND WALES

1 Introduction

- 1 1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees, explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive.

2 The nature of administration

- 2 1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:
- rescuing the company as a going concern, or
 - achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration,

or, if the administrator thinks neither of these objectives is reasonably practicable

- realising property in order to make a distribution to secured or preferential creditors

3 The creditors' committee

- 3 1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

4 Fixing the administrator's remuneration

- 4 1 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed

- as a percentage of the value of the property which the administrator has to deal with,
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration, or
- as a set amount

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the administrator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the administrator.

It is for the creditors' committee (if there is one) to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the

committee to determine the percentage or percentages to be applied, and where it is a set amount, to determine that amount. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case,
- any responsibility of an exceptional kind or degree which falls on the administrator,
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties,
- the value and nature of the property which the administrator has to deal with

4.2 If there is no creditors' committee, or the committee does not make the requisite determination (and provided the circumstances described in paragraph 4.3 do not apply), the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as apply in the case of the committee. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator, but the administrator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment.

4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets.

In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of –

- each secured creditor of the company, or
- if the administrator has made or intends to make a distribution to preferential creditors –
 - each secured creditor of the company, and
 - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval,

having regard to the same matters as the committee would.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

4.4 A resolution of creditors may be obtained by correspondence.

5 Review of remuneration

5.1 Where there has been a material and substantial change in circumstances since the basis of the administrator's remuneration was fixed, the administrator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

6 Approval of pre-administration costs

6.1 Sometimes the administrator may need to seek approval for the payment of costs in connection with preparatory work incurred before the company went into administration but which remain unpaid. Such costs may relate to work done either by the administrator or by another insolvency practitioner. Details of such costs must be included in the administrator's proposals.

6.2 Where there is a creditors' committee, it is for the committee to determine whether, and to what extent, such costs should be approved for payment. If there is no committee or the committee does not make the necessary determination, or if it does but the administrator, or other insolvency

practitioner who has incurred pre-administration costs, considers the amount agreed to be insufficient, approval may be given by a meeting of creditors. Where the circumstances described in paragraph 4.3 apply, the determination may be made by the same creditors as approve the administrator's remuneration.

- 6.3 The administrator must convene a meeting of the committee or the creditors for the purposes of approving the payment of pre-administration costs if requested to do so by another insolvency practitioner who has incurred such costs. If there is no determination under these provisions, or if there is but the administrator or other insolvency practitioner considers the amount agreed to be insufficient, the administrator may apply to the court for a determination.

7 What information should be provided by the administrator?

7.1 When seeking remuneration approval

- 7.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on

- the nature of the approval being sought,
- the stage during the administration of the case at which it is being sought, and
- the size and complexity of the case

- 7.1.2 Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

- 7.1.3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent.

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain

- Any significant aspects of the case, particularly those that affect the amount of time spent
- The reasons for subsequent changes in strategy
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement
- Any existing agreement about fees
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

- 7.1.4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff.

7.2 After remuneration approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution (see further paragraph 8.1 below). Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 7.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 7.1.4 above regarding work which has been sub-contracted out.

7.3 Disbursements and other expenses

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements, but there is provision for the creditors to challenge them, as described below. Professional guidance issued to insolvency practitioners requires that, where the administrator proposes 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, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

8 Progress reports and requests for further information

- 8.1 The administrator is required to send a progress report to creditors at 6-monthly intervals. The report must include
- details of the basis fixed for the remuneration of the administrator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it),
 - if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report),
 - if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done

during those periods, irrespective of whether payment was actually made during the period of the report,

- a statement of the expenses incurred by the administrator during the period of the report, irrespective of whether payment was actually made during that period,
- the date of approval of any pre-administration costs and the amount approved,
- a statement of the creditors' rights to request further information, as explained in paragraph 8 2, and their right to challenge the administrator's remuneration and expenses

8 2 Within 21 days of receipt of a progress report a creditor may request the administrator to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

8 3 The administrator must provide the requested information within 14 days, unless he considers that

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the administration or might be expected to lead to violence against any person, or
- the administrator is subject to an obligation of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information.

Any creditor may apply to the court within 21 days of the administrator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information.

9 Provision of information – additional requirements

The administrator must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is –

- the total number of hours spent on the case by the administrator or staff assigned to the case,
- for each grade of staff, the average hourly rate at which they are charged out,
- the number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office.

The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office.

10 What if a creditor is dissatisfied?

10 1 If a creditor believes that the administrator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the administrator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court.

10 2 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the administrator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 8 1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing.

- 10 3 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not as an expense of the administration.

11 What if the administrator is dissatisfied?

- 11 1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

12 Other matters relating to remuneration

- 12 1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.
- 12 2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.
- 12 3 If a new administrator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new administrator until a further determination, resolution or court order is made.
- 12 4 Where the basis of the remuneration is a set amount, and the administrator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing administrator. The application must be made to the same body as approved the remuneration. Where the outgoing administrator and the incoming administrator are from the same firm, they will usually agree the apportionment between them.

13 Effective date

This guide applies where a company enters administration on or after 6 April 2010, except where

- the application for an administration order was made before that date, or
- where the administration was preceded by a liquidation which commenced before that date

A & T ENGINEERING LIMITED – (IN ADMINISTRATION)
PROOF OF DEBT FORM

Date of Administration Order: 15th February 2012

Name of Creditor.

Address of Creditor:

Gross amount of claim.
(i.e. including VAT)

Amount of VAT

Details of any document by reference
to which the debt can be
substantiated:
(e.g. invoices)

Particulars of how and when debt
incurred:

Particulars of any security held, the
value of the security and the date it
was given

Signature of creditor or person
authorised to act on his behalf:

Name in BLOCK CAPITALS:

Position with or relation to creditor:

Rule 8 1

Proxy (Administration)

**TITLE: A & T ENGINEERING LIMITED – IN
ADMINISTRATION**

Please give full name and
address for communication

Name of Creditor

Address

Please insert the name of person
(who must be 18 or over) or the
Chairman of the Meeting. If you
wish to provide for alternative proxy
holders in the circumstances that
your first choice is unable to attend,
please state the name(s) of the
alternatives as well

Name of Proxy Holder

1
2
3

Please delete words in brackets if
the proxy holder is only to vote as
directed i e has no discretion

I appoint the above person to be my/the creditor's proxy holder at the
meeting of creditors on 19th April 2012 and at any adjournment of that
meeting. The Proxy holder is to propose or vote as instructed below (and in
respect of any resolution for which no specific instruction is given, may vote
or abstain at his/her discretion)

Voting Instructions for Resolutions

* Please delete as appropriate

1 For the acceptance / rejection* of the administrator's proposals / revised
proposals* as attached

2 For the acceptance / rejection* of the administrator's being remunerated
on a time cost basis

3 For the acceptance / rejection* of the pre appointment fees and
expenses being paid

For the appointment of

of

representing

As a member of the Creditor's Committee

Signature Date...

Name in CAPITAL LETTERS.

**Position with creditor or relationship to creditor or other authority for
signature**

This form must be signed

Notice of a meeting of creditors

Name of Company
A & T Engineering Limited

Company number
03254369

In the High Court of Justice, Chancery Division, Manchester
District Registry

Court case number
2162 of 2012

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

Notice is hereby given by (a) Jonathan Lord and Robert Cooksey of Bridgestones, 125/127 Union Street, Oldham, OL1 1TE

(b) Insert full name and
address of registered office
of the company

that a meeting of the creditors of (b) A & T Engineering Limited, C/O 125/127 Union Street, Oldham, OL1 1TE

(c) Insert details of place
of meeting

is to be held at (c)

De Vere Daresbury Park, Daresbury, Warrington, WA4 4BB

(d) Insert date and time of
meeting

on (d) 19th April 2012 at 11 00am

*Delete as applicable

The meeting is

*(1) an initial creditors' meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986 ("the Schedule"),

~~*(2) an initial creditors' meeting requested under paragraph 52(2) of the Schedule,~~

~~*(3) to consider revisions to my proposals under paragraph 54(2) of the Schedule,~~

~~*(4) a further creditors' meeting under paragraph 56 of the Schedule,~~

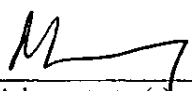
~~*(5) a creditors' meeting under paragraph 62 of the Schedule~~

We invite you to attend the above meeting

A proxy form is enclosed which should be completed and returned to me by the date of the meeting if you cannot attend and wish to be represented

In order to be entitled to vote under Rule 2 38 at the meeting you must give to me, not later than 12 00 hours on the business day before the day fixed for the meeting, details in writing of your claim

Signed


Joint Administrator(s)

Dated 20th March 2012

* Delete as applicable

A copy of the *proposals ~~/revised proposals~~ is attached