

The Insolvency Act 1986

2.24B**Administrator's progress report**

Name of Company Inman & Co (Electrical) Limited	Company number 03902678
In the High Court of Justice, Chancery Division, Leeds District Registry	Court case number 501 of 2012

We

Howard Smith
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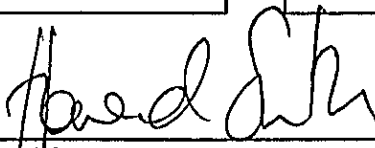
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Administrators of the above company attach a progress report for the period

from	to
5 April 2012	4 October 2012

Signed


 Joint Administrator

Dated

1 November 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.

Richard Starkey KPMG LLP 1 The Embankment Neville Street Leeds LS1 4DW United Kingdom DX Number DX 724440 Leeds		Tel 0113 231 3079 DX Exchange
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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



**Inman & Co. (Electrical) Limited - in
Administration**

**Progress Report
for the period 5 April 2012 to 4
October 2012**

**Pursuant to Rules 2.47 of the
Insolvency Rules 1986 (as amended)**

**KPMG LLP
1 November 2012**

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Notice: About this Report

This Report has been prepared by Mark Granville Firmin, Howard Smith and Paul Andrew Flint, the Joint Administrators of Inman & Co. (Electrical) Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress 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 is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Inman & Co. (Electrical) Limited.

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

Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 (as amended) does so at their 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 to any such person.

Mark Granville Firmin and Paul Andrew Flint are authorised to act as insolvency practitioners by The Institute of Chartered Accountants in England and Wales. Howard Smith is authorised to act as an insolvency practitioner by The Insolvency Practitioners Association.

The Joint Administrators act as agents for Inman & Co. (Electrical) Limited and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP 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.



Glossary

Administration Order	The Administration Order granted by the High Court of Justice, Chancery Division, Leeds District Registry, in respect of Inman & Co. (Electrical) Limited on 5 April 2012. Court Administration Order number 501 of 2012
Agents of Edward Symmons	Edward Symmons LLP
the Company	Inman & Co. (Electrical) Limited (Company registered number 03902678)
the Directors	Sally Belinda Brown, Stephan Hollingshead, Richard Mark Lobai, Peter Norman Edward Wight, Christopher Charles Wight and Charles Lawrence Hastings Wight
HMRC	Her Majesty's Revenue & Customs
IA 86	The Insolvency Act 1986
IR 86	The Insolvency Rules 1986 (as amended)
Joint Administrators	Howard Smith, Mark Granville Firmin, and Paul Andrew Flint of KPMG LLP, 1 The Embankment, Neville Street, Leeds LS1 4DW
KPMG	KPMG LLP
RBSIF or the Bank	Royal Bank of Scotland Invoice Finance Ltd
ROT	Retention of Title
Solicitors or DLA	DLA Piper UK LLP
VAT	Value Added Tax

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1 Executive Summary

- The Directors resolved to appoint Howard Smith, Mark Granville Firmin and Paul Andrew Flint of KPMG LLP as Joint Administrators of the Company pursuant to Paragraph 22 of Schedule B1 of the Insolvency Act 1986.
- The notice of appointment, Form 2.6B, was lodged at the Leeds District Registry on 5 April 2012 and the Joint Administrators were duly appointed.
- In accordance with Paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 the functions of the Joint Administrators may be exercised by any or all of them.
- This progress report covers the period from 5 April 2012 to 4 October 2012.
- The Joint Administrators' Statement of Proposals was approved on 11 June 2012 and has not been modified.
- There was no prospect of saving the Company. Accordingly, the Joint Administrators' role has been limited to the realisation of the Company's assets (see Section 5 - Progress to date). Therefore, the purpose of the administration, in accordance with Paragraph 3(1)(b) of The Insolvency Act 1986, is achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
- Based on the expected level of realisations and that the secured creditor, RBSIF, have recovered their lending in full, it is likely that there will be sufficient funds available to facilitate a distribution to the Company's preferential and unsecured creditors.
- Full details of the Joint Administrators' progress report are attached together with all the relevant statutory information included by way of Appendices (see Section 6 - Comments on the Appendices and the Appendices).
- This progress report should be read in conjunction with our previous report sent to the Company's creditors.

Joint Administrator – Howard Smith



2 Introduction

As previously reported, Howard Smith, Mark Granville Firmin and Paul Andrew Flint of KPMG LLP were appointed as Joint Administrators of the Company by RBSIF, who hold a qualifying floating charge over the Company's assets, pursuant to Paragraph 14 of Schedule B1 to the IA 86 on 5 April 2012.

The notice of appointment, Form 2.6B, was lodged at the Leeds District Registry on 5 April 2012 and the Joint Administrators were duly appointed.

Howard Smith is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association

Mark Granville Firmin and Paul Andrew Flint are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of England and Wales

In accordance with Paragraph 100(2) of Schedule B1 to the IA 86 the functions of the Joint Administrators may be exercised by any or all of them.

In accordance with Paragraph 49 of Schedule B1 to the IA 86 the Joint Administrators now set out their proposals for achieving the purpose of the administration and for the conduct of the administration

This report also includes certain information required to be provided to creditors in accordance with Rule 2.33 of the IR 86.

The appropriate statutory information is set out in Appendix 1.

Please note that unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

If you have any queries in relation to the report please contact Richard Starkey of my office on 0113 231 3079

3 Background

History of the Company

Inman & Co (Electrical) Limited was incorporated on 5 January 2000 under the name Festeasy Limited. Prior to this the business operated through a different legal entity known as Inman & Co (Electrical) Limited.

Inman & Co (Electrical) Limited was established in 1964, originally serving the Sheffield area before expanding to first cover the North of England and then nationwide via warehouses in Sheffield, Bristol and London.

The Company primarily worked with customers in the leisure industry as well as public bodies including hospitals, contractors and education authorities. The Company also supplied independent retailers across the UK and was the principle distributor for Philips Consumer Electronics to the retail trade.

In addition, the Company also supplied electrical products under its own brand name, In-Cuisine.

The Company restructured its senior management team in 2006 with Michael McHale being appointed as Chief Executive and Stephen Hollingshead as deputy Chief Executive

The Company's accounts show a fall in turnover from £25.2 million in the year ending 31 March 2010 to £19.8 million in the year ending 31 March 2011. This fall was due to continuing price erosion and increased competition within the industry. In this period the Company's gross profit margin also fell from 12.3% to 10.1%.

4 Events leading to the appointment of the Joint Administrators

As previously reported, in addition to the fall in turnover and deterioration in margins mentioned at section 3 above, the Company was also suffering cash flow difficulties and was under pressure from suppliers to pay outstanding debts.

The Company directors identified the business could not survive without substantial new investment or a merger. With turnover falling, decreasing margins and due to a relatively fixed overhead base, continued trading of the business had become unprofitable. Accordingly, the directors identified a possible purchaser for the business and entered into discussions in relation to a solvent sale to ensure the Company's survival as a going concern; unfortunately this sale fell away during the week ending 23 March 2012.

Due to impending cash flow problems, KPMG LLP were subsequently engaged to assist the Company with an accelerated marketing exercise, directly targeting parties who were likely to be interested in either acquiring or funding the business. Despite circulating details to over 50 potential investors, no serious interest was received and the directors concluded that there was little option other than for the Company to be placed into Administration.

5 Progress to date

5.1 Purpose of the administration

Paragraph 3 of Schedule B1 to IA 86 states that the administrator of a company must perform his functions with the objective of:

- (a) rescuing the company as a going concern; or
- (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up; or
- (c) realising property in order to make a distribution to one or more secured or preferential creditors

The Joint Administrators concluded that the Company could not be rescued as a going concern, as defined in objective (a) due to its ongoing losses and substantial liabilities.

The Joint Administrators' objective is therefore (b), achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.

5.2 Initial strategy

Upon their appointment, the Joint Administrators and their representatives attended the Company's leasehold premises in Sheffield, Bristol and London to secure the sites, address the employees and to take control of the business. The Joint Administrators undertook an initial review of the Company's position with regards to stock levels and ROT issues at the three sites.

Following the initial review, the Joint Administrators concluded that returns to creditors as a whole would be maximised if the Company ceased to trade upon the Joint Administrators' appointment. A controlled disposal of the stock could then be carried out while we sought to collect out the book debt ledger.

However, it was evident that a significant amount of stock held at the Company's premises was subject to ROT and as a result it was essential that the stock was identified and split very quickly between that owned by the Company and that which was subject to potential ROT claims

Of the stock held at the Company's three premises of approximately £2.6 million at cost, it was identified that around £1.6 million was potentially subject to ROT, this left stock of approximately £1.0 million at cost which was potentially realisable. The Joint Administrators remained in occupation of the Company's premises in order to undertake formal valuations, maximise recoveries from the Company's principle assets and to market these for sale. Continued occupation of the premises also allowed the Company's credit control function to be maintained which greatly assisted with debtor collections

The majority of the Company's 73 employees were made redundant with the exception of 15 members of staff who were retained across the three sites to assist the Administrators in dealing with the high volume of stock located in the Company's warehouses at the date of appointment. Seven members of staff were retained to help finalise this process, in addition to assisting with the managed wind down of the business. All staff have now been made redundant.

The Company's main assets at the date of appointment were as follows:

- Book debts – The Company's book debt ledger, as per the Company's records, showed an outstanding balance of £2,594,793 on appointment. The Company's book debts are covered by the Bank's security. Further details are provided at 5.5.6.
- Motor vehicles – At the date of the Joint Administrators' appointment the Company had in its possession 24 motor vehicles comprising 11 cars and 13 vans.
 - Two of the vans were held on hire purchase agreements. Settlement figures were obtained from the finance company and it was apparent that there is no equity in the agreements, therefore these vehicles were returned.
 - Four of the cars and five of the vans were held on hire agreements. These vehicles were returned to the hire companies shortly after the appointment of the Joint Administrators.
 - The remaining vehicles were removed from the Company's premises and sold by Edward Symmons by way of private treaty sales and through an auction. A total of £72,150 has been realised in relation to the sale of the Company's motor vehicles.
- Office furniture and equipment, plant and machinery, business equipment and portable site tools were sold by Edward Symmons by way of private treaty sales and at an auction held during June 2012. A total of £78,395 has been received in relation to the sale of the Company's office furniture and equipment and plant and machinery.

Please see section 5.5 of this report for further information regarding the Company's assets.

5.3 Sale of business and stock

Following discussions with management and a review of internal KPMG databases, the Joint Administrators held discussions with a number of potentially interested parties, six of which attended the premises to inspect the Company's assets although none expressed a direct interest in acquiring the Company as a going concern. The majority were either interested in the Company's stock, certain assets on a break-up basis or the customer lists.

In the period the Company's stock with a cost value of £937,511 was sold, with final realisations totalling £520,569. The stock was sold via private treaty sales, auction and in the ordinary course of business. The Joint Administrators were advised by their Agents that these offers should be accepted as they represented the best outcome for creditors. In addition funds from other stock sales totalling £9,975 plus VAT have been paid into the Company's pre appointment account and so are not currently shown on the Receipts and Payments account. No further realisations are anticipated in relation to the Company's stock.

Following the sale of the Company's stock and assets, the Joint Administrators exited the Company's Bristol and Enfield premises on 21 May 2012 and exited the Sheffield premises on 15 June 2012.

5.4 Communication

The Joint Administrators wrote to all known creditors on 5 April 2012 advising them of their appointment.

The Joint Administrators' Statement of Proposals was circulated to all known creditors of the Company on 24 May 2012 together with notice of a meeting of creditors.

All known creditors of the Company were subsequently notified on 14 June 2012 that the Proposals were approved at the meeting of creditors held on 11 June 2012.

5.5 Assets

5.5.1 Plant and machinery

Funds of £26,750 have been received in relation to the sale of the Company's plant and machinery mainly comprising fork lift trucks. These items were disposed of via online auctions and private treaty sales. Further funds of circa £2,500 are expected to be realised in relation to plant and machinery.

5.5.2 Furniture and equipment

Funds of £51,645 have been received in relation to the sale of the Company's office furniture and equipment. These items were disposed of via online auctions and private treaty sales. No further realisations are anticipated in relation to plant and machinery.

5.5.3 Motor Vehicles

Funds of £72,150 have been received in relation to the sale of the Company's motor vehicles, comprising cars and commercial vehicles. These assets were marketed for sale by the Joint Administrators' Agents.

5.5.4 Stock

Total stock sales of £520,569 are detailed in Section 5.3. In addition, funds of £9,975 plus VAT were paid into the Company's pre appointment account in error and will be transferred to the Joint Administrators account shortly.



5.5.5 Other debtors

Funds of £145 have been received in relation to a dividend paid by the Liquidator of Kenroy Domestic Appliances Limited

5.5.6 Book Debts

As previously reported, the Company's debtors' ledger at the date of appointment had a gross book value of £2,594,793.

The Company were provided with an invoice discounting facility by RBSIF, who hold a qualifying floating charge over the assets of the Company. RBSIF were owed £855,658 as at the date of the appointment of the Joint Administrators, including management fees of £160,826

The Joint Administrators have had confirmation from RBSIF that they have received sufficient realisations to discharge their lending in full.

The remaining book debts will be collected by KPMG's Receivables Realisation Group and Ward Hadaway Solicitors. Realisations in excess of the sum due to RBSIF at the date of appointment currently total £344,869 which RBSIF continue to hold. Book debts of £400,291 have been paid to the Joint Administrators directly and £45,119 is currently held by Ward Hadaway and will be transferred to the Joint Administrators shortly.

5.5.7 Stock Handling Fee

As detailed in Section 5.2, on the appointment of the Joint Administrators, a large proportion of the stock held by the Company was subject to ROT claims. The Joint Administrators incurred substantial holding costs, including but not limited to rent, non-domestic rates, insurance, utilities, and staff costs whilst holding and dealing with the third party stock that was subject to such claims

Consequently suppliers were charged a handling fee to cover a proportion of these costs and £20,333 has been received in respect of these stock handling fees.

5.5.8 Cash in hand

Petty cash of £1,237 has been realised in the period

5.5.9 Cash at bank

Funds of £19,875 are currently held in the Company's pre appointment current account and will be transferred to the Joint Administrators account shortly.

5.5.10 Other Receipts

To date, other receipts totalling £940 have been received. £539 in relation to bank interest and £401 in relation to sundry refunds.

5.6 Liabilities

5.6.1 Secured creditors

As mentioned previously, RBSIF have the benefit of a debenture dated 30 October 2008 providing a fixed and floating charge over the Company's assets.

The amount outstanding to the bank at the date of appointment was approximately £855,658 (including interest and charges).

The Bank have confirmed they have recovered their lending in full

The Joint Administrators' Solicitors, DLA Piper UK LLP, have reviewed the Bank's debenture and confirmed its validity.

5.6.2 Preferential creditors

As detailed above, following a review of the Company's position the Joint Administrators took the decision to cease trading and perform an orderly wind down of the Company. As a result the Company's employees were all ultimately made redundant. The Joint Administrators are currently in the process of assessing the level of preferential claims against the Company and current estimates show that the claims in respect of holiday pay and wage arrears may be circa £55,027. The Joint Administrators currently anticipate that there will be sufficient funds available to make a distribution to the preferential creditors.

5.6.3 Prescribed Part

The Insolvency Act 1986 (Prescribed Part) Order 2003 does apply in this case as the security held by the Bank was created after 15 September 2003. The prescribed part is calculated as a percentage of the Company's net property. The Company's net property is the net amount available to the floating charge holder(s) after the payment of costs and preferential creditors.

However, as no floating charge liability remains outstanding in this instance, a prescribed part payment will be unnecessary and any payment to unsecured creditors will be made as an unsecured dividend as detailed in section 5.6.4.

5.6.4 Unsecured creditors

The director's statement of affairs details unsecured creditors of £4,044,171

Due to the level of book debt collections to date, it is currently likely there will be sufficient funds available, following the payment of costs of the administration and having made a distribution to the Company's preferential creditors, to enable a distribution to be made to the Company's unsecured creditors, however, the quantum and timing of any such distribution is currently uncertain.

5.7 Expenses for the period

The receipts and payments for the period are set out in the attached Receipts and Payments Account (see Appendix 2)

The office holders' time costs for the period of this report are also attached (see Appendix 3).

The statutory provisions relating to remuneration are set out in Rule 2.106 of the Insolvency Rules 1986. A creditors guide to fees can be found at:

http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP_9_EW_Nov_2011.pdf

However, if you are unable to access this guide and would like a copy, please contact Richard Starkey on 0113 231 3079.

During the period we have incurred time costs of £530,591, representing 2,036 hours at an average rate of £260 per hour. This includes the Tax, VAT, Health and Safety and Pensions advice from KPMG LLP in-house specialists.

A detailed breakdown of the charge out rates for the duration of the administration is included in Appendix 3 to this Report.

Please note that all staff who have worked on this assignment, including cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to this assignment but is reflected in the general level of charge out rates.

The Joint Administrators' Proposals included the following resolutions which were approved at the meeting of creditors on 11 June 2012:

- that in the event that no creditors' committee is formed, the Joint Administrators will be authorised to draw fees on account from the assets of the Company from time to time during the period of the administration based on time properly spent at KPMG LLP charge out rates that reflect the complexity of the assignment. In the event that Mark Granville Firmin and Howard Smith be appointed Joint Liquidators then they will be able to draw fees on the same basis as the Joint Administrators as agreed by the Company's creditors. Also, the Joint Administrators will be authorised to draw disbursements from time to time to include category 2 disbursements; and
- that the costs of KPMG LLP in respect of HSE, Pension, Tax, Receivables Realisation Group and VAT advice provided to the Joint Administrators be based upon time costs and shall be paid out of the assets of the Company.

A creditors' committee was not formed.

The Administrators have drawn fees of £300,000 during the period covered by this report.

The Administrators have incurred £8,041 of disbursements in the period and have drawn £3,952

Details of the Joint Administrators expenses incurred in the period are included in Appendix 5.

Expenses for this period total £835,491 including amounts not yet paid (see Appendix 4 for details).

Additional information about the expenses charged for the period is available from the office holder upon request by any secured creditor, and any other creditor or creditors owed 5% or more in value of the unsecured liabilities listed. Full details of the process to obtain more information under Rule 2.48A of the Insolvency Rules 1986 and to challenge the administrator's remuneration and expenses under Rule 2 109 of the Insolvency Rules 1986 are included in Appendix 4 should creditors wish to do so.

6 Comments on the Appendices

6.1 Receipts and payments

The following information provides a brief description of the Receipts and Payments Account to 4 October 2012, attached as Appendix 2.

6.2 Receipts

Please see section 5.5 for comments on the receipts during the period

6.3 Payments

6.3.1 Statement of affairs work

The amount of £4,500 has been paid in the period in respect of the preparation of the Company's statement of affairs.

6.3 2 Contractors' costs

The amount of £1,700 has been paid in the period in relation to the collection and cataloguing of the Company's books and records.

The Joint Administrators have also accrued £203 in the period in relation to contractors' costs, however, these costs have not been paid during the period.

6 3.3 Joint Administrators fees and disbursements

The Joint Administrators fees of £300,000 and disbursements of £3,952 have been paid during the period. Further details are provided in Section 5.7 of this report.

6.3.4 Forklift truck hire

Payments totalling £1,755 were made in the period in relation to the hire of forklift trucks.

6.3.5 Agents' fees and disbursements

Edward Symmons have provided asset disposal advice and valuation reports in respect of the leasehold property, office equipment, plant and machinery, stock and motor vehicles.

Edward Symmons also marketed the assets for sale and organised collection from the Company's premises. They also arranged for the stock, office equipment and plant and machinery located at the Company's premises in Bristol and Enfield to be transported to the Company's head office in Sheffield to enable their sale to take place.

They also arranged for the collection and destruction of all confidential waste held at the leasehold premises.

Agent's fees of £21,015 and disbursements of £18,968 have been paid during the period.

The Joint Administrators have also accrued £5,000 in the period in relation to Agents' fees; however, these costs have not been paid during the period.

6.3.6 Legal fees and disbursements

DLA Piper UK LLP has provided legal advice to the Company in respect of the following:

- validity of the appointment of the Administrators;
- validity of security,
- preparation of sales contracts in relation to the bulk sales of the Company's stock;
- general advice in the administration.

Legal fees of £15,240 and disbursements of £60 have been paid to DLA Piper UK LLP during the period.

The Joint Administrators have also accrued £17,595 in the period in relation to legal fees and £28 in relation to legal disbursements; however, these costs have not been paid during the period.

6.3.7 Retention of Title settlement

In the period £21,121 has been paid in settlement of ROT claims against the Company

6.3.8 Telephone/Telex/Fax

In the period £1,633 has been paid in relation to the continuation of telephone and internet access during the Joint Administrators occupation of the Company's premises

The Joint Administrators have also accrued £1,643 in the period in relation to telephone charges; however, these costs have not been paid during the period

6.3.9 Subcontractor costs

Subcontractors have been paid £7,078 for their assistance with the managed wind-down of the Company.

6.3.10 Heat & light

In the period £2,327 was paid in respect of heat & light for the period of occupation of the Company's premises.

The Joint Administrators have also accrued £3,302 in the period in relation to heat and light, however, these costs have not been paid during the period

6.3.11 Wages & salaries

As was mentioned in section 5 2 above the Joint Administrators conducted a managed wind-down of the Company while realising the Company's assets. During the period wages of £55,125 have been paid to retained staff to assist with this process.

The Joint Administrators have also accrued £461 in the period in relation to wages & salaries; however, these costs have not been paid during the period.

6.3.12 Rent

Payments totalling £56,391 has been made in relation to the Joint Administrators occupation of the Company's leasehold premises during the period.

The Joint Administrators have also accrued £11,962 in the period in relation to rent; however, these costs have not been paid during the period.

6.3.13 Rates

Business rates of £22,589 have been paid during the period in relation to the Joint Administrators period of occupation of the Company's premises.

6.3.14 Other Payments

In addition to the above, Statutory advertising of £355, bank charges of £1,060, irrecoverable VAT of £107, mail redirection costs of £110 and sundry expenses of £972 have been paid

The Joint Administrators have also accrued £20 in the period in relation to bank charges, however, these costs have not been paid during the period.

6.3.15 Debt collection fees

The Joint Administrators have instructed Ward Hadaway Solicitors to assist with the collection of the remaining book debts.

The Joint Administrators have accrued £5,992 in the period in relation to debt collection fees, however, , these costs have not been paid during the period.

6.3.16 Storage costs

The Joint Administrators have also accrued £3,500 in the period in relation to the storage of the Company's books and records, however, these costs have not been paid during the period

6.3.17 Sundry Expenses

The Joint Administrators have also accrued £44 in the period in relation to sundry expenses; however, these costs have not been paid during the period.

6.3.18 Insurance of assets

The Joint Administrators have also accrued £15,000 in the period in relation to the insurance of the Company's assets; however, these costs have not been paid during the period. We are awaiting details of the final premium from our insurers.

6.4 Analysis of office holders' time costs

6.4.1 Asset Realisation

In relation to book debts, £250,289 (854 hours) has been incurred in the period by the Joint Administrators in connection to the collection of the Company's outstanding book debts. This includes time spent liaising with debtors and Ward Hadaway Solicitors who have assisted the Joint Administrators with the debt collection process.

In addition £62,513 (236 hours) has been incurred by the Joint Administrators in relation to stock and WIP. This includes time spent dealing with interested parties, liaising with DLA Piper UK LLP in relation to the drafting of sale contracts and advice taken from Edward Symmons in relation to offers received

6.4.2 ROT claims

Time costs of £33,399 (146 hours) have been incurred by the Joint Administrators during this period in relation to dealing with ROT claims.

6.4.3 Appointment and related formalities

Following the appointment of the Joint Administrators, time costs of £19,063 (75 hours) have been incurred in relation to notifying all relevant parties of the appointment, with the exception of creditors, instructing Agents and Solicitors and dealing with all other immediate matters arising which were relevant to the set up of the administration.

6.4.4 General correspondence

To date time costs of £31,031 (147 hours) have been incurred in relation to dealing with general correspondence with creditors.

6.4.5 Statutory reporting

In May 2012 the Joint Administrators circulated their Proposals to all known creditors of the Company and time costs of £15,980 (61 hours) were incurred in relation to the preparation and circulation of this report.

6.4.6 Employee correspondence

Prior to the Joint Administrators' appointment the Company had 73 employees. 58 redundancies were made on appointment with 15 members of staff retained to assist with the sale of the Company's stock and to ensure a managed wind down of the business was achieved. These employees were subsequently made redundant.

Time costs of £14,939 (62 hours) have been incurred by the Administrators' in relation to dealing with general queries from the previous employees of the Company.

6.4.7 Investigation

The Joint Administrators have finalised their report on the affairs of the Company and the conduct of the Directors and this has been submitted to the Insolvency Service.

Time costs of £6,318 (32 hours) have been incurred in relation to this matter.

6.5 Expenses for the period

Expenses for the period are summarised in Appendix 5 which includes the outstanding time costs as analysed in Appendix 3



Appendix 1 - Statutory information

Date of Incorporation	5 January 2000
Company number	03902678
Previous registered office	2-4 Orgreave Place Sheffield South Yorkshire S13 9LU
Present registered office	KPMG LLP 1 The Embankment Neville Street Leeds LS1 4DW
Trading addresses	2-4 Orgreave Place Sheffield South Yorkshire S13 9LU Unit 7 Old Station Business Park Wells Road Hallatrow Bristol BS39 6EN 65 Millmarsh Lane Brimsdown Industrial Estate Enfield EN3 7UY
Called up share capital	6,033 Ordinary £1 shares
Members	White Rose Holdings Limited (100%)
Directors	Sally Belinda Brown Stephan Hollingshead Richard Mark Lohar Charles Lawrence Hastings Wright Christopher Charles Wright Peter Norman Edward Wright
Company Secretary	Sally Belinda Brown
Employees	73
Previous name(s)	Festeasy Limited

Inman & Co (Electrical) Limited in administration
Pursuant to Rules 2.47 of the Insolvency Rules 1986 (as amended)
1 November 2012

Appendix 2 - Receipts and Payments account for the period to 4 October 2012

Inman & Co. (Electrical) Limited (In Administration) Administrators' Abstract of Receipts & Payments			
Statement of Affairs		From 05/04/2012 To 04/10/2012	From 05/04/2012 To 04/10/2012
	FIXED CHARGE ASSETS		
1,921,473.30	Book debts	NIL	NIL
14,000.00	Motor Vehicles	NIL	NIL
		NIL	NIL
	FIXED CHARGE CREDITORS		
(864,628.39)	RBS Invoice Finance Limited	NIL	NIL
(11,609.00)	Paccar Financial Hire Purchase	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
15,000.00	Plant & machinery	26,750.00	26,750.00
20,000.00	Furniture & equipment	51,644.90	51,644.90
55,500.00	Motor vehicles	72,150.00	72,150.00
2,231,000.00	Stock	520,569.12	520,569.12
	Other debtors	145.10	145.10
	Book debts	400,291.21	400,291.21
	Stock handling fee	20,333.47	20,333.47
1,636.00	Cash in hand	1,236.64	1,236.64
10,000.00	Property rights/Intellectual Property	NIL	NIL
13,125.00	Cash at bank	NIL	NIL
		1,093,120.44	1,093,120.44
	OTHER REALISATIONS		
	Bank interest, gross	539.23	539.23
	Sundry refunds	401.25	401.25
		940.48	940.48
	COST OF REALISATIONS		
	Statement of affairs work	4,500.00	4,500.00
	Contractors costs	1,700.00	1,700.00
	Administrators' fees	300,000.00	300,000.00
	Administrators' expenses	3,951.66	3,951.66
	Irrecoverable VAT	107.47	107.47
	Freelift truck hire	1,755.00	1,755.00
	Agents'/Valuers' fees	21,014.95	21,014.95
	Agents'/Valuers' fees (2)	18,968.24	18,968.24
	Legal fees	15,240.00	15,240.00
	Legal disbursements	60.00	60.00
	Sundry Expenses	972.35	972.35
	ROT settlement	21,120.99	21,120.99
	Telephone/Telex/Fax	1,632.68	1,632.68
	Subcontractor Costs	7,078.01	7,078.01
	Heat & light	2,326.97	2,326.97
	Re-direction of mail	110.00	110.00
	Statutory advertising	354.82	354.82
	Rent	56,390.98	56,390.98
	Rates	22,589.00	22,589.00
	Wages & salaries	55,125.31	55,125.31
	Bank charges	1,000.00	1,000.00
		(536,058.43)	(536,058.43)
	PREFERENTIAL CREDITORS		
(66,918.00)	Employees' wage arrears	NIL	NIL



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Inman & Co. (Electrical) Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 04/04/2012 To 04/10/2012	From 05/04/2012 To 04/10/2012
	NIL	NIL
	UNSECURED CREDITORS	
(2,451,325.80) Trade & expense	NIL	NIL
(401,028.21) Employees	NIL	NIL
(25,348.00) Inman Properties Limited	NIL	NIL
(46,653.25) Non-preferential NIC/PAYE	NIL	NIL
(167,726.73) Non-preferential VAI	NIL	NIL
(95.38) Child Support Agency Deductions	NIL	NIL
(8,841.44) Employee Pension & Health Scheme	NIL	NIL
	NIL	NIL
	DISTRIBUTIONS	
(6,033.00) Ordinary shareholders	NIL	NIL
	NIL	NIL
233,545.41	558,002.49	558,002.49
	REPRESENTED BY	
Floating ch VAT receivable		85,289.14
Floating charge current		602,802.87
Floating ch VAT payable		(130,089.52)
		558,002.49



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Appendix 3 – Joint Administrators' time costs as at 4 October 2012

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Administration & planning							
Cashiering							
General (Cashiering)	4.40	2.90	33.10		40.40	£9,407.00	£232.85
Reconciliations (& BPS accounting reviews)		1.00	2.60		3.60	£949.50	£263.75
General							
Books and records		2.00	38.45		40.45	£8,874.75	£219.40
Fees and WIP		3.00	4.00		7.00	£1,735.00	£247.86
Other office holders			1.00		1.00	£240.00	£240.00
Statutory and compliance							
Appointment and related formalities	8.80	18.00	47.60	0.50	74.90	£9,062.50	£254.51
Bonding and bond costs				0.50	0.50	£65.00	£130.00
Checklist & reviews		6.90	32.90		39.80	£8,405.00	£211.18
Reports to debenture holders	2.20	1.50	0.50		4.20	£1,017.00	£385.00
Statutory advising			1.00		1.00	£175.00	£175.00
Strategy documents	4.30	1.00	2.00		7.30	£2,785.50	£381.58
Tax							
Initial reviews - CT and VAT	1.00	7.90	0.60		9.50	£3,522.50	£370.70
Post appointment corporation tax	1.00	1.30	1.00		3.30	£1,085.50	£328.94
Post appointment VAT		6.40	1.25		7.65	£2,426.75	£317.22
Creditors							
Committees							
Reports				1.50	1.50	£165.00	£110.00
Creditors and claims							
General correspondence	0.90	14.20	132.00		147.10	£31,030.50	£210.95
Pre appointment VAT / PAYE / CT			2.00		2.00	£350.00	£175.00
ROT Claims		17.20	128.80		146.00	£33,398.50	£228.76
Statutory reports	7.10	5.50	38.40		61.00	£15,979.50	£261.98
Employees							
Correspondence		3.10	56.30	2.45	61.85	£14,939.00	£241.54
Pension funds	0.90				0.90	£414.00	£460.00
Pensions reviews		1.50	25.75		27.25	£5,217.25	£191.46
Investigation							
Directors							
D form drafting and submission	1.50	2.00	28.00		31.50	£6,317.50	£200.56
Directors' questionnaire / checklist		1.00	1.25		2.25	£563.75	£250.56
Statement of affairs			2.00		2.00	£350.00	£175.00
Investigations							
Made direction	0.30		1.00		1.30	£313.00	£240.77
Realisation of assets							
Asset Realisation							
Cash and investments		0.50	6.80		7.30	£1,362.50	£186.64
Debtors	2.80	587.80	254.10	8.95	853.65	£250,289.00	£293.20
Leasehold property			1.00		1.00	£175.00	£175.00
Goodwill		2.00			2.00	£690.00	£345.00
Health & safety		2.20	2.00		4.20	£1,109.00	£264.05
Leasehold property		19.50	19.00		38.50	£10,345.00	£268.70
Office equipment fixtures & fittings			2.00		2.00	£350.00	£175.00
Open cover insurance			15.00		15.00	£2,625.00	£175.00
Other assets		1.00	1.00		2.00	£520.00	£260.00
Plant and machinery		7.00	1.00		8.00	£2,590.00	£323.75
Rent		0.50	1.00		1.50	£347.50	£231.67
Sale of business	1.50	14.00	12.90		28.40	£25,446.50	£898.16
Stock and WIP	3.80	85.50	116.80		236.10	£62,512.50	£264.77
Van costs		4.50	8.50		13.00	£2,722.50	£247.50
Purchases and trading costs		0.30			0.30	£127.50	£425.00
Total in period					2,036.20	£530,591.00	£260.58



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Joint Administrators' charge out rates

Grade	From 1 October 2010 £/hr	From 1 October 2012 £/hr
Partner	535	565
Associate Partner	460	485
Director	460	485
Senior Manager	425	450
Manager	345	365
Senior Administrator	240	250
Administrator	175	185
Support	110	115

	KPMG LLP Corporation Tax Team	KPMG LLP VAT Team	KPMG LLP Pensions Team
Grade	From 1 October 2008 £/hr	From 1 October 2008 £/hr	From 1 October 2008 £/hr
Partner	595	900	465
Associate Partner	535	900	465
Director	535	805	400
Senior Manager (> 2 years)	470	705	365
Senior Manager (< 2 years)	375	565	365
Manager (> 2 years)	305	455	290
Manager (< 2 years)	255	385	290
Senior Administrator (Yr 3)	220	330	205
Senior Administrator (Yr 2)	205	310	205
Senior Administrator (Yr 1)	185	280	205
Administrator (Yr 4)	185	280	150
Administrator (Yr 3)	165	245	150
Administrator (Yr 2)	125	185	150
Administrator (Yr 1)	85	125	150

Appendix 4 – Joint Administrators’ disbursements for the period 5 April 2012 to 4 October 2012

Expense name	Expense amount (£)
Printing costs	307.65
Specialist staff costs	957.85
Land Registry Search	20.00
Meal/ Lunch allowance	500.48
Overnight stay	57.46
Mileage costs	3,972.25
Other transport	848.13
Telephone	177.08
External backup drives	425.00
Bonding	775.00
Total	8,040.90

Where funds permit the officeholder will look to recover both category 1 and category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Any disbursements to be paid from the estate are disclosed within the summary of disbursements above.

The only Category 2 disbursements that KPMG Restructuring currently charges is mileage, this is calculated as follows:

Mileage claims fall into three categories:

Use of privately-owned vehicle or car cash alternative – 40p per mile



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Use of company car – 60p per mile

Use of partner's car – 60p per mile

For all of the above car types, when carrying passengers an additional 5p per mile per passenger will also be charged where appropriate.



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Appendix 5 - Schedule of expenses for the period 5 April 2012 to 4 October 2012

Section	Account	Accrued	Paid	Undisclosed in prior	Total
Cost of realisations	Debt collection fees	5,992.40			5,992.40
-	Statement of affairs work		4,500.00		4,500.00
-	Contractors costs	203.04	1,700.00		1,903.04
-	Administrators' fees	230,591.00	300,000.00		530,591.00
-	Administrators' expenses	4,089.24	3,951.66		8,040.90
-	Irrecoverable VAT		107.47		107.47
-	Forklift truck hire		1,755.00		1,755.00
-	Agents'/Valuers' fees	5,000.00	21,014.95		26,014.95
-	Agents'/Valuers' fees (2)		18,968.24		18,968.24
-	Legal fees	17,594.85	15,240.00		32,834.85
-	Legal disbursements	28.00	60.00		88.00
-	Sundry Expenses	44.49	972.35		1,016.84
-	ROT settlement		21,120.99		21,120.99
-	Telephone/Telex/Fax	1,643.41	1,632.68		3,276.09
-	Subcontractor Costs		7,078.01		7,078.01
-	Heat & light	3,302.28	2,326.97		5,629.25
-	Storage costs	3,500.00			3,500.00
-	Re-direction of mail		110.00		110.00
-	Statutory advertising		354.82		354.82
-	Rent	11,962.33	56,390.98		68,353.31
-	Rates		22,589.00		22,589.00
-	Insurance of assets	15,000.00			15,000.00
-	Wages & salaries	461.46	55,125.31		55,586.77
-	Bank charges	20.00	1,060.00		1,080.00
		299,432.50	536,058.43		835,490.93
TOTAL		299,432.50	536,058.43		835,490.93

Creditors are reminded that the basis on which fees have been reported has been agreed by the secured creditor and preferential creditors.

However to determine if the quantum of the fees to be taken is reasonable the analysis included at Appendix 3 should be reviewed and any additional information can be requested by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured



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debt in accordance with rule 2.48A IR86. This request must be made within 21 days receipt of the progress report. The full text of that rule can be provided on request.

In addition creditors are reminded that the quantum can be challenged by unsecured creditor(s) with at least 10% in value excluding that creditors claim by making an application to court in accordance with rule 2.109 IR86. The full text of this rule can also be provided on request

Appendix 6 - Extract from the Insolvency Rules 1986

Insolvency Rules 1986

2.48A Creditors' request for further information

(1) If- (a) within 21 days of receipt of a progress report under Rule 2.47-

(i) a secured creditor, or

(ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or

with the permission of the court upon an application made within that period of 21 days, any unsecured creditor, the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2.47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)

The administrator complies with this paragraph by either—

(a) providing all of the information asked for, or

(b) so far as the administrator considers that—

(i) the time or cost of preparation of the information would be excessive, or

(ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or

(iii) the administrator is subject to an obligation of confidentiality in respect of the information,

giving reasons for not providing all of the information

(3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—

(a) the giving by the administrator of reasons for not providing all of the information asked for, or

(b) the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just.

(4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2.109(1B) by such further period as the court thinks just.

2.109 Creditors' claim that remuneration or other expenses are excessive

(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4).

(1A) An application may be made on the grounds that—

- (a) the remuneration charged by the administrator,
- (b) the basis fixed for the administrator's remuneration under Rule 2.106,
- (c) expenses incurred by the administrator,

is or are in all the circumstances, excessive, or in the case of an application under subparagraph (b), inappropriate.

(1B) The application must, subject to any order of the court under Rule 2.48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly.

(3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it.

(4) If the court considers the application to be well-founded, it must make one or more of the following orders—

- (a) an order reducing the amount of remuneration which the administrator was entitled to charge;

(b) an order fixing the basis of remuneration at a reduced rate or amount;

(c) an order changing the basis of remuneration,

(d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration;

(e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just; but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report.

(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration.