

The Insolvency Act 1986

Administrator's progress report

Name of Company

MCT Mitchell Cotts Limited

Company Number

03966103

In the High Court of Justice
Bristol District Registry
Chancery Division

(full name of court)

Court case number

1160 of 2009

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

We (a) Ross David Connock of PricewaterhouseCoopers LLP, 31 Great George Street, Bristol, BS1 5QD
and Robert Nicholas Lewis of PricewaterhouseCoopers LLP, One Kingsway, Cardiff
CF10 3PW

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

from

to

(b) Insert date

(b) 11 November 2009

(b) 10 May 2010

Signed

Joint Administrators (IP No(s) 9039 & 9277)

Dated

9/6/2010

Contact Details.

You do not have to give any contact information in the box opposite but if you do it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Neil Weldrick

PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street
Leeds LS1 4JP

Tel 0113 289 4253

DX Number

DX Exchange

THURSDAY



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COMPANIES HOUSE

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

To All Known Creditors

8 June 2010

When telephoning please ask for Neil Weldrick

Our ref NVW/MCT/300410/REPORT

Dear Sirs

MCT Mitchell Cotts Limited – in Administration (“the Company”)
Former Trading Address: Winterstoke Road, Weston Super Mare, North Somerset, BS24 9AT

In accordance with Rule 2 47 of the Insolvency Rules 1986 (“IR86”), the Joint Administrators (“the Administrators”) write to provide creditors with details of the progress of the Administration of the Company in the six months since the Administrators’ last progress report dated 8 December 2009

1 Statutory and financial information

The following are enclosed for your information

- Appendix A Statutory information on the Administration
- Appendix B Administrators’ receipts and payments accounts to 10 May 2010
- Form 2 24B Administrators’ progress report

2 Overview of the administration

A summary of the Company’s history and the circumstances giving rise to the Administrators’ appointment were set out in the Administrators’ last progress report dated 8 December 2009 and are not repeated here for the purposes of this report

3 Steps taken by the Administrators

On appointment, a sale of the majority of the business and assets to MCT Reman Limited (“Reman”) was completed. The transaction involved the sale of the business and the assets in their entirety and totalled £600,000. The Administrators have received the balance in full.

In addition to the sale consideration detailed above, £33,000 has been received in respect of the release of escrow monies relating to employee redundancies and £33,000 of rent pre-paid by the Company has been refunded by Reman.

A balance of £8,469 has also been realised into the Administration in respect of business rate refunds

3.1 The fulfilment of the Administrators' statutory duties

The Administrators have a duty to review the conduct of everyone who has acted as a director of the Company in the three years prior to the Administration and report to the Department for Business, Innovation and Skills on their findings. We can confirm that this has been completed, however for confidentiality reasons we are unable to give any further information.

All statutory matters are completed on an ongoing basis. Key outstanding matters include the finalisation of the Company's Corporation Tax position and receipt of the final VAT refund.

4 Receipts & payments account

Attached at Appendix B is an abstract of the receipts and payments for the Company to 10 May 2010.

5 Estimated outcome for creditors

5.1 Secured creditor

The Company's assets are subject to a fixed charge held by the Company's bank, Bank of Scotland Plc ("the Bank").

The Company was part of a group which also comprises Hasgo Group Limited (holding company) and WDS Components Limited (trading subsidiary). As part of the group, the Company is jointly liable for the group debt to the Bank, which stands at £17,929,000.

To date the Bank has received a total distribution of £400,000. The final deferred consideration payment in the sum of £75,000 has been received and will be sent to the bank together with a final distribution upon closure of the Administration.

The sale to Reman included an element of non-cash deferred consideration triggered according to profit levels achieved by Reman in the 24 month period post completion. The Administrators are looking to assign the benefit of any such consideration payable to the Bank to facilitate progress of the Administration to closure.

It is anticipated that the Bank will suffer a significant shortfall in respect of its debt.

5.2 Preferential creditors

All of the Company's employees were transferred to the purchaser under Transfer of Undertakings (Protection of Employment) Regulations (TUPE) 2006. Therefore, there are no preferential claims in respect of arrears of wages and unpaid holiday pay.

Since the Administrators' last report it has been established that there is a preferential creditor claim in the sum of £5,901 in relation to the Company's pension scheme. A distribution of 100p in £ has been made in respect of this claim.

5.3 Unsecured creditors

Due to the significant shortfall to the Bank as a secured creditor there is no prospect of a distribution to unsecured creditors.

The Prescribed Part provisions do not apply to this Administration because there is no floating charge created on or after 15 September 2003.

6 Administrators' remuneration

In accordance with Rule 2.106(5A) IR86, as there will not be a distribution to unsecured creditors, the Administrators' remuneration is agreed by the secured creditor and the majority (by value) of the voting preferential creditors.

The Administrators have obtained approval from both the secured and preferential creditors on their remuneration being fixed on the basis of the time costs incurred in dealing with the Administration. To date the Administrators have drawn fees of £36,000 and no further fees are anticipated.

7 Extension to the Administration

The Administrators considered it necessary for the Administration to be extended to allow the outstanding matters in the Administration to be completed, principally

- Pay the preferential creditor in full,
- Receive and distribute the deferred consideration payments to the secured creditor until an assignment of the remaining benefits under the sale agreement to Reman has been completed,
- Completion of a surrender of the lease relating to the Company's main premises at Winterstoke Road,
- Receive the VAT refund due,
- Obtain Tax clearance,
- Make a final distribution to the secured creditor.

The extension of the Administration was granted by the secured and preferential creditors until 11 November 2010.

8 Ending the Administration

The Administration will be ended by filing Form 2 35B with the Registrar of Companies in accordance with Paragraph 84(1) of Sch B1 IA86. The Company will be dissolved three months later (subject to the final outcome of the Administration).

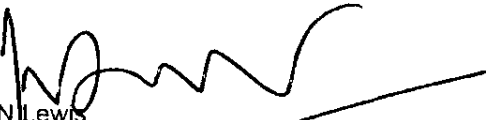
Such notice would be filed once the Administrators have concluded all work within the Administration.

9 Future reporting

Pursuant to Rule 2.47 of the Rules, the Administrators will provide a further progress report to creditors in six months time, or earlier should the Administrations come to an end before that date.

Should you have any queries, please do not hesitate to contact my colleague, Neil Weidrick, on 0113 289 4253.

Yours faithfully
For and on behalf of the Company



R N Lewis
Joint Administrator

Ross David Connock and Robert Nicholas Lewis have been appointed as joint administrators of MCT Mitchell Cotts Limited to manage its affairs, business and property as its agents without personal liability. All are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

Appendix A Statutory and other information

Court details for the Administration	High Court of Justice, Chancery Division, Bristol District Registry, Case No 1160 of 2009
Full name	MCT Mitchell Cotts Limited
Trading name	MCT Mitchell Cotts Limited
Registered number	03966103
Registered address	PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP
Company directors	John Albert Martin Grant and Roger Scott Atkinson
Company secretary	James Michael Stone
Shareholdings held by the directors and secretary	None
Date of the Administration appointment	11 May 2009
Administrators' names and addresses	Ross David Connock and Robert Nicholas Lewis PricewaterhouseCoopers LLP 31 Great George Street Bristol, BS1 5QD
Appointor's / applicant's name and address	Directors of MCT Mitchell Cotts Limited, Winterstoke Road, Weston Super Mare, North Somerset, BS24 9AT
Objective being pursued by the Administrators.	Objective (c) - Realising property in order to make a distribution to one or more secured or preferential creditors
Division of the Administrators' responsibilities	In relation to paragraph 100(2) Sch B1 IA86, during the period for which the Administration is in force, any function to be exercised by the persons appointed to act as Administrators may be done by any or all of the persons appointed or any of the persons for the time being holding that office
Proposed end of the Administration	The Administrators intend to file notice under Paragraph 84(1) Sch B1 IA86 with the Registrar of Companies, following which the Company will be dissolved three months later (subject to the final outcome of the Administration)
Estimated dividend for unsecured creditors	None
Estimated values of the Prescribed Part and the Company's net property	Not applicable in this case
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86	Not applicable in this case
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No 1346/2000 of 29 May 2000)	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are the main proceedings

MCT Mitchell Cotts Limited
(in Administration)
Administrators abstract of receipts and payments

Appendix B

Director's Statement of Affairs	Brought forward at 10 November 2009	From 11 November 2009 to 10 May 2010	Total as at 10 May 2010
	£	£	£
FIXED CHARGE REALISATIONS			
350 000 00 Book debts	175 000 00	150,593 35	325 593 35
- Intangible assets	0 57	0 44	1 01
- Intellectual Property Rights	0 43	0 44	0 87
350,000 00	175,001 00	150,594 22	325,595 22
FLOATING CHARGE REALISATIONS			
- Plant & Machinery	25,000 00	21 513 34	46 513 34
- Stock	99,999 00	86,052 49	186,051 49
- Refunds	41,628 76	(33,160 05)	8,468 71
- Rent	82 888 35	-	82,888 35
- Interest received	554 75	372 28	927 03
- VAT payable	12,433 25	-	12,433 25
-	262,504 11	74,778 06	337,282 17
350,000 00 TOTAL REALISATIONS	437,505 11	225,372 28	662,877 39
COST OF REALISATION / PAYMENTS			
- VAT receipts/ payments	1,204 91	-	1 204 91
- Secured Creditors	175 000 00	225 000 00	400 000 00
- Rental Income	45,374 55	-	45,374 55
- Agents' fees	4 118 00	-	4,118 00
- Insurance	105 00	-	105 00
- Statutory Advertising	103 67	-	103 67
- Legal Fees	25,229 39	3 196 50	28,425 89
- Legal Expenses	75 00	-	75 00
- Bank charges	50 00	-	50 00
- Office holder's fees	-	36 000 00	36 000 00
- Office holder's expenses	-	952 37	952 37
- Preferential Creditors	-	5 901 00	5 901 00
- VAT receivable	11 228 34	6 946 14	18 174 48
0 00	262,488 86	277,996 01	540,484 87
350,000 00 BALANCE (high interest current account)	175,016 25	(52,623 73)	122,392 52