

The Insolvency Act 1986

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

Name of Company <b>Central Metal Manufacturing Limited</b>	Company number <b>06055324</b>
In the <b>Birmingham District Registry</b> <small>[full name of court]</small>	Court case number <b>8304 of 2009</b>

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

**1. I (a) Joanne Wright and Geoffrey Stuart Kinlan of BDO Stoy Hayward LLP, 125 Colmore Row, Birmingham, B3 3SD**

\*Delete as applicable

attach a copy of ~~\*my~~ / our proposals in respect of the administration of the above company.

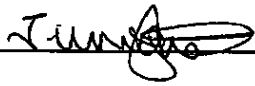
A copy of these proposals was sent to all known creditors on

(b) Insert date

**(b) 1 July 2009**

Signed

Dated

  
**01/07/2009****Contact details:**

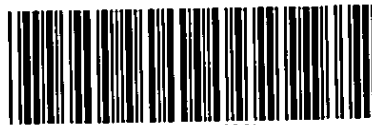
You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

<b>BDO Stoy Hayward LLP, 125 Colmore Row, Birmingham, B3 3SD</b>	
Our Ref <b>8/CN/C2899/C15</b>	Tel <b>0161 817 7500</b>
DX Number	DX Exchange

ou have completed and signed this form please send it to the Registrar of Companies at:

nies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff



A35

03/07/2009

279

COMPANIES HOUSE

FRIDAY



BDO Stoy Hayward LLP  
Chartered Accountants

125 Colmore Row  
Birmingham B3 3SD  
Telephone: +44 (0)121 352 6200  
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Website: www.bdo.co.uk

**Private and Confidential**

1 July 2009

Our Ref 8/JW/HO/CN/C2899/C6

Please Ask For: **Connie Ng**  
Direct Dial No: **0161 817 7513**

**TO ALL CREDITORS AND MEMBERS**

Dear Sir(s)

**Central Metal Manufacturing Limited - In Administration ("the Company")**

I refer to the appointment of Geoffrey Stuart Kinlan and myself as Joint Administrators of the Company on 7 May 2009.

I attach a statement to creditors pursuant to Rule 2.33 of the Insolvency Rules 1986, which incorporates a statement of proposals under Paragraph 49 of Schedule B1 of the Insolvency Act 1986.

The attached report sets out the work undertaken by the Administrators to date, incorporating details of my firm's policies regarding fees and disbursements and a summary recording the time spent on the Administration, together with a creditors' guide to Administrators fees.

The Joint Administrators do not intend to call an initial meeting of creditors because we do not anticipate that a dividend will be available to unsecured creditors. Creditors whose claims amount to more than 10% of the Company's total debt can request that a meeting be called using form 2.21B. Form 2.21B is attached and if completed must be returned to this office by 15 July 2009 together with the attached proof of debt form.

Yours faithfully  
For and on behalf of  
Central Metal Manufacturing Limited

Joanne Wright  
Joint Administrator  
Authorised by the Insolvency Practitioners Association  
Encs

8/DGW/C2899  
c:\windows\temp\notesfd2c401-1861218.doc



## Creditor's request for a meeting

Name of Company  
Central Metal Manufacturing Limited

Company number  
06055324

In the  
Birmingham District Registry

Court case number  
8304 of 2009

(a) Insert full name and  
address of the creditor making  
the request

I (a) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

request a meeting of the creditors of (b) \_\_\_\_\_  
\_\_\_\_\_

(c) Insert amount of claim

My claim in the administration is (c) \_\_\_\_\_

(d) Insert full name(s) and  
address(es) of creditors  
concurring with the request (if  
any) and their claims in the  
administration if the  
requesting creditor's claim is  
below the required 10%

(d) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

concur with the above request, and I attach copies of their written confirmation of concurrence.

(e) Insert details of the  
purpose of the meeting

The purpose of the meeting is (e) \_\_\_\_\_  
\_\_\_\_\_

Signed \_\_\_\_\_

Dated \_\_\_\_\_

**PROOF OF DEBT**

**In The High Court of Justice  
Chancery Division  
Companies Court**

**No 8304 of 2009**

**Central Metal Manufacturing Limited  
- In Administration -**

**Date of Administration 7 May 2009**

- 1 Name of creditor
- 2 Address of creditor
- 3 Total claim including VAT and interest as at  
the date of the appointment of administrators £  
(see overleaf)
- 4 Details of documents by which debt can be  
substantiated (please attach copy documents)
- 5 Amount of any interest included in claim £
- 6 Is the whole or part of the debt preferential? Yes / No  
If so, state amount, and details £  
See notes overleaf
- 7 Particulars of how and when debt incurred
- 8 Particulars and value of any security held and  
the date it was given
- 9 Signature of creditor  
or other authorised person .....  
Name in BLOCK LETTERS .....  
Creditor's reference: .....
- 10 Position or Relationship with Creditor .....

### **For Use of Administrator Only**

**11 Admitted to vote for £**

Date

Joint Administrator

**12 Admitted preferentially  
for £**

Date

Joint Administrator

**Admitted non-preferentially  
for £**

Date

Joint Administrator

### **Guidance Notes re Preferential Debts:**

The categories of preferential debts under S.386(1) of the Insolvency Act 1986 are as follows:

- pension scheme contributions
- remuneration etc of employees
- Levies on Coal & Steel Productions.

### **VAT Bad Debt Relief**

The provisions of the Finance Act, 1990, came into effect on 26 July, 1990, and introduced changes in the way that VAT on Bad Debts is recovered.

Your claim overleaf must be quoted inclusive of VAT. You may claim relief on your VAT return when the debt is at least six months old and has been written off. Any dividend you receive in respect of this claim will include payment in respect of the VAT element of your debt and you will be responsible for declaring such VAT to HM Customs & Excise.

**Central Metal Manufacturing  
Limited  
In Administration**

Statement to Creditors pursuant to Rule  
2.33 of the Insolvency Rules 1986 and  
Statement of Proposals under Paragraph 49  
of Schedule B1 of the Insolvency Act 1986

8/DGW/C2899/C6

BDO Stoy Hayward LLP

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## **CENTRAL METAL MANUFACTURING LIMITED - IN ADMINISTRATION**

Registered No. 06055324

Registered office situated at 125 Colmore Row, Birmingham, B3 3SD

In the Birmingham District Registry

Case Number 8304 of 2009

### **1 Introduction**

This report is addressed to the creditors of Central Metal Manufacturing Limited ("the Company") and incorporates the Joint Administrators' proposals. We do not propose to call a meeting of creditors to consider this proposal because there will be insufficient assets to enable us to make any distribution to unsecured creditors based on current estimates.

Under Paragraph 52 of Schedule B1 of the Insolvency Act 1986, creditors, whose debts amount to at least 10% of the total debts of the Company, may request a meeting using form 2.21B. Please note that before such a meeting can be held we will require a deposit towards the cost of convening the meeting. Such deposit may be repaid subject to approval of the creditors. Form 2.21B is attached and if completed must be returned to this office by no later than 15 July 2009.

If creditors do not request that a meeting be held to consider the Joint Administrators' proposals, the proposals will have been deemed to be approved in accordance with Rule 2.33(5) of the Insolvency Act 1986.

The Joint Administrators propose to continue to manage the affairs of the Company and realise property in accordance with the second objective of the statutory purpose of the Administration. Based on the information presently available and the current situation, the Joint Administrators' proposal is that the Company will exit from the Administration by way of dissolution under Paragraph 84 of Schedule B1 of the Insolvency Act 1986.

### **2 Events leading up to the Appointment of the Joint Administrators**

The Company was incorporated on 17 January 2007. At the end of February 2007 the Company commenced trading following the purchase of the business and assets from the Administrators of Midland Sheetmetal Limited ("MS"). The shareholding was held by Centmetal Property Limited, a company with common directors to the Company.

The Company serviced the sheet metal machine tool enclosures market and utilised specialist skills in manufacturing other sheet metal applications. The Company traded from various leasehold premises situated at Merry Lees Industrial Estate in Desford, Leicestershire and employed 130 members of staff at the date of our appointment.

The business initially traded in line with the Directors' forecasts and business plans. An expansion plan was enacted and significant investment made in new robot welding equipment.



The accounts for the 13 months ending 31 March 2008 record turnover in excess of £11.1 million. Gross profit totalled £2.169m (19.5%) and net profit £143.5k.

The management accounts record a reduction in turnover in May 2008 to £652k, a drop of over £200k from the previous month. However sales again increased in June and July 2008 to £887k and £996k respectively.

In July 2008, a number of customers contacted the Company to make reductions in their planned production schedules. The Directors attribute the reductions to the general economic downturn at this time. As a result of the changes, turnover in August 2008 fell to £581k with the Company incurring a net loss in excess of £140k for the month.

Although turnover increased in September and October 2008 to over £900k per month, the Company incurred a net loss after tax for both months. The Directors attribute the losses in these months to high steel prices at this time.

Turnover again reduced in the following months, falling to just under £780k in November 2008, £494k in December, £618k in January 2009 and less than £489k in February 2009. The Company incurred net losses in three of the four months.

The Directors attempted to reduce costs with temporary labour contracts being cancelled. At this time general indications from customers remained optimistic, however, by January 2009 there were further reductions in customer orders and production schedules.

A redundancy programme was enacted to reduce the workforce in accordance with the reduction in sales orders. The Company was experiencing cashflow difficulties and commenced negotiations with HM Revenue & Customs to defer outstanding PAYE liabilities.

In early February 2009, due to growing concerns in respect of the economy as a whole and the increasing cashflow pressures, the Directors met with Venture Finance plc ("Venture") to discuss funding requirements and the Company also explored other options and made an application for a transitional loan from Advantage Transition Bridge Fund ("ATBF").

At the end of February 2009, one of the Company's largest customers announced a two month shutdown, effective from 1 March. This had a significant impact on the customer's production requirements and the Company immediately implemented a three or four day working week, dependent upon business needs.

On 10 March 2009, the ATBF loan of £250k was granted to the parent company, Centmetal, with funds available from 1 April 2009. However, due to the continued deterioration in the order book, the Directors were concerned about increasing the Company's liabilities and therefore did not advance funds from Centmetal to the Company.

The Company was suffering from increasing cashflow difficulties and it became apparent that without an immediate and significant increase in sales, the Company

would be unable to continue to trade. The Directors sought advice from an independent Insolvency Practitioner and also took legal advice following discussions with the principal funder, Venture. BDO Stoy Hayward LLP was asked to assist with arrangements to place the Company into Administration.

On 1 May 2009 a Notice of Intention to Appoint Administrators was filed in Court. On 7 May 2009 an application for the appointment of Joint Administrators was made by Jonathan Handford being a director, pursuant to Paragraph 22 of Schedule B1 of the Insolvency Act 1986. On the same day, Joanne Wright and Geoffrey Stuart Kinlan of BDO Stoy Hayward LLP were appointed as Joint Administrators.

### **3 Management of the Company's Affairs since the Joint Administrators' Appointment**

#### **3.1 Initial Actions**

Upon our appointment as Joint Administrators we undertook an immediate review of the Company's affairs with particular regard to its ongoing financial and resource requirements. This assessment was carried out in liaison with management of the Company taking into account the Company's ongoing business commitments and the anticipated cashflow, together with an assessment of the overall estimated financial position comparing sale and volume.

It was clear from our review that the first statutory purpose of Administration of rescuing the company as a going concern was incapable of achievement due to the extent of liabilities, both actual and contingent, including Crown liabilities of c.£650k together with an uncertain trading and funding position.

Therefore, the second objective of achieving a better result for creditors as a whole than would be likely had the Company proceeded straight to liquidation was pursued, and it was determined that the business should be traded within the Administration procedure whilst a buyer was sought. It was anticipated that this process would take a maximum of three weeks and was necessary to provide continuity of service to customers and therefore preserve goodwill and enhance debtor collections and realisations from tangible assets, compared to what could be achieved from closure.

On 8 May 2009, 63 members of staff were made redundant. This was necessary to immediately reduce costs whilst the business was traded in Administration, in the period whilst a buyer was sought.

All of those employees made redundant received on site assistance from ERA Solutions with the completion of their redundancy claim forms and other claims against the Company.

We addressed retained staff to secure their co-operation during the trading period.

The initial key strategy was to continue to trade the business whilst a buyer was sought, to retain the customer base and goodwill and to aid debtor collections and other realisations. Customers with outstanding debtor balances were contacted

prior to fulfilment of future orders to obtain confirmation of outstanding balances and assurance regarding the timing of payments.

Appropriate insurance was immediately put in place.

An information memorandum was prepared and our corporate finance team immediately contacted potentially interested parties with a view to achieving a sale of the business and assets. An advert was placed in the Financial Times, which was published on 12 May 2009. Further information regarding the sale and marketing process is detailed within section 3.3 below.

Independent agents, Edward Symmons & Partners ("Agents") were instructed to value the plant and machinery and other assets of the Company.

### **3.2 Trading During the Administration**

As previously detailed, the key strategy was to continue to trade the business whilst a buyer was sought. It was anticipated that the trading would be for a period of three weeks to allow an accelerated sale to be completed and value in work in progress maximised.

The Administrators reviewed the order book to verify the viability of contracts and stock requirements. The order book was reviewed in conjunction with the debtor ledger and customers asked to confirm the details of outstanding balances and payment timetables prior to further goods being supplied during the Administration period.

Suppliers were contacted to ascertain whether they would be willing to provide necessary goods, and undertakings were provided where appropriate.

A number of suppliers visited the site in respect of potential retention of title claims. A total of twenty two site visits were made. Six parties found no goods on site, eight claims have been rejected due to issues regarding the identification of goods and eight claims are still being progressed. In circumstances where goods subject to valid retention of title claims have been utilised by the Administrators during the trading period, the Administrators will be responsible for payment of the goods as an Administration expense. We currently estimate the value of such items to be £1,080.

The Administrators raised invoices totalling approximately £165k (net) during the trading period. To date £45k has been received and we are continuing to collect the balance of the monies. Purchase orders totalling £49k were signed by the Administrators. In addition, the Administrators will be responsible for various costs in relation to undertakings provided.

The initial forecasts were based on trading for a maximum three week period and these indicated a break even position. However, the completion of the sale of the business was more protracted than initially forecast resulting in an additional wage liability. Wages for a three week period would have totalled approximately £80k,

but due to the additional time to completion further wages liabilities of £28k were incurred.

The additional wage liabilities have resulted in there being a trading loss. This issue was identified at an early point and discussed with Venture Finance plc. Venture was keen to help ensure the business continued to trade whilst the sale was finalised, and assisted by providing funding support to cover the position. We estimate that the trading loss will be approximately £25k, but will be subject to adjustment as future receipts and payments are clarified. A copy of our estimated trading account is attached as Appendix 5.

### **3.3 Sale of Business and Asset Realisations**

An information memorandum was prepared and our corporate finance team compiled details of potentially interested parties who were immediately contacted. The business was advertised for sale in the Financial Times on 12 May 2009.

The corporate finance team contacted over one hundred potentially interested parties and dealt with requests for further information arising from the advertisement in the Financial Times. 36 non disclosure agreements were issued with 31 signed non disclosure agreements being returned. The information memorandum was issued to parties immediately following receipt of the signed non disclosure agreements.

Site visits were arranged by six parties and further information provided where requested.

In addition, the former board of directors also expressed their interest in acquiring the business.

Three offers, including one from the directors, were received for the business and assets on a going concern basis. A number of other parties indicated that they would be interested in purchasing specific assets on a break up basis, but confirmed that they did not wish to buy the business as a whole. We reviewed all offers and requested proof of funding as well as requiring confirmation that the parties were able to complete within a short timescale. One interested party was unable to comply with these requests and their offer subsequently fell away.

The two remaining parties considered purchasing the business and assets as a joint venture and the sale was initially progressed on this basis. However it became apparent that there were a number of underlying issues and that it would not be possible to complete a sale within the requisite timeframe and the joint venture opportunity ceased.

The sale was therefore progressed with Midland Metal Products Limited ("MMP") as the sole purchaser. MMP is a party with associated management to the Company. The total purchase price was £210,000, with the offer being accepted following advice from our Agents. The business and asset sale was completed on 12 June 2009, with the effective date of completion backdated to the 8 June 2009 to ensure a fair and practical apportionment of sales and costs.

The consideration was allocated as follows:

	£
Encumbered Equipment	190,000
Unencumbered Equipment	6,997
Intellectual Property	1
Goodwill	1
Stock and Work in Progress	13,000
Centmetal Property Lease	1
<b>Total</b>	<b>210,000</b>

An amount of £73,234 was due to Venture in respect of the encumbered plant and machinery consideration, with Venture holding a fixed charge chattels mortgage. The total sale consideration of £210k included a requirement for MMP to assume responsibility for the outstanding amount of £73,234 leaving a total net consideration of £136,766 due to the Administrators.

£100,000 was paid immediately upon completion of the sale. The balance of £36,766 is payable in three equal weekly instalments and the Administrators have taken security in the form of a debenture over MMP in respect of the deferred consideration. The deferred consideration is due as follows:

	<u>Due Date</u>	<u>Sum £</u>	<u>Status</u>
1.	19 June 2009	12,255.00	Paid
2.	26 June 2009	12,255.00	Paid
3.	3 July 2009	12,256.00	Outstanding

### 3.3.1 *Encumbered Equipment*

Agents were immediately instructed to prepare valuations in respect of both encumbered and unencumbered equipment.

Various items of plant and machinery were subject to chattel mortgages in favour of Venture, with a corresponding outstanding balance of £73,234. Our Agents recommended acceptance of the offer of £190,000 in respect of the encumbered equipment.

The Company also had a number of items of plant and equipment financed by other parties including Bank of Scotland plc, Carlyle Business Finance, Lombard North Central plc, GE Money, Siemens Financial Services and Albury Asset Rentals. Our Agents confirmed that there was no equity in respect of any of these items. Under the terms of the sale contract, MMP is responsible for dealing with the parties in respect of the encumbered equipment.

### 3.3.2 *Unencumbered Equipment*

The Company owned a small amount of plant and machinery and office furniture and equipment that was not subject to third party funding. Our Agents recommended acceptance of the offer of £6,997 in respect of the unencumbered equipment.

### **3.3.3 Intellectual Property**

The intellectual property rights have been sold to MMP for a nominal sum of £1.

### **3.3.4 Goodwill**

The goodwill of the business has been sold to MMP for a nominal sum of £1.

### **3.3.5 Stock and Work in Progress**

The Joint Administrators have sold such right and title as they may have in the stock and work in progress to MMP for £13,000. Under the terms of the sale contract, MMP are responsible for dealing with any retention of title issues which may arise in respect of the stock.

### **3.3.6 Centmetal Property Lease**

The Company previously traded from four separate units, one of which was owned by the holding company, Centmetal Property Limited, albeit subject to a mortgage in favour of Venture. The lease of the property was assigned to MMP simultaneous to the sale of the business and assets. This has mitigated the potential claims of the landlord against the Company. The remaining property leases are discussed at 3.5 below.

## **3.4 Book Debts**

At the date of appointment, the Company's debtor ledger totalled approximately £844,000. The debts were subject to a sales finance agreement in favour of Venture. Of this amount, £286,000 was disallowed due to the age and profile of the debts. At the date of appointment Venture had an outstanding balance of £503,000. This amount increased following Venture making various advances to assist in the payment of wages during the Administrators' trading period, as referred to earlier.

Initial investigations revealed a number of issues regarding the ledger with a number of items remaining at the Company premises, awaiting "call off" from the individual customers. In addition, there were a number of disputed invoices for items such as steel surcharge costs.

Venture own the book debts and hence these were not included within the sale of the business and assets as they were not the Company's to sell. Venture agreed to provide funding facilities to MMP, which effectively also incorporated the Company's debts and corresponding liability to Venture, and which are now the subject of a separate agreement between Venture and MMP.

If a sale had not completed, then the debts would have been collected in the usual way, and any residual balance, after termination and collection charges potentially

available to the Company. In this instance, based on estimates of costs and realisable values, we do not consider this would have produced a surplus, particularly as in the first instance any surplus would first be available to Venture under its cross guarantee security against Centmetal, which has an outstanding mortgage with Venture.

### **3.5 Properties**

The Company operated from four leasehold units at Merry Lees Industrial Estate, Desford, Leicestershire.

One lease was assigned to MMP simultaneously with the sale of the business and assets as detailed above in 3.3.6.

The Administrators have granted MMP a licence to occupy one other unit. During the period of occupation, MMP will be responsible for the payment of the rent, rates and all other outgoings. The licence to occupy is for an initial period of three months, during which time MMP will enter into negotiations with the landlord.

The Administrators will liaise with the landlords of the remaining two units with a view to agreeing informal surrenders. Our agents have confirmed there is no value in the leases and therefore the Company has no interest in them.

## **4 Statement of Affairs and Statutory Information**

At Appendix 1 is a record of the Company's statutory information.

The Directors have not submitted a statement of affairs to us at the time of this report. We have therefore produced an Estimated Financial Statement of the Company which is attached at Appendix 2, together with a schedule showing details of creditors' claims. The Directors statement of affairs will be filed at Companies House immediately upon receipt.

## **5 Joint Administrators' Receipts and Payments Account**

A copy of the latest receipts and payments account is attached at Appendix 3. Funds in hand are held in an Interest Bearing account.

## **6 Creditors' claims**

### **6.1 Secured Creditors**

#### **6.1.1 Venture Finance Plc ("Venture")**

Venture holds security in the form of an all assets debenture created on 20 February 2007 and registered on 24 February 2007 and a chattels mortgage created on 23 June 2008 and registered on 25 June 2008.

Venture also holds a deed of priority in respect of its debenture and cross guarantees in respect of any monies due from Centmetal Property Limited, the holding company.

The outstanding liability due under the chattels mortgage and amounts advanced in respect of the book debts are shown in the Estimated Finance Statement.

**6.1.2 Advantage Transition Bridge Fund Limited ("ATBF")**

ATBF hold a debenture over the Company's assets dated 19 March 2009. This is in respect of a loan of £250,000 made to Centmetal, and subject to a cross company agreement. We understand that ATBF have reached a separate agreement with Centmetal and MMP concerning the loan, and therefore we do not anticipate that they will be relying upon their security in the Company. In any event, no funds would be available for distribution.

**6.1.3 Centmetal Property Limited**

Centmetal hold a debenture created on 24 March 2009. Centmetal is owed outstanding rental amounts in respect of the leasehold property from which the Company traded. The outstanding amount totals approximately £98,000 for unpaid rental from July 2008. Due to the recent date of creation, this could be open to challenge as an antecedent transaction, but there are no funds available anyway and hence this would not be pursued.

**6.1.4 Ashley Crump ("AC")**

Ashley Crump, in his position as security trustee, holds a guarantee and debenture created on 20 February 2007. Approximately £82,000 is outstanding in respect of unpaid Directors' loans. No funds will be available for distribution.

**6.2 Preferential Creditors**

63 employees were made redundant from the Company immediately following our appointment.

The Redundancy Payments Office has yet to submit its claim against the Company in this regard however we estimate that preferential claims will total approximately £20,345. These amounts are in respect of arrears of wages and holiday pay.

It is not anticipated that there will be sufficient funds to enable a distribution to be paid to preferential creditors.

**6.3 Unsecured Creditors**

The unsecured creditor claims are estimated by the Directors of the Company as follows:

Trade and Expense Creditors

£'000

716



Employees (notice pay & redundancy claims)	348
HM Revenue & Customs (PAYE)	495
HM Revenue & Customs (VAT)	141
<b>Total</b>	<b>1,700</b>

It is not anticipated that there will be any funds to enable a distribution to be made to unsecured creditors.

A schedule of creditors is attached at Appendix 2. The schedule has been taken from the Company's books and records and will not affect any creditors' rights to prove a claim in a different amount.

## **7 Prescribed Part**

Under the provisions of Section 176A of the Insolvency Act 1986 the Joint Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part which is relevant where as in this case, a charge was created after 15 September 2003. However, in this instance there will not be sufficient funds to enable a distribution to be made under the floating charge and therefore the prescribed part will not be applicable in this case.

## **8 Achieving the Purpose of the Administration**

The statutory purpose of an Administration consists of three objectives, and we now address the progress that has been made in this respect.

- (a) The first objective is rescuing the company as a going concern (i.e. restructuring the Company's business, resulting in the survival of the Company). As referred to earlier, this was not possible due largely to the level of outstanding liabilities and trading outlook.
- (b) With regard to the second objective of 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), we have been able to sell the assets of the business as a whole with a continuation of trade. Realisations from debtors and work in progress have therefore been preserved and realisations from equipment have also been greater than would have been likely on a break up basis. Likewise, 67 jobs have been saved mitigating significant termination costs and other continuing liabilities under finance and lease agreements. For these reasons, we believe that this objective has been achieved.
- (c) The final objective is realising property in order to make a distribution to one or more secured or preferential creditors and we can advise that this is not applicable as the previous objective has been achieved.

## **9 EC Regulations on Insolvency Proceedings**

We are required under the Insolvency Rules 1986 to state whether and if so the extent to which the above regulations apply to this Administration. In this

particular case the EC Regulation will apply and these proceedings will be main proceedings as provided by Article 3 of the aforesaid Regulation.

#### **10 Joint Administrators' Remuneration**

Kindly note that under the terms of the Insolvency Rules 1986 the Joint Administrators are obliged to fix their remuneration in accordance with Rule 2.106(2) of the Insolvency Rules 1986. This permits remuneration to be fixed either as a percentage of the value of the property with which the Joint Administrators have to deal or alternatively by reference to the time the Joint Administrators and their staff have spent attending to matters in this Administration.

In respect of this Administration we wish to ask for our remuneration to be approved on a time costs basis. Attached at Appendix 4 is a schedule that summarises the time that has been spent in administering this Administration up to the date of this report. This shows a total of 439.4 hours at an average charge out rate of £209.52. For your guidance we attach a Creditors' Guide to Administrators Fees together with a document that outlines the policy of BDO Stoy Hayward LLP in respect of fees and disbursements.

Please note that in this case, fee approval is a matter for consideration by the secured creditors and we will be writing to them separately for specific approvals.

The time costs to date have been incurred as a consequence of the following:

- trading the business during the marketing period
- targeting, liaising and negotiating with interested parties
- liaising with customers, obtaining confirmation of outstanding debtor balances and securing ongoing support
- dealing with creditor queries and claims, including retention of title issues
- dealing with employee redundancies and assisting with any issues regarding retained staff
- providing secured creditors with regular progress updates
- liaising with solicitors and agents
- statutory duties
- general administrative matters

#### **11 Possible Outcomes for the Company and Creditors**

The Insolvency Act 1986 and Insolvency Rules 1986 provide a variety of options regarding the possible exit routes for the Company from the Administration, being primarily a Company Voluntary Arrangement, Liquidation or dissolution of the

Company. It is the Joint Administrators' recommendation and proposal, as detailed below, that once all assets have been realised and distributed in the Administration that the Joint Administrators arrange for the Company to be dissolved.

**12 Statement of Proposals under Paragraph 49 of Schedule B1 of the Insolvency Act 1986**

In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986 the Joint Administrators make the following proposals for achieving the purpose of the Administration. Pursuant to Rule 2.33(4), these proposals are deemed to have been approved by the creditors if no meeting is requisitioned under Paragraph 52(2) of Schedule B1 of the Insolvency Act 1986 before the deadline of 15 July 2009, as specified on Form 2.21B.

**Formal Proposals - the Joint Administrators propose that:**

- (a) they continue to manage the affairs of the Company and realise assets in accordance with objective 2 of the statutory purpose of the Administration
- (b) once all matters are concluded they shall arrange for the Company to exit the Administration by way of dissolution under Paragraph 84 of Schedule B1 of the Insolvency Act 1986.
- (c) creditors consider and if thought fit appoint a creditors' committee to assist the Joint Administrators (such committee must comprise of between 3 and 5 creditors)
- (d) in the absence of a creditors committee,

that the Joint Administrators' remuneration is approved on the basis of time properly spent in attending to matters arising in the Administration to be taken when the Joint Administrators deem it appropriate, subject to the approval of the secured creditors and, if appropriate, the preferential creditors of the Company, and

- (e) the Joint Administrators be discharged from liability under the Administration per Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 28 days after the Joint Administrators' filing their final report and sending it to creditors.

Dated: 1 July 2009

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Joanne Wright  
Joint Administrator

8/CN/ADM681 Proposals/C6



**BDO Stoy Hayward**

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**Central Metal Manufacturing Limited**  
**Statutory Information**

**Central Metal Manufacturing Limited  
In Administration**

**Statutory Information**

**Company Number:** 06055324

**Date of Incorporation:** 17 January 2007

**Address of Registered Office:** 125 Colmore Row, Birmingham, B3 3SD  
Formerly Leeseide, Merry Lees Industrial Estate,  
Desford, Leicestershire, LE9 9FS

**Directors:** Ashley David Crump  
Steven Ford  
Jonathan Handford  
Kevin Stant

All of whom were appointed on 9 February 2007

**Company Secretary:** Jonathan Handford

**Nominal Share Capital:** 1 ordinary share of £1

**Registered Shareholders:** No of £1 ordinary shares held

Centmental Property Limited

1
1

**Trading Results:**

Audited Accounts 13 Month period to 31 March 2008	Turnover £	Gross Profit £	Net Profit (after tax) £	Directors' remuneration £	Balance on P & L A/c £
	11,100,186	2,169,157	143,448	Not known	143,448

More recent financial information from the Company's management accounts is included within the body of the report.



BDO Stoy Hayward

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**Central Metal Manufacturing Limited**  
**Estimated Financial Statement & Schedule of Creditors**

Central Metal Manufacturing Limited - In Administration Estimated Financial Statement (as at 31 July 2009)				
		Book Value	Estimated Outcome	
	Notes			
<b>Assets Specifically Pledged</b>				
Book Debts	1	844,000	503,000	
Venture Finance Plc		(503,000)	(503,000)	
Estimated surplus before costs			341,000	Nil
Intellectual Property		Nil	1	
Goodwill		Nil	1	
Leasehold Property 1		Nil	1	3
			Nil	
Encumbered Plant & Machinery Due to Venture Finance Plc	2	84,837 (73,234)	190,000 (73,234)	
			11,603	116,769
Encumbered Plant & Machinery Due to Potential Asset Finance	3	9,000 (11,187)	7,000 (10,261)	
Shortfall c/f			(2,187)	(3,261)
Encumbered Plant & Machinery Due to Bank of Scotland Plc	3	275,000 (278,070)	175,000 (265,980)	
Shortfall c/f			(3,070)	(90,980)
Encumbered Plant & Machinery Due to Carlyle Business Finance	3	9,000 (11,310)	7,000 (10,440)	
Shortfall c/f			(2,310)	(3,440)
Encumbered Plant & Machinery Due to Lombard North Central Plc	3	40,000 (81,337)	10,000 (78,625)	
Shortfall c/f			(41,337)	(68,625)
Encumbered Plant & Machinery Due to GE Money	3	3,900 (6,995)	3,300 (6,597)	
Shortfall c/f			(3,095)	(3,297)
Encumbered Plant & Machinery Due to Albury Asset Rentals Limited	3	4,500 (14,479)	3,500 (13,962)	
Shortfall c/f			(9,979)	(10,462)
<b>Assets Not Specifically Pledged</b>				
Unencumbered Plant & Machinery		7,000	6,997	
Stock and Work in Progress		478,733	13,000	
Cash at Bank		2,672	2,672	
Prepayments		47,261	110	
Trading loss	4	Nil	Nil	
			535,666	22,779
Surplus funds b/fwd re specifically pledged assets				116,772
<b>Available for Costs and Expenses of Administration</b>				139,551
<b>Estimated Costs</b>				
Administrators Fees	5		(96,216)	
Legal costs	6		(28,000)	
Agents fees	7		(2,483)	
ERA solutions	8		(6,650)	
Statutory Advertising			(302)	
Insurance			(5,500)	
Bordereau			(400)	
				(139,551)
<b>Estimated Sum Available for Preferential Creditors</b>				Nil
<b>Less:</b>				
Employee claims				(20,345)
<b>Net Property Available</b>				(20,345)
<b>Less Prescribed Part</b>				
				Nil
<b>Estimated Sum Available to Floating Charge Creditors</b>				(20,345)
<b>Less:</b>				
Ashley Crump (Security Trustee)			(81,956)	
Central Property Limited			(98,056)	
ATBF			Nil	(180,012)

Estimated Sum Available to Unsecured Creditors		(200,357)
Less:		
Trade & Expense	(716,000)	
HM Revenue & Customs	(636,000)	
Employee claims	(348,480)	
Finance shortfall brought forward	(180,065)	(1,880,545)
Estimated Sum Available to Members		(2,080,902)
Less:		
Centmetal Property Limited		(1)
Estimated Shortfall to Members		(2,080,903)

- 1 As detailed in the report, the book debts are specifically charged to Venture Finance Plc. The book debts are subject to a separate agreement between Venture Finance plc and the new company, Midland Metal Products Limited, and no surplus will be available to the Administrator.
- 2 The encumbered plant and machinery is subject to a charge by Venture Finance plc. The surplus has been allowed to flow into the Administration to disburse costs in the first instance, rather than being applied in set off of other indebtedness to Venture.
- 3 Financial assets valued by Edward Symmons LLP on 26 March 2009. Book values are estimated based on management accounts at 28 February 2009.
- 4 The trading loss is estimated to total £25k on the basis that no bad debts occur. This is not included as a cost as it has effectively been funded by Venture through advances for wages and salaries during the trading period. The cash received is reflected in the receipts and payments account at Appendix 3.
- 5 An estimate of the Joint Administrators' remuneration has been made. This is subject to the approval of the secured creditors. Actual costs exceed the fee estimate but available funds are likely to be insufficient to fully discharge costs.
- 6 The legal fees are due to Hammonds LLP for costs incurred in conclusion of the sale agreement
- 7 The agents fees have been paid in full
- 8 ERA Solutions provided assistance with the redundant employees



Key Name		Address		£
CA00	A1 HYDRAULICS	92 CANNOCK STREET, TROON IND AREA, LEICESTER, LE4 9HR		249.00
CA01	AALCO CREDIT SERVICE CENTRE	EXPRESS TRADING ESTATE, STONE HILL ROAD, FARNWORTH, BOLTON, BL4 9NN		3,454.00
CA02	A E INDUSTRIAL & AIR EQUIPMENT	20/22 GRAFTON ROAD, SPARBROOK, BIRMINGHAM, B11 1JP		605.00
CA03	A.H. ALLEN SERV LTD	DOWNING ROAD, WEST MEADOWS IND ESTATE, DERBY, DE21 6HA		420.00
CA04	APPAREL MASTER	UNIT A, R & D PARK, BURBAGE, HINCKLEY, LE10 3BQ		10,169.00
CA05	ASD METAL SERVICES DAVENTRY	ALVIS WAY, ROYAL OAK IND ESTATE, DAVENTRY, NN11 5QQ		12,754.00
CA06	ARMSTRONG LOGISTICS	2-4 FLEMING ROAD, HARROWBROOK IND ESTATE, HINCKLEY, LE10 3DU		240.00
CA07	ARVIN MERTOR CONTROL LTD	15 NEW STAR ROAD, LEICESTER, LE4 9JD		5,110.00
CA08	ASD METAL SERVICES STOKE	BERRY HILL ROAD, STOKE ON TRENT, STAFFS, ST4 2NG		49,549.00
CA09	ASTWELL AUGERS LTD	HUNTINGDON ROAD, THRAPSTON, KETTERING, NORTHANTS, NN14 4PT		3,917.00
CA0A	AUT WHEELS & CASTORS	THE WHEEL HOUSE, EGMONT STREET, MOSSLEY, ASHTON UNDER LYNE, OL5 9NB		450.00
CA0B	AV INDUSTRIAL PRODUCTS	89 SCRAPTOFT LANE, LEICESTER, LE5 2FE		75.00
CA0C	ANGUS JARVIS POLISHING LTD	68 BARBY ROAD, LEICESTER		115.00
CA0D	ARMSTRONG ANALYSIS LTD	189 NEWTON ROAD, HARROWBROOK IND ESTATE, HINCKLEY, LE10 3DU		14.00
CA0E	ACE ELECTRO PLATING CO LTD	UNIT 1, 110 WORDSWORTH ROAD, LEICESTER, LE2 8EE		1,115.00
CA0F	ADAMS ENGINEERING	276 COTMANHAY, ILKESTON, DERBYSHIRE, T7 8NE		1,255.00
CA0G	AIR PRODUCTS PLC	2 MILLENNium GATE, WESTMERE DRIVE, CREWE, CHESHIRE, CW1 6AP		420.00
CA0H	ACOUSTAFORM	UNIT D, HALESFIELD 10, TELFORD, SHROPSHIRE, TF7 4QP		8,793.00
CA0I	ARCO LTD	PO BOX 21, HEAD OFFICE, WAVERLEY STREET, HULL, HU1 2SL		267.00
CA0J	ARMADILLO NOISE & VIBRATION LTD	UNIT 1 RIVERSIDE WORKS, BRIGHTON STREET, SHIPLEY, WEST YORKSHIRE, BD17 7EB		113.00
CA0K	A.E. BURGESS & SONS LTD	ULVERSCROFT ROAD, LEICESTER, LE4 6BY		82.00
CA0L	ALBERT JAGGER LIMITED	CENTAUR WORKS, GREEN LANE, WALSALL, WS2 8HG		2,029.00
CA0M	ARCTIC CIRCLE	COLDNOSE COURT, COLDNOSE ROAD, ROTHERWAS INDUSTRIAL ESTATE, HEREFORD, HR1 6JL		0.00
CA0N	ADDER MACHINES SERVICES LTD	14 BROOKSIDE PLACE, SHEEPY MAGNA, ATHERSTONE, WARWICKSHIRE, CV9 3RD		0.00
CA0O	A E INDUSTRIAL	191 CHATSWORTH ROAD, CHESTERFIELD, DERBYSHIRE, S40 2BD		0.00
CB00	BALLUFF LTD	THE AUTOMOTIVE CENTRE, FINNEY LANE, CHEADLE, CHESHIRE, SK8 3DF		313.00
CB01	BECKER POWDER COATINGS	GOODCLASS ROAD, SPEKE, LIVERPOOL, L24 9HJ		196.00
CB02	BIFFA WASTE SERVICES LTD	CORONATION ROAD, CRESSEX, HIGH WYCOMBE, BUCKS, HP12 3TZ		1,398.00
CB03	BIRCHWOOD PRODUCTS LTD	PO BOX 9018, LEICESTER, LE1 8BY		12,798.00
CB04	BOC LTD	PO BOX 6, PRIESTLEY ROAD, WORSLEY, MANCHESTER, M28 4US		6,927.00
CB05	BONEHAM & TURNER LTD	ODDICROFT IND EST, ODDICROFT LANE, SUTTON IN ASHFIELD, NG17 5FS		41.00
CB06	BUTLER FUELS	WINSTON AVENUE, CROFT, LEICESTER, LE9 6GQ		(1,227.00)
CB07	BRITISH GAS - GAS	HIGGINSHAW LANE, OLDHAM, LANCOS, OL1 3LA		62,911.00
CB08	BYSTRONIC UK LTD	MAPLE PARK, LOWFIELDS AVE, LEEDS, WEST YORKSHIRE, LS12 6HH		5,688.00
CB09	BRITISH TELECOM	TYTE, NEWCASTLE UPON TYNE, NE82 6AA		262.00
CB0A	BHARAT ALARMS	32-34 CONSTITUTION HILL, HOCKLEY, BIRMINGHAM, B19 3JT		836.00
CB0B	BRITISH GAS - ELECTRIC	PO BOX 7886, LEICESTER, LE18 1ZE		58,449.00
CB0C	BUSINESS STATIONARY DIRECT	WHEATFIELD WAY, HINCKLEY, LEICESTERSHIRE, LE10 1YG		134.00

Signature

Date

Key	Name	Address	£
CB00	Mick Ball	Plasterer and Builder, Property Repairs and Alterations, 2 Sharnard Drive, Sileby, Leicester, LE12 7SG	0.00
CC00	CHUBB FIRE LTD	400 Dallow Road, Luton, LU1 1UR, A/C P738722	583.00
CC01	CINNATI MACHINE UK	PO BOX 605, KINGSBURY ROAD, BIRMINGHAM, B24 0QU	3,868.00
CC02	CLARKE TRANSPORT	BILTON WAY, OFF LEICESTER ROAD, LUTTERWORTH, LEICS, LE17 4HJ	397.00
CC03	COMPRESSED AIR SOLUTIONS LTD	UNIT 5A ARKWRIGHT HILL FARM, LUTTERWORTH ROAD, COSBY, LEICESTER, LE9 1RH	1,041.00
CC04	CRESCENT METAL SPINNING	UNIT 31 HAIGH PARK, HAIGH AVENUE, WHITEHILL IND EST, STOCKPORT, SK4 1QR	(50.00)
CC05	CREST MEDICAL LTD	17 CHESFORD GRANGE, WOOLSTON, WARRINGTON, WA1 4RQ	299.00
CC06	CHROMADEX (BIRMINGHAM EAST)	UNIT 5 REDWOOD BUSINESS PARK, OLDBURY ROAD, SMETHWICK, BIRMINGHAM, B66 1NG	14,092.00
CC07	CHARWOOD WELDING SUPPLIES LTD	UNITS 8/6 LAZARUS COURT, WOODGATE, ROTHLEY, LEICS, LE7 7NR	20,472.00
CC08	CIT VENDOR FINANCE UK LTD	CIT HOUSE, CARYSFORT AVENUE, BLACKROCK BUSINESS PARK, DUBLIN IRELAND	464.00
CC08	CENTRAL LIFTING SERVICES UK LTD	8B TRIDENT BUSINESS PARK, ATTLEBOROUGH ROAD, NUNEATON, WARWICKSHIRE, CV11 4NS	400.00
CC0A	CORUS METAL CENTRE	12-14 BRIDLE CLOSE, STEWARTS ROAD, FINEDON ROAD IND ESTATE, WELLINGBOROUGH, NN8 4RN	76,079.00
CC0B	COST CENTRE SERVICES	THE BUSINESS CENTRE, 1538 YARMOUTH ROAD, NORWICH, NORFOLK, NR7 6SA	575.00
CC0C	C J UPTON & SONS LIMITED	SHAW LANE, MARKFIELD, LEICESTERSHIRE, LE67 9PU	27,160.00
CD00	D.J.P.T. LTD	PRIDE PARKWAY, PRIDE PARK, DERBY, DE24 8HX	(367.00)
CD01	D.G. SPRINGS LTD	84 CANNOCK STREET, TROON INDUSTRIAL ESTATE, LEICESTER, LE4 9HR	2,820.00
CD02	DIGITAL OFFICE SYSTEMS LTD	PROSPECT HOUSE, 6 BROOKSIDE, ASHBY DE LA ZOUCH, LEICS, LE65 1JW	2,338.00
CD03	DSI INSTALLATIONS LTD	2 FINSBURY AVENUE, SILEBY, LEICESTERSHIRE, LE12 7PJ	411.00
CD04	DAVIES TURNER & CO LTD	EDISONS PARK, CROSSWAYS, DARTFORD, KENT, DA2 8QJ	(1,502.00)
CD05	D TALLIS HIRE LTD	WOODSIDE GARAGE, HINCKLEY ROAD, SAPCOTE, LEICS, LE9 4LH	847.00
CE00	ELESA CLAYTON LTD	26 MOORLANDS ESTATE, METHERINGHAM, LINCOLNSHIRE, LN4 3HX	144.00
CE01	ELF PRODUCTIVITY LTD	THE STABLES, SKULL HOUSE LANE, APPELEY BRIDGE, LANCASHIRE, WN6 9DJ	260.00
CE02	EMKA (UK) LTD	BODMIN ROAD, COVENTRY, CV2 5DB	2,772.00
CE03	ERA PRODUCTS	STRAIGHT ROAD, SHORT HEATH, WILLENHALL, WEST MIDLANDS, WV12 6RA	3,854.00
CE04	EUCHNER (UK) LTD	UNIT 2, PETRE DRIVE, SHEFFIELD, S4 7PZ	383.00
CE05	ELMAC TECHNOLOGIES LTD	GREENFIELD, HOLYWELL, NORTH WALES, CH8 9DP	1,016.00
CE06	EXPENSE REDUCTION ANALYSTS	68 CHARTWELL AVENUE, WINGERWORTH, CHESTERFIELD, DERBYSHIRE, S42 6SP	9,624.00
CF00	FH BRUNDLE	HAYDOCK LANE, HAYCOCK IND ESTATE, ST HELENS, WA11 9XE	1,675.00
CF01	FORMSEAL (SOUTH) LTD	23 SNOWDROP CLOSE, NARBOROUGH, LEICS, LE19 3YB	2,844.00
CF02	FAN ENGINEERING MIDLANDS LTD	19B SANDY WAY, AMINGTON IND ESTATE, TAMWORTH, B77 4DS	(1,242.00)
CG00	GLASWERKE HALLER GMBH	POSTFACH 27, D-32274, KIRCHLENGERN	(1,626.00)
CG00	GVA Grimsley Ltd	3 Brindley Place, Birmingham, B1 2JB	0.00
CG01	GOLD & WASSALL LTD	CASTLE WORKS, LUTCHFIELD ROAD IND ESTATE, TAMWORTH, STAFFS	60.00
CG02	GREENTREE SHERCON	BISHOPS LEYS BUSINESS PARK, WOODMANCOTE, CHELTENHAM, GL62 9QH	425.00
CH00	HAFELE UK LTD	SWIFT VALLEY IND ESTATE, RUGBY, CV21 1RD	(237.00)
CH01	HELLER MACHINE TOOLS LTD	RAVENSBANK DRIVE, NORTH MOONS MOAT, REDDITCH, WORCS, B88 9NA	3,035.00
CH02	HEPCO SLIDE SYSTEMS LTD	LOWER MOOR BUSINESS PARK, TIVERTON WAY, TIVERTON, DEVON, EX18 6TG	5,322.00
CH03	HINCKLEY PLUMBING & HEATING	19 HURST ROAD, HINCKLEY, LEICS, LE10 1AB	0.00

Signature

Date

Version 2.00

Key	Name	Address	£
CH04	HIRE STATION MIDLANDS	FIELD FARM ROAD, LONG EATON, NOTTINGHAM, NG10 3FZ	299.00
CH05	HUB LE BAS	NOBEL ROAD, ELEY TRADING ESTATE, ANGEL ROAD, EDMONTON LONDON	1,938.00
CH06	HUCKERBY ROYALL SYSTEMS LTD	UNIT 8 WARREN PARK WAY, THE WARRENS BUSINESS PARK, ENDERBY, LEICS, LE19 4SA	896.00
CH07	HEAT TREATMENTS	SHEAF CLOSE, LODGE FARM IND ESTATE, NOTHAMPTON, NN5 7UL	10.00
CH08	HILL HIRE PLC	ROYDSDALE HOUSE, ROYDSDALE WAY, EUROWAY INDUSTRIAL ESTATE, BRADFORD, BD4 6SE	1,912.00
CH09	HOLBUCK COMPONENTS LTD	2 POMEROY DRIVE, OADBY INDUSTRIAL ESTATE, OADBY, LEICESTER, LE2 6NE	1,087.00
CH0A	HAPPICH AGENCY	UNIT 30, FORT IND PARK, FORT PARK WAY, CASTLE BROMWICH, B35 7AR	129.00
CH0B	HICKLING AND SQUIRES	UNIT 1, ENGINE LANE, MOORGREEN IND PARK, MOORGREEN, NOTTINGHAM, NG16 3QU	155.00
CH0C	HPC GEARS LTD	UNIT 14, FOXWOOD IND ESTATE, FOXWOOD ROAD, CHESTERFIELD, S41 9RN	2,365.00
CH0D	HIGHFLYER WEB DESIGN	10 LOWER SCHOOL DRIVE, RUABON, WREXHAM, LL14 6RP	88.00
CH0E	HMRC	Insolvency Operations, Queens Dock, Liverpool, L74 4AF	140,595.00
CH0F	HMRC	1 Saxon House, Causeway Lane, Leicester, LE1 4AA	495,000.00
CI00	INFOSYSTEMS LTD	THE BARN, BRIDGE FARM HOLT LANE, ASHBY MAGNA, LUTTERWORTH LEICS, LE17 6NJ	346.00
CI01	INNOTEC SUPPLIES LTD	C/O CPA (PAID) LTD, CPA HOUSE, 350 KING STREET, LONDON, W8 0RX	182.00
CI02	I.G BURTON MACHINE SERVICES	43 GREENGATE LANE, BIRSTALL, LEICESTER, LEICESTERSHIRE, LE4 3JF	1,518.00
CI03	INITIAL WASHROOM SOLUTIONS	PO BOX 4975, DUDLEY, DY1 9FA	528.00
CI04	IGS SERVICE	STEPHENSON ROAD, CALMORE IND EST, TOTTON, HAMPSHIRE, SO40 3RY	684.00
CI05	IRONGATE GROUP LTD	KINGSWAY PARK CLOSE, KINGSWAY IND PARK, DERBY, DE22 3FT	1,617.00
CI06	INVER UK LTD	GOODGLASS ROAD, SPEKE, LIVERPOOL, L24 9HJ	0.00
CJ00	JERRARDS PLC - In Liquidation	C/o Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU	8,642.00
CJ01	JOHNSON PACKAGING	THE OLD DAIRY, STURTON RD, BRANDON, GRANTHAM, Lincs, NG32 2AX	5,217.00
CJ02	JORGENSEN CONVEYORS INC	10303 NORTH BAEHR ROAD, MEQUON, WISCONSIN, USA, 53092-4611	419.00
CJ03	JPL STEEL STOCK LTD	PINFOLD ROAD, THURMASTON, LEICESTERSHIRE, LE4 8AS	182.00
CJ04	JOHN TANTON	POYNTON IND ESTATE, LONDON ROAD, POYNTON, STOCKPORT, SK12 1NB	42,042.00
CJ05	J COATES LTD	48-50 GREAT CENTRAL STREET, LEICESTER, LE1 4NF	804.00
CJ06	JET PRESS LTD	NUNN CLOSE, HUTHWAITE, NOTTINGHAM, NG17 2HW	51.00
CJ07	JC ENGINEERING LTD	8 MARKET OVERTON IND ESTATE, THISTLETON ROAD, MARKET OVERTON, RUTLAND, LE15 7PP	3,671.00
CJ08	JOHNSONS APPARELMASTER	UNIT A, RED PARK, LOGIX ROAD, BURBAGE, LE10 3BQ	0.00
CK00	KULLEN GMBH & CO KG	POSTFACH 2044, D-72710, REUTLINGEN	368.00
CK01	KEY SECURITY	9 GLOUCESTER CLOSE, DESFORD, LEICESTER, LE15 9HQ	245.00
CK02	KINETIC COURIERS & EXPORTS LTD	SCRAPTOFT HOUSE, HAMILTON LANE, SCRAPTOFT, LEICESTERSHIRE, LE17 9SB	647.00
CK03	KP MECHANICAL HANDLING LTD	UNIT E, MERRYLEES IND ESTATE, LEESIDE, DESFORD, LEICESTERSHIRE, LE9 9FS	771.00
CK04	KENNEDY & CO	2ND FLOOR, 92 LICHFIELD STREET, TAMWORTH, STAFFORDSHIRE, B79 7QF	(390.00)
CL00	LASER PROCESS	UPPER KEYS, KEYS PARK, CANNOCK, STAFFS, WS12 2GE	911.00
CL01	LCH GENERATORS LTD	13 MAIN STREET, MILNGAVIE, GLASGOW, G62 6BJ	2,202.00
CL02	LOWE & FLETCHER	MOORGROFT DRIVE, WEDNESBURY, WEST MIDLANDS, WS10 7DE	485.00
CL03	LVO (UK) LTD	UNIT 3, WILMERE ROAD, BANBURY, OXFORDSHIRE, OX16 3JU	7,039.00
CL04	LAWMAN COMMERCIAL SERVICES LTD	31 MERRYLEES INDUSTRIAL ESTATE, LEESIDE, DESFORD, LEICESTERSHIRE, LE9 9FS	778.00

Signature

Date

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Key	Name	Address	£
CL05	LEENGATE METALS	REDFIELD ROAD, LENTON, NOTTINGHAM, NG7 2UJ	4,274.00
CL08	LEXIS NEXIS		470.00
CL07	LUTTERWORTH LOGISTICS LTD	BLOCK 1 THE WHITTLE ESTATE, CAMBRIDGE ROAD, WHETSTONE, LEICESTERSHIRE, LE8 6LH	327.00
CM00	MICK BALL	2 SHERRARD DRIVE, SILEBY, LEICS, LE12 7SG	240.00
CM01	METATEC LTD	FITZHERBERT ROAD, PORTSMOUTH, PO8 1RU	230.00
CM02	METOKOTE UK LTD	HACKWOOD ROAD, LONG MARCH, DAVENTRY, NORTHANTS, NN1 4NR	(67.00)
CM03	MIDLAND IMPORT EXPORT SERVICES	INTERNATIONAL LOGISTICS, BONEHILL ROAD, TAMWORTH, STAFFS, B76 3HH	220.00
CM04	MIDLAND METAL SAWING SERVICES	OLDSTATION CLOSE, COALVILLE, LEICS, LE67 3FH	2,290.00
CM05	M & T WELDING SYSTEMS LTD	RETURN TO SENDER	11,328.00
CM06	M-TEC ENGINEERING SOLUTIONS	50-54 ST PAULS SQUARE, BIRMINGHAM, WEST MIDLANDS, B3 1QS	3,878.00
CM07	M & M CLEANING SERVICES LTD	43 LIME GROVE, KIRBY MUXLOE, LEICESTER, LE8 2DF	230.00
CM08	MISUMI UK LTD	NO 1 THE COURTYARD, 78-78 HIGH STREET, STAINES, MIDDLESEX, TW18 4DP	4,374.00
CM09	MICROKERF	21 BOSTON ROAD, GORSE HILL IND ESTATE, LEICESTER, LE4 1AW	3,397.00
CM0A	METAFIN GROUP HOLDINGS LTD	GREEN LANE, WALSALL, WEST MIDLANDS, WS2 8JG	869.00
CM0B	MINOR PLANET LTD	GREENWICH HOUSE, 223 NORTH STREET, LEEDS, LS7 2AA	89.00
CM0C	MICROMAGNETICS LTD	THE LOFT, 44 MARKET SQUARE, WITNEY, OXFORDSHIRE, OX28 8AC	63.00
CM0D	MOBILE HYDRAULICS LTD	FIELD HOUSE, STANDARD HILL, COALVILLE, LEICESTERSHIRE, LE67 3HJ	159.00
CM0E	MTE Midland Timber Engineering Units	Angle House, Soudamere Road, Leicester, LE3 1UQ	86.00
CM0F			0.00
CN00	NEOPOST LTD	NEOPOST HOUSE, SOUTH STREET, ROMFORD, ESSEX, RM1 2AR	(324.00)
CN01	NOTTINGHAM PEST CONTROL LTD	KESTREL BUSINESS CENTRE, PRIVATE ROAD NO 2, COLWICK, NOTTINGHAM, NG24 2JR	346.00
CN02	NALCO LTD	WINNINGTON AVENUE, NORTHWICH, CHESHIRE, CW8 4DX	7,905.00
CN03	NSI GROUP	WHITACRE ROAD IND ESTATE, NUNEATON, WARWICKSHIRE, CV11 6BY	2,875.00
CN04	NEUTECH POWDER COATING LTD	85-87 MORRIS ROAD, LEICESTER, LE3 6BR	46.00
CN05	NEW STAR POWDER COATINGS	21 farcombe rd, 219 HUMBERSTONE LANE, WORTHING, W SUSSEX, BN11 2BW	3,575.00
CN06	NORMANTON METAL SPINNING	UNIT M HATHERN IND EST, REMSPSTONE ROAD, NORMANTON ON SOAT, LOUGHBOROUGH, LE12 5EW	690.00
CN07	NEADEN TOOLS LTD	7 HIGHMERES ROAD, THURMASTON LANE IND ESTATE, LEICESTER, LE4 9LZ	518.00
CN08			0.00
CN09	National Insurance Fund		348,480.00
CO00	OADBY PLASTICS LIMITED	ELLEAND ROAD, BRAUNSTONE FRITH IND ESTATE, LEICESTER, LE3 1TU	3,022.00
CO01	O2 UK LTD	260 BATH ROAD, SLOUGH, BERKSHIRE, SL1 4DX	21.00
CP00	PARAMOUNT FORK LIFT TRUCKS	ACRON PARK, REDFIELD ROAD, LENTON, NOTTINGHAM, NG7 2TR	1,700.00
CP01	PRITEK LEICESTER	22 OSWIN ROAD, BRAILSFORD IND PARK, LEICESTER, LE3 1HR	(996.00)
CP02	POLYTHENE UK LTD	UNIT 7, THORNY LEYS BUS PARK, WITNEY, OXFORD, OX28 4GH	5,085.00
CP03	PD SUPPLIES LTD	FOREST BUSINESS PARK, WALKER ROAD, BARDON, LEICESTERSHIRE, LE87 1TU	(740.00)
CP04	PLASTIC PARTS CENTRE	UNIT 12, OLD FORGE TRADING ESTATE, DUDLEY ROAD LYE, STOURBRIDGE, DY9 6EL	841.00
CP05	PYBURN ENGINEERING	12 LEYS AVENUE, DESBOROUGH, NR KETTERING, NORTHANTS, NN14 2NX	757.00
CP06	POWERJACKS	SOUTH HARBOUR ROAD, FRASERBURGH, ABERDEENSHIRE, AB43 8EZ	11,405.00

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Key	Name	Address	£
CP07	PHS GROUP PLC	WESTERN IND ESTATE, CAERPHILLY, CF83 1XH	907.00
CP08	PULLMAX LTD	6 RILEY COURT, MILLBURN HILL ROAD, UNIVERSITY OF WARWICK SCIENCE PARK, COVENTRY, CV4 7HP	2,088.00
CP09	PALLETMAN SERVICES	9 ASHBY ROAD, MARKFIELD, LEICESTERSHIRE, LE87 8JB	1,049.00
CP0A	P D J VIBRO	46 BARTON ROAD, WATER EATON IND EST, BLETCHLEY, BUCKS, MK2 3BB	483.00
CP0B	PAUL MITCHELL ASSOCIATES	57 REGENT ROAD, LEICESTER, LE1 6YF	4,729.00
CP0C	PLANIT SOFTWARE LTD	ORBITAL HOUSE, MOAT WAY, ASHFORD, KENT, TN24 0TT	0.00
CQ00	QEF GLOBAL ENGLAND LTD	BUILDING 81, THE PENNETT ESTATE, KINGSWINFORD, WEST MIDLANDS, DY6 7FJ	0.00
CQ01	QIMTEK	THE SQUARE, BASIN VIEW, BASINGSTOKE, RG21 4EB	1,887.00
CR00	ROY HOPWOOD FASTNERS LTD	HIBBERT STREET, WHITEHILL IND ESTATE, STOCKPORT, SK4 1NS	0.00
CR01	RAM GASKET SOLUTIONS	CARDREW IND ESTATE, REDRUTH, CORNWALL, TR15 1SS	6,422.00
CR02	REMMERT AUTOMATION	BRUNNENSTRASSE 113 D 32584, LOHNE POSTFACH, 1464, D32557, GERMANY	179.00
CR03	RMIG LTD	1-2 ADLINGTON COURT, RISLEY ROAD, BIRCHWOOD, WARRINGTON CHESHIRE, WA3 6PL	4,805.00
CR04	ROSS HANDLING LTD	58 CANNOCK STREET, LEICESTER	633.00
CR05	ROWN TELMAC	ROWAN HOUSE, HORTONWOOD 33, TELFORD, SHROPSHIRE, TF1 7EX	580.00
CR06	RS COMPONENTS LTD	PO BOX 888, CORBY, NORTHANTS, NN17 1UB	10,589.00
CR07	ROUT 1 EURO .CO. LTD	INTERNATIONAL HOUSE, ASFARE BUSINESS PARK, HINCKLEY ROAD, WOLVEY LEICS, LE10 3HQ	839.00
CR08	R.V. RUGG LTD	STATION LANE, FEATHERSTONE, PONTFRAC, WEST YORKSHIRE, WF7 5BA	1,815.00
CR09	ROLL CONTAINERS HANDLING LTD	OLD MILL HOUSE, BRUNEL CLOSE, NORTHFIELD AVE, KETTERING, NN16 8HU	94.00
CR0A	ROTECH LABORATORIES LTD	MOXLEY IND ESTATE, WESTERN WAY, WEDNESBURY, WEST MIDS, WS10 7BG	(423.00)
CR0B	RENTOKIL INITIAL	CASTLEGATE HOUSE, CASTLEGATE WAY, DUDLEY, WEST MIDS, DY1 4RR	40.00
CR0C	ROCKWELL AUTOMATION	GOODS IN - B, DENBIGH ROAD, BLETCHLEY, MILTON KEYNES, MK1 1EP	1,498.00
CS00	SABIT LTD	EMERALD WAY, STONE BUSINESS PARK, STONE, STAFFORDSHIRE, ST15 9SR	350.00
CS01	SAGE (UK)	NORTH PARK, NEWCASTLE UPON TYNE, NE13 9AA	184.00
CS02	SAT ABRASIVES (UK) LTD	REGENT STREET, NARBOROUGH, LEICESTER, LE9 5DL	131.00
CS03	SCOT BENNETT ENGINEERING LTD	UNITS 2/3, HORSLEY ROAD, KINGSTHORPE, NORTHAMPTON, NN2 6LJ	15,693.00
CS04	SEBDEN STEEL	CRAVEN ROAD, BRADHEATH, ALTRINCHAM, WA14 6HE	3,815.00
CS05	SEGE SICHERHEITSFENSTER GMBH	POSTFACH 43 41, 70718 FELLBACH-SCHMIDEN, GERMANY	217.00
CS06	SIMES FASTNERS LTD	BRUNDEL WAY, STEPHENSON IND ESTATE, COALVILLE, LEICS, LE87 3HF	6,371.00
CS07	SMITH BROTHERS STORES LTD	BATTEN STREET, AYLESTONE ROAD, LEICESTER, LE2 7PB	16,360.00
CS08	STABILUS	POSTFACH 2014541, D58014, KOBLENZ	331.00
CS08	STAUFF LTD	500 CARLISLE STREET EAST, OFF DOWNGATE DRIVE, SHEFFIELD, REDDITCH, S4 8BS	210.00
CS0A	STM POWER TRANSMISSION LTD	UNIT 1, OASIS BUSINESS CENTRE, ROAD ONE WINSFORD IND EST, CHESHIRE, CW7 3RY	4,525.00
CS0B	SEVERN TRENT WATER	PAYMENT ALLOCATIONS, 158-170 NEWHALL STREET, BIRMINGHAM, B3 1SE	1,166.00
CS0C	SAFETY-KLEEN UK LTD	SAFETY KLEEN HOUSE, 390 LONDON ROAD, ISLEWORTH, MIDDLESEX, TW7 5AN	2,185.00
CS0D	STEEL STOCK LTD	CADLEY HILL IND ESTATE, RYDER CLOSE, SWADLINCOTE, DERBYSHIRE, DE11 9EU	354.00
CS0E	STOUR PRECISION TOOLS LTD	GEORGE BAYLISS ROAD, BERRYHILL IND ESTATE, DROITWICH, WORCS, WR9 1RB	(910.00)
CS0F	SHROPSHIRE GALVANISERS	UNITS 12 & 13 MAES-Y-COED, MAESBURY ROAD IND ESTATE, OSWESTRY, SHROPSHIRE, SY10 8NN	46.00
CS0G	SIX HILLS PALLETS LTD	UNIT 16A, GLOVER WAY OFF MOORE RD, SOUTH LEICS IND ESTATE, ELLISTOWN, LEICS LE87 1EU	310.00
			1,215.00

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Key	Name	Address	£
CS0H	SUNDRIES ACCOUNTS		(1,181.00)
CS0I	SENTINEL PLASTICS		72.00
CS0J	SAINT GOBAIN ABRASIVES		78.00
CS0K	SENTINEL PLASTICS LTD		0.00
CS0L	SPEEDY POWER LIMITED		0.00
CS0M	SIGNCRAFT		0.00
CT00	THE LASER CUTTING CO LTD	39 WRIGHTS LANE, CRADLEY HEATH, WEST MIDLANDS, B64 6QY	4,214.00
CT01	THE LEICESTER BEARING CO	CHASE HOUSE, 16 THE PARKS, NEWTON LE WILLOWS, MERSEYSIDE, WA12 0JQ	1,463.00
CT02	THE PACKAGING COMPANY	UNIT 2, BRETRY SERVICE STATION, ASHBY ROAD EAST, BRETRY, BURTON ON TRENT, DE150TS	6,462.00
CT03	TELINET SOLUTIONS LTD	55-56 CATLEY ROAD, DARVALL, SHEFFIELD, S9 5JF	21.00
CT04	THK UK	TUNNEL TOP, 10 PUTNEY ROAD, FREEMANS COMMON, LEICESTER	124.00
CT05	THREESOND EUROPE SA UK	UNIT D, 141 SCUDAMORE RD, BRAUNSTONE FRITH IND ESTATE, LEICESTER, LE3 1UQ	517.00
CT08	TRIFORM LIMITED	52 SOUTHWARK BRIDGE ROAD, LONDON, SE1 0AR	738.00
CT07	TRIMITE LTD	1 HARRISON CLOSE, KNOWHILL, MILTON KEYNES, MK5 8PA	1,021.00
CT08	TUBE ENGINEERING	5 NEWMARKET COURT, KINGSTON, MILTON KEYNES, MK10 0AG	162.00
CT09	TNT LIMITED	UNITS 2 & 3 VIKING, TAME VALLEY IND ESTATE, WILNECOTE, TAMWORTH, B77 5DU	(141.00)
CT0A	TRANSMISSION OF POWER	ARUNDEL ROAD, UXBRIDGE, MIDDLESEX, UB8 2SD	3,104.00
CT0B	TONY SEAL LTD	UNIT 5 HURST END FARM, HURST END, N CRAWLEY, BUCKINGHAMSHIRE, MK16 9HS	78.00
CT0C	TOP TUBES LTD	PO BOX 4, RAMSBOTTOM, BURY, LANCs, BL9 9AR	17,358.00
CT0D	TEREX PEGSON LTD	UNIT 37, SKETCHLEY MEADOWS IND EST, HINCKLEY, LEICS, LE10 3ES	0.00
CT0E	TRIFORM LIMITED	RETURN TO SENDER	0.00
CV00	V NETWORKS LTD	2 SMITH ROAD, OFF POTTERS LANE, WEDNESBURY, WEST MIDLANDS, WS10 0PD	(119.00)
CW00	WASHCO LTD	MAMMOTH STREET, COALVILLE, LEICESTER, LE873GN	228.00
CW01	WELDTX METAL FABRICATIONS	UNITS 2 & 3 VICKING, TAME VALLEY INDUSTRIAL ESTATE, WILNECOTE, TAMWORTH, B77 5DU	787.00
CW02	WILSON TOOL INTERNATIONAL	BRACON HOUSE, 34-28 HIGH HOLBORN, LONDON, W1V 6AE	669.00
CW03	WIXROYD INTERNATIONAL LTD	WASHCO LTD, 8A MIDLAND HOUSE, WILLOW PARK IND EST UPTON LANE,, STOKE GOLDING NUNEATON,WARKS, CV13 6EU	74.00
CW04	WRITE ON OFFICE SUPPLIES LTD	NO LONGER CREDITOR	1,793.00
CW05	WDS LTD	STIRLING ROAD, SOUTH MARSTON IND EST, SWINDON, WILTSHIRE, SN9 4TQ	4,121.00
CW06	WILLENHALL TUBE & FORGING CO LTD	ALEXIS HOUSE, DUNLEY HILL COURT, RAMMORE, DORKING SURREY, RH5 6SX	112.00
CW07	WILSON INSURANCE BROKERS LTD	TRENT HOUSE, PRIVATE RD NO 7, COLWICK INDUSTRIAL ESTATE, NOTTINGHAM, NG4 2JW	553.00
CW08	WF WELDING 2000 LTD	RICHARDSHAW ROAD, GRANGEFIELD IND ESTATE, PUDSEY, LEEDS, LS28 6LE	126.00
CY00	YORK METROLOGY LTD	UNITS 6 & 7, BLOXWICH LANE IND ESTATE, BLOXWICH LANE, WALSALL, WS2 8TF	
		WILSON HOUSE, 1/3 WAVERLEY STREET, NOTTINGHAM, NG7 4HG	
		33 STATION ROAD, HUGGLESCOTE, COALVILLE, LEICESTERSHIRE, LE87 2GA	
		6 HIGHMERES ROAD, LEICESTER, LEICESTERSHIRE, LE4 8LZ	
222 Entries Totalling			1,700,116.00

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Date

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**BDO Stoy Hayward**

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**Central Metal Manufacturing Limited**  
**Receipts and Payments Account**

**Central Metal Manufacturing Limited  
(In Administration)**

**Income and Expenditure Account  
To 01 July 2009**

<b>INCOME</b>	<b>Total (£)</b>
Sales	66,889.54
Venture Funding for Wages	40,500.00
Plant & Machinery	177,744.00
Goodwill	1.00
Intellectual Property	1.00
Leasehold Property (1)	1.00
Plant & Machinery	6,997.00
Stock/WIP	13,000.00
Cash at Bank	2,672.27
Miscellaneous Refunds	110.00
Bank Interest Gross	0.85
Petty Cash	335.28
	<u>308,251.94</u>

<b>EXPENDITURE</b>	
Purchases (1)	5,290.07
Direct Labour	74,496.78
Sundry Expenses	185.51
Stationery	32.49
Chargeholder (1)	73,234.00
Agents/Valuers Fees (1)	2,842.84
Statutory Advertising	202.23
	<u>156,283.92</u>
Balance	<u>151,968.02</u>

**MADE UP AS FOLLOWS**

Vat Receivable	1,907.82
Fixed Current A/c	129,544.00
Floating Current A/c	28,136.10
Client	3,073.07
Vat Payable	<u>(10,692.97)</u>
	<u>151,968.02</u>





**BDO Stoy Hayward**

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**Central Metal Manufacturing Limited**  
**Time Costs Schedule**

# Central Metal Manufacturing Limited

Details of Time Charges and Rates Applicable for the Period From 7 May 2009 to 19 June 2009

Description	Partner/Director		Manager		Assistant Manager		Senior Administrator		Administrator		Other Staff		Grand Total		Ave Rate
	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	
B. Steps on Appointment			14.50	3,857.00			112.50	18,787.50	1.25	75.25			128.25	22,720.75	177.16
C. Planning and Strategy	8.00	2,912.00											8.00	2,912.00	364.00
D. General Administration			0.10	19.80			22.25	3,715.75			2.50	152.50	24.85	3,888.05	158.48
E. Asset Realisation/Dealing	31.75	11,557.00	76.85	17,815.80	0.30	84.30	14.25	2,382.75	8.00	1,374.00	15.00	1,230.00	147.15	34,413.85	233.87
F. Trading Related Matters	0.50	182.00	59.80	15,827.00			46.00	7,652.00					106.00	23,691.00	223.50
H. Creditor Claims			0.55	108.90			8.50	1,419.50			0.60	58.20	9.65	1,586.60	164.41
I. Reporting			4.00	1,084.00			8.50	1,419.50	3.00	368.00			15.50	2,849.50	183.84
Net Total													438.40	92,081.75	

**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 and explains the basis on which fees are fixed.

**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 fees**

- 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 either:

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

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed and, if it is fixed as a percentage fix the percentage to be applied. 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, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator.

- 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 a resolution of the creditors shall be taken as passed if, and only if, passed with 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.

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 What information should be provided by the administrator?**

**5.1 When seeking fee approval**

- 5.1.1 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.

- 5.1.2 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.

- 5.1.3 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, and professional guidance has been provided setting out a minimum of 6 category headings under which the work done by the officeholder and his staff should be analysed. As a firm BDO Stoy Hayward LLP operates a computerised time recording system which analyses work done under the following categories:-

- Pre Appointment Matters
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management