

The Insolvency Act 1986

Administrator's progress report

2.24B

Name of Company Midland Sheetmetal Limited	Company Number 02101564
In the High Court of Justice, Chancery Division, Birmingham District Registry (full name of court)	Court case number 4129 of 2007

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

We (a) Stuart David Maddison of PricewaterhouseCoopers LLP, Donington Court, Pegasus Business Park, Castle Donington, Derbyshire DE7 2UZ and David Matthew Hammond of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street Birmingham B3 2DT

joint administrators of the above company, attach a progress report for the period

from to

(b) Insert dates

(b) 6 February 2007

(b) 5 August 2007

Signed St Maddison
Joint Administrator

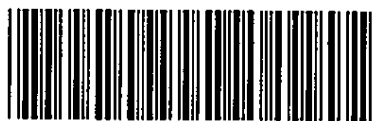
Dated 22/08/07

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.

Lucy Norfolk	
PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP	
	Tel 0113 289 4841
DX Number	DX Exchange

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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

22 August 2007

When telephoning please ask for Lucy Norfolk on 0113 289 4841

Our ref LVN/KRB/Midland Sheetmetal/082001

Dear Sirs

Midland Sheetmetal Limited-- in administration ("the Company")

I refer to my proposals dated 15 March 2007 and I am pleased to now provide you with a report on the progress in this administration

Statutory and Financial Information

I enclose the following for your information

- Appendix A Statutory information on the administration
- Appendix B Administrators' receipts and payments account to 5 August 2007
- Appendix C Time cost analysis for the period from 6 February 2007 to 31 July 2007

Assets and Creditors' Claims

The purpose of the administration detailed in the administrators' proposals, which were approved by creditors, was to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration) I believe that this objective has been achieved

On appointment, the administrators made the decision to continue to trade the business whilst efforts were made to secure a sale of the business as a going concern On 20 February 2007, a going concern sale was completed and the purchaser continues to trade the business as Central Metal Manufacturing Limited

The total consideration for the business and assets was £1,065,000 which was received on the date of sale The purchaser also agreed to pay deferred consideration to cover any shortfall in sales compared to an agreed budget during the administration trading period and take on certain assets and leasehold property liabilities The total deferred consideration of £32,000 has now been received

Book debts were excluded from the sale of business On appointment the sales ledger stood at £1 85m, to date £1 63m has been collected which has enabled Bank of Scotland Cashflow Finance ("BOSCF") to be repaid in full The administrators' staff are continuing to pursue the remaining book debts and trading sales debts from the administration

To date £950,000 has been distributed to the Bank under its fixed and floating charges

As mentioned in the administrators' proposals the Company has a subrogated claim against Dalby Holdings Limited and its other subsidiaries ("the Group") in respect of the indirect Bank debt it has paid on the Group's behalf. At the time of the proposals the Group and its subsidiaries had made an offer of £100,000 to settle the contingent claim with the Company. The administrators have been in negotiations with the Group and have agreed a settlement of £150,000 plus an uplift dependent on profits generated in 2007/08. In addition the administrators have negotiated that any claims of the Group against the Company, in respect of liabilities at appointment, will be excluded in the subsequent liquidation, this is estimated at £156,000 based on the statement of affairs. This settlement is expected to be completed shortly. This settlement will be paid in monthly instalments from completion through to May 2008.

The administrators are also negotiating a sale of the Company's tax losses by way of a sale to the Group, this realisation is estimated to be approximately £120,000 dependent on the final level of tax losses.

Administrators' Fees

I attach as Appendix C an analysis of the administrators' time costs which total £272,542 for the period from 6 February 2007 to 31 July 2007. Against these costs the administrators have drawn fees totalling £183,000 in accordance with the authority provided at the meeting of creditors and the secured creditor.

Exit from the Administration

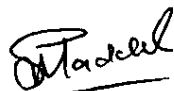
I intend to place the Company into Creditors' Voluntary Liquidation as soon as reasonably practicable, following settlement of the subrogated claim and the sale of the tax losses.

I shall file notice under paragraph 83(1) Schedule B1 IA86, ending the administration and placing the Company into Creditors Voluntary Liquidation.

Once the liquidation process has been completed the Company will then be dissolved.

Should you have any queries, please do not hesitate to contact my colleague, Lucy Norfolk on 0113 289 4841.

Yours faithfully
For and on behalf of the Company



S D Maddison
Joint Administrator

Enclosure Statutory information
 Receipts and Payments Account
 Time cost analysis for the period from 6 February 2007 to 31 July 2007
 Form 2 24B

Stuart David Maddison and David Matthew Hammond have been appointed as joint administrators of Midland Sheetmetal Limited to manage its affairs, business and property without personal liability. Stuart David Maddison is licensed to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales. David Matthew Hammond is licensed to act as an insolvency practitioner by the Association of Chartered Certified Accountants.

Midland Sheetmetal Limited - in administration

Statutory information

Registered number	02101564	
Registered office	Benson House 33 Wellington Street Leeds LS1 4JP	
Court details	High Courts of Justice Chancery Division Birmingham District Registry Case Number 4129 of 2007	
Date of appointment	6 February 2007	
Name and address of person appointing	The Directors of the Company 205 Gloucester Crescent Wigston Leicestershire LE18 4YQ	
Administrators names and addresses	Stuart David Maddison PricewaterhouseCoopersLLP Donington Court Pegasus Business Park Castle Donington Derbyshire DE7 2UZ	David Matthew Hammond PricewaterhouseCoopersLLP Cornwall Court 19 Cornwall Street Birmingham B3 2DT
Division of the Administrators' responsibilities	In relation to Paragraph 100(2) Schedule B1 Insolvency Act 1986, 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 of all of the persons appointed or any of the persons for the time being holding that office	

Midland Sheetmetal Limited - in administration
6 February 2007 to 5 August 2007

Receipts

BOSCF Factored Debts	1,634,391
Freehold Property	800,000
Plant & Machinery	215,000
Finished Goods	32,000
Stock	49,997
Leasehold Property	1
Goodwill	1
Intangible assets	1
Post appointment trading sales	233,708
Rental income	36,847
Refunds	27,916
Interest received gross	7,509
VAT Payable	42,900
	<u>3,080,270</u>

Payments

Secured Creditor - BOSCF	1,332,105
Distribution to Chargeholder	950,000
Preferential Creditors	63,922
Purchases	101,895
Net Wages	65,454
PAYE & NIC	19,529
Employee-related Costs	12,790
Subcontractors	381
Rent	36,846
Insurance	8,247
Utilities	5,343
Motor & travel expenses	96
Repairs & maintenance	1,600
IT costs	60
Office Holder's Fees	183,000
Office Holder's Expenses	782
Legal Fees & Expenses	50,416
Agents' Fees	2,295
Debt Collection Fees	9,909
Professional Fees	4,150
Statutory advertising	430
Advertising (non-statutory) expenses	2,718
Postage & Stationery & Printing	1,124
Bank charges	2,445
Retention of Title payments	10,841
VAT Receivable	66,834
VAT receipts/ payments	25,520
	<u>2,958,732</u>
Balance in hand	<u>121,538</u>

Midland Sheetmetal Limited - in administration
Analysis of time costs for the period from 6 February 2007 to 31 July 2007

Classification of work	Partner		Senior Director		Manager		Executive		Analyst		Support		Total hours	Time cost	Average hourly rate
	Partner	Director	Manager	Manager	Manager	Executive	Analyst	Support	Analyst	Support					
1. Strategy & planning	30		13		18 25	2							63 25	12,523	197 99
2. Team management	12	4	18 8	2 5	6 5								43 8	10,396	237 35
3. Statutory & compliance	8 5		53 6	25 25	12 6	114 1	8 25						222 3	31,983	143 87
4. Sale of business	5		51		77 2	4							133 2	21,989	165 08
5. Asset realisation	6		0 1	1 2									7 3	2,117	290 00
6. Property			4		5 6								9 6	1,712	178 33
7. Book debt realisations			25 5		30 2								327 50	48,651	148 55
8. Trading	4		24	67	228 3	23	2 5						348 80	54,477	156 18
9. Reporting	14		47 5	22 5	61 9		13 5						159 40	27,431	172 09
10. Creditors/liabilities			1 2	10	115 7	32 55	13 2						172 65	22,256	128 91
11. Employees			6	30	29	4 5							69 50	10,946	157 50
12. Insurance and pension policies			1 3		9 1								10 40	1,477	142 02
13. Accounting & treasury			2 95	4 45	21 8	37 15	3 2						69 55	7,680	110 42
14. Administration, tax and VAT			16 25	34 95	16	42 85							110 05	17,171	156 03
15. Subsidiary/Group Companies				4 5	6 55								4 50	833	185 11
16. Investigations (CDDA)													6 55	900	137 40
Totals to date	79.5	4	265 20	202 35	910.50	251 65	49 15	1,758 35	272,542	155 00					

Charge out rates

Grade	To 30 June 2007 £ per hour	From 1 July 2007 £ per hour
Partner/Director	320/290	334/310
Senior Manager	225	235
Manager	185	195
Executive (unqualified)	145/110	150/115
Analyst	95	100
Support	57	60

Disbursements

Photocopying is charged at 3p per sheet for creditors and bulk copying
Mileage is charged at a maximum of 50p per mile (up to 2000cc) or 70p per mile (over 2000cc)
All other disbursements are charged at cost

Total	331
	3,142
	1,461
	<u><u>4,887</u></u>