

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 August 2007

(b)

29 January 2008

Signed Stuart David Maddison  
Joint Administrator

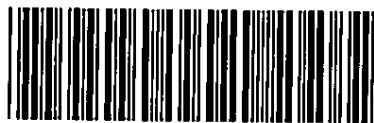
Dated 30/1/08

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

THURSDAY



A33 31/01/2008 454  
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**

29 January 2008

*When telephoning please ask for Lucy Norfolk on 0113 289 4841*

Our ref LVN/KRB/Midland Sheetmetal/012901

Dear Sirs

## **Midland Sheetmetal Limited– in administration (“the Company”)**

I refer to my last report dated 22 August 2007 and I am pleased to now provide you with my final progress report on the administration of the above Company. My intention is to exit the administration by placing the Company into creditors’ voluntary liquidation.

### **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 29 January 2008
- Appendix C Time cost analysis for the period from 6 February 2007 to 15 January 2008

### **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 £1.66m has been collected which has enabled Bank of Scotland Cashflow Finance ("BOSCF") to be repaid in full. The book debt surplus was subject to the Bank of Scotland's ("Bank") fixed charge in respect of its other debts.

To date £1,057,000 has been distributed to the Bank under its fixed and floating charges.

As mentioned in my previous report the Company had 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.

On 2 October 2007, a deed of settlement was completed. The settlement agreement included the following:

1. The Group will pay the Company settlement consideration in respect of their claim totalling £125,000, plus the greater of either £25,000 or 25% of the Group's profit above budget after tax, for the year ending 31 March 2008.

To date £77,500 has been received, the remainder will be paid as follows:

	£
By 1 February 2008	17,500
By 1 March 2008	15,000
By 1 April 2008	15,000
By 30 April 2008	25,000
By 15 May 2008	Any remaining balance

2. The Group have waived their entitlement to receive payment of any dividend in the liquidation.
3. The Group will pay the Company 25% of the tax value of the tax losses utilised by the Group Companies. Monies will not be received for this element until the surrender is agreed by HM Revenue & Customs. We anticipate a realisation of £88,000 based on current calculations.

## **Administrators' Fees**

I attach as Appendix C an analysis of the administrators' time costs which total £322,309 for the period from 6 February 2007 to 15 January 2007. Against these costs the administrators have drawn fees totalling £219,000 in accordance with the authority provided at the meeting of creditors and the secured creditor.

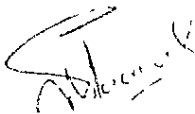
## **Exit from the Administration**

As I have fulfilled the purpose of the administration, in accordance with Paragraph 83(1) of Schedule B1 of the Insolvency Act 1986, the administration will end upon the registration of Form 2.34B and this final progress report by the Registrar of Companies.

My colleague, Matthew Hammond and I will contact you in our capacity as joint liquidators in the near future to ensure the claims process is dealt with as quickly as possible.

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 15 January 2007  
                  Form 2 24B  
                  Form 2 34B

*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 29 January 2008

## Receipts

BOSCF Factored Debts	1,659,997
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	244,329
Subrogated Claim Settlement	77,500
Sundry Debts	6,295
Rental income	36,847
Refunds	27,916
Interest received gross	12,969
VAT Payable	44,759
VAT Receipt	55,309
	<u>3,262,921</u>

## Payments

Secured Creditor - BOSCF	1,310,014
BOSCF interest charge	12,983
Distribution to Chargeholder	1,057,000
Preferential Creditors	63,922
Office Holder's Fees	219,000
Office Holder's Expenses	4,936
Legal Fees & Expenses	67,230
Debt Collection Fees	41,789
Agents' Fees	2,295
Purchases	102,429
Net Wages	65,454
PAYE & NIC	19,529
Employee-related Costs	12,790
Subcontractors	381
Retention of Title payments	16,954
Rent	36,847
Insurance	8,247
Utilities	5,343
Repairs & maintenance	1,600
Professional Fees	4,150
Postage & Stationery & Printing	1,124
Statutory advertising	430
Advertising (non-statutory)expenses	2,718
Bank charges	2,489
Tax	108
IT costs	60
General expenses	68
VAT Receivable	82,476
VAT payment	25,520
Release of funds to liquidator	95,035
	<u>3,262,921</u>

Balance in hand

0

Midland Sheetmetal Limited - in administration  
 Analysis of time costs for the period from 6 February 2007 to 15 January 2008

Classification of work	Partner		Senior Manager		Manager	Executive	Analyst	Support	Total hours	Time cost	Average hourly rate
	Director	Manager	Director	Manager							
1 Strategy & planning	30	1	13	6	20 75	2		72 75	13,685	188 10	
2 Team management	12	7	19 35	2 5	6 5			47 35	11,875	250 79	
3 Statutory & compliance	8 5	5 8	53 6	33 5	34 4	115	8 25	259 05	39,555	152 69	
4 Sale of business	5		51		77 2		4	137 2	21,989	160 27	
5 Asset realisation	6		0 1	1 2	0 5			7 8	2,549	326 73	
6 Property			4		5 6			9 6	1,712	178 33	
7 Book debt realisations			25 5		367 6			393 10	60,660	154 31	
8 Trading	4		24	67	243 8	23	2 5	364 30	57,211	157 04	
9 Reporting	14	3 5	47 5	25 25	99 9		14 75	204 90	41,712	203 57	
10 Creditors/liabilities		0 5	1 2	10	119 3	32 55	21 25	184 80	24,579	133 00	
11 Employees			6	30	29		4 5	69 50	11,002	158 30	
12 Insurance and pension policies			1 6		9 1	0 6		11 30	1,711	151 42	
13 Accounting & treasury		0 2	3 4	6 7	29 65	44 6	7 05	91 6	10,786	117 75	
14 Administration, tax and VAT		1	16 25	43	21 2	47 65		129 1	21,493	166 48	
15 Subsidiary/Group Companies				4 5	6 55			4 50	833	185 11	
16 Investigations (CDDA)								6 55	959	146 41	
<b>Totals to date</b>	<b>79 5</b>	<b>19</b>	<b>266 50</b>	<b>229 65</b>	<b>1,071 05</b>	<b>265 40</b>	<b>62 30</b>	<b>1,993 40</b>	<b>322,309</b>	<b>161 69</b>	

## Charge out rates

Grade	To 30 June 2007		From 1 July 2007		From 1 October 2007	
	£ per hour	£ per hour	£ per hour	£ per hour	£ per hour	£ per hour
Partner/Director	320/290	334/310	450/340			
Senior Manager	225	235	300			
Manager	185	195	250			
Executive (unqualified)	145/110	150/115	195/140			
Analyst	95	100	120			
Support	57	60	65			

## 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

<b>Total</b>	<b>438</b>
	<b>3,142</b>
	<b>1,750</b>
	<b>5,283</b>