

The Insolvency Act 1986

Administrator's progress report

2.24B

Name of Company Titan Holdings Limited	Company number 03286113
In the High Court of Justice Chancery Division Manchester District Registry	Court case number 3119 of 2008

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

We (a) Kerry Bailey and Jonathan Newell of PKF (UK) LLP, Sovereign House, Queen Street, Manchester, M2 5HR, DX715600 Manchester

administrator(s) of the above company attach a progress report for the period

	from	to
(b) Insert dates	(b) 9 December 2008	(b) 8 June 2009

Signed *J. Newell*
Joint / Administrator(s)

Dated *23 June 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.

James Williams PKF (UK) LLP	
Sovereign House Queen Street	
Manchester M2 5HR	
	Tel 0161 832 5481
DX Number 715 600	DX Exchange

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



THURSDAY



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TO ALL KNOWN CREDITORS

Our ref: KFB/JDN/SAF/JW/4013649/2400

24 June 2009

Dear Sirs

Titan Holdings Limited ("Titan") (In Administration)

Report to creditors on the progress of the administration for the period 9 December 2008 to 8 June 2009, pursuant to rule 2.47 of The Insolvency Rules 1986.

I write to give you a progress report on the conduct of the administration of the above company for the period from 9 December 2008 to 8 June 2009 and the financial position as at 8 June 2009. This report should be considered in conjunction with the Administrators' proposals dated 28 January 2009.

The following appendices are attached to this report:

- 1 Statutory information.
- 2 Summaries of the Joint Administrators' Receipts and Payments Accounts from 9 December 2008 to 8 June 2009.
- 3 Summaries of our time costs to 8 June 2009.
- 4 Forms 2.24B, Administrators' Progress Report



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COMPANIES HOUSE

Tel 0161 832 5481 | Direct fax 0161 832 6307

Email James.Williams@uk.pkf.com | www.pkf.co.uk

PKF (UK) LLP | Sovereign House | Queen Street | Manchester M2 5HR | DX 715600 Manchester

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A list of members' names is open to inspection at Farringdon Place, 20 Farringdon Road, London EC1M 3AP, the principal place of business and registered office. PKF (UK) LLP is authorised and regulated by the Financial Services Authority for investment business activities. The PKF International Association is an association of legally independent firms.



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ASSET REALISATIONS

Plant, stock & WIP

The assets of the company were valued by Philip Davies & Sons Auctioneers & Valuers prior to our appointment. Based on the valuation advice received, a sale of the free assets to Titan Manufacturing Limited ("TML"), a new company established by the directors, was completed on 11 December 2008.

Total consideration for the sale of the free assets was agreed at £65,000 and has been apportioned as follows:-

Plant:	£10,000
Stock:	£30,000
WIP:	£25,000

Forecasts prepared by TML indicated that whilst a return to profitability could be achieved, they had insufficient working capital and were unable to raise funds at the outset to purchase the assets outright. It was therefore agreed the £65,000 would be paid in instalments as follows:-

15 December 2008	£10,000
22 December 2008	£5,000
5 January 2009	£5,000
And £5,000 a week thereafter for 9 weeks	

The first instalment of £10,000 has been received and the first five instalments of £5,000 (to 26 January 2009) were paid into the Administration bank account.

In February 2009 the directors advised that the company's order intake had dropped dramatically. The company began to experience cash flow difficulties and fell behind with the agreed £5,000 instalments.

The company directors requested a break in payments as it was anticipated future months would be more profitable due to the expected completion of long term orders that were already on their order book.

Following further discussions with the directors of TML, a revised payment plan of £1,000 per week was agreed. Further payment breaks were experienced however following a meeting with the financial director of TML in April 2009, consistent weekly payments of £1,000 are now being received. To date a total of £43,000 has been received.

Book debts

The book debts are factored with Skipton Business Finance Limited ("Skipton"). They are formally assigned to Skipton and therefore the company no longer has title to them.

SECURED CREDITORS

The unencumbered assets of the company are subject to floating charge debentures with Skipton Business Finance Limited dated 1 July 2004 and the Royal Bank of Scotland plc dated 31 March 2005.

If the sales consideration is received in full, there maybe a small distribution under Skipton's floating charge, after allowing for the prescribed part. However, this is far from certain.

PREFERENTIAL CREDITORS

All employees were transferred to TML. As a result there are no preferential creditors.



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NON PREFERENTIAL CREDITORS

From information provided by the director and correspondence received from creditors, it appears that there are 217 creditors owed approximately £750,429 in total. However, not all creditors have notified us of their claims and as a result this figure is only provisional.

Included in the above, the company has liabilities to H M Revenue and Customs in respect of unpaid VAT totalling £56,594 and unpaid PAYE/NIC totalling £374,120. These claims are estimated as returns are currently outstanding

Prescribed Part

Section 176A of the Insolvency Act 1986 requires Administrators to set aside a prescribed amount of a company's 'net property' towards the satisfaction of non-preferential claims. Net property is the amount of property that would otherwise be available for the satisfaction of claims of holders of debentures secured by, or holders of, any floating charge created by the company on or after 15 September 2003. In this case there are two debentures dated after this date.

It is currently uncertain if realisations will be sufficient to clear the costs and expenses of the administration and allow for a distribution to the charge holders under their floating charges. It is equally uncertain if funds will be available for unsecured creditors under the Prescribed Part.

ADMINISTRATORS' PROPOSALS

The Joint Administrators' proposals were accepted at a meeting of creditors on 13 February 2009.

INVESTIGATIONS

The conduct of the directors has been investigated and a report has been submitted to the Secretary of State, as required by Statute. The contents of this report remain confidential.

JOINT ADMINISTRATORS' REMUNERATION AND COSTS

The unsecured creditors approved the Joint Administrators' remuneration on a time cost basis by reference to PKF (UK) LLP's normal rates.

From the date of our appointment to 8 June 2009, we have incurred total time costs of £31,177 plus VAT which represents 196 hours at an average charge out rate of £158.57 per hour. A detailed time cost summary is attached to this report.

Disbursements incurred since the date of our appointment total £234.30 and are detailed as follows:

	Category 1 Disbursement £	Category 2 Disbursement £
Mileage		60.30
Company Search Fees	16.00	
Bonds	158.00	
	<u>174.00</u>	<u>60.30</u>



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Category 1 disbursements are those which generally comprise external supplies of incidental services specifically identifiable to the client. Category 2 disbursements are generally services supplied internally and require approval. We received specific approval from unsecured creditors to draw category 2 disbursements.

A schedule of category 2 disbursements is appended to this report.

To date, disbursements of £219.30 have been drawn on account.

PROFESSIONAL FEES

We have incurred legal fees in relation to the sale of the free assets totalling £6,545 plus VAT. These fees have been discharged in full.

We have incurred agent's fees and disbursements in relation to the valuation of company assets totalling £2,416 plus VAT. These have also been discharged in full.

AUTOMATIC END TO ADMINISTRATION

The administration is due to automatically end on 8 December 2009 unless the Joint Administrators seek the agreement of the creditors or an order of the court for the period of the administration to be extended. The proposals provide that the conclusion of the administration will lead to either a creditors' voluntary liquidation if there are sufficient funds to enable a distribution to be made to creditors, or that the Joint Administrators will seek the dissolution of the company pursuant to Section 84 of Schedule B1 to the Insolvency Act 1986 upon the completion of their duties

Yours faithfully

Jonathan Newell
Joint Administrator

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**Titan Holdings Limited
In Administration**

STATUTORY INFORMATION

Company Number	03286113	
Date of Incorporation	2 December 1996	
Registered Office (Pre-appointment)	Titan Works Claremount Road Boothtown Halifax West Yorkshire HX3 6NT	
Registered Office (Post-appointment)	PKF (UK) LLP Sovereign House Queen Street Manchester M2 5HR	
Trading Address	Titan Works Claremount Road Boothtown Halifax West Yorkshire HX3 6NT	
Company Directors and Shareholding	Frank Minshull 170 shares of £1	Jeremy Rupert Viewing 50 shares of £1
	Douglas Tait 300 shares of £1	David Waterhouse 40 shares of £1
	Robin Attwood 50 shares of £1	Jonathan Bilney 40 shares of £1
Company Shareholders	Steven Rushworth 300 shares of £1	Robert Francis Sokel 50 shares of £1
Nature of Business	Manufacture of hydraulic equipment	
Date of Appointment	9 December 2008	
Appointees	Kerry Franchina Bailey & Jonathan Newell PKF (UK) LLP Sovereign House Queen Street Manchester M2 5HR	
Appointers	The Directors	



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Court and Court Reference

High Court of Justice
Chancery Division
Liverpool District Registry
3119 of 2008

EU Regulations

The European Community Regulation on Insolvency Proceedings applies to Titan Holdings Limited and the proceedings are the main proceedings.

**Titan Holdings Limited
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments
To 08 June 2009**

RECEIPTS	Total (£)
Plant & Machinery	9,993.00
Stock/WIP	33,000.00
Business Intellectual Property	1.00
Commercial Records and the Customer List	1.00
Bank Interest Net of Tax	36.64
Specific Contracts	1.00
Computer System	1.00
Fixtures & Fittings	1.00
Goodwill	1.00
Information Technology	1.00
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	43,036.64
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PAYMENTS	
Office Holders Fees	13,500.00
Office Holders Expenses	219.30
Agents/Valuers Fees	2,320.00
Agents/Valuers Disbursements	96.00
Legal Fees	6,545.00
Statutory Advertising	299.18
Insurance of Assets	143.85
VAT Receivable	3,440.18
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	26,563.51
Balances in Hand	16,473.13
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	43,036.64
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Titan Holdings Limited
In Administration

Time cost report for the period 9 December 2008 to 8 June 2009

	Partner / Director		Manager		Supervisor / Senior Administrator		Administrator / Assistant		Total	
	Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours
Partner/Senior Manager Review	1,137.00	3.00							1,137.00	3.00
Planning & Monitoring	6,064.00	16.00	903.00	3.35			43.25	0.75	7,010.25	20.10
Time Summaries & Billing			333.75	1.25			79.80	1.40	413.55	2.65
Cashiering Function Generally	18.95	0.05	355.35	1.55			1,073.11	15.22	1,447.41	16.82
Office Holders Tax Liabilities			82.80	0.30			182.90	3.10	265.70	3.40
CDDA 1986 Work			276.00	1.00			398.25	6.75	674.25	7.75
Secured Creditors	2,475.50	6.50	3,155.25	11.75			947.30	16.30	6,578.05	34.55
Non Preferential Creditors							691.85	12.05	691.85	12.05
Employee Claims							215.35	3.65	215.35	3.65
Fixed Asset Realisation	1,061.20	2.80	714.00	2.60			188.10	3.30	1,963.30	8.70
Stock Realisations							507.85	8.75	507.85	8.75
Other Asset Realisations	379.00	1.00			24.00	0.15			403.00	1.15
Post Appointment Trading	379.00	1.00					126.60	2.00	379.00	1.00
Insurance & Bonding									126.60	2.00
Legal Correspondence/Litigation			267.00	1.00					267.00	1.00
General Administration			667.50	2.50	88.20	0.60	1,643.00	28.70	2,398.70	31.80
Statutory Compliance	1,516.00	4.00	534.00	2.00			666.90	11.70	2,716.90	17.70
Supervision and Closure of Operations	758.00	2.00							758.00	2.00
Negotiations/Discussions with Prospective Purchasers	2,274.00	6.00							2,274.00	6.00
Secretarial							690.00	8.00	690.00	8.00
ROT Claims							259.35	4.55	259.35	4.55
	16,062.65	42.35	7,288.65	27.30	112.20	0.75	7,713.61	126.22	31,177.11	196.62