

**The Administrative Receiver's Report**

**S.48(1)**

Pursuant to Section 48(1) of the Insolvency Act 1986 and Rule 3.8(3) of the Insolvency Rules 1986

To the Registrar of Companies

For official use

Company Number

00339806

Name of Company

Insert full name of company

Bierrum Holdings Limited

We A Campbell-Smith and A M Grove

of PricewaterhouseCoopers LLP, Plumtree Court, London, EC4A 4HT

Administrative Receivers of the company attach a copy of our report to creditors and a copy of the statement of affairs of the company

Signed

*A Campbell*

Dated

16/12/03

Presenter's name  
address and reference  
(if any)

Marc Davies  
PricewaterhouseCoopers LLP  
Plumtree Court  
London  
EC4A 4HT

Received



COMPANIES HOUSE  
COMPANIES HOUSE  
17/12/03

**TO ALL KNOWN CREDITORS**

26 November 2003

Dear Sir or Madam

**Bierrum Holdings Limited ("BHL")  
Bierrum and Partners Limited ("BPL")  
Bierrum Structural Services Limited ("BSSL")  
(all in administrative receivership)  
Hereafter referred to collectively as the "Group"**

I refer to my appointment as Joint Administrative Receiver of the Group on 25 September 2003, together with my colleague, Alison Campbell-Smith. Notice of the appointment was circulated to you in my letter dated 20 October 2003.

The appointments were made under the powers contained within mortgage debentures dated 25 February 1998 in favour of Barclays Bank PLC ("the Bank").

This is the report which I am obliged to prepare for creditors under the provisions of Section 48 of the Insolvency Act 1986. This report is to be presented at the meeting of creditors to be held at PricewaterhouseCoopers LLP, Central Business Exchange, Midsummer Boulevard, Central Milton Keynes, MK9 2DF on 1 December 2003 at 11.30am.

**1. Brief history and events leading up to my appointment so far as I am aware**

Attached at appendix A are summary sheets in respect of each of the companies within the Group, containing statutory information and a brief description of the business activities of each company.

BHL was incorporated in April 1938 and acted as parent company to BSSL, BPL and Pendrich (Steeplejacks) Limited ("PSL"). Creditors will note that PSL was placed into administrative receivership on 14 October 2003 and a separate meeting of creditors has

been convened for the 3 December 2003 to receive the Joint Administrative Receivers' report.

The Group traded successfully for a number of years within the civil engineering sector, specialising in reinforced concrete construction and steeplejacking. Due in part to a general decline in the civil engineering industry over recent years and specifically in respect of certain non-performing contracts, the Group had increasingly come under financial pressure. As a consequence, the Directors had sought to find a purchaser of the group as a going concern.

Only limited interest was expressed in acquiring the group and on 22 September 2003, the only remaining interested party in BHL, BPL and BSSL withdrew from negotiations. In view of this, on 23 September 2003 the Directors resolved to invite the appointment of Administrative Receivers over those companies. A certified copy of resolution was delivered to the Bank on 25 September 2003 and the appointment of Administrative Receivers was made in respect of BHL, BPL and BSSL forthwith.

Discussions at this time were continuing with another interested party in relation to PSL and accordingly, the Directors of PSL resolved to continue to seek a going concern sale of PSL outside of insolvency.

## **2. Action taken upon appointment including the disposal of the Group's property**

In view of the limited interest in the Group the Administrative Receivers did not seek a sale as a going concern, and a strategy of completing existing contracts where there was tangible value and realising assets on a break-up basis was implemented.

Accordingly, a detailed review of each contract was undertaken in consultation with the Directors and Messrs Naismiths, quantity surveyors were appointed to assist the Administrative Receivers in the recovery of contract related debts. The Group had limited work in progress and a negligible forward order book and number of the existing contracts were in a loss making position or had experienced significant delays.

With the exception of two potentially profitable short term contracts, all other contracts were ceased. Five staff were initially retained to assist in the completion of contracts and with the administrative receivership generally. All other staff were made redundant on 25 September 2003.

Of the two continued contracts, one has been completed and funds are awaited. The other contract could not be continued as insurance cover was not available.

As at the date of this report two employees are retained to assist the Administrative Receivers in the sale of the specialist plant and machinery. Creditors should note that an auction of the plant and machinery will be held on 16 December 2003 at Horsey Toll Plant Depot, Whittlesey Road, Horsey Toll, Peterborough PE7 2PP. All enquiries should be forwarded to Brian Busby at FPD Savills on 0115 934 8109.

As stated above, the Directors of PSL continued to trade the business and to seek a purchaser. Following extensive negotiations a sale of the business as a going concern was concluded following the appointment of the Joint Administrative Receivers on 14 October 2003. In addition to the purchase consideration payable in respect of the business and asset sale of PSL, the property occupied by PSL located at 78-82 Carnethie Street, Rosewell, Mid Lothian EH24 9AW, and owned by BHL was sold to the purchaser. The consideration received was £80,000.

Agents have been instructed in respect of the other BHL properties, namely Bierrum House, a leasehold property located at 105-111 High Street, Houghton Regis, Beds LU5 5BJ and a freehold property located at Horsey Toll Plant Depot, Whittlesey Road, Horsey Toll, Peterborough, PE7 2PP. The agents have confirmed that the leasehold property has no value and accordingly the property lease was surrendered to the landlord on 3 November 2003. The Peterborough property is being marketed and offered for sale. Enquiries should be made to Alistair Wright at GVA Grimley, No 3 Brindley Place, Birmingham B1 2JB

All other chattel assets of the Group will be offered for sale either by private treaty or at the auction on 16 December 2003 to be held at the Peterborough site as stated above.

### 3. Amounts owing to debenture holder

The amount outstanding to the Bank as at the date of appointment was:

	<b>BHL</b>	<b>BPL</b>	<b>BSSL</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Amount demanded	(1,289)	(1,289)	(1,289)
Interest/charges	(4)	-	-
<b>Total</b>	<b>(1,293)</b>	<b>(1,289)</b>	<b>(1,289)</b>

Interest will continue to accrue on the principal amounts due to the Bank. Both the principal and this interest are secured by fixed and floating charges over the assets of the Group.

### 4. Statement of Affairs

At a meeting of Directors on 3 November 2003, it was resolved that the Statement of Affairs presented thereto be approved and sworn on behalf of all Directors by Mr David Taylor, a Director of the Group. A summary of the sworn Statement of Affairs is attached together with the Administrative Receivers' comments at Appendix B.

For the sake of completeness a summary of the sworn Statement of Affairs of PSL is also attached, reflecting the cross-guarantees provided by each company (including PSL).

**5. Dividend prospects for preferential creditors**

As you may be aware, the Enterprise Act 2002 ("the Act") came into force on 15 September 2003. One of the effects of the Act is to abolish the preferential status previously afforded to certain debts owing in insolvency to the Inland Revenue, HM Customs and Excise and the Department of Social Security.

In view of the fact that the Administrative Receivers were appointed after 15 September 2003, the Act will apply and those claims mentioned above will no longer rank as preferential claims. Accordingly, the only known preferential claims relate to certain debts owing to employees of BHL and BPL.

These amounts are estimated as follows:

Bierrum Holdings Limited	£13,280
Bierrum and Partners Limited	£92,368

The assets of BHL comprise freehold and leasehold properties, which are subject to the Bank's fixed charge; on the basis that preferential creditors are paid out of the realisations of floating charge assets, which are principally represented by the plant and machinery at Bierrum House, there is unlikely to be a dividend to preferential creditors.

The assets of BPL comprise book and other debts together with moveable plant and machinery. The Directors' Statement of Affairs has shown the book debts as falling under the Bank's fixed charge. Should the Bank's claim to hold a fixed charge over book debts prove valid there is unlikely to be a dividend to preferential creditors.

**6. Dividend prospects for other creditors**

We do not consider that there will be any funds available to non-preferential unsecured creditors of the Group.

**7. VAT bad debt relief**

VAT bad debt relief will be available to all creditors once six months have elapsed since the date of supply and the debt has been written off in the suppliers' books. Creditors may process a claim for the relief automatically once this period has expired and no additional paperwork is required from the Administrative Receivers in this respect.

**8. Directors' conduct**

Under the insolvency legislation, I have a duty to consider the conduct of those persons who have been directors of the Group at any time within the three years preceding the date of my appointment. I also have a duty to consider whether any civil proceedings may be taken against the directors or others for the recovery of, or contributions to, the Group's assets.

If there is a matter which you consider I should be made aware of and you have not already brought it to my attention, then please provide me with details in writing by return. This request for information does not imply that there may be any cause for action lying against any person concerned in the Group's affairs.

### **9. Distribution of this report**

In accordance with Section 4 of the Insolvency Act 1966, a copy of this report has been sent to the Registrar of Companies. In addition a meeting of creditors is to be held on 1 December 2003 at PricewaterhouseCoopers LLP, Exchange House, Central Business Exchange, Midsummer Boulevard, Milton Keynes, MK9 2DF for the purpose of receiving this report and if thought fit, to appoint a creditors' committee. Creditors have already received formal notice of the meeting, under the cover of my letter of 11 November 2003.

Yours faithfully

For and on behalf of Bierrum Holdings Limited, Bierrum and Partners Limited, Bierrum Structural Services Limited

A M Grove  
Joint Administrative Receiver

*A Campbell-Smith and A M Grove have been appointed as joint administrative receivers of Bierrum Holdings Limited, Bierrum and Partners Limited and Bierrum Structural Services Limited on 25 September 2003. They each contract as agents of the companies without personal liability. Both Administrative Receivers are licensed to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.*

**1. Bierrum Holdings Limited (“BHL”)**

<b>Statutory Information</b>	
Company Number	00339806
Date of Incorporation	30 April 1938
Registered Office	Bierrum House, 105-111 High Street, Houghton Regis, Dunstable, Beds LU5 5BJ
Trading Address	Bierrum House, 105-111 High Street, Houghton Regis, Dunstable, Beds LU5 5BJ
Directors	A M Bierrum, D J Taylor, B Petersen, F Dalton
Nature of business	Holding company providing management, financial and administration services to its subsidiaries who are engaged in civil engineering and contracting, specialising in reinforced concrete and steeplejacking

**2. Bierrum and Partners Limited (“BPL”)**

<b>Statutory Information</b>	
Company Number	02074448
Date of Incorporation	17 November 1986
Registered Office	Bierrum House, 105-111 High Street, Houghton Regis, Dunstable, Beds LU5 5BJ
Trading Address	Bierrum House, 105-111 High Street, Houghton Regis, Dunstable, Beds LU5 5BJ
Directors	D J Taylor, G J Eastman
Nature of business	Civil engineering and contracting, specialising in reinforced concrete.

3. Bierrum Structural Services Limited (“BSSL”)

Statutory Information	
Company Number	02226594
Date of Incorporation	2 March 1988
Registered Office	Bierrum House, 105-111 High Street, Houghton Regis, Dunstable, Beds LU5 5BJ
Trading Address	Bierrum House, 105-111 High Street, Houghton Regis, Dunstable, Beds LU5 5BJ
Directors	D J Taylor, G J Eastman
Nature of business	Civil engineering and contracting, specialising in reinforced concrete.



Appendix B

Summary Statement of Affairs - Bierrum Group

Description	Notes	BHL £'000s		BPL £'000s		BSSL £'000s		PSL £'000s	
		Book Value	ETR	Book Value	ETR	Book Value	ETR	Book Value	ETR
<b>Fixed Charge Assets</b>									
Freehold property	1	490	530	-	-	-	-	-	-
Bond deposits		-	-	167	34	-	-	-	-
Goodwill		-	-	-	-	-	-	-	25
Cash at Bank	2	-	-	171	171	-	-	-	-
Book and other debts	3	5,385	-	3,306	271	1,089	-	2,178	400
		5,875	530	3,644	476	1,089	-	2,178	425
			(1,293)		(1,293)		(1,293)		(1,575)
<b>Fixed Charge Creditors (Deficiency)</b>			<b>(763)</b>		<b>(817)</b>		<b>(1,293)</b>		<b>(1,150)</b>
<b>Floating Charge Assets</b>									
Own shares	7	7	-	-	-	-	-	-	-
Moveable plant, stock etc	4	63	-	479	125	-	-	160	90
Contracts / WIP	5	-	-	1,869	-	469	-	231	45
Petty Cash		-	-	-	-	-	-	1	1
		70	-	2,348	125	469	-	2,570	136
			(11)		(84)		-		-
<b>Preferential Creditors Surplus (Deficiency)</b>	6		<b>(11)</b>		<b>41</b>		-		<b>136</b>
<b>Floating Charge Creditors (Deficiency)</b>			<b>(763)</b>		<b>(817)</b>		<b>(1,293)</b>		<b>(1,150)</b>
			<b>(774)</b>		<b>(776)</b>		<b>(1,293)</b>		<b>(1,014)</b>
<b>Unsecured Creditors (Deficiency)</b>	7		<b>(5,234)</b>		<b>(6,501)</b>		<b>(1,721)</b>		<b>(1,829)</b>
			<b>(6,008)</b>		<b>(7,277)</b>		<b>(3,013)</b>		<b>(2,842)</b>
<b>Share Capital (Deficiency)</b>			<b>(269)</b>		<b>(1,000)</b>		<b>(120)</b>		<b>(510)</b>
			<b>(6,277)</b>		<b>(8,277)</b>		<b>(3,133)</b>		<b>(3,352)</b>

## Notes to the Summary Statement of Affairs

- 1 The freehold property located at 78-82 Carnethie Street, Rosewell, Mid Lothian EH24 9AW was sold to Randotte (No.521) Ltd, the purchaser of PSL on 14 October 2003 for a consideration of £80,000. The leasehold property located at 105-111 High Street, Houghton Regis, Beds LU5 5BJ has been surrendered to the Landlord. The property located at Horsey Toll Plant Depot, Whittlesey Road, Horsey Toll, Peterborough, PE7 2PP is currently being marketed for sale.
- 2 At the date of appointment funds in the sum of £168,022 stood to the credit of the BPL current account. In accordance with the Bank's netting agreement this sum has been off-set against other debit balances on group accounts.
- 3 Book and other debts include inter-company debts, trade debtors, retentions, sundry debtors and investments in subsidiaries. Amounts owed by third party debtors are realisable although inter-company debtors are unlikely to realise any value.
- 4 Moveable plant and stock located and owned by PSL was sold to Randotte (No.521) Ltd on 14 October 2003 for a consideration of £90,000. The remaining moveable plant, machinery and stock will be sold by private treaty and ultimately offered for sale at auction.
- 5 The Administrative Receivers have retained the services of Naismiths in the collection of contract related debts. A review of the contractual position of all contracts was performed on appointment.
- 6 The Administrative Receivers have assessed preferential creditor claims as follows: BHL - £13,230, BPL - £92,368, PSL - £16,988. Subject to the validity of the Bank's fixed charge over book debts it is uncertain at this time whether the preferential creditors of BHL and BPL will receive a dividend. Subject to the fees and expenses of the Administrative Receivership, the preferential creditors of PSL are anticipated to receive a dividend of 100p in the £.
- 7 No dividend is anticipated in respect of unsecured creditors in any of the Companies.