

**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

01906342

Name of Company

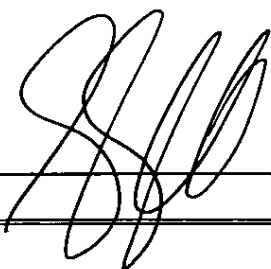
Insert full name of company

UCS Plant Limited  
  
Limited

I/We Mr Ian David Green and Mr Stuart David Maddison

of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP

administrative receiver(s) of the company attach a copy of ~~my~~ [our] report to creditors and a copy of the statement of affairs of the company


Signed  Dated 15.12.09

Presenter's name address and reference (if any)

Ian Green  
Benson House  
33 Wellington Street  
Leeds  
LS1 4JP

**For Official use**  
Receivers Section Post Room

**SATURDAY**



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A23 19/12/2009 387  
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When telephoning please ask for  
 Sandra Andrews on 0113 289 4926

To all known creditors

11 December 2009

Dear Sirs

**Rand Group Limited - in administrative receivership ("Rand")**  
**UCS Civils Limited - in administrative receivership ("Civils")**  
**UCS Plant Limited - in administrative receivership ("Plant")**  
**Together "the Group" or "the Companies"**

I was appointed joint administrative receiver of the Companies on 9 November 2009, together with my colleague Stuart Maddison. This is the report which I am obliged to prepare for creditors under the provisions of Section 48 of the Insolvency Act 1986.

### Statutory information

The statutory information, as shown at the Registrar of Companies, in relation to the Companies is given at Appendix A to this report.

### Background

The Group was based in Rand, Lincolnshire and was principally engaged in civil construction projects via Civils with Plant providing auxiliary services to Civils. Rand acted as a holding company. The Group employed 195 staff and had an annual turnover in excess of £30 million.

### Summary of financial information

Results disclosed by management accounts for the 6 months to 30 September 2009 for the Group are as follows:

	Rand £'000	Civils £'000	Plant £'000
Sales	-	18,159	1,435
Profit before tax	(329)	238	33

### Events leading up to the appointments

Following the administration of Linpave Building Limited, a building construction subsidiary of the Group, in November 2008 due to a downturn in its orders, a major contract was novated to Civils which boosted Group activity in the early part of 2009.

However, by summer 2009 cash flow was tightening resulting in PAYE/NIC arrears to HM Revenue & Customs (HMRC) rising to £2 million by October 2009. The Group forecast its funding

requirement was likely to increase significantly in winter 2009 as construction work seasonally declined and tendered contracts were postponed or awarded to competitors quoting uneconomic prices. In addition, in October 2009, HMRC had threatened winding up petitions relating to its arrears. The Group's Bank was requested in early November 2009 to provide increased facilities to support the Group, but concluded it was unable to provide such facilities to the Group going forward.

Accordingly, at the directors' request, administrative receivers were appointed to Rand, Civils and Plant on 9 November 2009 by Yorkshire Bank ("the Bank") under its debentures dated 16 April 2003 over each of the three Companies.

## **Receivership strategy**

Civils was active on seven major sites for third parties and eight small works sites for Anglian Water.

Due to the following factors, continued trading at the major sites was not considered feasible as:

- There was insufficient time to discuss potential novation of contracts with third parties or employers;
- Adverse construction contract terms in favour of employers allowed termination of a contractor's rights to continue work or receive payments; and
- Sub contractors and suppliers would be unwilling to continue to work without payment for work done prior to our appointment.

Anglian Water small works contracts were discussed with the employer at the time of the appointments and it was agreed to continue works for two weeks to allow new contractors to take over work in the region. Anglian Water agreed to pay for outstanding work.

Collection of plant from sites and vehicles from employees was completed in the three weeks following the appointment using Plant staff to minimise the costs. An auction of plant is planned in the next few weeks.

A team of Civils' contracts' staff has been retained to update contract records and record the state of works on the sites at the point of cessation. Claims are also being formulated concentrating on contracts with high value debts to be pursued when appropriate under the contract terms.

Eddisons have been appointed as agents to advise on the sale of the freehold property. A locally based agent is to be appointed on a joint agency basis.

The property will be marketed to potential owner occupiers intensively for three to five months, whilst in conjunction local tenants are sought to provide income to offset holding costs in the event of no immediate buyer being found.

## **Future realisations**

**Freehold property** (fixed charge asset in Plant) - the property at Rand will be marketed to maximise recoveries. The range of realisations expected is sensitive information which if disclosed could prejudice the outcome of the receivership.

**Investments** (fixed charge assets in Rand & Civils) - the investments, including Rand Training Limited, will be fully marketed shortly. The range of realisations expected is sensitive information which if disclosed could prejudice the outcome of the receivership.

**Contract debts** (floating charge asset in Civils) - the contract debts recoveries are highly uncertain pending claims being finalised and negotiations with employers. The range of realisations expected is sensitive information which if disclosed could prejudice the outcome of the receivership.

**Plant and vehicles** (floating charge asset in Plant) – based on agents estimates the assets are expected to realise in excess of £0.6 million at auction before costs.

## **Receipts and payments account**

Attached at Appendix B is a summary receipts and payments account from the date of the appointment of the administrative receivers to 10 December 2009 for the Companies.

## **Amounts owing to the debenture holder**

At the date of appointment, the Group owed the Bank approximately £2.3 million. This sum was secured to Yorkshire Bank under its debentures dated 16 April 2003 over each of the three companies. The Companies are joint and severally liable for the indebtedness.

Whether the Bank will be paid in full depends on the net proceeds achieved from the property and contract debts. Both are currently highly uncertain at this early stage.

## **Preferential creditors**

Preferential creditor claims are estimated at £0.12 million. These relate to arrears of wages and holiday pay in respect of the redundant Group employees. None of these claims have, at this stage, been formally agreed.

## **Unsecured creditors**

It is unlikely that there will be a return to the unsecured creditors of any of the Companies based on current information without significant upsides being achieved on the property and contract debts.

## **Section 176A of the Insolvency Act 1986 - The Prescribed Part**

The floating charges of the Bank were created prior to 15 September 2003. Accordingly, the Prescribed Part provisions for unsecured creditors, under Section 176A of the Insolvency Act 1986, do not apply.

## **Statement of affairs**

The directors have yet to submit statements of affairs in respect of the Companies. Work is ongoing in this respect to bring records fully up to date. When received they will be filed with the Registrar of Companies as required by Rule 3.8(4) of the Insolvency Rules 1986.

## **Distribution of this report**

This report is to be given to the meeting of creditors to be held at the offices of PricewaterhouseCoopers, Donington Court, Pegasus Business Park, Castle Donington, East Midlands, DE74 2UZ on Monday 4 January 2010 at 10.00am. As the Companies are intrinsically linked, one meeting will be held in respect of all the Companies to receive the report of the receiver. However, any resolutions put to the meeting will be voted on separately for each Company.

In order to be admitted for voting purposes, proxy forms should be submitted by 12.00 noon on the last business day prior to the date of the meeting.

In accordance with Section 48 of the Insolvency Act 1986, a copy of this report has been sent to the Registrar of Companies.

If you have any queries regarding this report, please contact Sandra Andrews on 0113 289 4926.

Yours faithfully  
for and on behalf of the Companies

  
I D Green  
Joint administrative receiver

Enclosures:

Appendix A Statutory Information  
Appendix B Administrators' receipts and payments account to 10 December 2009  
Notice of the meeting  
Forms of proxy

*Ian David Green and Stuart David Maddison have been appointed as joint administrative receivers of the Companies to manage their affairs, business and property as their agents. Both are licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.*

## Statutory Information

	<b>Rand Group Limited</b>	<b>UCS Civils Limited</b>	<b>UCS Plant Limited</b>
Company Number:	4679589	2075280	1906342
Registered Office:	PricewaterhouseCoopers LLP Benson House 33 Wellington Street Leeds LS1 4JP		
Trading address:	Rand Lincolnshire LN8 5NJ		
Incorporated:	26/2/2003	19/11/1986	18/4/1985
Directors in last 3 years:	Jonathan Wells Trevor Watson Stephen French Stephen Jennings Neil Muffitt Stephen Barker Cliff Spence	Jonathan Wells Stephen Jennings Neil Muffitt Geoffrey Hawley Mark Murphy Stephen Barker	Jonathan Wells John Tindall Neil Muffitt
Company Secretary:	Neil Muffitt	Neil Muffitt	Neil Muffitt
Issued Share Capital:	19,000 Ordinary £1 shares	10,000 Ordinary £1 shares	331,860 Ordinary £1 shares

Rand Group Limited ("Rand") }  
 UCS Civils Limited ("Civils") } - all in administrative receivership  
 UCS Plant Limited ("Plant") }

Administrative receivers receipts and payments  
 For the period 9 November 2009 to 10 December 2009

	Group	Civils	Plant	Total
	£	£	£	£
<b>ASSETS / RECEIPTS - Floating Charge</b>				
Rent	4,791.67	-	-	4,791.67
Book debts	-	259,381.34	19,998.21	279,379.55
Sundry assets	-	-	5,000.00	5,000.00
Third party funds*	-	-	18,111.57	18,111.57
Net VAT payable	-	12,220.62	187.50	12,408.12
<b>Total</b>	<b>4,791.67</b>	<b>271,601.96</b>	<b>43,297.28</b>	<b>319,690.91</b>
<b>COSTS OF REALISATION / PAYMENTS - Floating Charge</b>				
Rent	4,791.67	-	-	4,791.67
Net wages	-	59,527.89	18,111.57	77,639.46
Employee expenses	-	1,230.68	-	1,230.68
Third party funds*	-	18,111.57	-	18,111.57
IT costs	-	7,500.00	-	7,500.00
Storage costs	-	1,099.20	-	1,099.20
Statutory advertising	-	218.18	-	218.18
Mail re-direction	-	156.15	-	156.15
Purchases	-	11,192.67	-	11,192.67
Professional fees and expenses	-	5,572.00	-	5,572.00
Bank charges	-	552.00	-	552.00
<b>Total</b>	<b>4,791.67</b>	<b>105,160.34</b>	<b>18,111.57</b>	<b>128,063.58</b>
<b>Balance at Bank (held in a high interest current account)</b>	<b>Nil</b>	<b>166,441.62</b>	<b>25,185.71</b>	<b>191,627.33</b>

\* Third party funds represent wages for Plant employees initially paid by Civils, to be reimbursed by Plant

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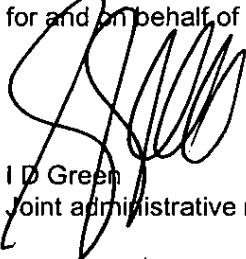
## Notice to creditors

**Rand Group Limited - in administrative receivership ("Rand")**  
**UCS Civils Limited - in administrative receivership ("Civils")**  
**UCS Plant Limited - in administrative receivership ("Plant")**  
**Together "the Group" or "the Companies"**

A meeting of the creditors of the Companies is to be held at the offices of PricewaterhouseCoopers, Donington Court, Pegasus Business Park, Castle Donington, East Midlands, DE74 2UZ on Monday 4 January 2010 at 10.00am under the provisions of Section 48 of the Insolvency Act 1986. The purpose of this meeting is to receive the report of the receivers and if the creditors wish to do so, to appoint a creditors' committee.

Creditors whose claims are wholly secured are not entitled to attend or be represented at the meeting.

Yours faithfully  
for and on behalf of the Companies



I D Green  
Joint administrative receiver

*Ian David Green and Stuart David Maddison have been appointed as joint administrative receivers of the Companies to manage their affairs, business and property as their agents. Both are licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.*



**Proxy (Administrative Receivership)**

Notes to help completion of the form

**Rand Group Limited**

Please give full name and address for communication

Name of Creditor \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please insert name of the person (who must be 18 or over) or the "chairman of the meeting". If you wish to provide for alternative proxy-holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well.

Name of proxy-holder \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please delete words in brackets if the proxy-holder is only to vote as directed, i.e. he has no discretion

I appoint the above person to be my/the creditor's proxy-holder at the meeting of creditors to be held on 4 January 2010 or at any adjournment of that meeting. The proxy-holder is to propose or vote as instructed below [and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion].

**Voting instructions for resolutions**

for the appointment of \_\_\_\_\_  
of \_\_\_\_\_  
representing \_\_\_\_\_  
as a member of the creditors' committee

This form must be signed

Signature \_\_\_\_\_ Date \_\_\_\_\_

Name in CAPITAL LETTERS \_\_\_\_\_

Only to be completed if the creditor has not signed in person

Position with creditor or relationship to creditor or other authority for signature  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Proxy (Administrative Receivership)**

Notes to help completion of the form

**UCS Civils Limited**

Please give full name and address for communication

Name of Creditor \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please insert name of the person (who must be 18 or over) or the "chairman of the meeting". If you wish to provide for alternative proxy-holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well.

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\_\_\_\_\_

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as a member of the creditors' committee

This form must be signed

Signature \_\_\_\_\_

Date \_\_\_\_\_

Name in CAPITAL LETTERS \_\_\_\_\_

Only to be completed if the creditor has not signed in person

Position with creditor or relationship to creditor or other authority for signature  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Proxy (Administrative Receivership)**

Notes to help completion of the form

**UCS Plant Limited**

Please give full name and address for communication

Name of Creditor: \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please insert name of the person (who must be 18 or over) or the "chairman of the meeting". If you wish to provide for alternative proxy-holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well.

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Signature \_\_\_\_\_ Date \_\_\_\_\_

Name in CAPITAL LETTERS \_\_\_\_\_

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