

The Insolvency Act 1986

Notice of move from administration to dissolution

Name of Company C F Realisations Limited (formerly Coupe Foundry Limited)	Company number 02610871
In the High Court of Justice, Chancery Division, Manchester District Registry	Court case number 1302 of 2004

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

~~I/~~ We David John Whitehouse and Simon Wilson of:
Kroll Limited, 1 Oxford Court, Bishopsgate, Manchester
M2 3WR

(b) Insert name and address of registered office of company

having been appointed administrators of
C F Realisations Limited
c/o Kroll Limited, 1 Oxford Court, Bishopsgate, Manchester,
M2 3WR

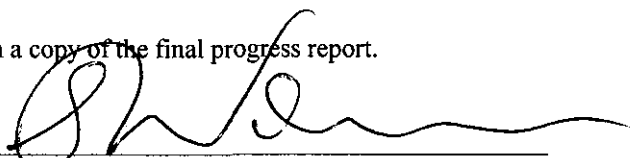
(c) Insert date of appointment

on 7 April 2004 by the directors of the Company

(d) Insert name of applicant / appointor

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply.

~~I/~~ We attach a copy of the final progress report.

Signed 
Simon Wilson
Joint Administrator

Dated 29 MARCH 2005

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

M

James Chalk	
Kroll Limited, 1 Oxford Court, Bishopsgate, Manchester, M2 3WR	
	Tel 0161 242 1737
DX Number	DX Exchange



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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

Corporate Advisory & Restructuring Group

Kroll

**Joint Administrators'
Final Progress Report**

**For the period
7 April 2004 to 22 March 2004**

**C F Realisations Limited
- In Administration**

**C F REALISATIONS LIMITED (FORMERLY COUPE FOUNDRY LIMITED)
- IN ADMINISTRATION (THE COMPANY)****ADMINISTRATORS' FINAL PROGRESS REPORT****COVERING THE PERIOD 7 APRIL 2004 TO 22 MARCH 2005****TO ALL KNOWN CREDITORS AND MEMBERS****1 Statutory Information**

- 1.1 I was appointed Joint Administrator of the Company, together with David Whitehouse, on 7 April 2004 by the High Court of Justice, Chancery Division, Manchester District Registry. I am licensed by the Institute of Chartered Accountants in England and Wales and David Whitehouse is licensed by the Insolvency Practitioners Association. The application for the appointment of Administrators was made by the Directors of the Company.
- 1.2 The Administration is being handled by the above Court, reference number 1302 of 2004.
- 1.3 The trading address of the Company was The Foundry, Kittlingbourne Brow, Higher Walton near Preston, Lancs, PR5 4DQ.
- 1.4 The registered office of the Company is now 1 Oxford Court, Bishopsgate, Manchester M2 3WR and was formerly The Foundry, Kittlingbourne Brow, Higher Walton near Preston, Lancs, PR5 4DQ.
- 1.5 The Joint Administrators act jointly or separately so that all functions may be exercised by either of the Joint Administrators.

2 Details of Directors and Secretary

- 2.1 Details of the Company's directors and secretary are as follows:

Director	Date appointed	Date resigned	Shares held
Ivor Brothwood	30 March 1999	N/A	Nil
Brian R C Kemp	1 January 2002	N/A	Nil
Paul J Wieckowicz	10 May 1999	N/A	Nil
Neil S Winn	21 May 2000	N/A	Nil
Secretary	Date appointed	Date resigned	Shares held
Neil S Winn	21 May 2000	N/A	Nil

3 Background

- 3.1 The Company was incorporated in May 1991 and its main business was acting as a jobbing foundry for the automotive industry. It employed approximately 80 employees and operated out of leasehold premises at both Preston and Keighley.
- 3.2 Following a venture capital financed management buyout in 1998 the Company faced material liabilities for capital and accrued interest payments on investments, in an industry that is competitive and difficult.
- 3.3 By the first quarter of 2004 the business was incurring ongoing losses and was not in a position to meet its debt burden. Moreover, it had short term trading cash requirements estimated at £250,000.
- 3.4 The directors approached Kroll for advice as to the options available to them.
- 3.5 Following discussions with the directors, investors and Company bankers it became apparent that the necessary funding was not available. Accordingly a protection of the business and creditor interests was deemed necessary, with Administration determined to be the most appropriate procedure. The Administration Order was granted on 7 April 2004.

4 Administrator's Actions

- 4.1 Under the new Administration procedure, there is now one overriding purpose for which a company may be placed into Administration. This single purpose is broken down into the following objectives;
- Rescuing the Company as a going concern, or
 - Achieving 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), or
 - Realising property in order to make a distribution to one or more secured or preferential creditors.
- 4.2 The first objective is based on the survival of the existing Company through a Company Voluntary Arrangement or a scheme of arrangement under Section 425 of the Companies Act. As Administrators, we were able to pursue this objective. Existing funding providers confirmed that they were unwilling to fund the short term cash requirement.
- 4.3 In view of the Administrators being unable to achieve the primary objective, we considered the second objective of achieving a better result for creditors than would be likely if the Company were wound up. Continuation of the business through a sale would be the vehicle for achieving this objective. However, the Joint Administrators were aware that interest in the business would be minimal and would be unlikely to extend beyond the existing management team.
- 4.4 In addition, achieving a sale of the business outside the existing management team would be further complicated in that its success would be hinged upon the willingness of the Preston landlord to offer a lease to the purchaser.
- 4.5 The existing management identified funding to enable them to purchase the business and entered into negotiations with the Preston landlord with regards to the assignment or renegotiation of the lease.
- 4.6 The Administrators sought professional valuations for the tangible assets of the Company.

- 4.7 Before the sale negotiations progressed the Administrators contacted the Company's secured and other significant creditors and advised them of the proposed Administration and sale. All parties provided their consent to the plans and the negotiations proceeded with the existing management for the sale of the business.
- 4.8 The Company was placed into Administration and the sale of the business to Brabco 344 Limited (the Purchaser) was completed on 7 April 2004. The Purchaser assumed the name Coupe Foundry Limited following the sale. The second objective of the Administration Order was therefore duly completed.
- 4.9 The Company's name was subsequently changed to C F Realisations Limited on 7 April 2004.

5 Administrators' Proposals

- 5.1 The Joint Administrators proposals were circulated to all creditors in May 2004 and were subsequently approved. These were as follows:
- A The Joint Administrators continue to manage the affairs of the Company.
 - B The Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as they consider desirable or expedient to achieve the statutory purpose of the Administration.
 - C To ensure that all assets have been realised.
 - D To either convene a meeting of the Company's creditors or to amend the existing proposals should any monies become available for unsecured creditors.
 - E Under Rule 2.106 of the Insolvency (Amendment) Rules 2003 and in the absence of a Creditors' Committee, the remuneration of the Joint Administrators be fixed by reference to time properly given by them and their staff in attending to matters arising from the Administration. In accordance with Statement of Insolvency Practice No 9, issued by the Association of Business Recovery Professionals the Joint Administrators be authorised to draw remuneration as and when funds are available on account of their time costs.
 - F To confirm the distribution of monies to the secured creditor in accordance with their statutory rights.
 - G To distribute monies to the preferential creditors should a claim be received in accordance with their statutory rights;
 - H To take steps to cease to act once the above matters have been concluded at which time the Joint Administrators would propose applying to the Court for dissolution of the Company.

6 Details of Progress

6.1 A summary of the sale consideration received is provided below:

	Total Consideration £'000
Goodwill	50
Fixed charge assets	55
Debtors	450
Stock	40
Non-fixed charge assets	50
	<hr/> 645

6.2 Realisations of debtors and plant and machinery (fixed and non-fixed charge assets) were made at the date of the sale and were discussed in our previous report dated 4 May 2004.

6.3 The realisations for the stock and goodwill were on a deferred consideration basis. The consideration in respect of the stock and work in progress was received in August 2004 in accordance with the terms of the sale agreement. The consideration for goodwill was based upon a percentage of turnover for the Purchaser's first six months of trading. We monitored the Purchaser's accounts on a monthly basis and £50,151 was received on 7 January 2005.

6.4 Following the realisation of the assets of the Company we have distributed £563,950 to Barclays Bank Plc (the Bank) under their fixed and floating charge. There have been insufficient funds to pay the Bank in full and they face a shortfall of £69,950.

6.5 As detailed within our previous report we appointed Alexander Forbes as Independent Trustee to review the Company's pension scheme (the Scheme). We received a preferential claim from the Scheme in respect of unpaid contributions for £3,373, which has been paid in full.

6.6 As discussed within our last report the surrender of the lease was a protracted legal matter and was dealt with by our legal advisors DLA Piper Rudnick Gray Cary. This matter was concluded in March 2005 and the lease was successfully transferred to the Purchaser. The surrender of the lease realised £5,000 in respect of a deposit that had been paid by the Company.

6.7 As Administrators we were required to submit Corporation Tax Returns for the period of the Administration. We appointed Chadwicks as consultants and the Corporation Tax matters were concluded in March 2005.

6.8 In accordance with the statutory requirements of the Company Directors Disqualification Act 1986 we have submitted a report on the conduct of the Directors of the Company to the DTI. This is a confidential report and accordingly we are not able to disclose the contents.

6.9 As all assets have been realised and all matters have now been concluded, the Administration will be drawn to a close through dissolution of the Company.

7 Administrators' Receipts and Payments

7.1 A summary of receipts and payments covering the period from the date of our appointment to 22 March 2005 is attached at Appendix A. This includes the funds received in respect of the sale of the business and assets and is self explanatory.

8 Administrators' Remuneration

8.1 The Administrators' time costs for the period 7 April 2004 to 22 March 2005, total £88,715 as detailed in Appendix B. Most of the time spent on this case relates to dealing with creditors and creditor reporting, retention of title issues and dealing with the pension scheme. The Administrators have drawn £52,000 in total. We do not intend to draw further fees in relation to the Administration.

(i) *Staff allocation and the use of subcontractors*

8.2 Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet specific requirements of the case. The case team will usually consist of a Partner, Manager, Senior and Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment. On larger or more complex cases several seniors and assistants may be allocated to meet the demands of the case. With regard to support staff, we would advise that time spent by cashiers in relation to specific tasks on an assignment is charged. In relation to secretarial support, in the main, this work is not charged unless it relates to exceptional duties undertaken on a case.

(ii) *Professional Advisors*

8.3 On this assignment we have used the professional advisers listed below. We have also indicated the basis of our fee arrangement with them. This is subject to review on a regular basis.

<u>Name of Professional Adviser</u>	<u>Basis of Fee Arrangement</u>
Solicitors – DLA Piper Rudnick Gray Cary	Hourly rate & disbursements
Property & Plant Advisors – Singletons	Hourly rate & disbursements
Pension Advisors – Alexander Forbes	Fixed rate
Corporation Tax - Chadwicks	Fixed fee based on realisations

8.4 Our choice of professional advisers was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

8.5 Legal Fees of £18,765 have been paid in respect of the Administration.

8.6 Payments in respect of Agents / Valuers Fees of £4,915 have also been made.

8.7 There have also been payments of £412 in respect of pension advice and pension administration costs, and £950 in respect of tax returns which are a statutory duty.

(iii) *Disbursements*

8.8 The disbursements charged to a case comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Properly incurred expenses have been charged to the case. Disbursements totalling £541 have been drawn.

8.9 Set out below are the Kroll charge-out rates to be applied to time charged for 2004 and 2005.

	2004 Regional Rates (per hour)	2005 Regional Rates (per hour)
	£	
Partner:-		
Partner 1	280	345
Partner 2	235	325
Associate Partner / Director	215	280
Manager:-		
Senior Manager	200	250
Manager	185	225
Other Senior Professionals:-		
Experienced Senior	155	195
Senior	135	175
Administrator	105	135
Assistants & Support Staff:-		
Assistant	70	90
Experienced Cashier	105	135
Cashier	70	90
Assistant Cashier	50	65
Support	50	65

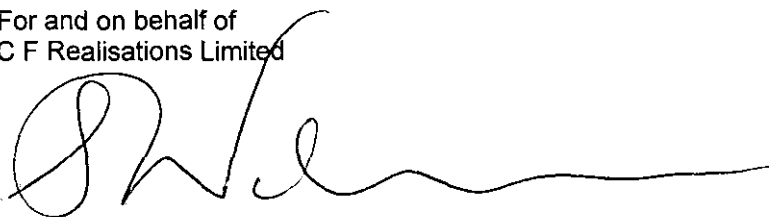
9 **Estimated Outcome Statement**

- 9.1 An estimate of the outcome of the Administration is attached at Appendix C together with an estimate of the costs of the Administration at Appendix D.
- 9.2 The Administrators have distributed funds for the preferential claim in respect of the unpaid pension contributions.
- 9.3 As previously reported, there will be no dividend available to unsecured creditors.

10 **Ending the Administration**

- 10.1 In accordance with the statement of Administrators proposals the Company will now proceed to dissolution. Formal notice is attached.
- 10.2 The Company will be deemed to be dissolved within the next three months.

For and on behalf of
C F Realisations Limited



Simon Wilson
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators.
The Joint Administrators act as agents of the Company and without personal liability.

**C F REALISATIONS LIMITED (FORMERLY COUPE FOUNDRY LIMITED) – IN
ADMINISTRATION**

APPENDIX A

RECEIPTS AND PAYMENTS

C F Realisations Limited (formerly Coupe Foundry Limited)
(In Administration)

Receipts & Payments
To 22/03/2005

	Total	£
RECEIPTS		
Intellectual Property		1
Goodwill		50,151.40
Bank Interest		156.46
Fixed Plant & Machinery		50,000.00
Floating Plant & Machinery		50,000.00
Stock		40,000.00
Book Debts		450,000.00
Bank Interest Gross		1,372.84
Sundry Refunds		23.68
Rent Deposit Refund		5,000.00
		<hr/>
		646,705.38
PAYMENTS		
Legal Fees		18,765.00
Bank Charges		51.62
Due to Chargeholder		563,950.00
Statutory Document Printing		18.40
Administrator's Fees		53,552.43
Administrator's Expenses		540.75
Professional Fees - Tax Return		950.00
Agents/Valuers Fees		4,915.20
Professional Fees - Pension		412.35
Statutory Advertising		121.54
Bank Charges		55.39
Pension Schemes		3,372.70
		<hr/>
		646,705.38
BALANCE TO BE PAID TO THE CHARGEHOLDER		<hr/> 0.00
		=====

**C F REALISATIONS LIMITED (FORMERLY COUPE FOUNDRY LIMITED) – IN
ADMINISTRATION**

APPENDIX B

ADMINISTRATORS' TIME COSTS

	Employee Grade				Total Hours	(£'s)	
	(Hours)					Total Cost	Average Rate p/h
	Partner/ Director	Manager	Other Sen'r Prof	Assistants/ Support			
Administration and Planning							
Strategy and Control	10.0	29.4	42.6	4.3	86.3	16,304.5	189
Creditor Reporting	10.0	20.4	76.2	3.5	110.1	18,798.0	171
Committee Meetings and Reports	-	-	-	0.9	0.9	76.5	85
Statutory Duties	0.5	0.2	2.3	1.2	4.2	593.5	141
Job Administration	0.7	19.3	14.3	20.6	54.9	8,261.5	150
Cash Accounting and Time Records	-	0.8	15.4	32.3	48.5	5,406.0	111
Travel and Waiting Time	-	-	3.1	-	3.1	403.0	130
Case Closure	1.5	-	7.2	1.8	10.5	1,685.0	160
Internal Documentation and IT	-	3.5	52.3	2.5	58.3	8,358.5	143
Investigations							
D Reports	-	1.1	4.8	-	5.9	1,046.0	177
Other Investigations	-	-	0.3	-	0.3	51.0	170
Internal Documentation	-	-	-	-	-	-	-
Realisation of Assets - Fixed Charge							
Valuation and Offers	-	-	-	-	-	-	-
Sale of Assets	1.5	-	1.4	-	2.9	660.5	228
Insurance	-	-	0.2	-	0.2	26.0	130
Litigation	-	-	-	-	-	-	-
Internal and External Documentation	-	0.5	0.7	-	1.2	224.0	187
Realisation of Assets - Debtors							
Debt Collection	-	-	1.5	-	1.5	247.0	165
Debtors Litigation	-	-	-	-	-	-	-
Crown Debtors	-	-	0.4	-	0.4	68.0	170
Internal and External Documentation	-	-	-	-	-	-	-
Realisation of Assets - Floating Charge							
Valuation and Offers	-	-	-	-	-	-	-
Sale of Assets	1.5	-	2.3	-	3.8	790.5	208
Insurance	-	-	-	-	-	-	-
Retention of Title	-	3.3	44.1	-	47.4	6,907.0	146
Hire Purchase / Leased Assets	-	-	0.3	-	0.3	39.0	130
Litigation	-	-	-	-	-	-	-
Internal and External Communications	-	0.3	7.1	-	7.4	1,181.0	160
Trading							
Initial Actions	-	-	-	-	-	-	-
Cash Accounting	-	-	0.7	0.2	0.9	129.0	143
Ongoing Trading Activities	1.0	-	5.1	-	6.1	1,152.0	189
Internal and External Communications	-	4.5	0.2	-	4.7	1,016.0	216
Creditors							
Initial Actions	-	3.0	48.7	-	51.7	7,403.0	143
Creditor claims	-	1.2	24.8	3.5	29.5	4,075.5	138
Litigation	-	-	-	-	-	-	-
Shareholders / Bankrupts	-	-	0.3	-	0.3	51.0	170
Internal Documentation	-	-	1.7	-	1.7	229.0	135
Employees	-	-	9.8	-	9.8	1,526.0	156
Employee Communications	-	6.7	3.3	-	10.0	2,007.0	201
Totals	26.7	94.2	371.1	70.8	562.8	88,715.0	158

**C F REALISATIONS LIMITED (FORMERLY COUPE FOUNDRY LIMITED) – IN
ADMINISTRATION**

APPENDIX C

FINAL OUTCOME STATEMENT

**C F REALISATIONS LIMITED (FORMERLY COUPE FOUNDRY LIMITED)
IN ADMINISTRATION****FINAL OUTCOME STATEMENT
AS AT 22 MARCH 2005**

	Current £'000	Future £'000	Total £'000
<u>Assets Subject to Fixed Charge</u>			
Goodwill	50	-	50
Fixed Plant and Equipment	50	-	50
Lease Deposit	5	-	5
	<u>105</u>	<u>-</u>	<u>105</u>
Less: Costs (see Appendix D)	(22)	-	(22)
Available to Bank	<u>83</u>	<u>-</u>	<u>83</u>
	=====	=====	=====
<u>Assets Subject to Floating Charge</u>			
Book Debts	450	-	450
Stocks and WIP	40	-	40
Non-Fixed Plant and Equipment	50	-	50
Bank Interest	1	-	1
	<u>541</u>	<u>-</u>	<u>541</u>
Less: Costs (see Appendix D)	(57)	-	(57)
Available to Preferential Creditors	<u>484</u>	<u>-</u>	<u>484</u>
Preferential Claim	(3)	-	(3)
Available to Bank	<u>481</u>	<u>-</u>	<u>481</u>
	=====	=====	=====

**C F REALISATIONS LIMITED (FORMERLY COUPE FOUNDRY LIMITED) – IN
ADMINISTRATION**

APPENDIX D

FINAL COSTS OF REALISATIONS

APPENDIX D

**C F REALISATIONS LIMITED (FORMERLY COUPE FOUNDRY LIMITED) IN
ADMINISTRATION****FINAL COSTS OF REALISATIONS
AS AT 22 MARCH 2005**

	Current £'000	Future £'000	Total £'000
<u>Fixed Charge</u>			
Administrator's Fees and Expenses	17	-	17
Legal Fees	3	-	3
Agent's Fees and Expenses	2	-	2
	<u>22</u>	<u>-</u>	<u>22</u>
	=====	=====	=====
<u>Floating Charge</u>			
Administrator's Fees and Expenses	36	-	36
Legal Fees	16	-	16
Agent's Fees and Expenses	3	-	3
Other	2	-	2
	<u>57</u>	<u>-</u>	<u>57</u>
	=====	=====	=====