

The Insolvency Act 1986

# Statement of administrator's proposals

Name of Company DHD Engineering Services Limited	Company number 03792693
In the High Court of Justice, Chancery Division, Manchester District Registry [full name of court]	Court case number 1509 of 2009

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

I / We (a)	Stephen Gerard Clancy MCR 11 St James Square Manchester M2 6DN	Steven Muncaster MCR 11 St James Square Manchester M2 6DN
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\* Delete as applicable attach a copy of \*my / our proposals in respect of the administration of the above company.

A copy of these proposals was sent to all known creditors on

(b) Insert date (b) 14.7.09

Signed Stephen Clancy  
Joint / Administrator(s)  
Dated 14.7.09

**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

Stephen Gerard Clancy MCR 11 St James Square Manchester M2 6DN	0161 827 9000 DX Exchange
DX Number	



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

WEDNESDAY

PC1 09/07/2009  
COMPANIES HOUSE

**DHD Engineering Services Limited  
(In Administration)**

**Joint Administrators' Report and Proposals to Creditors  
For the period from 21 May 2009 to 13 July 2009  
pursuant to Paragraph 49 of Schedule B1  
to the Insolvency Act 1986**

**13 July 2009**

**Names of Joint Administrators:** Stephen Gerard Clancy  
Steven Muncaster

**Date of appointment:** 21 May 2009

**Date of report:** 13 July 2009

**Appointed by:** David Herbert Deering, Oak Lodge, Pen-y-Lan, Erbistock,  
Wrexham LL14 6HW

**Court reference:** High Court of Justice, Chancery Division, Manchester District  
Registry no. 1509 of 2009

**MCR**  
**11 St James Square**  
**Manchester**  
**M2 6DN**

## **CONTENTS**

1. Introduction
2. Background
3. Events leading up to the Administration
4. Purpose of the Administration
5. Progress of the Administration to date
6. Statement of Affairs
7. Joint Administrators' remuneration
8. Dividend prospects / Prescribed Part
9. EC Regulation
10. Creditors' meeting
11. End of the Administration
12. Joint Administrators' proposals
13. Other matters

## **APPENDICES**

1. Statutory information
2. Sale of Business and Assets
3. Receipts and Payments account
4. Schedule of creditors
5. Schedule of Joint Administrators' time costs
6. Form 2.21B Creditor's request for a meeting
7. Proof of Debt form

## **1. INTRODUCTION**

- 1.1 Stephen Gerard Clancy and Steven Muncaster of MCR were appointed Joint Administrators of DHD Engineering Services Limited ("DHD" and "the Company") on 21 May 2009 by the directors of the Company pursuant to paragraph 22 of Schedule B1 to the Insolvency Act 1986.
- 1.2 In accordance with Paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 the functions of the Joint Administrators are being exercised by any of the Administrators.
- 1.3 This report sets out the circumstances leading up to the appointment of the Joint Administrators and the steps taken by them to date.

## **2. BACKGROUND**

- 2.1 DHD was incorporated on 21 June 1999. Statutory information on the Company and a summary of its financial position is included at Appendix 1.
- 2.2 The Company was part of the "DHD Group of Companies" which include:
- DHD Group Limited
  - James Engineering Limited
  - DHD Total Engineering Solutions Limited
- 2.3 The principal activities of the Company were:
- Plant and equipment installation
  - General fabrication
  - Labour for maintenance and installation contracts
  - Site based maintenance services
- 2.4 The Company was based in Wrexham and traded from leased premises employing approximately 40 staff.
- 2.5 The profitability of the Company had been good up to 2008 due in the main to a longstanding contract with one customer that provided circa 40% of the overall turnover.
- 2.6 In the summer of 2008, 17 members of staff including 4 key members of the management team left to start a business which was in direct competition with the Company.
- 2.7 A significant trading loss was recorded in 2008/2009 due to a number of longstanding customers being lost to the breakaway company set up by the ex-employees.
- 2.8 The Company has since been unable to stem the losses being made therefore the directors resolved to place the Company into Administration on 18 May 2009. A Notice of Intention to appoint an Administrator was filed at the High Court of Justice, Chancery Division in the Manchester District Registry on 18 May 2009 and the Notice of Appointment of an Administrator was lodged in the same court on 21 May 2009.

## **3. EVENTS LEADING UP TO THE ADMINISTRATION**

- 3.1 MCR was formally engaged to carry out an independent business review of the DHD Group of Companies on behalf of Royal Bank of Scotland Invoice Finance Limited ("RBSIF") on 24 February 2009.

3.2 The Joint Administrators considered the position prior to accepting the appointment and, having regard to the Insolvency Practitioners Association's ethical guidelines, considered that there were no circumstances preventing them from accepting the appointment.

3.3 Subsequently Steven Muncaster and I were appointed Joint Administrators on 21 May 2009.

#### **4. PURPOSE OF THE ADMINISTRATION**

4.1 The purpose of an Administration is to achieve one of the following hierarchical objective:

- 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 In accordance with paragraph 49(2) of the Insolvency Act 1986, as amended, the Joint Administrators believe that the first two objectives referred to above cannot be met. The first objective could not be achieved as the liabilities of the Company exceeded its assets and substantial working capital would be required to facilitate ongoing trading. For this reason a sale of the Company was an unattractive prospect for any potential purchaser. As no funding was available to trade on, the only other practical possibility was the closure of the business. In this outcome, the return to the secured creditors would be greatly reduced. By pursuing the third objective and selling part of the business as a going concern, the Joint Administrators expect to achieve a better result for creditors by realising better value for the assets and by minimising any preferential creditor claims.

4.3 The Joint Administrators should be in a better position to advise the dividend prospects to each category of creditors in the next statutory report to creditors. This will be in 6 months time or sooner.

#### **5. PROGRESS OF THE ADMINISTRATION TO DATE**

5.1 The manner in which the affairs and business of the Company have been managed since the appointment of Joint Administrators and will continue to be managed and financed is set out below.

##### **Sale of business and assets**

5.2 As detailed in the Joint Administrators initial letter to all creditors of 3 June 2009, the business and assets of the Company were sold, following a period of marketing the business for sale, to DHD Total Engineering Solutions Limited on 21 May 2009. Details of the sale are attached at Appendix 2.

5.3 MCR commenced a confidential marketing exercise to find interested parties for the business prior to the appointment of Administrators and produced a business memo that was sent to all relevant parties on its business contacts database. Although one other party showed some initial interest, no offer was received from them.

5.4 The directors of an associated company DHD Total Engineering Solutions Limited showed an interest in the business and assets of the Company at an early stage of the Joint Administrator's involvement. As no other interested party submitted an offer and the Joint Administrators proceeded with a sale to DHD Total Engineering Solutions Limited. There are common

directorships between the Company and those of the purchasing company, DHD Total Engineering Solutions Limited.

- 5.5 The Joint Administrators assessed all other options available to the Company. Given that an extensive marketing exercise had been undertaken, there was considered to be no benefit in trading the business particularly as it was loss making and there was also an absence of funding available. The only other practical possibility was the closure of the business. In this outcome, the return to the secured creditors would be greatly reduced and the liabilities would increase from employee claims.
- 5.6 A valuation was obtained from independent agents and valuers, Tallon and Associates Limited ('Tallon'). The assets were valued at £35,000 market value as a whole for use in their working place and £18,500 based on individual item sales market value basis.
- 5.7 The sale of the business and assets is apportioned as detailed below. On 21 May 2009 £49,000 was paid.

	£
Plant & Machinery	40,000
Business and Goodwill	4,996
Stock and Work in Progress	4,000
Customer Contracts	1
Intellectual Property	1
Marketing and Media	1
Sales Information	1
	<u>49,000</u>

#### **Book debts**

- 5.8 At the date of appointment book debts totalled £461,824. This balance does not reflect any potential contras, bad debts and disputes.
- 5.9 The book debts of the Company are subject to an invoice discounting agreement with Euro Sales Finance Plc ('Euro Sales'), part of RBSIF.
- 5.10 The balance due to Euro Sales at the date of appointment totalled £282,974 subject to accruing interest and charges. Charges of £32,746 have been applied to this indebtedness by Euro Sales since the date of appointment in respect of termination and service charges as part of this agreement.
- 5.11 It is anticipated that a surplus will be available from the collection of these book debts, the quantum of which is yet to be established.
- 5.12 MCR Receivables Management has been appointed to collect the book debts in this matter. To date, collections of £307,531 have been achieved.
- 5.13 Subsequent to the appointment of Administrators, additional invoices of £37,656 have been added to the book debt ledger for works completed prior to the Administration.

#### **Investigations**

- 5.14 The Joint Administrators' investigations into the Company's affairs are currently ongoing.
- 5.15 The Joint Administrators have a statutory obligation to file a report with the Insolvency Service regarding the conduct of the directors that held office in the three years prior to the

Administration. This report must be filed within six months from the appointment date and the content of this report is confidential.

5.16 The Joint Administrators also have a duty to investigate antecedent transactions which include:

- Transactions at an undervalue, s238 of the Insolvency Act 1986;
- Preferences, s239 of the Insolvency Act 1986; and
- Transactions to defraud creditors, s423 of the Insolvency Act 1986.

**Receipts and Payments**

5.17 A detailed receipts and payments account is shown in Appendix 3.

5.18 The receipts and payments account excludes the collection of pre appointment book debts as these are subject to an invoice discounting agreement and are therefore not yet an asset of the Company.

**Joint Administrators' Agents and Solicitors**

5.19 The Joint Administrators engaged the following firms to assist with the sale of the Company's business and assets and other statutory matters:

Company	Role
Tallon Associates Limited	- Chattels agents – Value DHD Engineering Services Limited stock and chattel assets.
Eversheds LLP	- Solicitors – Review the sale of business contract, assist with placing the Company into Administration and other ad hoc legal matters.

**6. STATEMENT OF AFFAIRS**

6.1 In accordance with Paragraph 47 of Schedule B1 to the Insolvency Act 1986 the Joint Administrators have requested that the directors provide them with a statement of the affairs of the Company. At present the statement of affairs has not yet been provided.

6.2 The Joint Administrators have summarised below the assets and liabilities of the Company:

ASSETS	VALUE (£)
Debtors	461,284
Plant and Machinery	40,000
Business and Goodwill	4,996
Stock and Work in Progress	4,000
Customer and Sales Contracts, IP, Marketing and Media	4
<b>Total</b>	<b>510,284</b>

LIABILITIES	VALUE (£)
<b>Secured</b>	
Euro Sales	282,974
NatWest	49,996
<b>Unsecured</b>	
HM Revenue & Customs	Uncertain
<b>Total</b>	<b>332,970</b>



- 6.3 A schedule of creditors' names and addresses is attached at Appendix 4.
- 6.4 Attached at Appendix 7 is a proof of debt form, which should be completed and returned to this office in order to register your claim against the Company.

## **7. JOINT ADMINISTRATORS' REMUNERATION**

- 7.1 In accordance with Rule 2.106 of the Insolvency Rules 1986, as amended, it is proposed that the basis, upon which the Joint Administrators' remuneration should be fixed, is by reference to the time properly given by them and their staff in attending to matters arising in the Administration.
- 7.2 The Joint Administrators will be seeking the subsequent approval of the secured creditor in respect of their remuneration pursuant to Rule 2.106(5A) of the Insolvency Rules 1986, as amended.
- 7.3 The Joint Administrators' time costs for the period 21 May 2009 up to and including 13 July 2009 total £11,772. A schedule of these time costs is set out at Appendix 5.
- 7.4 To date, no remuneration has been drawn by the Joint Administrators.
- 7.5 In addition, attached at Appendix 5 is a schedule of this firm's time costs associated with the pre-administration period, which indicates total costs of £6,945 representing 19.7 hours of time at an average hourly rate of £352.54. This reflects the degree of involvement by senior members of staff in the pre-appointment period. The Joint Administrators have sought a resolution at paragraph 12.1.7 to authorise a fee of £6,945 to be paid in accordance with Rule 2.67 (1) (c).
- 7.6 Information regarding the fees of Administrators called a Creditors' guide to Administrators' fees can be found on our website at [www.mcr.uk.com](http://www.mcr.uk.com). Should you require a copy, please contact this office.

## **8. DIVIDEND PROSPECTS / PRESCRIBED PART**

### **Secured Creditors**

- 8.1 In consideration for the monies advanced under the book debt factoring agreement the Company granted Euro Sales a mortgage debenture, which confers fixed and floating charges over all of the assets of the Company. This debenture was registered at Companies House on 25 April 2000.
- 8.2 At the date of the Joint Administrators' appointment, the Company's indebtedness to Euro Sales was approximately £282,974 subject to accruing interest and charges. Termination charges and service charges of £32,746 were applied to the ledger in May 2009. Collections on this invoice discounting agreement to 13 July 2009 total £307,531. The indebtedness to Euro Sales now amounts to £8,189 subject to any further accruing interest and charges.
- 8.3 It is anticipated that there will be sufficient realisations to repay Euro Sales in full.
- 8.4 In consideration for the monies advanced under an overdraft agreement the Company granted National Westminster Bank plc ('NatWest') a mortgage debenture, which confers fixed and floating charges over all of the assets of the Company. This debenture was registered at Companies House on 15 July 2002.
- 8.5 At the date of the Joint Administrators' appointment, the Company's indebtedness to NatWest extended to £49,996 on an overdraft facility of £50,000. The Company were also indebted to NatWest in respect of a credit card which had a balance of approximately £20,000 at the date of the Administration.

- 8.6 It is uncertain whether funds will be available to make a payment to NatWest in this matter.

**Preferential Creditors**

- 8.7 Although the Joint Administrators do not believe there are any preferential creditors claims, it is uncertain if any funds would be available to enable a distribution to preferential creditors.

**Prescribed Part**

- 8.8 Pursuant to section 176A of the Insolvency Act 1986 where a floating charge is created after 15 September 2003 a prescribed part of the Company's net property shall be made available to unsecured creditors. As the Mortgage Debentures provided by the Company pre-date the Enterprise Act 2002 the Prescribed Part is not applicable in this instance.

**Non-Preferential Creditors**

- 8.9 As advised in point 6.1, the directors have yet to supply a statement of affairs for the Company. In any event, based upon the current information available, it is anticipated that there will not be sufficient realisations to enable a distribution to the non-preferential creditors of the Company.

**9. EC REGULATION**

- 9.1 It is the Joint Administrators' opinion that the EC Regulation on Insolvency Proceedings 2000 ("EC Regulation") applies and these proceedings are Main Proceedings as defined in Article 3 of the EC Regulation. The Centre of Main Interest of the Company is in England.

**10. CREDITORS' MEETING**

- 10.1 In accordance with Paragraph 52(1) of Schedule B1 to the Insolvency Act 1986, a creditors' meeting will not be convened as the Joint Administrators believe that the Company will have insufficient property to enable a distribution to be made to non-preferential creditors.
- 10.2 However, the Joint Administrators shall summon an initial creditors' meeting, if requested to by the creditors of the Company, whose debts amount to at least 10% of the total debts of the Company, using the prescribed form 2.21B, attached at Appendix 6, within 12 days from the date of this report.
- 10.3 Creditors are reminded that the costs of any meeting called shall be paid for by them and that a deposit will be required for such purpose. Such costs may be ordered to be paid as an expense of the Administration if the meeting so resolves.

**11. END OF THE ADMINISTRATION**

- 11.1 The options available to the Joint Administrators for the exit from the Administration are as follows:
- Compulsory Liquidation
  - Creditors' Voluntary Liquidation
  - Company Voluntary Arrangement
  - Return of control to the Director
  - Dissolution of Company

- 11.2 The Joint Administrators recommend that the Company should be dissolved, for the reasons set out below.
- 11.3 The Joint Administrators have formed the view that once all the outstanding Administration matters have been finalised, and all liabilities incurred during the Administration have been discharged, there will be insufficient funds available to allow a distribution to non-preferential creditors.
- 11.4 Once all outstanding matters have been satisfactorily completed by the Joint Administrators, they will give notice to the Registrar of Companies under Paragraph 84 of Schedule B1 to the Insolvency Act 1986 to the effect that the Company has no property to realise which might permit a distribution to its non-preferential creditors, at which stage the Administration will cease. The Company will be dissolved three months following the registration of the notice at the Registrar of Companies.
- 11.5 You will note from the proposals section below that the Joint Administrators have left the choice of exit route from Administration open so that an alternative strategy can be adopted, should this prove more appropriate at the time.

## **12. JOINT ADMINISTRATORS' PROPOSALS**

12.1 The Joint Administrators propose the following:

- 12.1.1 That the Joint Administrators continue the Administration to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect.
- 12.1.2 That 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, in their sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration.
- 12.1.3 That the Joint Administrators, once all outstanding matters have been satisfactorily completed, take the necessary steps to give notice under paragraph 84 of Schedule B1 of the Insolvency Act 1986 to the Registrar of Companies to the effect that the Company has no property which might permit a distribution to its creditors, at which stage the Administration will cease.
- 12.1.4 That the Joint Administrators, in the event that they form the view that a distribution can be made to unsecured creditors, take the necessary steps to put the Company into Creditors' Voluntary Liquidation. It is proposed that the Joint Administrators, currently Stephen Gerard Clancy and Steven Muncaster of MCR would act as Joint Liquidators should the Company be placed into Creditors' Voluntary Liquidation. In accordance with Paragraph 83(7) of Schedule B1 to the Insolvency Act 1986 and Rule 2.117(3) of the Insolvency Rules 1986 (as amended) the creditors may nominate a different person as the proposed Liquidator(s), provided such nomination is made before these proposals are approved.
- 12.1.5 That the Joint Administrators be discharged from all liability pursuant to paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing.
- 12.1.6 That the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the Administration.

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- 12.1.7 That MCR be authorised to draw fees of £6,945 plus VAT in respect of time costs incurred in assisting in placing the Company into administration in accordance with Rule 2.67(1)(c).
- 12.1.8 That the Joint Administrators be authorised to draw their firm's internal costs and expenses in dealing with the administration ("Category 2 Disbursements"), if any.
- 12.1.9 That the Joint Administrators be authorised to instruct and pay MCR Receivables Management Limited to assist with the collection of book debts, where considered appropriate.
- 12.2 Pursuant to Rule 2.33(5) of the Insolvency Rules 1986, the proposals in paragraph 12.1 shall be deemed to be approved by the creditors on the expiry of the period in which a meeting can be requisitioned by creditors in the manner described in paragraph 10.2 above, provided that no meeting has been so requisitioned.
- 12.3 The Joint Administrators will be seeking the following resolutions from the secured creditors:
- 12.3.1 That the Joint Administrators be discharged from all liability pursuant to paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing.
- 12.3.2 That the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the administration.
- 12.3.3 That MCR be authorised to draw fees of £6,945 plus VAT in respect of time costs incurred in assisting in placing the Company into administration in accordance with Rule 2.67(1)(c).
- 12.3.4 That the Joint Administrators be authorised to draw their firm's internal costs and expenses in dealing with the administration ("Category 2 Disbursements"), if any.
- 12.3.5 That the Joint Administrators be authorised to instruct and pay MCR Receivables Management Limited to assist with the collection of book debts, where considered appropriate.

**13. OTHER MATTERS**

- 13.1 If any creditor has any information concerning the Company's affairs that they would like to bring to our attention, then we should be pleased to hear from them.

If you require further information or assistance, please do not hesitate to contact my colleague Steven Barry.

  
**Stephen Gerard Clancy**  
Joint Administrator

Enc.

**APPENDIX 1**

**STATUTORY INFORMATION**

**Date of incorporation** 21 June 1999

**Registered number** 03792693

**Company director** Peter James Cuff  
David Herbert Deering

**Company secretary** Peter James Cuff

**Shareholders** David Herbert Deering

**Trading address** Abbey Road South, Wrexham Industrial Estate, Wrexham  
LL13 9RF

**Registered Office** Current: 11 St James Square  
Manchester  
M2 6DN  
Formerly: Abbey Road South  
Wrexham Industrial Estate  
Wrexham  
LL13 9RF

**Any Other Trading Names** DHD Engineering Services (Northern) Limited  
DHD Fabrications (Northern) Limited  
DHD Engineering Services Limited  
Underfield Limited

<b>Financial information</b>	<b>Statutory Year Ended 31/3/06 £'000</b>	<b>Statutory Year Ended 31/3/07 £'000</b>	<b>Statutory Year Ended 31/3/08 £,000</b>	<b>Management Accounts to 31/01/09 £'000</b>
Turnover	5,192	4,230	4,048	2,872
Gross Profit	1,535	1,009	1,058	631
Retained profit/(loss) for the year	(62)	(39)	(72)	(238)

**APPENDIX 2**



CORPORATE  
RESTRUCTURING

Our ref: PTR/GTH/SYB/SEC/DDE002/564552

Your ref:

## NOTICE TO ALL CREDITORS OF THE APPOINTMENT OF ADMINISTRATORS

When telephoning please ask for:  
Steven Barry

e-mail:  
sbarry@mcr.uk.com

3 June 2009

Dear Sirs,

### **DHD Engineering Services Limited - In Administration ('the Company')**

I was appointed Joint Administrator of the above company on 21 May 2009, together with my partner Steven Muncaster. The appointment was made by the directors of the Company. A formal notice of our appointment is attached.

The officers of the Company are required to submit a statement of affairs, but as yet we are not in a position to give any information regarding the financial position. We shall send you a report as soon as it is reasonably practicable which will explain the objectives of the administration and give details of the financial position of the company. At that time we may also convene a meeting of creditors and will advise you of the prospects of a dividend. If you believe you are a creditor of the Company, please provide details of your claim on the attached proof of debt form.

If you have commenced recovery proceedings against the company I suggest you contact Gary Hargreaves of this office before continuing, as a matter of priority, because no legal processes may continue against the company without my consent or permission of the Court.

Upon my appointment I completed a sale of the Company's business and assets to DHD Total Engineering Solutions Limited. Where Insolvency Practitioners are party to a pre-packaged sale, best practice guidelines require them to disclose to creditors, where practicable, certain information in respect of that pre-packaged sale within the first notification to creditors. Accordingly please refer to Appendix 1 for such information with respect to the sale of the Company's business and assets to DHD Total Engineering Solutions Limited.

Finally, if you contend that you have any form of security or reservation of title in respect of goods that you previously supplied, please telephone Steven Barry of my office immediately and provide full written details and copies of documentation relating to your claim.

Yours faithfully  
For and on behalf of  
DHD Engineering Services Limited

**Stephen Clancy**  
Joint Administrator

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



## Appendix 1

In accordance with Statement of Insolvency Practice 16, I outline below details of the sale of the Company's business and assets to DHD Total Engineering Solutions Limited:

- MCR were introduced to the Company by RBS Invoice Finance Limited ('RBSIF').
- MCR first met with the directors of the Company on 24 February 2009 to review the financial position on behalf of RBSIF. Financial information was obtained with the consent of the directors. MCR held further discussions with directors on 17 March 2009.
- Marketing activities were undertaken by MCR to the extent of a business memo through its business contacts database requesting parties for the business. There was one enquiry of interest received but this was not followed up with any offer for the business. The directors of an associated company DHD Total Engineering Solutions Limited showed an interest in the business and assets of the Company at an early stage of MCR's involvement. Due to the fact no other party had shown an interest and that the Joint Administrators were not afforded time to trade the business whilst continuing to market the business, the Joint Administrators proceeded with a sale to DHD Total Engineering Solutions Limited.
- A valuation was obtained from independent agents and valuers, Tallon and Associates Limited ('Tallon'). The assets were valued at £35,000 market value as a whole for use in its working place and £18,500 based on individual item sales market value basis. There were also motor vehicles that the Joint Administrators were advised were unencumbered. These vehicles were valued by Tallon for the sum of £9,750.
- The Joint Administrators assessed the other options available to the Company. As no funding was available to trade on, the only other practical possibility was the closure of the business. In this outcome, the return to the secured creditors would be greatly reduced.
- The Joint Administrators believe it was not appropriate to trade the business and offer it for sale as a going concern during the administration for the following reasons:
  - They were unable to maintain operations due to there being no available working capital funding to meet ongoing business overheads and costs.
  - The Company had minimal orders in place and accordingly, there was no opportunity to generate any trade on revenue in the short term.
  - The Joint Administrators did not believe that it would be possible to identify any other interested parties within the time scale available, in which case if the offer was not accepted, the Joint Administrators were looking at a closure of the business and significantly reduced asset realisations.
- Secured creditors were consulted by the Joint Administrators regarding the proposed sale.
- The Company's business and assets were sold to DHD Total Engineering Solutions Limited (Company number 5346980) on 21 May 2009.
- The total consideration for all assets and the business was £50,000 which was paid on completion.

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

- The assets which were sold and the apportionment of the consideration is shown below:

<b>Asset</b>	<b>Amount (£)</b>
Plant and Machinery	40,000
Business and Goodwill	4,996
Customer Contracts	1
Intellectual Property	1
Marketing and Media	1
Sale Information	1
Stock and Work in Progress	4,000
	<u>49,000</u>

- There are common directorships between the Company and those of the purchasing company DHD Total Engineering Solution Limited.
- The Company was financed by National Westminster Bank plc and Euro Sales Finance plc. The Joint Administrators are aware of one personal guarantee given by a director of the Company to National Westminster Bank plc.
- The sale was not part of a wider transaction.
- There are no options, buy-back arrangements or similar conditions attached to the contract of sale.

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

**APPENDIX 3**

**DHD ENGINEERING SERVICES LIMITED  
(IN ADMINISTRATION)**

**Joint Administrators' Abstract of Receipts and Payments  
To 13 July 2009**

<b>RECEIPTS</b>	<b>Total (£)</b>
Plant and Machinery	40,000
Business and Goodwill	4,996
Customer Contracts	1
Intellectual Property	1
Marketing and Media Information	1
Sales Information	1
Stock and Work in Progress	4,000
	<hr/> <b>49,000</b> <hr/>
<b>PAYMENTS</b>	
Legal Fees & Disbursements	8,140
VAT Receivable	1212
	<hr/> 9,352 <hr/>
Balance in Hand	39,648
	<hr/> <b>49,000</b> <hr/> <hr/>

**APPENDIX 4**

**MCR**  
**DHD Engineering Services Limited**  
**B - Company Creditors**

Key	Name	Address	£
C100	1-2-1 Windscreen services Ltd	Unit 1, Hillrise Main Road, Old Rhosrobin, Wrexham, LL11 4RL	0.00
C500	5750 Components	Farmcombe Road, Worthing, BN11 2BW	0.00
CA00	McAleavy & Co.	Riverside House, River Lane, Saltney, Chester, CH4 8RQ	0.00
CA02	A&B Air Systems Ltd	Unit 41, Abenbury Way, Wrexham Ind Est., LL13 9UZ	0.00
CA03	A3 Fixings Ltd	57 Tattenham Way, Tadworth, KT20 5NE	0.00
CA04	AALCO	Credit Service Centre, Stone Hill Road, Farnworth, BL4 9NN	0.00
CA05	Accurate Cutting Services Ltd	Crossgate road, Park Farm Ind Est, Redditch, B98 7SN	0.00
CA06	Adele Carr Financial Recruit	Exec suite 117B, Herons Way, Chester Bus Park, CH4 9QR	0.00
CA07	AFI Uplift	2nd Floor, West Wing, Diamond House, Wakefield, WF2 8PT	0.00
CA08	Air Liquide UK Ltd.	Credit Control, Station Road, Coleshill, Birmingham, B46 1JY	0.00
CA09	Antifriktion Components Ltd	8-9 The Commercial Centre Days Road, Bristol, BS2 0QS	0.00
CA0A	APH Signs	Unit 1 Pinfold Lane, Llay Ind Est, Llay, LL12 0PX	0.00
CA0B	ARCO Merseyside	PO Box 21, Waverley Street, Hull, HU1 2SJA	0.00
CA0C	ASD Metal Services Ltd.	Unit 8 Walkers Ind Est, Blackburn, BB12 2QE	0.00
CA0D	ASK	Derby Park Farm, Wrexham Rd, Penyffordd, CH4 0HU	0.00
CA0E	ATS Euromaster	Croesnewydd Dolydd Road, Wrexham, LL13 7TE	0.00
CB00	BAPP Industrial Supplies	The Trafalgar Centre, Belfield Rd, Rochdale, OL16 2UX	0.00
CB01	Barloworld Handling Ltd	Barlow House, Yew Tree Way, Stone Cross Park, Warrington, WA3 3JD	0.00
CB02	Barnshaws Group	Tipton Road, Tividale, Oldbury, W. Midlands, B69 3HY	0.00
CB03	Biffa Waste Services Ltd	Coronation Road, Cressex, High Wycombe, HP12 3TZ	0.00
CB04	Body Perfect Acc Repair Centr	Unit 2 The Sidings, Rhosddu Ind Est, Wrexham, LL11 4RE	0.00
CB05	Border Trailers	Welsh Frankton, Nr Oswestry, SY11 4NX	0.00
CB06	Buckley Coatings Ltd	Old Smithy Garage, Liverpool Road, Buckley, CH7 3LH	0.00
CC00	Cable Services North West	Rhosrobin, Wrexham, LL11 4YZ	0.00
CC01	Came UK UMC Group	Unit 3 Orchard Park Ind Est, Town Street, Sandiacre, Nottingham, NG10 5BP	0.00
CC02	Celtic Welding	18 Highmere Drive, Connahs Quay, CH5 6YH	0.00
CC03	Chester chain	Boundary Lane, Saltney, CH4 8LJ	0.00
CC04	City Electrical Factors	Unit 103 Coed Aben Road Wrexham Ind Est Wrexham, LL13 9UH	0.00
CC05	Collister & Glover Ltd	10th Avenue Zone 3 Deeside Ind Park Deeside, CH5 2UA	0.00
CC06	Corus	96 Stourbridge Road Lye Stourbridge, DY9 7DD	0.00
CC07	Cromwell Group	PO Box 14 Chartwell Drive Wigston Leicester, LE18 1AT	0.00
CD00	Euro Sales Finance Plc	Smith House, Elmwood Avenue, Feltham, Middlesex, TW13 7QD	0.00

**MCR**  
**DHD Engineering Services Limited**  
**B - Company Creditors**

Key	Name	Address	£
CD01	Dee Valley Water	Packsaddle, Wrexham Road, Rhostyllen, Wrexham, LL14 4EH	0.00
CD02	Denmans Electrical Wholesalers	PO Box 422, 6-16 Southgate Road Potters Bar, EN6 9AY	0.00
CD03	Dragon Steel Services Ltd	Dragon Works, Chester Road, Saltney, CH4 8RW	0.00
CE01	Ellis Whittam Ltd	Wood House, Aldford, Chester, CH3 6JD	0.00
CE02	Empyrium Profiles	5 Hainge Road, Tividale, B69 2NN	0.00
CE03	Encore	Unit 25 The Bridgeway Centre Wrexham Ind Est Wrexham, LL13 8QS	0.00
CE04	Engineering Services	Unit 9 Parkway Business Centre Deeside Ind Est., CH5 2NS	0.00
CE05	Eterniti Steels	Unit 7 Langthwaite Business Park, Langthwaite Road, S. Kirkby, WF9 3AP	0.00
CE06	Eurooffice Ltd	71 Bondway, London, SW8 1BQ	0.00
CE07	Express Electrical Distribution Ltd	Miry Lane, Wigan, WN3 4AF	0.00
CF01	Fairhood Engineering	Oak Road Wrexham Industrial Estate, Wrexham, LL13 9RG	0.00
CF02	F H Brundle	24-36 Lamson Ferry, Ferry Lane North, Rainham, RM13 9YY	0.00
CF03	FWB Products	Whieldon Road, Stoke on Trent, ST4 4JE	0.00
CG01	Grahams Machiners (Sales) Ltd	Deva House, Nutsford Way, Sealand Ind Estate, Chester, CH1 4NX	0.00
CG02	Griffiths Hire Shops Ltd	Maes-Y-Clawdd, Shrewsbury Road, Oswestry, SY10 8NN	0.00
CG03	Grosvenor Scaffolding Co Ltd	Grosvenor Mill, Station Road, Bagillt, CH6 6AF	0.00
CH00	H M Revenue & Customs	Insolvency Operations, Queens Dock, Liverpool, Merseyside, L74 4AF	0.00
CH02	HM Revenue & Customs	Enforcement & Insolvency Service, Durrington Bridge House, Worthing, West Sussex, BN12 4SE	0.00
CH03	Hall & Pickles	Poynton Ind Est, London Road, Poynton, Stockport, SK12 1NB	0.00
CH04	Hatton Fans	Unit 20 Brynmau, 4 Estate River Lane, Saltney, Chester, CH4 8RF	0.00
CH05	Holt Lodge Hotel	Wrexham Road, Holt, Wrexham, LL13 9SW	0.00
CH06	HSS	25 Willow Lane, Mitcham, CR4 4TS	0.00
CH07	Huws Gray Ltd	Croesfoel Ind Est, Rhostyllen, Wrexham, LL14 4BJ	0.00
CI05	The Insolvency Service IP Policy Section	Area 5.6, 21 Bloomsbury Street, London, WC1B 3QW	0.00
CI06	Industrial Engineering Services Ltd	Unit 5 Five Crosses Ind Estate, Minera, Wrexham, LL11 3RD	0.00
CJ00	Jackson Fire & Security Ltd	Unit 6 Cambrian Business Park, Queens Land, Mold, CH7 1NJ	0.00
CJ01	Jacob UK Ltd	Unit 2 Laundry Bank, Church Stretton, Shrewsbury, SY6 6PH	0.00
CJ02	Jami Q's Ltd	Abbey Road, North Wrexham Ind Est, Wrexham, LL13 9RF	0.00
CJ03	James Fisher IMS Ltd	Factory Road Sandycroft, Deeside, CH5 2QJ	0.00
CJ04	J R Websters	Prince William Avenue, Sandycroft, Deeside, CH5 2QZ	0.00
CK00	Kent Supplies	Mold Road, Gwersyllt, LL11 4AF	0.00

**MCR**  
**DHD Engineering Services Limited**  
**B - Company Creditors**

Key	Name	Address	£
CK01	KMS Hardrange Ltd	Factory 5, Manor Ind Est, Flint, CH6 5UY	0.00
CK02	Kevin Needham Ltd	105 Hamilton Street, Atherton, Manchester, M46 0AY	0.00
CL01	Lloyd & Jones Engineers Ltd	Unit 4 Apex Centre, Clewedog Road, South Wrexham Ind Est, LL13 9XS	0.00
CL02	L Parry & Sons	Gorse Hall New Farm, Promised Land Lane, Rowton, Chester, CH3 6AZ	0.00
CL03	Lyreco UK Ltd	International House, Stafford Park, 11 Telford, TF3 3BX	0.00
CM00	M & P Survey Equipment Ltd	The Survey Centre, Meridian House 5, Tanney Mill Road, Little Stanney, CH2 4HX	0.00
CM01	Maxima	Cameron Court, Hillington Park, Glasgow, G52 4JG	0.00
CM02	McAleavy & Co	Riverside House, River Lane, Saltney, Chester, CH4 8RQ	0.00
CM03	MCR Business Consulting	11 St James Square, Manchester, M2 6DN	0.00
CM04	Merseyside Metal Services Ltd	36 Lord Street, Birkenhead, CH41 1BJ	0.00
CM05	Metalfast Ltd	Blackworth Ind Est, Highworth, SN6 7RF	0.00
CM06	M J Lighting Technology Ltd	Unit 2 Barrowmore Estate, Great Barrow, CH3 7JS	0.00
CN00	Nicesheriffs	173/175 Cleaveland Road, London, W1T 6QR	0.00
CN01	Nationside Platforms	Feldspar Close, The Warren Ind Park, Endorby, LE9 5SD	0.00
CN02	Network Internet Ltd	Technology House, Rhewl, Ruthin, LL15 1TN	0.00
CN03	National Westminster Bank Plc	135 Bishopsgate, London, EC2M 3UR	0.00
CO00	O2 (UK) Ltd	Processing Centre, PO Box 12015, London, E1 8UF	0.00
CO01	Oadby Plastics	Elland Road, Braustone Frith Ind Est, Leicester, LE3 1TU	0.00
CO02	Office Watercoolers Ltd	Waterloo House, 112-116 Anglesey Court, Powys Business Park, Rugeley, Staffordshire, WS15 1UL	0.00
CO03	One Offs Ltd	40-58 Forth Street, Liverpool, L20 8JW	0.00
CO04	Orange	Orange Payment Processing, Southend on Sea, SS99 6LU	0.00
CP04	Pace Telecom Ltd	Unit 2 Zenith House, Gresford Ind Est, Wrexham, LL12 8LX	0.00
CP05	PAS Training	11 Birkdale Gardens, The Fairways, Winsford, CW7 2LE	0.00
CP06	Penley Mill Garage	Lion Lane Penley, Wrexham, LL13 0LY	0.00
CP07	P H Jones Ltd	Aqua House, Hampton Heath Ind Est, Malpas, SY14 8LY	0.00
CP08	Portable Office (Hire) Ltd	Factory Road, Sandycroft, Deeside, CH5 2QJ	0.00
CP09	Prontaprint (Wrexham) Ltd	Millwood House Coed, Aben Road, Wrexham Ind Est, Wrexham, LL13 9UH	0.00
CP0A	Plumbing Trade Supplies	Unit 2 Bryn Lane, Wrexham Ind Est, Wrexham, LL13 9UT	0.00
CP0B	Purdie Dished Ends	Ingleby Road, Bradford, BD7 2AS	0.00
CR00	Ravenstock MSG Ltd	28 Falcon Court, Preston Farm Bus Park, Stockton on Tees, TS18 3TX	0.00
CR01	RCJ Precision	Llay Hall Ind Est C, efn-Y-Bedd, Wrexham, LL12 9YG	0.00



**MCR**  
**DHD Engineering Services Limited**  
**B - Company Creditors**

Key	Name	Address	£
CR02	R C Motors Wrexham Ltd	Redwither Road, Wrexham Ind Est, Wrexham, LL13 9RD	0.00
CR03	Rentokil Initial UK Ltd	Credit Control, PO Box 4973, Dudley, DY1 9EY	0.00
CR04	Rosendale Group PLC	Portside North, Merseyton Road, Ellesmere Port, CH65 2HQ	0.00
CR05	RS Components Ltd	PO Box 99, Corby, NN17 9RS	0.00
CR06	R.I.N.D.T.	Unit 19 Sir Frank Whittle Bus., Centre Great Central Way, Butlers Leap, Rugby, CV21 3XH	0.00
CS01	SES Metals	Unit 21 Rosfield Road Junction, 8 Business Park, Ellesmere Port, CH65 3BS	0.00
CS02	Seriously Good Ideas Ltd (SGI)	Newdigate Place, Dukes Road, Newdigate, Surrey, RH5 5BP	0.00
CS03	Sharp Electronics (UK) Ltd	4 Furzeground Way, Stockley Park, Uxbridge, UB11 1EZ	0.00
CS04	Shropshire Welding Supplies Ltd	Unit A10 Stafford Park, 15 Telford, TS3 3BB	0.00
CS05	Siemens Financial Services Ltd	Sefton Park, Bells Hill, Stoke Poges, Bucks, SL2 4JS	0.00
CS06	Speedy Lifting Ltd	Bolton Road, Atherton, Manchester, M46 9YZ	0.00
CS07	Speedy Lifting Ltd	The Pentagon Island, Nottingham Road, Derby, DE21 6BW	0.00
CS08	Sunlight Service Group	PO Box 6114, Basingstoke, RG24 8JP	0.00
CT00	The BSS Group	Fleet House, Lee Circle, Leicester, LE1 3QQ	0.00
CT01	The Expanded Metal Company	Greatham Street Longhill Ind Est., North Hartlepool, TS25 1PR	0.00
CT02	Tenbury Plant & Tool Hire	White House, Lane Lower, Kyrewood, Tenbury Wells, WR15 8SQ	0.00
CT03	The Sharper Image	Unit 4 Rossett Business, Village Llyndir Lane, Rossett, LL12 0AY	0.00
CT04	Tipton & Mill Steels Ltd	Hobart Road, Tipton, DY4 9LQ	0.00
CT05	Turner Parkinson LLP	Hollins Chambers, 64a Bridge Street, Manchester, M3 3BA	0.00
CU00	Ultra Clean (Oswestry) Ltd	Glovers Meadow, Maesbury Road Ind Est, Oswestry, SY10 8NH	0.00
CV00	Vision In Action (Opticians)	20 High Street, Caergwrle, LL12 9ET	0.00
CV01	Vocam Europe Ltd	2nd Floor Virginia House, 56 Warwick Road, Olton, Solihull, B92 7HX	0.00
CW02	Wrexham Volkswagen	Rhosrobin, Wrexham, LL11 4YL	0.00
CW03	WD Engineering	PO Box 433, Altrincham, WA15 6WB	0.00
CW04	Westminster Plastics Fabs Ltd	Unit one, St Ives Way, Sandycroft, Deeside, CH5 2QS	0.00
CW05	West Wallasey Car Hire Ltd	75-87 Leasowe Road, Wallasey, Wirral, L45 8NZ	0.00
CW06	Widnes Galvanising Ltd	Fairway Trading Park, Ditton Road, Widnes, WA8 0NZ	0.00
CW07	Wirecloth Sales & Development	11A East View, Grappenhall, Warrington, WA4 2QH	0.00
CW08	Wrexham County Borough Council	Financial Services, Dept Guildhall Complex, Wrexham, LL11 1AY	0.00
CW09	Wrexham General Engineering	Unit 226E, Abbey Road, Wrexham Ind Est, Wrexham, LL13 9UE	0.00
CW0A	Wrexham Metal Finishing	Unit 250A Redwither Business Park, Wrexham Ind Est, Wrexham, LL13 9UE	0.00
CW0B	Wrexham Plumbing & Builders Merchants	Foundry Road, Wrexham, LL13 7AB	0.00

**MCR**  
**DHD Engineering Services Limited**  
**B - Company Creditors**

<b>Key</b>	<b>Name</b>	<b>Address</b>	<b>£</b>
CW0C	Wrexham Power Tool Services	Five Fords, Gate Bridge Road, Wrexham Ind Est, Wrexham, LL13 9PS	0.00
CW0D	Wrexham Tool Hire	Unit 5 Plas Acton Ind Est, Plas Acton Road Pandy, Wrexham, LL11 2UB	0.00
<b>128 Entries Totalling</b>			<b>0.00</b>

Signature \_\_\_\_\_

**APPENDIX 5**

M\_DHD ENGINEERING SERVICES LIMITED - M\_DDE002

Analysis of Administrators' time costs for the period 21 May 2009 to 13 July 2009

Classification of Work Function	Hours					Total Hours	Time Cost	Average Hourly Rate
	Partner	Manager	Senior	Assistants	Support			
Fixed charge assets			1.50			1.50	£ 270.00	£ 180.00
Statement of affairs			1.50			1.50	270.00	180.00
Statutory meetings & reports			21.50			21.50	3,870.00	180.00
Unsecured creditors			2.50			2.50	450.00	180.00
General admin		4.30	2.50	0.10		6.90	1,662.50	240.94
Strategy planning & control	2.30	0.70	4.50			7.50	1,928.50	257.13
Cashiering & accounting		0.30	0.20	0.30		0.80	216.50	270.62
General correspondence	2.50	6.20				8.70	2,723.50	313.05
IPS set up & maintenance		0.20				0.20	65.00	325.00
Book debts	0.80					0.80	316.00	395.00
<b>Total Hours</b>	<b>5.60</b>	<b>11.70</b>	<b>34.20</b>	<b>0.40</b>		<b>51.90</b>	<b>11,772.00</b>	<b>226.82</b>
<b>Total Fees Claimed (£)</b>	<b>2,212.00</b>	<b>3,312.50</b>	<b>6,168.00</b>	<b>79.50</b>			<b>11,772.00</b>	

## DHD Engineering Services Limited

### Analysis of Pre-Appointment time costs

Classification of Work Function	Hours					Total Hours	Time Cost	Average Hourly Rate
	Partner	Manager	Senior	Assistants	Support			
General correspondence		1.80				1.80	£ 504.00	£
Reporting to appointor	8.10					8.10	3,199.50	
Reporting to company	5.20	0.80				6.00	2,278.00	
Strategy planning & control	1.30		2.50			3.80	963.50	
<b>Total Hours</b>	<b>14.60</b>	<b>2.60</b>	<b>2.50</b>			<b>19.70</b>	<b>6,945.00</b>	
<b>Total Fees Claimed (£)</b>	<b>5,767.00</b>	<b>728.00</b>	<b>450.00</b>				<b>6,945.00</b>	

**APPENDIX 6**

**APPENDIX 7**