

**2.17B**

The Insolvency Act 1986

**Statement of administrator's proposals**

Name of Company Edward Fox & Son Limited	Company number 00247892
In the High Court of Justice, Chancery Division, Birmingham District Registry (full name of court)	Court case number 8514 of 2010

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

I/We (a)  
M D Hardy  
Poppleton & Appleby  
35 Ludgate Hill  
Birmingham  
B3 1EH

M T Coyne  
Poppleton & Appleby  
35 Ludgate Hill  
Birmingham  
B3 1EH


\*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) 15 December 2010

Signed

  
Joint / Administrator(s)

Dated

17 December 2010

**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 researchers of the public

M D Hardy  
Poppleton & Appleby  
35 Ludgate Hill  
Birmingham  
B3 1EH

DX Number

0121 200 2962  
DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at -  
**Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff**



A07

\*AZA9MQ48\*  
21/12/2010  
COMPANIES HOUSE

452

TUESDAY

TO ALL KNOWN CREDITORS

Our Ref MDH/GJB/MAB/E3H

15 December 2010

Dear Sirs

**Edward Fox & Son Limited - In Administration**  
**High Court of Justice, Chancery Division, Birmingham District Registry No. 8514 of 2010**

In accordance with the provisions of paragraph 49 of Schedule B1 to the Insolvency Act 1986 I write to advise you of the Proposals of the Joint Administrators' in order to achieve the purpose of the Administration. The Proposals will be considered at a meeting of Creditors to be held on 6<sup>th</sup> January 2011. In accordance with the Insolvency Rules 1986 it is my intention to conduct the meeting by correspondence and notice to that effect is attached.

You will find enclosed with this letter the following documentation

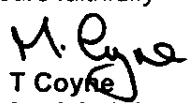
- 1 A copy of the Joint Administrators' report which includes at appendix 7 a Summary of the Proposals for fulfilling the terms of the Administration
- 2 Form 2.25B, the notice of conduct of business by correspondence incorporating a voting form which you should complete and return together with the enclosed proof of debt form by 12 noon on 6 January 2011. If any votes are received without a proof of debt, then that Creditor's votes shall be disregarded
- 3 Proof of debt form 4.25

Creditors are advised that the proposals include a resolution for consideration regarding the basis of the Joint Administrators' remuneration and disbursements. Details of the costs to date and the proposed basis of remuneration are included in detail in the enclosed Report, together with a Creditors' Guide to Fees in Administration.

The Administrators' must summon a Creditors' meeting if it is requested in the prescribed manner by Creditors of the Company whose debts amount to at least 10% of the total debts of the Company. In addition Creditors may wish to establish a Creditors Committee. Any Creditor wishing to summon a Creditors meeting or form a Committee should notify the Administrators' within 5 days of the date of this letter.

Should you require any further information concerning the report then please do not hesitate to contact me or my Manager, Garry Baxendale.

Yours faithfully

  
M T Coyne  
Joint Administrator

Please note that the Joint Administrators are agents of the Partnership and act without personal liability.

## Rule 2.48

## Notice of conduct of business by correspondence

Name of Company Edward Fox & Son Limited	Company number 00247892
In the High Court of Justice, Chancery Division, Birmingham District Registry (full name of court)	Court case number 8514 of 2010

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

Notice is hereby given by (a)  
M D Hardy  
Poppleton & Appleby  
35 Ludgate Hill  
Birmingham  
B3 1EH

M T Coyne  
Poppleton & Appleby  
35 Ludgate Hill  
Birmingham  
B3 1EH

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

to the creditors of (b) Edward Fox & Son Limited  
35 Ludgate Hill  
Birmingham, B3 1EH

(c) Insert number of  
resolutions enclosed

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are (c) 2  
resolutions for your consideration Please indicate below whether you are in favour or  
against each resolution

(d) Insert address to  
which form is to be  
delivered

This form must be received at (d)  
Poppleton & Appleby  
35 Ludgate Hill, Birmingham  
B3 1EH

(e) Insert closing date

by 12 00 hours on (e) Thursday 6 January 2011 in order to be  
counted It must be accompanied by details in writing of your claim Failure to do so  
will lead to your vote(s) being disregarded

\*Delete as appropriate

Resolution (1) Summary of Proposals I am \*in Favour / Against  
Resolution (2) Approval of the Administrators I am \*in Favour / Against  
pre-Appointment fees and expenses

## TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM

Name of creditor

Signature of creditor  
(If signing on behalf of creditor, state capacity e g director/solicitor)

If you require any further details or clarification prior to returning your votes, please  
contact me/us at the address above

Signed

M. D. Hardy  
Joint / Administrator(s)

Dated

## PROOF OF DEBT - GENERAL FORM

In the matter of **EDWARD FOX & SON LIMITED**  
 In Administration  
 and in the matter of The Insolvency Act 1986

Date of Administration Order 15 November 2010

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show -  (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category  Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
12	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION, BIRMINGHAM  
DISTRICT REGISTRY

NO 8514 OF 2010

**IN THE MATTER OF  
THE INSOLVENCY ACT 1986  
AND  
EDWARD FOX & SON LIMITED  
IN ADMINISTRATION**

**Company No. 00247892**

**REPORT AND PROPOSALS OF THE JOINT ADMINISTRATORS  
TO MEMBERS & CREDITORS**

Pursuant to Paragraph 49(1) of Schedule B1 to the Insolvency Act 1986  
And Part 1 of the Insolvency Act 1986  
And Part 1 Chapters 1 to 4 of the Insolvency Rules 1986  
(as amended by the Insolvency Act 2000 and the  
Insolvency Amendment No 2 Rules 2002)

Poppleton & Appleby  
35 Ludgate Hill  
Birmingham  
B3 1EH

Telephone No 0121-200-2962  
Fax No 0121-236-8430

**EDWARD FOX & SON LIMITED  
IN ADMINISTRATION**

**C O N T E N T S**

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**Edward Fox & Son Limited (In Administration)**  
**High Court of Justice, Chancery Division, Birmingham District Registry**  
**Court No. 8514 of 2010**

**Joint Administrators Report and Proposals**

**1. Introduction**

M D Hardy and M T Coyne, Licensed Insolvency Practitioners of Poppleton & Appleby, 35 Ludgate Hill, Birmingham, B3 1EH, were appointed Joint Administrators ("the Administrators") of Edward Fox & Son Limited ("the Company") on 15<sup>th</sup> November 2010. The appointment was made by the Directors. The proposal for Administration had been discussed in detail with Aldermore Bank plc (who provided an invoice discounting facility to the Company and held a fixed and floating charge over its assets) who agreed that the Directors should make the appointment.

As Creditors may be aware, the Joint Administrators are obliged to consider which of the three specific objectives the Administration procedure is likely to achieve. The objective I believe I am most likely to achieve is the third objective which is

- Realising property in order to make a distribution to one or more Secured or Preferential Creditors

In this report I set out the rationale for the Administration and how this objective is to be achieved. On present indications, funds will be available to the Company's Secured and Preferential Creditors. There is also some likelihood of funds becoming available for Unsecured Creditors.

I do not consider I can achieve the first objective, being the rescue of the Company as a going concern. The reasons for this are set out in more detail later in this report but the key point is that the Company had been trading at a loss and there appeared to be no prospect of reversing this trend. I also considered the second objective, being a better outcome for Creditors than would be likely if the Company were to be wound up without first being in Administration. The basis of the Administration is an orderly disposal of the assets and collection of book debts and whilst current forecasts suggest there will be a return to Creditors, the objective I have set out above appears more certain.

I am required to confirm that the Administrators act on a joint and several basis, although the day to day conduct of the Administration rests with me, Matthew Douglas Hardy.

I understand that the EC Regulations apply and that these proceedings are main proceedings as defined in Article 3 of the EC Regulations.

This report details our proposals to Creditors for achieving the purpose of the Administration. The proposals are dealt with throughout the report and a summary is provided at **Appendix 7**.

**2. The Administrators Proposals and Initial Creditors Meeting**

An initial Meeting of Creditors will be convened to consider my proposals as the Company is likely to have sufficient property to enable a distribution to be made to Unsecured Creditors. Notice of the Meeting of Creditors, Form 2.25B, is enclosed. The meeting will also consider whether a Creditors Committee should be formed and if no Committee is formed, Creditors will be asked to fix the Administrators remuneration as included in these proposals.

In addition, the meeting will also be asked to consider a resolution that certain of my pre-appointment fees and expenses can be treated as an expense of the Administration.

**It is my intention to conduct the meeting by correspondence as is permitted by the Insolvency Rules.** I attach at **Appendix 7** a summary of my proposals. In order to vote please complete and return Form 2.25B together with the enclosed proof of debt form. **Votes must be returned to the Administrators by 12.00 noon on Thursday 6<sup>th</sup> January 2011.** If any votes are received without a proof of debt, then that Creditor's votes shall be disregarded.

The Insolvency Rules provide that any single Creditor, or group of Creditors, of the Company whose debt(s) amount to at least 10% of the total debts of the Company may, within 5 business days from the date of the Administrator sending out the resolution or proposals, require him to summon a Meeting of Creditors to consider the matters raised in this report and my proposals. Please note that the expenses of summoning and holding such a meeting at the request of a Creditor shall be paid by that Creditor, who shall deposit with the Administrator security for their payment. If you require any further explanation as to this provision, or wish to discuss the proposals in more detail, then please do not hesitate to contact me.

Creditors may wish to establish a Creditors Committee. Any Creditor wishing to establish a Committee should notify the Administrators within 5 business days from the date of these proposals.

### **3. Events Leading to the Appointment of the Joint Administrators**

The Company was incorporated on 7<sup>th</sup> May 1930. The principal activity of the Company was that of a printer based in Warwickshire. The Company traded from large leasehold premises located at Masons Road in Stratford Upon Avon.

We were first consulted by one of the Directors, Mr Nigel Lyon on 20<sup>th</sup> October 2010. Mr Lyon and others had acquired 75% of the share capital of the Company in April 2010 from Mr LR Allfrey who then withdrew from the business. It soon became evident from our discussion that the Company was experiencing financial difficulties and that its future viability was in question.

The Company was experiencing an unexpected month on month downturn in trade which was impacting on profitability. A detailed analysis of sales and overhead cost was presented which suggested that the Company was now trading at a loss. I advised that if there was no imminent prospect of the Company returning to profitability, then the Directors should take immediate steps to address the problem and consider placing the Company into an insolvency process.

Mr Lyon consulted with his co Director, Mr Christopher Jewkes, whom I met at a further meeting held on 27<sup>th</sup> October 2010. At that meeting, the potential insolvency processes were discussed as well as other options that may have resulted in the preservation of the Company. Messrs Lyon and Jewkes left the meeting to discuss the options in more detail.

On 8<sup>th</sup> November 2010, I received telephone calls from both Directors confirming that they wished to place the Company into Administration. At their request I spoke to Aldermore Invoice Finance ("Aldermore"), who provided an invoicing discounting facility to the Company and held a fixed and floating charge over its assets. Aldermore confirmed that an Administration would help protect and preserve the debtor position and agreed to the Directors placing the Company into Administration.

### **4. Conduct of the Administration to Date**

#### **4.1. Consideration of Trading the Business whilst Seeking a Purchaser**

Prior to our appointment we had undertaken a brief review of the Company and it was evident from my discussion with Aldermore that there was no funding available to meet ongoing trading losses in the short term whilst seeking a purchaser for the business. Notwithstanding the forecast losses, there would have been an immediate cash requirement to meet salary and payroll costs.

The situation was compounded when the Company received notice from Surrey Asset Finance on 9<sup>th</sup> November 2010 terminating the asset finance agreement to which the key items of plant and equipment, including the Heidelberg Speedmaster colour printing presses and Stahl equipment, were subject.

The Company occupied leasehold premises for which rent was prepaid up to Friday, 19<sup>th</sup> November 2010. Following my appointment as Joint Administrator on Monday, 15<sup>th</sup> November 2010 I was contacted by the landlord of the premises, who insisted that ongoing rent should be paid or the premises vacated by the Company on 19<sup>th</sup> November 2010.

Having regard to these factors, and the uncertainty that a buyer could be found for the business and assets, given the current economic climate and the fact the key trading assets were subject to finance agreements, I concluded that there was no alternative other than to cease trading.



## 4.2 Appraisal of Assets

I instructed Independent Agents, GoIndustry DoveBid ("GID") to conduct a review of the Company's unencumbered assets. The review was carried out by Mr R Kumar, B Eng (Hons), who is a member of the Royal Institution of Chartered Surveyors and is therefore qualified to give valuation advice.

### Encumbered Assets

The main assets of the Company comprised, two Heidelberg Speedmaster colour printing presses, Heidelberg Stahl 100 Saddle Stitcher, Polar Guillotine and two Stahl folding machines. However, all of the items listed above were subject to an unregulated asset purchase agreement with Surrey Asset Finance ("SAF"). The agreement was terminated by SAF on the 9<sup>th</sup> November 2010 and I understand that a sale has since been agreed to Albion Machinery who is an unconnected printing equipment dealer based in Redditch. I am awaiting final confirmation from SAF concerning the sale although I understand there is unlikely to be a surplus available to the Company.

### Unencumbered Assets

The main items of unencumbered assets comprised of an AGFA Palladio CTP system and Apple workstations. These proved to be of modest value, due largely to technology developments in this particular sector which renders the equipment obsolete. In addition, there were a number of motor vehicles together with office furniture and equipment.

The valuation advice provided by GID can be summarised as follows:

	<b>Market Value In-Situ November 2010 £</b>	<b>Market Value Ex-Situ November 2010 £</b>
<b>Total Owned Assets</b>	27,000	17,500
<b>Total Encumbered Assets</b>		
Surrey Asset Finance	427,000	328,000

## 4.3 Sale of Unencumbered Assets

Shortly after my appointment interest in certain of the Company's assets and customer database was received from Lion FPG Limited ("Lion"). Lion is previously unconnected to the Company or any of its Directors, although I understand a number of sales staff together with Mr Jukes are now employed by Lion.

Lion made an offer of £20,000 for certain assets which included four of the five motor vehicles, previously driven by the sales staff and the Ford Transit Van together with racking, office furniture and equipment. Following advice from GID, the offer was accepted and a sale concluded on 18<sup>th</sup> November 2010.

The sale did not include the AGFA Palladio CTP system, which has subsequently been sold by my Agents to an Independent Third Party. I will report to Creditors on any further asset realisations in due course.

## 4.4 Book debt Collection

As at the date of this report, the Debtors Ledger stands at £235,077 and the current balance outstanding due to Aldermore now stands at £83,266. On present information, and subject to termination and collection fees, there appears to be some likelihood of surplus debtor collections being available to the Administration.

#### **4.5 Review of Business Activity**

I am in the process of reviewing the change in ownership of the Company which occurred in April 2010 and the payments made to the former shareholder. My enquiries to date indicate the Company was solvent at the time of the transaction and there are no concerns arising out of the transaction. My enquiries are however ongoing with assistance from my solicitors and I will advise Creditors of my conclusions in due course.

#### **5. Proposal for Achieving the Objectives of the Administration Order**

The primary issues to be dealt with during the Administration are the recovery of the Company's book debts, the sale of the Company's unencumbered assets and dealing with the Company's leasehold trading premises. In addition, pursuant to the Company Directors Disqualification Act 1986, it is the Joint Administrators' duty to submit a report to the Department of Business Enterprise and Regulatory Reform concerning the Directors' conduct. The contents of the report are confidential.

As referred to earlier in this report, it is anticipated that funds will be available for a small distribution to the Unsecured Creditors and we will therefore seek the approval of our proposals in this matter from Creditors by correspondence.

The proposals include the provision for an exit from the Administration. At present, the Administration will most likely conclude with the voluntary winding up of the Company. It is proposed that MD Hardy of Poppleton & Appleby, 35 Ludgate Hill, Birmingham, B3 1EH should act as the sole Liquidator of the Company for the purposes of the Creditors Voluntary Winding Up. Creditors should however note that they have the right to nominate an alternative Liquidator and any such nominations should be made prior to the meeting to be held on 6<sup>th</sup> January 2011.

#### **6. Statutory Information**

I attach at **Appendix 1** of this report the Statutory Information regarding the Company which deals with the relevant requirements of Rule 2.33 of the Insolvency Rules 1986.

I attach at **Appendix 2** extracts from the Company's filed accounts to 31<sup>st</sup> December 2009. Extracts from management accounts for the period ending 30<sup>th</sup> September 2010 are also enclosed.

#### **7. Statement of Affairs**

Pursuant to Schedule B1, Paragraph 47 (1) of the Act, a Statement of Affairs was delivered to the Administrators on 26<sup>th</sup> November 2010. The Statement was signed by the Directors, Mr Lyon and Mr Jewkes.

Creditors should note that in accordance with the standard format of the Statement of Affairs, no provision has been made for the costs of realising the Company's assets or the costs of the Administration. The Administrators have not carried out an audit on the information provided.

At **Appendix 4** are supporting notes to the Statement of Affairs, which I feel would be useful for Creditors. This information has been prepared by my staff with the assistance of information supplied by the Company Directors. The Statement of Affairs does not include any provision in respect of the costs of the Administration.

At **Appendix 5** are the names, addresses and approximate amounts due to the Creditors of the Company in accordance with the Company's records.

#### **8. Administrators Receipts and Payments Account**

I attach at **Appendix 6** a copy of my Receipts and Payments Account which provides details of funds received to date and payments made in respect of costs of the Administration.

## **9. Costs of the Administration**

### **9.1 Pre-Administration Costs**

Insolvency legislation now provides that certain of my pre-appointment fees and expenses can be paid as a cost of the Administration, subject to the approval of the Creditors. The meeting to be held on 6<sup>th</sup> January 2011 will be asked to consider a resolution agreeing these fees and expenses.

My involvement included various meetings and discussions with the Directors and the largest Creditor, Aldermore. In addition there were pre-appointment statutory documents required to be filed at Court, for which assistance and advice was provided by my Solicitors, Lewis Onions LLP.

I attach at **Appendix 10** a narrative which deals with the disclosure requirements when seeking the agreement of these fees and expenses from Creditors. In summary, I am seeking agreement from Creditors to the following:

	<b>Pre-Appointment time costs to 15 November 2010 £</b>	<b>Time Spent Hours</b>
Poppleton & Appleby	4,245	17
Lewis Onions Solicitors	2,335	8

### **9.2 Administration Costs**

I intend to seek to have my remuneration fixed by Creditors by reference to time properly expended by me and my staff in attending to matters arising from the Administration.

The time costs incurred by my firm in respect of the Administration to 3<sup>rd</sup> December 2010 are £15,453 which represents 109 hours at an average hourly rate of £141 per hour. In accordance with Statement of Insolvency Practice Number 9 ("SIP9") I append to this report at **Appendix 9** an analysis of time spent on the Administration from 15<sup>th</sup> November 2010 to date.

In addition, approval will also be requested for the costs of disbursements and expenses incurred by the Joint Administrators. Category 1 disbursements are specific expenditure relating to the administration of the Company's affairs and payable to an independent third party. Such disbursements can be paid from the Company's assets without approval from the Creditors Committee or general body of Creditors. Category 2 disbursements are charges made by the Joint Administrators firm that include elements of shared overhead costs. Statement of Insolvency Practice Number 9 provides that such disbursements are subject to approval as if they were remuneration. To date I have yet to draw any Category 2 disbursements, however, full details of this firm's scale of charges can be found at **Appendix 8**.

I will also seek approval for the payment of the costs and expenses of other professionals instructed by me to assist in the Administration. I am currently awaiting the costs of my appointed Agents, GoIndustry DoveBid for valuations carried out of the Company's assets. The assignment is ongoing and therefore I am not in a position to confirm their final fees at this stage.

## **10. Estimated Return for Creditors**

I provide below a commentary and illustration of the expected outcome for the different classes of Creditors.

### **10.1 Secured Creditors**

At the date of my appointment, the sum due to the Secured Creditor, Aldermore Invoice Finance was £121,607. Receipts from book debt recoveries in the Administration will be paid direct to Aldermore under the terms of the invoice discounting agreement. It is anticipated that there will be sufficient realisations to repay Aldermore in full before termination costs and fees.

## 10.2 Preferential Creditors

The Company employed 24 individuals, all of whom were made redundant on 15<sup>th</sup> November 2010 being the day of my appointment. The claims of the Company's employees are estimated as follows

Preferential Creditor Claims	£
Arrears of wages	12,704
Arrears of holiday pay	4,825
	<u>17,529</u>

We anticipate that the Preferential Creditors of the Company will be paid in full from the proceeds recovered in the Administration

## 10.3 Unsecured Creditors

The estimated claims of Unsecured Creditors can be summarised as follows

Unsecured Creditor Claims	£
Trade and expense Creditors	227,075
HM Revenue & Customs (PAYE, NIC)	25,784
Employee claims	169,508
Total	<u>422,367</u>

Since the date of our appointment, we have received a number of reservation of title claims from Creditors of the Company. All claims have been reviewed and dealt with accordingly. Credit notes are awaited from some Creditors whose claims were successful. No adjustment has been made to the Creditor balances shown in the Directors Estimated Statement of Affairs at this stage.

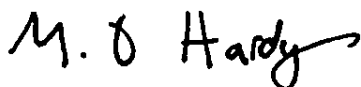
Having regard to the projected costs of the Administration and anticipated realisations it is likely that there will be funds available for distribution to Unsecured Creditors, although this is dependent on the quantum of the book debt surplus.

## 11. Conclusion and Proposed exit route from Administration

As you will see from the information contained in this report and appendices it is envisaged that the Administration will end with the Company entering into Creditors Voluntary Liquidation. If the Company proceeds into Creditors Voluntary Liquidation, then it is proposed that MD Hardy of Poppleton & Appleby, 35 Ludgate Hill, Birmingham, B3 1EH should act as the Sole Liquidator of the Company for the purposes of the Winding Up. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of the proposals and before the proposals are approved.

Should any Creditor wish to discuss the report or the proposals of the Administrators then please contact the Senior Manager, Garry Baxendale, assigned to the Administration on 0121 200 2962.

Signed



**M D Hardy - Joint Administrator of  
Edward Fox & Son Limited**

Poppleton & Appleby  
35 Ludgate Hill  
Birmingham  
B3 1EH

Dated 13 December 2010

## EDWARD FOX &amp; SON LIMITED

## STATUTORY INFORMATION

<b>Company Number</b>	00247892		
<b>Date of Incorporation</b>	07/05/1930		
<b>Changes of Name</b>	No previous names recorded at Companies House		
<b>Objects</b>	Printing		
<b>Registered Office</b>	At the date of the Administration, the Company's registered office was situated at Masons Road, Stratford Upon Avon, Warwickshire, CV37 9NB For the purposes of the Administration this was changed to Poppleton & Appleby's, 35 Ludgate Hill, Birmingham, B3 1EH, on 25/11/2010		
<b>Trading Address</b>	Masons Road, Stratford Upon Avon, Warwickshire, CV37 9NB		
<b>Director</b>	<b>Name</b>	<b>Appointed</b>	<b>Resigned</b>
	N Lyon	20/04/2010	-
	CJ Jewkes	12/12/1995	-
	LR Allfrey	17/10/1991	20/04/2010
	RJ Keeley	12/12/1995	20/06/2008
<b>Company Secretary</b>	LR Allfrey	12/12/1995	20/04/2010
<b>Share Capital</b>	£100,000 authorised shares divided into 100,000 ordinary shares of £1 each of which 66,000 shares have been issued and are held as follows		
<b>Shareholders</b>	<b>Name</b>	<b>Shares</b>	<b>Type</b>
	Edward Fox Holdings Ltd	66,000	Ordinary Shares
<b>Bankers</b>	Barclays Bank Plc		
<b>Charges Registered</b>	<p>2 ( 1 outstanding / 1 satisfied )</p> <p><b>Debenture Number 1</b> (Satisfied 28/03/2006)</p> <p>Barclays Bank Plc</p> <p>Registered 18/12/1995 Created 12/12/1995</p> <p>Fixed &amp; Floating Charges over the undertaking and all property and assets present and future, including goodwill, bookdebts, uncalled capital, buildings, fixtures, fixed plant and machinery etc</p> <p><b>Debenture Number 2</b> (Outstanding)</p> <p>Absolute Invoice Finance, a division of Aldermore Bank Plc</p> <p>Registered 21/05/2010 Created 07/05/2010</p> <p>Fixed &amp; Floating Charges over the undertaking and all property and assets present and future, including goodwill, bookdebts, uncalled capital, buildings, fixtures, fixed plant and machinery etc</p>		

## EDWARD FOX &amp; SON LIMITED

## EXTRACTS FROM THE ACCOUNTS

	Management Accounts for the 9 month trading period to 30/09/10	Audited Accounts for the 12 month trading period to 31/12/09	Audited Accounts for the 12 month trading period to 31/12/08	Audited Accounts for the 12 month trading period to 31/12/07
		£	£	£
Turnover	1,295,220	1,308,079	1,546,489	1,989,382
Gross Profit	372,495	443,215	510,438	774,193
Gross Profit Margin %	28%	34%	33%	39%
Loss Before Tax	(177,689)	(343,865)	(311,421)	(88,183)
Loss After Tax	(177,689)	(300,525)	(236,683)	(91,173)
Retained Profit B/F	663,709	1,021,114	1,566,457	1,483,630
Dividends	-	-	(18,250)	-
Pension Movement	-	(56,880)	(290,410)	174,000
Retained Profit C/F	-	663,709	1,021,114	1,566,457
Directors Remuneration	-	-	189,470	209,421
Date Accounts Signed	-	14/04/2010 By LR Alfrey	20/05/2009 By LR Alfrey	-

Notes

The company occupies a leasehold property which is owned by the former Directors' Pension Scheme. Rent of £100,000 was charged in the year ended 2009

Edward Fox & Son Limited  
Estimated Statement Of Affairs as at 15 November 2010

	Book Value £	Estimated to Realise £	£
<b>ASSETS</b>			
Factored Book Debts	267,408 00	227,296 00	
Advances by Factoring Co		(121,607 00)	
		105,689 00	105,689 00
Plant & Machinery	480,539 00	263,000 00	
Settlement		(263,000 00)	
		NIL	NIL
Cash at Bank	8,592 00		8,592 00
Plant & Machinery	37,383 00		3,095 00
Computer Equipment & Software	25,653 00		2,230 00
Fixtures & Furniture	2,215 00		1,225 00
Vehicles	2,627 00		11,075 00
Stock in Trade	65,000 00		NIL
Inter Company debt	8,164 00		NIL
VAT Refund	5,207 00		5,207 00
			137,113 00
<b>LIABILITIES</b>			
<b>PREFERENTIAL CREDITORS -</b>			
Wages Employees		12,704 00	
Hol Pay Employees		4,825 00	
			17,529 00
			119,584 00
<b>DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003</b>			
<b>OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS</b>			
			NIL
			119,584 00
Estimated prescribed part of net property where applicable (to carry forward)			NIL
			119,584 00
<b>DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003</b>			
			NIL
			119,584 00
Estimated prescribed part of net property where applicable (brought down)			NIL
			119,584 00
<b>Unsecured non-preferential claims (excluding any shortfall to floating charge holders)</b>			
Trade & Expense Creditors		227,075 00	
PAYE & NIC		25,784 00	
Employees		169,508 00	
			422,367 00

Edward Fox & Son Limited  
Estimated Statement Of Affairs as at 15 November 2010

	Book Value	Estimated to Realise
	£	£
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F C's post 14 September 2003)		(302,783 00) (302,783 00)
Issued and called up capital Ordinary Shareholders		66,000 00 66,000 00
<b>TOTAL SURPLUS/(DEFICIENCY)</b>		<b>(368,783 00)</b>



## EDWARD FOX &amp; SON LIMITED

## NOTES TO ACCOMPANY THE DIRECTORS STATEMENT OF AFFAIRS

**ASSETS****Factoring Agreement**

The Company has a confidential invoice discounting facility with Aldermore Invoice Finance ("AIF") dated 7 May 2010. AIF prepaid 80% of the approved debts of the Company under the agreement.

The balances shown in the Statement of Affairs reflect the position on the ledger as at the 15 November 2010. For the sake of prudence a provision for bad and doubtful debts of 15% has been applied to the ledger balance. No account has been made of charges which will be applied to the account by AIF for the early termination of the agreement, the quantum of which is not known at this time but are estimated to be circa £40,000.

Personal guarantees are held by AIF from Mr Nigel Lyon and Mr Christopher Jewkes limited to £56,000 and £19,000 respectively. This is supported by an indemnity from Lewco 294 Limited and Edward Fox Holdings Limited together with a Debenture dated 7 May 2010.

**Encumbered Plant & Machinery**

Shortly prior to the commencement of the Administration the Company had in its possession a quantity of Heidelberg and Stahl printing machinery subject to an asset finance agreement with Surrey Asset Finance ("SAF"). On the 9 November 2010 SAF terminated the agreement having been advised that it was the Directors intention to appoint an Administrator to the Company. The equipment was subsequently sold by SAF to an unconnected third party. The Joint Administrator has not been advised by SAF of the sale price achieved for the equipment, although it is unlikely that there will be a surplus after termination charges have been applied to the account. SAF have advised that they do not have a claim in the Administration following the sale.

**Cash at Bank**

The Company holds a current account with Barclays Bank Plc. At the start of the day on the 15 November 2010 the account had a credit balance in the amount shown. Notification of the Administration was faxed to the Bank the same day, at which time the account should have been frozen. Inevitably there will have been transactions after this date through the account which could alter the final position. I am advised that payments from factored book debtors totalling £4,995 were received into the account after the 15 November 2010. These monies will need to be forwarded onto Absolute Invoice Finance. In addition there may have been payments made out of the account after the Bank received notice of the Administration which will need to be voided.

**Unencumbered Plant & Machinery**

Of the plant owned by the Company the largest item is an AGFA Palladio Direct to Plate machine purchased in February 2003. I am advised by Rajiv Kumar B Eng (Hons) of GoIndustry DoveBid asset sales and valuers, that the image head fitted to the equipment is a previous generation item and is not well regarded in the market place. He therefore estimates the value of the machine together with associated equipment being a Lithostar plate stacker and Dell Poweredge tower server to be £2,000. The remaining items include pallet trucks, binding and cutting machines, etc. common to this type of industry.

**Computer Equipment & Software**

The printing industry relies heavily on the use of information technology in the production process and consequently the Company owns a quantity of computer equipment and utilises an number of design software packages. The hardware itself depreciates very quickly and is therefore of little value.

whilst the software is subject to licence agreements held by the writers of the software, which are not transferable and therefore have no realisable value.

**Fixtures & Furniture**

The Company owns a quantity of office furniture and equipment some of which is in below average condition. The current resale value of second hand office equipment is low and is reflected in the value attributed to these items by GoIndustry Dovebid. The fixtures are mostly comprised of metal racking used by the Company for storage, which has only a low estimated realisable value once the costs to dismantle and transport the racking have been taken into account.

**Vehicles**

Vehicles owned by the Company include five motor cars and one Ford Transit van. The motor cars were used by the sales staff whilst the Ford Transit was used for deliveries and therefore all the vehicles are of high mileage.

**Stock in Trade**

The Company carried a quantity of stock throughout each accounting year end. The value of the stock is therefore historical and has no realisable value.

**Inter Company Debt**

There is an amount due from the Company's ultimate holding company Edward Fox Holdings Limited.

The loan is interest free and carries no stipulation as to terms of repayment. However, the Directors have advised me that Edward Fox Holdings Limited is a non trading company and consequently does not have any resources available with which to repay the loan.

**VAT Refund**

A final VAT return has been prepared for the Company to cessation of trading. It shows a refund due to the Company of £5,207. However, it is likely that the refund will be set off against an outstanding PAYE/NIC liability, details of which are provided below.

**LIABILITIES****Secured Creditor**

Aldermore Invoice Finance hold a Debenture dated 7 May 2010 together with personal guarantees from the Directors and an indemnity from Lewco 294 Limited and Edward Fox Holdings Limited. It is anticipated that Aldermore will fully recover advances made by them from the Company's sales ledger.

**Trade and Expense Creditors**

The claims of trade Creditors have been extracted from the Company's records as at 17 November 2010. The list should not be considered final as adjustments will inevitably arise. Agreement of individual claims is a matter for the Joint Administrator to resolve and adjudicate should a dividend be anticipated. The claims of trade Creditors are shown inclusive of VAT.

**PAYE & NIC Liability**

There is an amount due to HM Revenue & Customs of £25,783 in respect of unpaid PAYE and NIC contributions spanning tax weeks twenty three to thirty one. A VAT refund is due to the Company, which is likely to be set off against this amount leaving a balance due of £20,576.

### **Employees Claims**

The employees have preferential claims in respect of unpaid wages and holiday pay and non-preferential redundancy pay and pay in lieu of notice claims. The claims of the employees will be met, subject to statutory limits, from the National Insurance Fund to which their claims will be subrogated. Some employees may be left with an outstanding claim against the Company for the balance falling above the statutory limit. The claims shown in the Statement of Affairs have been calculated on the basis of statutory and not contractual entitlements.

## **ADDITIONAL NOTES TO THE STATEMENT OF AFFAIRS**

### **Costs of the Administration**

No provision has been made in the Directors Estimated Statement of Affairs for the cost of the Administration.

### **Valuations**

Valuations of the Company's assets were carried out on 15 November 2010 by Rajiv Kumar B Eng (Hons) of GoIndustry DoveBid professional valuers and auctioneers of machinery and business assets, in accordance with the Royal Institution of Chartered Surveyors Valuation Standards, Sixth Edition (RICS Red Book). The estimated realisable values shown in the Statement of Affairs are Ex-Situ, that is based on the following assumptions, all cost of sale are excluded, a restricted 60 day marketing period, the assets would be sold as individual items for removal at the expense of the purchaser. No provision has been made in the Statement of Affairs for the costs of the valuations.

# **Edward Fox & Son Limited** **B - Company Creditors**

Key	Name	Address	£
CA00	A1 Paper Stationery Limited (In Administration)	c/o Grant Thornton UK LLP, Enterprise House, 115 Edmund Street, Birmingham, B3 2HJ	10,050 22
CA01	Abbey Mechanical Services Limited	James House, Northgate, Aldridge, Walsall, WS9 8TH	469 40
CA02	Ace Binding Company	Venture Factors Plc, PO Box 624, Haywards Heath, West Sussex, RH16 1WW	5,935 52
CA03	Ace Print Finishers Limited	Unit 4 Selecta Ind Estate, Selecta Avenue, Great Barr, Birmingham, B44 9XA	2,508 63
CA04	Advanced Direct Mail Limited	Unit 2, The Washington Centre, Halesowne Road, Netherton, Dudley, DY2 9RE	3,073 91
CA05	AGA Print Finishing Limited	76 Cato Street North, Nechells, Birmingham, B7 5AN	1,569 81
CA0A	Agfa Graphics N V	Vantage West, Great West Road, Brentford, Middlesex, TW8 9AX	670 00
CA0B	Aldermore Invoice Finance	2nd Floor, Charles House, 148 Great Charles Street, Birmingham, B3 3HT	120,760 00
		Security Given fixed and floating charges Date Given 07/05/2010	
CA06	All Trade Printers Limited	2 Ringway Business Park, Richard Street, Birmingham, B7 4AA	700 30
CA07	Amathias Graphic Design	65 Unicorn Avenue, Eastern Green, Coventry, CV5 7GS	246 75
CJ00	Amazing Projects t/a J4 Packaging	Unit 3, London Street, Smethwick, Birmingham, B66 2SH	463 54
CA08	Antalis Limited	Unit 5 Network Park Industrial Est, Duddleston, Saltley, Birmingham, B8 1AU	8,849 68
CA09	Aspire Technology Limited	107 Mortlake High Street, London, SW14 8HQ	543 41
CB02	B J W Binders Limited	Unit 5 Bayton Way, Bayton Road Ind Est, Exhall, Coventry, CV7 9ER	539 10
CB05	Bank of Scotland	Collections & Recoveries CL3-57, Tower House, Charterhall Drive, Chester, CH88 3AN	0 00
CB04	Bijley Insatlations Ltd	47 Chideoc Hill, Coventry, CV3 6LN	0 00
CB01	Birmingham Mailing Cases	Machin Road, Erdington, Birmingham, B23 6DR	49 35
CB00	Brindley Design & Print	95 Moseley Street, Birmingham, B12 0RT	2,551 89
CB03	Buymyprint Limited	Unit 6 Woodcotes Development, Earlsdon, Coventry, CV5 6GF	5,455 48
CC00	Cartridge Save Limited	Unit A9 Reverview, Embankment Business Park, Heaton Mersey, Stockport, SK5 6TJ	229 63
CC09	Cash Payments Account		854 24
CC01	Celloglas	Unit 6 Meridian West, Meridian Business Park, Leicester, LE3 2WX	174 19
CC05	Central Mailing Services	Unit 1 Tudor Ind Est, Whardale Road, Tyseley, Birmingham, B11 2DG	576 28
CC02	Cheltenham Print Finishers	Unit 8 Churchill Industrial Estate, Churchill Road, Cheltenham, GL53 7EG	117 50
CC03	City Electrical Factors Limited	Unit 15, Western Road Ind Est, Stratford - Upon - Avon, CV37 0AH	35 60
CC04	Clifford Press Limited	Lifford Way, Binley Industrial Estate, Coventry, CV3 2RN	1,421 75
CC08	Clinical Print Finishers (UK) Limited	Glenbarr Avenue, Leicester, LE4 0AE	127 10
CC06	Code Red Consultancy Limited	Stantonbury Park Offices, Wolverton Road, Milton Keynes, MK14 5AT	136 30
CC07	Cyanx Limited	Unit 5, Moorfield Industrial Estate, Leeds, LS19 7BN	2,218 34
CD00	Dafferns	Queens House, Queens Road, Coventry, CV1 3DR	2,614 38
CE02	E On UK Plc	Westwood Way, Westwood Business Park, Coventry, CV4 8LG	4,437 83

**Edward Fox & Son Limited**  
**B - Company Creditors**

Key	Name	Address	£
CE01	Edward Fox Directors Pension Fund	Hilford House, Barford Hill, Warwick, CV35 8DA	0 00
CE04	Edward Fox Director's Pensions Fund	David Booter & Co, 9 Grove Court, Grove Park, Enderby, Leicester LE19 1SA	0 00
CE00	Elliott Baxter & Co Limited	Head Office, Central Way, Feltham, Middlesex, TW14 0RX	6,583 62
CE05	Employee Claims Central A/c		187,037 00
CE03	Exhausts, Tyres & Batteries	Hylton Road, Worcester, WR2 5JS	519 24
CF00	Fast Forms (UK) Limited	Units 13 & 14 Ace Business Park, Mackadown Lane, Kitts Green, Birmingham, B33 0LD	555 11
CF02	Fear Print Finishers Limited	Unit 8 Selecta Ave Ind Est, (off Sandy Lane), Great Barr, Birmingham, B44 9XA	1,587 43
CF01	Fellgrind Limited	19 Ions Industrial Estate, Oldbury Road, West Bromwich, B70 9BT	71 50
CF03	Francotyp-Postalia Limited	74 Questor, Powdermill Lane, Darford, Kent, DA1 1EF	184 10
CG02	Geopost UK Limited	Litigation Department, Trelawney House, Surrey Street, Bristol, BS2 8PS	0 00
CG01	Goddard Perry Consulting Limited	8th Floor, Corinthian House, 17 Lansdowne Road, Croydon, CR0 2BX	2,021 48
CG00	Golden Box Limited	Unit 7/8 Brindley Road, Bayton Road Ind Est, Exhall, Coventry, CV7 9EP	628 80
CH00	Heidelberg Graphic Equipment	69 - 76 High Street, Brentford, Middlesex, TW8 0AA	289 32
CH02	Henry Mills Limited	Chester Street, Birmingham, B6 4BE	609 83
CH04	HM Revenue & Customs	Sherbourne House, 1 Manor House Drive, Coventry, CV1 2TA	0 00
CH05	HM Revenue & Customs	National Insolvency Unit, 3rd Floor, Queens Dock, Liverpool, L74 4AA	0 00
CH06	HM Revenue & Customs	Collector of Taxes, 3rd Floor, Euston Tower, 286 Euston Road, London, NW1 3UQ	0 00
CH07	HM Revenue & Customs	NICO Contrib & ICHU, Lindisfarne House, Benton View Road, Long Benton, Newcastle upon Tyne, NW1 3UQ	25,784 26
CH08	HM Revenue & Customs	Durrington Bridge House, Barrington Road, Worthing, West Sussex, BV12 4SE	0 00
CH03	Howard Smith Papers Limited	PO Box 954, Bluestem Road, Ipswich, IP3 9RR	52,845 65
CH01	Hughes Price Walker Limited	8 - 10 Whiteladies Road, Clifton, Bristol, BS8 1PD	1,153 26
CI00	Interlink Express	Trelawny House, Surrey Street, Bristol, BS2 8AP	1,204 11
CK00	Kaleidoscope Imaging Limited	Unit 1 Auckland Road, Sparkbrook, Birmingham, B11 1RH	91 65
CK01	Kee It Services Limited	Broughton Grange, The Headlands, Kettering, Northants, NN125 6XA	253 80
CL00	Lawrence Graham	190 Strand, London, WC2R 1JN	2,767 49
CL01	Litho Supplies (UK) Limited	Longmoor Lane, Breaston, Derby, DE72 3BQ	23,847 06
CL02	Litho Supplies (UK) Ltd	Electronics Division, 14 Buntsford Park Road, Bromsgrove, B60 3DX	2,833 24
CM04	M J Tech	Unit 10 Cadle Pool Farm, The Ridgeway, Stratford Upon Avon, Warwickshire, CV37 9RE	0 00
CM00	Makup PR	3a Willow Court, Bourton Industrial Estate, Bourton-on-the-Water, Cheltenham, GL54 2HQ	5,341 18
CM01	Mark C Brown Limited	13 Baker Street, Hull, North Yorkshire, HU2 8HS	12 49

**Edward Fox & Son Limited**  
**B - Company Creditors**

Key	Name	Address	£
CM05	MBA Group Limited	MBA House, German Road, London, N17 0HW	444 43
CM02	Midrepro Limited	Unit 1, Holbrook Park Estate, Holbrook Lane, Coventry, CV6 4AB	188 00
CM03	Murcom Office Product's	Unit 4A, St Marys Steet, Sydenham Ind Est, Leamington Spa, CV31 1PP	74 64
CN00	Nicom Limited	9 Thamebridge Ind Est, Aldridge Road, Pery Barr, Birmingham, B42 2TX	649 78
CO00	Oak Die Stamping	Tyburn Trading Estate, Ashold Farm Road, Erdington, Birmingham, B24 9QG	1,659 22
CO01	Opal Envelopes Limited	Aspley Close, Modular Business Park, Four Aahes, Wolverhampton, WV10 7DE	1,695 07
CP03	Perfect Print Solutions	7 Blackberry Close, Rugby, Warwickshire, CV23 0UJ	498 46
CP01	Perfector Print Engineers Limited	24 Sundbury Rise, Northfield, Birmingham, B31 2EZ	8,383 83
CP05	PHS Group	Western Industrial Estate, Caerphilly, CF83 1XH	0 00
CP02	Pinstripe Print Group	60 Hampton Street, Birmingham, B19 3LU	9,513 63
CP00	Precision Colour Printing Limited	Haldane, Halesfield 1, Telford, Shropshire, TF7 4QQ	3,175 00
CP04	Premier Paper Group Limited	Credit Control Department, Midpoint Park, Kingsbury Road, Minworth, B76 1AF	23,961 73
CR01	RGP Graphic Systems Limited	10 Redhills Road, South Woodham Ferrers, Chelmsford, CM3 5UP	319 90
CR00	Robert Horne Paper Group Limited	Hunstman House, Mansion Close, Moulton Park, Northampton, NN3 1LA	2,487 88
CS07	S & R Cutting Formes	12 Bartleet Road, Washford Ind Est, Redditch, B98 0DQ	1,454 69
CS0D	SAS Group UK	Chevron House, Lower Swell Road, Stow on the Wold, Cheltenham, GL54 1LD	282 06
CS02	SCR Envelopes Limited	Century House, Millenium Drive, Leeds, LS11 5BP	1,415 88
CS03	Selecta UK Limited	Unit 2, Cartel Business Centre, Wade Road, Basingstoke, RG24 8FW	42 97
CS0C	Service Business Forms Limited	Graingers Lane, Cradley Heath, West Midlands, B64 6AN	1,897 92
CS04	SGS UK Limited	Rossmore Business Park, Ellesmere Port, Cheshire, CH65 3EN	176 25
CS0B	Siemens Financial Services Ltd	Sefton Park, Bells Hill, Stoke Poges, Buckinghamshire, SL2 4JS	0 00
CS05	Smartworks	16 The Green, Snitterfield, Warwickshire, CV37 0JG	750 00
CS06	Springpack	Racecourse Road, Pershore, Worcs, WR10 2EY	669 61
CS08	Steam Software Limited	Unit 4 West Court, Saxon Business Park, Stoke Prior, Bromsgrove, B60 4AD	0 00
CS09	Stratford on Avon District Council	Elizabeth House, Church Street, Stratford - Upon - Avon, Warwickshire, CV37 6HX	0 00
CS01	Streetwise Couriers Midlands Ltd	2 Collins Road, Heathcote Industrial, Warwick, CV34 6TF	8 03
CS0A	Surrey Asset Finance	Sidcup House 4th Floor, 12 - 18 Station Road, Sidcup, Kent DA15 7EX	0 00
CT01	Tech-ni-Fold Limited	Unit 2, St John's Business Park, Lutterworth, Leicestershire, LE17 4JL	99 88
CT00	The Paper Co Limited	PO Box 955, Sales Ledger Department, Ipswich, IP3 9RR	258 26
CT03	TNT Express UK Limited	PO Box 4, Ramsbottom, Lancs, BL10 9AR	287 04
CT05	Total	Telecom House, 296 High Street, Cheltenham, Gloucestershire, GL50 3HQ	0 00
CT02	Total Limited	Telecom House, High Street, Cheltenham, Gloucestershire, GL50 3HQ	440 52

**Edward Fox & Son Limited**  
**B - Company Creditors**

Key	Name	Address	£
CT04	TW Printing & Copying Limited	Unit 4B St Marys Road, Sydenham Ind Est, Royal Leamington Spa, CV31 1PP	1,255 26
CU00	UK Mailing Systems Limited	Euro Business Park, Summerton Road, Oldbury, B69 2EL	135 15
CU01	Ultra Print Finishing	Units 1 & 2 Wynter Road, Somers Road Ind Est, Rugby, CV22 7EB	1,046 70
CU02	United Wipes Limited	United House, Spring Copse Business Park, Slinford, Horsham, RH13 0SZ	801 05
CU03	University of Wolverhampton	FTAO Helen Robinson , 3rd Floor, MX Building, Camp Street, Wolverhampton, WV1 1AD	0 00
CW01	WasteCare co uk	Richmond House, Garforth, Leeds, LS25 1NB	359 09
CW02	Welcombe Garage	27 Timothys Bridge Road, Enterprise Park, Stratford Upon Avon, Warwickshire, CV37 9NQ	56 00
CW00	White Logistic & Storage Limited	1 Ascot Road, Pershore, WR10 2JJ	2,607 35
<b>101 Entries Totalling</b>			<b>560,697.03</b>

**Edward Fox & Son Limited**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**  
**To 13/12/2010**

Appendix 6

S of A £		£	£
	<b>FIXED CHARGE ASSETS</b>		
227,296 00	Factored Book Debts	NIL	
(121,607 00)	Advances by Factoring Co	NIL	NIL
	<b>H P ASSETS</b>		
263,000 00	Plant & Machinery	NIL	
(263,000 00)	Settlement	NIL	NIL
	<b>ASSETS NOT PLEDGED</b>		
8,592 00	Cash at Bank	NIL	
3,095 00	Plant & Machinery	NIL	
2,230 00	Computer Equipment & Software	NIL	
1,225 00	Fixtures & Furniture	NIL	
11,075 00	Vehicles	NIL	
NIL	Stock in Trade	NIL	
NIL	Inter Company debt	NIL	
5,207 00	VAT Refund	NIL	NIL
	<b>PREFERENTIAL CREDITORS</b>		
(12,704 00)	Wages Employees	NIL	
(4,825 00)	Hol Pay Employees	NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(227,075 00)	Trade & Expense Creditors	NIL	
(25,784 00)	PAYE & NIC	NIL	
(169,508 00)	Employees	NIL	NIL
	<b>DISTRIBUTIONS</b>		
(66,000 00)	Ordinary Shareholders	NIL	NIL
<b>(368,783.00)</b>			<b>NIL</b>
	<b>REPRESENTED BY</b>		
			<b>NIL</b>

M D Hardy  
Joint Administrator



**EDWARD FOX & SON LIMITED - IN ADMINISTRATION**

**SUMMARY OF THE PROPOSALS OF THE JOINT ADMINISTRATORS IN ACCORDANCE  
WITH THE PROVISIONS OF PARAGRAPH 49 (1) OF SCHEDULE B1  
TO THE INSOLVENCY ACT 1986**

These proposals form part of and should be read in conjunction with the Joint Administrators Report to Creditors dated 13<sup>th</sup> December 2010

The proposals of the Joint Administrators are that

- 1 The Administration shall continue in the short term in order that the assets and liabilities as detailed in the Joint Administrators' report of 13<sup>th</sup> December 2010 may be dealt with
- 2 At the conclusion of the Administration, the Joint Administrators shall, at their discretion, either
  - a) take steps to place the Company into Creditors Voluntary Liquidation in accordance with Paragraph 83 (1) of Schedule B1 to the Insolvency Act 1986 if and when it appears to the Administrators that it is appropriate to do so, or
  - b) take steps to have the Company dissolved in accordance with Paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 if all property is realised and there are insufficient funds to make a distribution to creditors
- 3 If the Company proceeds into Creditors Voluntary Liquidation, then it is proposed that M D Hardy of Poppleton & Appleby, 35 Ludgate Hill, Birmingham, B3 1EH should act as the Sole Liquidator of the Company for the purposes of the Winding Up. The Liquidator's fees and expenses are to be agreed on the same basis as described below,
- 4 The Joint Administrators are authorised to defray the costs and fees of the Administration from time to time, including the fees of agents, valuers and solicitors engaged by the Administrators during the Administration. The Administrators' remuneration should be based upon time costs and, together with the expenses incurred by them in the Administration, should be paid out of the assets of the Company. A Creditors Guide to Fees in Administration is attached to the Joint Administrators Report, which includes details of the manner in which Poppleton & Appleby seek to recover expenses and disbursements where there is an element of overhead recovery (Category 2 Disbursements)

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## A CREDITORS' GUIDE TO ADMINISTRATORS' FEES ENGLAND AND WALES

### 1 Introduction

1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees, explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive.

### 2 The nature of administration

2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration,

or, if the administrator thinks neither of these objectives is reasonably practicable:

- realising property in order to make a distribution to secured or preferential creditors

### 3 The creditors' committee

3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

### 4 Fixing the administrator's remuneration

4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed:

- as a percentage of the value of the property which the administrator has to deal with,
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration, or
- as a set amount.

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the administrator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the administrator.

It is for the creditors' committee (if there is one) to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the committee to determine the percentage or percentages to be applied, and where it is a set amount, to determine that amount. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case,
- any responsibility of an exceptional kind or degree which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties,
- the value and nature of the property which the administrator has to deal with.

4.2 If there is no creditors' committee, or the committee does not make the requisite determination (and provided the circumstances described in paragraph 4.3 do not apply), the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as apply in the case of the committee. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator, but the administrator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment.

4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets.

In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of –

- each secured creditor of the company, or
- if the administrator has made or intends to make a distribution to preferential creditors –

- each secured creditor of the company, and
- preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval,

having regard to the same matters as the committee would.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company

4.4 A resolution of creditors may be obtained by correspondence

## 5 Review of remuneration

5.1 Where there has been a material and substantial change in circumstances since the basis of the administrator's remuneration was fixed, the administrator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

## 6 Approval of pre-administration costs

6.1 Sometimes the administrator may need to seek approval for the payment of costs in connection with preparatory work incurred before the company went into administration but which remain unpaid. Such costs may relate to work done either by the administrator or by another insolvency practitioner. Details of such costs must be included in the administrator's proposals.

6.2 Where there is a creditors' committee, it is for the committee to determine whether, and to what extent, such costs should be approved for payment. If there is no committee or the committee does not make the necessary determination, or if it does but the administrator, or other insolvency practitioner who has incurred pre-administration costs, considers the amount agreed to be insufficient, approval may be given by a meeting of creditors. Where the circumstances described in paragraph 4.3 apply, the determination may be made by the same creditors as approve the administrator's remuneration.

6.3 The administrator must convene a meeting of the committee or the creditors for the purposes of approving the payment of pre-administration costs if requested to do so by another insolvency practitioner who has incurred such costs. If there is no determination under these provisions, or if there is but the administrator or other insolvency practitioner considers the amount agreed to be insufficient, the administrator may apply to the court for a determination.

## 7 What information should be provided by the administrator?

### 7.1 When seeking remuneration approval

7.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- the nature of the approval being sought,
- the stage during the administration of the case at which it is being sought, and
- the size and complexity of the case.

7.1.2 Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

7.1.3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

- Any significant aspects of the case, particularly those that affect the amount of time spent
- The reasons for subsequent changes in strategy
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement

- Any existing agreement about fees
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

7.1.4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff.

## 7.2 After remuneration approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution (see further paragraph 8.1 below). Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 7.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 7.1.4 above regarding work which has been sub-contracted out.

## 7.3 Disbursements and other expenses

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements, but there is provision for the creditors to challenge them, as described below. Professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

## 8 Progress reports and requests for further information

8.1 The administrator is required to send a progress report to creditors at 6-monthly intervals. The report must include:

- details of the basis fixed for the remuneration of the administrator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it),
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report),
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report,
- a statement of the expenses incurred by the administrator during the period of the report, irrespective of whether payment was actually made during that period,
- the date of approval of any pre-administration costs and the amount approved,
- a statement of the creditors' rights to request further information, as explained in paragraph 8.2, and their right to challenge the administrator's remuneration and expenses.

8.2 Within 21 days of receipt of a progress report a creditor may request the administrator to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

8.3 The administrator must provide the requested information within 14 days, unless he considers that:

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the administration or might be expected to lead to violence against any person, or
- the administrator is subject to an obligation of confidentiality in relation to the information requested, in which case he must give the reasons for not providing the information.

Any creditor may apply to the court within 21 days of the administrator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information.

## 9 Provision of information – additional requirements

The administrator must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is –

- the total number of hours spent on the case by the administrator or staff assigned to the case,
- for each grade of staff, the average hourly rate at which they are charged out,
- the number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office.

The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office

#### **10 What if a creditor is dissatisfied?**

10 1 If a creditor believes that the administrator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the administrator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court

10 2 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the administrator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 8 1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing

10 3 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not as an expense of the administration

#### **11 What if the administrator is dissatisfied?**

11 1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration

#### **12 Other matters relating to remuneration**

12 1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors

12 2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court

12 3 If a new administrator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new administrator until a further determination, resolution or court order is made

12 4 Where the basis of the remuneration is a set amount, and the administrator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing administrator. The application must be made to the same body as approved the remuneration. Where the outgoing administrator and the incoming administrator are from the same firm, they will usually agree the apportionment between them

#### **13 Effective date**

This guide applies where a company enters administration on or after 6 April 2010, except where

- the application for an administration order was made before that date, or
- where the administration was preceded by a liquidation which commenced before that date

**A CREDITORS' GUIDE TO ADMINISTRATORS' FEES  
ENGLAND AND WALES**

**Poppleton & Appleby**

**Fees and Disbursements in Administrations**

**Fees**

The fees of the Administrator are fixed by reference to time properly spent by the Administrator and his staff in attending to all matters arising in the administration unless otherwise agreed with the creditors. The Administrator and his staff charge time to all insolvency cases in units of 6 minutes. The following charge out rates are applicable from 5th January 2009

	<b>£/hour</b>
Partner	295
Managers	160 – 195
Administrators	80 – 140
Cashier	120
Secretarial and support staff	no charge

**Disbursements**

In dealing with the administration, the Administrator will incur expenses and disbursements that are recoverable from the assets available in the administration in accordance with Rule 2.67 of the Insolvency Rules. In addition to out of pocket expenditure, the Administrator will also recover shared or allocated costs. Where applicable, these costs are calculated as follows

<b>Expense Type</b>	<b>Basis of Charge</b>
Room Hire (for each statutory meeting of creditors)	£175.00 per meeting*
Mileage	40 - 75p per mile
Storage of company books and records	£2.50 per box per month**

\* A charge for room hire will still be made if there are no attendees at the meeting

\*\* Where funds permit, a charge for storage of boxes for 12 months after closure of the administration is made to cover storage costs until such time as destruction of the records is permitted

Should any creditor require further clarification in respect of fees or expenses, then please contact the Administrator or case manager as identified in the correspondence concerning the administration in question

Poppleton and Appleby	Telephone	0121 200 2962
35 Ludgate Hill	Fax	0121 236 8340
Birmingham	Email	info@poppletonandappleby.co.uk
B3 1EH		

Updated May 2010

E3H

Edward Fox &amp; Son Limited

**SIP 9 - Time & Cost Summary**

Period 15/11/10 03/12/10

## Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	6 10	2 40	28 30	13 80	50 60	6 767 50	133 75
Investigations	1 80	2 40	0 00	0 00	4 20	999 00	237 86
Realisations of assets	2 20	7 50	17 40	0 00	27 10	4,199 50	154 96
Trading	0 00	1 60	0 00	0 00	1 60	312 00	195 00
Creditors	0 50	0 00	24 50	1 10	26 10	3,175 50	121 67
Case specific matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
<b>Total Hours</b>	<b>10 60</b>	<b>13 90</b>	<b>70 20</b>	<b>14 90</b>	<b>109 60</b>	<b>15 453 50</b>	<b>141 00</b>
<b>Total Fees Claimed</b>						<b>0 00</b>	

## Edward Fox & Son Limited

### Administrators Unpaid Pre-Appointment Costs

I am seeking approval from the Creditors for certain of my pre-appointment fees and expenses to be paid as a cost of the Administration under the terms of Rule 2 33(2B) of the Insolvency Rules 1986. I provide below additional clarity as to these fees and expenses.

The policy for charging and recovering fees and expenses were set out in an engagement letter to the Company dated 8<sup>th</sup> November 2010, although I was first consulted by the Company on 20<sup>th</sup> October 2010. The engagement letter sets out in detail the services provided to the Company and in particular the assistance to be provided in dealing with the wind down of the business and to take the necessary steps to place the Company into Administration.

My involvement included various meetings and discussions with both the Board of Directors and also the largest Creditor, Aldermore Invoice Finance, who provided an invoice discounting facility to the Company and holds fixed and floating charges over its assets. As part of the consultation requirement, a detailed report was prepared which set out the rationale for the Administration.

In addition, my own solicitors assisted in a number of matters. This included meetings with the Directors and Poppleton and Appleby to consider the appointment, the preparation of the statutory forms required to place the Company into Administration, including the filing of documents with the Court.

My report of 13<sup>th</sup> December 2010 set out the reasons for work to be carried out ahead of my formal appointment and how that work would assist in achieving the statutory purpose of the Administration. If any Creditor requires further information or clarification, then please do not hesitate to contact me.

The fees and expenses for which I am seeking approval for payment are summarised as follows:

	Pre-Appointment time costs to 15 November 2010	Time Spent Hours
	£	
Poppleton & Appleby	4,245	17
Lewis Onions Solicitors	2,335	8

An analysis of my own time is attached and further copies and details are available on request. The only disbursement expense incurred prior to my formal appointment is a Court fee of £30 charged for lodging the appointment documents. There are no other advisors involved other than myself and my solicitors and therefore there are no fees or expenses payable to any other party. No payment on account of my costs has been received.



The approval of the fees and expenses will be subject to the approval of the Creditors (or a Creditors Committee if one is appointed) in accordance with Rule 2.67A of the Insolvency Rules 1986. The approval is not sought as part of the proposals put forward in my report of 13<sup>th</sup> December 2010. Accordingly, I enclose an amended summary of the proposals on which Creditors are being asked to vote. For the sake of clarity, the creditors meeting called for 6<sup>th</sup> January 2011 will be asked to consider the following resolutions:

Resolution 1 – for the acceptance / rejection of the Administrators Proposals as circulated

Resolution 2 – for the acceptance / rejection of the recovery of the pre-administration costs (as detailed above)

I trust this clarifies the matter although should you require any further information, then please do not hesitate to contact me.

**M D Hardy**  
**Joint Administrator**