

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company Ellison Metal Finishing Limited	Company number 00744782
In the High Court of Justice Leeds District Registry (full name of court)	Court case number 1789 of 2008

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

We (a)
David Leighton Cockshott
BWC Business Solutions Limited
8 Park Place
Leeds
LS1 2RU

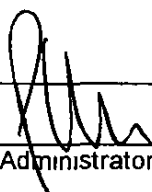
Paul Andrew Whitwam
BWC Business Solutions Limited
8 Park Place
Leeds
LS1 2RU

administrators of the above company attach a progress report for the period

(b) Insert date

From (b) 28 November 2009	To (b) 27 May 2010
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Signed


Joint Administrator

Dated

8 June 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

Paul Andrew Whitwam
BWC Business Solutions Limited
8 Park Place
Leeds
LS1 2RU

DX Number

0113 243 3434
DX Exchange

The contact information that you give
will be visible to searchers of the
pu



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COMPANIES HOUSE

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

ELLISON METAL FINISHING LIMITED - IN ADMINISTRATION

Interim Report of the Administrators Pursuant to Rule 2.47 of The Insolvency Rules 1986

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- II Administrators' Time Costs to 31 May 2010
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COMPANIES HOUSE

1. COMPANY AND ADMINISTRATORS' DETAILS

Name of Court & Court Reference Number:	High Court of Justice Leeds District Registry Chancery Division Number 1789 of 2008
Company Registered Number:	00744782
Registered Office:	C/O BWC Business Solutions Limited, 8 Park Place, Leeds, LS1 2RU
Name of Administrators:	David Leighton Cockshott and Paul Andrew Whitwam, Licensed Insolvency Practitioners of BWC Business Solutions Limited, 8 Park Place, Leeds, LS1 2RU The Administrators are licensed by the Insolvency Practitioners' Association
Date of Appointment:	28 November 2008
Persons Making Appointment:	Stephen Ellison – Director
Acts of the Administrator	The Administrators act as officers of the Court and as agents of the Company without personal liability Any act required or authorised under any enactment to be done by an Administrator may be done by any one or more persons holding the office of Administrator from time to time

2. ADMINISTRATORS' ACTIONS TO DATE

Administrators' Actions to Date

This report should be read in conjunction with the reports dated 21 January 2009, 23 June 2009 and 9 December 2009 previously submitted under paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 247 of the Insolvency Rules 1986, respectively

In the initial report, the Administrators made various proposals regarding the conduct of the Administration and these were approved The key proposals approved by the Company's creditors by correspondence were as follows

- The Administrators' proposals dated 21 January 2009 were approved
- The remuneration of the Administrators be fixed by reference to time properly given by them and their staff in attending to matters arising from the Company's administration, in accordance with the Statement of Insolvency Practice number 9 and that they be authorised to draw remuneration and disbursements as and when funds are available

At the time of drafting the initial report to creditors it was anticipated that insufficient funds would be realised to enable a dividend to be paid to unsecured creditors. The Administrators now confirm that there will be insufficient funds to enable a dividend to be paid to creditors from realisations generally, or from the prescribed part calculated pursuant to Section 176A of The Insolvency Act 1986 (see Section 4)

Since the submission of their last report the Administrators have undertaken the following work

- Dealing with creditor correspondence
- Completion and submission of outstanding returns
- Preparation and submission of statutory reports and other statutory duties
- General administrative tasks
- Pursuance of the deferred consideration

The Company in administration has not entered into any connected party transactions since those transactions dealt with in the Administrators' initial report

Receipts & Payments Account

Attached at Appendix I to this report is the Administrators' Receipts and Payments Account for the period from the date of appointment to 27 May 2010

3. UNREALISED ASSETS/CREDITORS CLAIMS

Book Debts

The Company's book debts are factored by Barclays Asset and Sales Finance Limited ('Barclays') who are continuing to collect their outstanding ledger

From correspondence between the Administrators and Barclays, it is now apparent that there will be a shortfall on the collection of the Company's book debts, the quantum of which is yet to be determined

Sale Consideration

As detailed in the previous reports, the Administrators sold the business and assets of the Company to Ellison Technical Coatings Limited ('ETC') for a total consideration of £125,000 as detailed overleaf

	Book Values	Agents Valuation /Liquidation	Offer received from ETC
Goodwill	NIL	NIL	35,000
Fixtures & Fittings	21,064	4,800	5,000
Stock & Raw Materials	274,455	47,000	47,000
Plant & Machinery	205,050	30,000	30,000
Motor Vehicles	9,040	8,000	8,000
Totals		89,800	125,000

ETC is a connected company by way of common directors

In accordance with the sale contract, a first instalment of £10,416 74 was received on completion, the remaining £114,584 14 was payable in equal monthly payments of £10,416 74, with two payments due to be made in month two. The Administrators obtained personal guarantees from two directors of ETC, together with a debenture registered over the property and assets of ETC.

The last deferred payment was due on 28 September 2009. To date the Administrators have received deferred payments totalling £49,166 96 which leaves arrears outstanding of £75,833 04 plus interest.

As detailed in the Administrators' report dated 9 December 2009, they have instructed solicitors and are in the process of pursuing the arrears. As stated in their previous report, the Administrators became aware that there has been a recent change of management within ETC. The Administrators and their solicitors met with the current management and were awaiting their proposal for payment of the arrears, failing which, the Administrators would call upon the guarantors in order to recover the outstanding sale consideration.

To date, no suitable proposal has been received from the guarantors in settlement of the arrears and statutory demands have now been served on the guarantors with a view to petitioning for their bankruptcy should payment not be forthcoming.

Extension of the Administration

In view of the above, and in order for the Administrators to continue liaising with the Bank in respect of collecting the outstanding deferred consideration, the Court has ordered that the Administration period is extended for a further 12 months, until 28 May 2011.

Creditors' Claims

Creditors' claims of £4,829,002 have been received to date. The Administrators have spent no time agreeing the claims as no distribution will be available to the unsecured creditors, due to the level of secured lending.

4 SHARE OF ASSETS FOR UNSECURED CREDITORS

The floating charge over the property of the Company is dated prior to 15 September 2003 and accordingly there is no "Prescribed Part" payable to unsecured creditors pursuant to Section 176A(2) Insolvency Act 1986.

5. ADMINISTRATORS' FEES AND EXPENSES

The Administrators' proposals included authority for the Administrators to draw remuneration by reference to time properly given by them and their staff in attending to matters arising from the Company's administration, in accordance with the Statement of Insolvency Practice number 9, and that they be authorised to draw remuneration and disbursements as and when funds are available.

A detailed analysis of the time costs of the Administrators is attached at Appendix II to this report. The analysis discloses post appointment Administration time costs of £39,740 which equates to 210.25 hours at an average charge out rate of £189.01 per hour.

A creditors' guide to Administrators' fees was attached to the Administrators' initial report dated 21 January 2009.

In common with all professional firms, our scale rates increase from time to time over the period of the administration of each insolvency case. Our hourly charge-out rates were increased with effect from 1 April 2009. A copy of the revised creditors' guide to fees was attached to the Administrator's interim report dated 23 June 2009.

The Administrators will not draw any remuneration until the earlier of the agreement of the Proposals by the secured creditors, Barclays and/or National Westminster Bank plc ('NatWest'), or the payment of their claims in full.

Administrators' expenses have been paid in respect of an Insurance Bond (£70), Stationery & Postage & Printing (£394) and Statutory Advertising (£219.82).

No Category 2 charges have been paid.

6. SUMMARY & FURTHER PROPOSALS

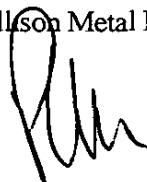
As discussed above, the prospect of a dividend being paid to the Company's unsecured creditors is unlikely, accordingly, and once the outstanding sale consideration has been received, the Administrators intend to file a notice pursuant to paragraph 84 of Schedule

B1 to the Act, together with a final progress report to the Court and the Registrar of Companies, for the dissolution of the Company

The Administrators shall send copies of these documents to the Company and the creditors. In these circumstances, the appointment will end following the registration of the notice by the Registrar of Companies. Thereafter the Company will be dissolved.

If any creditor requires any further information, please do not hesitate to telephone Richard Marchinton of this office.

For and on behalf of
Ellison Metal Finishing Limited



PAULA WHITWAM
Joint Administrator
8 June 2010

APPENDIX I

ELLISON METAL FINISHING LIMITED – IN ADMINISTRATION

**ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT
AS AT 27 MAY 2010**

**Ellison Metal Finishing Limited
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments
To 27 May 2010**

RECEIPTS	Total (£)
Chattels	35,000 00
Stock	14,166 96
Bank Interest Gross	20 60
Sundry	158 80
	<hr/>
	49,346.36
PAYMENTS	
Specific Bond	70 00
Agents/Valuers Fees	5,000 00
Agents/Valuers Disbursements	210 00
Legal Fees	5,000 00
Corporation Tax	2 19
Stationery & Postage & Printing	393 66
Statutory Advertising	219 82
Vat Receivable	1,590 55
	<hr/>
	12,486 22
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Balance	36,860 14
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MADE UP AS FOLLOWS	
Bank 2 Current	36,860 14
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	36,860 14
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APPENDIX II

**ELLISON METAL FINISHING LIMITED
IN ADMINISTRATION**

TIMECOSTS 28 NOVEMBER 2008 TO 31 MAY 2010

Notes		Partner Hours £245-£310	Manager & Assistant Manager Hours £125-£200	Admin & Clerical Hours £50-£150	Total Hours	Average cost per hour	Total cost
						£	£
1	Admin & Compliance	3 25	28 00	9 75	41 00	164 27	6 735 00
2	Planning & Control	24 25	2 00	-	26 25	288 76	7,580 00
3	Fixed Charge Assets	-	3 50	-	3 50	153 57	537 50
4	Floating Charge Assets	12 25	14 00	-	26 25	234 67	6,160 00
5	Trading	-	-	-	-	-	-
6	Debt Collection	3 25	-	-	3 25	310 00	1,007 50
7	Creditors	5 75	26 00	13 75	45 50	160 60	7,307 50
8	Employees	-	-	19 75	19 75	121 14	2,392 50
9	Meetings & Statutory Duties	7 75	-	8 50	16 25	199 23	3,237 50
10	Reports & Statutory Returns	2 00	10 00	7 50	19 50	174 10	3,395 00
11	Investigations	-	5 00	4.00	9 00	154 17	1,387 50
	Total	58.50	88.50	63.25	210.25	189.01	39,740.00

1	Admin and Compliance	Maintenance of cash and estate records, general correspondence, compliance and case reviews, filing, etc
2	Planning and Control	Case planning, strategy, trading strategy
3	Fixed Charge Assets	Dealing with various actions affecting the disposal of fixed charged assets (properties and goodwill) including sales pack and meetings with potential purchasers This excludes book debt collection which should be coded as 6
4	Floating Charge Assets	Dealing with various actions affecting the disposal of floating charged assets (motor vehicles, plant, machinery, office equipment, stock etc) including all correspondence, etc issued in respect of realising such assets, but excluding book debt collection which should be coded as 6
5	Trading	Disposal of work in progress, stock and general continuation of the business
6	Debt Collection	Correspondence with debtors, lawyers, instructing lawyers, collection of outstanding debts, maintaining debtor records
7	Creditors	Dealing with preferential and unsecured creditor claims
8	Employees	Dealing with employee claims (preferential and unsecured) and pension matters
9	Meetings and Statutory Duties	Post appointment formalities Includes Appointment formalities, meetings of creditors
10	Reports and Statutory Returns	Preparation of annual reports, director conduct reports and statutory returns submitted to Companies House
11	Investigations	Investigation of malpractice by directors before and during liquidation, penalisation of companies and company officers, investigations and prosecutions, investigation into preferences and transactions at an undervalue, wrongful trading etc