

The Insolvency Act 1986

**Notice of move from  
administration to dissolution****2.35B**

Name of Company

GT Tools Limited

Company number

03264007

In the  
High Court of Justice, Chancery Division,  
Leeds District Registry

(full name of court)

Court case number  
3551 of 2009(a) Insert full  
name(s) and  
address(es) of  
administrator(s)We, (a) Christopher Michael White  
The P&A Partnership  
93 Queen Street  
Sheffield  
S1 1WF  
DX 10616 SheffieldGareth David Rusling  
The P&A Partnership  
93 Queen Street  
Sheffield  
S1 1WF  
DX 10616 Sheffield(b) Insert name and  
address of  
registered office of  
company

having been appointed administrators of (b) GT Tools Limited, 93 Queen Street, Sheffield S1 1WF

(c) Insert date of  
appointment

on (c) 6 January 2010 by (d) the Directors

(d) Insert name of  
applicant/appointorhereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986  
apply

We attach a copy of the final progress report

Signed

  
Joint Administrators

Dated

8/12/10

**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  
formThe contact information that you give  
will be visible to searchers of the  
public recordChristopher Michael White  
The P&A Partnership  
93 Queen Street  
Sheffield  
S1 1WF

DX Number 10616

0114 2755033  
DX Exchange SheffieldWhen 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

THURSDAY



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09/12/2010

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COMPANIES HOUSE

**IN THE HIGH COURT OF JUSTICE**

**NO 3551/2009**

**CHANCERY DIVISION**

**LEEDS DISTRICT REGISTRY**

**IN THE MATTER OF GT TOOLS LIMITED (“the Company”)**

**AND**

**IN THE MATTER OF THE INSOLVENCY ACT 1986 AS AMENDED BY THE  
ENTERPRISE ACT 2002**

**JOINT ADMINISTRATORS' FINAL REPORT TO CREDITORS PURSUANT TO RULE  
2.118 OF THE INSOLVENCY RULES 1986**

**This report has been prepared under the provisions of the Insolvency Rules for the sole purpose of advising the creditors of the Company of the progress of the Administration. This report is private and confidential and may not be copied or quoted from in whole or in part, referred to or relied upon for any other purpose, other than advising creditors.**

**The P&A Partnership  
93 Queen Street  
Sheffield  
S1 1WF  
Tel: 0114 275 5033  
Fax: 0114 276 8556**

## GT TOOLS LIMITED

### 1 INTRODUCTION

1.1 This report to creditors is made pursuant to Rule 2.118 of the Insolvency Rules 1986

### 2 STATUTORY INFORMATION

Company name	GT Tools Limited
Registered address	93 Queen Street Sheffield S1 1WF (formerly Coxmoor Road Sutton in Ashfield Nottinghamshire NG17 4NE)
Company number	03264007
Other trading names of the Company	None
Date of incorporation	16 October 1996
Objects	Manufacturer of Tooling
Authorised share capital	253,000 ordinary shares of 5p each 44,118 conv preference shares of 5p each
Issued share capital	253,000 ordinary shares of 5p each 44,118 conv preference shares of 5p each
Shareholders	GT Tools Limited
Floating Charge Holder	The Governor & Company of the Bank of Scotland hold a debenture dated 15 November 1996
Directors	John Nicholas Garrow Richard William Mee Malcolm James Smith Hereward Tolmie Tressider
Company Secretary	Hereward Tolmie Tressider

### 3 COURT HAVING CONTROL OF ADMINISTRATION PROCEEDINGS AND JOINT ADMINISTRATORS' APPOINTMENT

- 3 1 The High Court of Justice, Chancery Division, Leeds District Registry is the Court seized of the Administration proceedings The Court reference number is 3551/2009
- 3 2 On 6 January 2010 the directors of the Company filed a Notice of Appointment of Administrators pursuant to Paragraphs 22 and 29 of Schedule B1 to the Insolvency Act 1986 Christopher Michael White and Gareth David Rusling of The P & A Partnership, 93 Queen Street, Sheffield, S1 1WF were appointed Joint Administrators of the Company
- 3 3 Christopher Michael White and Gareth David Rusling are Insolvency Practitioners licensed by the Insolvency Practitioners Association of Valiant House, 4-10 Heneage Lane, London EC3A 5DQ
- 3 4 In accordance with Paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 both of the Joint Administrators may exercise any or all of the functions of the Joint Administrators jointly or alone

### 4 JOINT ADMINISTRATORS' STRATEGY

- 4 1 The proposals of the Joint Administrators were to realise the property in order to make a distribution to one or more secured or preferential creditors
- 4 2 The above objective has been achieved as the secured creditor, the Bank of Scotland Plc, have received a distribution under their fixed and floating charge In addition, preferential creditors have been discharged in full

### 5 FINAL PROGRESS REPORT

- 5 1 This report covers the period following the appointment of the Joint Administrators on 6 January 2010 until 8 December 2010
- 5 2 Shown below is a summary of the Joint Administrators' receipts and payments covering the period between 6 January 2010 to 8 December 2010

	Directors' Statement of Affairs (£)	Actual (£)
<b>RECEIPTS</b>		
Freehold Property	500,000	430,000
Plant & Machinery		133,887
Office Furniture & Equipment	93,000	2,742
Motor Vehicles		885
Stock/WIP	200,000	146,240
Book Debts	230,000	415,935
Bank Interest Gross	-	222
Solicitors Interest	-	9
		<u>1,129,920</u>

## PAYMENTS

Corporation Tax	47
Wages	26,552
Electricity	6,902
Gas	9,808
Telephone	446
Hire of Equipment	499
Repairs & Maintenance	218
Security	7,486
Governor & Co of the Bank of Scotland – Fixed	369,322
Legal Fees – Fixed	3,012
Agent's Fees – Fixed	10,541
Office Holders' Fees – Fixed	25,000
Irrecoverable VAT – Fixed	6,747
Specific Bond	628
Office Holders' Fees	70,000
Debt Collection Costs	53
Incidental Outlay – Category 2 Disbursements	
Motor & Expenses	1,223
Postage & Stationery	1,929
Faxes	105
Searches	28
Storage	850
Agent's/Valuer's Fees	6,546
Legal Fees	8,768
Pension Advice	500
Ransom Payments	20,045
Statutory Advertising	156
Insurance of Assets	10,154
Employee Wage Arrears/Holiday Pay	16,029
Governor & Co of the Bank of Scotland	526,326
	<u>1,129,920</u>

- 5 3 Prior to our appointment, King Sturge Plant & Machinery Limited ("Sturge P&M") were instructed to conduct a valuation of the business and the chattel assets of the Company
- 5 4 Shortly following such valuations, the incumbent management approached Sturge P&M and expressed an interest in acquiring the Company's business and assets, subject to a sale being completed immediately upon the appointment of the Joint Administrators and subject to certain principal terms
- 5 5 Sturge P&M reviewed the offer and recommended that upon the appointment of the Joint Administrators, this should be accepted
- 5 6 The proposed Joint Administrators concurred with Sturge P&M's recommendation

- 5 7      However, before the offer was agreed, the incumbent management contacted the Company's major customer who was unwilling to support the incumbent management going forward. This lack of support would have resulted in lower book debt realisations than anticipated.
- 5 8      Given the above, and following a review of the operations, further discussions with the directors and Sturge P&M took place. It was stated by Sturge P&M that significant losses would be made should the Company continue to trade and they therefore recommended that trading operations ceased.
- 5 9      Upon the appointment of Joint Administrators, trading ceased and steps were implemented with regard to an orderly wind down of the operations.
- 5 10     Initially, the Joint Administrators retained five key employees in order to assist in the sale and removal of tooling stock and work in progress situated on site. All other employees were made redundant with immediate effect.
- 5 11     Three of the five remaining employees were made redundant on 27 January 2010, 29 January 2010 and 5 February 2010. The remaining two employees were made redundant on Friday 12 February 2010.
- 5 12     A number of customers approached the Joint Administrators to purchase and collect part-finished tools in order to fulfil their obligations with their customers, the majority of which were time critical and on a just in time basis. Where this was the case, the Joint Administrators utilised the opportunity and requested that all sums due to the Company were discharged in full prior to the release of tooling. This removed the possibility of potential spurious counter claims thereby enhancing book debt realisations.
- 5 13     The Joint Administrators have received payment for sales of tooling stock and WIP, in the sum of £146,240. No further funds are due from this source.
- 5 14     Any tooling or WIP which was not sold direct to customers has been sold as scrap by our agents.
- 5 15     As at the date of our appointment the Company's outstanding debtor ledger totalled £539,234. To date, £415,935 has been received in respect of book debts. No further realisations are anticipated from this source.
- 5 16     A proportion of these debts related to goods which were only part complete. The Joint Administrators were therefore in a position to enter into negotiations with these debtors to obtain full and final settlement in relation to both the outstanding debt and any WIP prior to the tooling being released.
- 5 17     However, due to various tools being incomplete and the Company invoicing for stage payments, several reductions were granted to allow debtors to complete the tools. In addition, minimal discounts were offered in relation to warranties if a deal could not be reached without one.

- 5 18 In an attempt to maximise realisations one of the directors of the Company assisted the Joint Administrators with the collection of the book debts and WIP in return for commissions as follows -
- 0.5% on the first £200,000 realisations
  - 1% on the next £200,000 realisations
  - 1.5% on any realisations over £400,000
- 5 19 All commissions due have now been paid and are reflected within our receipts and payments account detailed at paragraph 5.2. Such commissions were calculated net of any ransom payments.
- 5 20 An online auction was held by Sturge P&M on 4 February 2010, which included two motor vehicles together with various pieces of office furniture and equipment and plant and machinery.
- 5 21 Realisations from this source totalled £137,514, an increase of approximately £40,000 compared to our agent's initial valuation.
- 5 22 To date, we have received four retention of title claims, two of which have been rejected. The remaining two have been accepted and the claimants have collected their goods.
- 5 23 The Company owned and traded from a freehold property situated at Coxmoor Road, Sutton in Ashfield, Nottinghamshire NG17 4NE.
- 5 24 King Sturge LLP ("Sturge") were instructed prior to our appointment to conduct a valuation of the Company's property.
- 5 25 Sturge commenced marketing the property in the sum of £575,000 with adverts being placed in the paper and on their website and boards being erected at the Company's premises. Also, sales packs were distributed by way of a mail shot to occupiers, investors and property companies alike both locally and regionally who were anticipated to have an interest in the availability of the property.
- 5 26 Various third parties expressed an interest in purchasing the property and our agents recommended to the Joint Administrators that the highest offer be accepted. The Joint Administrators therefore approached the Bank and received their consent for the highest offer to be accepted. The potential purchaser advised the Joint Administrators that they had funding in place and we were awaiting contracts to be exchanged in order to facilitate completion.
- 5 27 During the time period that had lapsed from the purchaser viewing the premises to completion, the property had suffered numerous break-ins and the property had sustained substantial damage both externally and internally. Therefore, the purchase price was reduced to £430,000 and the Bank agreed to this reduction.

- 5 28 We were however advised at a later date that the purchaser wished to purchase the premises by way of a split between themselves and another separate company. The Joint Administrators were agreeable to this course of action however, given that they were not made aware of this previously, the Joint Administrators requested that the purchasers cover the extra legal costs associated with drafting the duplicate sales documentation.
- 5 29 Such documentation was drafted and distributed to each respective purchaser with contracts being exchanged and completion taking place on 21 September 2010.
- 5 30 It was estimated on the directors' statement of affairs that preferential creditor claims would be in the region of £15,054 and unsecured creditor claims would be in the region of £745,382. Preferential and unsecured creditor claims received to date total £16,029 and £1,097,175 respectively.
- 5 31 The Enterprise Act 2002 brought into force provisions for a fund, called the Prescribed Part, to be set aside for distribution to the unsecured creditors from the net realisations of assets subject to a floating charge contained in a debenture. As the date of the first floating charge is 15 November 1996 there can be no deduction for the benefit of unsecured creditors as the floating charge pre-dates the Prescribed Part Provisions.
- 5 32 Unfortunately, there will be insufficient realisations to enable a distribution to the unsecured creditors in matter. However, the preferential creditors have been discharged in full.
- 5 33 The Joint Administrators are to be reimbursed for any expense or necessary disbursements properly charged or incurred in the course of carrying out their duties in this matter. These expenses include category 1 and 2 disbursements such as mileage at "AA" rate, meeting room hire, photocopying, stationery, postage, searches, redirection of mail, storage of the Company's books and records on a commercial basis within the Joint Administrators' storage facility and any other costs appertaining to the conduct of this Administration. Such expenses or disbursements are to be paid from the assets of the Company in accordance with the proposals of the Joint Administrators approved by creditors. Please refer to the attached Creditors' Guide to the Fees, Expenses and Disbursements charged by The P&A Partnership. A Creditors' Guide to Fees is available and provides explanations of creditors' rights. This can be accessed via the Internet at [www.thepandapartnership.com/resources](http://www.thepandapartnership.com/resources) or alternatively a copy can be requested by telephoning The P&A Partnership Help Desk +44 (0)114 275 5033.
- 5 34 The Joint Administrators' time costs to date total £107,650, of which £95,000 has been drawn on account. An analysis of the time spent is shown overleaf.

Classification of Work	Partner	Manager	Other Senior Professionals	Assistants	Total	Time Cost £	Average Hourly Rate £
Function	(Hours)	(Hours)	(Hours)	(Hours)	(Hours)		
Case Specific Matters	1 00	0 90	42 30	2 30	46 50	8,870 50	190 76
Trading	0 00	0 00	2 10	0 20	2 30	414 00	180 00
Investigations	1 10	0 00	1 30	0 00	2 40	532 50	221 88
Realisation of Assets	41 50	0 00	108 60	6 30	156 40	32,812 00	209 80
Creditors	31 40	0 00	169 80	27 20	228 40	41,516 50	181 77
Administration & Planning	18 70	4 50	80 90	58 80	162 90	23,504 50	144 29
<b>Totals</b>	<b>93.70</b>	<b>5.40</b>	<b>405.00</b>	<b>94.80</b>	<b>598.90</b>	<b>107,650.00</b>	<b>179.75</b>
Total Time Cost (£)	27,641 50	1,431 00	73,729 50	4,848 00			

5.35 The following matters have been particularly time consuming -

- i A significant amount of time has been spent dealing with customers in respect of negotiations for the sale of stock and also issues with tooling held on site
- ii With regard to post appointment sales, the Joint Administrators, have spent considerable time collecting the outstanding amounts, all of which have now been realised
- iii In addition to the above, time has also been spent attending site carrying out retention of title claims
- iv The Joint Administrators, together with the directors, have spent time pursuing outstanding pre-appointment debtor amounts and also attempting to resolve disputed debts which have arisen
- v As the majority of employees were made redundant, the Joint Administrators have spent a substantial amount of time dealing with employee claims and associated issues. In addition, time was also spent dealing with issues arising from the retained employees

- vi The Joint Administrators and their staff have dealt with voluminous creditor correspondence by way of letter and telephone calls
- vii Numerous issues have arisen in respect of security issues at the Company's freehold property which has resulted in significant time being spent securing and arranging site visits etc
- viii The above is in addition to the Joint Administrators' statutory duties

**6. COMPLETION OF THE ADMINISTRATION AND DISSOLUTION OF THE COMPANY**

- 6.1 The most appropriate exit route of the Administration is for the Company to be dissolved as per paragraph 84(1) of Schedule B1 to the Insolvency Act 1986. This option was detailed in the Administrators' Proposals, which were circulated to creditors on 23 February 2010
- 6.2 Upon the Company proceeding into dissolution, the Joint Administrators' discharge from liability shall take immediate effect

Dated this 8th day of December 2010



**Christopher Michael White**  
**Joint Administrator**  
**Acting as an agent of the Company**  
**without personal liability**