

**2.24B**

The Insolvency Act 1986

**Joint Administrators' progress report**

Name of Company
Rawmat (1998) Limited

Company number
03555620

In the Great Grimsby County Court (full name of court)
--

Court case number 04 OA 2009
---------------------------------

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

We (a)  
William Duncan  
RSM Tenon Recovery  
Europarc Innovation Centre  
Innovation Way  
Grimsby  
DN37 9TT

Sarah Louise Burge  
RSM Tenon Recovery  
Europarc Innovation Centre  
Innovation Way  
Grimsby  
DN37 9TT

administrator(s) of the above company attach a progress report for the period

(b) Insert date

From
(b) 17 July 2009

To
(b) 16 January 2011

Signed

*William Duncan*  
\_\_\_\_\_  
Administrator(s)

Dated

*25 January 2011*  
\_\_\_\_\_

**Contact Details.**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

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

Simon Smith, RSM Tenon Recovery as above  
Tel 01472 500360

DX Number

DX Exchange

Companies

THURSDAY



A51

\*A901HR5L\*

27/01/2011

1

COMPANIES HOUSE

Software Sup

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

Glasgow, Scotland

## **Rawmat (1998) Limited – In Administration ("the Company")**

**Great Grimsby County Court Number 04 AO 2009**

### **Joint Administrators' Third Progress Report**

#### **1 Introduction**

William Duncan and Jonathan Paul Philmore were appointed on 17 July 2009 by the Directors of the Company. As previously reported Jonathan Paul Philmore was removed from office as Joint Administrator and replaced by Sarah Louise Burge.

This is the Joint Administrators' third report pursuant to Rule 2.47 of the Insolvency Rules 1986 and covers the period from 17 July 2010 to 16 January 2011. This report is intended to update you on the progress of the Administration since the Joint Administrators' second progress report dated 16 July 2010.

#### **2. Statutory Information**

Statutory information relating to the Company and the appointment of Administrators is attached to this report as **Appendix A**.

#### **3. Purpose of Administration**

As previously reported, following their appointment, the Administrators took control of the business and assets of the Company with a view to implementing the strategy to meet the prioritised objectives of the new Administration regime as follows:

- a) Rescue the Company as a going concern, or,
- b) Achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in Administration), or,
- c) Realise property in order to make a distribution to one or more secured or preferential creditors.

Prior to our appointment a review of the business of the Company was undertaken and it was concluded that the first statutory administration objective of rescuing the Company as a going concern was unlikely to be achieved.

The first objective for the Administration could not be met. Without an immediate injection of replacement funding the Company could not be rescued as a going concern. No such funding was available.

Accordingly we proceeded with a view to achieving the second statutory objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up without first being in Administration.

The value of the Company's assets relative to the secured debts together with the value of assets on a break-up basis meant that the second objective also became unlikely

The strategy for the Administration is therefore to realise property in order to make a distribution to one or more secured or preferential creditors

The Administrators' proposals circulated to creditors on 9 September 2009 were approved in accordance with Rule 2.33(5) of the Insolvency Rules 1986

The administration was extended for a year by an order of the Great Grimsby County Court made on 15 July 2010

#### **4. Statement of Affairs**

A Statement of Affairs as at the date of the Administrators' appointment on 17 July 2009 was provided by the directors on 4 August 2009 and was circulated to creditors together with the Joint Administrators proposals on 9 September 2009

#### **5 Conduct of the Administration**

A copy of the Administrators' receipts and payments account to 16 January 2011 is attached at **Appendix B**. Set out below are details of the progress made in the Administration since the administrators' last progress report

##### **Freehold Property**

The Administrators have continued to market the Company's freehold property at Hemswell with vacant possession

Since the last progress report two potential purchasers have expressed interest in the property. The Administrators dealt with these enquiries and are currently in discussions with one potential purchaser however a sale has yet to be agreed

The Administrators have continually liaised with Nottingham Building Society ("NBS") and our agents, Sanderson Weatherall, in respect of marketing the property

It would appear that the sale proceeds will be insufficient to discharge the Company's indebtedness to NBS in full

Property expenses totalling £32,291 have been incurred in respect of electricity, insurance, hire of security equipment and security guard service costs. NBS have been recharged for these costs

##### **Debtors**

The Company's debtors have been subject to a disclosed invoice discounting agreement with Skipton Business Finance Limited ("Skipton"). Skipton have exhausted the book debt collections and no surplus funds are available for the Company

## **Plant and Equipment**

Fixed plant at the freehold property has been included within the agent's valuation of the property

## **6 Secured Creditors**

Information recorded with the Registrar of Companies shows that the Company has granted debentures and charges shown at **Appendix A**.

## **7. Prescribed Part**

A debenture was granted in favour of HSBC Bank Plc on 6 March 2007. Since this charge follows the commencement of the provisions of Section 176A of the Act, the Joint Administrators are required to set aside a "Prescribed Part" fund especially for unsecured creditors. Such a fund will not apply should the Company's net property amount to less than £10,000 and the Joint Administrators consider that the cost of making such a distribution would be disproportionate to the benefits.

We do not estimate that there will be funds available for unsecured creditors under these provisions.

## **8. Preferential Creditors**

The Company's employees were declared redundant on 17 July 2009.

Preferential claims for accrued wages and holiday pay are estimated at £8,838. There are insufficient funds available to settle the claims of preferential creditors.

## **9. Unsecured Creditors' Claims**

The directors' sworn Statement of Affairs dated 17 July 2009 indicates that the Company has unsecured creditors claims in excess of £775,000. Total claims received to date total £217,519.

## **10. Exit Route**

As there is insufficient property of the Company to enable a distribution to unsecured creditors, it is not appropriate for the matter to proceed to liquidation. It is proposed that once the freehold property has been realised and expenses of the Administration discharged, the Company will be dissolved in accordance with approved proposals.

## **11 Solicitors and Agents**

Where it has been necessary to instruct professionals such as solicitors and agents they have been chosen based upon their independence and relevant experience in dealing with such matters. The professional costs are based upon an agreed time cost basis (or a % of realisations in the case of agents), details of which are provided to us periodically for review and which are consistent with other professional firms dealing with similar matters.

Solicitors' costs which have been paid are recorded in the attached receipts and payments account, at **Appendix B**, representing £2 plus VAT in respect of disbursements

## 12. Joint Administrators' Remuneration

The Administrators' approved Proposals including the following

- The Administrators will be remunerated by reference to time properly spent both for their services as Joint Administrators and also for their staff in attending to the matters arising in the administration of the Company, charged at the charge out rates prevailing at the time the work is undertaken. The Joint Administrators' remuneration will be agreed by the secured creditors and, if appropriate, the preferential creditors
- The Administrators be at liberty to incur and pay such costs and expenses, including professional fees, as considered to be incidental to the achievement of the purpose of the administration or for the purposes set out herein or to the Joint Administrators' statutory duties

I attach at **Appendix C** a summary of the Administrators' current time costs in dealing with the Administration. We have not yet drawn any fees for acting as Joint Administrators against our outstanding time costs of £91,811

The work undertaken by the Administrators and their staff is briefly detailed below

- **Administration and planning** - Includes dealing with all statutory matters required by legislation and professional guidelines including periodic returns and reports, internal case review and case progression matters including planning, set-up and maintenance of records in addition to the recovery and storage of the Company records
- **Realisation of assets** - Includes the continued negotiations with interested parties concerning the proposed sale of the Company's property and plant & machinery in addition to the implementation of the marketing strategies relating thereto. Further time spent in this regard relates to assisting Skipton Business Finance Limited with the realisation of the outstanding book debts due to the Company and the continued liaison with agents and with solicitors with regards to the Company premises
- **Creditors** - Includes general communication with all classes of creditors, receipt and agreement of claims. It also includes specific reporting to the secured creditors
- **Investigations** - Includes the review of Company records, the identification of any rights of action which the Administrators may have including antecedent transactions, and the submission of returns pursuant to the Company Directors Disqualification Act
- **Trading** - Includes dealing with the strategy of the administration along with the health and safety issues

The level of staff has been selected based upon the nature and complexity of the assignment. To reduce the level of professional costs incurred much of the work has been conducted by the Administrators' staff under their instruction. The current hourly charge-out rates for each level of staff are attached at **Appendix C**

The statutory provisions relating to remuneration are contained in Rule 2.106 of the Rules, as amended by the Insolvency (Amendment) Rules 2003. Creditors may view notes explaining the basis on which the Joint Administrators' remuneration is fixed on the web site of RSM Tenon Recovery at [www.rsmtenon.com/creditorguides](http://www.rsmtenon.com/creditorguides). If any creditor should require a copy of these explanatory notes they may telephone or write to Laura Baxter of RSM Tenon Recovery at Europarc Innovation Centre, Innovation Way, Grimsby, DN37 9TT, who will be pleased to send them by post free of charge.

### **13. Joint Administrators' Disbursements**

The total disbursements to date of £1,579 are detailed at **Appendix D**. These disbursements have not been paid

### **14. Joint Administrators' Investigations**

Under the insolvency legislation, the Joint Administrators have a duty to consider the conduct of those who have been directors of the Company at any time within three years preceding the Administration and to report to the Department for Business, Innovation and Skills accordingly. As this is a confidential document between the BIS and myself, I am precluded from divulging its contents in this report.

We are also required to consider whether any civil proceedings should be taken. Please do not hesitate to contact us if there is any matter of which you believe we should be aware when considering the directors' conduct. We should stress that this request for information forms part of our usual investigation proceedings.


### **15. EC Regulation on Insolvency Proceedings 2000**

For the following reason it is considered that the EC Regulation on Insolvency Proceedings 2000 will apply. If it does apply, these proceedings will be the main proceedings as defined in article 3 of the EC regulation.

The Company's registered office is from where the Company carries on its business. Therefore in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom.

### **16. Further Information**

Should you require any further information, please do not hesitate to contact Simon Smith or Laura Baxter on the telephone number shown at the head of this report.

  
W Duncan  
Joint Administrator  
16 January 2011

**Rawmat (1998) Limited – in Administration**  
**Statutory Information**

**Company Number:** 03555620

**Date of Incorporation:** 30 April 1998

**Registered Office:** c/o Tenon Recovery  
Europarc Innovation Centre  
Innovation Way  
Grimsby  
DN37 9TT

Formerly  
6 Trinity Street  
Grimsby  
North East Lincolnshire  
DN31 3AN

**Trading Address:** 6 Trinity Street  
Grimsby  
North East Lincolnshire  
DN31 3AN

**Issued Share Capital:**

6,000 Category A shares of £1 each, fully paid and issued to

Stephen John Hill	3,000
Donald Jeffrey Urquhart	3,000

4,000 Category B shares of £1 each, fully paid and issued to

Tower Sea Products Limited	2,000
White Rose Poultry Limited	2,000

	<u>Appointed</u>	<u>Resigned</u>
<b>Directors:</b>		
Stephen John Hill	30/04/1998	N/A
Donald Jeffrey Urquhart	30/04/1998	N/A
Michelle McClurey	18/05/2006	N/A

<b>Company Secretaries:</b>	Donald Jeffrey Urquhart	26/07/1999	N/A
-----------------------------	-------------------------	------------	-----

**Mortgages and Charges:** **Nottingham Building Society** – A mortgage over the freehold property located at Hangar No 2 Caenby Corner Estate, Hemswell and a fixed charge over the equipment, goods and all other fixtures, fittings, plant & machinery created on 28 February 2007 and registered at Companies House on 16 March 2007

**HSBC Bank PLC** – Debenture conferring fixed and floating charges over the undertaking and all property and assets present and future, including goodwill, book debts, uncalled capital, buildings, fixtures and fixed plant and machinery created on 6 March 2007 and registered at Companies House on 8 March 2007

**Hemswell Estates Limited** – Legal charge over the land and buildings located at Hangar No 2 Caenby Corner Estate, Hemswell secured up to £250,000 The charge was created on 20 August 2007 and registered at Companies House on 23 August 2007

**Skipton Business Finance Limited** – Debenture conferring a fixed charge over all specified and other debts and a floating charge over the floating assets of the Company created 30 June 2008 and registered at Companies House on 1 July 2008

**Last Accounts Filed:**

Report of the directors and unaudited financial statements for the period ending 30 June 2008 and filed at Companies House on 29 January 2009



**Appendix B****Rawmat (1998) Limited - In Administration****Administrators' Abstract of Receipts and Payments for the period 17 July 2009 to 16 January 2011**

<b>Statement of Affairs</b>	<b>17 July 2009 to 16 July 2010 £</b>	<b>17 July 2010 to 16 January 2011 £</b>	<b>Total £</b>
<b>Receipts</b>			
- Property at Hemswell Cliff	-	-	-
- Debtors	-	-	-
152,772 00 Fixed Assets	-	-	-
Property Expenses Recharge	0 00	32 291 39	32,291 39
- Rates Refund	1,211 59	-	1,211 59
- Sundry Refund	2 37	-	2 37
- VAT	60 52	4,998 40	5,058 92
<b>Total Receipts</b>	<b>1,274 48</b>	<b>37,289 79</b>	<b>38,564 27</b>
<b>Payments</b>			
Legal Disbursements	2 00	-	2 00
Electricity	398 56	13,811 58	14,210 14
Hire of Equipment	0 00	3,096 00	3,096 00
Insurance	0 00	11 804 56	11,804 56
Security Costs	0 00	475 00	475 00
VAT	60 52	4,998 45	5 058 97
<b>Total Payments</b>	<b>461 08</b>	<b>34 185 59</b>	<b>34,646 67</b>
<b>Balance in hand</b>	<b>813 40</b>	<b>3,104 20</b>	<b>3,917 60</b>

## Appendix C

### **Rawmat (1998) Limited – In Administration**

#### **Time Cost information to 16 January 2011**

Detailed below is a summary of time charged by each grade of our staff

<b>Classification of work function</b>	<b>Director</b>	<b>Manager</b>	<b>Other senior professional s</b>	<b>Assistant s &amp; support staff</b>	<b>Total hours</b>	<b>Time Cost £</b>	<b>Average hourly rate £</b>
Administration and planning	25 1	66 1	40 2	18 8	150 2	28,929 25	192 60
Realisation of Assets	8 9	76 0	88 6	-	173 5	31,251 50	180 12
Creditors	15 8	57 1	40 2	4 9	118 0	24,405 50	206 83
Investigations	-	0 5	6 3	-	6 8	723 50	106 40
Trading	11 0	19 4	-	-	30 4	6,501 00	213 85
<b>Total</b>	<b>60 8</b>	<b>219 1</b>	<b>175 3</b>	<b>23 7</b>	<b>478.9</b>	<b>91,810 75</b>	<b>191 71</b>

The hourly charge-out rates for each level of staff applicable from 1 January 2011 are

<b>Grade</b>	<b>Rate per hour £</b>
Directors / Associate Directors	295 – 355
Managers	200 – 280
Technical Staff	120 – 180
Assistants and Support Staff	100 – 120

## Appendix D

### **Rawmat (1998) Limited – In Administration**

#### **RMS Tenon – Grimsby Office**

<b>Category 1 disbursements</b>	<b>£</b>	<b>Category 2 disbursements</b>	<b>£</b>
Company searches	12 00	Postage	244 00
Bordereau	392 00	Photocopying	353 40
Statutory advertising	81 58		
Travel	418 86		
Land Registry Services	12 00		
Legal Fees	28 07		
Storage of Records	37 20		
<b>Total</b>	<b>981 71</b>	<b>Total</b>	<b>597 40</b>

### **CATEGORY 1 AND CATEGORY 2 DISBURSEMENTS**

Category 1 disbursements relate to external services provided which are directly attributable to the case

Category 2 disbursements relate to internal charges made for items such as postage, faxes, room hire and mileage

The rates at which these charges are made are listed below and in my opinion are in line with the cost of external provision of these charges and (where applicable) in accordance with Rule 13 11(b) of the Insolvency Rules 1986

<b>Disbursement</b>	<b>Charge</b>
Postage – 1 <sup>st</sup> Class (circulars only, per copy and depending on size)	50p – £1 00
Postage – 2 <sup>nd</sup> Class (circulars only, per copy and depending on size)	40p – 75p
Photocopying (circulars only, per page)	15p
Faxes (incoming & outgoing, per page)	25p
Room Hire (per hour, minimum charge £25)	£25 00
Mileage (per mile)	40 - 50p

*Creditor approval is required for Category 2 disbursements to be charged as an expense of the case in accordance with best practice guidelines as set out in Statement of Insolvency Practice 9 (as amended in April 2007)*