

**2.24B**

The Insolvency Act 1986

**Joint Administrators' progress report**

|  |                                     |
|--|-------------------------------------|
| Name of Company<br><br>Rawmat (1998) Limited                     | Company number<br><br>03555620      |
| In the<br>Great Grimsby County Court<br><br>(full name of court) | Court case number<br><br>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

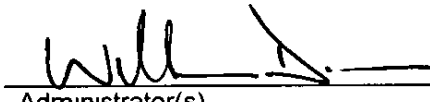
Sarah Louise Burge  
RSM Tenon Recovery  
Europarc Innovation Centre  
Innovation Way  
Grimsby  
DN37 9TT

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

|                              |                            |
|------------------------------|----------------------------|
| From<br><br>(b) 17 July 2009 | To<br><br>(b) 16 July 2010 |
|------------------------------|----------------------------|

(b) Insert date

Signed

  
 Administrator(s)

Dated

17 July 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

Simon Smith, RSM Tenon Recovery as above  
Tel 01472 500360

DX Number

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**



COMPANIES HOUSE  
25 Abchurch Lane, London EC4N 3DF  
Technology Limited, Glasgow, Scotland

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

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

#### **Joint Administrators' Second Progress Report**

##### **1. Introduction**

William Duncan and Jonathan Paul Philmore ("the Administrators") were appointed on 17 July 2009 by the Directors of the Company

This is the Joint Administrators' second report pursuant to Rule 2.47 of the Insolvency Rules 1986 and covers the period from 17 January 2010 to 14 July 2010. This report is intended to update you on the progress of the Administration since the Joint Administrators' first progress report dated 12 February 2010.

On 21 May 2010 His Honour Judge Behrens Ordered that Jonathan Paul Philmore be removed from office as Joint Administrator and be replaced by Sarah Louise Burge (the "Court Order")

The effect of the Court Order is that Sarah Louise Burge and William Duncan will now continue as Joint Administrators until the conclusion of the Administration and Jonathan Paul Philmore will be granted his release as Joint Administrator 21 days after notice of the Court Order has been published in the gazette.

The Court Order provides that the costs of the Application shall be aggregated and apportioned equally amongst the various estates which are the subject of the Court Order, with such costs to be drawn by the administrators as disbursements where sufficient funds are available.

Each creditor has liberty to apply to the Court for an Order varying or discharging the Court Order within 28 days of receipt of this report.

It is open to any creditor to apply to Court for an Order that the Joint Administrators provide information in relation to the administration of the estate, including a progress report, a summary of receipts and payments and a Statement that the administrators have reconciled their accounts with that held by the Secretary of State, in so far as this information is not included within this report.

Where the administrators are requested to provide the above information, the administrators' costs of complying with such request shall, unless good reasons to the contrary are demonstrated, be paid as a cost of the administration.

Notwithstanding the above, any creditor may request a statement of the administrators' receipts and payments from the administrators free of charge.

A copy of the Court Order is available to creditors on request.

## **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

## **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 14 July 2010 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

Several enquiries have been received since the last progress report and three potential purchasers have expressed interest in the property. The administrators are currently in discussions with two potential purchasers however a sale has yet to be agreed.

It would appear that the sale proceeds will be insufficient to discharge the Company's indebtedness to Nottingham Building Society, who hold a first charge over the property, in full.

## **Debtors**

The Company's debtors have been subject to a disclosed invoice discounting agreement with Skipton Business Finance Limited ("Skipton"). Skipton have yet to be repaid from book debt collections and no surplus funds are expected to be realised 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 £75,124.25.

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 access 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 £1,035.69 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.

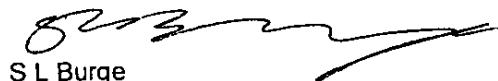
### **15. EC Regulation on Insolvency Proceedings 2000**

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.



S L Burge  
Joint Administrator  
14 July 2010

## Appendix A

### 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 14 July 2010**

| Statement of<br>Affairs      | 17 July 2009 to<br>16 January 2010<br>£ | 17 January 2010<br>to 14 July 2010<br>£ | 17 July 2009 to<br>14 July 2010<br>£ |
|------------------------------|---|---|--------------------------------------|
| <b>Receipts</b>              |   |   |                                      |
| - Property at Hemswell Cliff | -                                       | -                                       | -                                    |
| - Debtors                    | -                                       | -                                       | -                                    |
| 152,772 00 Fixed Assets      | -                                       | -                                       | -                                    |
| - Rates Refund               | 1,211 59                                | -                                       | 1,211 59                             |
| - Sundry Refund              | 2 37                                    | -                                       | 2 37                                 |
| - VAT                        | -                                       | 60 52                                   | 60 52                                |
| <b>Total Receipts</b>        | <b>1,213 96</b>                         | <b>60 52</b>                            | <b>1,274 48</b>                      |
| <b>Payments</b>              |   |   |                                      |
| Legal Disbursements          | 2 00                                    | -                                       | 2 00                                 |
| Electricity                  | 398 56                                  | -                                       | 398 56                               |
| VAT                          | 60 52                                   | -                                       | 60 52                                |
| <b>Total Payments</b>        | <b>461 08</b>                           | <b>-</b>                                | <b>461 08</b>                        |
| <b>Balance in hand</b>       |   |   | <b>813 40</b>                        |

## Appendix C

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

#### **Time Cost information to 14 July 2010**

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 professionals</b> | <b>Assistants &amp; support staff</b> | <b>Total hours</b> | <b>Time Cost £</b> | <b>Average hourly rate £</b> |
|--|-----------------|----------------|-----------------------------------|---------------------------------------|--------------------|--------------------|------------------------------|
| Administration and planning            | 23 2            | 58 02          | 33 4                              | 9 4                                   | 124 02             | 24,360 75          | 196 43                       |
| Realisation of Assets                  | 8 65            | 57 6           | 61 0                              | -                                     | 127 25             | 22,998 50          | 180 73                       |
| Creditors                              | 11 30           | 48 5           | 39 7                              | 4 1                                   | 103 6              | 20,540 50          | 198 27                       |
| 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>54.15</b>    | <b>184.02</b>  | <b>140 4</b>                      | <b>13.5</b>                           | <b>392 07</b>      | <b>75,124 25</b>   | <b>191 61</b>                |

The hourly charge-out rates for each level of staff applicable from 1 November 2008 to 9 January 2010 are

| <b>Grade</b>                    | <b>Rate per hour<br/>£</b> |
|---------------------------------|----------------------------|
| Directors / Associate Directors | 275 - 360                  |
| Managers                        | 165 - 300                  |
| Technical Staff                 | 95 - 175                   |

With effect from 10 January 2010 the following charge-out rates have applied to each level of our staff

| <b>Grade</b>                    | <b>Rate per hour<br/>£</b> |
|---------------------------------|----------------------------|
| Directors / Associate Directors | 290 - 300                  |
| Managers                        | 190 - 265                  |
| Technical Staff                 | 120 - 170                  |
| Assistants and Support Staff    | 95-120                     |

## Appendix D

### Rawmat (1998) Limited – In Administration

#### RMS Tenon – Grimsby Office

| Category 1 disbursements: | £             | Category 2 disbursements: | £             |
|---------------------------|---------------|---------------------------|---------------|
| Company searches          | 8 00          | Postage                   | 152 00        |
| Bordereau                 | 262 00        | Photocopying              | 187 80        |
| Statutory advertising     | 81 58         |                           |               |
| Travel                    | 272 97        |                           |               |
| Land Registry Services    | 12 00         |                           |               |
| Legal Fees                | 22 14         |                           |               |
| Storage of Records        | 37 20         |                           |               |
| <b>Total</b>              | <b>695 89</b> | <b>Total</b>              | <b>339 80</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

| Disbursement  | Charge      |
|---|-------------|
| Postage – 1 <sup>st</sup> Class<br>(circulars only, per copy and depending on size) | 50p – £1 00 |
| Postage – 2 <sup>nd</sup> Class<br>(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)*