

The Insolvency Act 1986

## Statement of administrator's proposals

Name of Company A & P Fencing Limited	Company number 04599735
In the Preston Combined Court Centre	Court case number 658 of 2010

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


We, (a) Lila Thomas and David Acland of Begbies Traynor (Central) LLP, 1 Winckley Court, Chapel Street, Preston, PR1 8BU

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 21 December 2010

Signed   
Joint Administrator  
Dated 21 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 searchers of the public.

Begbies Traynor (Central) LLP	
1 Winckley Court, Chapel Street, Preston PR1 8BU	
	Tel 01772 202000
Fax Number 01772 565243	DX Number

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



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24/12/2010

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COMPANIES HOUSE

FRIDAY

21 December 2010

**PRIVATE & CONFIDENTIAL**

**TO ALL CREDITORS**

Our Ref AP01540M/LT/DRA/11  
HLD/11/ N/A/EN/10/067  
Your Ref  
Contact Katy Flynn

Dear Sirs

**A & P Fencing Limited (In Administration) ("the Company")  
Administrators' Proposals**

As you are aware, the Company entered into administration in accordance with the provisions of paragraphs 22 of Schedule B1 to the Insolvency Act 1986 on 1 November 2010

I enclose a copy of the joint administrators statement of proposals for your consideration

An initial meeting of creditors will not be summoned because of the statement contained in our proposals pursuant to paragraph 52(1)(b) of Schedule B1 to the Insolvency Act 1986 that **the Company has insufficient property to enable a distribution to unsecured creditors**, otherwise than by virtue of section 176A of the Act

Your attention is drawn to the provisions of paragraph 52(2) of Schedule B1 to the Act which enables creditors whose debts amount to at least 10% of the total debts of the Company to requisition such a meeting within 8 Business days from the date of this letter. If no such meeting is held the proposals are deemed to have been approved by the creditors

Yours faithfully  
For A & P Fencing Limited



**L. Thomas**  
Joint Administrator

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The affairs, business and property of the Company are managed by the joint administrators who act as the Company's agents and without personal liability

1 Winckley Court, Chapel Street, Preston, PR1 8BU  
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Begbies Traynor is a trading name of Begbies Traynor (Central) LLP, a limited liability partnership registered in England No OC306540 registered office 340 Deansgate, Manchester, M3 4LY

Lila Thomas and David R Acland are licensed in the United Kingdom to act as Insolvency Practitioners by the Insolvency Practitioners Association

Any reference to a partner is to a member of the limited liability partnership. A list of partners is available for inspection at the registered office. A member of the Begbies Traynor Group Specialist Professional Services [www.begbies-traynorgroup.com](http://www.begbies-traynorgroup.com)

Partners, Directors and Consultants acting as administrators or administrative receivers contract as agents and without personal liability

Lila Thomas and David Acland were appointed as joint administrators on 1 November 2010

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability

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## A & P Fencing Limited (In Administration)

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Statement of proposals of the joint administrators for achieving the purpose of the administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986

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## Important Notice

The administrators' statement of proposals has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever. Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

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# 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	A & P Fencing Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Insolvency Act 1986 on 1 November 2010
"the administrators"	Lila Thomas and David Acland of Begbies Traynor (Central) LLP, 1 Winckley Court, Chapel Street, Preston, PR1 8BU
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and  (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

## 2. STATUTORY INFORMATION

Name of Company	A & P Fencing Limited	
Trading name(s)	A & P Group, A & P Building Supplies, A & P Fencing	
Date of Incorporation	25 November 2002	
Company registered number	04599735	
Company registered office	1 Winckley Court, Chapel Street, Preston, PR1 8BU	
Former registered office	Richard House, Winckley Square, Preston, PR1 3HP	
Trading address(es) (or attach a separate sheet if more than one)	Unit 2 Shard Storage Shard Road, Hambleton, Poulton-le-Fylde, Lancashire, FY6 9BU	
Principal business activities	Construction, Supply of Building Materials, Fencing & Decking	
Directors and details of shares held in the Company (if any)	<b>Name</b> David Dearden Philip Hood Andrew Jenkinson Philip Jenkinson	
Company Secretary and details of the shares held in Company (if any)	Philip Jenkinson	
Auditors	Moore & Smalley LLP Richard House, Winckley Square, Preston, PR1 3HP	
Share capital	100 ordinary £1 shares	
Shareholders	<b>Name</b> Philip Jenkinson Andrew Jenkinson Philip Hood David Dearden <b>Total</b>	<b>Shareholding</b> 25 25 25 25 <b>100</b>

### 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators	Lila Thomas and David Acland, Licensed Insolvency Practitioners of Begbies Traynor (Central) LLP, 1 Winckley Court, Chapel Street, Preston, PR1 8BU
Date of administrators' appointment	1 November 2010
Date of administrators' resignation	N/a
Court	Preston Combined Court Centre
Court Case Number	658 of 2010
Person(s) making appointment / application	Philip Jenkinson, a Director of the Company (on behalf of the board)
Acts of the administrators	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.
EC Regulation on Insolvency Proceedings	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.

#### STATUTORY PURPOSE OF ADMINISTRATION

Pursuant to Paragraph 3(1) of Schedule B1 of the Insolvency Act ("Sch B1 of the Act") the Administrator of a Company must perform his functions with the objective of

- Firstly, to rescue the Company as a going concern (in other words a restructuring which keeps the entity intact)
- Secondly, if the first purpose is not reasonably practicable (or the second would clearly be better for creditors as a whole), then the Administrator must perform his functions with the objective of achieving a better result for creditors than would have been obtained through an immediate liquidation of the Company
- Thirdly, if neither of the first 2 parts of the purpose are reasonably practicable, then the Administrators must perform his functions with the objective of realising property in order to make a distribution to the secured and/or preferential creditors

The Company was experiencing cash flow difficulties and had fallen into arrears with suppliers. The accounts team were facing increasing creditor pressure and although no legal proceedings had been commenced by creditors, the Company was on stop with a number of suppliers. Interest had been expressed in purchasing the chattel assets and stock however, no party had expressed an interest in acquiring the business as a whole. Therefore, the first objective, to rescue the Company as a going concern was not possible to achieve. Based on anticipated realisations, there will be insufficient monies available to enable a distribution to be made to unsecured creditors other than by virtue of the prescribed part fund which is explained in greater detail at Section 7 of this report. The purpose of the Administration, therefore, is to realise the property in order to make a distribution to secured and/or preferential creditors.

## 4. CIRCUMSTANCES GIVING RISE TO THE APPOINTMENT OF ADMINISTRATORS

A & P Fencing Limited ("the Company") was incorporated in 2002 following the incorporation of a partnership that originally started trading in 1998 with Philip and Andrew Jenkinson appointed as Directors

The Company operates in distinctive divisions namely timber merchants (and general building supplies), fencing, groundworks and decking. The timber merchants was set up 3 years ago when David Dearden and Philip Hood bought into the Company. The Company trades from premises at Shard Road, Hambleton, Poulton Le Fylde, FY6 9BU which is jointly owned by the four directors.

Begbies Traynor attended meetings with the Directors and Company's accountants, Moore & Smalley LLP on 17 September 2010 at the request of Yorkshire Bank plc ("the Bank"). The Company was experiencing cash flow difficulties and had recently provided forecasts and accounts to the Bank which projected that the Company would breach the agreed overdraft.

Over the previous two years and as a result of the recession, the Company had suffered a number of bad debts, trade debtor collections had slowed and in a number of instances suppliers had sought to reduce the Company's credit terms. The Company had significant fixed overheads in terms of staffing and it had recently been identified that there had been a lack of control over the Company's accountancy functions. Each of the Divisions were being operated independently and each headed by a different Director and accounting data was irregularly supplied to the accounting team resulting in accounts and projections being mis-stated. Although these divisions were clearly defined, there was no real accounting for costs and overheads between the divisions to assess whether each division was profitable.

Furthermore, the debt collection exercise had been largely ignored with a number of applications for payment on the larger contracts submitted late, without the appropriate supporting data causing difficulties in securing payments. The Company's debtor ledger, which is subject to an invoice discounting agreement with Yorkshire Bank Invoice Finance ("YBIF") had recently been audited at the request of YBIF by a third party, where the issues in collecting debts had been highlighted.

Some steps had been taken to remedy the accounting issues with quarterly management accounts introduced. The Company also appointed a full time secondee to the business from their accountants Moore and Smalley. The Directors injected personal monies into the Company to aid cashflow and identified a number of areas where overhead costs could be reduced and cash flow improved including a scale down of the fleet of vehicles utilised by the Company and a reduction in staffing levels.

The Company's cash flow difficulties did not improve and a further meeting was held with Steven Smith and the Directors on 11 October 2010. It was clear that the Company was experiencing significant creditor pressure and the accounts team were struggling to cope with the phone calls (some of which had turned aggressive). The Company was clearly insolvent on a cash flow basis.

Charterfields Limited ("the agent") were instructed to complete a valuation of the Company's business and assets. In addition, the agent was asked to provide an informal valuation of the property to gain an idea of the current value and obtain a stock supply list and details of supplier terms and conditions as it was anticipated that, in the event of an insolvency, there would be significant retention of title ("ROT") issues particularly in respect of the timber stock. Discussions were held with the Directors to ascertain whether they had any interest in purchasing the business and assets should the Company enter into an insolvency procedure. The agent was advised that the decking division run by Andrew Jenkinson had already split from the remainder of the group and it was clear that whilst none of the Directors were interested in purchasing the business as a whole there was interest in the separate remaining divisions.

The Vinden Partnership ("Vindens") were instructed to undertake a review of the Company's debts. Vindens attended the trading premises and met with the in-house quantity surveyor to produce an assessment of the



collectability of the ledger in an insolvency scenario. Whilst the majority of the ledger was subject to the invoice discounting agreement with YBIF, two contract debts were outside this agreement.

The groundworks division of the Company had one remaining contract with approximately 6 weeks to complete. Discussions were held with the main contractor with a view to novating the contract to an associated company in order to preserve the work in progress value of the contract and any remaining debtor balance. Following a review of the contract, the decision was taken by the associated company that a novation would not be commercially viable. Consequently, in order to offer some protection whilst the options available to the Company could be further explored, a Notice of Intention to Appoint an Administrator ("NOI") was filed in Court on 19 October 2010 and the groundworks division ceased operations.

The majority of the Company's workforce was made redundant on 19 October 2010 and representatives of Begbies Traynor attended the trading premises to assist with the redundancy process. A skeleton staff was retained by the Directors to assist in collecting the Company's plant, machinery and vehicles, to secure the timber yard and to complete a fencing contract with only a few days work remaining. It was considered that the timber yards trade would be sufficient to settle wages until the Administrators were appointed. However, immediately after filing the NOI, several creditors attended the site to collect their supplies in accordance with their ROT clauses. It was determined that the site should be closed for security reasons on 26 October 2010 and the remaining staff were made redundant.

The Notice of an Appointment of an Administrator was filed in Court appointing David Acland and Lila Thomas as Joint Administrators of the Company on 1 November 2010.

## 5. STATEMENT OF AFFAIRS

A Statement of Affairs has not yet been prepared by the Directors and an extension of time has been agreed. The Joint Administrators have prepared an Estimated Outcome Statement ("EOS") for Creditors based upon information extracted from the Company's records (see Appendix 1).

## 6. THE ADMINISTRATION PERIOD

Upon appointment the Directors were advised of the effect of the appointment of Administrators and the restrictions placed upon the Directors. All statutory documents confirming the appointment were filed at Court and Companies House in accordance with requirements and all known creditors were provided with notice of the Administration. The necessary insurance cover was arranged via our insurance brokers, AUA Insolvency Risk Services Limited ("AUA").

### **Marketing the assets for sale**

The Company's assets base comprised of office furniture and equipment, plant and machinery, motor vehicles and stock. The Company also utilised a variety of plant and motor vehicles which were subject to finance with various finance companies.

The agent recommended that should a disposal of the Company's assets in their entirety to the current Directors not be possible, a break-up sale of the assets should be affected by way of an online auction. Given the nature of the Company's asset base (i.e. timber stock, heavy plant and motor vehicles) the costs involved in the removal and storage of these assets would be significant. Following discussions with the Directors, the agent agreed that the assets could be stored at the timber yard rent free whilst the assets could be marketed for sale.

The various categories of assets are detailed below along with the valuation.

### **Office Furniture and Equipment/Plant and Machinery**

The office furniture and equipment inspected was of average quality and condition. The agent has not ascribed any significant value to these assets based on the quantity and quality.

The Company utilised a variety of plant and machinery assets including traditional joinery equipment for the manufacture of fence panels and the cutting of timber along with a number of items used within the construction industry such as excavators and other earth moving equipment

The Company's accounts detail other plant and machinery assets which were sold prior to the Administration to connected parties. These transactions will be reviewed to ensure a fair value was received by the Company

#### **Motor Vehicles**

The Company owned and utilised a number of motor vehicles including a minibus for the provision of transport for site personnel and a variety of vans and drop sided lorries for the delivery and collection of materials. The agent did not have the benefit of inspecting all the vehicles at the date of their report as the majority were not on site. However, they have since arranged for all assets to be recovered and returned to site

#### **Stock/ Work in Progress**

With regard to the work in progress the Company manufactures fence panels to customer order only and these are not held in stock. Therefore, the agent discounted work in progress based on the fact that at the time of the cessation of business, the work in progress would likely change significantly from that which was present at the date of inspection

The agent has undertaken an inspection of the stock which comprises of a large quantity of timber located in the timber yard, comprising of hard wood and soft wood, both planed all round and rough sawn. In addition, the Company has a large quantity of plywood stock including MDF and chipboard panels, various soft woods and mouldings and a quantity of pre cast concrete fencing panels and posts, aggregates and rock salt

The Company also operated a trade counter from which it sells general building products and consumables

#### **Retention of Title**

As information regarding the appointment was circulated to creditors, the Administrators received various queries from a number of creditors in respect of retention of title ("ROT") claims over the Company's timber stock and associated hardware. The creditors were requested to provide details of their claims by completing questionnaires

The ROT creditors with potentially valid terms and conditions were invited to attend the Company's premises to identify any of their goods on site and complete an inventory. In total three inspection days were held with both the Administrators staff and the agent in attendance. Of the 30 ROT claims received, 18 attended site to inspect. The claims have been reviewed and letters have been issued to creditors confirming whether their claim has been accepted or rejected. In certain cases, the Administrator has taken legal advice as to the validity of the claims

A sale of the stock has completed (see further details below) details of all accepted claims have been passed to the purchaser who must pay for the goods used or allow the claimants to collect their goods

#### **Assets subject to third party ownership**

The assets subject to third party ownership are mainly earth moving equipment and commercial motor vehicles. The agent has received settlement figures from Yorkshire Bank Asset Finance and has been provided with settlement figures for the assets subject to finance with Caterpillar and Volkswagen. However, the agent was unable to obtain settlement figures for the remaining finance companies and has used information obtained from the Company's accounts department to estimate the balance due, for the purposes of the valuation

## Agents Valuation

	Cost Value of Stock	Market Value In-Situ	Market Value Ex-Situ	Market Value subject to Marketing Constraint	
<b>Unencumbered Assets</b>					
<i>Office Furniture &amp; Equipment</i>		1,200	400	200	
<i>Plant &amp; Machinery</i>		48,500	31,500	23,000	
<i>Motor Vehicles</i>		15,000	12,800	10,500	
<i>Stock</i>	132,000	50,000	35,000	25,000	
<b>Total</b>	132,000	114,700	79,700	58,700	
<b>Encumbered Assets</b>					<b>Estimated Settlement Figure</b>
<i>Assets subject to finance with Yorkshire Bank Asset Finance</i>		25,000	22,300	17,900	19,504 77
<i>Assets subject to finance various</i>		67,000	63,000	56,000	123,851
<i>Assets subject to finance with Caterpillar Finance</i>		69,000	64,000	55,000	55,059
<b>Total</b>		161,000	149,300	128,900	198,414 77

## Sale of the Company's assets

As detailed above, each of the Directors had shown an interest in purchasing certain assets relevant to their divisions. Shortly after the appointment, an offer in the sum of £40,000 plus VAT was received from P H Timber Limited, a company connected by a common director (Philip Hood) for the timber stock. A further £1,000 plus VAT was offered for the racking. In light of the potential ROT claims and in line with their valuation, the agent recommended acceptance of this offer. P H Timber Limited has also acquired some plant and machinery for £3,000 plus VAT. In addition, the office furniture & equipment, part of the plant & machinery (wholly owned), financed plant and machinery and two motor vehicles were sold to Shard Construction Limited, a connected company by a common Director (Phil Jenkinson) for £36,864 68 plus VAT. A further sale of the remaining plant, part of the vehicle stock and finance plant has been sold to a third party for £29,000 plus VAT.

## Debtors

Upon appointment, the Company had an outstanding debtor ledger in the sum of £322,136 before provisions were applied for bad and aged debts and excluding the contractual debts (see below). The ledger is subject to an invoice discounting agreement with YBIF and their indebtedness amounted to circa £302,529 plus any collect out/termination charges and interest.

The Administrators with the assistance of Vindens have completed a full reconciliation of the ledger. YBIF have instructed Cobbetts LLP and their debt collection agents, Incasso LLP to pursue the ledger from the outset. The Administrators have provided Incasso with the ledger and recovery reports. All monies received by the Administrators are being passed to YBIF.

For the purposes of this report, the Administrators have applied a provision against the outstanding ledger based on the age of the debt increasing in percentage of recoverability from aged debts to current debts and it is estimated that £216,951 is collectable. Unfortunately, we are unable to provide details of the collections to date as we have yet to be provided with the collection data.

### **Contractual Debts/Retentions**

The Company has contractual debts with a book value of £229,714. Vindens have produced a recovery schedule of the contractual debts and based on their original estimations 30% is deemed recoverable. Vindens have also been instructed to pursue the ledger on behalf of the Administrators and YBIF and a debt collection fee of 12.5% has been agreed for all contractual monies received, together with an initial reporting and review fee of £4,000.

There are two contractual debts with a book value of £125,760 which are not subject to the invoice discounting agreement with YBIF. A settlement has been agreed with one of the contractors and the sum of £50,000. For the purposes of the EOS, a 70% provision has been applied to the remaining debt in the sum of £25,760. It is anticipated that total realisations will amount to £57,728.

The remaining contractual debts with a book value of £103,955 are subject to the invoice discounting agreement with YBIF. In accordance with Vindens advice, a 70% provision has been applied to the general ledger and a specific provision has been applied to one of the debts and it is anticipated that £7,754 will be recovered.

### **Receipts and Payments**

Attached at Appendix 1 is our account of receipts and payments from the commencement of administration, 01 November 2010 to 21 December 2010.

## **7. ESTIMATED OUTCOME FOR CREDITORS**

On the basis of estimated future realisations we estimate an outcome for each class of the Company's creditor as follows:

### **Secured creditors**

#### **Yorkshire Bank Invoice Finance ("YBIF")**

As detailed above, the Company operated an invoice discounting facility with YBIF and at the date of appointment their indebtedness amounted to £302,529, subject to charges and interest. YBIF have yet to confirm whether any termination fees and management charges have been applied and the level of these charges. Based on current anticipated realisations, it is anticipated that YBIF will suffer a shortfall.

#### **Yorkshire Bank plc ("the Bank")**

The Bank by way of security have the benefit of a debenture dated 16 May 2005 creating a fixed and floating charge over all the Company's assets, personal guarantees provided by Philip and Andrew Jenkinson limited to £60,000 (although these may have now been released) and a third party mortgage over Brownlea Farm, Shard Road, Hambleton. At the date of appointment, the Bank's indebtedness amounted to £132,656 which is subject to accruing interest and charges.

The level of the return to the Bank is dependant on the successful realisation of the contractual debts; however, it is likely that the Bank will suffer a shortfall and will have to rely on their additional security.

### **Preferential creditors**

As detailed above, representatives from Begbies Traynor attended the Company's trading premises on 19 October 2010 to assist the Directors with the redundancies. Employees have submitted claims to the Redundancy Payments Office in respect of arrears of wages, holiday pay, pay in lieu of notice and redundancy pay.

Employees' claims for arrears of pay and holiday pay subject to certain limitations rank as preferential. The Administrators currently estimate these claims to total £42,614 based on information received to date. It is anticipated that preferential creditor claims will be paid in full.

#### **Prescribed Part for unsecured creditors pursuant to Section 176A of the Act**

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a *prescribed part* of the Company's *net property* available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. *Net property* means the amount which would have been available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The floating charge holder may not participate in the distribution of the prescribed part of the Company's net property. The *prescribed part of the Company's net property* is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of *net property*;
- ☐ 20% of *net property* thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

An administrator will not be required to set aside the *prescribed part of net property* if:

- ☐ the *net property* is less than £10,000 and the administrator thinks that the cost of distributing the *prescribed part* would be disproportionate to the benefit, (Section 176A(3)) or
- ☐ the administrator applies to the court for an order on the grounds that the cost of distributing the *prescribed part* would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

The administrators have estimated, to the best of their knowledge and belief, the Company's net property, as defined in section 176A(6) of the Act, to be £48,503 and the prescribed part of the Company's net property to be £12,701.

On present information the administrators do not intend to make an application to court under Section 176A(5) of the Act for an order not to distribute the prescribed part of net property to the unsecured creditors. However, we reserve our position generally in this regard should circumstances materially change.

#### **Unsecured creditors**

It is not anticipated that surplus funds will be available to unsecured creditors after payment is made to the preferential creditors and after the costs of the Administration.

A schedule of the Company's known trade and expense creditors is attached at Appendix 2 and was taken from the Company's books and records upon appointment. The values in respect of HM Revenue and Customs are based on estimates. The Administrators cannot warrant the accuracy of the Company's records and therefore should you have a query in respect of the balances shown, please provide copy invoices or statements to support your claim which will be held on file.

## **8. ADMINISTRATORS' PROPOSALS FOR ACHIEVING THE PURPOSE OF THE ADMINISTRATION**

#### ***Purpose of the Administration***

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above.

For the reasons set out in our report, we presently consider that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph 3(1)(a) and 3(1)(b), and consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(c), namely realising property in order to make a distribution to one or more secured or preferential creditors. We furthermore consider that pursuing this objective should not unnecessarily harm the interests of the creditors of the Company as a whole.

The affairs and business of the Company have, since the date of the Administrators' appointment, been managed by the Administrators. If the proposals are approved, the affairs and business will continue to be managed by the Administrators and financed from the realisation of the Company's assets.

The Administrators propose to do all such things and generally exercise their powers as Joint Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration set out in paragraph 3 of Sch B1 to the Act or to maximise realisations for any other purpose incidental to these proposals.

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to conclude the realisation of the Company's property. The principal matters to deal with in this respect are:

- Finalise sales of the Company's assets
- Assist with the collection of the Company's debtor book

Following these events we propose to finalise distributions to the secured and preferential creditors.

#### ***Exit from Administration***

The exit route chosen in relation to the Company is that of Creditors Voluntary Liquidation ("CVL") in order that a distribution can be paid to unsecured creditors, under the provisions of Section 176A, following the completion of the Administrators' duties<sup>1</sup>.

Administrators do not have a general power to make a distribution to unsecured creditors and may only do so if the court gives permission. It is considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate. Additionally, there may be matters for enquiry concerning a company's affairs which are not within the scope of an administrator's powers and which can only be properly dealt with by a liquidator.

Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to implement the provisions of Paragraph 83 of Schedule B1 to the Act whereby, on the registration of a notice sent to the Registrar of Companies, our appointment as administrators shall cease to have effect and the Company will automatically be placed into creditors' voluntary liquidation. Paragraph 83(7) provides:

The liquidators for the purpose of the winding up shall be-

- (a) a person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or
- (b) if no person is nominated under paragraph (a), the administrator

We confirm that as part of our proposals we propose that we act as joint liquidators in the subsequent winding up of the Company. 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. The appointment of a person nominated as liquidator takes effect by the creditors' approval, with or without modification, of the administrators' proposals.

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<sup>1</sup> Insolvency Act 1986, Sch B1, para 83(1)

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office

Alternatively, in the event that there are insufficient funds to enable a distribution to the unsecured creditors via a prescribed part (and as soon as we are satisfied that we have fully discharged our duties as Administrators and that the purpose of the Administration has been fully achieved), we propose to implement the provisions of Paragraph 84 of Schedule B1 to the Act. Under these provisions, on the registration of a notice sent by us to the Registrar of Companies, our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the company.

The Administrators propose at any time after the expiration of a period of one year from the date of dissolution, to destroy or otherwise dispose of the books, papers and other records of the Company.

## **9. ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS**

### **Pre-administration costs**

In this case, total pre-appointment time spent on the assignments amounts to 139.80 hours at an average composite rate of £190.82 per hour resulting in total time costs of £26,677. Details of the work carried out pre appointment are detailed throughout this report. The Pre-administration costs detailed above are unpaid. The joint administrators are not seeking approval to recover these unpaid costs and these costs will be written off accordingly.

### **Administrators' Remuneration**

The administrators propose that the basis of their remuneration be fixed under Rule 2.106 of the Rules by reference to the time properly given by them (as administrators) and the various grades of their staff calculated at the prevailing hourly rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration.

These proposals contain a statement by the administrators, in accordance with paragraph 52(1)(b) of Schedule B1 to the Act, that they consider that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of Section 176A(2)(a) of the Act (the 'prescribed part' for unsecured creditors referred to at section 7). In these circumstances, it is for each secured creditor and the preferential creditors of the Company to determine the basis of the administrators' remuneration under Rule 2.106 of the Rules.

Appendix 3 sets out the administrators' firm's hourly charge out rates and the time that they and their staff have spent in attending to matters arising in the administration since 01 November 2010.

### **Administrators' disbursements**

The administrators propose that disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9) be charged in accordance with their firm's policy, details of which are set out at Appendix 3. These disbursements will be identified by the administrators and subject to the approval of those responsible for determining the basis of the administrators' remuneration.

## 10. OTHER INFORMATION TO ASSIST CREDITORS

### Report on the conduct of directors

The administrators have a statutory duty to investigate the conduct of the directors and any person they consider to be or have been a shadow or de facto director during the period of three years before the date of their appointment, in relation to their management of the affairs of the Company and the causes of its failure. The administrators are obliged to submit confidential reports to the Department for Business, Innovation and Skills. Creditors who wish to draw any matters to the attention of the administrators' should write to them at their address detailed at Section 3 of this report.

### Connected party transactions

In accordance with Statement of Insolvency Practice 13, the administrators confirm that the following assets were sold to a director of the Company:

Date of sale	Asset sold and nature of transaction	Consideration paid and date	Name of Purchaser	Relationship with the Company
9 November 2010	All timber stock and storage racks	£41,000 plus VAT	P H Timber Limited	Mr Philip Hood, a Director of the Company is the sole director of P H Timber Limited

### Vat Bad Debt Relief

Section 36 of the Value Added Tax Act 1994 incorporates provisions which enable the trader to VAT Bad Debt Relief after writing the debt off in his accounts six months after the supply. This procedure does not involve the Administrators and claims should be made directly to HM Revenue & Customs.

## 11. CONCLUSION

The administrators presently consider that the Company has insufficient property to enable a distribution to be made to unsecured creditors (other than by virtue of Section 176A(2)(a)).

In these circumstances the obligation to summon an initial meeting of the Company's creditors to consider the administrators' proposals is disapplied by paragraph 52(1). The administrators are therefore not under a statutory obligation to summon such a meeting unless creditors, whose debts amount to at least 10% of the total debts of the Company, requisition such a meeting. Any such requisition must be in the prescribed manner in accordance with Rule 2.37 and be made within 8 business days of the date on which the administrators' statement of proposals is sent out. The expenses of summoning and holding a meeting at the request of a creditor shall be paid by that person, who shall deposit with the administrators security for their payment. If no such meeting is requisitioned, then by Rule 2.33(5), the administrators' proposals are deemed to have been approved by the creditors. Where the proposals are deemed to have been approved, we will write to you to confirm that is the position.

In the absence of an initial creditors' meeting we will report on progress again approximately six months after the commencement of the administration, or at the conclusion of the administration, whichever is the sooner.



L Thomas  
Joint Administrator

Date 21 December 2010



# JOINT ADMINISTRATORS' ACCOUNT OF RECEIPTS AND PAYMENTS, INCORPORATING ESTIMATED OUTCOME FOR CREDITORS

Period 1 November 2010 to 21 December 2010

	Receipts & Payments to date £	Anticipated Receipts & Payments £	Projected Outcome £
<b>ASSETS SPECIFICALLY PLEDGED</b>			
Motor Vehicles		22,300	22,300
Less Yorkshire Bank Asset Finance		(19,505)	(19,505)
Surplus/(Deficit) carried down	-	Uncertain	Uncertain
 Motor Vehicles & Plant		63,000	63,000
Less Various Finance Companies		(123,851)	(123,851)
Surplus/(Deficit) carried down	-	(60,851)	(60,851)
 Plant & Machinery		64,000	64,000
Less Caterpillar Finance	-	(55,059)	(55,059)
Surplus/(Deficit) carried down	-	Uncertain	Uncertain
 Trade Debtors		224,705	224,705
Less Yorkshire Bank Invoice Finance	-	(302,529)	(302,529)
Surplus/(Deficit) carried down	-	(77,824)	(77,824)
<b>ASSETS NOT SPECIFICALLY PLEDGED</b>			
Contractual Debtors/Retentions	-	57,728	57,728
Plant & Machinery	-	31,900	31,900
Stock	-	40,000	40,000
Motor Vehicles	-	12,800	12,800
Cash at Bank and in Hand	2,616	-	2,616
	2,616	142,428	145,044
<b>Payments</b>			
Accountant's fees	-	(1,750)	(1,750)
Statement of Affairs Fee	-	(2,500)	(2,500)
Administrator's disbursements	-	(1,500)	(1,500)
Administrator's fees	-	(25,000)	(25,000)
Agent's fees & expenses	-	(7,500)	(7,500)
Bordereau (statutory bond)	-	(135)	(135)
Legal fees	-	(2,500)	(2,500)
Quantity Surveyor Fees	-	(11,216)	(11,216)
Rent and Insurance	-	(1,750)	(1,750)
Statutory advertising	-	(76)	(76)
Available for preferential creditors	2,616	88,501	91,117
Arrears of wages and holiday pay	-	(42,614)	(42,614)
Net property	2,616	45,887	48,503
 Prescribed part of net property set aside for unsecured creditors	-	-	(12,701)
Available for floating charge holder	2,616	45,887	35,802
 Yorkshire Bank plc	-	(132,656)	(132,656)
Shortfall to floating charge holder	2,616	(86,769)	(96,854)

**Summary of balances held**

Fixed charge	-
Floating charge	2,616
	<u>2,616</u>
<b>Held as</b>	
Bank Account	2,616
VAT	-
	<u>2,616</u>

**Summary of outcome for unsecured creditors**

Fixed charge	224 705
Preferential Creditors	42,614
Prescribed part of net property set aside for unsecured creditors	12,701
Floating charge	35,802
	<u>315,822</u>

**A & P Fencing Limited**  
**B - Company Creditors**

Key	Name	Address	£
CA00	Ace Minimax	Accounts Department, PO Box 2800, Millfields Road, Wolverhampton, WV4 6XR	2,180 22
CA01	AE Evans Ltd	Lightwood Green, Overton-On-Dee, Wrexham, LL13 0HU	0 01
CA02	Aggregate Industries UK Ltd	Bardon Hill, Coalville, Leicestershire, LE67 1TL	11,818 01
CA03	Arlymatch Ltd	Unit 10, Osbourne Mill, Osbourne Ind Est, Off Featherstall Road, Oldham, Manchester, OL9 6QQ	0 00
CA04	Allenloh, Brinck & Co Ltd	Unit 9, Calibre Industrial Estate, Laches Close, Four Ashes, Wolverhampton, West Midlands, WV10 7DZ	850 31
CA05	Ansar Iqbal Ltd	Unit 6 Stubbins Lane, Claughton On Brock, Garstang, PR3 0QH	81 94
CA06	Arch Timber Protection	Wheldon Road, Castleford, West Yorkshire, WF10 2JT	1,165 62
CA07	Arcon Sheet Metal & Fabrication	Harley Road, Blackpool, FY3 9EE	1,260 78
CA08	Ariel Plastics Ltd	Speedwell Industrial Estate, Staveley, Derbyshire, S43 3JP	499 47
CA09	Ashtead Plant Hire Co Ltd	102 Dalton Avenue, Birchwood Park, Warrington, WA3 6YE	4,430 27
CA0B	A T Engineering Supplies Ltd	The Warehouse, Garstang Road, Brock, Preston, PR3 0RB	48 84
CA0C	Autoglass Ltd	1 Priory Business Park, Cardington, Bedford, MK44 3US	0 02
CA0D	A Perry & Co (hinges) Ltd	Doulton Road, Cradley Heath, West Midlands, B64 5QW	255 20
CA0E	A1 Supaskips Ltd	Unit 37, Lune Industrial Estate, Lancaster, LA1 5QP	198 28
CA0F	Arbour Forest Products Ltd	Barrow Road, New Holland, North Lincolnshire, DN19 7RR	11,878 73
CA0G	Air Products Plc	2 Millennium Gate, Westmere Drive, Crewe, Cheshire, CW1 6AP	0 00
CB00	BT Insolvency	Department W, Durham TE, Providence Row, Durham, DH1 1RR	0 00
CB01	British Gas Business	C/o Lynn Taylor, KPMG LLP, National Client Service Centre, 2 Cornwall Street, Birmingham, B3 2DL	0 00
CB02	Bambers Auto Machining Ltd	Bold Street, Preston, Lancashire, PR1 7JT	0 01
CB03	HSBC Invoice Finance (UK) Ltd	Farncombe Road, Worthing, West Sussex, BN11 2BW	4,693 06
CB04	Bayram Timber Ltd	Gibson Lane, Melton, North Ferriby, East Yorkshire, HU14 3HF	11,061 89
CB05	Blackpool Electrical Traders Ltd	Unit 1, Plot 8, Bracewell Avenue, Poulton le Fylde, Blackpool, FY6 8JF	18 57
CB06	Border Aggregates	Scotland Road, Carnforth, Lancashire, LA5 9JZ	933 45
CB08	County Tyre Holdings Ltd T/A BITS	16-17 Victoria Road, St Phillips, Bristol, BS2 0UX	382 17
CB09	BRM Engineering Supplies Ltd	1 Block 4, Cocker Avenue, Poulton Le Fylde, Lancashire, FY6 8JU	6 28
CB0A	Brooks Bros (UK) Ltd	The Causeway, Maldon, Essex, CM9 4LJ	6,596 06
CB0B	Buckler Ltd	Angus Works, North Isla Street, Dundee, DD3 7JQ	738 08
CB0C	Builders Supplies (W C) Ltd	Kilbane Street, Fleetwood, Lancashire, FY7 7PF	922 33
CB0D	Burdens Ltd	PO Box 3200, Stoke Hanley, ST4 9HF	51 52

**A & P Fencing Limited**  
**B - Company Creditors**

Key	Name	Address	£
CB0E	BWA Fabrications	Lousanna Farm Works, Lancaster Road, Out Rawcliffe, Preston, PR3 6BP	271 57
CB0F	Bibby Factors Sussex Ltd	3rd Floor Lacuna Place, Havelock Road, Hastings, East Sussex, TN34 1BG	456 93
CB0G	Bibby Financial Services	3rd Floor, 8 Princes Parade, Princes Dock, Liverpool, L3 1DL	3,243 04
CB0H	Bluesands Ltd	92 Chapel Lane, Longton, Preston, PR4 5FB	1,762 50
CB0J	B Berry & Sons	Gloucester House, Old Gloucester Road, Ross On Wye, Herefordshire, HR9 5PL	27,957 16
CB0L	Blackburn TPS	Unit 1, Lions Drive, Shadsworth, Blackburn, BB1 2QS	35 80
CC00	Care Products (Cannock) Ltd	61 Mill Street, Cannock, Staffordshire, WS11 0DR	311 75
CC01	Carlisle Glass Ltd	Crown Works, Crown Street, Carlisle, Cumbria, CA2 5AB	382 53
CC02	Carlisle Brass Ltd	Parkhouse Road, Carlisle, Cumbria, CA3 0JU	89 75
CC03	Cartridge World Cleveleys	22 Rossall Road, Cleveleys, Blackpool, Lancashire, FY5 IDX	91 00
CC04	C & C Supplies Collinson Ltd	Nateby Works, Garstang, Preston, PR3 0JB	13,769 56
CC05	Celplas PVC Ltd	Unit 1 Fox Industrial Estate, Holyoake Avenue, Blackpool, FY2 0QX	13 39
CC06	Centurion Concrete Products	ADJ to Unit 19, Centurion Way Industrial Estate, Centurion Way, Leyland, PR25 4GU	2,726 61
CC07	Chadwicks	100 Mowbray Drive, Blackpool, FY3 7UN	140 53
CC08	Cheshire Mouldings	Unit 7, Normans Road, Sutton, St Helens, WA9 4JQ	558 50
CC09	Clarity Copiers Ltd	Unit 4, Mayfield Industrial Park, Liverpool Road, Irlam, M44 6GD	141 10
CC0A	Concept Distribution Ltd	Concept House, PO Box 652, Preston, Lancashire, PR3 3ZF	109 27
CC0B	Creditsafe Business Solution Ltd	C/O Britannia Building, Caerphilly Business Park, Van Road, Caerphilly, CF83 3GG	235 01
CC0C	Creoseal Ltd	7 & 9 Brook Street, Sleafy, Leicestershire, LE12 7RF	638 82
CC0D	CTE Surveys Ltd	110 South Road, Bretherton, Lancashire, PR26 9AH	176 25
CC0F	Close Invoice Finance Limited	Ridgeland House, 165 Dyke Road, Hove, East Sussex, BN3 1UY	4,891 36
CC0G	C H F Supplies	Crane Hall, Wyreside, Out Rawcliffe, Nr Preston, Lancashire, PR3 6TP	3,710 16
CC0J	Cromar Building Products Ltd	Unit 3, The Maltings Industrial Estate, Doncaster Road, Whitley Bridge, Goole, DN14 0HH	492 63
CC0K	Castle Industrial Supplies Ltd	Unit 1 Fellgate, White Lund Industrial Estate, Morecambe, Lancashire, LA3 3PE	0 00
CC0L	Clinshore Ltd t/a Wardell (Long Lengths)	Goxhill Airfield, Chapelfield Road, Goxhill, North Lincolnshire, DN19 7NF	0 00
CD00	Decco Ltd	Moore Stephens, 150 Aldersgate Street, London, EC1A 4AB	172 01
CD01	D E Leece Engineering Ltd	Unit 6 Stubbins Lane, Ashley Hall, Inglewhite Road, Longridge, Preston, PR3 2EB	447 09
CD02	Derek Fox & Sons Ltd	Shay Lane Trading Estate, Longridge, Preston, Lancashire, PR3 3BT	594 55
CD03	Dewatering Services Ltd	Milbuck Way, Springvale Industrial Estate, Elworth, Sandbach, Cheshire, CW11 3HT	3,756 47
CD04	Diesel Bob Tuning	Kitchen Green Farm, Preston Road, Blackburn, PR3 3XL	569 88
CD05	DJ Bailey Electricals Ltd	Unit N3, Beacon Road, Poulton Business Park, Poulton le Fylde, FY6 8JE	0 01

**A & P Fencing Limited**  
**B - Company Creditors**

Key	Name	Address	£
CD06	DML Saw Services	Unit 15, Hampden Mill Trading Estate, Springvale Road, Darwen, Lancashire, BB3 2ES	643 51
CD07	D & M Training Ltd	8 Foxdale Grove, Preston, Lancashire, PR1 6ES	1,104 50
CD08	Doherty Plasterers Ltd	125 Darbshire Road, Fleetwood, Lancashire, FY7 6QB	86 95
CD09	John Donovan Health & Safety Consultant	21 Kingsway, Cleveleys, Lancashire, FY5 1DL	600 00
CD0A	D T Maden Ltd	Units 10 & 11, Waterside Industrial Estate, Mill Green, Colne, BB8 0TA	64 87
CD0B	Duffield Timber	Green Lane, Melmerby, Ripon, N Yorkshire, HG4 5JB	6,419 03
CD0C	Dynahurst Ltd	Ivy House, Milwich, Stafford, ST18 0EG	1,668 21
CD0D	Mr A A Depledge		140 00
CE00	E-On Energy	Bankruptcy & Liquidation Section, 190 London Road, Rayleigh, SS6 9EE	0 00
CE01	Ecotest Limited	Suite 3 Cottam Lane Business Centre, Cottam Lane, Preston, PR2 1JR	264 38
CE02	EK Motor Factors Ltd	Lansil Way, Caton Road, Lancaster, LA1 3QY	371 80
CE03	Eliza Tinsley Ltd	Potters Lane, Wednesbury, West Midlands, W10 0AS	1,031 02
CE04	ETC Saw Mills Ltd	Elson, Ellesmere, Shropshire, SY12 9JW	25,132 56
CE05	Evans Bellhouse Ltd	Harrisons Yard, Brindle Road, Eastham, Wirral, CH62 8AS	33,492 51
CE06	Everbuild Building Products Ltd	Site 41, Knowsthorpe Way, Cross Green Industrial Estate, Leeds, LS9 0SW	33 55
CE07	Ecotest Limited	33 Cottam Lane Business Park, Cottam Lane, Preston, PR2 1JR	264 38
CF00	F H Brundle	Haydock Lane, Haydock Industrial Estate, St Helens, WA11 9ZXE	0 06
CF01	FM Waste Management	Westby Landfill Site, Annas Road, Westby, Blackpool, FY4 5JY	514 63
CF02	Fyde Hydraulics Ltd	Cornford Road, Marton, Blackpool, FY4 4QQ	33 77
CF03	Fencing Supplies Limited	36 Bond, Mellors Road, Trafford Park, Manchester, M17 1PB	0 00
CF04	Flex - Seal Couplings Ltd	Endeavor Works, Newlands Way, Valley Park, Wombwell, Barnsley, S73 0UW	224 36
CF05	Forsyth and Steele	15 Sovereign Court, Wyrefields, Poulton Business Park, Poulton Le Fylde, FY6 8JX	90 48
CF06	Flexseal	Endeavor Work, Newlands Way, Valley Park, Wombwell, Barnsley, South Yorkshire, S73 0UW	0 00
CG02	Graphic Design	The Old Station, Coastal Road, Hest Bank, Lancaster, LA2 6HN	141 25
CG03	Ganwyn Group	8-9 Woodbrook Crescent, Radford Way, Billerica, Essex, CM12 0EQ	19 25
CG04	Glenmere Timber Co Ltd	Hoptons Sawmill, Gores Lane, Market Harborough, Leicestershire, LE16 8AJ	0 00
CH00	HM Revenue & Customs	National Insolvency Unit, 3rd Floor North West, Queens Dock, Liverpool, L74 4AA	140,628 70
CH01	HM Revenue & Customs	Insolvency & Securities, 3rd Floor Euston Tower, 286 Euston Road, London, NW1 3UQ	0 00
CH02	HM Revenue & Customs	Specialist Investigations, 5th Floor Trinity Bridge House, 2 Dearmans Place, Salford, M3 5AQ	0 00
CH03	HM Revenue & Customs	Enforcement & Insolvency, Durrington Bridge House, Worthing, West Sussex, BN12 4SE	0 00

**A & P Fencing Limited**  
**B - Company Creditors**

Key	Name	Address	£
CH04	Haemmerlin Ltd	Bescot Crescent, Bescot, Walsall, West Midlands, WS1 4NX	687 19
CH05	Harrison & Clough Ltd	PO Box 9, Keighley, West Yorkshire, BD21 4EG	1,015 31
CH06	Harrison Oils Ltd	Park Hill, Garstang, Preston, Lancashire, PR3 1HB	183 30
CH07	Hilbor Diamond Tools	Unit 2 Riverside, Kangley Bridge Road, London, SE26 6DA	389 54
CH08	Brian Hyde Ltd	Stirling Road, Shirley, Solihull, West Midlands, B90 4LZ	505 47
CH09	H Newton Hale & Sons Limited	Independence House, Cathcart Quay, 47-61 Coporation Road, Birkenhead, Merseyside, CH41 3NG	1,542 19
CH0A	Howarths Timber	Howarths House, Hollow Road, Bury St Edmunds, Suffolk, IP32 7QW	0 00
CH0B	Hy-tex (UK) Limited	PO Box 97, Aldington, Ashford, Kent, TN25 7EA	6,623 48
CH0C	Haydock Timber		0 00
CH0D	Hurston Danson	Bucks Close, Thorton Cleveleys, Blackpool, FY 3HT	0 00
CH0E	Helly Hansen	1 Heaton Court, Birchwood Science Park, Birchwood, Warrington, Cheshire, WA3 6QU	0 00
CH0F	Hall's Tiles Ltd	Unit 1/3, Wood Street, Garstang Road, East Industrial Estate, Poulton-le-Fylde, FY6 8JY	0 00
CH0G	Hirst and Danson Electrical Contractors Limited	Butts Close, Thornton, Lancashire, FY5 4HT	0 00
CH0H	HFGL LTD	Northern Cross, Basing View, Basingstoke, RG21 4HL	0 00
CI00	Inland Revenue NIC Office	Insolvency Unit, Room BP3202, Warkworth House, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ	0 00
CI01	Illingworth Ingham (MCR) Ltd	Village Way, Trafford Park, Manchester, M17 1AD	3,172 19
CI02	International Timber	Earls Road, Grangemouth, FK3 8UU	562 48
CI03	International Plywood	Innsworth Technology Park, Innsworth Lane, Gloucester, GL3 1DL	12,637 22
CI04	ICSM Safety Net Ltd	Yate Campus, 10 North Road, Yate, South Gloucestershire, BS37 7PA	224 36
CJ00	James E Smith (Northern) Ltd	Quay House, Alexandra Dock, Hull, HU9 1TA	10,296 14
CJ02	Jordan Timber Ltd	Pocket Nook Lane, Lowton, Warrington, Cheshire, WA3 1AB	84 60
CJ03	J P R Paints Ltd	Unit 37, Sugar Street, Liverpool, L9 7BP	370 13
CJ04	J W Berisford	Marsdens Buildings, Myers Grove Lane, Malin Bridge, Sheffield, S6 5JG	518 47
CJ05	James Ryan (Steel Fixer)	8 Bakewell Avenue, Ashton Under Lyne, Lancashire, OL6 9BP	8,477 60
CJ06	John Fausset Ltd	Ellesmere Rosslyn Avenue, Pilling Lane, Preesall, Poulton-le-Fylde, Lancashire	0 00
CJ07	Jacksons Fine Fencing	Dragon Hall, Whitchurch Road, Chowley, Tattenhall, Chester, CH3 9DU	0 00
CK00	KDM International PLC	18 The Havens, Ransomes Europark, Ipswich, Suffolk, IP3 9SJ	3,073 42
CK01	Kensite Services Ltd	Chanters Industrial Estate, Tyldesley Old Road, Atherton, Manchester, M46 9BE	462 99
CK02	Ken Taylor Supplies Ltd	Unit 2 Riverside, Hamer Vale - Buckley Road, Rochdale, Lancashire, OL12 9BF	122 07
CL00	Lawrence Vehicles Ltd t/a Lancashire DAF	Four Oaks Road, Summit Centre, Bamber Bridge, Preston, PR5 8BW	327 18

**A & P Fencing Limited**  
**B - Company Creditors**

Key	Name	Address	£
CL01	Lawcris Panel Products	Cross Green Close, Cross Green Industrial Estate, Leeds, LS9 0RY	6,847 20
CL02	Ian Lomax	104 Beacon Road, Billinge, Wigan, Lancashire, WN5 7HF	0 00
CL03	Longhorn	Gleneden Mill, Lorne Crescent, Carlisle, CA2 5XL	280 77
CM01	Mcarther Group Ltd	Raglan Street, Preston, Lancashire, PR2 2AX	12,225 87
CM02	M & K Motors	Windmill Farm, Back Lane, Weeton, Kirkham, Preston, PR4 3HS	6,442 83
CM04	MLC Engine & Chassis Components Ltd	43/59 Great George Street, (Off North Road), Preston, PR1 1TJ	123 26
CM05	Moore & Smalley	Richard House, 9 Winckley Square, Preston, Lancashire, PR1 3HP	15,506 58
CM06	Mr Cropper Ltd	PO Box 5688, Derby, DE21 2YW	2,050 39
CM07	Manchester Panel Products	Preston Plywood Supplies, River Street, Off Bow Lane, Preston, PR1 8NS	934 13
CN00	Neill Tools Ltd	Atlas Way, Atlas North, Sheffield, S4 7QQ	24 39
CN01	North West Tools	62 Darlington Street East, Wigan, WN1 3AT	315 48
CN02	Newtown Surfacing Limited	C/o Begbies Traynor, DO NOT SEND	1,566 84
CN03	North West Concreter Testing	Unit 1 Lake Enterprise Park, Caton Road, Lancaster, LA1 3NX	0 00
CO00	One Stop Fencing Products	Unit 6, Southern Street Industrial Estate, Walkden, Manchester, M28 3QN	10,912 65
CP00	Preston Plywood Supplies	River Street, Off Bow Lane, Preston, PR1 8NS	934 13
CP02	PJ Forktrucks Ltd	Bothy Cottage, Shady Lane, Cuerden, Bamber Bridge, PR5 6AU	1,934 82
CP04	Preston Industrial Plastics	Aqueduct Street, Preston, Lancashire, Pr1 7JQ	69 91
CP05	Professional Lawns Ltd	Tawside Farm, 32 Deans Lane, Hoscarr, Nr Ormskirk, L40 4BL	251 98
CP06	Project Piling & Civils Ltd	Lowton Business Park, Newton Road, Lowton St Marys, Warrington, WA3 2AP	7,599 31
CP08	PV Dobsons & Sons	Ivy House Works, Levens, Kendal, LA8 8PG	117 50
CP09	Portwest Clothing Ltd	Fields End Business Park, Thurnscoe, Rotherham, South Yorkshire, S63 0JF	934 21
CP0A	Peach Telecom	17 Hedge Ends Business Centre, Botley Road, Hedge Ends, Southampton, SO30 2AU	0 00
CP0B	Premium Credit Limited	Premium Credit House, 60 East Street, Epsom, Surrey, KT17 1HB	0 00
CQ00	Quinn Group Ltd	Bennett Street, Ardwick, Manchester, M12 5NL	2,210 00
CQ01	Quinn Cement	Ballyconnell, Co Cavan, Ireland	2,040 00
CR00	Redundancy Payments Office	Cobalt Square, 83-85 Hagley Road, Birmingham, B16 8QG	0 00
CR01	R A Forklift Services Ltd	7 Teesdale, Crofters Fold, Galgate, LA2 0RJ	171 08
CR02	H T & R H Waddington t/a Railside Trading Co	Station Yard, Mill Lane, Gisburn, Nr Clitheroe, BB7 4LN	62 18
CR03	Reiver Lodges Ltd	Unit D Kingmoor Park, Rockcliffe, Carlisle, Cumbria, CA6 4RN	0 60
CR04	Ribble Fuel Oils	281 Carnfield Place, Walton Summit, Preston, PR5 8AN	1,141 74
CR05	Ribblesdale Auto Electronics	Marsh Lane, Preston, PR1 8YN	95 62
CR06	Richard James Lighting Ltd	78 Whitegate Drive, Blackpool, Lancashire, FY3 9DA	67 68

**A & P Fencing Limited**  
**B - Company Creditors**

Key	Name	Address	£
CR07	Richard Burbridge Ltd	15-17 Whittington Road, Oswestry, SY11 1HZ	4,851 59
CR08	C Richmond	2 Woodlands, St Michaels Road, Blisborrow, Preston, PR3 0RS	2,700 00
CR09	Road Safety Services Ltd	Brackenwood, Bradshaw Lane, Greenhalgh, Kirkham, Preston, PR4 3HQ	51 70
CR0A	Roger Haydock & Co Ltd	Merseyview Road, Halebank, Widness, Cheshire, WA8 8LN	9,510 45
CR0B	Ronseal Ltd	Thorncliffe Park, Chapletown, Sheffield, S35 2YP	577 90
CR0C	R J & I Wells Ltd	New Hollins Garage, Brock Road, Great Eccleston, Lancashire, PR3 0XE	200 00
CR0D	Rachel Lease	Unit 6, Ashley Hall, Ingol Whites Road, Longridge, PR3 2EB	0 00
CR0E	R J Clarke	Copse Road, Fleetwood, Lancashire, FY7 6RP	916 50
CS00	Scottish Power	Wrexham Road, Pentre Bychan, Wrexham, LL14 4DU	0 00
CS01	Safe & Warm Ltd	The Woodman Centre, 270 Vicarage Lane, Blackpool, FY4 4ND	262 38
CS02	Safety Shop	Douglas Bruce House, Corrie Way, Bredbury Industrial Park, Stockport, SK6 2RR	0 03
CS03	SCA	Savern Farm Industrial Estate, Welshpool, Powys, SY21 7DF	7,353 41
CS04	Shard Construction		1,026 95
CS06	SIKA Limited	Watchmead, Welyn Garden City, Hertfordshire, AL7 1BQ	1,140 69
CS07	Singleton & Smart	71 Chorley Road, Off Mowbray Drive, Blackpool, FY3 7XQ	240 88
CS08	Skippool Services Ltd	Mains Lane, Little Singleton, Poulton Le Fylde, FY6 7LJ	5,550 98
CS09	Smiths Equipment Hire	The Old Tramshed, Whitegate Drive, Blackpool, FY3 9JW	1,243 31
CS0A	Snows Timber	Holbeache Sawmills, Oak Lane, Kingsford, West Midlands, DY6 7JS	10,661 48
CS0B	Speedy Asset Services Ltd	Chase House, 16 The Parks, Newton Le Willows, WA12 0JQ	16 17
CS0C	James R Spurgeon	Agden Farm, Bashall Eaves, Clitheroe, Lancashire, BB7 3DD	35 25
CS0D	Stenner Ltd	Blundells Road, Tiverton, Devon, EX16 4JX	0 01
CS0E	Sterling Safetywear Ltd	Crown House, 310 Wellingborough Road, Rushden, Northants, NN10 6PP	551 62
CS0G	Scanland Limited	The Old Surgery, No 3 Huskinsson Dock, Regent Road, Liverpool, L3 0AT	0 00
CS0H	Southern Credit Services (Kent) Ltd	64 Highfield Road, Willesborough, Ashford, Kent, TN24 0JU	6,866 98
CS0I	Sabrefix (Worldwide Steels Limited)	Threxton Road Industrial Estate, Watton, Thredford, Norfolk, IP25 6NG	0 00
CS0J	Spax UK Limited	Unit 9 Calibre Industrial Park, Laches Close, 4 Ashes, Wolverhampton, WV10 7DZ	0 00
CS0K	SCA Timber Limited		0 00
CS0L	Steton Contractors Ltd	140 Mowbray Drive, Layton, Blackpool, FY3 7UN	1,856 50
CS0M	Site Glass Ltd	Bankcroft, Bankside, Clayton-Le-Woods, PR6 7PZ	217 38
CS0N	Schofield Steel Fabrications Ltd	6 Thornhill Ave, Preesall, Poulton Le Fylde, Lancashire, FY6 0EZ	763 75
CS0O	Sita	Tustin Court, Portway, Preston, PR2 2YQ	0 00
CS0P	Siemens Financial Services Limited	Sefton Park, Bells Hill Stoke Poges, Buckinghamshire, SL2 4JS	0 00



**A & P Fencing Limited**  
**B - Company Creditors**

Key	Name	Address	£
CT00	Tarmac Ltd	PO Box 48, Cheadle, Cheshire, SK8 3GF	12,670 06
CT02	The Collated Nail Company Ltd	T/A CNC Power Fasteners, Unit 3 Castle Lane, Castle Lane Industrial Estate, Melbourne, Derbyshire, DE73 8JB	383 14
CT03	The Fuel Card Company UK Ltd	Sproughton Road, Ipswich, Suffolk, IP1 5AN	2,967 62
CT04	The Stone and Cobble Co Ltd	Braemar, Rosslyn Avenue, Preesall, Lancashire, FY6 OHE	3,594 51
CT05	Tonge Bridge Timber Sales (UK) Ltd	Turner Bridge Works, Windley Street, Bolton, Lancashire, BL2 2DF	6,225 23
CT06	Tony Scott Haulage	White Cottage, 505 Midgeland Road, Marton Moss, Blackpool, FY4 5ED	8,487 54
CT07	Toolpack Pic	Rhosccu Industrial Estate, Wrexham, LL11 4YL	557 04
CT08	Curtis Holt (Northern)	Unit 5 Chain Bar Road, Cleckheaton, West Yorkshire, BD19 3QF	1,319 51
CT0A	TP Jorleson & Co Ltd	Gloucester House, Old Gloucester Road, Ross on Wye, Herefordshire	27,643 12
CT0B	Trade & DIY Products Ltd	Adam Bede Centre, Derby Road, Wirksworth, Matlock, DE4 4BG	181 33
CT0C	Tudor Turf	Tudor Farm, Sowerby Road, St Michaels, Preston, PR3 0TT	215 37
CT0D	Timber Supply Ltd	Severn Industrial Estate, Welshpool, Powys, SY21 7DF	0 00
CT0E	Timbmet	Kemp House, Crawley Park, Cumnor Hill, Oxford, OX2 9PH	4,520 13
CT0F	Travis Perkins Trading Co Ltd	Tomlinson Road, Leyland, Lancashire, PR25 2DY	32 01
CT0G	Tor Coatings Limited	Portobello Industrial Estate, Britley, County Durham, DH3 2RE	459 33
CT0H	Telefonica O2 UK Limited	260 Bath Road, Slough, Berkshire, SL1 4DX	0 00
CU00	United Utilities	PO Box 459, Warrington, WA55 1WB	0 00
CU01	UK Fuels Ltd	Authorised Agent For Shell Card, PO Box 262, Crewe, Cheshire, CW2 6GF	75 67
CU02	United Utilities Electricity	Dalton House, 104 Dalton Avenue, Birchwood Park - Birchwood, Warrington, WA3 6YF	9 85
CU03	United Utilities Water Plc	First Floor Grasmere House, PO Box 1062, Warrington, WA5 3LP	2,109 35
CV00	Varley Insulation Products Ltd	Lewth Lane, Woodplumpton, Preston, Lancashire, PR4 0TD	4,157 52
CV01	Viking Direct/Office Depot	Lancer House, Scudamore Road, Leicester, LE3 1UB	721 00
CV02	Vinyl Solution Ltd	53 Balena Close, Creekmoor Industrial Estate, Poole, Dorset, BH17 7DY	297 16
CW00	Walton Summit Truck Centre	Unit 211, Walton Summit Road, Bamber Bridge, Preston, PR5 8AQ	220 29
CW01	Watson Petroleum Ltd	Brinkworth, Chippenham, Wiltshire, SN15 5DN	649 62
CW03	Whitmores Timber Ltd	Main Road, Lutterworth, Claybrooke Magna, Leicestershire, LE17 5AQ	486 90
CW05	Wurth UK Limited	Centurion Way, Erith, Kent, DA18 7AE	807 79
CW06	Wolseley UK Ltd	PO Box 21, Boroughbridge Road, Ripon, HG4 1SL	702 18
CW07	Woods Waste	Westby Landfill Site, Annas Road, Westby, Blackpool, FY4 5JX	296 10
CW08	Wyresdale Concrete Products Ltd	Bradshaw Lane, Pilling, Preston, PR3 6AJ	1,107 81
CW09	Wyre Surfacing		22,151 97

A & P Fencing Limited  
B - Company Creditors

Key	Name	Address	£
CW0A	Windymains Timber Ltd	Windymains, Humble, East Lothian, EH36 5PA	8,790 85
CY00	Yes Telecom	Towers Business Park, Wilmslow Road, Manchester, M20 2RY	0 00
217 Entries Totalling			635,358.51

## ADMINISTRATORS' TIME COSTS AND EXPENSES

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Remuneration drawn will be notified to any creditors' committee appointed under paragraph 57 of Schedule B1 to the Act. In the absence of a creditors' committee, details of time incurred and disbursements drawn will be reported to creditors in accordance with *Statement of Insolvency Practice 9* issued by the Joint Insolvency Committee on behalf of the administrators' licensing bodies.

Total time spent to date on this assignment amounts to 153.20 hours at an average composite rate of £198.04 per hour resulting in total time costs of £30,339.

To assist creditors in determining this matter, the following further information on time costs and expenses are set out:

- ☐ Begbies Traynor (Central) LLP's policy for re-charging expenses
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value

In addition, a copy of *A Creditors' Guide to Administrators' Fees* is available on request. Alternatively, the guide can be downloaded from our website [www.begbies-traynor.com](http://www.begbies-traynor.com) via the "Corporate Recovery and Insolvency" link in the "Quick Links" box on the left hand side of the homepage. From there please follow the "Creditor" link which will take you to the appropriate page where the Guide can be found at the end.

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## **BEGBIES TRAYNOR CHARGING POLICY**

### **INTRODUCTION**

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance<sup>2</sup> requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### **OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

### **EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 per meeting,
- Car mileage is charged at the rate of 40 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,

<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

<sup>2</sup> Ibid 1

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a Category 1 disbursement

- Telephone and facsimile
- Printing and photocopying
- Stationery

#### **BEGBIES TRAYNOR CHARGE-OUT RATES**

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Preston office as at the date of this report are as follows

	<b>Standard 1 July 2008 – until further notice Regional</b>
Partner 1	395
Partner 2	350
Director	325
Senior Manager	295
Manager	250
Assistant Manager	195
Senior Administrator	160
Administrator	130
Trainee Administrator	100
Support	100

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in 6 minute units

## SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	A & P Fencing Limited
CASE TYPE	ADMINISTRATION
OFFICE HOLDERS	Lila Thomas and David Acland
DATE OF APPOINTMENT	1 November 2010

### 1 CASE OVERVIEW

1 1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

#### 1 2 Complexity of the case

As advised in the report, agents were instructed to assist and advise on a potential sale of the Company's business and assets pre-appointment. It was envisaged that the majority of the timber stock would be subject to Retention of Title claims from suppliers and therefore the agent recommended that an offer should be pursued from the Directors to achieve the best possible price for the assets of the Company.

#### 1 3 Exceptional responsibilities

None

#### 1 4 The office holders' effectiveness

The strategy, once it became clear the survival of the Company was not possible to achieve, was to market the assets for sale to maximise realisations for creditors. A number of sales have been agreed in excess of agents forced sale valuations.

#### 1 5 Nature and value of property dealt with by the office holders'

The assets include office furniture and equipment, plant and machinery, motor vehicles, stock and debtors.

#### 1 6 Anticipated return to creditors

Based on current anticipated realisations, it is anticipated that preferential creditor claims will be paid in full. The Bank will receive a distribution in accordance with their floating charge security, the level of which is dependent on a successful debt collection exercise, however it is anticipated that the Bank will suffer a shortfall. There will be insufficient monies available to enable a distribution to be made to unsecured creditors other than by virtue of the provisions of Paragraph 176A.

#### 1 7 Time costs analysis

An analysis of time costs incurred between 1 November 2010 and 21 December 2010 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type.

The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment only.

**1 8 The views of the creditors**

These proposals will be circulated to all known creditors for their information. As the Joint Administrators presently consider that the Company has insufficient property to enable a distribution to be made to unsecured creditors, other than by virtue of the provisions of Paragraph 176A, no initial meeting of the Company's creditors will be summoned and the Joint Administrators' proposals will be deemed approved. However, the approval of the secured and preferential creditors is sought to certain resolutions detailed within the proposals regarding fees, disbursements and discharge from liability.

**1 9 Approval of fees**

The proposals include a provision for the Joint Administrators to be remunerated on a time costs basis and this is detailed further within the report.

**1 10 Approval of Expenses and Disbursements**

The Proposals include a provision for the joint administrators to be authorised to draw disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9), in accordance with their firm's policy and is subject to the approval of the secured and/or preferential creditors.

**1 11 Other professionals employed & their costs**

Charterfields Limited was instructed to undertake valuations of the Company's chattel assets and negotiate with interested parties to achieve the best sale price. They also assisted with the ROT claims. The Vinden Partnership have been instructed to assist the Administrators with the collection of the contractual debts. AUA Insolvency Risk Services have been instructed to provide insurance cover for the chattel assets whilst sales could be agreed. Moore & Smalley LLP have been instructed to assist in the preparation of the Statement of Affairs and the end of year returns.

Details of the anticipated fees and/or fees paid to date are detailed within the Estimated Outcome Statement at Appendix 1.

**2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES**

**2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached**

**2 2 The rates charged by the various grades of staff who may work on a case are attached**

## Time costs analysis for the period from 1 November 2010 to 21 December 2010

Time costs analysis for the period from 1 November 2010 to 21 December 2010

[illegible]