

The Insolvency Act 1986

Notice of move from administration to creditors' voluntary liquidation

2.34B

Name of Company

Flow System Technologies Limited

Company number

4628099

In the High Court of Justice, Chancery Division,
Birmingham District RegistryCourt case number
4918 of 2007(a) Insert full
name(s) and
address(es) of
administrator(s)(a) M T Coyne
Poppleton & Appleby
35 Ludgate Hill
Birmingham
B3 1EHM D Hardy
Poppleton & Appleby
35 Ludgate Hill
Birmingham
B3 1EH(b) Insert name and
address of the
registered office of
companyhaving been appointed administrators of Flow System Technologies Limited
c/o 35 Ludgate Hill Birmingham B3 1EH(c) Insert date of
appointmenton (c) 1st August 2007
by (d) High Court(d) insert name of
appointor/applicant
(e) Insert name(s)
and address(es) of
liquidator(s)hereby give notice that:
the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply, and it is
proposed that (e) M D Hardy of 35 Ludgate Hill Birmingham B3 1EH, will be the liquidator of the
company (IP No.1453)

I attach a copy of the final progress report

Signed


Joint Administrator

Dated

Contact Details:

You do not have to give any contact
information in the box opposite but ifyou do, it will help Companies House to
The contact information that you give
will be visible to searchers of theM D Hardy
Poppleton & Appleby
35 Ludgate Hill
Birmingham
B3 1EH

DX Number

DX Exchange



COMPANIES HOUSE

When you have completed and signed this form, please send it to the
Registrar of Companies at:-
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

**TO ALL KNOWN CREDITORS
FINAL PROGRESS REPORT**

Our Ref: GJB/F3C
28 November 2008

Dear Sirs

**Flow System Technologies Limited ("the Company")
In Administration**

I refer to my appointment as Joint Administrator of the Company with M T Coyne on 1st August 2007, following an application by the Company Directors.

In accordance with Rule 2.47(4) of the Insolvency Rules 1986, I attach to form 2.24B, the Administrators Progress Report for the period from 15 July 2008 to 27 November 2008. This should be read in conjunction with my earlier reports of 24 September 2007, 26 February 2008 and 15 July 2008.

Statutory Information

I attach to this report, statutory information required under Rule 2.47(1) of the Insolvency Rules 1986. In accordance with Paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, I am required to confirm that the Administrators act on a joint and several basis, although the day to day conduct of the Administration rests with M D Hardy.

Joint Administrators' Receipts and Payments Account

I would inform you that no realisations have been made during the course of the Administration to date.

Current Position

The following liabilities remain outstanding in this matter:

| | |
|----------------------------|-----------|
| | £ |
| Northvale Korting Limited: | 526,234 |
| Chris Moore: | 1,118,741 |
| Wordsworth Holdings Plc: | 140,000 |

As set out in my report dated 14 July 2008, it was proposed that Northvale Korting Limited (a subsidiary of the Company) were to take an assignment of the Wordsworth Holdings Plc debt, and that both Northvale Korting and Chris Moore were to waive their in the Administration. This would have resulted in the Administration Order being discharged, and control of the Company being returned to the Shareholders and Directors.

I understand that agreement to this proposed course of action is now unlikely and therefore I intend to proceed in recovering the remaining Company assets and bringing the Administration to a conclusion.

Assets to be recovered include a dividend from YCM Realisations Limited (formerly Young and Cunningham Limited) in Liquidation, which is due imminently.

In addition, I am actively seeking to dispose of the Joint Administrators interest in the Shareholding in Cunningham and Shearer (Holdings) Limited, who in turn hold the Shareholdings in the trading entities, Young and Cunningham Canada Inc. and Young and Cunningham America Inc.

Creditors Claims and Dividend Prospects

There are no Preferential or Secured Creditor claims in this matter.

The availability of a distribution to Unsecured Creditors is dependant on the level of asset realisations as set out above, although based on current information it is envisaged that a distribution will be available to this rank of Creditor.

Conclusion of the Administration

Creditors will recall from my report dated 15 July 2008, that permission was requested to extend the Administration for a period of six months to 31 January 2009 in accordance with Paragraph 76(2)(b) of the Insolvency Act 1986. This resolution was approved by Creditors on 30 July 2008.

In light of the current position, I feel that it is appropriate to place the Company into Creditors Voluntary Liquidation in order to deal with the outstanding issues and to make a distribution to Unsecured Creditors if and when this is available.

I would take this opportunity to request the Creditors' authority to exit the Administration by placing the Company into Creditors Voluntary Liquidation in accordance with Paragraph 83 (1) of Schedule B1 to the Insolvency Act 1986, if and when it appears to the Administrators that it is appropriate to do so.

Furthermore, if the Company proceeds into Creditors Voluntary Liquidation, then it is proposed that M D Hardy of Poppleton & Appleby, 35 Ludgate Hill, Birmingham, B3 1EH should act as the sole Liquidator of the Company for the purposes of the Creditors Voluntary Winding Up.

I attach form 2.25b which sets out the resolutions I require from the Creditors. In order to save Creditors the time and expense of attending a Creditors meeting, it is my intention to seek Creditors approval to my proposals by post. The enclosed form 2.25b being notice of conduct of business by correspondence, incorporating a voting form should be completed and returned to me no later than 12 noon on 17 December 2008.

Joint Administrators' Remuneration

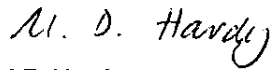
On 30 July 2008, Creditors resolved that the Joint Administrators' remuneration be defrayed in accordance with time properly spent by them and their staff in attending to matters arising from the Administration. No fees or disbursements have been drawn to date as there have been insufficient funds available to do so.

My total time costs to date are £18,024 and relate to 92.40 hours at an average hourly charge of £195.06.

In accordance with Statement of Insolvency Practice 9 (SIP 9), I attach a detailed analysis of time spent since my appointment on 1 August 2007 to 27 November 2008. I also attach a summary of Category 2 disbursements covering the same period of the Administration.

If you require any additional information concerning this report or the Administration, please contact me or my Case Administrator Siann Huntley.

Yours faithfully
For and on behalf of
Flow System Technologies Limited

A handwritten signature in cursive script that reads "M. D. Hardy".

M D Hardy
Joint Administrator

Please note that the Joint Administrators are agents of the Company and act without personal liability.

Administrators' Progress Report

Statutory Information

| | |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Company | Flow System Technologies Limited |
| Company Number | 4628099 |
| Court | High Court of Justice, Chancery Division, Birmingham District Registry |
| Court Number | 4918 of 2007 |
| Principle Activity | Manufacture of Taps & Valves |
| Trading Address | Non trading |
| Registered Office | c/o Poppleton & Appleby, 35 Ludgate Hill, Birmingham. B3 1EH |
| Joint Administrators | Matthew Douglas Hardy and Martin Thomas Coyne, Licensed Insolvency Practitioners |
| Administrators' Office | Poppleton & Appleby, 35 Ludgate Hill, Birmingham. B3 1EH |
| Functions | The Administrators act on a joint and several basis, although the day to day conduct of the Administration rests with Matthew Hardy |
| Date of Appointment | 1 August 2007 |
| Appointor | The Company itself |
| Directors | Ian Johnson, Sarah Jane Moore and Stephen Wright |
| Report and Proposals | 24 September 2007 |
| Meeting of Creditors | 09 October 2007 |
| Progress Reports | 26 February 2008 15 July 2008 |

Rule 2.48

Notice of conduct of business by correspondence

Name of Company
Flow System Technologies Limited

Company number
4628099

In the High Court of Justice, Chancery
Division, Birmingham District Registry
(full name of court)

Court case number
4918 of 2007

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

Notice is hereby given by (a)

M T Coyne
Poppleton & Appleby
35 Ludgate Hill
Birmingham, B3 1EH

M D Hardy
Poppleton & Appleby
35 Ludgate Hill
Birmingham, B3 1EH

(b) Insert full name and
address of registered
office of the company

to the creditors of (b) Flow System Technologies Limited
C/o 35 Ludgate Hill, Birmingham, B3 1EH

(c) Insert number of
resolutions enclosed

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are two resolutions for your consideration. Please indicate below whether you are in favour or against each resolution.

(d) Insert address to
which form is to be
delivered

This form must be received at (d)
Poppleton & Appleby
35 Ludgate Hill
Birmingham
B3 1EH

(e) Insert closing date

by 12.00 hours on 17 December 2008 in order to be counted. It must be accompanied by details in writing of your claim. Failure to do so will lead to your vote(s) being disregarded.

Repeat as necessary for
the number of resolutions
attached.

*Delete as appropriate

Resolution (1) That the exit route of the Administration be by way of placing the Company into Creditors Voluntary Liquidation in accordance with Paragraph 83 (1) of Schedule B1 to the Insolvency Act 1986 if and when it appears to the Administrators that it is appropriate to do so. I am *in Favour / Against

Resolution (2) That M D Hardy of Poppleton & Appleby should act as the sole liquidator of the Company for the purposes of the Creditors Voluntary Winding Up. I am *in Favour / Against

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor

Signature of creditor

(If signing on behalf of creditor, state capacity e.g. director/solicitor)

If you require any further details or clarification prior to returning your votes, please contact me/us at the address above.

Signed

M. D. Hardy
Joint Administrator

Dated

28th November 2008

Flow System Technologies Limited - In Administration

Summary of 2.25B forms received

Forms 2.25B were issued to all unsecured creditors requesting their voting instructions for the resolutions. Completed forms received prior to 12 noon on 17 December 2008 were admissible and the following is a summary those that have been lodged (actual forms attached):

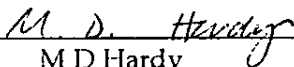
| <u>Creditor</u> | <u>Type</u> | <u>Resolution 1</u> | <u>Resolution 2</u> |
|-------------------|-------------|---------------------|---------------------|
| Northvale Korting | Unsecured | Agree | Agree |
| Chris Moore | Unsecured | Agree | Agree |

The following resolutions were approved:

That the exit route of the Administration be by way of placing the Company into Creditors Voluntary Liquidation in accordance with Paragraph 83 (1) of Schedule B1 to the Insolvency Act 1986 if and when it appears to the Administrators that it is appropriate to do so.

That M D Hardy of Poppleton & Appleby should act as the sole liquidator of the Company for the purposes of the Creditors Voluntary Winding Up.

17 December 2008



M D Hardy
Joint Administrator



COMPANIES HOUSE

SIP 9 - Time & Cost Summary

Period: 01/08/07..27/11/08

Time Summary

| Hours | | | | | | Time Cost (£) | Average hourly rate (£) |
|---------------------------------|--------------|--------------|----------------------------|----------------------------|--------------|------------------|-------------------------|
| Classification of work function | Partner | Manager | Other Senior Professionals | Assistants & Support Staff | Total Hours | | |
| Administration & planning | 3.10 | 13.30 | 21.30 | 0.80 | 38.50 | 6,249.00 | 162.31 |
| Investigations | 0.90 | 4.10 | 0.90 | 0.50 | 6.40 | 1,153.50 | 180.23 |
| Realisations of assets | 23.30 | 16.80 | 0.00 | 0.00 | 40.10 | 9,652.50 | 240.71 |
| Trading | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Creditors | 0.50 | 0.70 | 5.00 | 1.20 | 7.40 | 969.00 | 130.95 |
| Case specific matters | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Hours | 27.80 | 34.90 | 27.20 | 2.50 | 92.40 | 18,024.00 | 195.06 |
| Total Fees Claimed | | | | | | 0.00 | |

SIP 9 - Time & Cost Summary

Period: 01/08/07..27/11/08

Category 2 Disbursements

Other amounts paid or payable to the office holder's firm or to party in which the office holder or his firm or any associate has an interest.

| Transaction Date | Type And Purpose | Amount |
|------------------|----------------------|--------|
| 07/09/07 | Technology Charge | 42.00 |
| 07/09/07 | Stationery & Postage | 175.00 |
| 07/09/07 | Company Search | 45.00 |
| <hr/> | | |
| | Total | 262.00 |