

The Insolvency Act 1986

**2.24B****Administrator's progress report**

Name of Company Centreless Tooling Company Limited	Company number 01452089
In the High Court Birmingham District Registry	Court case number 8193 of 2010


We  
Mark Jeremy Oton  
KPMG LLP  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH  
United Kingdom

Richard James Philpott  
KPMG LLP  
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Administrators of the above company attach a progress report for the period

from	to
26 February 2011	25 August 2011

Signed

  
 Joint Administrator

Dated

16 September 2011

**Contact Details**

You do not have to give any contact information in the box opposite but if you do it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Luke Powell KPMG LLP One Snowhill Snow Hill Queensway Birmingham B4 6GH DX Number    DX 709850 Birmingham 26		Tel +44121 609 5892 DX Exchange
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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

WEDNESDAY



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21/09/2011

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COMPANIES HOUSE



**Centreless Tooling Company Limited  
(in administration)**

Report to Creditors pursuant to Rule 2.47 of  
the Insolvency Rules 1986 (as amended)  
16 September 2011

KPMG LLP Restructuring  
MJO/SN/LP IF Report to creditors



**KPMG LLP**

*Centreless Tooling Company Limited (in administration)  
Joint administrators – Mark Jeremy Orton and Richard James Philpott  
16 September 2011*

## **Notice: About this report**

This report has been prepared by Mark Jeremy Orton and Richard James Philpott the Joint Administrators of Centreless Tooling Company Limited solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person or for any other purpose, or in any other context.

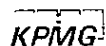
This report has not been prepared in contemplation of it being used, and is not suitable to be used, to form any investment decision in relation to the debt of or any financial interest in Centreless Tooling Company Limited.

Any estimated outcome for creditors included in this report is illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules 1986 (as amended) does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Mark Jeremy Orton and Richard James Philpott are authorised to act as insolvency practitioners by the Insolvency Practitioners Association.

The Joint Administrators act as agents for Centreless Tooling Company Limited and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the administration.



**KPMG LLP**

*Centreless Tooling Company Limited (in administration)*  
*Joint administrators – Mark Jeremy Orton and Richard James Philpott*  
*16 September 2011*

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**KPMG LLP**

*Centreless Tooling Company Limited (in administration)*  
*Joint administrators - Mark Jeremy Orton and Richard James Philpott*  
*16 September 2011*

## **Executive Summary**

- Mark Jeremy Orton and Richard James Philpott of KPMG LLP were appointed Joint Administrators of Centreless Tooling Company Limited by the Company's directors on 22 April 2010
- This progress report which covers the 6 month period from 26 February 2011 to 25 August 2011
- As previously reported the business and the majority of the Company's assets were sold to CT Machine Tools for a total consideration of £40 000 on 18 May 2010
- Preferential creditors have now been repaid in full in this matter but based on the expected level of realisations and the amounts owed to the secured creditor There is no prospect of any funds being available for unsecured creditors
- Full details of the Joint Administrators' Progress report are attached together with all the relevant statutory information included by way of Appendices This document in its entirety constitutes the Joint Administrators' Progress Report



**KPMG LLP**

*Centreless Tooling Company Limited (in administration)*  
*Joint administrators – Mark Jeremy Orton and Richard James Philpott*  
*16 September 2011*

## **1 Glossary**

Administration Order	The Administration Order granted in the High Court of Justice Chancery Division Birmingham District Registry, Court No 8193 of 2010 on 22 April 2010
Administrators	Mark Orton and Richard Philpott, both of KPMG LLP, One Snowhill, Snowhill Queensway, Birmingham, B4 6GH
Barclays/ The Bank	Barclays Bank plc
Company	Centreless Tooling Company Limited
Directors	Sandra Baker Mark Craddock Richard Aukland Roy Tandy
Act	The Insolvency Act 1986

## 2 Introduction

Creditors have previously been informed that Mark Orton and Richard Philpott of KPMG LLP were appointed Joint Administrators of Centreless Tooling Company Limited ('the Company') on 22 April 2010 in the High Court of Justice Birmingham District Registry. The Court Administration Order number is 8193 of 2010.

Details around the events leading to the administration were provided in our proposals report. If you require an additional copy of this report, please contact my colleague Luke Powell on 0121 335 2488.

An abstract receipts and payments account of the administration for the period 26 February 2011 to 25 August 2011 is attached at Appendix 2. A schedule of the Administrators' time costs and disbursements is attached at Appendix 3.

## 3 Statement of Proposals

The Administrators' Statement of Proposals was circulated on 16 June 2010.

Creditors were asked to vote to approve the Administrators' proposals by 27 June 2010, which they did. The proposals are deemed to have been approved by creditors in accordance with Rule 2.33(5) of the Rules.

A further progress report was sent on 15 March 2011 requesting an extension of the administration period from 22 April 2011 to 21 October 2011. Included within this report were proposals with regards to the drawing of Administrators' remuneration and discharge of Administrators' liability. These proposals were approved by creditors on the 19 April 2011 and the administration was duly extended until 22 October 2011.

## 4 Progress of the Administration to Date

### 4.1 Purpose of the administration

In accordance with paragraph 3(1) Schedule B1 of the Insolvency Act 1986, the purposes of the administration are:

- (a) rescuing the Company as a going concern, or,
- (b) 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),  
or,



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- (c) realising property in order to make a distribution to one or more secured or preferential creditors

As previously detailed the initial purpose of the administration was to rescue the Company as a going concern. However, this was not achievable due to the level of Bank and other creditor indebtedness at the date of the Administrators' appointment.

Consequently, the Joint Administrators performed their functions within the paragraph 3(1)(b) 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).

This has been achieved by maximising realisations of the Company's assets via a going concern sale of the business which included the stock, plant and equipment. The going concern sale also enhanced the collection of the Company's debtor book. During this period the Company's freehold property was sold for a consideration of £366,000 plus VAT.

## **4.2 Strategy and Trading**

### ***Trading***

As previously advised, a small amount of trading was carried out whilst we attempted to pursue a sale of the business and assets. All trading liabilities have been settled.

### ***Sale of business***

As we have previously reported, on 18 May 2010 the business and the majority of the Company's assets were sold to CT Machine Tools for a total consideration of £40,000.

This sale maximised realisations for the key physical assets and the continuity given by a going concern sale helped to maximise book debtor realisations.

The sale of the business and assets also resulted in six jobs being saved and mitigated claims for arrears of wages and holiday pay, thus providing a better outcome than would have been achieved if the Company was immediately placed in liquidation.

## **4.3 Book debts**

The Company's sales ledger at appointment was approximately £123,000. To date we have been successful in collecting £79,088 of the Company's trade debtors, no further realisations are anticipated.



## 5 Freehold property and other assets

### *Freehold property*

Following an extensive marketing process the Company's freehold property situated on Hillmore Way, Tamworth was sold for a consideration of £366,000 on 19 May 2010. This was in excess of our agent's valuation.

### *Stock and work in progress*

Upon appointment, there was limited stock on site. The work in progress was completed and realised by five of the remaining employees during the two weeks whilst a purchaser for the business was sought.

### *Other assets*

The majority of the assets of the company were sold to CT Machine Tools, with the exception of five pieces of plant and one vehicle, as part of the sale of the business outlined above.

We were successful in selling two of the retained machines for a total consideration of £30,500 shortly after the date of administration. This was in excess of our agent's valuation.

As previously advised, the vehicle was sold to a third party for a consideration of £11,000. The remaining plant and machinery only attracted interest from CT Machine Tools Limited and as a result was sold to them for a total consideration of £3,000 on 24<sup>th</sup> August 2010.

### *5.1.1 Liabilities*

#### *5.1.1.1 Secured Creditors*

As previously reported, Barclays Bank plc ("Barclays") was the Company's main lender with indebtedness at appointment of £423,000.

Barclays will not be repaid their indebtedness in full and the amount of the final distribution to the Bank will be determined once all outstanding matters have been finalised.

#### *5.1.1.2 Preferential Creditors*

Preferential creditors totalling £21,454 have been repaid in full during the period.

#### *5.1.1.3 Unsecured Creditors*

As previously stated in their Statement of Affairs, the directors estimate that the Company has total unsecured liabilities of £367,000.



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*Centreless Tooling Company Limited (in administration)*  
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*16 September 2011*

The extent of preferential and secured creditor claims in this matter together with the costs incurred in attending to the administration, are likely to exceed the level of realisations and therefore, it is unlikely that a dividend to unsecured creditors will be available

As previously advised, following a review of the security charges it has been found that Section 176(A) of the Act, which prescribes that a part of the Company's net assets shall be set aside for unsecured creditors, does apply. However as the net assets are less than the prescribed minimum, section 176(A) will be disapplied in this instance, and therefore no funds will be set aside for unsecured creditors

## **6 Costs for the Period**

Our receipts and payments for the period are set out in the attached Receipts and Payments Account (see Appendix 2)

The office holders' time costs for the period of this report are also attached (see Appendix 3). In the period from 26 February 2011 to 25 August 2011, we have incurred time costs of £36,590.25 representing 125 hours at an average hourly rate of £292.60. Total costs for the administration period to 25 August 2011 of £230,977.25 have been incurred. This represents 841.21 hours at an average hourly rate of 274.60. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG LLP in-house specialists. It is not anticipated that there will be a full recovery of our costs outlined above.

Administration costs including legal and agents fees for this are estimated to be £140,000 which are yet to be paid (see Appendix 4 for details)

Additional information about the costs charged for the period is available from the office holder upon request by any secured creditor, and any other creditor or creditors owed 5% or more in value of the unsecured liabilities listed. Full details of the process to obtain more information under Rule 2.48A IR86 and to challenge the administrators' remuneration and expenses under Rule 2.109 IR86 are included in Appendix 4 should creditors wish to do so.

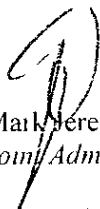
A creditors' guide to fees can be found at [http://www.13.org.uk/uploads/sip/SIP9\\_v5\\_April\\_2010\(1\).pdf](http://www.13.org.uk/uploads/sip/SIP9_v5_April_2010(1).pdf), however, if you are unable to access this guide and would like a copy please contact Luke Powell of my staff on 0121 335 2488.

## 7 Ongoing Strategy

The Joint Administrators anticipate that outstanding matters will be finalised shortly and the Administration will be closed and the Company moved to dissolution.

This concludes the Joint Administrator's progress report to creditors. If you have any further queries please do not hesitate to contact my colleague Luke Powell on 0121 335 2488.

Yours faithfully  
For Centreless Tooling Company Limited



Mark Jeremy Orton  
*Joint Administrator*

The affairs, business and property of the Company are being managed by the joint administrators.  
The joint administrators act as agents of the Company and contract without personal liability.  
Mark Jeremy Orton and Richard James Philpott are both authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.



**KPMG LLP**

*Centreless Tooling Company Limited (in administration)*  
*Joint administrators – Mark Jeremy Orton and Richard James Philpott*  
*16 September 2011*

## Appendix 1

### Statutory information

Company name and Trading style	Centreless Tooling Company Limited
Administration Order	The Administration Order granted in the High Court of Justice, Chancery Division, Birmingham District Registry Court No 8193 of 2010
Date of appointment	22 April 2010
Present Administrators' details	Mark Orton is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association  Richard Philpott is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association
Functions	The functions of the Administrators are being exercised by either or both of them in accordance with Paragraph 100(2) of Schedule B1 of the Act
Application of EC regulations	EC regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations
Company Directors	Mark Craddock Sandra Baker Richard Aukland Roy Tandy
Company Secretary	Sandra Baker
Date of incorporation	3 October 1979
Company registration number	01452089
Previous registered office	Hillmore Way, Two Gates, Tamworth, Staffordshire, B77 5AG
Present registered office	KPMG LLP, One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH



**KPMG LLP**

*Centreless Tooling Company Limited (in administration)*  
*Joint administrators – Mark Jeremy Oton and Richard James Philpott*  
*16 September 2011*

Trading address	Hillmore Way Two Gates Tamworth Staffordshire, B77 5AG
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*Centreless Tooling Company Limited (in administration)  
Joint administrators – Mark Jeremy Oton and Richard James Philpott  
16 September 2011*

## **Appendix 2**

### **Receipts and payments from 26 February 2011 to 25 August 2011**

**Centreless Tooling Company Limited**  
**(In Administration)**  
**Administrators' Trading Account**

Statement of Affairs	From 26/02/2011 To 25/08/2011	From 22/04/2010 To 25/08/2011
POST-APPOINTMENT SALES		
Sales	304 03	6,171 53
	<u>304 03</u>	<u>6,171 53</u>
PURCHASES		
Purchases	NIL	253 00
	<u>NIL</u>	<u>(253 00)</u>
OTHER DIRECT COSTS		
Direct labour	NIL	190 59
	<u>NIL</u>	<u>(190 59)</u>
TRADING EXPENSES		
PAYE & NIC	NIL	47 40
Rates	NIL	4,524 00
Travel	NIL	35 00
Carriage	NIL	143 34
Sundry expenses	NIL	21 37
	<u>NIL</u>	<u>(4,771 11)</u>
<b>TRADING SURPLUS/(DEFICIT)</b>	<b><u>304 03</u></b>	<b><u>956 83</u></b>

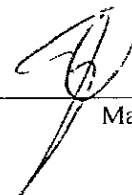
**Centreless Tooling Company Limited**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 26/02/2011 To 25/08/2011	From 22/04/2010 To 25/08/2011
	<b>FIXED CHARGE ASSETS</b>		
600,000 00	Freehold property	364,000 00	364,000 00
100,000 00	Book debts	NIL	NIL
5,000 00	Goodwill	NIL	NIL
	Bank interest, gross	17 05	19 17
	Barclays Management Fee	NIL	(1,750 00)
		<u>364,017 05</u>	<u>362 269 17</u>
	<b>FIXED CHARGE COSTS</b>		
	Property costs	35,979 45	36,327 08
	Bank charges	51 29	52 79
		<u>(36,030 74)</u>	<u>(36,379 87)</u>
	<b>FIXED CHARGE CREDITORS</b>		
423,000 00	Fixed charge creditor	<u>230,000 00</u>	<u>230,000 00</u>
		(230,000 00)	(230,000 00)
	<b>ASSET REALISATIONS</b>		
6,000 00	Plant & machinery	NIL	45,000 00
1,000 00	Furniture & equipment	NIL	NIL
15,000 00	Motor vehicles	NIL	10,750 00
28,000 00	Stock	NIL	NIL
10,000 00	Stock - work in progress	NIL	27,100 00
	Book debts	546 46	79,088 02
	Property rights/Patents	NIL	3,000 00
	Goodwill	NIL	2,000 00
		<u>546 46</u>	<u>166,938 02</u>
	<b>OTHER REALISATIONS</b>		
	Bank interest, gross	67 65	131 67
	Rent	2,227 50	6,227 50
	Contribution to Costs	772 50	772 50
	Sundry refunds	NIL	1,830 97
	Trading Surplus/(Deficit)	<u>304 03</u>	<u>956 83</u>
		3,371 68	9,919 47
	<b>COST OF REALISATIONS</b>		
	Books & records	107 66	107 66
	Barclays Management Fee	NIL	1,750 00
	Agents'/Valuers' fees	NIL	5,500 00
	Legal fees	NIL	20,737 40
	Payroll Costs	NIL	300 00
	Telephone/Telex/Fax	NIL	325 14
	Heat & light	NIL	534 81
	Rates	NIL	18,099 97
	Other property expenses	NIL	299 80
	Insurance of assets	11,733 64	11,733 64
	Wages & salaries	NIL	5,756 59
	PAYE & NIC	NIL	1,569 73
	Bank charges	<u>33 26</u>	<u>272 21</u>
		(11,874 56)	(66,986 95)
	<b>PREFERENTIAL CREDITORS</b>		
	Subrogated EP(C)A claim	21,453 55	21,453 55



**Centreless Tooling Company Limited**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

Statement of Affairs	From 26/02/2011 To 25/08/2011	From 22/04/2010 To 25/08/2011
Employees' wage arrears	3 988 51 (25 442 06)	3 988 51 (25,442 06)
UNSECURED CREDITORS		
(68,726 00) Trade & expense	NIL	NIL
(268,682 00) Directors	NIL	NIL
(13,243 00) Corp tax etc/nonpref PAYE	NIL	NIL
(15,608 00) Non-preferential VAT	NIL	NIL
	NIL	NIL
<b>821,741 00</b>	<b>64,587 83</b>	<b>180,317 78</b>
REPRESENTED BY		
Floating ch VAT rec'able		5,045 86
Fixed charge current		94,994 71
Floating charge current		83,594 55
Fixed charge VAT rec'able		1,771 94
Fixed charge VAT payable		(74,633 93)
Floating ch VAT payable		(7,572 53)
Floating ch VAT control		3,360 60
Fixed charge VAT control		73,756 58
		<b>180,317 78</b>



Mark Jeremy Orton  
Administrator

## Appendix 3

### Analysis of Office Holders' Time Costs

#### For Period 26 February 2011 to 25 August 2011

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
<b>Administration &amp; planning</b>							
<b>Cashiering</b>							
Fund management				0 20	0 20	£22 00	£110 00
General (Cashiering)	0 90		9 15	6 90	16 95	£3 380 50	£199 44
Reconciliations (& IPS accounting reviews)			1 20		1 20	£288 00	£240 00
<b>General</b>							
Books and records			5 15		5 15	£1,193 75	£231 80
<b>Statutory and compliance</b>							
Checklist & reviews		10 50	17 80		28 30	£8,637 00	£305 19
Closure and related formalities		5 00	7 00		12 00	£3,805 00	£317 08
Reports to debenture holders		0 50			0 50	£212 50	£425 00
Strategy documents	2 10				2 10	£1,123 50	£535 00
<b>Tax</b>							
Post appointment corporation tax	0 10	1 00	10 80		11 90	£2 706 50	£227 44
Post appointment PAYE		1 70			1 70	£586 50	£345 00
Post appointment VAI		4 90	4 45		9 35	£2 802 50	£299 73
<b>Creditors</b>							
<b>Creditors and claims</b>							
Agreement of preferential claims		2 40			2 40	£828 00	£345 00
Agreement of unsecured claims			0 20		0 20	£48 00	£240 00
General correspondence		0 25	0 70	0 10	1 05	£232 75	£221 67
Pre-appointment VAI / PAYE / CT		8 00			8 00	£2,760 00	£345 00
Statutory reports	1 40	7 00	7 75	0 10	16 25	£5 383 75	£331 31
<b>Employees</b>							
Correspondence			0 10		0 10	£17 50	£175 00
<b>Investigation</b>							
<b>Directors</b>							
Statement of affairs			1 00		1 00	£175 00	£175 00
<b>Realisation of assets</b>							
<b>Asset Realisation</b>							
Debtors		0 50			0 50	£172 50	£345 00
Freehold property		4 00	0 20		4 20	£1 735 00	£413 10
Plant and machinery			2 00		2 00	£480 00	£240 00
<b>Total in period</b>					<b>125 05</b>	<b>£36 590 25</b>	<b>£292 60</b>



KPMG LLP

Centreless Tooling Company Limited (in administration)  
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16 September 2011

### Scale rates

The table below details the relevant rates and increase per grade since the date of administration

Grade	Oct 2009/Sept 2010 £	Oct 2010/Sept 2011 £
<b><i>KPMG Restructuring Partners and Staff</i></b>		
Partner	515	535
Director	440	460
Senior Manager	405	425
Manager	320	345
Senior Administrator	225	240
Assistant Administrator	165	175
Support	105	110



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Centreless Tooling Company Limited (in administration)  
Joint administrators – Mark Jeremy Orton and Richard James Philpott  
16 September 2011

## Appendix 4

### Schedule of expenses for the period

26 February 2011 to 25 August 2011

	Paid relating to current period	Accrued in current period	Total for period
<b>Costs of realisation</b>	<b>£</b>	<b>£</b>	<b>£</b>
Administrators' Time		120,000 00	120,000 00
Costs			
Administrators' Expenses		3 000 00	3 000 00
Legal Fees		9,500 00	9,500 00
Valuers' Fees		7,500 00	7,500 00
<b>Total Expenses</b>	<b>-</b>	<b>140,000 00</b>	<b>140,000.00</b>

Creditors are reminded that the basis on which fees have been reported has been agreed, however to determine if the quantum of the fees to be taken is reasonable the analysis included at Appendix 3 should be reviewed and any additional information can be requested by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with rule 2.48A IR86. This request must be made within 21 days receipt of the report. The full text of that rule can be provided on request. In addition creditors are reminded that the quantum can be challenged by unsecured creditor(s) with at least 10% in value excluding that creditors claim by making an application to court in accordance with rule 2.109 IR86. The full text of this rule can also be provided on request.