

The Insolvency Act 1986

Notice of result of meeting of creditors

Name of Company
Cavill Fabrications Limited

Company number.
2694615

In the
Birmingham District Registry

[full name of court]

Court case number
8257 of 2011

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

I / We, (a) Richard A B Saville of Begbies Traynor (Central) LLP, 6 Castlebridge Office Village, Castle Marina Road, Nottingham NG7 1TN and Andrew J Cordon of , 6 Castlebridge Office Village, Castle Marina Road, Nottingham NG7 1TN

* Delete as applicable

hereby report that ~~*a meeting / an adjourned meeting of the creditors of the above company was held at~~

(b)

Business of meeting conducted by correspondence pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986 and Rule 2.48 of the Insolvency Rules 1986

(b) Insert place of meeting

(c) Insert date of meeting

* Delete as applicable

on (c) Closing date specified in Form 2.25B – 7 August 2011
at which

*1 Proposals / revised proposals were approved

~~*2 Proposals / revised proposals were modified and approved~~

The modifications made to the proposals are as follows

(d)

(d) Give details of the
modifications (if any)

~~*3 The proposals were rejected~~

~~*4 The meeting was adjourned to (e) on 7 August 2011~~

(e) Insert time and date of
adjourned meeting

~~*5 Other resolutions (f)~~

(f) Details of other resolutions
passed

(1) "That the joint administrators proposal for achieving the purpose of the administration, as set out in the document entitled *The 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* be and hereby are approved "

(2) "That the joint administrators' remuneration be fixed by reference to the time properly given by the joint administrators (as administrators) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the administration "

(3) "That the joint administrators 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, details of which accompanied *The 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* "

WEDNESDAY



A25 10/08/2011 162
COMPANIES HOUSE

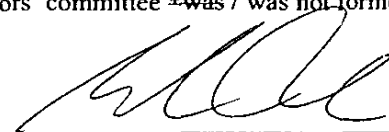
- (4) "That the joint administrators' be discharged from liability in respect of any actions of theirs as administrators, pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, with effect from the date their appointment as joint administrators ceases to have effect"

~~[(5) insert details of any other resolutions]~~

The revised date for automatic end to administration is

A creditors' committee ~~was~~ / was not formed

Signed



Joint / Administrator(s)

Dated

9 AUGUST 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.

Beggies Traynor (Central) LLP	
6 Castlebridge Office Village, Castle Marina Road, Nottingham, NG7 1TN	
	Tel Number 0115 941 9899
Fax Number 0115 945 4845	DX Number

Companies House receipt date barcode

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

Richard A B Saville and Andrew J Cordon were appointed as joint administrators on 1 June 2011

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

Cavill Fabrications Limited (In Administration)

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

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"	Cavill Fabricators Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Insolvency Act 1986 on 1 June 2011
"the administrators"	Richard A B Saville of Begbies Traynor (Central) LLP, 6 Castlebridge Office Village, Castle Manna Road, Nottingham, NG7 1TN and Andrew J Cordon of Begbies Traynor (Central) LLP, 6 Castlebridge Office Village, Castle Marina Road, Nottingham, NG7 1TN
"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	Cavill Fabrications Limited
Trading name(s)	Cavill Fabrications Limited
Date of Incorporation	06 03 92
Company registered number	2694615
Company registered office	Unit 6 Castle Bridge Office Village, Castle Manna Road, Nottingham, NG7 1TN
Former registered office	The Coach Station, Station Avenue, Loughborough, Leicestershire LE11 5DZ
Trading address(es) (or attach a separate sheet if more than one)	The Coach Station, Station Avenue, Loughborough, Leicestershire LE11 5DZ
Principal business activities	Manufacturing - Other

Shareholding

Directors and details of shares held in the Company (if any)	Paul Andrew Cavill Robert Anthony Cavill Mrs Jacqueline Belcher	100 Ordinary A 800 Ordinary A
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Shareholding

Company Secretary and details of the shares held in Company (if any)	Mrs Jacqueline Belcher	-
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Auditors	UHY Hacker Young 22 The Ropewalk, Nottingham, NG1 5DT
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Share capital	900 Ordinary shares of £1 1 Ordinary B share of £1
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Shareholders	Paul Andrew Cavill Robert Anthony Cavill
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3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators	Richard A B Saville, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 6 Castlebridge Office Village, Castle Marina Road, Nottingham, NG7 1TN and Andrew J Cordon, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 6 Castlebridge Office Village, Castle Marina Road, Nottingham, NG7 1TN
Date of administrators' appointment	1 June 2011
Date of administrators' resignation	N/A
Court	Birmingham District Registry
Court Case Number	8257 of 2011
Person(s) making appointment / application	Robert Cavill Paul Cavill Jacqueline Belcher
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 territorial proceedings within the meaning of Article 3 of the Regulation.

STATUTORY PURPOSE OF ADMINISTRATION

Paragraph 3 of Schedule B1 to the Act provides as follows

- "3 (1) The administrator of a company must perform his functions with the objective of-
- (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
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors
- (2) Subject to sub-paragraph (4), the administrator of a company must perform his functions in the interests of the company's creditors as a whole
- (3) The administrator must perform his functions with the objective specified in sub-paragraph (1)(a) unless he thinks either-
- (a) that it is not reasonably practicable to achieve that objective, or

- (b) that the objective specified in sub-paragraph (1)(b) would achieve a better result for the company's creditors as a whole
- (4) The administrator may perform his functions with the objective specified in sub-paragraph (1)(c) only if-
 - (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1)(a) and (b), and
 - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole "

4. CIRCUMSTANCES GIVING RISE TO THE APPOINTMENT OF ADMINISTRATORS

The Company had been under some financial pressure for the past two years, sustaining a net loss of £349k in respect of the year ended September 2009 and just about breaking even in 2010. Trading in 2011 proved to be significantly more difficult with trading at a loss of £166k being reported for the first 7 months of the financial year.

The directors confirmed that during the past 12-18 months, there had been a significant decline in turnover, together with clients applying pressure on the Company to reduce its margins. The Company had attempted to take a number of steps to remedy the decline in financial performance, including laying off a number of staff and applying short-time working. Regrettably, these steps failed to stem the loss-making activity. This was further compounded by a bad debt of £75k, which, when added to the actual trading loss for the 7 months to April 2011 of £92k, resulted in the aggregate loss for that period of £166k.

Immediately prior to our appointment the Company was currently working on a number of contracts, with an estimated outstanding realisable value when completed, of approximately £780k. Having reviewed the contracts in some detail, it was anticipated that the estimated costs to complete would have been approximately £760k if no issues arose in the completion of the contracts.

Although the Company was trading within its facility provided by the Bank, the Company's short to medium term cash flow forecast showed that there would have been insufficient facilities available to fund the completion of the majority of the work-in-progress. The problem was compounded by the requirement to purchase significant quantities of raw material from certain suppliers, some of whom had placed the Company on stop, as well as hiring in sub-contractor labour.

The directors recognising that they were likely to be faced with serious financial issues if they continued to trade in the same manner took professional advice from Begbies Traynor which culminated in the, taking the decision to place the Company into Administration.

5. STATEMENT OF AFFAIRS

The directors' have prepared a statement of affairs of the Company as at 1 June 2011 which is attached at Appendix 2. It makes no provision for the costs of the administration or any subsequent liquidation or voluntary arrangement.

Our comments on the statement of affairs are as follows:

All of the Company's assets have been professionally valued by John Pye & Sons Limited of Nottingham.

Assets subject to fixed charge

The Company traded from leasehold premises at Station Street, Loughborough and upon a brief review of the lease there would appear to be no realisable value attaching and therefore the anticipated realisations are expected to nil

The Company had three vans which were subject to lease agreements with Lex Autolease. These vehicles have now been returned.

The Company owned a forklift which was subject to a hire purchase agreement with Lombard North Central plc. We can confirm that following a professional valuation prepared by our agents, the remaining liability on the hire purchase agreement was settled to allow the sale of the asset in the public auction to release the equity available for the benefit of the estate.

Assets subject to floating charge

The Company held various items of plant & machinery used in the fabrication of steel and all of which was free from any third party finance or ownership. These items were included in the online public auction which was held between 15 July 2011 and 18 July 2011.

The Company owns four motor vehicles which are free from any encumbrance. These have now been recovered and will be sold via public auction in due course by our agents.

As detailed in the body of the report, the Company held a quantity of loose steel in its yard which will be weighed in as scrap following the clearance of the premises. The remaining stock, and work in progress, was worked through and fabricated into finished products which have since been installed or delivered to the Company's customers.

The book debts, as per the company's sales ledger print indicate total debtors of £876,534 although, after making certain provisions, it is estimated that these will realise a net sum of £457,372. The company historically has an excellent record of collection and the company's books and records in support of the ledger are in good order.

The cash at bank represents the credit balance held in the Company's account on 1 June 2011 and it is anticipated that the balance will be recovered in full.

The cash in hand represents funds held by Begbies Traynor following receipt of debtor monies on the day prior to the appointment of Administrators.

The directors' loan accounts represents funds withdrawn from the Company by the directors but not yet repaid.

Preferential Creditors

The amounts shown represent unpaid wages and holiday pay.

Debts Secured By Floating Charge

The amount shown as due to National Westminster Bank plc represents the outstanding balance on the Company's credit card. These funds were recovered in full on the day of the appointment of Administrators following their deduction from the funds held in the Company's client account.

Unsecured creditors

The amounts shown as due to unsecured creditors have been extracted from the company's books and records. Inclusion on the list of creditors does not constitute an admission that there is now, or has been in the past, any legal liability on the company to make payment of part or whole of the amount shown.

The amount shown as due to the Redundancy Payments Office and Employees represents the amounts outstanding in respect of Redundancy Pay and Pay in Lieu of Notice

The amount shown as outstanding in respect of unpaid PAYE and NIC is for Month 2 of the current tax year

The amount shown as outstanding to HM Revenue & Customs is for unpaid VAT for the current quarter

6. THE ADMINISTRATION PERIOD

Receipts and Payments

Attached at Appendix 1 is our account of receipts and payments from the commencement of administration, 1 June 2011 to 22 July 2011

The decision was taken upon appointment to retain a handful of the Company's office staff and workforce to conclude a number of contracts which had been started prior to our involvement. This also allowed us to establish if there was any prospect of selling the business, or any part thereof, as a going concern. Whilst several expressions of interest were shown in the business, no formal offer was forthcoming for the purchase of the business as a whole and as a consequence, the Company's affairs were brought to a natural conclusion through the completion of the work in progress.

Immediately upon appointment we met with all of the customers who had works ongoing in order to establish if they would be prepared to support the Administrators in the short to medium term and continue to commit to the contract which the Company's had entered into. We are pleased to report that all of the customers who had work ongoing at the time of our appointment agreed to the terms which were set out and committed to the completion of the works in hand.

Fabrication of the work in progress finished in the week commencing 11 July 2011 and all works committed to have been completed. All customers agreed to pay 50% of the agreed contract value up front to enable us to sustain trading during the Administration period, with the balance of the invoices raised to be paid on standard invoiced terms.

The completion of the work in progress has enhanced the realisable value of the Company's stock which otherwise would have only had a nominal value. The work in progress and stock consisted of the steel held by the Company and if, in the event that the Company had immediately ceased to trade, would have had a nominal value.

The Company's other assets, being plant & machinery, fixtures and fittings, residual stocks and motor vehicles were sold by an online public auction by our agents held between 15 July 2011 and 18 July 2011.

7. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the directors' statement of affairs) are as follows:

Preferential creditors

Preferential claims of employees for arrears of wages, salary and holiday pay were estimated at £18,734.

Unsecured creditors

Unsecured creditors were estimated at £1,030,123.

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

Preferential creditors

The administrators consider that there will be sufficient funds available for a dividend to be paid to preferential creditors and that the dividend payment will be sufficient to discharge their indebtedness 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, were it not for this provision, be 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))

To the best of the administrators' knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors

Unsecured creditors

After making allowances for the costs of realisation and the Administration procedure, ordinary unsecured creditors might ultimately receive a dividend of around between 25p and 40p in the pound, dependant highly upon the collection of the book debts and the quantum recovered

You will appreciate that forecasting the level of return to creditors is highly speculative until such time as the Company's affairs are fully wound up. Consequently, this early prediction is given purely in an attempt to assist creditors with their initial provisioning for bad and doubtful debts

In a relatively straightforward case it would be quite normal for the process of fully winding up a company's affairs to take around 18 months to complete. In less straightforward cases it could take considerably longer

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 the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely 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)

As detailed in section 6 earlier in the report, the Company had, subject to the agreement of the customers' concerned, an ability to trade in a limited capacity to finish off some work in progress, which in turn completed some of the Company's contracts and has allowed, and safeguarded, the debtor monies. If trading had not had been continued, it is likely, given the nature of the industry in which the Company operated, that the debtors concerned would have attempted to argue breach of contract and therefore resolve to reduce their indebtedness to the Company through counterclaims. This would have resulted in the realisable value of the stock and work in progress being significantly lower which would have undoubtedly resulted in further claims against the Company for breach of contract resulting in reduced funds available for distribution to creditors.

The sale of the business as a going concern was considered and explored, though as the majority of the contracts in hand were near completion and forward orders minimal, the probability of achieving such a sale was unlikely. Furthermore, the contracts which the Company had secured terminated upon the appointment of Administrators.

We consider that the objective of the Administration has already largely been achieved due to the completion of the work in progress. We consider that being able to continue to trade in the context of an administration as an alternative to an immediate cessation of trade and liquidation of the Company has significantly enhanced the prospects for the preferential and unsecured creditors.

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 the collection of the book debts and retentions and the sale of the remaining assets in our agent's possession.

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

Exit from Administration

We confirm that there are no secured creditors in this matter and that a distribution will be made to the unsecured creditors of the Company.

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.

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.

9. ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

Pre-administration costs

In the period before the Company entered administration, the administrators carried out work consisting of advising the board of directors on the Company's financial affairs and the options which were available for either the rescue of the Company and/or business as a going concern, or if continued trading was not a viable option, the insolvency procedures that would be available to the Company ("the Work"). The Work was carried out pursuant to an agreement made between the administrators and The Company ("the Agreement"). The Agreement provides for the payment of the administrators' fees and the discharge of expenses incurred by them ("the Pre-administration costs") in carrying out the Work.

The Work was carried out before the Company entered administration because the advice given at the time was done so in an advisory capacity and it was not certain that the Company would be entering a formal insolvency procedure. For these reasons the administrators consider that the Work has furthered the achievement of the objective of administration being pursued, namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

The administrators' fees are in the total sum of £14,337 plus VAT.

The Pre-administration costs detailed above are unpaid. The administrators are not seeking approval to recover these unpaid costs.

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.

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 June 2011.

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 firms 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.

Expenditure incurred to date

We have, as Joint Administrators, incurred time costs to date of £98,389, the majority of which has been charged in overseeing the continued trading of the Company's affairs between the date of appointment, being 1 June 2011, and the cessation of trading on 15 July 2011.

These costs have been incurred as a result of the decision being made to complete the work in progress to enhance the Company's asset realisations and to help secure as much as possible from the Company's sales ledger. Given the nature of the industry in which the Company operated, there would have likely to have been significant counter claims by the customers for non-performance of contract.

Administrators' discharge from liability

That the joint administrators be discharged from liability in respect of any actions of theirs as administrators, pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, with effect from the date their appointment as joint administrators ceases to have effect.

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.

As administrators of the Company we are required by best practice guidance to make enquiries of creditors as to whether they wish to raise any concerns regarding the way in which the Company's business was conducted prior to the commencement of the administration, or wish to bring to our attention any potential recoveries for the estate. If you would like to bring any such issues to our attention please do so in writing to the address detailed at Section 3 of this report. This request for information is standard practice and does not imply any criticism or cause of action against any person concerned in the management of the Company's affairs.

Investigations carried out to date

We have undertaken an initial assessment of possible actions in relation to the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect and our limited investigations to date have not concluded if there are matters which require further investigation. We will, as required, complete all necessary investigations into the Company's affairs and any findings will be reported to the creditors in due course.

Connected party transactions

The administrators have not been made aware of any sales of the Company's assets to connected parties.

11. CONCLUSION

Pursuant to paragraph 58 of Schedule B1 to the Act, the administrators' proposals will be considered at an initial meeting of the Company's creditors conducted by means of a postal resolution in accordance with the Notice of conduct of business by correspondence (Form 2.25B) accompanying this document. Rule 2.48(7) provides that a creditor or creditors of the Company whose debts amount to at least 10% of the total debts of the Company, may requisition a meeting of creditors, rather than the meeting being conducted by correspondence. Any such requisition must be in the prescribed manner in accordance with Rule 2.37 and be made within 5 business days of the date on which the administrators' statement of proposals is sent out.

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.

Richard A B Saville
Joint Administrator

Date 22 July 2011

Insolvency Act 1986

Cavill Fabrications Limited
Estimated Statement Of Affairs as at 1 June 2011

	Book Value £	Estimated to Realise £	£
ASSETS			
Leasehold Land & Property	11,806 00		
Motor Vehicles	18,362 00		
Plant & Machinery		5,500 00	
Lombard North Central plc	(3,004 00)	(3,004 00)	
		2,496 00	2,496 00
Plant & Machinery	107,305 00		16,500 00
Motor Vehicles	16,469 00		22,000 00
Stock/WIP	119,305 00		50,000 00
Book Debts	876,534 00		457,372 00
Cash at Bank	1,892 00		1,892 00
Cash In Hand	15,000 00		15,000 00
Directors' Loan Accounts	4,790 00		4,790 00
			570,050 00
LIABILITIES			
PREFERENTIAL CREDITORS -			
RPO re Arrears/Holiday Pay		14,160 00	
Employees re Arrears/Hol Pay		4,574 00	
			18,734 00
			551,316 00
DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003			
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS			
National Westminster Bank plc		2,070 04	
			2,070 04
			549,245 96
Estimated prescribed part of net property where applicable (to carry forward)			NIL
			549,245 96
DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003			
			NIL
			549,245 96
Estimated prescribed part of net property where applicable (brought down)			NIL
			549,245 96
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade Creditors		796,252 00	
Employees		33,927 00	
RPO		139,141 00	
HMRC (non VAT)		22,330 00	
HMRC (VAT)		38,473 00	
			1,030,123 00

Begbies Traynor (Central) LLP
Cavill Fabrications Limited
B - Company Creditors

Key	Name	Address	£
CA08	A & M Grinding	6 Windsor Avenue, Groby, Leicestershire, LE6 0YF	234 00
CA01	A B Steel Services	19 Laburnum Avenue, Newbold Verdon, Leicester, LE9 9LQ	7,897 82
CA0D	A R Builders	4 Moor Lane, Normanton on Soar, Loughborough, Leicestershire, LE12 5HD	1,668 91
CA0L	A to Z Transport Services	Charnwood Edge, Syston Road, Cossington, Leicestershire, LE7 4UZ	339 90
CA00	Aalco Metals	c/o The Credit Centre, Express Trading Estate, Stone Hill Road, Farnworth, Bolton, BL4 9NN	341 88
CA02	Ace Safety Direct - MG Safety Limited	41 Moorbridge Road, Bingham, Nottinghamshire, NG13 8GG	80 56
CA03	ADI Security Solutions	36 Melton Avenue, Leicester, LE4 7SD	152 40
CA04	AFI Aerial Platforms Limited	2nd Floor, West Wing, Diamond House, Diamond Business Park, Thornes Moor Road, Wakefield, WF2 8PT	4,784 38
CA05	A-H-T Logistics Limited	156 Alan Moss Road, Loughborough, Leicestershire, LE11 5LY	6,960 00
CA06	Air Products Plc	Hersham Place Technology Park, Molesey Road, Walton on Thames, Surrey, KT12 4RZ	10,154 01
CA07	Alternative Steel Co Limited	The Steel Service Centre, Dobson Park Way, Ince, Wigan, WN2 2DY	25,540 41
CA09	Anchor Print Group Limited	Victoria Street, Syston, Leicester, LE7 2LE	167 71
CA0A	Angel Springs Limited	Spring Road, Ettingshall, West Midlands, WV4 6UB	37 20
CA0B	Anixter Industrial	Fastener House, 3 Edmund Road, Sheffield, S2 4EB	1,393 89
CA0E	Arford Steel Profiles Limited	Unit 5, Dawley Trading Estate, Stallings Lane, Kingswinford, West Midlands, DY6 7AP	1,188 00
CA0F	Arkinstall Galvanising Limited	Dudley Road West, Tividale, Oldbury, West Midlands, B69 2PF	1,444 50
CA0G	Armadillo Noise & Vibration Limited	Unit 1, Riverside Works, Brighton Street, Shipley, West Yorkshire, BD17 7EB	2,625 30
CA0H	ASD Metal Services	Alvis Way, Royal Oak Industrial Estate, Daventry, Northamptonshire, NN11 8QQ	572 40
CA0I	ASD Westok Limited	Charles Roberts Office Park, Charles Street, Horbury Junction, Wakefield, WF4 5FH	22,237 80
CA0J	Asfordby Doors Limited	112 The Burrows, East Goscote, Leicestershire, LE7 3XD	114 88
CA0K	Ashtead Plant Hire Co	PO Box 119, Warrington, WA3 6YT	50 40
CA0C	Associated Perforators & Weavers Limited	Unit 12, Deacon Trading Estate, Earle Street, Newton-le-Willows, Merseyside, WA12 9XD	3,797 34
CB09	B & Q Financial Services	Selectapost 28, Sheffield, S97 3GE	77 76
CB07	B P Fuel Cards	Customer Services, PO Box 352, Sunbury-on-Thames, TW16 9AT	1,816 80
CB0C	B W Industries Limited	Lancaster Road, Carnby Industrial Estate, Brdlington, Yorkshire, YO15 3QY	15,671 81
CB00	Bapp Industrial Supplies (Leics)	Prospect Close, Low Moor Road Industrial Estate, Kirkby in Ashfield, Nottinghamshire, NG17 7LF	15,174 59
CB02	Barclay & Mathieson Limited	Basford Works, Arnold Road, Nottingham, NG6 0EF	15,043 52

Begbies Traynor (Central) LLP
Cavill Fabrications Limited
B - Company Creditors

Key	Name	Address	£
CB01	Barrett Steel Limited	282 Cutler Heights Lane, Dudley Hill, Bradford, BD4 9HU	5,431 80
CB03	BDF Transport	Colwick, Nottingham, NG4 2BB	1,050 00
CB04	Biffa Waste Services Limited	PO Box 645, High Wycombe, Bucks, HP12 3WF	284 93
CB05	Birkett Cutmaster	PO Box 30, Lower Ground Floor, Block F, Middleton Business Park, Cartwright Street, Bradford Road, Cleckheaton, BD19 5LY	174 36
CB06	Blumax Metal Finishers Limited	1 Brand Street, Meadow Lane, Nottingham, NG2 3GW	756 00
CB0A	Bradleys (Stowmarket) Limited	49 Knightdale Road, Ipswich, Suffolk, IP1 4JJ	24,045 88
CB08	Britannic Protective Coatings	65 Wellington Street, Stapleford, Nottingham, NG9 7BE	4,754 40
CB0B	BritTalk Communications limited	2 Pevensey Road, Bedford, MK41 8HW	323 94
CC00	Central Plate Services Limited	Phoenix Works, Richards Street, Darlaston, West Midlands, WS10 8BZ	3,229 98
CC04	Chanton Survey & Laser Limited	498 Sunleigh Road, Alperton, Middleton, HA0 4PT	30 00
CC02	Charnwood Borough Council	Council Offices, Southfield Road, Loughborough, Leicestershire, LE11 2TN	14,328 00
CC01	Charnwood Fasteners Limited	Units F27/30, Cumberland Road Trading Estate, Loughborough, Leicestershire, LE11 0DE	5 40
CC03	Charnwood Signs	Unit 1, Meadow Lane Industrial Estate, Gordon Road, Loughborough, Leicestershire, LE11 1JU	1,386 00
CC06	Chubb Electronic Security Limited	No 1 The Beehive, Lions Drive, Shadsworth Business Park, Blackburn, BB1 2QS	1,120 17
CC07	Clark Drain Limited	Station Road, Yaxley, Peterborough, PE7 3EQ	21,507 94
CC08	Cromwell Tools Group	Group Accounts, PO Box 14, Victoria Street, Wigston, Leicester, LE18 1AT	9 48
CD04	D P Building Systems Limited	Unit 1, Bizspace Business Park, Kings Road, Tyseley, Birmingham, B11 2AL	835 20
CD00	Danaher & Walsh	Meadow Lane, Syston, Leicester, LE7 1NR	1,422 83
CD05	Darren Lee Construction Limited	Unit 3, Burgess Road, Leicester, LE2 8QL	23,328 00
CD01	Davies & Stevens	1A Beeches Road, Loughborough, Leicestershire, LE11 2NR	674 97
CE00	Electract Limited	Walker Road, Bardon Hill, Coalville, Leicester, LE67 1TU	828 36
CE01	E-on Energy Services	PO Box 123, Nottingham, NG1 6HD	1,047 06
CE02	ESP Laser Cutting Limited	Unit 3, Centuron Business Park, Bessemer Way, Rotherham, South Yorkshire, S60 1FB	251 14
CF00	F H Brundle Midlands	Condor Road, Quarry Hill Industrial Estate, Ilkeston, Derbyshire, DE7 4RE	2,315 68
CF03	F L Memo Limited	185 Park Street, Bankside, London, SE1 9DY	100 60
CF02	Farrat Isolevel Limited	Balmoral Road, Altringham, Cheshire, WA15 8HJ	6,172 80
CF04	Forward Protective Coatings Limited	Vernon Street, Shirebrook, Mansfield, Nottinghamshire, NG20 8SS	3,850 99

Begbies Traynor (Central) LLP
Cavill Fabrications Limited
B - Company Creditors

Key	Name	Address	£
CF05	Freeman Mills Partnership limited	Unit 7, Stonebroom Industrial Estate, Stonebroom, Alfreton, Derbyshire, DE55 6LQ	9,871 56
CF06	Fuel Plus UK Limited	Eurocard Centre, Herald Park, Herald Drive, Crewe, CW1 6EG	230 38
CG00	G B Office Group Limited	Ranger House, Eturia Road, Hanley, Stoke on Trent, ST1 5NH	126 00
CG01	G I Fasteners Limited	Unit 2, Windmill Road, Loughborough, Leicestershire, LE11 1RA	38 01
CH03	H B Management & Construction	Anderson House, 18 Main Street, Stretton, Burton on Trent, DE13 0EA	3,089 56
CH01	Halcyon Computer Supplies Limited	Halcyon House, 3 Pennard Close, Brackmills Industrial Estate, Northampton, NN4 7BE	290 04
CH00	Hall & Pickles	Poynton Industrial Estate, London Road, Poynton, Stockport, SK12 1NB	7,188 54
CH02	Hartley Site Engineering limited	24 Kingsley Close, Mansfield Woodhouse, Nottingham, NG19 9JA	16,039 39
CH04	Hewden Stuart Plc	PO Box 67, Stretford, DO, Manchester, M32 0HW	913 90
CH05	Hex Holdings Limited	2 Duke Street, Loughborough, Leicestershire, LE11 1ED	242 06
CH06	Highcliffe Court Design Limited	5 Highcliffe Court, Greenfold Lane, Wetherby, LS22 6RG	4,050 00
CH07	Hilti (GB) Limited	1 Trafford Wharf Road, Trafford Park, Manchester, M17 1BY	1,323 91
CH08	Hire Station Midlands	Fields Farm Road, Long Eaton, Nottingham, NG10 3FZ	4,274 51
CD02	Ian Davies	31 Cannock Street, Troon Industrial Estate, Leicester, LE4 9HR	96 00
CJ00	J E Transport	Lodge Farm, Ratcliffe Road, Sileby, Leicestershire, LE12 7PY	1,026 00
RB00	Jackie Belcher	7 Kingston Court, West Hallam, Derbyshire, DE7 6LD	0 00
CD03	James Doran	30 The Bridle, Glen Parva, Leicester, LE2 9HQ	300 00
CF01	John K Farrell	16 Maple Avenue, Beeston Rylands, Nottingham, NG9 1PW	3,756 00
CJ03	John Parker & Son Limited	Vauxhall Road, Canterbury, Kent, CT1 1HD	70,925 35
CJ01	Johnsons Apparelmaster	Unit A, R&D Park, Logix Road, Burbage, Hinckley, Leicestershire, LE10 3BQ	2,888 27
CJ02	Jungheinrich Financial Services	Sherbourne House, Sherbourne Drive, Tilbrook, Milton Keynes, MK7 8HX	69 56
CK00	Knoxford Fabrications Limited	Unit 4, Sycamore Road, Trent Lane Industrial Estate, Castle Donnington, Derbyshire, DE74 2NW	2,334 17
CL02	L P Welding Limited	7a The Green, Walton on the Wolds, Loughborough, Leicestershire, LE12 8HR	1,394 38
CL01	Lex Autolease	Windsor House, Hollins Brook Way, Bury, BL9 8RT	2,582 82
CL00	Lift Leicester Limited	Unit 3, Burgess Road, Leicester, LE2 8QL	1,362 00
CL03	Lyreco UK Limited	Deer Park Court, Donnington Wood, Telford, Shropshire, TF2 7NB	140 76
CM00	Macalloy Limited	Caxton Way, Dinnington, Sheffield, South Yorkshire, S25 3QE	2,359 56
CM01	Mars Drinks UK Limited	Armstrong Road, Basingstoke, Hants, RG24 8NU	241 67
CM03	Melladeck Limited	Prestwood Place, East Pimbo, Skelmersdale, Lancashire, WN8 9QE	1,733 82

Begbies Traynor (Central) LLP
Cavill Fabrications Limited
B - Company Creditors

Key	Name	Address	£
CM02	Mercedes Benz	Charnbridge Close, Belton Road, Loughborough, Leicestershire, LE11 1QB	545 68
CM04	Microkerf Limited	21 Boston Road, Gorse Hill Industrial Estate, Leicester, LE4 1AW	4,072 63
CM05	Midland Steel Sections Limited	Units 71-73, Gibbons Industrial Park, Dudley Road, Kingswinford, West Midlands, DY6 8XF	7,982 72
CM06	MSW Nottingham	Acton Grove, Long Eaton, Nottingham, NG10 1FY	1,374 00
CN01	National Communications Group Limited	25 Basepoint Business Centre, Yeoford Way, Marsh Barton, Exeter, EX2 8LB	26 28
CN00	National Tube Stockholders Limited	Dalton Industrial Estate, Dalton, Thirsk, North Yorkshire, YO7 3HE	17,435 15
CN02	Newark Steel Limited	Sylvan Way, off The Old Great North Road, Balderton, Newark, NG24 3UT	17,600 41
CN03	Newtech Powder Coaters Limited	65-67 Morris Road, Leicester, LE2 6BR	98 22
CN04	Newton Steel Limited	Brightgate House, Cobra Court, 1 Brightgate Way, Trafford Park, Manchester, M32 0TB	42,482 49
CO00	Oak Industrial Supplies Limited	Hamilton Road, Sutton in Ashfield, Nottinghamshire, NG17 5LN	352 38
CO01	Omega Steel Limited	Glebe Road, Scunthorpe, North Lincolnshire, DN15 6AF	20,311 87
CS02	P S Smith	75 Mill Lane, Barrow Upon Soar, Loughborough, Leicestershire, LE12 8LQ	10,173 65
RC01	Paul Cavill	20 Beaufort Avenue, Loughborough, Leicestershire, LE11 2RE	0 00
CP00	PEL Engineering Limited	Unit A17, Ashforth Business Centre, Ashford Street, Nottingham, NG3 4BG	243 00
CP01	PJC Plant Services (Leics) Limited	56 Sanvey Gate, Leicester, LE1 4BQ	57 70
CP02	Powered Access Services	Beveridge Lane, Ellistown, Nr Coalville, Leicestershire, LE67 1FB	9,620 48
CP03	Premier Galvanising Limited	Darwin Road, Willowbrook Industrial Estate, Corby, Northamptonshire, NN17 5XZ	7,260 57
CP04	Premier Inn	Houghton Hall Business Park, Porz Avenue, Dunstable, LU5 5XE	64 30
CP05	Print and Buying Services Limited	11 Pate Road, Leicester Road Industrial Estate, Melton Mowbray, Leicester, LE13 0RG	347 28
CP06	ProCad Detailing Limited	Second Floor, King's Chambers, 1 Cathedral Road, Derby, DE1 3PA	21,476 40
CP07	Punches Dies & Blades	Brunel Gate, Brunel Industrial Estate, Blyth Road, Harworth, Doncaster	145 44
CR03	R D Moore Limited	Brunel Way, Stephenson Industrial Estate, Coalville, Leicestershire, LE67 3HF	1,662 00
CR05	R H Construction	17 Pankhurst Road, Leicester, LE4 1DX	18,073 20
CR01	Rainbridge Timber Limited	Pye Bridge Road Industrial Estate, Main Road, Pye Bridge, Alfreton, Derbyshire, DE55 4NX	501 98
CR02	Raymond Crane Hire Limited	Mill Way, Old Mill Lane Industrial Estate, Mansfield Woodhouse, Nottinghamshire, NG19 9BG	25,291 20
CR00	RBS Invoice Finance - Charnwood	Smith House, PO Box 50, Elmwood Avenue, Feltham, TW13 7QD	6,266 04
CR04	Rep Air Services Limited	Unit 23, Monarch Way, Belton Road Industrial Estate, Loughborough, Leicestershire, LE11 0XG	19 75

Begbies Traynor (Central) LLP
Cavill Fabrications Limited
B - Company Creditors

Key	Name	Address	£
CR06	Ricoh UK Limited	NRG House, 4 Rushmills, Northampton, NN4 7YB	120 00
CR07	Rigid Erections Limited	24 Landcroft Lane, Sutton Bonington, Leicestershire, LE12 5PD	13,658 10
RC00	Robert Cavill	1 Castle Hill, East Leake, Loughborough, Leicestershire, LE12 6LU	0 00
CS00	Sage Group Plc	Sage House, Benton Park Road, Newcastle upon Tyne, NE7 7LZ	660 00
CS01	Saunders Bros (Builders) Limited	38 Main Street, Sutton Bonington, Loughborough, Leicestershire, LE12 5NE	3,057 60
CC05	SMC Limited t/a Chubb Emergency Response	No 1 The Beehive, Lions Drive, Shadsworth Business Park, Blackburn, BB1 2QS	64 90
CS03	Speedy Asset Services Limited	Chase House, 16 The Parks, Newton le Willows, WA12 0JQ	5,066 17
CS04	Staples Advantage	Tameside Drive, Birmingham, B6 7AY	22 80
CS05	Steel Service Centre Limited	Hanger 5, New Road, Hixon, Stafford, ST18 0PJ	1,643 40
CS06	Surface Technik	Ninian Way, Wilnecote, Tamworth, Staffs, B77 5ES	4,642 15
CS07	Syston Rolling Shutters Limited	33 Albert Street, Syston, Leicester, LE7 2JB	211 50
CT01	Tanvic Tyre & Service Centre	37 Derby Road, Loughborough, Leicestershire, LE11 0AD	280 00
CT02	Tata Steel UK Limited	Commercial Accounting Department, PO Box 106, Port Talbot Works, Port Talbot, West Glamorgan, SA13 2NG	55,429 45
CT03	Temple Mill Fabrications Limited	2 Blacksmith Way, Brook Park, Shirebrook, Nottinghamshire, NG20 8FR	48,101 89
CT04	Terratruck Distribution	Accounts Office, 34-36 Gipsy Lane, Leicester, LE4 6TD	10,220 34
CT00	The Angle Ring Co Limited	Bloomfield Road, tipon, West Midlands, DY4 9EH	5,602 80
CT05	The Section Bending Co	Houghton Road, North Anston Trading Estate, Dinnington, Sheffield, S31 7JJ	1,062 16
CT06	Torclad Limited	Rose Park, Lutterworth Road, Blaby, Leicester, LE8 4DR	2,730 05
CT0B	Trade UK	Trade UK, Selectapost 28, Sheffield, S97 3GE	206 78
CT07	Travis & Perkins (Properties) Limited	Property Department, PO Box 391, Northampton, NN5 7YW	2,540 00
CT08	Travis Perkins Trading Co	PO Box 5226, Harlestone Road, Northampton, NN5 7ZD	283 43
CT09	Trent Shotblasting Company	c/o RBS Invoice Finance Limited, PO Box 50, Feltham, Middlesex, TW13 7QD	9,970 68
CT0A	Tubes (UK) Limited	Unit 8, Autobase Industrial Estate, Tipton Road, Warley, West Midlands, B69 3HU	6,935 44
CU00	UHY Hacker Young	22 The Ropewalk, Nottingham, NG1 5DT	7,500 00
CU02	UK Diamond Drilling Limited	Unit 6, Ellesmere Business Park, Haydn Road, Basford, Nottingham, NG5 1DX	420 00
CU01	United Forktrucks (1992) Limited	Northern Court, Vernon Road, Basford, Nottingham, NG6 0BJ	808 95
CU03	United Steel Services (Leeds) Limited	282 Cutler Heights Lane, Dudley Hill, Bradford, BD4 9HU	8,459 99
CV00	V Festa & Sons Haulage Limited	75 Toothill Road, Loughborough, Leicestershire, LE11 1PN	2,397 42
CV01	Vizual Business Tools Plc	Syward Place, Pycroft Road, Chertsey, Surrey, KT16 9JT	540 00

Begbies Traynor (Central) LLP
Cavill Fabrications Limited
B - Company Creditors

Key	Name	Address	£
CV02	Vizual Management Solutions Limited	New Media House, Stanley Street, Tunstall, Stoke on Trent, ST6 6BW	96 00
CW00	Walters & Walters Limited	Unit 16, Orchard Road, Royston, Herts, SG8 5HA	162 00
141 Entries Totalling			804,101.12

ADMINISTRATORS' TIME COSTS AND EXPENSES

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 22 July on this assignment amounts to 411 hours at an average composite rate of £239 per hour resulting in total time costs to 22 July 2011 of £98,389.

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 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.

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 guidance¹ 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 guidance² 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.

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

² Ibid 1

- 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

(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 Nottingham office as at the date of this report are as follows

	Standard 1 May 2011 until further notice Regional
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Prior to 1 May 2011, the following rates applied

Grade of staff	Charge-out Rate (£ per hour)
Partner	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	Cavill Fabrications Limited
CASE TYPE	ADMINISTRATION
OFFICE HOLDERS	Richard A B Saville AND Andrew J Cordon
DATE OF APPOINTMENT	1 June 2011

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

The assignment itself has been relatively straightforward to date. The assignment has incurred a high proportion of time costs to date because of the decision to continue trading in the short term to finish off the work in progress and seek a purchaser for the business. As agreement was needed from all of the Company's clients at the onset of the assignment and as trading continued for seven weeks, an onsite presence has been needed to ensure the Administrators delivered, on time, the work which they had committed to completing.

1 3 Exceptional responsibilities

There were a number of responsibilities that the Company was obliged to perform under its contracts and it was imperative, with the assistance of the staff retained, that the Administrators completed the works in accordance with the written contract and that the finished products which were manufactured were of a suitable quality.

1 3 1 The office holders' effectiveness

The initial strategy, after reviewing the Company's records prior to appointment, confirmed that after a period of short trading, the realisable value of the Company's assets could be significantly enhanced. As a result, we ensured that dialogue was entered into with the customers who had work in progress in the factory to seek assurances that they would support the Company's during the Administration period whilst the works were completed. As a result of our efforts, and the customers' agreement, we are pleased to report that the strategy adopted at the onset of this assignment has been successful.

1 4 Nature and value of property dealt with by the office holders'

The property which has been dealt with has been primarily the stock items held by the Company and work in progress on the factory floor. The remaining property, being the plant & machinery, motor vehicles and fixtures and fittings, were sold by the appointed agents, John Pye & Sons Limited of Nottingham. The realisations, when quantified, are expected to be greater than that shown on the directors' statement of affairs.

1 5 Anticipated return to creditors

There are no secured creditors. The preferential creditors' will be paid in full and it is anticipated, dependant upon the realisation of the debtor ledger, that unsecured creditors may well receive a dividend of between 25p and 40p in the pound.

1 6 Time costs analysis

An analysis of time costs incurred between 1 June 2011 and 22 July 2011 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.

Due to the nature of the assignment, senior members of staff were used to oversee the continued trading of the business with more administrative staff used to process the general correspondence.

The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment and does not include any of the time incurred pre-appointment.

1 7 The views of the creditors

The creditors were informed of our appointment within the first week of our appointment and a number of them have been supporting the continued trading of the business under our supervision. These proposals provide the creditors with the first detailed report of actions taken to date and what the likely outcome is going to be.

1 8 Approval of fees

The passing of the following resolution is requested from creditors with this report:

"That the joint administrators' remuneration be fixed by reference to the time properly given by the joint administrators (as administrators) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the administration."

1 9 Approval of Expenses and Disbursements

The passing of the following resolution is requested from creditors with this report:

"That the joint administrators 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, details of which accompanied *The 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*."

1 10 Category 2 Disbursements

In accordance with the resolution obtained in relation to expenses and disbursements, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case since the date of my appointment:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage – travel to site	467 63

1 11 Other professionals employed & their costs

John Pye & Sons Limited of Nottingham have been retained to assist in the asset realisation process. They have not yet charged any fees to the case, but they will be reviewed by the Joint Administrators upon submission of an invoice.

Browne Jacobson solicitors of Nottingham have also been instructed by the Joint Administrators to assist with any legal matters. Again, they have not yet submitted an invoice for the time which they have incurred to date. The fees will be reviewed upon the submission of an invoice.

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 at Appendix 3.

2 2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 3.

