

AM03

Notice of administrator's proposals



Companies House

WEDNESDAY



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COMPANIES HOUSE

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at
eshouse

1 Company details

Company number 0 4 1 9 6 4 7 6
Company name in full TRS Engineering Laser Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Gareth David
Surname Rusling

3 Administrator's address

Building name/number 3rd Floor
Street Westfield House
Post town 60 Charter Row
County/Region Sheffield
Postcode S 1 3 F Z
Country

4 Administrator's name ①

Full forename(s) Joanne Louise
Surname Hammond

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 3rd Floor
Street Westfield House
Post town 60 Charter Row
County/Region Sheffield
Postcode S 1 3 F Z
Country

② Other administrator
Use this section to tell us about
another administrator.

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form.●
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

● You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC


2 Insolvency practitioner's name

Full forename(s)	Gareth	
Surname	Prince	

3 Insolvency practitioner's address

Building name/number	3rd Floor	
Street		
Post town	1 Temple Row	
County/Region	Birmingham	
Postcode	B 2 5 L G	
Country		

AM03
Notice of Administrator's Proposals

6		Statement of proposals		
		<input checked="" type="checkbox"/>	I attach a copy of the statement of proposals	
7		Sign and date		
Administrator's Signature	Signature ✕ 		✕	
Signature date	^d 3 ^d 0	^m 0 ^m 7	^y 2 ^y 0 ^y 1 ^y 8	

AM03 Notice of Administrator's Proposals



Presenter information

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

Contact name	Kirsty Radford
Company name	Begbies Traynor (SY) LLP
Address	3rd Floor Westfield House
Post town	60 Charter Row
County/Region	Sheffield
Postcode	S 1 3 F Z
Country	
DX	
Telephone	0114 2755033



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

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.

TRS Engineering Laser Limited (In Administration)

Statement of proposals for achieving the purpose of administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016

Important Notice

This 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"	TRS Engineering Laser Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Act on 5 June 2018
"the administrators", "we", "our", "us"	Gareth David Rusling of Begbies Traynor (SY) LLP, Kendal House, 41 Scotland Street, Sheffield, S3 7BS, Sheffield.North@Begbies-Traynor.com and Joanne Louise Hammond of Begbies Traynor (SY) LLP, Kendal House, 41 Scotland Street, Sheffield, S3 7BS and Gareth Prince of Begbies Traynor (Central) LLP, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, West Midlands, B2 5LG.
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (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 Act

2. STATUTORY INFORMATION

Name of Company	TRS Engineering Laser Limited	
Trading name(s):	N/A	
Date of Incorporation:	9 April 2001	
Company registered number:	04196476	
Company registered office:	Kendal House, 41 Scotland Street, Sheffield, S3 7BS	
Former registered office:	Lyndhurst, 1 Cranmer Street, Long Eaton, Nottingham, NG10 1NJ	
Trading address(es): (or attach a separate sheet if more than one)	Unit 7-8, Saddlers Court, Fryers Road, Walsall, West Midlands WS2 7LZ	
Principal business activities:	Machining	
Directors and details of shares held in the Company (if any):	Name	Shareholding
	Wesley James Osborne	N/A
Company Secretary and details of the shares held in Company (if any):	Name:	Shareholding
	Wesley James Osborne	N/A
Auditors:	Gregory Priestley & Stewart	
Share capital:	5,000 shares of £1 each	
Shareholders:	Elderworth Limited – 5,000 shares	

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of appointment:	5 June 2018
Date of resignation:	N/A
Court:	High Court Of Justice, Business and Property Courts, Insolvency and Companies List, Leeds
Court Case Number:	498 of 2018
Person(s) making appointment / application:	Wesley James Osborne, the director of the Company, c/o Unit 7-8 Saddlers Court, Fryers Road, Walsall, West Midlands, WS2 7LZ

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.

EU Regulation on Insolvency Proceedings:

Regulation (EU) No 2015/848 of the European Parliament and of the Council applies to these proceedings which are 'main 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 OUR APPOINTMENT

Background

The company is part of a group of four companies, all of which entered Administration on 5 June 2018.

The companies all operated from four industrial units situated at Saddlers Court, Fryers Road, Walsall, West Midlands, WS2 7LZ.

T R S Engineering Services Limited ("TRS") was incorporated in March 1993 by the current director and traded as an engineering solutions and research and development business. TRS was at the cutting edge in providing innovative engineering solutions to the Automotive, Aerospace, Auto sport, Medical, Mining,

Nuclear, Petrochemical and general engineering sectors. TRS had a longstanding reputation as a 'problem solver' within these industries with a key focus on:

- Design and Manufacture of specialist Precision Tooling
- Batch Production
- Failure & Special Investigations
- Consultancy
- Offshore and Large Component Measurement
- Design and Manufacture of TechModern Presses
- Product Support

TRS owns two of the four trading premises together with approximately half of the chattel assets and machinery utilised by the companies.

Elderworth Limited ("Elderworth") was incorporated in August 1993 and traded as a management and holding company to the other three group companies. Elderworth owns one of the four trading premises together with approximately half of the chattel assets and machinery utilised by the companies.

Elderworth Properties Limited ("Elderworth Properties") was incorporated in December 2000 to acquire the fourth trading unit. Other than the freehold property, Elderworth Properties has no assets and did not engage in any commercial activities.

TRS Engineering Laser Limited ("TRS Laser") was incorporated in April 2001. We are advised that this company was initially established with the intention of transferring the laser cutting element of the business but the transfer was never completed. TRS Laser is consequently a non- trading business.

Summary of Financial Difficulties

Over recent years, the primary focus of the business has been the research and development of a hydroforming press which operated within Units 2 and 3 Saddlers Court.

The development of this innovative machinery was funded via capital injections from the director personally and a combination of secured loans and development grants from Finance Birmingham (a division of Birmingham City Council).

The funds introduced by Finance Birmingham were paid to TRS and a fixed and floating charge debenture was granted over its assets as security. Elderworth and Elderworth Properties provided cross guarantees in respect of TRS's indebtedness to Finance Birmingham which are also secured by fixed and floating charge debentures.

Despite the successful development of the hydroforming press, orders and pipeline work for this and the other sectors of the business were lower than expected and were not sufficient to fund the ongoing operating costs for the business. TRS therefore began to build up arrears with its trade creditors and HM Revenue & Customs ("HMRC").

In April 2018, HMRC began escalating their attempts to recover the outstanding monies and, on several occasions, threatened to send a bailiff to the companies' premises to distrain over the assets.

In the lead up to the administration, TRS had entered into an invoice discounting facility with Lloyds TSB Commercial Finance Plc ("LTSBCF"). LTSBCF provided funding against TRS's invoices and as at the date of the Administration were owed approximately £27,000 against a debtor ledger of approximately £31,000. We understand that some monies due to LTSBCF may have been paid into TRS's general bank account which would constitute a breach of the facility terms. Investigations in this respect are ongoing.

TRS granted LTSBCF a fixed and floating charge debenture as security for the facility. This is supported by a cross guarantee and accompanying fixed and floating charge debenture against Elderworth.

As a result of the circumstances highlighted above, the companies' accountants, Gregory Priestley and Stewart, recommended that the director seek specialist financial advice from Begbies Traynor. Begbies Traynor were formally engaged to advise the companies on 8 May 2018.

Following a review of the companies' financial affairs, it was concluded that TRS was insolvent on a cash flow basis. TRS could not afford to maintain supplier payments when they fell due for payment and had accrued arrears with HMRC and its employees.

In addition, and when taking into account the intercompany positions, all four companies were insolvent on a balance sheet basis as their liabilities exceeded their assets.

Pre-Appointment Marketing Activity

Having considered the various insolvency options, it was concluded that administration would be most appropriate in these circumstances to secure the maximum value for the companies' assets. It was agreed that a short term marketing campaign would be undertaken to see if a pre-packaged sale of the business could be achieved.

Charterfields Limited ("Charterfields"), specialist asset consultants, were instructed to undertake a valuation of the companies' assets and provide their recommendations for a marketing strategy.

With the assistance of the companies' director, marketing literature was compiled and distributed to both Charterfields' database of known interested parties and key contacts highlighted by the director as likely to be interested in the business.

In order to protect TRS, Elderworth and Elderworth Properties from precipitous creditor action during this marketing period, a Notice of Intention to Appoint Administrators was lodged with the court on 9 May 2018.

Multiple expressions of interest were received and negotiations with these parties were overseen by Charterfields and the director. Unfortunately, due to the low level of pipeline work and concerns over the viability of the business moving forward, no offers were received for the business as a whole.

We did however receive an offer in the sum of £150,000 for the hydroforming press and ancillary machinery associated with this sector of the business. The interested party also indicated that they were seeking to take occupation of Units 2 and 3 Saddlers Court.

As TRS could not afford payroll costs during this marketing period, 9 of the 14 employees were made redundant. The remaining 5 employees (including the director) were retained to assist with the marketing process and complete the small number of outstanding orders that TRS had received.

To allow the conclusion of the marketing process a second Notice of Intention to Appoint an Administrator was lodged with the court on 23 May 2018 to continue the period of protection from any Creditor action.

Rationale for Administrators' Appointment

During the marketing period, we liaised with Finance Birmingham and provided regular updates in relation to the interest received. Finance Birmingham confirmed they were supportive of the proposed administration and the strategy adopted.

On 4 June 2018, we held a meeting with Charterfields and the director to discuss the offer we had received for the hydroforming press and the feedback we had received from the other interested parties. It was concluded that the companies needed to enter into administration to protect the value within the assets and ensure the maximum return to the companies' creditors.

Gareth David Rusling, Gareth Prince and Joanne Louise Hammond were subsequently appointed as joint administrators on 5 June 2018.

5. STATEMENT OF AFFAIRS

Gregory Priestley and Stewart have assisted us and the director in producing the requisite financial information to allow the Estimated Statement of Affairs appended to this report to be prepared.

Gregory Priestley and Stewart will continue to liaise with the director and we are hopeful that a formal Director's Statement of Affairs will be received shortly. Once received, this will be filed at Companies House and will be available for creditors to view or download.

6. THE ADMINISTRATION PERIOD

Receipts and Payments

Attached at Appendix 1 is our account of receipts and payments from the commencement of administration, 05/06/2018 to 17 July 2018.

Whilst Mr Osborne advised that there may have been a potential to sell the Company's business, no interest has been received in this respect. As the Company does not have any assets, there are no tangible assets to realise.

No receipts have therefore been received in this regard.

No payments have been made since the date of the joint administrators' appointment.

Work undertaken by the Administrators and their staff

Upon our appointment, we undertook an immediate review of the ongoing work in progress and small number of future orders to determine whether or not it would be worth while concluding this work.

It was concluded that the employees should immediately conclude the work that they were dealing with and that it was not cost effective to continue any further work. We secured the final products and arranged for the customers to collect these the following day.

Consequently, TRS's remaining five employees were made redundant on the date of our appointment.

The sale of the hydroforming press and ancillary assets for the sum of £150,000 plus VAT completed shortly after our appointment. The purchase price was paid in full at completion and these funds are currently held by Charterfields. We are working with Gregory Priestley and Stewart to determine which group company is entitled to these funds. The companies' asset schedules appear to be out of date so we cannot provide a definitive split of these funds at this stage but it is likely that the funds will need to be divided between TRS and Elderworth.

As a condition of the sale, the purchaser of the hydroforming press was granted a three month licence to occupy Units 2 and 3 Saddlers Court. They have indicated that they would like to take a five year lease over these premises and this is currently being prepared by our solicitors. Having undertaken a review of property prices within the area, Charterfields are confident that the value of Units 2 and 3 will be higher if a tenant is in situ.

Both Finance Birmingham and Lloyds TSBCF have been updated in relation to the sale of the hydroforming press and provided their consent to the transaction.

The companies' remaining assets are situated in Units 7 and 8 Saddlers Court. At the director's request, these have been offered for sale as a single manufacturing unit. Charterfields have recently been provided

with details for a number of new interested parties and are in the process of providing these contacts with the relevant marketing literature.

In the event that a sale as a whole cannot be agreed at a fair price, it is likely that the assets will be offered for sale via an auction. In this scenario, we anticipate realisations in respect of these assets to be in the region of £250,000 to £300,000. Charterfields believe that a sale via auction is ultimately likely to achieve the highest level of realisation possible. However, this will be reviewed should an offer for the whole of the business and assets be received.

Following the conclusion of any sale of the remaining assets, we will need to undertake a similar exercise to that which we are currently dealing with in respect of the hydroforming equipment in relation to the allocation of the sales proceeds between the companies.

Once the assets have been removed from site and, any residual items have been disposed of, there may be some remedial works required at the properties before they can be marketed for sale. The cost of these works is impossible to predict at this stage as the majority of the machinery on site is not easily moveable.

The director has advised that a purchaser of the manufacturing unit may also be interested in acquiring the trading names of TRs and TRS Laser.

7. ESTIMATED OUTCOME FOR CREDITORS

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

Secured creditor

The Company did not grant any security and therefore there is no secured creditor in this matter.

Preferential creditors

The Company did not have any employees and therefore no preferential claims are anticipated.

Unsecured creditors

Claims of unsecured creditors were estimated at £26,218. This relates to funds due to Elderworth Properties.

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:

Secured creditor

There is no secured creditor.

Preferential creditors

There are no preferential creditors.

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 our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, Section 176A will not apply and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

Unsecured creditors

A distribution to unsecured creditors is dependant upon whether or not a purchaser of the manufacturing unit seeks to acquire the TRS Laser trading name.

Effect of administration on limitation periods under the Limitation Act 1980

As explained in our initial correspondence confirming our appointment as administrators, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

8. OUR 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 this report, we presently consider that it is not reasonably practicable to achieve the objective specified in sub-paragraph 3(1)(a), and consequently 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 stated above, Charterfields are currently marketing the Companies remaining assets for sale. It is hoped that a sale of all group companies may be achieved. Should this be the case, it is anticipated that there will be sufficient funds to allow a distribution to be made to the Company's unsecured creditors, thereby achieving the above objective.

Due to the limited assets of the Company and its dormant state, it would not have been possible to achieve the objective of 3(1)(a), i.e. rescuing the Company as a going concern. In addition, objective 3(1)(c), namely realising property in order to make a distribution to one or more secured or preferential creditors, was also not viable as the Company does not have any secured or preferential creditors.

Should the joint administrators proposals be approved, the administration of the Company will continue to be managed by the joint administrators. This will require continued discussions with Charterfields in relation to potential interest in the Company and, if possible, completing a sale of the business. All statutory matter will also be completed when required.

The joint administrators will utilise their staff to ensure that the work undertaken is completed by sufficiently experienced personnel.

The costs of all professionals utilised will be discharged from the assets of the Company. If a sale of the Company's business is not successful, or should realisations be of an insufficient level to discharge our fees, such fees will be written off as irrecoverable.

Exit from Administration

We confirm that there are no secured creditors in this matter and that a distribution is anticipated be made to the unsecured creditors of the Company which is not a distribution of the prescribed part¹.

We have the power to make a distribution of the prescribed part to unsecured creditors in the administration but any other distribution to them requires the permission of court. 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 deliver a notice of moving from administration to creditors' voluntary liquidation to the Registrar of Companies. Upon the registration of such notice our appointment as administrators shall cease to have effect and the Company will automatically be placed into 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, or in the event of there being a subsequent change of persons appointed as administrator, the individuals in office as such immediately prior to the Company being placed into liquidation, do 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 our 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.

However, once the joint administrators are in a position to make a distribution to unsecured creditors, should they deem it beneficial to distribution from the administration rather than move the Company into liquidation,

¹ Insolvency Act 1986, Sch B1, para 83(1)

the joint administrators reserve the right to make an application to court for permission to distribution from the administration.

Should the above action be undertaken, 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 deliver a notice of moving from administration to dissolution to the Registrar of Companies. Upon the registration of such notice our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

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

However, it may transpire that it is not possible to finalise the administration as envisaged within one year of the date of our appointment. In particular, this situation will arise if we are not able to conclude a sale of the Company's property. The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, our term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. It may therefore become necessary at some future time for us to seek creditor consent to extending the period of the administration for up to a further twelve months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

9. PRE-ADMINISTRATION COSTS

In the period before the Company entered administration, we carried out work consisting of advising the Company on its financial position and providing advice on the process of placing the Company into administration ("the Work"). The Work was carried out pursuant to an agreement made between us and the Company entered into on 3 May 2018 ("the Agreement"). The Agreement provides for the payment of our fees and the discharge of expenses incurred by us (collectively referred to as "the pre-administration costs") in carrying out the Work.

The Work was carried out before the Company entered administration because it related to advising the Company on the proposed administration, the appointment of administrators and the options available to the Company. For these reasons we 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 pre-administration costs are broken down as follows:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work	Begbies Traynor	11,798.00	2,359.60	14,157.60
Legal Fees	hlw Keeble Hawson LLP	638.70	127.74	766.44
Agents Costs – Fees Agent's Costs- Disbursements	Charterfields Limited	None	None	None
TOTAL PRE-ADMINISTRATION COSTS		12,436.70	2,487.34	14,924.04

The pre-administration costs are unpaid. At this stage, we are not seeking approval to recover these costs as realisations within the administration are uncertain and the Company's only known creditor is Elderworth Properties.

10. REMUNERATION AND DISBURSEMENTS

Remuneration

We are not seeking a decision on our remuneration at this juncture as realisations within the administration are uncertain and the only known creditor is Elderworth Properties.

However, Appendix 3 sets out our firm's hourly charge out rates, our fees estimate and the time that we and our staff have spent in attending to matters arising in the administration since 5 June 2018.

Disbursements

We propose that disbursements for services provided by our firm and/or entities within the Begbies Traynor group, be charged in accordance with our firm's policy, details of which are set out at Appendix 3. These disbursements will be identified by us and will be payable subject to the approval of those responsible for determining the basis of our remuneration.

As detailed above, we are not seeking approval for our remuneration and disbursements at this stage.

Estimate of expenses

We are required by the Rules to provide creditors with details of the expenses that we consider will be, or are likely to be, incurred in the course of the administration. This information also appears at Appendix 3.

11. OTHER INFORMATION TO ASSIST CREDITORS

Report on the conduct of director

We have a statutory duty to investigate the conduct of the director and any person we consider to be or have been a shadow or de facto director during the period of three years before the date of our appointment, in relation to their management of the affairs of the Company and the causes of its failure. We are obliged to submit confidential reports to the Department for Business, Energy and Industrial Strategy.

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 1 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.

We are currently in correspondence with the Company's accountants with a view to getting further details of the Company's transactions and the inter-company positions in order to allow a full investigation of the same to be undertaken. Due to the complex nature of the transactions, this information has not yet been available however it is anticipated that this will be received in the near future.

In light of the above, and due to the limited period which has passed since our appointment, minimal investigation works have been completed to date.

Connected party transactions

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

Due to the complex nature of the inter-company transactions between the group companies, should any connected party transactions come to light in due course, we will of course notify creditors in our future reports to them.

Deemed delivery

These proposals will be deemed to have been delivered on 1 August 2018.

Use of personal information

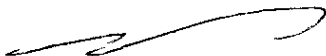
Please note that in the course of discharging our statutory duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

12. CONCLUSION

We are hopeful that the Company will have sufficient property to enable a distribution to the unsecured creditors, other than from the prescribed part fund of any net floating charge property, under the insolvency legislation, and we are therefore required to seek a decision from the Company's creditors as to whether they approve our proposals. This decision will be sought via the deemed consent procedure and a notice of the decision sought is accompanying this document.

Unless 10% in value of the Company's creditors object to the approval of our proposals via the deemed consent procedure, then the creditors will be treated as having made the proposed decision to approve our proposals.

Subject to the approval of our proposals 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.



Gareth David Rusling
Joint Administrator

Date: 30 July 2018

ACCOUNT OF RECEIPTS AND PAYMENTS

05 June 2018 to 30 July 2018

**TRS Engineering Laser Limited
(In Administration)**

**Income and Expenditure Account
05 June 2018 to 30 July 2018**

INCOME	Total (£)
	<hr/>
	0.00
	<hr/>
EXPENDITURE	
	<hr/>
	0.00
	<hr/>
Balance	0.00
	<hr/>
MADE UP AS FOLLOWS	
	<hr/>
	0.00
	<hr/>

**JOINT ADMINISTRATORS' ESTIMATED
STATEMENT OF AFFAIRS AS AT 05 June 2018**

REMUNERATION AND EXPENSES

Total time spent to 30 July 2018 on this assignment amounts to 57.8 hours at an average composite rate of £291.12 per hour resulting in total time costs to 30/07/2018 of £16,826.50.

To assist creditors in determining this matter, the following further information appears in this appendix:

- ☐ Begbies Traynor (SY) LLP's charging policy;
- ☐ Pre-administration Time Costs Summary with Pre-Administration Time Costs Analysis;
- ☐ narrative summary of time costs incurred;
- ☐ Table of time spent and charge-out value;
- ☐ The Administrators' fees estimate; and
- ☐ Details of the expenses that the Administrators consider will be, or are likely to be, incurred.

In addition, a copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017' which provides guidance on creditors' rights can be obtained online at www.begbies-traynor.com/creditorsguides . Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

Finally, the Association of Business Recovery Professionals (R3) has set up a website that contains a step-by-step guide designed to help creditors navigate their way through an insolvency process which includes information in relation to remuneration. You can access the website at the following address: <http://www.creditorinsolvencyguide.co.uk/>

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. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates 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 and 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 expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

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

- Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates

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

² Ibid 1

Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

(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 Sheffield office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour) 1 May 2011 – until further notice
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	60 - 110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

PRE ADMINISTRATION TIME COSTS SUMMARY

CASE NAME: TRS Engineering Laser Limited

CASE TYPE: ADMINISTRATION

OFFICE HOLDERS: Gareth David Rusling, Joanne Louise Hammond and Gareth Prince

DATE OF APPOINTMENT: 5 June 2018

1 CASE OVERVIEW

1.1 This overview is intended to provide sufficient information to enable the body responsible for the approval of pre-administration costs to consider the level of those costs in the context of the case.

1.2 Time costs information

Details of the time spent by each grade of staff prior to the appointment of the administrators and the overall average hourly charge out rate for the pre-administration work are set out in the attached table.

Full details of the work undertaken by the administrators and their staff prior to appointment are set out below and in the Administrators' Statement of Proposals.

1.3 Overview of work undertaken prior to appointment

Prior to appointment, the proposed Administrators advised on the alternative options and/or processes available to the Company and advised the director and the Company's professional advisors on the appropriate process for appointing administrators. Meetings were held with the director and the Company's professional advisors to assess the financial position of the Company and to establish a strategy. The costs in relation to the preparation and organisation of the various appointment documents have also been incurred.

1.4 Complexity of work undertaken prior to appointment

The work is relatively straight forward.

1.5 Exceptional responsibilities

There have been no exceptional responsibilities in respect of the work undertaken prior to the Administrators' appointment.

1.6 The proposed Administrators' effectiveness

The proposed Administrators liaised with the secured creditors with regards to the necessary steps to place the company into Administration and secure the assets for the benefit of the creditors. In addition to this, the proposed administrators have sought professional advice as regards disposal strategies which will ultimately maximise realisations to the benefit of the creditors.

1.7 The views of the creditors

The secured creditors were kept fully up to date during the period leading up to the appointment of Administrators. The views of creditors as regards pre-appointment costs have not been directly sought until this point.

1.8 Approval of fees, expenses and disbursements incurred in the period prior to appointment

The Administrators are seeking a resolution in relation to their pre-administration costs as follows: that the unpaid pre-administration costs detailed in the joint administrators' Statement of Proposals for achieving the purpose of administration, be approved for payment.

1.9 Expenses and disbursements incurred in the period prior to appointment where payment is proposed to be made to Begbies Traynor and/or another entity with Begbies Traynor Group

Category 2 Disbursements

Pursuant to the resolution being sought in relation to the unpaid pre-administration costs, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements are proposed to be charged in relation to the period prior to appointment:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage	23.85
TOTAL	23.85

Disbursements treated as Category 2 disbursements

Other amounts paid or payable to any party in which the office holder or his firm or any associate has an interest	
Type and purpose	Amount £
None	Nil
TOTAL	Nil

1.10 Other professionals employed & their costs

Keebles have incurred the sum of £638.70 plus VAT for assisting with the appointment.

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2.1 Begbies Traynor (SY) LLP's policy for charging fees and expenses incurred by office holders is attached at this Appendix.

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

SIP9 TRS Engineering Laser Limited - Administration - 91TR333.ADM : Time Costs Analysis From 05/06/2018 To 30/07/2018

Staff Grade	Consultant/Partner	Director	Sr Mgr	Mgr	Asst Mgr	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average Hourly Fee £
General Case Administration and Planning	5.6											
Administration	1.1	8.0		1.3		2.4	1.8	1.8	0.5	5.6	2,212.00	395.00
Total for General Case Administration and Planning:	6.7	8.0		1.3		2.4	1.8	1.8	0.5	22.3	4,408.00	263.95
Compliance with the Insolvency Act, Rules and best practice	2.6			0.5			3.6			6.7	6,820.00	286.86
Appointment												
Banking and Bonding				0.4					0.5	1.3	1,645.50	245.80
Case Closure												
Statutory reporting and statement of affairs		16.7				0.3	2.4	1.0	0.1	20.5	6,254.00	305.07
Total for Compliance with the Insolvency Act, Rules and best practice:	2.6	16.7		0.9	0.4	0.3	6.0	1.0	0.6	28.5	8,142.00	285.70
Investigations												
CCDA and investigations												
Total for investigations:												0.00
Realisation of assets												
Debt collection												0.00
Property, business and asset sales		1.8								1.8	621.00	345.00
Retention of Title/Third party assets												0.00
Total for Realisation of assets:		1.8								1.8	621.00	345.00
Trading												0.00
Trading												0.00
Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions												0.00
Secured												0.00
Others		0.1						1.6		1.7	210.50	123.82
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions:		0.1						1.6		1.7	210.50	123.82
Other matters which includes meetings, tax, litigation, pensions and travel												0.00
Seeking decisions of creditors												0.00
Meetings	0.5									0.5	197.50	395.00
Other		3.0								3.0	1,035.00	345.00
Tax												0.00
Litigation												0.00
Total for Other matters:	0.5	3.0								3.5	1,232.50	352.14
Total hours by staff grade:	9.8	29.6	2.2	0.4		2.7	7.8	4.2	1.1	67.8		
Total time cost by staff grade:	3,871.00	10,212.00	583.00	82.00		472.50	1,033.00	482.00	91.00		16,826.50	
Average hourly rate £:	395.00	345.00	265.00	205.00		175.00	135.00	110.00	82.73			291.12
Total fees drawn to date £:											0.00	

TRS ENGINEERING LASER LIMITED

THE JOINT ADMINISTRATORS' FEES ESTIMATE

Further to our appointment as joint administrators, we are seeking to be remunerated on a time costs basis. Details of our firm's hourly charge-out rates are set out in the charging policy which accompanies this estimate. Prior to creditors determining the basis upon which we are to be remunerated, we are obliged to produce a fees estimate and to provide it to each creditor of whose details we are aware so that it can be approved at the same time as the basis of our remuneration.

Our fees estimate for the administration is set out below. Please note that blended hourly rates have been used which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column.

Details of the work that the administrators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	42.00	8,782.20	209.10
Compliance with the Insolvency Act, Rules and best practice	58.15	10,792.75	185.60
Investigations	5.15	1,130.75	219.56
Realisation of assets	9.50	2,302.50	242.37
Trading	0.00	0.00	0.00
Dealing with all creditors' claims (including employees), correspondence and distributions	3.00	405.00	135.00
Other matters which include seeking decisions from creditors (via DCP and/or via Decision Procedures), meetings, tax, litigation, pensions and travel	0.20	22.00	110.00
Total hours	118		
Total time costs		23,435.20	
Overall average hourly rate £			198.60

Although the fees estimate indicates that the total time costs for this matter will be £23,435.20, the time costs that we will be able to draw will be limited to the amount that is realised for the assets. The quantum of such fees are therefore currently uncertain. However, please note that should there be additional or unexpected asset realisations, we will look to draw our fees from those too.

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any work that is to be undertaken in any insolvency procedure following the administration.

Should creditors require further information on how this estimate has been produced this can be obtained from our website at <http://www.begbies-traynorgroup.com/fee-estimates>.

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>.

Dated:

SUMMARY OF TIME COSTS AND EXPENSES

This summary, which should be read in conjunction with the Time Costs Analysis for the period of the report attached, is intended to provide sufficient information to enable the body responsible for the approval of our fees to consider the level of our fees and expenses in the context of the case.

What work has been done since we were appointed, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only.

General case administration and planning

Time has been spent updating internal systems to ensure that all information required to allow the joint administrators to effectively manage the administration of the case, has been obtained and held.

We have formulated an appropriate strategy and monitored and reviewed that strategy; including meetings with internal and external parties to agree the same. We are required to maintain records to demonstrate how the case is administered and to document the reasons for any decisions that materially affect the case. This includes regular updates with staff and regular case management and reviewing of progress. Time spent also includes complying with internal filing and information recording practices, including documenting strategy decisions.

Whilst this does not necessarily benefit creditors financially, it is necessary in accordance with insolvency legislation and best practice.

Compliance with the Insolvency Act, Rules and best practice

There are certain tasks and requirements that we have a statutory obligation to undertake during the Administration. Following our appointment, we have notified the various bodies of our appointment, including creditors, and advertised our appointment in the London Gazette.

We have also prepared our Statement of proposals in accordance with insolvency legislation in order to provide creditors with a detailed explanation of the reasons for the failure of the Company, the progress made during the Administration to date and the work which will be undertaken going forward in order to achieve the objection of the Administration. Banking and other cashiering related activities are also recorded under this heading. This includes obtaining a statutory bond to ensure the assets of the estate are adequately insured.

This has not benefited creditors financially but is necessary in accordance with the Insolvency Act and Rules and best practice and the costs of undertaking these works cannot be avoided.

Investigations

Due to the limited time which has passed since their appointment, the joint administrators have not undertaken any investigation works. They have however ensured that any information required from site has been provided prior to any paperwork being sent to storage.

In addition, the joint administrators have secured the ongoing use of the Company's financial systems. This will be required to allow the joint administrators' to undertake their investigations in due course.

The above may ultimately result in increased realisations.

Realisation of assets

A limited amount of time has been spent liaising with Charterfields and the director in relation to the proposed sale of the company's trading name.

Should any realisations be achieved from this source, this will be of benefit to the Company's creditors.

Dealing with all creditors' claims (including employees), correspondence and distributions

We have provided the secured creditor of Elderwroth Properties (the ultimate beneficiary of realisations within the administration) with an update on the progress made in the Administration and provided an update in relation to the Administration strategy.

We have also dealt with creditor queries generally as and when required.

Whilst there is no financial benefit to creditors there is a general benefit in them being kept informed of our progress.

Other matters which include seeking decisions from creditors (via DCP and/or via Decision Procedures), meetings, tax, litigation, pensions and travel

Both internal and external meetings have been held in order to finalise strategy and provide updates to external parties, including meeting with secured creditors and agents. As stated on the attached proposals, the joint administrators are seeking agreement to various resolutions from the company's secured and preferential creditor. Time has therefore been spent preparing the necessary documentation in this regard.

This is of no direct financial benefit but hopefully the strategy adopted will result in the maximum possible level of realisations.

Time Costs Analysis

An analysis of time costs for the period of the report is attached showing the time spent by each grade of staff on the different types of work involved in the case, and giving the total costs and average hourly rate charged for each work type.

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only.

Details of the pre administration costs incurred and the approval of which are sought, are detailed within the Statement of Proposals to which this summary of time costs and expenses is attached.

Category 2 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 our appointment:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Travel	45.50
TOTAL	45.50

Disbursements treated as Category 2 disbursements

Other amounts paid or payable to any party in which the office holder or his firm or any associate has an interest	
Type and purpose	Amount £
None	Nil
TOTAL	Nil

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

As the Administration progresses, updates will need to be made to the strategy dependent upon the outcome of the realisations and investigations. This will include meetings between members of staff to formulate the strategy moving forward and ensure that the strategy is achieved. As detailed above, we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case on an ongoing basis. Periodic reviews will be carried out and this will include compliance reviews, internal checklist updates and diary reviews.

Whilst this does not necessarily benefit creditors financially, it is necessary in accordance with insolvency legislation and best practice.

Compliance with the Insolvency Act, Rules and best practice

We are required in accordance with the Insolvency Act and Rules to produce interim progress reports on a six monthly basis to provide an update to the creditors of the progression made during the Administration.

In addition, a final progress report will have to be produced once the Administration has reached its conclusion. This will provide creditors with an overview of the Administration, including all realisations, costs and the final outcome for creditors.

Should we need to extend the Administration beyond its statutory term of 12 months, we have a duty to seek an extension, firstly from the creditors and subsequently by Order of the Court, should a further extension be required.

Progress reports and the other statutory documentation detailed above must also be filed with the Registrar of Companies under the Insolvency Act. We will also periodically monitor realisations and compare to the statutory bond level to ensure that sufficient cover is in place at all time in order to protect the interests of the Company's creditors.

Cashiering duties such as banking funds, maintaining accounting records and invoicing are also recorded under this heading.

This will not benefited creditors financially but is necessary in accordance with the Insolvency Act and Rules and best practice and the costs of undertaking these works cannot be avoided.

Investigations

We have already started to undertake an initial assessment into the matters connected with the Company's affairs leading up to the date of the Administration. We will continue to investigate the affairs of the Company's and determine whether there are any actions against third parties that will lead to further recoveries for the estate.

We will correspond with the Company's accountants with a view to getting further details of the Company's transactions and the inter-company positions in order to allow a full investigation of the same to be undertaken.

The above work may result in future realisations for the estate, however, at present this is uncertain. It is also uncertain as to how much time will need to be spent in relation to any potential action regarding investigations.

Should the investigations result in a recovery within the administration there will be a financial benefit to creditors.

Realisation of assets

Time will be spent liaising with Chesterfields and the director in relation to the sale of the company's trading name.

Should this result in a recovery within the administration there will be a financial benefit to creditors.

Dealing with all creditors' claims (including employees), correspondence and distributions

We will deal with creditor queries throughout the Administration, ensuring correspondence, further information and queries are dealt with in a time manner. We will also continue to provide the secured creditor of Elderworth Properties with updates on progress of the Administration.

Whilst there is no financial benefit to creditors there is a general benefit in them being kept informed of our progress.

Other matters which include seeking decisions from creditors (via DCP and/or via Decision Procedures) tax, litigation, pensions and travel

We will be required to submit tax returns and dealt with the tax calculations and issues as and when they arise throughout the Administration.

There is no financial benefit to creditors but this work is necessary to comply with our obligations to HMRC.

How much will this further work cost?

As detailed in the fee estimate attached as part of this Appendix, we estimate the total time costs for the administration to total £23,452.20 (this includes time incurred to date). Please be advised that this is just an estimate based upon the time spent on similar historic cases.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above, as well as expenses that we have already incurred, are set out in the estimate of anticipated expenses attached at appendix 3.

TRS ENGINEERING LASER LIMITED

**DETAILS OF THE EXPENSES THAT THE ADMINISTRATORS CONSIDER WILL BE, OR ARE LIKELY
TO BE INCURRED DURING THE COURSE OF THE ADMINISTRATION**

No.	Type of expense	Description	Estimate £
1.	Advertisements	Of appointment & dividends etc.	72.00 + VAT
2.	Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds	20.00 + VAT
3.	Storage costs	An Insolvency Practitioner is required to retain relevant books and records of the insolvent entity in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with.	50.00 + VAT
4.	Bank charges	An Insolvency Practitioner is required to operate a separate bank account in relation to the insolvent entity's estate	35.00 + VAT
5.	Postage	In relation to the issue of circulars to the Company's creditors	1.80 plus VAT

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any expenses that will or may be incurred in any insolvency procedure following the administration.