

**The Insolvency Act 1986****Notice of statement of affairs****Name of company**

Tanfield Engineering Systems Limited

**Company number**

03808437

**In the**

Newcastle upon Tyne

**Court case number**

1123 / 2013

We,

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

Linda Farish  
RMT Gosforth Park Avenue  
Newcastle upon Tyne NE12 8EGAnthony Josephs  
RMT Gosforth Park Avenue  
Newcastle upon Tyne NE12 8EG

attach a copy of -

- \* the statement(s) of affairs,
- \* the statement(s) of concurrence,
- ~~\* a copy of the court order limiting disclosure in respect of the statement of affairs in respect of the administration of the above company~~

Signed

Joint Administrators

Dated

14/1/14

**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 searches of the public record

Emily Mitchell	
RMT, Gosforth Park Avenue, Newcastle upon Tyne NE12 8EG	
Tel	
DX Number	DX Exchange

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

THURSDAY



\*A2Z0WV2H\*

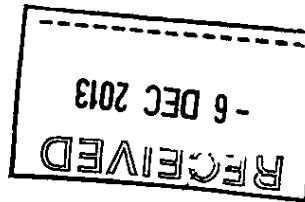
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16/01/2014

#154

COMPANIES HOUSE

# Statement of affairs

**Name of company**

Tanfield Engineering Systems Limited

**Company number**

03808437

**In the**

Newcastle upon Tyne

**Court case number**

1123 / 2013

**Statement as to the affairs of**

(a) Insert name and  
address of registered  
office of the company

Tanfield Engineering Systems Limited

of

RMT Gosforth Park Avenue, Newcastle upon Tyne NE12 8EG

(b) Insert date

on the 22nd day of November 2013, the date that the company entered administration

**Statement of Truth**

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 22 November 2013 the date that the company entered administration

Full name      Brooks, Charles

Signed



Dated

5 dec 2013

**Tanfield Engineering Systems Ltd (company no 03808437) Statement of affairs**

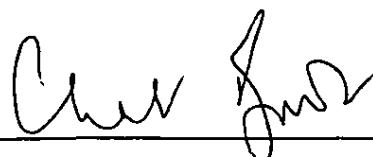
**A - Summary of assets**

	Book value	Estimated to realise
<b><u>Assets subject to Security</u></b>		
Plant and Machinery	71,199	71,199
Less Due to State Security	(139,941)	(139,941)
Surplus/Deficiency	(68,742)	(68,742)
<b><u>Assets not subject to Security</u></b>		
Plant and Machinery	28,415	28,415
Office Furniture	11,437	11,437
Debtors	672,392	575,076
Stock and WIP	156,221	78,111
Property	462,223	270,000
Total assets available to preferential creditors	<b>1,261,947</b>	<b>825,555</b>

**A1 - Summary of liabilities**

Total assets available to preferential creditors	1,261,947	825,555
Liabilities due to preferential creditors	(573)	(573)
Estimated surplus (deficiency) as regard to preferential creditors	<b>1,261,375</b>	<b>824,982</b>
<b>Unsecured non-preferential claims</b>		
Trade creditors including utilities	(341,363)	(341,363)
Other creditors	(156,516)	(156,516)
HMRC liabilities (PAYE, NIC & VAT)	(412,133)	(412,133)
Associated creditors	(394,434)	(394,434)
Estimated surplus (deficiency) as regard to non-preferential creditors	<b>(43,071)</b>	<b>(479,463)</b>
Share capital		
Deferred	(951,600)	(951,600)
Ordinary	(8,800)	(8,800)
Estimated surplus (deficiency) as regard to members	<b>(1,003,471)</b>	<b>(1,439,863)</b>

Signature



Date

5 DEC 2013

**B COMPANY CREDITORS - TANFIELD ENGINEERING SYSTEMS LIMITED**

**NOTE** You must include all creditors and identify any creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held	Date security given	Value of security £

*See attached listing*

Signature \_\_\_\_\_

Date: 5 Dec 2013

TANFIELD ENGINEERING SYSTEMS LTD LIABILITIES

Code	Supplier name	Full addresses					Total
AALCO	Aalco Newcastle Ltd	The Amari Credit Centre	Nautica	Navigation Park	Waters Meeting Road	BL1 8SW	15 575 64
ACT001	ADVANCED CUTTING TOOLS	1 TELFORD CLOSE	SALTWELL BUSINESS PARK	GATESHEAD	TYNE AND WEAR	NE9 5BG	3 086 98
ADV001	ADVANCED CUTTING TOOLS	1 TELFORD CLOSE	SALTWELL BUSINESS PARK	GATESHEAD	TYNE AND WEAR	NE9 5BG	1 821 48
AIR004	ADVANCED CUTTING TOOLS	1 TELFORD CLOSE	SALTWELL BUSINESS PARK	GATESHEAD	TYNE AND WEAR	NE9 5BG	460 92
ALMIT	ALMIT METAL FINISHING	WHINFIELD DRIVE	AYCLIFFE IND EST	COUNTY DURHAM		DLS 6AU	461 27
APPLE	COMPONENT FORCE LTD	UNITS A & B BIRLING PLACE	BIRLING	KENT		ME19 5JN	93 00
ARCO	Arco Ltd	P O Box 8	Tunbury Way	Chambridge Industrial Estate	Blaydon, Tyne & Wear	NE21 5SJ	515 37
ARM001	ARMAGRI	ADVANCE HOUSE	CHILTERN INDUSTRIAL ESTATE	CHILTERN	CO DURHAM	DL17 5D	1 000 92
AUTO22	AUTO DIESEL (NEWCASTLE)	ST LAWRENCE ROAD	NEWCASTLE UPON TYNE	NE6 1AR			1 058 16
B N Opti	B N Optical	32 Main Street	Crawcrook		Tyne & Wear	NE4 4NB	318 19
BOC	BOC	PO BOX 12 PRIESTLY ROAD	Worsley	Manchester	M28 4US	9 409 50	
BOTTOM	BOTTOMLINE TECHNOLOGIES LTD	115 CHATHAM STREET	READING	BERSHIRE	RG1 7JX	602 40	
BRIER LI	BRIERLEY LIFTING TACKLE CO LTD	TIMMIS ROAD	LYE	STOURBRIDGE	WEST MIDLANDS	DY9 7BQ	139 08
BTEL	British Telecom	BT Telephone Payment Centre	TYTE	Gateshead	NEB2 6XX		574 76
C & W HOOK	HANGON LTD	LEINTWARDINE	CRAYEN ARMS	SHROPSHIRE		SY7 0NB	19,768 83
CORUSHOT	CORUS HOT ROLLED PROCESSING	OLDFIELD LANE	LEEDS			LS12 4DH	5 526 00
CROM	Cromadex	Unit 5 Redwood	Business Park	Oldbury Road	Smethwick West midlands	B66 1NJ	351 48
Crowth	Crowth Engineering Limited	52 Hutton Close	Crowth Industrial Estate	Washington	Tyne & Wear	NE38 4AH	12 622 00
CUS002	CUSTOM BRAKES & HYDRAULICS	UNIT 2 HOLBROOK RISE	HOLBROOK INDUSTRIAL ESTATE	SHFIELD		52 3FG	98 34
DOC	Derwentside District Council	Civic Centre	Consett	Co Durham	DHB SJA	NE1 3BB	1 199 66
DEBENHAM	KNIGHT FRANK LLP CLIENT TRUST	A/C RE NEWCASTLE P A M DEPT	ST ANNS QUAY	118 QUAYSIDE	NEWCASTLE	NE1 3HU	869 3HU
DHL Ex	DHL International (UK) Ltd	P O Box 524	Hounslow	Middlesex		(3 371 64)	1 080 00
DUDLEY	LASERTUBE	UNIT 8	AUTOBASE INDUSTRIAL PARK	TIPTON ROAD TIVIDALE	OLBURY WEST MIDS	SR4 9EN	(843 94)
DUNLOP H	ARGUS POWERBEND	PENNYWELL IND ESTATE	SUNDERLAND			SR7 7HQ	155 00
ENHANCE	ENHANCE DRY CLEANING	12 CHURCH STREET	SEAHAM	CO DURHAM		PR25 5DB	528 00
ENV001	ENVIROCARE MAINTENANCE SOLUTION	NEW INN FARM	DAWSON LANE	LEYLAND	LANCASHIRE	PR25 5DB	781 02
ERK001	Eriks Industrial Services Ltd	Recenables Team	Amber Way	Halesowen	West Midlands	CM13 1TP	126 59
ESSEX	Essex Hinge Co Ltd	Talton Road	Hutton	Brentwood Essex	DARLINGTON	DL1 2NG	221 76
EVER	EVERGREEN PALLET SOLUTIONS	UNITS 6a & 7	ALBERT HILL INDUSTRIAL ESTATE	DARLINGTON		SR5 2TA	1 293 60
fleet	Fleet Services North East	Unit 20	North of England BIC	Wearfield	Sunderland	SO4 3WW	5 526 00
GAL001	Galc Cooling Services Ltd	Unit 3	Lulworth Business Centre	Nutwood Way	Totton Southampton	SO4 3WW	1 084 56
GEE	Gee Bee Grinding	Gellan House	Carlisle Street	Felling	Gateshead NE1 LD	SO4 3WW	1 041 76
HOGGS FN	Hogs Blasting & Finishing Equ	10 Armstrong Road	Armstrong Industrial Estate	Washington	Tyne and Wear	NE37 1PR	5 485 77
HOPWOOD	ROY HOPWOOD FASTENERS LTD	HIBBERT STREET	WHITEHILL INDUSTRIAL ESTATE	STOCKPORT	SK4 1NS	219 78	
IAS	INDUSTRIAL ANODISING SERVICES	UNITS 12, 13 & 14 NUNNS CLOSE	SOUTH CHURCH INDUSTRIAL ESTATE	BISHOP AUCKLAND	COUNTY DURHAM	DL14 6XD	1 201 80
II-VI	II-VI UK LIMITED	21 BURLEY RD	OAKHAM	RUTLAND		LE15 6DH	1 201 80
jet	Jet Engineering Plastics	Unit 13d/4	Annieield Village Bus Park	Netherton Road	Glasgow	G13 1EU	1 772 06
JOE	Precision Saw & Tool Ltd	Unit 5 VANCE COURT	Transbriantia Industrial Estate	Blaydon	Tyne and Wear	NE21 5NH	19 80
Ken Thom	Ken Thomas Ltd	The Old Brickworks	Tanfield	Stanley	County Durham	DH9 9UY	12 00
leen	LEENGATE INDUSTRIAL & WELDING	UNIT 350 PALLION IND ESTATE	EUROPEAN WAY	PALLION	SUNDERLAND	SR4 6SN	12 308 17
Lees	Lees Cleaning Contractors LLP	43 Maxwell Street	South Shields	Tyne & Wear		NE33 4PU	6 337 99
lek	LEKTRONIC	UNIT C1	LOCKSIDE	ANCHOR BROOK IND PARK	WEST MIDLANDS	WS9 8EQ	871 20
LIO002	Lion Springs Ltd	Summer Street	Rochdale			OL16 1SY	1 084 56
LOW001	LOWES HALL LTD	28 LIME STREET	O NEWCASTLE ON TYNE			NE1 2PL	324 51
M & S	M & S Distribution Ltd	Shelley Road	Newburn Industrial Estate	Newcastle Upon Tyne	NE15 9RT	7 549 00	
M B PREC	M B PRECISION ENGINEERING	Unit 8	Preserve Works	Newburn Ind Est	NE15 9RT	6 283 20	
MERIDIAN	MERIDIAN METAL TRADING	MERIDIAN HOUSE	GRAZEBROOK INDUSTRIAL PARK	PEARTREE LANE	DUDLEY	4 798 17	
MET003	METAL SUPERMARKETS UK LTD	18 MAIN STREET	BILTON	RUGBY		CV22 7ND	165 60
NORSTAT	NORTHERN STATIONERY LTD	UNIT 2	BLAYDON TRADE PARK	TOLLBRIDGE ROAD	BLAYDON TYNE & WEAR	NE21 5TR	463 48
NOSTEEL	MURRAY PLATE GROUP LTD	UNIT 6	SILKWOOD BUSINESS PARK	FRYERSWAY	OSSETT, WEST YORKS	WF5 9TJ	2 376 00
NOTD01	Nottingham Zinc Group	Lawmoor Business Park	Kirkby-in-Ashfield	Nottingham	NG17 1LA	10 670 10	
PAT002	PATTERSON RYAN WIREWORKERS	THE CITY WIRE WORKS	MORTON STREET	BYKER	NEWCASTLE UPON TYNE	NE6 2JH	281 52
PHOENIX	Phoenix Steel	Unit 12 Ashworth Fraser Estate	Station Road	Hebburn	Tyne and Wear	NE31 1BD	(12 00)
PHS	PHS GROUP PLC	WESTON INDUSTRIAL ESTATE	CAERPHILLY			CS83 1GY	4 055 11
planet	PLANET WELDING	UNIT 6	STANFIELD BUSINESS CENTRE	ADDISON STREET	SUNDERLAND	SR2 8SZ	2 566 13
Pulimax	Bystronic UK Limited	6 Wayside Business Park	Wilsons Lane	Coventry	Warwickshire	CV6 6NY	3,313 41
RADAN	Plant software Ltd	Hadley House	Bayhill Road	Cheltenham		GL5 3AW	4 046 74
RAPID	RAPID ENGINEERING NORTH EAST	UNIT 381 H&J	JEDBURGH COURT	TEAM VALLEY TRADING ESTATE GATESHEAD	NE11 8QJ	369 46	
RHD001	RHINOCOAT LIMITED	UNIT 8 - 9 PRINCES IND PARK	NICHOLLS ROAD	TIPTON	WEST MIDLANDS	NE11 8QJ	944 9LG
RICOH	RICOH UK Ltd	Ricoh House	4 Rushmills	Northampton		NN17 5UB	944 9LG
RS COM	R S Components Limited	PO Box 888	Corby	Northants		NN17 5UB	391 29
RSI	RUBBER SAFETY HYGIENE LTD	ENTERPRISE WORKS	2 HUNSLEY STREET	SHEFFIELD		SR4 8DY	1 160 39
Ryder	Ryder Logistics	Dukinfield Acct Ctr	Globe Lane	Dukinfield	Cheshire	SK16 4UL	2 061 91
SAFE&	SAFE AND SURE FIRE PROTECTION	UNIT 2	MILL LANE	LANGLEY MOOR	DURHAM	DH7 8HE	1 277 82
SAL001	SAL ABRASIVE Tech Group Ltd	Abrasive Division	Unit 44/45 Drumhead Road	Chorley North Lancashire	PR6 7BX	600 00	
SCOTT	Scott Engineering	Unit 22, Baltic Road	Felling Shore Ind Est	Gateshead		NE1 5B	6,041 76
SEV	SEV AERIAL ACCESS	MARQISWAVY	TEAM VALLEY TRADING ESTATE	GATESHEAD	Tyne and Wear	NE11 0RJ	886 50
SHELL	Shell U K Ltd	Rowlands Way	Wytenshaw	Manchester		M22 5SB	1 797 34
SHORES	A Shores & Co.	Byron Street Mills	Millwright Street	Leeds		LS2 7QG	(18 60)
smc	Shildon Manufacturing Company	Unit 15	Dibble Duck Ind Est	Shildon	Co Durham	DL4 2QN	12 376 74
SPARTON	Spartan Lubricants Limited	Unit 1	45 Ings Walk	South Kirkby	Pontefract	WF9 3DQ	1 505 70
SPRAY	SPRAYGUN CLEANING SERVICES	16 HARTHORPE CLOSE	RICKLETON	WASHINGTON	NE38 9DZ		261 00
STA001	Staples Stationery	Staples Advantage	Tameside Drive	Holiford	Birmingham	B6 7AY	835 22
taystud	TAYLOR STUDWELDING SYSTEMS LTD	COMMERCIAL ROAD	DEWSBURY	WEST YORKSHIRE		WF13 2BD	28 58
tele	Virgin Media Payments Ltd	PO Box 4459	Worthing	Durham		BN13 1XP	480 68
TH0001	Thomas Madrell Chartered Surveyors	1 New Street	Sherburn	Ramsbottom	Lancs	DH9 1HR	588 00
TNT	TNT Express UK Ltd	FAO Kelly Johnson	P O Box 4	BURY		B1 9AR	165 78
TNTINTER	TNT INTERNATIONAL	PO BOX 186	RAMSBOTTOM	Eastleigh Hants.	SOS3 4AR	BLO 9GR	4 20
TOWER	Tower Machine Tools Ltd	Mayflower Close	Chandlers Ford Ind Est	TIPTON WARLEY	WEST MIDLANDS	NE21 5TR	(123 43)
TUBES	TUBES UK	UNIT 8 AUTOBASE IND PARK	Waslsand			NE21 5TR	132 12
TYN001	Tynemet College	Battle Hill Dr	TEESIDE IND EST			NE28 9NL	2 050 00
VAN LEEUW	Van Leeuwen Wheeler Ltd	Nine Lock Works	TEESIDE IND EST			SHEFFIELD	2 76
VIX	VIXEN SURFACE TREATMENTS LTD	73 JAY AVENUE	WEAR INDUSTRIAL ESTATE	STOCKTON		TS17 9LZ	97 20
washingt	WASHINGTON WATERJET LTD	14 SEDLING ROAD	BLAYDON TRADE PARK	WASHINGTON	Tyne & Wear	NE38 9BZ	17 944 44
WATER	NORTHERN STATIONERY LTD	UNIT 2	WEAR INDUSTRIAL ESTATE	TOLLBRIDGE ROAD		NE21 5TR	3 785 69
WEARSIDE	WEARSIDE PNEUMATICS	38 SEDLING ROAD	WEAR INDUSTRIAL ESTATE	WASHINGTON	Tyne and Wear	NE38 9BZ	3 115 60
Welcome	Welcome Estates Ltd	7 Stanley Road	Salford	Greater Manchester		M7 4EG	58 671 89
WILSON	WILSON TOOL	STIRLING ROAD	SOUTH MARSTON IND EST	SWINDON		SN3 4TQ	1 044 59
WRG	WRG STEEL SERVICES	NEWBURN FORD HOUSE	NEWBURN BRIDGE ROAD	NEWCASTLE UPON TYNE		NE15 8NR	103 603 17
Total Trade creditors							341,362 68

Other creditors:

HMRC (Vat and PAYE/NIC)	412 333 08
State securities finance lease balance	139 940 73
Tanfield Group PLC working capital loan	394 434 11
Payroll deductions	572 66
Accounting accruals	156 515 54
Total Other creditors	1,103,595 12

TOTAL LIABILITIES

Chair  
Sue

5 DEC 2013

## Rule 2.29

## Statement of Concurrence

Name of Company Tanfield Engineering Systems Limited	Company number 03808437
In the Newcastle upon Tyne (full name of court)	Court case number

(a) Insert full name and address of registered office of company to which statement of affairs relates  
 (b) Insert date statement of truth on the statement of affairs was made  
 (c) Insert full name of person who made the statement of truth on the statement of affairs being concurred with

With regards to the Statement of Affairs of (a)  
 Tanfield Engineering Systems Limited  
 ('the company')  
 Vigo Centre, Birtley Road, Washington Tyne & Wear NE38 9DA  
 made on (b) **5<sup>TH</sup> DECEMBER 2013**  
 by (c) **MR CHARLES BROOKS**

## Statement of Truth

(d) Insert full name and address of person making Statement  
 \*Delete as applicable

I (d) **MARK DAVID HUTCHINSON.**

\*concur with the Statement of Affairs of the above company and I believe that the facts stated in the Statement of Affairs are a full, true and complete statement of the affairs of the company on the date that it entered administration

OR

~~\*concur with the Statement of Affairs of the above company, subject to the following—qualifications~~

(e) Please list matters in the statement of affairs which you are not in agreement with, or which you consider to be erroneous or misleading, or matters to which you have no direct knowledge and indicate reason for listing them

and believe that, subject to these qualifications, the facts stated in the statement of affairs are a full, true and complete statement of the affairs of the company on the date that it entered administration

Full name

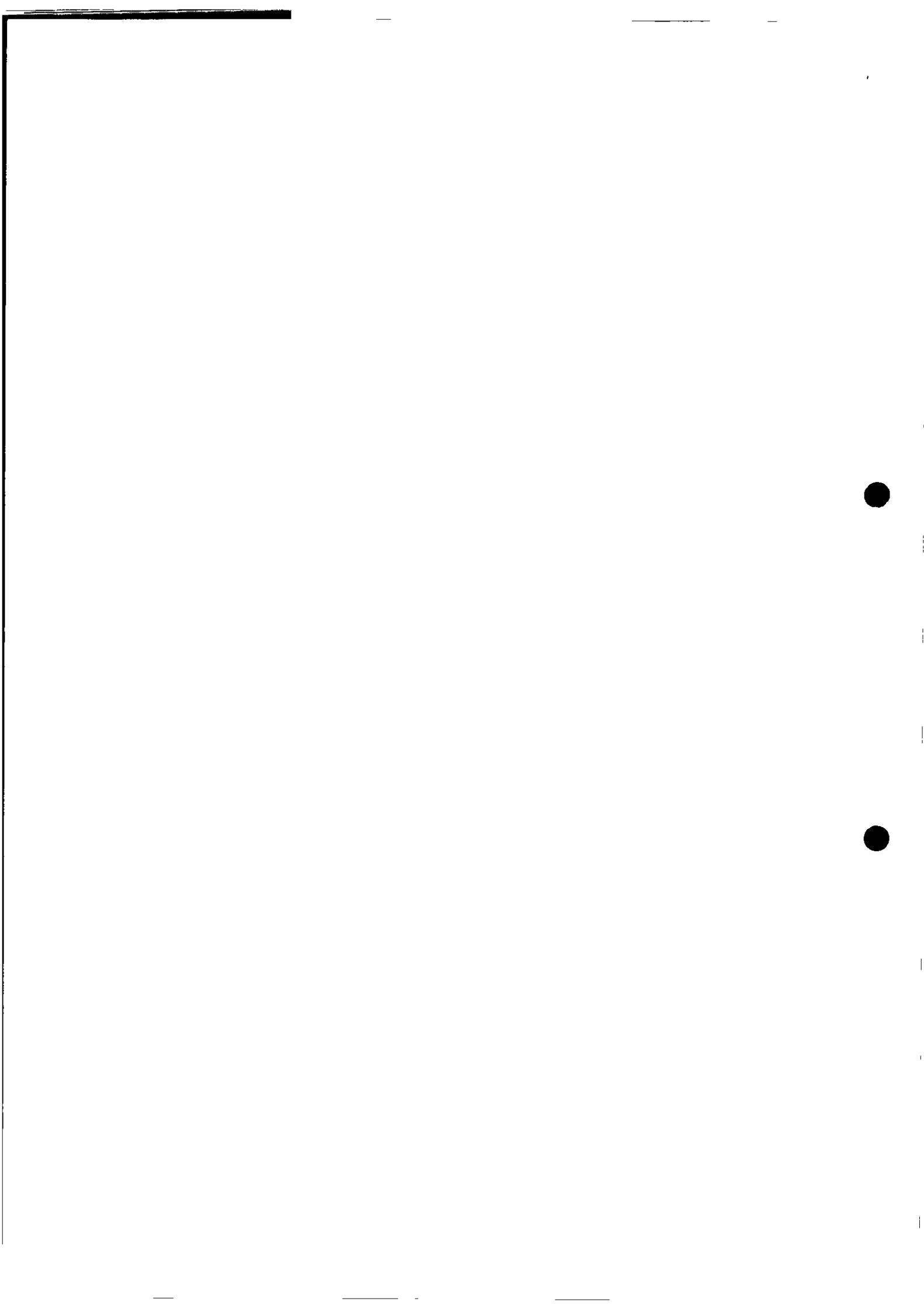
**MARK DAVID HUTCHINSON.**

Signed



Dated

**6<sup>TH</sup> DECEMBER 2013.**



Rule 2.29

## Statement of Concurrence

Name of Company Tanfield Engineering Systems Limited	Company number 03808437
In the Newcastle upon Tyne (full name of court)	Court case number

(a) Insert full name and address of registered office of company to which statement of affairs relates  
 (b) Insert date statement of truth on the statement of affairs was made.  
 (c) Insert full name of person who made the statement of truth on the statement of affairs being concurred with

With regards to the Statement of Affairs of (a)  
 Tanfield Engineering Systems Limited  
 ('the company')

Vigo Centre, Birtley Road, Washington Tyne & Wear NE38 9DA  
 made on (b) *5th Dec 2013*

by (c)

*Charles Brooks*

## Statement of Truth

(d) Insert full name and address of person making Statement

\*Delete as applicable

I (d) *Michael Wright*

\*concur with the Statement of Affairs of the above company and I believe that the facts stated in the Statement of Affairs are a full, true and complete statement of the affairs of the company on the date that it entered administration.

## OR

\*concur with the Statement of Affairs of the above company, subject to the following qualifications

(e) *N/A*

(e) Please list matters in the statement of affairs which you are not in agreement with, or which you consider to be erroneous or misleading or matters to which you have no direct knowledge and indicate reason for listing them

and believe that, subject to these qualifications, the facts stated in the statement of affairs are a full, true and complete statement of the affairs of the company on the date that it entered administration

Full name

*Michael Wright*

Signed

*M Wright*

Dated

*6th Dec 2013*

## Rule 2.29

## Statement of Concurrence

Name of Company Tanfield Engineering Systems Limited	Company number 03808437
In the Newcastle upon Tyne (full name of court)	Court case number

(a) Insert full name and address of registered office of company to which statement of affairs relates  
 (b) Insert date statement of truth on the statement of affairs was made  
 (c) Insert full name of person who made the statement of truth on the statement of affairs being concurred with

With regards to the Statement of Affairs of (a)  
 Tanfield Engineering Systems Limited  
 ('the company')  
 Vigo Centre, Birtley Road, Washington Tyne & Wear NE38 9DA  
 made on (b) 5 December 2013.  
 by (c) CHARLES BlaCkS.

## Statement of Truth

(d) Insert full name and address of person making Statement

\*Delete as applicable

I (d) Ray STANLEY

\*concur with the Statement of Affairs of the above company and I believe that the facts stated in the Statement of Affairs are a full, true and complete statement of the affairs of the company on the date that it entered administration

## OR

I concur with the Statement of Affairs of the above company, subject to the following qualifications.

(e)

(e) Please list matters in the statement of affairs which you are not in agreement with, or which you consider to be erroneous or misleading, or matters to which you have no direct knowledge and indicate reason for listing them

and believe that, subject to these qualifications, the facts stated in the statement of affairs are a full, true and complete statement of the affairs of the company on the date that it entered administration

Full name

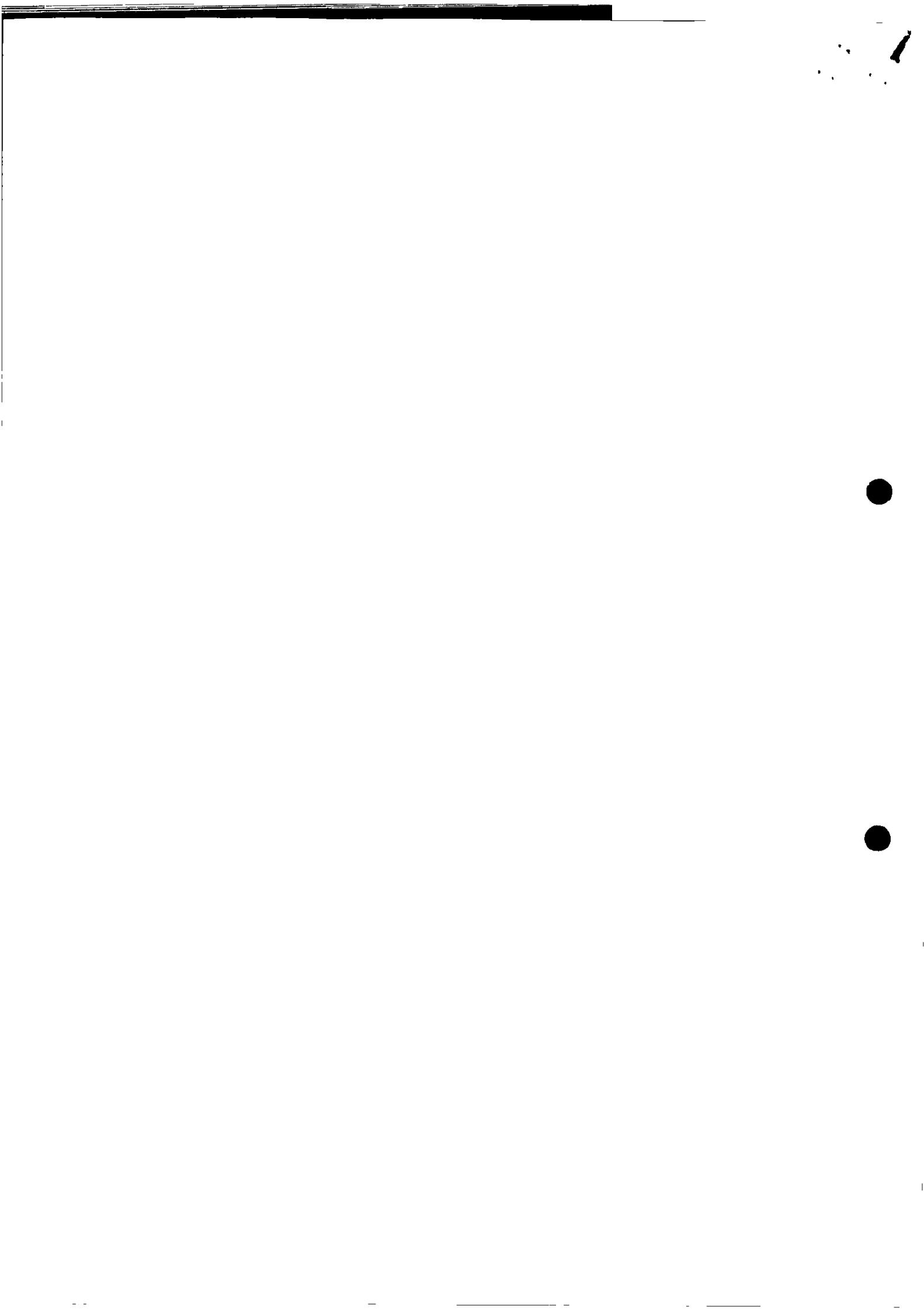
Ray Robert Edward STANLEY

Signed

R. STANLEY

Dated

5 December 2013



Rule 2.29

## Statement of Concurrence

Name of Company Tanfield Engineering Systems Limited	Company number 03808437
In the Newcastle upon Tyne (full name of court)	Court case number

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With regards to the Statement of Affairs of (a)  
 Tanfield Engineering Systems Limited  
 ('the company')

Vigo Centre, Birtley Road, Washington Tyne & Wear NE38 9DA

made on (b)

5th December 2013

by (c)

CHARLES BROOKS

## Statement of Truth

(d) Insert full name and address of person making Statement

\*Delete as applicable

\*concur with the Statement of Affairs of the above company and I believe that the facts stated in the Statement of Affairs are a full, true and complete statement of the affairs of the company on the date that it entered administration

## OR

\*concur with the Statement of Affairs of the above company, subject to the following qualifications

(e)

N/A

(e) Please list matters in the statement of affairs which you are not in agreement with, or which you consider to be erroneous or misleading, or matters to which you have no direct knowledge and indicate reason for listing them

and believe that, subject to these qualifications, the facts stated in the statement of affairs are a full, true and complete statement of the affairs of the company on the date that it entered administration

Full name

DARREN STEPHEN KELL

Signed

*Darren Kell*

Dated

6/12/13.

9th January 2014

ACCOUNTANTS & BUSINESS ADVISORS  
MAKING BUSINESS MAKE SENSE

**TO ALL KNOWN CREDITORS**

Dear Sirs

**Tanfield Engineering Systems Limited In Administration**

As you are aware, Anthony Josephs and I were appointed as Joint Administrators of the above company on 22<sup>nd</sup> November 2013. I enclose notice of a meeting of creditors to consider the Joint Administrators' proposals under Schedule B1 paragraph 49 to the Insolvency Act 1986. The Meeting will be held on 30<sup>th</sup> January 2014 at 2.00pm at RMT, Gosforth Park Avenue, Newcastle upon Tyne, NE12 8EG

I also enclose a copy of the Joint Administrators' report to be presented to the meeting of creditors. This provides details of the background to the Administration Order, actions taken by the Joint Administrators and the proposals to be considered by the creditors.

In order to vote at the meeting, a creditor must be present or represented at the meeting and submit, not later than 12.00 noon on 29<sup>th</sup> January 2013, details in writing of the debt due to them from the company. A proof of debt form and proxy form are attached for completion and these should be returned to RMT, Gosforth Park Avenue, Newcastle upon Tyne, NE12 8EG

Creditors may attend the meeting by electronic means and should contact Emily Mitchell for further details if this facility is required.

The resolution to approve the Joint Administrators' proposals requires the approval of a majority (in value) of those creditors present and voting, in person or by proxy, at the meeting. Creditors should be aware that the resolutions included in the proposals include the fixing of the Administrators' remuneration. In addition to the resolution to approve the Administrators' proposals, the Administrators propose to table a resolution concerning the agreement of their unpaid pre-administration costs and expenses if a Creditors' Committee is not formed. Details of the resolution are printed on the attached proxy form.

Information about current charge out rates and expenses is set out in Appendix III of the attached report under the heading, "Practice fee recovery policy for RMT", which includes details of where creditors can obtain the "Creditors guide to Fees" which contains guidance notes covering the basis of Administrators' fees. If creditors require any assistance or a hard copy of the guide please contact me.



ACCOUNTANTS & BUSINESS ADVISORS  
MAKING BUSINESS MAKE SENSE

If you require further information or an explanation of the purposes for which the meeting is to be held, please contact Emily Mitchell at the above address

Yours faithfully  
For and on behalf of  
**Tanfield Engineering Systems Limited**

  
**Linda A Farish**  
Joint Administrator

*A A Josephs and L A Farish are licensed in the United Kingdom to act as Insolvency Practitioners by the Association of Chartered Certified Accountants*



Our Ref LT6000 LAF/SHS/ELM

9th January 2014

ACCOUNTANTS & BUSINESS ADVISORS  
MAKING BUSINESS MAKE SENSE

## TO ALL KNOWN CREDITORS

Dear Sirs

### **Tanfield Engineering Systems Limited In Administration "the Company"**

This report to creditors which incorporates our proposals together sets out the information required by and discharges the Joint Administrators' duty pursuant to Paragraph 49 of Schedule B1 of The Insolvency Act 1986 and Rule 233 of The Insolvency Rules 1986

#### **1 Statutory Information**

Statutory information relating to the Company and information regarding the appointment of the Administrators is attached at Appendix I

#### **2. Circumstances giving rise to the appointment of Administrators**

The Company was incorporated on 16 July 1999 under company registered number 03808437 The Company's registered office was the Vigo Centre, Birtley Road, Washington, Tyne & Wear and was changed to RMT, Gosforth Park Avenue, Newcastle upon Tyne NE12 8EG for the purposes of the Administration

The Company traded from leasehold premises at Unit BT 95/2 and Unit BT 95/6, Tanfield Lea Industrial Estate North, Tanfield Lea, County Durham, DH9 9NX, and employed 97 full time operatives across both locations

The Company forms part of the Tanfield Group Plc ("Group") Group operates in the engineering sector and previously had divisions that specialised in the manufacture of electric vehicles and the manufacture of aerial lifts (known as the Snorkel division) Group trades from sites around the world with a combined turnover of £45,072,000 for the year ended 31 December 2012

The Company became part of Group in around 2000 It traded as a metal fabricator supplying blue chip companies as well as Snorkel

The Company supported Snorkel when it had quality issues with its overseas suppliers and also helped to deal with engineering trials and product development before the introduction of a new product

Snorkel's business contracted massively during the recession which had a knock-on effect on the level of orders placed on the Company. The Company's turnover was around £500,000 per month. At that level of turnover the Company was more or less breaking even. As a result of the downturn in the Snorkel work, the Company had insufficient funds to provide working capital in order to grow turnover again. By September 2013, the Company's turnover was less than £300,000 a month and it was not profitable on a month by month basis. The cash requirement was being funded by Group because the Company was important to the Snorkel division.

During the course of 2013, the financial position of Group worsened because of trading difficulties, which led it to the decision to sell the Snorkel business to an independent third party. The sale of the Snorkel division to an American purchaser took place in October 2013. There was then no commercial reason for Group to continue to meet the Company's significant trading losses.

Shortly after the sale of the Snorkel division the Directors decided to explore opportunities to sell the Company to a third party purchaser. Whilst a party showed interest in the Company they advised that full due diligence would only be carried out if HMRC agreed to a repayment schedule of its debt, which at that time was estimated at £313,000. Despite protracted discussions with HMRC, HMRC refused to agree to an arrangement that was acceptable. As a result the interested party withdrew its interest and the Directors immediately took steps to take advice from an insolvency practitioner. RMT were approached by the Directors on 11<sup>th</sup> November 2013.

### 3 Trading Performance of Company

A summary of the recent trading performance of the Company is shown below.

	Mgmt Accts Mths Jan to Sept 2013 £'000		Statutory Accts 12 mths to 31/12/11 £'000	Statutory Accts 12 mths to 31/12/10 £'000
Turnover	2,636	Turnover	5,430	3,770
Cost of Sales	(2,437)	Raw Materials and consumables used	(2,418)	(1,778)
		Staff Costs	(2,352)	(1,781)
Overheads	(806)	Depreciation	(151)	(178)
		Other Operating Expenses	(1,050)	(944)
Gross Profit	(725)	Gross Profit	(541)	(1,067)
Gross Profit %	(27.5)	Gross Profit %	(9.9)	(28.3)
Net Loss	(1,113)	Net Loss from continuing operations	(505)	(1,070)
		Net loss after discontinued loss making operations	(505)	(6,184)

It should be noted that the management accounts have not been verified for accuracy and therefore may not reflect the Company's true trading position

#### **4. Objectives of Administration and strategy for achievement by the Administrators**

Following the review of information provided by the Company it was established that a trading administration would provide a significantly better return to creditors. This would have the effect of

- 1 Protection of the Company's debtor book of £602,404,
- 2 Allow a period for the marketing and potential sale of the business,
- 3 Protect employment for employees thus reducing the contingent redundancy and other associated costs against the Company

A sum of £234,000 was due to be paid to the Company from its major customer on 25 November 2013. Following a review of the cash requirements of the Company over a four week period it was established that these monies could fund trading for a four week period with a view to attempting to achieve points 1-3 above

However, after passing board resolutions with a view to appointing Joint Administrators it was established from a review of the Central Index that a winding up petition had been issued against the Company by HMRC on 8 November 2013

The Company had not given any qualifying floating charges, and therefore as a result of the presentation of the petition the Company or its directors were no longer able to appoint an administrator under Paragraph 22, Schedule B1 of The Insolvency Act 2006

We made contact with HMRC to advise of the significant benefits that an Administration would provide over liquidation and following correspondence with HMRC they agreed to withdraw the petition on the grounds that the Directors would confirm that the appointment of Administrators would occur immediately after the withdrawal of the petition. On the morning of 22<sup>nd</sup> November 2013 HM Revenue & Customs solicitors forwarded written confirmation that the petition had been withdrawn

On 22 November 2013 the Directors appointed Anthony A Josephs and Linda A Farish of RMT as Joint Administrators, pursuant to Paragraph 22 of Schedule B1 of the Insolvency Act 1986

The appointment permitted the Joint Administrators to take any actions required either jointly or solely

As Administrators of the Company we are Officers of the Court and must perform our duties in the interests of creditors as a whole 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

- 1 The first objective (a) could not be achieved because the financial circumstances of the Company meant that it was not envisaged that a share purchase could be achieved and a company voluntary arrangement was not appropriate
- 2 As a result we sought to achieve objective (b) for the Company by trading the Company to protect the book debt and sell the business and assets as a going concern

The strategy for the administration is therefore for the Administrators to perform their functions with the purpose of achieving objective (b)

The insolvency legislation has set a 12 month maximum duration for administrations, unless the duration is extended by the court or the creditors. If we are unable to complete the administration of the Company within 12 months then we will either apply to the court, or hold a meeting of creditors, in order to seek approval to extend the duration of the administration

##### **5. Actions of the Administrators following appointment**

The Company manufactures the majority of its products for one customer which represents 80% of its debtor book. The supplies to this Customer were for production lines on a just in time basis and if the Company had proceeded into liquidation, with a resultant cessation of trade, we believe that damages would have been applied, arising from the customer's production line downtime, which may have resulted in this debt becoming uncollectable, with potential for further damages claims against the Company

Funding for trading the administration was obtained from the realisation of book debts from the major customer as detailed above. Upon appointment the Joint Administrators and their team consulted with the Union and the employees as, based on cash availability, a reduction of circa 40% wage overhead was required to allow the Joint Administrators to continue to trade. The Joint Administrators and their staff managed trading, negotiated with customers and met with interested parties at the Company's premises

A copy of the trading account is attached at Appendix IV

Baker Tilly, as auditors of the Company, were instructed to take steps to market the Company whilst the Administrators traded the Company as a going concern to preserve goodwill and relationships between the Company, its customers and suppliers

Following the issue of an initial one page sale memorandum to specific parties interested in the engineering sector and across a database of general intermediaries, corporate financiers, brokers, IFA's, accountants, lawyers etc, 15 companies registered their interest in purchasing the company with Baker Tilly and signed non disclosure agreements. Of those, 8 visited the Company premises and had access to the Company's business, assets and employees

Interested parties were requested to submit offers by 5pm on Friday 6<sup>th</sup> December 2013. Offers were received from two parties and after review of the offers on 9<sup>th</sup> December 2013, draft contracts were issued to Tinsley Special Projects Limited

A sale of substantially all of the Company's business and assets to Tinsley Special Projects Limited was completed on 13<sup>th</sup> December 2013

## **6. Proposed exit route of Administration.**

Under the insolvency provisions of the Enterprise Act 2002, all administrations automatically end after one year unless an extension is granted by the Court or with consent of creditors

There are a number of exit routes available from administration which may include -

- (a) Filing a notice of dissolution with the Registrar of Companies and the Company being automatically dissolved 3 months after registration of the notice
- (b) Placing the Company into Creditors' Voluntary Liquidation
- (c) Presentation of a winding up petition for compulsory winding up of the Company
- (d) An application to Court for an order that administration ceases
- (e) Notice to the Court, Registrar of Companies and creditors that the objective of the administration has been achieved

In the formal proposals which follow, the Administrators have stated which alternative exit options they believe are most appropriate to this administration

## **7. Statement of proposals pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986**

In order to achieve the objective set out at section 4 above as Administrators of the Company we formally propose to creditors that

- (a) we continue to manage the business, affairs and property of the Company in order to achieve the purpose of the administration. In particular that
  - (i) the sale of the Company's assets following administration be approved by the creditors,
  - (ii) the Administrators continue to sell and collect in the assets of the Company and manage the affairs of the Company,

- (iii) the administrators investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company,  
and
- (iv) do all such things and generally exercise all their powers as administrators as we have at our discretion and consider desirable or expedient in order to achieve the purpose of the administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals

(b) the administration will end by placing the Company into Creditors' Voluntary Liquidation, and we propose that we, Linda Ann Farish and Anthony Alan Josephs, are appointed the Joint Liquidators of the Company and that we will act jointly and severally in our duties Creditors may nominate a different person(s) as the proposed liquidator(s), but you must make the nomination(s) at any time after you receive these proposals, but before they are approved Information about the approval of the proposals is set out in section 12

(c) Our pre-appointment remuneration and costs be approved as follows

RMT Accountants – £17,588 50 plus VAT  
Wardhadaway – £7071 00 plus VAT

(d) we are remunerated by reference to time properly spent by us and our staff in dealing with matters relating to the administration of the Company, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken Details of the current charge out rates for ourselves and our staff are set out in Appendix III under the title "Practice fee recovery policy for RMT"

(e) We be authorised to draw category 2 expenses as outlined in appendix III of these proposals

(f) Pursuant to paragraph 98 of Schedule B1 to the Act, the Joint Administrators shall seek a resolution from those relevant Company's creditors that they be discharged from liability in respect of any action of theirs, as Joint Administrators, upon the cessation of their appointment as Joint Administrators

## **8 Financial Position of the Company**

A summary of the Company's estimated financial position as at 22/11/2013, which is known as a statement of affairs, is attached at appendix II This has been prepared by the directors and the Statement of Truth has been signed by Charles Brooks and Statements of Concurrence have been received from all of the Directors

## Comments on the Statement of Affairs

### 8.1 Leasehold Land & Buildings

The Company's land and buildings were valued by Bradley Hall Chartered Surveyors ("Bradley Hall") The company traded from two units at Tanfield Lea Industrial Estate North, both of which were leased

Unit BT 95/2 was held on a short term lease expiring on 13 November 2013 and Bradley Hall confirmed there was no value in the lease The remaining lease is not in the name of the Company as, although it was believed by the Directors to have been transferred to the Company, it is still held by one of the Group companies Our lawyers advise that it is held on trust for the Company

### 8.2 Book Debts

The realisable value given by the Directors with regard to book debts takes into account known bad debts and they estimate that 85% of debts will be paid in full

The book debts were excluded from the sale of the business and assets

### 8.3 Plant & Machinery

The majority of the Company's plant and machinery was subject to a finance agreement and chattel mortgage with State Securities plc

All owned plant and machinery is shown at the Directors' estimate in the Statement of Affairs

The Joint Administrators obtained valuations from James Sutherland (Auctioneers) limited on an auction value and value to business basis The actual values realised are reflected in the Receipts and Payments account attached to our proposals at Appendix V

Two items of plant and machinery with a value to business of £30,000 were excluded from the sale of business which are currently being marketed for sale by our agents, James Sutherland (Auctioneers) Limited

### 8.4 Office Furniture, Fixtures & IT Equipment

The figures in the Statement of Affairs are Directors' estimates However, all furniture, fixtures and IT equipment have been valued by James Sutherland (Auctioneers) limited on an auction value and value to business basis

The actual values realised are included in the Receipts and Payments account attached to our proposals at Appendix V

### 8.5 Preferential Creditors

The only preferential creditors are former employees of the Company for unpaid wages and holiday pay Their claims are subject to a maximum limit set by insolvency legislation

The amount of £825,555 for preferential claims in the Statement of Affairs is the Directors' estimate of the amount due. We anticipate that the preferential creditors will be significantly lower at around £51,900.

#### **8.6 Unsecured Creditors**

The unsecured creditors in the Statement of Affairs are the Directors' estimate. From the statements received from creditors, this appears to be an accurate estimate.

We anticipate a substantial dividend will be payable to the unsecured creditors in this case.

#### **9. Prescribed Part**

There are provisions of the insolvency legislation that require an administrator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property". A company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An administrator has to set aside:

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000

There is no floating charge and therefore the prescribed part provisions will not apply.

#### **10. Administrators' Receipts and Payments Account**

We attach a summary of our receipts and payments relating to the Company for the period from when it entered administration on 22/11/2013 to the date of these proposals, at Appendix V.

The sale of the business and the majority of owned assets was completed on 13<sup>th</sup> December 2013 to Tinsley Special Projects Limited. The gross sale price was £243,096.89 less wage allowance of £58,264.00 and deferred consideration of £30,000 (subject to agreement of apportioned trading costs). £154,826.89 net proceeds were paid by the purchaser on completion and a further £30,000 is due on or before 31<sup>st</sup> January 2014 subject to agreement of apportionments.

Two machines with a value to business of £30,000 were excluded from the sale to Tinsley Special Projects Limited ("TSP").

Prior to the Administrators' appointment, the Landlord served a Notice of Seizure of Goods and Inventory, and took walking possession over the goods for rent due at the quarter end September 2013 of £47,500 plus VAT. It transpired that the majority of the goods seized were those owned by State Securities plc. The Administrators sought legal advice and a sum of £5,000 was agreed and paid to the Landlord in settlement of the walking possession to release for sale those goods owned by the Company.

As part of the sale agreement TSP made payment to the Joint Administrators to cover the rent on the main unit which fell due on 31/12/13 together with a licence fee on the second unit at a sum of £5,000 for the 6 month period to 12<sup>th</sup> March 2014. These were to be held by our solicitors with payment being made as and when they fall due

Payments made in respect of the sale include legal fees of £12,929 (net), and walking possession settlement of £5,000 (payable to the landlord)

We attach a summary of the trading profit and loss account showing receipts and payments relating to the Administrators trading of the Company for the period from when it entered administration on 22/11/2013 to the sale on 13/12/13, at Appendix IV. The trading account at Appendix IV is prepared on an accruals basis and includes an element of pre-appointment wages. The receipts and payments account at Appendix V is prepared on the basis of actual receipts and payments to date shown and therefore the trading deficit does not include credit for Administration debtors not received at that date or payments not yet due to administration suppliers at the date of this report

The Joint Administrators' are of the view that in trading the Company the asset realisations have improved as follows

Assets	Directors' Estimate in Statement Of Affairs	Estimate to Realise In Liquidation	Estimate to Realise In Administration
Debtors	575,076	100,000	573,826
Goodwill	0	0	19,994
Leasehold Property	270,000	195,000	195,000
Office Furniture, Plant & Machinery (inc financed)	(28,890)	83,060	100,000
Stock & WIP	78,111	20,000	112,833
<b>TOTAL</b>	<b>894,297</b>	<b>398,060</b>	<b>1,001,653</b>

#### 11. Proposed Future Actions of the Administrators to Achieve the Objective of the Administration

In order to achieve the objective for the Administration of the Company we propose to collect the remaining book debts, sale proceeds, Joint Administrators' trading sales, sell the two remaining machines, sell the leasehold interest in the property held on trust for the Company and do all else necessary in respect of realisation of assets and make payments to creditors as necessary

Once this is complete, or when appropriate, the Administrators will seek to place the Company into creditors' voluntary liquidation, in order that distributions can be made to creditors

## 12. Administrators' Remuneration and Expenses

The Administrators propose that their fees will be charged by reference to the time properly spent by them and their staff in dealing with matters relating to the administration of the Company. This time will be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken. Information about current charge out rates is set out below. The Administrators also propose that they are permitted to charge what are known as category 2 expenses. Information about category 2 expenses is also set out in the "Practice Fee Recovery Policy For RMT" at Appendix III.

The approval of the basis of the Administrators' remuneration and category 2 expenses forms part of the proposals for which approval is being sought that are set out at Section 7 above, but if a creditors' committee is appointed at the forthcoming meeting of creditors then we will seek approval from that committee instead.

To the date this report is prepared, our time costs amount to £93,660.25, representing 421.45 hours work at an average charge out rate of £222.23. Appendix III contains information about our remuneration as Administrators and expenses incurred, including the total time spent on the affairs of the Company for the period from when it entered Administration to the date of these proposals, and the cost of that time based on the charge out rates of the staff undertaking the work.

A description of the routine work undertaken and to be undertaken in the administration is as follows:

### 1 Administration and Planning

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on CCH case management software
- Review and storage
- Case bordereau
- Case planning and administration
- Preparing reports to creditors
- Convening and holding meetings of creditors

### 2 Cashiering

- Maintaining and managing the Administrators' cashbook and bank account
- Ensuring statutory lodgements and tax lodgement obligations are met

### 3 Creditors

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors
- Maintaining creditor information on CCH case management software
- Dealing with Retention of Title claims - identifying goods, reviewing invoices

4 Investigations

- Review and storage of books and records
- Prepare a return pursuant to the Company Directors' Disqualification Act
- Conduct investigations into suspicious transactions
- Review books and records to identify any transactions or actions an administrator may take against a third party in order to recover funds for the benefit of creditors

 5 Realisations of Assets

- Corresponding with debtors and attempting to collect outstanding book debts
- Liaising with the company's bank regarding the closure of the account and repayment of debtor receipts paid in
- Trading the business including dealing with customers, suppliers, employees and other creditors
- Dealing with the negotiation and sale of the business
- Dealing with the sale of assets generally

We subcontracted some of the work we are required to undertake as Administrators, namely the marketing of the business and assets for sale. This work was subcontracted to Baker Tilly who were the Company's auditors and therefore having knowledge of Company were able to appropriately expose it to the market whilst the Administrators traded the business. Baker Tilly charged £6,937.50 plus VAT plus disbursements of £24.00 for undertaking this work.

We will arrange for our tax department to undertake some of the work that we are required to undertake as Administrators, namely the corporation tax return. We are satisfied that taking this approach will ensure that the best value and service will be provided to creditors. This work remains to be done as the year end of the company is 31<sup>st</sup> December.

Our expenses to 9<sup>th</sup> January 2014 amount to £352.40. We have not drawn any expenses in this matter to date.

The following expenses have been incurred but have not yet been paid.

Type of expense	Amount of expense accrued to date	Amount still to be paid
Company Search	£5.00	£5.00

Type of category 2 disb	Amount of expense accrued to date	Amount still to be paid
Travel Expenses	£347.40	£347.40

The following agents or professional advisors have been utilised in this matter

<u>Professional Advisor</u>	<u>Nature of Work</u>	<u>Fee Arrangement</u>
James Sutherland (Auctioneers) Limited	Valuation and sale of plant and machinery	% of realisations
WardHadaway Law Firm	Contracts for sale of Business and general Legal advice	Time Costs
Baker Tilly	Marketing Business For sale	Time Costs

The choice of professionals was based on our perception of their ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them. The fees charged have been reviewed and we are satisfied that they are reasonable in the circumstances of the case.

The hourly charge out rates of RMT as at 1<sup>st</sup> August 2013 are, Director £300, Head of Recovery & Insolvency £265, Manager £245, Administrator £115-£165. The rates are reviewed annually on 1<sup>st</sup> July.

Information about current charge out rates and expenses are set out in Appendix III under the heading "Practice fee recovery policy for RMT" which includes website details where creditors can obtain the "Creditor's Guide to Fees" which contains guidance notes covering the basis of Administrators' fees.

### **13. Pre-appointment fees and expenses.**

The Directors of the Company instructed us to assist them in placing the Company in administration on 11/11/2013. They agreed that we should be paid our pre-appointment fees and expenses. We attach at Appendix VI a detailed time cost table showing the pre-appointment time costs incurred by category and staff grade at RMT.

The following work was undertaken

- Meetings with the Directors – reviewing the Company's financial position, discussing options for the Company, its creditors and the best way forward
- Liaising with HMRC with regards to the winding up petition – correspondence and discussions with regards to withdrawing the winding up petition
- Dealing with the Landlord's walking possession – legal advice to the Directors on allowing the landlords agents entry to premises, and assets which were subject to the chattel mortgage
- Reviewing implications arising in relation to employees
- In addition to our own time costs, WardHadaway Law Firm also incurred pre appointment costs of £7071.00 plus VAT. The solicitors were chosen for their expertise in insolvency, employment and property law

The following statement sets out our pre-appointment fees and expenses incurred. The statement also shows those fees and expenses that were paid prior to the administration and those where approval is being sought to pay them from administration funds

Description	Paid pre-appointment	To be paid (ex VAT)
	£	£
Administrators' remuneration	-	17,588 50
Legal fees	-	<u>7071 00</u>
Total	-	<u>24,599 50</u>

If a creditors' committee is appointed at the meeting of creditors, we will initially seek approval from the committee for payment of the pre-appointment fees and expenses that have not yet been paid. If the committee does not approve those fees, or it approves the fees at a level that we feel is insufficient, we may seek approval from a further meeting of creditors or failing that, from the court

If a creditors' committee is not appointed, then since the pre-appointment fees and expenses that have not yet been paid cannot be approved within these proposals we will be seeking a separate resolution to approve them at the meeting.

#### 14. Approval of proposals

A meeting of the Company's creditors has been called pursuant to paragraph 51 Schedule B1 of the Insolvency Act 1986 and a notice of this meeting to be held on 30<sup>th</sup> January 2014 at 3 00pm is enclosed with this report (**FORM 2.20B**)

This meeting is to consider and approve (or otherwise) the Administrators' proposals and if appropriate appoint a creditors' committee. Creditors should note that other resolutions may be considered and passed at the meeting, including the agreement of the Administrators' pre-appointment costs and expenses noted at Section 13 above. These resolutions are detailed on the proxy form attached to the notice of the meeting

The meeting of creditors will be given the opportunity to appoint a creditors' committee. A committee is made up of between three and five representatives of creditors who will then meet us on a regular basis to discuss the administration of the company. If a committee is appointed then it will be for them to approve our remuneration and category 2 expenses. If a committee is not appointed then approval of our remuneration and category 2 expenses will be considered as part of these formal proposals

Creditors can either attend the meeting in person, by electronic means or by completing the enclosed proxy Form. If creditors wish to attend electronically they should contact Emily Mitchell to arrange this



ACCOUNTANTS & BUSINESS ADVISORS  
MAKING BUSINESS MAKE SENSE

### **15. EC Regulation on insolvency proceedings**

We consider that the EC Regulation on insolvency proceedings applies to the administration of the Company and that these are main proceedings as defined in Article 3 of the EC Regulation because the Company's registered office and its trading address is/are in the United Kingdom

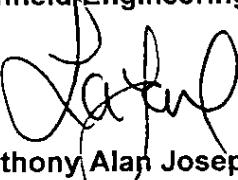
### **16. Administrators' Investigations**

We have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding administration. We are also required to investigate the affairs of the Company in general in order to consider whether civil proceedings should be taken on its behalf. We should be pleased to receive from you any information you have that you consider will assist us in this duty. We would stress that this request for information forms part of our normal investigation procedure

### **17. General**

Should creditors require any further information, please do not hesitate to contact Simon Stephenson or Emily Mitchell at this office

Yours faithfully  
For and on behalf of  
**Tanfield Engineering Systems Limited**

  
**Anthony Alan Josephs & Linda Ann Farish**  
Joint Administrators

*A A Josephs and L A Farish are licensed in the United Kingdom to act as Insolvency Practitioners by the Association of Chartered Certified Accountants*

## 2.17B

The Insolvency Act 1986

## Statement of administrator's proposals

Name of Company Tanfield Engineering Systems Limited	Company number 03808437
In the Newcastle upon Tyne (full name of court)	Court case number 1123 of 2013

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

I/We (a)  
Linda Farish  
RMT Gosforth Park Avenue  
Newcastle upon Tyne NE12 8EG

Anthony Josephs  
RMT Gosforth Park Avenue  
Newcastle upon Tyne NE12 8EG

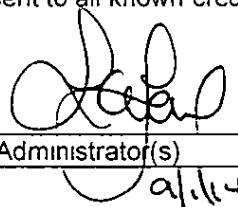
\*Delete as applicable

attach a copy of \*my/our proposals in respect of the administration of the above Company

A copy of these proposals was sent to all known creditors on 13<sup>th</sup> January 2014

(b)

Signed



Joint / Administrator(s)

Dated

13/1/14

## 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 researchers of the public record

Gosforth Park Avenue  
Newcastle upon Tyne NE12 8EG

Tel 0191 256 9500

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**

## Appendix I

### Statutory Information

#### Company Information

Company Name	Tanfield Engineering Systems Limited
Previous Name	HMH Sheet Metal Fabrications
Trading Names	Tanfield Engineering Systems Limited
Registered Number	03808437
Date of Incorporation	16/07/1999
Trading Address	Tanfield Lea Industrial Estate North, Stanley County Durham DH9 9NX
Registered Office	RMT Accountants & Business Advisors Gosforth Park Avenue Newcastle upon Tyne NE12 8EG
Former Registered Office	Vigo Centre, Birtley Road, Washington NE38 9DA
Principal Trading Activity	Manufacturing

#### Directors and Shareholders

Company Directors	Charles Brooks, Darren Kell, Michael Wright, Mark Hutchinson & Roy Stanley
Company Secretary	Charles Brooks

#### Share Capital

Authorised	Allotted, called up and fully paid
880,000 ordinary shares of 1p each	880,000 ordinary shares of 1p each
951,600 deferred shares of £1 each	951,600 deferred shares of £1 each

Shareholder Tanfield Group Plc

#### Chargeholder Details

Chargeholder (Fixed) State Securities plc Date of Charge 19/10/2011  
Registered on 27/10/2011

### **Appointment Details**

Joint Administrators' Date of Appointment	22 November 2013
Appointment made by	Directors
Court Name & Address	Newcastle upon Tyne County Courts Quayside, Newcastle
Court Reference	1123 of 2013
Joint Administrators Appointed	Linda Farish IP Number 9054 Anthony Josephs IP Number 9054
Joint Administrators' Address	RMT Gosforth Park Avenue Newcastle NE12 8EG
<b>Joint Administrators' Functions</b>	In accordance with Schedule B1, Para 100(2) of The Insolvency Act 1986, the functions of the Administrators are to be exercised by either or both of them

## Statement of affairs

Name of company  
Tanfield Engineering Systems Limited  
In the  
Newcastle upon Tyne

Company number

03808437

Court case number

1123 / 2013

### Statement as to the affairs of

(a) Insert name and  
address of registered  
office of the company  
Tanfield Engineering Systems Limited  
of

RMT Gosforth Park Avenue, Newcastle upon Tyne NE12 8EG

(b) Insert date  
on the 22nd day of November 2013, the date that the company entered administration

### Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of  
the affairs of the above named company as at (b) 22 November 2013 the date that the company  
entered administration

Full name      Brooks, Charles

Signed



Dated

5 DEC 2013

Tanfield Engineering Systems Ltd (company no 03808437) Statement of affairs

A - Summary of assets

	Book value	Estimated to realise
<u>Assets subject to Security:</u>		
Plant and Machinery	71,199	71,199
Less Due to State Security	(139,941)	(139,941)
Surplus/Deficiency	(68,742)	(68,742)
<u>Assets not subject to Security</u>		
Plant and Machinery	28,415	28,415
Office Furniture	11,437	11,437
Debtors	672,392	575,076
Stock and WIP	156,221	78,111
Property	462,223	270,000
Total assets available to preferential creditors	1,261,947	825,555

A1 - Summary of liabilities

Total assets available to preferential creditors	1,261,947	825,555
Liabilities due to preferential creditors	(573)	(573)
Estimated surplus (deficiency) as regard to preferential creditors	1,261,375	824,982
<u>Unsecured non-preferential claims</u>		
Trade creditors including utilities	(341,363)	(341,363)
Other creditors	(156,516)	(156,516)
HMRC liabilities (PAYE, NIC & VAT)	(412,133)	(412,133)
Associated creditors	(394,434)	(394,434)
Estimated surplus (deficiency) as regard to non-preferential creditors	(43,071)	(479,463)
Share capital		
Deferred	(951,600)	(951,600)
Ordinary	(8,800)	(8,800)
Estimated surplus (deficiency) as regard to members	(1,003,471)	(1,439,863)

Signature



Date

5 DEC 2013

TANFIELD ENGINEERING SYSTEMS LTD LIABILITIES

TANFIELD ENGINEERING SYSTEMS LTD LIABILITIES						
AALCO	Asico Newcastle Ltd.,	The Amari Credit Centre	Neurica	Navigation Park	Waters Meeting Road	SI1 8SW
ACTD01	ADVANCED CUTTING TOOLS	1 TELFORD CLOSE	SALTWELL BUSINESS PARK	GATESHEAD	TYNE AND WEAR	NE3 5BG
ADV001	ADVANCED CUTTING TOOLS	1 TELFORD CLOSE	SALTWELL BUSINESS PARK	GATESHEAD	TYNE AND WEAR	NE3 5BG
AIR004	ADVANCED CUTTING TOOLS	1 TELFORD CLOSE	SALTWELL BUSINESS PARK	GATESHEAD	TYNE AND WEAR	NE3 5BG
ALMIT	ALUMINUM METAL FINISHING	WHITFIELD DRIVE	AYCUFFE IND EST	COUNTY DURHAM		DL5 6AU
APPLE	COMPONENT FORCE LTD	UNITS A & B BIRLING PLACE	BIRLS	XENT		NE21 5JN
ARCO	Arco Ltd.,	P O Box 11	Tuntry Way	Chainbridge Industrial Estate	Blaydon Tyne & Wear	NE21 5SS
ARH001	ARMAGRID	ADVANCE HOUSE	CHILTERN INDUSTRIAL ESTATE	CHILTERN	COLDURHAM	DL7 3D
AUT022	AUTO DIESEL (NEWCASTLE)	57 LAWRENCE ROAD	NEWCASTLE UPON TYNE	NE6 1AR		1,000.92
B N Opt	B H Optical	32 Main Street	Crawcrook			1,058.16
BOC	BOC	PO BOX 12 PRIESTLY ROAD	Worley	Manchester	M28 4UL	5,045.50
BOTTOM	BOTTOMUNITECHNOLOGIES LTD	115 CHATHAM STREET	READING	BERKSHERE	RG1 7KX	602.40
BRIER LI	BRIERLEY LIFTING TACKLE CO LTD	TRAMIS ROAD	LYE	STOURBRIDGE	WEST MIDLANDS	DY9 7BD
BT61	British Telecom	BT Telephone Payment Centre	TVTE	Gateshead	NE82 6QX	139.08
C&W HOOK	HARGON LTD	LENTWARDINE	CRAYEN ARMS	SHROPSHIRE		577 0X8
CORUSHOT	CORUS HOT ROLLED PROCESSING,	OLDFIELD LANE,	LEEDS,			LS12 4DH
CROMI	Cromaderex	Unit 5 Redwood	Business Park	Oldbury Road	Smethwick, West midlands	B66 1LU
Crown	Crownther Engineering Limited	S2 Hatton Close	Crowther Industrial Estate	Washington	Tyne & Wear	NE38 AH
CUS002	CUSTOM BRAKES & HYDRAULICS	UNIT 2 HOLBROOK RISE	HOLBROOK INDUSTRIAL ESTATE	SHEFFIELD		S2 3FG
DOC	Derwentshire District Council	Chic Centre	Consett	Co.Durham,	DH8 5JA	12,622.00
DEBENHAM	KNIGHT FRANK LLP CLIENT TRUST	A/C RE NEWCASTLE P.L.A.M DEPT	STAHS QUAY	218 QUAYSIDE	NEWCASTLE	NE1 3BB
DHL Ex	DHL International (UK) Ltd	P O Box 524	Houndslow	Middlesex		1,199.66
DUDLEY	LASERJETUBE	UNIT 8	AUTOBASE INDUSTRIAL PARK	TIPTON ROAD TIVIDALE	OLDBURY WEST MIDLS	LS3 5HU
DUNROP H	ARGUS POWERBEND	PENYFILLE IND ESTATE	SUNDERLAND			LS3 5HU
ENHANCE	ENHANCE DRY CLEANING	12 CHURCH STREET	SEAHAM	CO.DURHAM		LS7 7HQ
ENV001	ENVIROCARE MAINTENANCE SOLUTION	NEW INN FARM	DAWSON LAKE	LEYLAND	LANCASHIRE	PR2 5DB
ER001	Erts Industrial Services Ltd	Recyclables Team	Amber Way	Halesowen	West Midlands	B62 8WG
ESSEX	Essex Hinge Co.,	Talton Road	Hutton	Brentwood Essex,		CM13 3TR
EVER	EVERGREEN PALLET SOLUTIONS	UNITS 6& 7	ALBERT HILL INDUSTRIAL ESTATE	DARLINGTON		DL1 2NG
Fleet	Fleet Services North East	Unit 20	North of England BIC	Wearfield	Sunderland	SR5 2TA
GAL001	Galc Cooling Services Ltd	Unit 3	Lutworth Business Centre	Nutwood Wey	Totton Southampton	SO4 3WV
GEE	Gee Bee Grindag.	Geoff House	Carista Street,	Felling,	Gateshead NE1 0D	1,295.60
HOGGS FN	Hoggs Blasting & Finishing Equ	10 Armstrong Road	Amstrong Industrial Estate	Washington	Tyne and Wear	NE37 2PR
HOPWOOD	ROY HOPWOOD FASTENERS LTD	HIBBERT STREET	WHITEHILL INDUSTRIAL ESTATE	STOCKPORT	SK4 1NS	219.78
IAS	INDUSTRIAL ARODISING SERVICES	UNITS 12, 13 & 14 KUNNS CLOSE	SOUTH CHURCH INDUSTRIAL ESTATE	BISHOP AUCKLAND	COUNTY DURHAM	DL14 5XD
IB-VI	IB-VI LTD UNITED	13 BURLEY RD,	OAKHAM,	RUTLAND,		LE15 6DH
Jet	Jet Engineering Plastics	Unit 13d/4	Arundelton Village Bus. Park	Northerton Road	Glasgow	G13 1EU
JOE	Precision Saw & Tool Ltd	Unit 5 Vance Court	Transborders Industrial Est	Blaydon	Tyne and Wear	NE21 5NH
Xen Them	Xen Thomas Ltd	The Old Brickworks	Tanfield	Stanley	County Durham	DH9 9UJ
Ien	LEENGATE INDUSTRIAL & WELDING	UNIT 350 PALLO, IND ESTATE	EUROPEAN WAY	PALLION	SUNDERLAND	SR4 8SN
Lees	Lees Cleaning Contractors LLP	43 Maxwell Street	South Shields	Tyne & Wear	NE33 4PU	6,337.99
Iek	LETRONIC	UNIT C1	LOCKSIDE	ANCHOR BROOK IND PARK	WEST MIDLANDS	WS9 8EQ
IU002	Uon Springs Ltd	Summer Street	Rochdale			OL16 1SY
LOW001	LOWE'S HALL LTD	28 STATE STREET	O NEWCASTLE ON TYNE			NE1 2PL
M & S	M & S Distribution Ltd	Shelley Road	Newburn Industrial Estate	Newcastle Upon Tyne	NE15 9RT	7,549.00
M & PREC	M & PRECISION ENGINEERING	Unit 8	Preserve Works	Newburn Ind Est	NE15 9RT	6,283.20
MERIDIAN	MERIDIAN METAL TRADING	MERIDIAN HOUSE	GRAZEBROOK INDUSTRIAL PARK	PEARTREE LANE	DUDLEY	4 798.17
METD03	METAL SUPERMARKETS UK LTD	18 MAIN STREET	BILTON	RUGBY		CV22 7ND
NOASTAT	NORTHERN STATIONERY LTD	UNIT 2	BLAYDON TRADE PARK	TOLLBRIDGE ROAD	BLAYDON TYNE & WEAR	HE11 5TR
NOSTEEL	MURRAY PLATE GROUP LTD	UNIT 6	SILKWOOD BUSINESS PARK	FRYERSWAY	OSSETT, WEST YORKS	WF5 9TJ
NOT001	Nottingham Zinc Group	Lown Moor Business Park	Kirkby-in-Ashfield	Nottingham	NG17 7LA	10,670.10
PAT002	PATTERSON RYAN WIREWORKERS	THE CITY WIRE WORKS	MORTON STREET	BYKER	NEWCASTLE UPON TYNE	NE6 2HH
PHOENIX	Phoenix Steel	Unit 12 Ashworth Fraser Estate	Station Road	Hebburn	Tyne and Wear	NE31 1BD
PMS	PMS GROUP PLC	WESTMONT INDUSTRIAL ESTATE	CARLISLE	CB33 1SY		4,055.13
planet	PLANET WILLOWING	UNIT 6	STANFIELD BUSINESS CENTRE	ADDISON STREET	SUNDERLAND	SR2 8SZ
Pulmax	Bystronic UK Limited	6 Wayside Business Park	Wilsons Lane	Coventry	CV6 6NY	3,113.41
RADAN	Radan software Ltd	Hedley House	Bayhill Road	Cheltenham	GL5 3AW	4 145.74
RAPID	RAPID ENGINEERING NORTH EAST	UNIT 381 H&J	JEDBURGH COURT	TEAM VALLEY TRADING ESTATE	GATESHEAD	NE11 8Q
RHO001	RHINOCAUT LIMITED	UNIT 8, 9, PRINCES IND PARK	NICHOLLS ROAD	TIPTON	WEST MIDLANDS	DV4 9LG
RCOH	Rcoh UK Ltd	Ricoh House	4 Rushalls	Northampton	NN4 7YB	12,64
RCSC01	R.S.Components Unltd	PO Box 888	Cotby	Northants	NN17 5UB	391.29
RSH	RUBBER,SAFETY HYGIENE LTD	ENTERPRISE WORKS	2 HUNSLY STREET	SHEFFIELD	SA 8DY	1,160.39
Ryder	Ryder Logistics	Dulkinfield Accr Ctr	Globe Lane	Dukinfield	SK16 4UL	2,061.91
SAFE8	SAFE AND SURE FIRE PROTECTION	UNIT 2	MILL LANE	LANGLEY MOOR	DH7 8HE	1,277.82
SALCOL	SAL Abrasive Tech. Group Ltd	Abrasive Ovriden	Unit 44/45 Drumhead Road	Chorley North Lancashire	PR6 7BX	600.00
SCOTT	Scott Engineering	Unit 22 Baltic Road,	Felling Shore Ind Est	Gateshead,	NE15 8B	6 041.76
SEV	SEV AERIAL ACCESS	MARQUISWAY	TEAM VALLEY TRADING ESTATE	GATESHEAD	TYNE AND WEAR	NE11 ORX
SHELL	Shelduk Ltd.	Roxtonway,	WYTHERSHAW,	Leeds	M22 5SS	1,787.34
SHORES	A.Shares & Co.,	Byron Street M&A	Unit 15	Shildon	LS2 7QG	(18.60)
SMC	Shildon Manufacturing Company	Unit 1	Dobbs Duck Ind Est	Co Durham	DL4 2QH	12,376.74
SPARTON	Spartan Lubricants United	16 HARTHORPE CLOSE	45 Ings Walk	South Kirkby	Pontefract	WF5 7DQ
SPRAY	SPRAYGUN CLEANING SERVICES	Staples Advantage	RICKLETON	WASHINGTON	HE38 9DZ	181.00
STAD01	Staples Stationery	COMMERCIAL ROAD	Tameside Drive	Holford	B6 7AY	835.22
taystud	TAYLOR STUDWELDING SYSTEMS LTD	PO Box 4453	DEWSBURY	WEST YORKSHIRE	WF13 2BD	28.58
tele	Virgin Media Payments Ltd	1 New Street	Worthing	Durham	DH9 1HR	568.00
TH0001	Thomas Medill Chartered Surveyors	TAO Kelly Johnson	Sherburn	Ramsbottom	BL1 9AR	165.78
TNT	TNT Express UK Ltd.,	PO BOX 186	TANCS.			BL0 9GR
TNTINTER	TNT INTERNATIONAL	Mayflower Close,	Eastleigh Hants.	TIPTON, WARLEY	WEST MIDLANDS	SO53 4AR
TOWER	Tower Machine Tools Ltd.,	UNIT 8 AUTOBASE IND PARK	Wear	Tyne & Wear	NE18 9NL	2,050.00
TUBES	TUBES UK	Battle Hill Dr	Mill Street	Brierley Hill West Midlands	DY5 2X	2.76
TYNOOL	Tynemet College	Nine Lock Works	TEESIDE IND EST	THORNABY	TS17 9LZ	97.20
VAN LEEU	Van Leeuwen Wheeler Ltd	73 JAY AVENUE	WEAR INDUSTRIAL ESTATE	WASHINGTON	NE38 9BZ	17,844.44
VIX	VIXEN SURFACE TREATMENTS LTD	14 SEDLING ROAD	BLAYDON TRADE PARK	TOLLBRIDGE ROAD	NE22 5TR	3,785.69
washingt	WASHINGTON WATERLET LTD	UNIT 2	WEAR INDUSTRIAL ESTATE	WASHINGTON	NE38 9BZ	3,115.60
WATER	NORTHERN STATIONERY LTD	18 SEDLING ROAD	WEAR INDUSTRIAL ESTATE	Greater Manchester	M7 4EG	58,671.89
WEARSDIE	WEARSDIE PNEUMATICS	7 Stanley Road	Salford	SWINDON.	SN3 4TQ	1,044.59
Welcome	Welcome Estates Ltd	STRUNG ROAD,	SOUTH MARSTON IND EST	NEWCASTLE UPON TYNE	NE15 4NR	103,603.37
WILSON	WILSON TOOL	NEWBURN FORD HOUSE	NEWBURN BRIDGE ROAD			341,287.68
WRG	WRG STEEL SERVICES					
Total Trade creditors						
<b>Other creditors:</b>						
HMRC (Vat and PAYE/RC)						
State securities finance lease balance						
Tanfield Group PLC working capital loan						
Payroll deductions						
Accounting accruals						
Total Other creditors						
<b>TOTAL LIABILITIES</b>						

Chris [Signature]

5 DEC 2013

412,335.08
139,940.73
194,414.11
572.66
356,515.54
1,103,596.12

1,444,554.80

RMT

TIME & CHARGEOUT SUMMARIES

Tanfield Engineering Systems Limited

To 09/01/2014

HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	0 00	22.70	0 00	32.70	55 40	10,910 00	196 93
Realisation of Assets	4 40	58 10	0 00	26 90	86 40	20,864 00	231 06
Trading	20 80	156 00	0 00	64 20	241 00	55,589 00	230 66
Creditors	0 00	7 30	0 00	28 35	35 65	6,297 25	176 64
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Preferential Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	7560 00	61770 5	0 00	24329 75		93,660 25	
Total Hours	25 20	244 10	0 00	152 15	421 45		
Average Rate	300 00	253 05	0 00	159 91			

**PRACTICE FEE RECOVERY POLICY FOR  
RMT Accountants & Business Advisors Ltd (“RMT”)**

**Introduction**

The insolvency legislation was changed in April 2010 for insolvency appointments commenced from that time in order to allow more flexibility on how an office holder's fees are charged to a case. This sheet explains how we may apply the alternative fee bases. The new legislation allows different fee bases to be used for different tasks within the same appointment. The basis or combination of bases set for a particular appointment are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the court. Further detail about how an office holder's fees are approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at [www.r3.org.uk](http://www.r3.org.uk). Alternatively, if creditors require any assistance or a hard copy of the guide please contact me.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn and time costs incurred and will also enable the recipients to see the average rates of such costs. Under the new legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under the old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

**Time cost basis**

This is the basis that we use in the majority of cases and we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

**Chargeout Rates**

<b>Grade of staff Recovery Insolvency</b>	<b>Current charge-out rate per hour, effective from 1<sup>st</sup> August 2013 £</b>	<b>Current charge-out rate per hour, effective from 1<sup>st</sup> July 2012 £</b>
Director	300.00	300.00
Head of Recovery	265.00	260.00
Manager	245.00	240.00
Senior Administrators	165.00	160.00
Administrator/Cashier	115.00	110.00

Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rate for undertaking such work.

<b>Grade of staff Tax Department</b>	<b>Current charge-out rate per hour, effective from 1<sup>st</sup> August 2013 £</b>	<b>Current charge-out rate per hour, effective from 1<sup>st</sup> July 2012 £</b>
Director	200.00	155.00
Head of Tax	95.00	85.00
Tax Advisor	48.00	46.00

These charge-out rates charged are reviewed on 1<sup>st</sup> July each year and are adjusted to take account of inflation and the firm's overheads

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Each unit of time is 6 minutes. The work is recorded under the following categories

- Administration and Planning – which includes work such as planning how the case will be administered and progressed, the administrative set up of the case, notifying creditors and others of the appointment, keeping the records relating to the case up to date, and reporting on progress of the case to creditors and others
- financial affairs of the company and bankrupt, undertaking a detailed investigation with a view to making recoveries for the benefit of creditors where matters such as preferences or wrongful trading come to light as a result of the initial review, and reporting to the Insolvency Service on the conduct of the directors
- Realisation of Assets – which includes work such as identifying, securing and insuring assets, dealing with retention of title claims, collecting debts owed, and selling assets
- Employee matters – which includes work such as dealing with employees, and liaising with the redundancy payments office
- Creditors - which includes work such as communicating with creditors, dealing with creditors' claims, and where funds realised allow, paying dividends to creditors
- Trading – which includes work such as managing and controlling all aspects of the business, and preparing financial records and information relating to that trading

#### **Percentage basis**

The new legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal. Different percentages can be used for different assets or types of assets. Where we would like to realise any asset or type of assets on a percentage basis we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis

#### **Fixed fee**

The new legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. Where we would like to charge a set amount for a task or different set amounts for different tasks we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis

#### **All basis**

The officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate

#### **Agent's Costs**

Charged at cost based upon the charge made by the Agent instructed, the term Agent can include

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants

- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

## **Disbursements**

In accordance with Statement of Insolvency Practice 9 (SIP9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors Disbursements are categorised as either Category 1 or Category 2

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or RMT, in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the RMT has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and company search fees

Category 2 expenses are incurred by the firm and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage

It is proposed that the following Category 2 disbursements are recovered

Room Hire	£30 00
Mileage	at HMRC rates
Storage	£3 per box per quarter
Photocopying	15p per sheet

## **Further Information**

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the office holder's remuneration and expenses, within 21 days of receipt of this report Any secured creditor may request the same details in the same time limit

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the office holder's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report Any secured creditor may make a similar application to court within the same time limit

Or in a Members Voluntary Liquidation,

A member may, with the permission of the court or with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report

A member may, with the permission of the court or with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report

# Profit and Loss (Trading): LT6000 - Tanfield Engineering Systems Limited In

From: 22/11/2013 To: 13/01/2014 (Accrual Basis)

	£
<b>Post Appointment Sales (Trading)</b>	
Sales	156,939 52
Total Post Appointment Sales (Trading)	<u>156,939 52</u>
<b>Purchases</b>	
Purchases	(63,875 28)
Total Purchases	<u>(63,875 28)</u>
<b>Gross Profit</b>	<b>93,064.24</b>
<b>Trading Expenditure</b>	
CSA/AOE payments	(698 07)
Carnage	(9 95)
Charity Contributions (Employees)	(35 59)
Employees Health Cover	(246 81)
Lease /HP Payments	(6,138 89)
Lock Changes	(378 44)
PAYE & NI	(18,339 80)
Pension Contributions	(2,247 38)
Purchases	(1,904 42)
Repairs & Maintenance	(1,266 98)
Sundry Expenses	(433 05)
Union contributions	(352 60)
Utilities	(33 00)
Vehicle Running Costs	(1,826 38)
Wages & Salaries	<u>(60,109 16)</u>
Total Trading Expenditure	<u>(94,020 52)</u>
<b>Net Trading Income</b>	<b>(956.28)</b>
<b>Net Income</b>	<b><u>(956.28)</u></b>

**Receipts and Payments Abstract: LT6000 - Tanfield Engineering Systems Limited In Administration**

Bank, Cash and Cash Investment Accounts: All Dates

SOA Value £	£	£
<b>POST APPOINTMENT TRADING</b>		
Trading Deficit	<u>(81,878 08)</u>	(81,878 08)
<b>FINANCE AND HIRE PURCHASE AGREEMENTS</b>		
71,199 00	Leased Assets	0 00
(139,941 00)	Leased Assets (Amounts Owing)	<u>0 00</u>
		0 00
<b>ASSET REALISATIONS</b>		
10,263 74	Administrators Orders	10,263 74
0 00	Bank Interest Gross	0 01
575,075 86	Debtors (Pre-Appointment)	486,170 67
270,000 00	Freehold Land and Property	0 00
0 00	Goodwill	19,994 00
0 00	Licence Fee - SEV Group Ltd	5,000 00
0 00	Licence Fee - Welcome Estates	47,500 00
0 00	Metal and Waste Recycling Revenue	3,926 69
11,437 00	Office Furniture	0 00
28,415 00	Plant and Machinery	100,000 00
78,111 00	Stock & Work In Progress	<u>112,833 15</u>
		785,688 26
<b>COST OF REALISATIONS</b>		
0 00	Bank Charges	(370 19)
0 00	Deferred Consideration	(30,000 00)
0 00	Legal Fees	(20,180 00)
0 00	Licence Fees On Premises	(52,500 00)
0 00	Wage Deductions - Sale Of Business	(58,264 00)
0 00	Walking Possession Settlement	<u>(5,000 00)</u>
		(166,314 19)
<b>PREFERENTIAL CREDITORS</b>		
(22,874 12)	Holiday Pay	0 00
(29,041 10)	Wages	<u>0 00</u>
		0 00
<b>UNSECURED CREDITORS</b>		
(365,444 84)	Employees	0 00
(412,133 08)	HM Revenue and Customs	0 00
(368,403 47)	Trade and Expense Creditors	<u>0 00</u>
		0 00
<b>EQUITY</b>		
(951,600 00)	Deferred	0 00
(880,000 00)	Ordinary	<u>0 00</u>
		0 00
<u>(2,124,936 01)</u>		<u>537,495 99</u>
<b>REPRESENTED BY</b>		
Cash at Bank	529,042 60	
Payables	5,222 82	
Petty Cash Account	56 08	
VAT Receivable (Payable)	<u>3,174 49</u>	
		537,495 99

**APPENDIX VI**

**Administrators' Pre-Appointment  
Time Costs and Expenses**

RMT

PRE-APPOINTMENT TIME & CHARGEOUT

Tanfield Engineering Systems Limited

To 09/01/2014

HOURS							
Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	4.40	59.10	0.00	7.60	71.10	17,588.50	247.37
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Fees Claimed £	1,320.00	15,039.50	0	1,229.00		17,588.50	
Total Hours	4.4	59.10	0.00	7.60	71.10		
Average Rate	300	254.47	0.00	161.71			