Rules 1.24
The Insolvency Act 1986

FORM 3.10 EADRF3.10

Administrative Receivers' Report

S48(1)

Pursuant to Section 48(1) of the Insolvency Act 1986 and Rule 3.8(3) of the Insolvency Rules 1986

To the Registrar of Companies

For official use

Company number

1126125

Name of Company

THE KILROE GROUP LIMITED

I Ian Clifford Powell
of York House
York Street
Manchester
M2 4WS

joint administrative receiver of the company attach a copy of our report to creditors and a copy of the statement of affairs of the company.

Signed I C Powell Date 24 July 1995

I C Powell
Joint Administrative Receiver

I C Powell
Price Waterhouse
York House
York Street
Manchester
M2 4WS
ICP/MZI/ MARKG01/109

For Official Use
Insolvency Sect | Post Room

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Price Waterhouse

20 July 1995

TO THE CREDITORS OF THE KILROE GROUP LIMITED (IN ADMINISTRATIVE RECEIVERSHIP)

Dear Sirs

THE KILROE GROUP LIMITED (IN ADMINISTRATIVE RECEIVERSHIP)

Introduction

I was appointed joint administrative receiver of The Kilroe Group Limited ("The Company"), together with my partner A J P Brereton, on 2 June 1995 pursuant to powers contained in a mortgage debenture dated 7 November 1978.

I set out below my report to creditors of the Company in accordance with the provisions of Section 48 of the Insolvency Act 1986.

Statutory Information

The statutory information relating to the Company, as at the date of my appointment, is as follows:

Previous name:	Kilroe Civil Engineering Limited (name changed on 6 March 1989)	
Date of incorporation:	2 August 1973	
Nature of business:	Holding company, managing and providing services to subsidiary companies	
Issued share capital:	£2,450,002	
Registered number:	1126125	
Registered office (at 2 June 1995):	Newton Road, Lowton St Mary's, Near Warrington, Cheshire, WA3 2AN	
Directors:	Timothy Kilroe	(Appointed 19 April 1974)
	Annie Mary Kilroe	(Appointed 19 April 1974)
	Neil Partridge	(Appointed 31 March 1995)
	Roger Haydock	(Appointed 1 August 1991. Resigned in March 1995, but resignation not filed at Companies House)

Secretary: Roger Haydock (Resigned in March 1995, but resignation not filed at Companies House and no successor appointed)

Events leading up to the appointment of the Joint Administrative Receivers

The Company is the holding company of a group of companies, some - but not all - of which are in receivership. I am also appointed, jointly with my partner A J P Brereton, as administrative receiver of the Company's subsidiaries Kilroe Civil Engineering Limited, Kilroe Building Limited, Kilroe Pipeline Services Limited, C & J (Kilroe) Limited, VAL Realisations Limited (formerly Vearncombe Associates Limited) and Shorecliffe Water Services Limited, as well as Kilroe Enterprises Limited which is connected with the Company through common ownership.

The latest audited accounts of the Company are for the year ended 30 September 1993. They show a profit before tax for the year then ended of £242,000 and the Company's audited total net liabilities at 30 September 1993 were £566,000. Consolidated net assets for the group at that date were £2,234,000.

Audited accounts for the year ended 30 September 1994 have not been completed. Unaudited management accounts at 30 September 1994 suggest a group loss before tax of £149,000.

As a holding company and a provider of management services to its subsidiaries, the Company has been dependant upon the financial position of its subsidiary companies. The subsidiaries' financial position has been severely affected by reduced demand and lower net margins in the construction and building sectors in which they have operated. These trends have created significant cash flow pressures within the Company, and across the group of companies, which ultimately they have been unable to withstand.

Asset realisations

The majority of the Company's assets comprise investments in group companies, many of which are in receivership. Those shareholdings are unlikely to have any realisable value.

The Company's one owned vehicle has been sold, as have most of its small amount of fixtures and fittings.

I am seeking to realise a VAT repayment claim of £22,000 from H M Customs and Excise.

Statements of Affairs

In accordance with Section 47 of the Insolvency Act 1986, the directors have prepared and submitted a sworn statement of affairs of the Company as at the date of receivership.

A summary of the statement of affairs, together with my comments thereon, is attached as an Appendix to this report.

Amounts owed to the Debenture Holder

The Company was indebted to National Westminster Bank plc at the date of my appointment in the amount of £4,638,000. This sum was secured by a debenture dated 7 November 1978.

The Company is also contingently liable to the debenture holder, under cross-guarantee arrangements, for amounts due from related companies. The combined indebtedness to National Westminster Bank plc of that 'group' of companies at the date of my appointment was £13,379,000.

Amounts owed to preferential creditors

According to the directors' Statement of Affairs, sums due to the Company's preferential creditors are estimated as follows:

	£'000
PAYE and National Insurance	45
Pension contributions	1
Employees' holiday pay	12
	58

The debenture holder may have a subrogated preferential claim in respect of wages and salaries advanced, however no claim has yet been calculated.

Receivership preferential claims remain to be agreed.

Amounts available for the payment of unsecured creditors

At present, I am of the opinion that there is no prospect of a dividend becoming available for the unsecured creditors of the Company.

Creditors whose claims include VAT may be able to obtain VAT bad debt relief six months after the date of taxable supply, if the supply was made after 1 April 1989. Creditors requiring further information regarding bad debt relief should contact their local VAT office.

Yours faithfully

I C Powell

I C Powell
Joint Administrative Receiver

THE KILROE GROUP LIMITED
(IN ADMINISTRATIVE RECEIVERSHIP)

APPENDIX

SUMMARY OF DIRECTORS' STATEMENT OF AFFAIRS AT 2 JUNE 1995

	Book Value £'000	Estimated to realise £'000
ASSETS SPECIFICALLY PLEDGED		
Fixed assets subject to hire purchase	38	29
Less: amounts due to hire purchase creditors		(29)
		Nil
Book debts (mostly related companies)	5,341	Nil
ASSETS NOT SPECIFICALLY PLEDGED		
Investments in group companies	3,323	-
Other overheads	3	-
VAT repayment claim	22	16
Furniture, office equipment etc.	9	2
Motor vehicles	1	2
	3,358	20
Less: preferential creditors		(58)
Estimated deficiency as regards preferential creditors		(38)
Debt due to floating charge debenture holder		(4,485)
Estimated deficiency as regards debenture holder		(4,523)
Unsecured creditors		
- group companies and related loan accounts		(5,548)
- other claims		(491)
Estimated deficiency as regards creditors		(10,562)
Issued share capital		(2,450)
Estimated deficiency as regards members		(13,012)

The directors have noted on their statement of affairs certain significant contingent liabilities in respect of guarantees given by the Company in relation to subsidiary company obligations, including contract guarantee bonds.

RECEIVERS' COMMENTS ON THE DIRECTORS' STATEMENT OF AFFAIRS

The estimates comprised in the directors' statement of affairs are subject to the costs and expenses of receivership.