

The Insolvency Act 1986  
**Administrative Receiver's  
 Report**

**S.48(1)**

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

For official use

To the Registrar of Companies

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Company Number

00343458
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Name of Company

Insert full name of company	Apollo Sports Technologies Limited

We David Robert Wilton and Alistair Michael Grove of  
 PricewaterhouseCoopers  
 Cornwall Court  
 19 Cornwall Street  
 Birmingham  
 B3 2DT


administrative receivers of the company attach a copy of my our report to creditors and a copy of the statement of affairs of the company



Signed David R Wilton

Dated 3 April 2000

Presenter's name address and reference (if any)  
 David R Wilton  
 PricewaterhouseCoopers  
 Cornwall Court  
 19 Cornwall Street  
 Birmingham  
 B3 2DT  
 Reference: DRW/AL/420

For Official Use	
Insolvency Section	Post Room
	
A37 COMPANIES HOUSE	*AH29HPET* 0214 05/04/00

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19 Cornwall Street  
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When calling, please ask for  
Alan Limb 0121 265 5626

**TO ALL KNOWN CREDITORS**

30 March 2000

Our ref: DRW/AL/425/676

Dear Sirs

**Apollo Sports Holdings Limited ("Holdings")**  
**Apollo Sports Technologies Limited ("Technologies")**  
**RCT Realisations Limited (formerly Reynolds Cycle Technology Limited)**  
**("Reynolds")**  
**All in Administrative Receivership**

**Introduction**

We set out below our report as required by the provisions of Section 48 of the Insolvency Act 1986 in respect of the above named companies collectively referred to as the Apollo Group.

We have produced one report covering all three companies due to their inter-related histories.

**Brief history**

The Reynolds business had been in existence for 100 years as a supplier of cycle frame tubes and components. It was incorporated in 1946 and formed part of the TI Group until 1996.

The Technologies business dated back to 1913 as a manufacturer of steel golf club shafts. Additional tubular sporting and other goods were progressively added to the product range including javelins and wheelchair tubing. Technologies was incorporated in 1938 and also formed part of the TI Group until 1996.

In 1996, Reynolds and Technologies were acquired by an American Company, Coyote Sports Inc ("Coyote"). The mechanism for completing this transaction was that Coyote acquired the share capital of Holdings, a company formed to acquire the share capital of both Reynolds and Technologies.

PricewaterhouseCoopers is the successor partnership to the UK firms of Price Waterhouse and Coopers & Lybrand. The principal place of business of PricewaterhouseCoopers and its associate partnerships, and of Coopers & Lybrand, is 1 Embankment Place, London WC2N 6NN. The principal place of business of Price Waterhouse is Southwark Towers, 32 London Bridge Street, London SE1 9SY. Lists of the partners' names are available for inspection at those places.

All partners in the associate partnerships are authorised to conduct business as agents of, and all contracts for services to clients are with, PricewaterhouseCoopers. PricewaterhouseCoopers is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

**TO ALL KNOWN CREDITORS**

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Holdings also acquired the freehold land and buildings in Oldbury, West Midlands; the trading premises of Technologies. Reynolds traded from leasehold premises in Tyseley, Birmingham.

### **Events leading up to our appointment**

Following the acquisition by Coyote, Technologies and Reynolds traded as part of a group of companies involved in the sports and leisure market. However, the overall financial performance of the Coyote Group was adversely affected by its ownership of a US based manufacturer of graphite golf club shafts. As a result of the losses suffered in the graphite manufacturer, Coyote became insolvent and filed a voluntary Chapter 11 petition in the United States Bankruptcy Court on 28 September 1999. Coyote voluntarily converted this case from Chapter 11 to Chapter 7 on 29 December 1999.

Both before and after Coyote's insolvency, attempts had been made by Coyote and the interim trustee appointed in relation to the Chapter 7 bankruptcy estate, to sell Coyote's shares in Holdings to a purchaser who would provide the additional investment required in Reynolds and Technologies.

The cash flow forecasts prepared by the Apollo Group in August 1999 had highlighted that this additional investment would be required by 31 January 2000 at the very latest as the Group forecast a cash requirement of £360,000 over and above the existing bank facilities by that date. Unfortunately, whilst a number of parties expressed an interest in acquiring the shares in Holdings and providing the necessary investment in Reynolds and Technologies, the share sale process did not proceed as quickly as hoped. In any event there was no certainty that a sale of Coyote's shares in Holdings would be achieved.

As a result, the Apollo Group's Bankers took the view that in January 2000 they were not in a position to advance further monies. In the circumstances, the directors decided to request that the Bank appoint Administrative Receivers. My partner, Alistair Grove and I were appointed Joint Administrative Receivers on 14 January 2000 under the terms of debentures and cross guarantees dated 11 September 1998.

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## **Action taken on appointment**

### **Technologies**

#### **Decision to trade**

Prior to our appointment, approximately 65% by value of the company's sales were made to Apollo Golf Inc ("AGI"), an American company whose share capital was also wholly owned by Coyote. AGI was financed via a working capital facility that granted Fremont Financial Corporation ("Fremont"), a US based finance provider a charge over AGI's stock and book debts. Prior to our appointment, funds had been drawn down by AGI to the limit of this facility in order to make payments on account against the \$2.1 million debt due to Technologies.

The impact of the nature of AGI's funding was that it had no funds available with which to purchase further supplies in the receivership. We were not prepared to supply AGI on credit simply to improve the position of Fremont, ie by increasing the value of assets subject to its charge where its facility was repayable on demand.

As a result of Technologies' inability to trade with its most significant customer during the receivership, we were forced to conclude that Technologies could not continue to incur the cost of manufacturing. Therefore, no manufacturing has taken place during the receivership and the workforce has been reduced accordingly. Our trading focus during the receivership has been in meeting third party customers' requirements from existing stocks and realising debtors.

#### **Sale of assets**

The business and assets of Technologies and Reynolds were advertised for sale in the Financial Times on 18 January 2000. Sixty three sets of sales particulars were sent subsequently to interested parties.

Having met with a number of interested parties, we sought and received offers for the business and assets. However, by far the most attractive offer for the assets of Technologies was received from a party who wished to purchase the manufacturing plant and machinery rather than the general business and assets as a going concern.

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**30 March 2000**

We entered into negotiations on 22 January 2000 and concluded a sale of the assets on 28 February 2000. The purchaser has also acquired the right to store the assets under licence at the Oldbury premises for an initial period of twelve months upon payment of a licence fee. We continue to negotiate with other interested parties and Technologies' customers to dispose of the remaining assets in a manner that maximises realisations.

## **Holdings**

### **Freehold site**

The site at Rounds Green Road, Oldbury, remains as an asset of Holdings to be disposed of. Having taken the advice of our agents, Bache Treharne, we are undertaking a thorough marketing campaign for the property in order to target interested parties for a sale of the site either for re-development or for existing use.

## **Reynolds**

### **Sale of the business**

Immediately upon our appointment we received an offer from Reynolds' on-site management team who were interested in acquiring the business and assets. However, we sought to adopt a strategy of continuing to trade whilst exposing the business and assets to other interested parties.

Unfortunately, we were prevented from pursuing this strategy by Reynolds' landlord who threatened to distrain over Reynolds' assets unless the outstanding rent and service charge was paid in full. The landlord's claim exceeded the realisable value of the company's assets as advised by our agents. To achieve any realisation at all from the chattel assets, we were forced to negotiate a sale to the management and a settlement of the landlord's claim. As a result of these negotiations, a sale of the business and assets was completed on 24 January 2000 for some £20,000. The landlord was paid a settlement of £10,000 from the proceeds in settlement of his claim of £29,000.

The sale was made to Reynolds Cycle Technology (2000) Limited, a company formed by Keith Noronha, a director of Reynolds for the purpose of acquiring the business and assets. In accordance with the provisions of the asset sale agreement, the shareholders of Reynolds have changed the company's name to RCT Realisations Limited.

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The purchaser has also agreed to assist in the collection of outstanding book debts where approximately 80% of Reynolds' customers were foreign. This will enable us to maximise realisations from debtors.

### **Receipts and payments**

We enclose as Appendices A, B and C, the Joint Administrative Receivers' abstracts of receipts and payments from 14 January to 28 March 2000 for Holdings, Technologies and Reynolds respectively.

### **Asset disposals to connected parties**

Statement of Insolvency Practice 13, published by the Association of Business Recovery Professionals (formerly the Society of Practitioners of Insolvency) prescribes that we comment on any assets that have been disposed of by Holdings, Technologies or Reynolds since our appointment to connected parties, as defined by Section 249 of the Insolvency Act 1986.

We have outlined above the sale of the Reynolds business and assets to Reynolds Cycle Technology (2000) Limited, a company of which Keith Noronha is a director. Mr Noronha is also a director of Reynolds.

Prior to our appointment, Technologies was a supplier of cycle tubing to Reynolds. The two companies had common directors. Following the sale of the Reynolds business Technologies has continued to supply Reynolds Cycle Technology (2000) Limited with tubing at the pre-receivership prices agreed between the two businesses. Our ability to achieve a going concern sale of the Reynolds business and assets has also enabled us to maximise the sum realised from Technologies' remaining stocks of cycle tubing.

TO ALL KNOWN CREDITORS

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## Amounts owing to the Debenture Holder

At the date of our appointment the balance, including accrued interest, due to our appointor by each Group company was as follows:

	£
Holdings	223,354
Technologies	(792,074)
Reynolds	(735,053)
	<u>(1,304,053)</u>

Interest continues to accrue upon the debt. To date, no payment has been made to the Bank in respect of the sum due. Whilst Holdings did not have any direct indebtedness to the Bank at the date of our appointment, as noted earlier Holdings had guaranteed the Bank's indebtedness from Technologies and Reynolds.

## Preferential creditors

We have yet to receive any formal claims from the preferential creditors. According to the records of the Apollo Group, these claims are as follows:

	<b>Holdings</b>	<b>Technologies</b>	<b>Reynolds</b>
	£	£	£
PAYE/NIC	-	201,657	5,604
HM Customs & Excise – VAT	-	-	-
Employee claims	-	<u>194,874</u>	<u>21,187</u>
		<u>396,531</u>	<u>26,791</u>

On the basis of current information, it appears that preferential creditors should be paid in full in Technologies. It does not appear that any preferential dividend will be payable in Reynolds.

TO ALL KNOWN CREDITORS

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30 March 2000

## Unsecured creditors

On the basis of current information it appears that there will be funds available for distribution to the unsecured creditors of Technologies. However, in view of the level of assets still to be realised, we are not in a position to estimate the likely extent or timing of such a dividend.

There is no prospect of any dividend to the unsecured creditors of Reynolds as there is unlikely to be a substantial shortfall to the Bank in respect of the direct Bank indebtedness in Reynolds. In these circumstances, it is likely that the asset realisations in Holdings will be required to meet the shortfall in Reynolds under the terms of the cross guarantee.

## Statement of Affairs

We enclose as Appendices D, E and F a copy of the summary pages and notes from Directors' sworn Statements of Affairs for Holdings, Technologies and Reynolds respectively. We draw your attention to the final note provided by the Directors in respect of each Statement of Affairs, in particular in respect of the extent to which realisations in Holdings will be required to meet the likely shortfall to the Bank in Reynolds.

## Distribution of this report

In accordance with Section 48 of the Insolvency Act 1986, a copy of this report has been sent to the Registrar of Companies. In addition, a meeting of creditors has been summoned for the purpose of receiving this report and, if considered necessary, to appoint a creditors committee to exercise the functions conferred on it or under the provisions of the Insolvency Act 1986. We enclose a formal notice of that meeting.

Yours faithfully



David R Wilton  
Joint Administrative Receiver



**Apollo Sports Holdings Limited**  
**Administrative Receivership**  
Summary of Receipts & Payments for the Period 14/01/00 to 28/03/00

<b>Receipts</b>	<b>£'s</b>
<b>Trading Income</b>	
Licence fee	10,000.00
	<u>10,000.00</u>
<b>V.A.T. Received Net</b>	1,750.00
	<u>11,750.00</u>

<b>Payments</b>	<b>£'s</b>
<b>Closing Balance</b>	11,750.00
	<u>11,750.00</u>

**Apollo Sports Technologies Limited****Administrative Receivship**

Summary of Receipts &amp; Payments for the Period 14/01/00 to 28/03/00

<b>Receipts</b>	<b>£'s</b>
<b>Trading Income</b>	
Trading Sales	247,130.21
Currency gains	35,014.71
	<u>282,144.92</u>
<b>Asset Realisations</b>	
Sale of plant and machinery	1,150,000.00
Book debts (trade)	308,608.40
Building Society balance	71.80
	<u>1,458,680.20</u>
<b>Recoveries &amp; Refunds</b>	
Refunds	3,417.81
	<u>3,417.81</u>
<b>Interest</b>	
Gross interest received	2,853.10
	<u>2,853.10</u>
<b>V.A.T. Received Net</b>	221,426.21
	<u>1,968,522.24</u>

<b>Payments</b>	<b>£'s</b>
<b>Trading Costs</b>	
Trading purchases	2,405.15
Retention of title	19,429.12
Wages and salaries	100,709.94
PAYE	14,932.54
NIC	15,411.94
Transport and carriage	4,214.19
Water rates	160.40
Hire charges	1,785.00
Liens	9,171.73
Licences	212.51
Commissions	9,460.77
Electricity	16,606.47
Gas	1,315.63
Telephones	210.25
Security	8,241.80
Waste disposal	7,988.83
Insurance premiums	345.54
	<u>212,601.81</u>

**Apollo Sports Technologies Limited**  
**Administrative Receivership**

Summary of Receipts & Payments for the Period 14/01/00 to 28/03/00

<b>Payments</b>	<b>£'s</b>
<b>Statutory &amp; Other</b>	
Third party funds	23,152.56
Factored debts	163,649.83
Wages and salaries	8,013.79
Pensions	1,935.15
Advertising, non statutory	2,649.96
Bank charges and commissions	40.00
Factoring charges	1,668.69
	<u>201,109.98</u>
<b>Professional Costs</b>	
Consultancy fees	5,796.90
	<u>5,796.90</u>
<b>Closing Balance</b>	<b>1,549,013.55</b>
	<u><b>1,968,522.24</b></u>

**Reynolds Cycle Technology Limited****Administrative Receivership**

Summary of Receipts &amp; Payments for the Period 14/01/00 to 28/03/00

<b>Receipts</b>	<b>£'s</b>
<b>Trading Income</b>	
Trading Sales	8,689.82
	<u>8,689.82</u>
<b>Asset Realisations</b>	
Sale of leasehold property	1.00
Sale of plant and machinery	14,000.00
Sale of stock	3,000.00
Intellectual Property Rights	2,997.00
Sale of goodwill	1.00
Book debts (trade)	69,584.44
Assignment of contracts	1.00
	<u>89,584.44</u>
	<u><b>98,274.26</b></u>
<b>Payments</b>	<b>£'s</b>
<b>Trading Costs</b>	
Trading purchases	588.98
Wages and salaries	6,324.40
PAYE	1,811.19
Transport and carriage	573.36
Freight duty	645.16
	<u>9,943.09</u>
<b>Statutory &amp; Other</b>	
Payments under distraint	10,000.00
Advertising, non statutory	2,418.43
	<u>12,418.43</u>
<b>Professional Costs</b>	
Agents fees	780.05
	<u>780.05</u>
<b>V.A.T. Paid Net</b>	390.71
<b>Closing Balance</b>	<b>74,741.98</b>
	<u><b>98,274.26</b></u>

Rule 3.4

**STATEMENT OF AFFAIRS**

Statement as to affairs of

*Apollo Sports Holdings Limited*

On the 14 January 2000  
the date of the Administrative Receiver's Appointment

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**AFFIDAVIT / AFFIRMATION**

This Affidavit / Affirmation must be sworn or affirmed before a Solicitor or Commissioner of Oaths or an officer of the court duly authorised to administer oaths when you have completed the rest of the form.

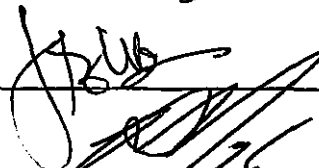
I *Brendan Kerin*

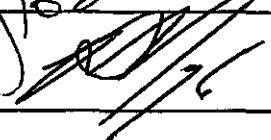
*Millers Croft, 30 Cooks Cross, Alveley, Shropshire, WV15 6LS*

Swear / affirm that the several pages attached marked A,A1,B & C are to the best of my knowledge and belief a full, true and complete statement as to the affairs of the above named company as at 14 January 2000 the date of the Administrative Receiver's Appointment and that the said company carried on business as Holding Company

Sworn / affirmed at *21 Church Street Birmingham*

Date *10<sup>th</sup> February 2000*

Signatures 


Before Me 

A Solicitor or Commissioner of Oaths **RICCARDO MAGNANTE, Soc.LC.  
A COMMISSIONER FOR OATHS**

The Solicitor or Commissioner is particularly requested, before swearing / affirming the affidavit, to make sure that the full name, address and description of the Deponent are stated, and to initial any crossings-out or other alterations in the printed form. A deficiency in the affidavit in any of the above respects will mean that it is refused by the court, and will necessitate its being re-sworn / re-affirmed.

Insolvency Act 1986  
 Apollo Sports Holdings Limited  
 Statement Of Affairs as at 14 January 2000

A - SUMMARY OF ASSETS	Cost or Book Value	Estimated Realisable Values
<b>ASSETS SPECIFICALLY PLEDGED:-</b>		
Freehold land & buildings	1757000.00	1617000.00
		1617000.00
Shares and investments	956000.00	Nil
		Nil
<b>ASSETS NOT SPECIFICALLY PLEDGED:-</b>		
Cash at bank	223354.00	223354.00
Apollo Sports Technology	396821.00	Nil
Reynolds Cycle Technology	144756.00	Nil
		1840354.00
<b>ESTIMATED TOTAL ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS</b>		

Signature  Date 10.2.2000

Insolvency Act 1986  
Apollo Sports Holdings Limited  
Statement Of Affairs as at 14 January 2000

A1 - SUMMARY OF LIABILITIES	Estimated Realisable Values
ESTIMATED TOTAL ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS (CARRIED FROM PAGE A)	1840354.00
PREFERENTIAL CREDITORS:-	Nil
ESTIMATED (DEFICIENCY) / SURPLUS AS REGARDS PREFERENTIAL CREDITORS	1840354.00
DEBTS SECURED BY A FLOATING CHARGE:-	Nil
ESTIMATED (DEFICIENCY) / SURPLUS OF ASSETS AVAILABLE FOR NON-PREFERENTIAL CREDITORS	1840354.00
NON-PREFERENTIAL CLAIMS :-	
Trade & expense	1501175.00
Corporation Tax	7000.00
	1508175.00
ESTIMATED (DEFICIENCY) / SURPLUS AS REGARDS CREDITORS	332179.00
ISSUED AND CALLED UP CAPITAL :-	
Ordinary shareholders	2849966.00
	2849966.00
ESTIMATED (DEFICIENCY) / SURPLUS AS REGARDS MEMBERS	<u>( 2517787.00 )</u>

Signature



Date

10.2.2000

## **Apollo Sports Holdings Limited**

### **Notes to the statement of affairs**

- 1) The freehold land & buildings have been professionally valued by Messrs Bache Treharne. This valuation represents a restricted realisation price.
- 2) Apollo Sports Holdings Limited holds 100% of the shares in Apollo Sports Technologies Limited and Reynolds CycleTechnology Limited both of which have been placed into Administrative Receivership.
- 3) The intercompany debtors takes no account of any possible dividends receivable from other group companies in receivership.
- 4) The statement does not provide for the cost of realisation or receivership.
- 5) The amounts shown due to creditors are as recorded in the company's books. All creditors claims are subject to agreement by any appointed liquidator.
- 6) The amount disclosed as payable to the Environment Agency of £1,500,000 is an assessment by the directors of the possible costs of achieving satisfactory remediation of the freehold land owned by Apollo Sports Holdings Limited known as the Marl Hole.
- 7) The company has provided a guarantee to Fortis Bank in respect of group company liabilities. It is likely that this guarantee will be called on and, therefore, the funds available for distribution to the unsecured creditors will be reduced. It is not possible at this stage to estimate the amount payable under the guarantee as interest continues to accrue on the bank's prime indebtedness.



**STATEMENT OF AFFAIRS**

Statement as to affairs of

**APOLLO SPORTS TECHNOLOGIES LIMITED**

On the 14 January 2000  
the date of the Administrative Receiver's Appointment

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**AFFIDAVIT/AFFIRMATION**

This Affidavit/Affirmation must be sworn or affirmed before a Solicitor or Commissioner of Oaths or an officer of the court duly authorised to administer oaths when you have completed the rest of this form.

I Brendan Kerin

Millers Croft, 30 Cooks Cross, Alveley, Shropshire, WV15 6LS

Swear/affirm that the several pages attached marked A,A1,B & C are to the best of my knowledge and belief a full, true and complete statement as to the affairs of the above named company as at 14 January 2000 the date of the Administrative Receiver's Appointment and that the said company carried on business as Man. of tubular sports equipment

Sworn/affirmed at

at Millers Croft Alveley Shropshire

Date

10th February 2000

Signatures

[Signature]

Before Me

[Signature]

A Solicitor or Commissioner of Oaths

**RICCARDO MAGNANTE, Soc.L.C.  
A COMMISSIONER FOR OATHS**

The Solicitor or Commissioner is particularly requested, before swearing/affirming the affidavit, to make sure that the full name, address and description of the Deponent are stated, and to initial any crossings-out or other alterations in the printed form. A deficiency in the affidavit in any of the above respects will mean that it is refused by the court, and will necessitate its being re-sworn/re-affirmed.

Insolvency Act 1986  
 APOLLO SPORTS TECHNOLOGIES LIMITED  
 STATEMENT OF AFFAIRS AS AT 14 JANUARY 2000

A - SUMMARY OF ASSETS	Cost or Book Value	Estimated Realisable Values
<b>ASSETS SPECIFICALLY PLEDGED:-</b>		
Sterling Book Debts	343522.00	317838.00
Less due to HSBC		( 162259.00)
Foreign Book Debts	262113.00	204933.00
Plant, Mach., Fix. & Fitting	1527033.00	350000.00
Less due to Deb. Holder		( 490732.00)
		<u>219780.00</u>
Surplus c/d		219780.00
Gas Plant	137157.00	65000.00
Lombard North		( 142322.00)
		<u>( 77322.00)</u>
Deficiency c/d		( 77322.00)
Y2000 Computer equipment	5501.00	3000.00
Capital Bank		( 6768.00)
		<u>( 3768.00)</u>
Deficiency c/d		( 3768.00)
Bulging Machine	47587.00	10000.00
Lombard North		( 54155.00)
		<u>( 44155.00)</u>
Deficiency c/d		( 44155.00)
Computer equipment	14722.00	13000.00
Lombard Business		( 16737.00)
		<u>( 3737.00)</u>
Deficiency c/d		( 3737.00)
<b>ASSETS NOT SPECIFICALLY PLEDGED:-</b>		
Stock	1065409.00	673463.00
Apollo Golf Inc	1280601.00	NIL
Reynolds Cycle Technology	142497.00	NIL
VAT refunds	15188.00	15188.00
Cash at bank	17738.00	17738.00
		<u>706389.00</u>
<b>ESTIMATED TOTAL ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS</b>		<b>706389.00</b>

Signature \_\_\_\_\_



Date \_\_\_\_\_

10.2.2000

Insolvency Act 1986  
 APOLLO SPORTS TECHNOLOGIES LIMITED  
 STATEMENT OF AFFAIRS AS AT 14 JANUARY 2000

A1 - SUMMARY OF LIABILITIES	Estimated Realisable Values
ESTIMATED TOTAL ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS (CARRIED FROM PAGE A)	706389.00
PREFERENTIAL CREDITORS:-	
Inland Revenue - PAYE/NI	201657.00
Wage arrears/holiday pay	188521.00
Conts.to Occ.pen.schemes	6353.00
	396531.00
ESTIMATED (DEFICIENCY)/SURPLUS AS REGARDS PREFERENTIAL CREDITORS	309858.00
DEBTS SECURED BY A FLOATING CHARGE:-	
	NIL
ESTIMATED (DEFICIENCY)/SURPLUS OF ASSETS AVAILABLE FOR NON-PREFERENTIAL CREDITORS	309858.00
SURPLUS B/D	219780.00
NON-PREFERENTIAL CLAIMS:-	
Deficiency b/d	128982.00
Trade & expense	1544112.00
Employee wage arrears	146808.00
Pay in lieu & redundancy	1691605.00
Apollo Golf Inc.	14296.00
Apollo Sports Holdings	396821.00
Corporation tax	151934.00
Cont.to personal pen.sch.	1358.00
	4075916.00
ESTIMATED (DEFICIENCY)/SURPLUS AS REGARDS CREDITORS	( 3546278.00)
ISSUED AND CALLED UP CAPITAL:-	
Ordinary shareholders	1429922.00
	1429922.00
ESTIMATED (DEFICIENCY)/SURPLUS AS REGARDS MEMBERS	( 4976200.00)

Signature \_\_\_\_\_



Date

10.2.2000

## **Apollo Sports Technologies Limited**

### **Notes to the statement of affairs**

- 1) A specific provision of £15,684 and a further general provision of £10,000 has been made against the sterling book debts.
- 2) A specific provision of £33,280 and a further general provision of 10% has been made against the foreign book debts, before conversion to sterling.
- 3) Plant, machinery, fixtures and fittings have been professionally valued by Rushton International. The directors have discounted the valuation by 35%.
- 4) Stock - A specific provision of £221,742 has been made against raw materials and work in progress and a specific provision of £170,204 has been made against finished goods.
- 5) Apollo Golf Inc. may in the near future be placed into some form of formal insolvency proceeding. The statement therefore takes no account of any possible cash inflow from this debtor.
- 6) The inter-company debtor takes no account of any possible dividend receivable from other group companies in receivership.
- 7) The company has certain forward foreign exchange contracts which are expected to generate funds of approximately £35,107. These monies will be set off against the indebtedness due to the Bank.
- 8) The company is due a repayment of interest charged on the principal loan account. These monies will also be set off against the indebtedness due to the Bank.
- 9) The statement does not provide for the cost of realisation or receivership.
- 10) The amounts shown due to creditors are as recorded in the company's books. All creditors claims are subject to agreement by any appointed liquidator.
- 11) The company has provided a guarantee to Fortis Bank in respect of group company liabilities. It is likely that this guarantee will be called on and, therefore, the funds available for distribution to the unsecured creditors will be reduced. It is not possible at this stage to estimate the amount payable under the guarantee as interest continues to accrue on the bank's prime indebtedness.

Rule 3.4

Form 3.2

**STATEMENT OF AFFAIRS**

Statement as to affairs of

Reynolds Cycle Technology Limited

On the 14 January 2000

the date of the Administrative Receiver's Appointment

**AFFIDAVIT / AFFIRMATION**

This Affidavit / Affirmation must be sworn or affirmed before a Solicitor or Commissioner of Oaths or an officer of the court duly authorised to administer oaths when you have completed the rest of the form.

I Brendan Kerin

Millers Croft, 30 Cooks Cross, Alveley, Shropshire, WV15 6LS

Swear / affirm that the several pages attached marked A, A1, B & C are to the best of my knowledge and belief a full, true and complete statement as to the affairs of the above named company as at 14 January 2000 the date of the Administrative Receiver's Appointment and that the said company carried on business as Man. of manipulated cycle components

Sworn / affirmed at

31 Church Lane, Birmingham

Date

10th January 2000

Signatures

[Signature]

Before Me

[Signature]

A Solicitor or Commissioner of Oaths

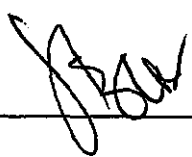
**RICCARDO MAGNANTE, Soc.L.C.**  
**A COMMISSIONER FOR OATHS**

The Solicitor or Commissioner is particularly requested, before swearing / affirming the affidavit, to make sure that the full name, address and description of the Deponent are stated, and to initial any crossings-out or other alterations in the printed form. A deficiency in the affidavit in any of the above respects will mean that it is refused by the court, and will necessitate its being re-sworn / re-affirmed.

Insolvency Act 1986  
 Reynolds Cycle Technology Limited  
 Statement Of Affairs as at 14 January 2000

A - SUMMARY OF ASSETS	Cost or Book Value	Estimated Realisable Values
<b>ASSETS SPECIFICALLY PLEDGED:-</b>		
Plant & machinery	67000.00	10000.00
Sterling Book debts	73038.00	61644.00
Foreign Book Debts	104449.00	83559.00
Less due to Deb. Holder		( 720776.00 )
Deficiency c/d		( 565573.00 )
<b>ASSETS NOT SPECIFICALLY PLEDGED:-</b>		
Stock	176000.00	10000.00
VAT refunds	1811.00	1811.00
<b>ESTIMATED TOTAL ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS</b>		<b>11811.00</b>

Signature \_\_\_\_\_



Date \_\_\_\_\_

10.2.2000

Insolvency Act 1986  
Reynolds Cycle Technology Limited  
Statement Of Affairs as at 14 January 2000

A1 - SUMMARY OF LIABILITIES	Estimated Realisable Values
ESTIMATED TOTAL ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS (CARRIED FROM PAGE A)	11811.00
<b>PREFERENTIAL CREDITORS:-</b>	
Inland Revenue - PAYE/NI	5604.00
Wage arrears/holiday pay	20395.00
Conts.to Occ.pension sch.	792.00
	26791.00
ESTIMATED (DEFICIENCY) / SURPLUS AS REGARDS PREFERENTIAL CREDITORS	( 14980.00 )
<b>DEBTS SECURED BY A FLOATING CHARGE:-</b>	
Deficiency b/d	565573.00
	565573.00
ESTIMATED (DEFICIENCY) / SURPLUS OF ASSETS AVAILABLE FOR NON-PREFERENTIAL CREDITORS	( 580553.00 )
<b>NON-PREFERENTIAL CLAIMS :-</b>	
Trade & expense	122422.00
Employee wage arrears	2652.00
Pay in lieu & redundancy	417016.00
Apollo Sports Technology	142497.00
Apollo Sports Holdings	144756.00
Apollo Golf Inc.	75313.00
Cont.to Personal pen.sch.	41.00
	904697.00
ESTIMATED (DEFICIENCY) / SURPLUS AS REGARDS CREDITORS	( 1485250.00 )
<b>ISSUED AND CALLED UP CAPITAL :-</b>	
Ordinary shareholders	702000.00
	702000.00
ESTIMATED (DEFICIENCY) / SURPLUS AS REGARDS MEMBERS	( 2187250.00 )

Signature

Date

10-2-2000

## **Reynolds Cycle Technology Limited**

### **Notes to the statement of affairs**

- 1) The realisable amounts for plant, machinery and stock represent proceeds from their sale by the Joint Administrative Receivers.
- 2) A specific provision of £4,545 and a further general provision of 10% has been made against the sterling book debts.
- 3) A general provision of 20% has been made against the foreign book debts.
- 4) The statement does not provide for the cost of realisation or receivership.
- 5) The amounts shown due to creditors are as recorded in the company's books. All creditors claims are subject to agreement by any appointed liquidator.
- 6) The company has provided a guarantee to Fortis Bank in respect of group company liabilities. However, it is likely that the other group companies will be called upon to settle the shortfall due to the Debenture Holder in this instance.