

The Insolvency Act 1986

Administrator's progress report**2.24B**Name of Company
ELVI INVESTMENTS LIMITEDCompany number
00416970In the
High Court of Justice, Chancery Division
Birmingham District RegistryCourt case number
9058 of 2008(a) Insert full name(s) and
address(es) of
administrator(s)

I / We (a) Lynn Robert Bailey, Lindsey Jane Cooper and Simon Peter Bower of Baker Tilly Restructuring and Recovery LLP, St Philips Point, Temple Row, Birmingham B2 5AF

administrators of the above company attach a progress report for the period

from

(b) 7 August 2008

to

(b) 2 February 2009

(b) Insert dates

Signed

Joint / Administrator(s)

Dated

2/2/09

Contact Details:

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

Chris Lewis, Baker Tilly Restructuring and Recovery LLP, St Philips Point, Temple Row,

Birmingham B2 5AF

DX Number 13134

DX Number 13134

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COMPANIES HOUSE

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

**IVLE REALISATIONS LIMITED (FORMERLY ELVI LIMITED)
ELVI INVESTMENTS LIMITED
ELVI HOLDINGS LIMITED
- ALL IN ADMINISTRATION**

JOINT ADMINISTRATORS' FINAL PROGRESS REPORT

2 February 2009

1. PURPOSE OF REPORT

This report is prepared pursuant to Rules 2.47 and 2.110 of the Insolvency Rules 1986 (as amended) and is the final report to be issued by the Joint Administrators. The report provides creditors with information relating to the progress of the administration in the final period from 7 August 2008 to 2 February 2009.

2. JOINT ADMINISTRATORS' APPOINTMENT

Lynn Robert Bailey, Lindsey Jane Cooper and Simon Peter Bower of Baker Tilly Restructuring and Recovery LLP, St Philips Point, Temple Row, Birmingham, B2 5AF were appointed Joint Administrators ("Administrators") of Ivle Realisations Limited ("Ivle") (formerly Elvi Limited), Elvi Investments Limited ("Investments") and Elvi Holdings Limited ("Holdings") ("the Companies" or "the Group") on 7 February 2008 by the directors of the Companies. The notices of appointment were filed in the Birmingham High Court of Justice under reference numbers 9057, 9058 and 9059 respectively, all of 2008.

The Administrators' appointment specified that they would have power to act jointly and severally. The Administrators have exercised and will continue to exercise all of their functions jointly and severally as stated in the notice of appointment.

3. COMPANIES DETAILS

The registered numbers of the Companies are 489332, 416970 and 3338735 respectively. The Registered Office of the Companies is c/o Baker Tilly Restructuring and Recovery LLP, St Philips Point, Temple Row, Birmingham, B2 5AF.

4. RECEIPTS AND PAYMENTS SUMMARY

We attach as Appendices A1, A2 and A3 receipts and payments summaries for Ivle, Investments and Holdings respectively for the period from 7 February 2008 to 2 February 2009. The salient matters concerning the Administrations are detailed below; we have not repeated the detailed comments made in our six month report dated 3 September 2008.

Sale of business

The business (excluding the freehold property and book debts) was sold to GDCO 57 Limited ("GDCO") for £900,000 on 15 February 2008. Of this amount, £300,000 was paid for the Elvi trade mark held by Investments, with the balance allocated to plant, fixtures and fittings and stocks owned by Ivle.

The sale maintained all of Ivle's trading outlets and included the transfer of all staff thus extinguishing large potential redundancy claims. It also helped to negate potential claims from landlords as all of the leases (of which there were 28) have been assigned or are in the process of being assigned to GDCO or surrendered as appropriate.

Trading

The Administrators traded the operation for a short period whilst marketing the business until the above sale. The estimated trading surplus is £19,000 before a number of the final rental and tax liabilities are settled.

Freehold Land and Property

Three offers were received for the freehold property at Oxleasow Road, Redditch and our agents, Messrs GVA Grimley recommended acceptance of an offer of £1.25m. from PJS Mouldings Limited. The sale completed on 31 July 2008. Prior to the sale the property was occupied by GDCO under a Licence to Occupy, with rent of £52,083 received.

Debtors

Book debts due from the concession hosts totalled approximately £600,000 at our appointment against which we have realised £510,468 with the balance written off due to counter claims.

Cash at Bank/In Hand

Monies collected from Ivle's pre appointment sterling, Euro and US dollar bank accounts totalled £510,312 with cash in hand amounting to £18,836.

Leasehold properties

Following the sale of the business GDCO has remitted approximately £1,671,000 in respect of rent for the period 15 February to 29 November 2008. Of this £1,377,825 has been paid to landlords on assignment, surrender or forfeit of the leases as appropriate with the balance to be remitted on assignment of the remaining leases.

Refunds

Utility and business rate refunds have been received totalling £60,507. We engaged CAPA to assist with recovering potential overpayments of rates paid prior to our appointment, and they have been paid £1,771.

Interest

Interest of £62,190 (Ivle) and £8,620 (Investments) has been earned from funds held on deposit.

Prescribed Part

There have been no payments to unsecured creditors in relation to the Prescribed Part (Section 176A of the Insolvency Act 1986 (as amended)).

The "Prescribed Part" is a statutory amount of each company's assets subject to a floating charge to be set aside for the benefit of non-preferential creditors. Although the provisions are applicable, as there are floating charge debentures granted by the Companies since September 2003, it is not expected that they will have a material impact in this matter as all preferential claims have been paid in full, as will the debenture holder.

5. DIVIDENDS PAID TO CREDITORS

Secured Creditors

HSBC Bank plc ("the Bank") had a legal charge over the freehold premises at Redditch and was owed approximately £1.6m by Holdings at our appointment. The charge was granted by Ivle who owned the freehold and provided a guarantee.

Following the sale of the property a fixed charge distribution of £1,262,147 was made by Ivle to the Bank, whose residual indebtedness is approximately £414,000 plus accrued interest and will rank as an unsecured claim against Holdings.

The floating charge holder Pass Manufacturing Limited ("Pass"), held a debenture supported by a Group guarantee, has been paid c£272,000. We expect to remit the balance due of £8,000 shortly once the total indebtedness is agreed.

Pass also hold loan notes with a value of £944,000 which they claimed were also secured by the floating charge. The Administrators sought directions from the Court and at the hearing on 28 November 2008 the judge determined that the loan notes were not subject to the security and they will therefore rank as an unsecured claim against Ivle.

Preferential Creditors

Potential preferential claims in respect of wages and holiday pay did not crystallise in the Administrations as these liabilities were dealt with or transferred to the purchaser of the business.

Unsecured Creditors

Unsecured creditors were estimated at £6.17m in the directors' Statement of Affairs for Ivle. Investments and Holdings only unsecured creditors are H M Revenue & Customs for any shortfall in respect of the Group VAT registration from Ivle, and the intercompany balance to the Bank.

The estimated return to unsecured creditors at the time of the Administrators' proposals was in the region of 5-18p in the pound, before costs and taxation and depending on whether the loan notes referred to above were caught under the floating charge. It will be the responsibility of a subsequently appointed Liquidator to agree creditors' claims and distribute the dividend. We currently estimate a dividend to unsecured creditors of 15p in the pound, subject to costs of the liquidation.

6. CONDUCT OF THE ADMINISTRATIONS

We summarise below the main aspects of work undertaken since our appointment:

- 1) Trading the business for a short period after our appointment,
- 2) Selling the business to GDCO
- 3) Dealing with the formal assignment/surrender of the Group's 28 leasehold properties,
- 4) Realising the freehold property,
- 5) Corresponding with the concession stores in relation to book debts,
- 6) Preparing the proposals to creditors, holding creditors' meetings and reporting on the outcome of the meetings thereafter,
- 7) Preparing the first statutory progress report to creditors,
- 8) Liaising with the Bank and floating chargeholder,
- 9) Legal action in connection with Pass,
- 8) Dealing with unsecured creditors correspondence and telephone enquiries,
- 9) Completing statutory returns,
- 10) General day to day administration including cashiering

7. ASSETS REMAINING TO BE REALISED

The Administrators continue to realise monies due in respect of rent for the leaseholds that have yet to be assigned to GDCO, which in turn will be passed on to the respective landlords.

8. ADMINISTRATORS' PROPOSALS

Our Proposals were approved at the meetings of creditors which were held on 26 March 2008. We have recently submitted the relevant paperwork to Companies House to put each of the Companies into Creditors' Voluntary Liquidation as per the Proposals.

9. EXTENSION OF THE ADMINISTRATIONS

There have been no extensions of the Administrations.

10. ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

Time costs and fees drawn to date

The basis of the Joint Administrators' remuneration was approved by creditors at the meetings held on 26 March 2008, when the following resolution was passed in respect of each of the Companies:

"The Joint Administrators shall be authorised to draw their remuneration based upon time costs incurred by them in the Administration, to be paid out of the assets of the Company in accordance with Rule 2.106(2) (b) "by reference to the time properly given by the Administrators and their staff, in attending to matters arising in the administration."

As at 2 February 2009 we have drawn a total of £305,836 and £2,909 plus VAT, from the estates of Ivle and Investments respectively on account of our time costs incurred.

Attached are the following:

- Appendix B: Baker Tilly's Restructuring and Recovery LLP charging, expenses and disbursements policy statement.
- Appendix C: Time and charge out summary
- Appendix D: Charge out bands and disbursement rates
- Appendix E: Summary of payments to office holder and associated parties

A total of 2019.90 hours have been spent by our staff in the administration of the estate from the date of appointment to 29 January 2009, the latest practicable date prior to this report, at an average hourly charge out rate of £160.63.

Analysis of time spent in administration of the estate

Our staff have carried out the following tasks:

a) Administration and Planning

This includes dealing with the commencement of the Administration, statutory filing of appointment documents with Companies' House, requesting the submission of the Statement of Affairs and filing it at Companies' House, together with day-to-day administration duties. These include but are not limited to: handling receipts and payments; VAT and Corporation Tax issues such as the monthly VAT returns; pension queries and general correspondence.

b) Realisation of Assets

Our staff have been employed on various matters, including: liaising with interested parties, agents and solicitors in respect of the sale of the business, realisation of the freehold property, dealing with leasehold properties including discussions with our solicitors and GDCO concerning the amounts due under the leases, collecting overpaid business rates, and reconciliations and collections of debts from the concession outlets. Asset realisation is considered to be a key aspect of the Administration.

c) Trading

Our staff have had to set up accounts with suppliers in order to trade on an ongoing basis. Payments to suppliers and general correspondence with these have been undertaken. Since trading has ceased, most accounts have been closed and final bills paid.

d) Creditors

Queries from and correspondence with creditors and employees have been necessary aspects of the Administration process. This includes dealing with creditors Retention of Title claims as appropriate. The preparation of the Administrators' Proposals has been undertaken including the attendant aspects of providing and obtaining the required information, convening the creditors' meetings etc. A brief report on the outcome of the creditors' meetings was prepared. Ongoing liaison with the Bank in respect of the freehold property and with the floating chargeholder, including distributions, has been carried out.

Administrators' Disbursements

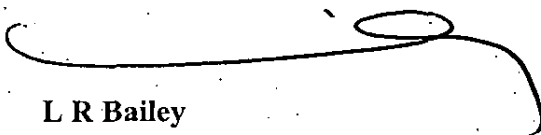
The basis of the Joint Administrators' drawing disbursements was also approved by the creditors at the meetings held on 26 March 2008, when the following resolution was passed:

"The Joint Administrators be authorised to draw their disbursements and other expenses incurred by them in the Administration, to be paid out of the assets of the Company. Such disbursements to include "Category 2 disbursements" at the rates attached at Appendix H to the Proposal."

Disbursements drawn from the Company's assets in accordance with the resolution are detailed on Appendix F.

11. CLOSURE OF THE ADMINISTRATIONS

The Joint Administrators will bring the administrations to a close by Creditors Voluntary Liquidations. You will be notified of the formal appointment of liquidators as dealt with in the Proposals shortly.



L R Bailey
Baker Tilly Restructuring and Recovery LLP
Joint Administrator

2 February 2009

Lynn Robert Bailey is licensed to act as an insolvency practitioner by the Insolvency Practitioners Association

Lindsey Jane Cooper and Simon Peter Bower are both licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales

The affairs, business and property of the Companies are being managed by the Joint Administrators who act as agent for the Companies without personal liability

ADMP1330

Receipts and Payments Abstract: IVLE Realisations Limited (formerly Elvi Limited) **In Administration**

All Bank, Cash and Cash Investment Accounts: To: 02/02/2009

SOA Value £		£	£
	SECURED ASSETS		
1,608,000	Freehold Land and Property	1,250,000.00	
	Rental Income	52,083.00	
	Interest on Property monies	359.05	
			1,302,442.05
	COST OF REALISATIONS		
	Administrators fees	(5,000.00)	
	Legal Fees	(34,023.35)	
	Legal fees Holdings loan acc	(4,460.35)	
			(43,483.70)
	SECURED CREDITORS		
(1,608,000)	HSBC Bank plc	(1,262,147.00)	
			(1,262,147.00)
	POST APPOINTMENT TRADING		
	Trading Surplus	18,699.16	
			18,699.16
	ASSET REALISATIONS		
	Bank Interest	62,189.99	
536,000	Cash at Bank/In Hand on Appointment	529,147.82	
622,000	Debtors	510,462.14	
	Insurance Refund	1,015.45	
	Licence Fee	25,000.00	
700,000	Sale of Business	600,000.00	
	Rental Income	1,019,411.59	
	Sundry	38,139.96	
	Surrender Fees	69,000.00	
	Third Party Sales	27,531.44	
	Utility Refund	60,506.50	
			2,942,404.89
	COST OF REALISATIONS		
	Administrators disbursements	(5,819.26)	
	Administrators fees	(300,836.40)	
	Advertisements	(3,137.02)	
	Agents / Valuers Fees	(49,445.54)	
	Assignment of Leases	(726,635.53)	
	Bank Charges	(1,106.92)	
(280,000)	Floating charge payment	(271,684.98)	
	Insurance	(12,547.11)	
	Legal Fees	(68,533.40)	
	Preferential Claims	(99,676.56)	
	Photocopying	(1,145.20)	
	Statutory Advertising	(703.77)	
	Storage Costs	(4,023.50)	
	Sundry Costs	(3,395.79)	
			(1,548,690.99)
			<u>1,409,224.41</u>
	Preferential Claims		

Receipts and Payments Abstract: Elvi Investments Limited In Administration

All Bank, Cash and Cash Investment Accounts: To: 02/02/2009

SOA Value £		£	£
	ASSET REALISATIONS		
	Bank Interest Gross	8,619.61	
	Rental Income	521,838.98	
300,000	Intangible Assets (trade mark)	300,000.00	
163,000	Inter-Company Debtor		
			830,458.59
	COST OF REALISATIONS		
	Administrators' disbursements	(1,359.98)	
	Administrators' Fees	(2,909.55)	
	Assignment of leases	(521,838.98)	
	Bank Charges	(60.00)	
	Legal Fees	(47,325.85)	
			(573,494.36)
			<u>256,964.23</u>

Receipts and Payments Abstract: Elvi Holdings Limited In Administration

All Bank, Cash and Cash Investment Accounts: To: 02/02/2009

SOA Value £		£	£
	ASSET REALISATIONS		
	Rental Income	129,776.12	
33,000	Inter-Company Debtor	<u>0.00</u>	129,776.12
	COST OF REALISATIONS		
	Assignment of leases	<u>(129,776.12)</u>	<u>(129,776.12)</u>
			<u>0.00</u>

Appendix B

BAKER TILLY RESTRUCTURING AND RECOVERY LLP

CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units.
- Time billed is subject to Value Added Tax (VAT) at the applicable rate.

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
 - Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to creditors, but do not require creditors' approval prior to being drawn from the insolvency estate. These are known as "Category 1" disbursements.
 - Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) require the approval of creditors prior to being drawn from the insolvency estate. These are known as "Category 2" disbursements.
 - General office overheads are not re-charged to the insolvency estate as a disbursement.
 - Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of creditors.
 - Where applicable, expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate.
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Appendix C

TIME AND CHARGE OUT SUMMARY

	HOURS SPENT					TIME COSTS £
	Partner	Manager	Administrator	Assistants & Support Staff	Total	
Administration and planning	28.0	294.7	192.00	3.50	518.20	58,001.80
Investigations	0.00	9.20	1.50	0.0	10.70	1,253.50
Realisation of other assets	146.30	362.60	113.10	6.20	634.70	131,690.50
Trading	38.40	200.10	206.80	0.30	445.60	67,337.50
Creditors	30.50	69.70	204.30	6.50	321.90	46,583.80
Case Specific Matters	34.30	30.00	9.30	15.50	88.80	20,556.00
Total Hours	277.50	966.30	727.00	32.00	2,019.90	325,447.10
Total Time Costs	104,174.50	155,706.00	63,725.60	11,876.00	324,447.10	

Appendix D

BAKER TILLY RESTUCTURING AND RECOVERY LLP

BIRMINGHAM

CHARGE OUT RATE BANDS

	Charge out band as at date of appointment, £	Charge out band as at date of current report, £
Partners	300-365	300-375
Managers	100-250	125-260
Administrators	70-120	80-120
Assistants & Support Staff	45-80	55-85

It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.

Baker Tilly Restructuring and Recovery LLP's charge out rates are reviewed periodically.

"CATEGORY 2" DISBURSEMENTS

Authority will be sought to recover the following costs as "Category 2" disbursements at the creditors' meeting

Fax	62p per fax
Photocopying	6.5p per page
Internal room hire	£25/£80 per room
Subsistence	£23 per night
Travel (car)	38 pence per mile

Appendix E

**SUMMARY OF PAYMENTS TO OFFICE HOLDER AND
ASSOCIATED PARTIES**

AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S FIRM	
TYPE AND PURPOSE	£
Insolvency Bond	1,807.66
Company search fees	32.00
Photocopying (at cost)	1,239.60
Travel (cost)	295.02
Subsistence (hotels and meals)	828.55
Room hire (for creditors' meetings)	567.24
Mileage (38p per mile)	2,509.66
Total	7,192.61

AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S SOLICITOR	
TYPE AND PURPOSE	£
Hammonds solicitors (appointment – time costs and expenses)	5,180.00
DLA Piper UK LLP (advice regarding sale of business, freehold and leasehold properties, Retention of Title matters – time costs and expenses)	144,052.95
DLA Piper UK LLP (advice in relation to the sale of the freehold property – time costs at Bank rates plus expenses)	5,130.00
Total	154,362.95

AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S AGENT	
TYPE AND PURPOSE	£
GVA Grimley Limited (valuation of the Companies assets – time costs; sale of freehold – 2% of freehold plus non-sale related time costs as agreed by the Bank)	44,538.15
GMS Property Services (property inspection costs and services)	272.00
Total	44,810.15