

## The Insolvency Act 1986

## Administrator's progress report

2.24B

Name of Company IMPEX CREATIVE CRAFTS LIMITED	Company number 01165448
In the High Court of Justice (full name of court)	Court case number 5728 of 2011

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

I/We (a) N A Bennett & M C Healy of Leonard Curtis, One Great Cumberland Place,  
Marble Arch, London W1H 7LW

administrator(s) of the above company attach a progress report for the period

from

to

(b) Insert dates

(b) 14 July 2011

(b) 13 January 2012

Signed

  
Joint Administrator

Dated

18 January 2012

## 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 creditors.

Leonard Curtis	
One Great Cumberland Place, Marble Arch, London W1H 7LW	
Ref MC/18	Tel 020 7535 7000
DX Number	DX Exchange

Have completed and signed this form please send it to the Registrar of Companies at Companies

House, Cardiff, CF14 3UZ

DX 33050 Cardiff



A20

20/01/2012

#188

COMPANIES HOUSE

FRIDAY



**LEONARD CURTIS**  
BUSINESS RESCUE & RECOVERY

**IMPEX CREATIVE CRAFTS LIMITED  
(IN ADMINISTRATION)**

Registered Number: 01165448

**Joint Administrators' First Progress Report  
for the period from 14 July 2011 to 13 January 2012**

**18 January 2012**

Leonard Curtis  
One Great Cumberland Place, Marble Arch,  
London W1H 7LW  
Tel 020 7535 7000 Fax 020 7723 6059  
solutions@leonardcurtis.co.uk  
Ref LJ18/MC/SIMP06/1010

## CONTENTS

- 1 Statutory Information
- 2 Steps taken during the Administration and Progress to Date
- 3 Achieving the Purpose of Administration
- 4 Joint Administrators' Remuneration and Disbursements
- 5 Pre-Administration Costs
- 6 Creditors' Rights
- 7 Extension of Administration
- 8 Further Assets to be Realised
- 9 Other Relevant Information

## APPENDICES

- A Summary of Joint Administrators' Receipts and Payments from 14 July 2011 to 13 January 2012
- B Summary of Joint Administrators' Time Costs from 14 July 2011 to 13 January 2012
- C Additional Information in Relation to the Policy of Leonard Curtis Regarding Fees and Disbursements

**TO: ALL CREDITORS AND THE REGISTRAR OF COMPANIES**

**1 STATUTORY INFORMATION**

- 1 1 I was appointed Joint Administrator of Impex Creative Crafts Limited ("the Company") together with M C Healy on 14 July 2011. We are both licensed in the UK by the Insolvency Practitioners Association. The appointment of the Joint Administrators ("the Joint Administrators") was made by David Goodrich ("Mr Goodrich") of 63 Grand Avenue, Muswell Hill, London N10 3BS a director of the Company.
- 1 2 The Administration proceedings are under the jurisdiction of the High Court of Justice under Court reference number 5728 of 2011.
- 1 3 In accordance with paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 ("the Act"), the function of the Joint Administrators may be exercised by either or both, acting jointly or alone. There have been no changes in office-holder and the initial period of the Joint Administrators' appointment has not been extended.
- 1 4 The Company traded as a wholesaler supplier of craft items and was purchased by Mr Goodrich and Peter Jackson ("Mr Jackson") in March 2008 by way of a share buyout. The Company experienced cash flow difficulties shortly after the purchase and was unable to bulk order stock from the Far East leading to customers seeking other suppliers. Difficulties with HMRC, the factoring account and personal disputes between the directors led to further financial difficulties with the Company's finances.
- 1 5 The Company's registered office was changed from 1st Floor Sheraton House Lower Road Chorleywood Hertfordshire, WD3 5LH to One Great Cumberland Place, Marble Arch, London W1H 7LW following our appointment. The registered number is 01165448.
- 1 6 On 24 August 2011 we sent a statement of the Joint Administrators' proposals to all creditors of the Company. In accordance with paragraph 52 of Schedule B1 of the Act, a meeting of creditors was not called as we thought that, on the basis of information available at the time, the Company would have insufficient property after costs to enable a distribution to be made to unsecured creditors other than by virtue of Section 176(A)(2)(a) of the Act (prescribed part). No meeting of creditors was requisitioned and the proposals were therefore deemed to have been approved on 5 September 2011. There have been no major amendments to, or deviations from, those proposals.
- 1 7 The Company's main centre of operations is based in the UK. The EC Regulation on Insolvency Proceedings applies and the proceedings are main proceedings under the Regulation.

**2 STEPS TAKEN DURING THE ADMINISTRATION AND PROGRESS TO DATE**

- 2 1 This report should be read in conjunction with the Joint Administrators' previous reports dated 25 July 2011 and 24 August 2011.

**2 2 Sale of the Business**

As previously reported the assets of the company were sold to Groves of Thame Limited ("Groves") on 14 July 2011 for £60,000. The initial consideration of £55,000 was received on the date of completion and the remaining £5,000 was received following the assignment of the trademarks which completed on 28 July 2011.

**2 3 Debtors**

The Company had a book debt ledger which was subject to a factoring agreement with Aldermore Invoice Finance ("Aldermore"). At the date of Administration the gross value of the outstanding ledger

was £183,957 with a corresponding balance of £139,045 due to Aldermore. Aldermore has advised that debt collections to date total £139,045. Aldermore have advised that they are coming to the end of the collection process and it is not anticipated that any further substantial funds will be recovered. After the addition of termination and other charges, £32,147 remains owing to Aldermore. It is not anticipated that any surplus funds will be available for the benefit of the Administration.

## **2.4 Premises**

The trading premises were surrendered back to the landlord in October 2011. No premium was achieved for the lease.

## **2.5 Secured Creditors**

Barclays Bank PLC ("Barclays") hold a debenture incorporating fixed and floating charges in respect of the Company's overdraft and credit card facility. Barclays are owed an estimated £9,547 and have received a distribution of £6,000 under their fixed charge. It is not anticipated that any further funds will be available to distribute to Barclays.

Aldermore also hold a debenture incorporating fixed and floating charges in respect of any sums owing in relation to the invoice discount facility the Company operated. It is anticipated that Aldermore will suffer a shortfall after allowing a bad debt provision and any termination charges.

## **2.6 Investigations**

2.6.1 We have complied with our statutory obligations under the Company Directors Disqualification Act 1986 and a report has been submitted to the appropriate authority.

2.6.2 We have carried out enquiries that we considered to be proportionate to the circumstances of the case. After completing these we were of the opinion that there were no matters that might lead to recoveries for the estate and that no further investigation was appropriate.

2.7 Attached as Appendix A is a summary of our receipts and payments account for the period from 14 July 2011 to 13 January 2012. This shows what assets of the Company have been realised and for what value and what payments have been made to creditors or others.

2.8 It also shows details of expenses incurred and paid during the period of this report. No expenses have been incurred but not paid.

## **3 ACHIEVING THE PURPOSE OF ADMINISTRATION**

3.1 As advised in our previous report dated 24 August 2011, the Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:

(a) rescuing the Company as a going concern, or (if this cannot be achieved)

(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 (if (a) and (b) cannot be achieved)

(c) realising property in order to make a distribution to one or more secured or preferential creditors

3.2 We are obliged to perform our functions in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured

- or preferential creditors, we have a duty not to unnecessarily harm the interests of the creditors as a whole
- 3 3 In our opinion, it was not possible to achieve the first objective. The Company had severe cash flow difficulties and required a significant cash injection in order to continue trading. As no third party funder could be identified, the Company was unable to continue trading in order to propose a Company Voluntary Arrangement.
- 3 4 We believe that as we were unable to secure a sale of the business as a going concern, the second objective has not been achieved. The sale of the assets has not resulted in a better return for creditors, than would have been likely if the Company had been wound up.
- 3 5 In our opinion, the third objective, namely realising property to make a distribution to one or more secured or preferential creditors, has been achieved as both Aldermore and Barclays have received distributions.
- 3 6 The Administration has been, and will continue to be, financed by monies received from asset realisations.

#### 4 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

- 4 1 The Joint Administrators' proposals, as approved, stated that "The Joint Administrators think that the Company will have insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of Section 176(A)(2)(a) of the Insolvency Act 1986 (prescribed part, if any)"
- 4 2 In view of this the Joint Administrators' remuneration is required to be fixed with the approval of
- (a) each secured creditor of the Company and, if we have made or intend to make a distribution to preferential creditors,
  - (b) preferential creditors whose debts amount to more than 50% of the preferential debts of the Company, disregarding debts of any creditors who do not respond to an invitation to give or withhold approval.
- 4 3 In accordance with the provisions of Rule 2.106(2) of the Insolvency Rules 1986 it may be fixed as a percentage of the assets realised and distributed in the Administration, as a set amount or by reference to the time spent. In this case, the above creditors have approved the last mentioned. As it is unlikely that any funds will be available for preferential creditors, sanction has only been sought from Barclays and Aldermore as the secured creditors.
- 4 4 As advised in our previous report dated 24 August 2011, the Joint Administrators' time costs at 19 August 2011 were £14,482.50. Since that time further costs of £9,570 have been incurred. These total costs are summarised at Appendix B and comprise 133.1 hours at an average rate of £180.71 per hour. In accordance with the approval given, £21,779.22 has been paid on account of these costs to date.
- 4 5 Further details of our company's charge out rates and policy regarding the recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix C.
- 4 6 The Joint Administrators have also received approval from those creditors mentioned in paragraph 4.2 above of the basis upon which we recharge internal disbursements that include an element of allocated costs. These are known as Category 2 costs and the basis of their recharge is also attached at Appendix C. Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as "category 1 disbursement". Category 1 disbursements will generally comprise items such as identifiable telephone calls, postage, advertising, invoiced travel and properly reimbursed expenses, including car mileage at 45p a mile, incurred by personnel in connection

with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and storage

- 4.7 In this case the following Category 2 costs have been incurred during the period of this report and, where shown, reimbursed to our company

Type	Incurred £	Paid £	Unpaid £
Internal photocopying @ 10p per copy	163.80	163.80	-
General stationery, postage, telephone etc @ £100 per 100 creditors/ members or part thereof	-	-	-
Room hire @£100 per meeting	-	-	-
Storage of office files (6 years) £88.75 per box	-	-	-
Other	-	-	-
<b>Total</b>	<b>163.80</b>	<b>163.80</b>	<b>-</b>

- 4.8 We have used the following professional advisors, including subcontractors

Name of Professional Advisor	Service Provided	Basis of Fees
Shakespeares Solicitors	Legal Advice	Time Costs Basis
Edward Symmons LLP	Valuation Advice	Time Costs Basis
ERA Solutions	Employee Advice	Time Costs Basis
Alexander Forbes Trustee Services	Pension Advice	Fixed Fee

Details of our company's policy regarding the choice of advisors and the basis for their fees are also attached at Appendix C.

## 5 PRE-ADMINISTRATION COSTS

The following amounts in respect of pre-administration costs were approved by Barclays and Aldermore

Charged by	Services provided	Total charged £	Amount paid £	Identity of person making payment	Amount unpaid £
Leonard Curtis	Meetings with directors, assessing that Administration was the appropriate route, instructing agents and solicitors and liaising re marketing of the business including extensive negotiations of the sales	£10,017.50	£10,017.50	n/a	nil
Edward Symmons LLP	Providing a report and valuation of assets, preparing sales pack, marketing the business for sale and negotiating with interested parties	£5,000	£5,000	n/a	nil
Shakespeares Solicitors	Preparing sales contract, corresponding with the purchaser and Aldermore regarding release of their charge	£2,468	£2,468	n/a	nil

## **6 CREDITORS' RIGHTS**

- 6.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report
- 6.2 Within 14 days of receipt of the request, we must provide all of the information asked for, except so far as we consider that -
- i) the time or cost of preparation of the information would be excessive, or
  - ii) disclosure of the information would be prejudicial to the conduct of the Administration or might reasonably be expected to lead to violence against any person, or
  - iii) we are subject to an obligation of confidentiality in respect of the information

We must also give reasons for not providing all of the information

- 6.3 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to Court on the grounds that the basis fixed for the Joint Administrator's remuneration, the remuneration charged or the expenses incurred by the Joint Administrators as set out in this progress report are excessive

## **7 EXTENSION OF ADMINISTRATION**

- 7.1 The appointment of the Joint Administrators ceases to have effect at the end of the period of one year beginning with the date on which it takes effect
- 7.2 However, it is possible to extend the period of the Joint Administrators' term of office for a specified period not exceeding six months. If this is deemed appropriate, the Joint Administrators may seek consent of the following to such an extension
- (a) each secured creditor of the Company and, if we think that a distribution may be made to preferential creditors,
  - (b) preferential creditors whose debts amount to more than 50% of the Company's preferential debts, disregarding debts of any creditor who does not respond to an invitation to give or withhold consent for such extension
- 7.3 In this case we have not sought an extension

## **8 FURTHER ASSETS TO BE REALISED**

Aldermore are still finalising debtor collections. No further assets remain to be realised

## **9 OTHER RELEVANT INFORMATION**

- 9.1 The automatic deadline for the Administration to end is 13 July 2012
- 9.2 Based on current information, it is unlikely that any funds will be available to enable a distribution to preferential or unsecured creditors

- 9 3 In the event that there are insufficient monies available to declare a dividend to ordinary unsecured creditors of the Company, which we expect to be the case, we will give notice to Registrar of Companies to move the Company directly from Administration to dissolution
- 9 4 In the unlikely event that funds do become available to declare a dividend to ordinary unsecured creditors of the Company, we will give notice to the Registrar of Companies to move the Company from Administration into CVL. Following this notice the appointment of the Joint Administrators will cease to have effect and the appointment of a Liquidator will be effective. In accordance with the Joint Administrators' proposals approved by creditors, I will become Liquidator

Creditors requiring further information should contact our office, in writing. Electronic communications should also contain a full postal address

for and on behalf of  
**IMPEX CREATIVE CRAFTS LIMITED**



**N A BENNETT**  
Joint Administrator

Licensed in the UK by the Insolvency Practitioners Association

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

**Summary of Joint Administrators' Receipts and Payments Account  
from 14 July 2011 to 13 January 2012**

	Statement of Affairs £	Brought Forward 14/7/11 to 24/8/11 Fixed £		Floating £	This Period 25/8/11 to 13/1/12 Fixed £		Floating £	Total £
RECEIPTS								
Trademarks, Patents and Intellectual Property	7,500	7,500 00	-	-	-	-	-	7,500 00
Debtors	137,968	50,387 14	-	-	88,657 86	-	-	139,045 00
Stock	50,500	-	50,500 00	-	-	-	-	50,500 00
Fixtures and Fittings and Equipment	2,000	-	2,000 00	-	-	-	-	2,000 00
	<u>197,968</u>	<u>57,887 14</u>	<u>52,500 00</u>		<u>88,657 86</u>	<u>-</u>		<u>199,045 00</u>
Sundry Refunds		-	1,686 92	-	-	567 80	-	2,254 72
Deposit Interest		-	-	-	2 15	13 80	-	15 95
VAT Payable		1,500 00	9,157 43	-	-	(9,363 89)	-	1,293 54
		<u>59,387 14</u>	<u>63,344 35</u>		<u>88,660 01</u>	<u>(8,782 29)</u>		<u>202,609 21</u>
PAYMENTS								
Solicitors' Fees and Expenses		-	4,032 00	-	-	549 50	-	4,581 50
Agents' Fees and Expenses		-	-	-	-	839 29	-	839 29
Storage Charges		-	665 27	-	-	353 68	-	1,018 95
Other Professional Fees		-	1,800 00	-	-	-	-	1,800 00
Bordereau Fee		-	135 00	-	-	-	-	135 00
IT Licence Fee		-	75 00	-	-	-	-	75 00
Sundry Disbursements		-	5 60	-	-	458 16	-	463 76
Joint Administrators' Remuneration		-	-	-	3,002 15	18,777 07	-	21,779 22
Cost of preparing Statement of Affairs		-	-	-	-	5,000 00	-	5,000 00
Pre Appointment Costs		-	-	-	-	17,485 50	-	17,485 50
		<u>-</u>	<u>6,712 87</u>		<u>3,002 15</u>	<u>43,463 20</u>		<u>53,178 22</u>
DISTRIBUTIONS								
Aldermore Invoice Finance		50,387 14	-	-	88,657 86	-	-	139,045 00
Barclays Bank PLC		-	-	-	6,000 00	-	-	6,000 00
Balance in Hand		<u>9,000 00</u>	<u>56,631 48</u>		<u>(9,000 00)</u>	<u>(52,245 49)</u>		<u>4,385 99</u>

**Impex Creative Crafts Limited**  
(In Administration)

**Summary of Joint Administrators' Time Costs from 14 July 2011 to 13 January 2012**

	Director		Associate Director		Senior Manager		Manager 3		Senior Administrator		Administrator		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory & Review	-	-	18	630.00	15	487.50	20	350.00	-	-	-	-	53	1,467.50	276.89
Receipts & Payments	-	-	-	-	3	97.50	5	87.50	15	225.00	-	-	23	410.00	178.26
Assets	10	450.00	-	-	-	-	-	-	243	3,645.00	-	-	253	4,095.00	161.86
Liabilities	-	-	-	-	-	-	-	-	45	675.00	-	-	45	675.00	150.00
Landlords	-	-	-	-	-	-	25	437.50	-	-	-	-	25	437.50	175.00
Debenture Holder	10	450.00	-	-	5	162.50	-	-	70	1,050.00	-	-	85	1,662.50	195.59
General Administration	-	-	-	-	10	325.00	5	87.50	65	975.00	-	-	80	1,387.50	173.44
Appointment	-	-	-	-	-	-	-	-	80	1,200.00	118	1,180.00	198	2,380.00	120.20
Post Appointment Creditor Reporting	40	1,800.00	66	2,310.00	15	487.50	-	-	280	4,200.00	-	-	401	8,797.50	219.39
Investigations	-	-	-	-	-	-	88	1,540.00	80	1,200.00	-	-	188	2,740.00	163.10

Total

60	2,700.00	84	2,940.00	48	1,560.00	143	2,502.50	878	13,170.00	118	1,180.00	1,331	24,052.50
----	----------	----	----------	----	----------	-----	----------	-----	-----------	-----	----------	-------	-----------

Average Hourly Rate (£)

450.00	350.00	325.00	175.00	150.00	100.00	180.71
--------	--------	--------	--------	--------	--------	--------

All Units are 6 minutes

## APPENDIX C

### ADDITIONAL INFORMATION IN RELATION TO THE POLICY OF LEONARD CURTIS REGARDING FEES AND DISBURSEMENTS

The following information relating to the policy of Leonard Curtis is considered to be relevant to creditors

#### Staff Allocation and Support Staff

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case.

Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution of the secured and/or preferential creditors, a creditors' committee or creditors generally, that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters arising in the appointment, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the office holders reserve the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

With effect from 1 January 2010 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis

	Standard £	Complex £
Director	450	563
Associate Director	350	438
Senior Manager	325	406
Manager 1	250	313
Manager 2	200	250
Manager 3	175	219
Senior Administrator	150	188
Administrator	100	125
Support	0	0

#### Subcontractors

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holders or their staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged.

#### Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

#### Disbursements

- a) Category 1 disbursements. These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the office holder or his or her staff.
- b) Category 2 disbursements. These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£88.75 per box
Room hire	£100