

The Insolvency Act 1986

Administrator's progress report

Name of Company Kierbeck Limited	Company number 01273188
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 4094 of 2010

(a) Insert full
name(s) and

I/We (a)

Guy Robert Thomas Hollander

Michael James Wellard

address(es)
of administrator(s)

of Mazars LLP, Tower Bridge House, St Katharine's Way, London, E1W 1DD

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

(b) Insert date

From

(b) 28 May 2010

To

(b) 16 November 2010

Signed


Joint Administrator

Dated

9/12/2010

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.

Guy Robert Thomas Hollander
Tower Bridge House, St Katharine's Way, London, E1W 1DD

DX Number

DX Exchange

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

TUESDAY



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COMPANIES HOUSE

**Kierbeck Limited - In Administration
("the Company")**

**Administrators' final progress report covering the period 28 May
2010 to 16 November 2010**

16 November 2010

This report has been prepared for the sole purpose of updating creditors pursuant to the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than advising them, or by any other person for any purpose whatsoever.

The administrators act as agents of the company without personal liability.

Guy Robert Thomas Hollander and Michael James Wellard
Mazars LLP
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Kierbeck Limited - In Administration

Administrators' final progress report covering the period 28 May 2010 to 16 November 2010

To all known creditors

1. Introduction

- 1 1 This is the Joint Administrators' final progress report in the Administration
- 1 2 Creditors will recall that at the meeting of creditors held on 5 August 2010, the Joint Administrators' Proposals, dated 20 July 2010 were accepted, subject to the following modifications
- The Company will move to Creditors' Voluntary Liquidation ("Liquidation") within three months of the date of the meeting of creditors
 - Pre-appointment fees unpaid at the commencement of the Administration may be paid from Administration funds where the conditions set out in Rule 2.33(2B) of the Insolvency Act 1986 are met
- 1 3 In accordance with the Proposals, a notice to move the Administration to Liquidation pursuant to Paragraph 83 of Schedule B1, was recently filed with Companies House and the Liquidation date is confirmed as 16 November 2010. Guy Robert Thomas Hollander and Michael James Wellard ("the Joint Administrators") of Mazars LLP have been appointed as Joint Liquidators

2. Statutory information

- 2 1 The Administration commenced on 28 May 2010 following an application being filed in the High Court of Justice, Chancery Division by the directors with approval from the secured creditor, Thamesteel Limited. The Court reference is 4094 of 2010.
- 2 2 Guy Robert Thomas Hollander is authorised to act as Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales. Michael James Wellard is authorised in the UK by the Association of Chartered Certified Accountants.
- 2 3 The Joint Administrators' address and the current registered office of the Company is Tower Bridge House, St Katharine's Way, London, E1W 1DD.
- 2 4 The trading address of the Company was Kierbeck Wharf, River Road, Barking, Barking, IG11 0DG.
- 2 5 The registered number of the Company is 01273188.
- 2 6 All acts required to be done by the Joint Administrators, may be done by either or both, acting jointly or alone.

3. Details of progress

3 1 Sale of business

3 1 1 As previously reported, the business and assets of the Company were sold on 2 June 2010 to Kierbeck Thames Limited ("the Purchaser") for total consideration of £4,439,567

3 1 2 The sale was for all of the business and assets of the Company with the exception of non-trade debts and cash held at the date of appointment. The non-trade debts are in the region of £2m but this is comprised principally of £1.98m from Kierbeck Group Limited. This company has no assets and a recovery is not expected.

3 2 Cash at bank

3 2 1 The cash at bank totalled £600,636 and included balances held in the Company's accounts with HSBC Bank Plc and National Westminster Bank.

3 3 Leasehold properties

3 3 1 The Company traded from leasehold premises at River Road, Barking, Essex ("the Barking lease"). The sale and purchase agreement provided for the Purchaser to seek an assignment of the Barking lease. Until an agreement is reached with the landlord, the Purchaser is required to cover the ongoing monthly rent and service charge costs for these premises. Accordingly, funds are being paid to the Administration estate by the Purchaser, and forwarded to the landlord in respect of these costs.

3 3 2 The Purchaser has agreed with the landlord that a new lease will be entered into for the premises and accordingly, the landlord has agreed that the Company's lease will be surrendered. The surrender is expected to be completed before the end of November.

3 3 3 Following the Administration appointment, the Administrators became aware of further leases in respect of two units located at Silvertown, London. These premises have not been used by the Company during the Administration period and the leases will be disclaimed following the conversion to Liquidation.

3 3 4 A claim of approximately £1m has been submitted by Heracles Limited, the landlord for the Silvertown premises. This is substantially higher than the amount listed in the directors' Statement of Affairs of circa £127k for outstanding rent and charges. This claim has not yet been agreed and is yet to be adjudicated, together with all other creditor claims in the Liquidation.

3 4 Corporation tax and terminal loss relief

3 4 1 The Company paid corporation tax of approximately £214,000 for the year ended 30 September 2007. It has had minimal tax liabilities since then and made sizeable losses in the period reported to 31 January 2009.

3 4 2 The Administrators are considering whether it will be cost effective to prepare the outstanding tax returns in order for a repayment claim to be submitted with HM Revenue & Customs ("HMRC"). The Company's accountants have also advised that a terminal loss relief claim may be available to the Company.

- 3 4 3 HMRC's claim in the Administration is presently £2,632,845 which includes PAYE/NI of £664,529 and VAT of £1,968,316, part of which is based on an assessment HMRC are likely to apply Crown Set-off against any successful repayment or terminal loss relief claim, and as such, it is unlikely that these funds will be realised in the Administration. However, a successful claim would result in the reduction of HMRC's claim and consequently it may be cost effective to reduce HMRC's claim to increase the expected dividend to unsecured creditors

4. Administrators' receipts and payments

- 4 1 A summary of receipts and payments covering the period from 28 May 2010 to 16 November 2010 is attached at Appendix A, which I trust is self-explanatory. However, I would make the following comments

- All assets have been realised apart from ongoing bank interest and VAT receivable
- Costs relating to the agents are in respect of pre-appointment costs
- Costs relating to legal costs have been separated between pre-appointment costs and costs incurred in the administration (principally in relation to the sale of the business)

5. Liabilities

5 1 Secured Creditors

- 5 1 1 Thamesteel Limited ("Thamesteel") hold a debenture over the Company dated 1 April 2010 and was registered on 15 April 2010. Speechly Bircham confirmed the validity of the security up to the amount of new monies advanced. These totalled £3,939,567

- 5 1 2 Thamesteel's secured debt of £3,939,567 has been paid in full from the proceeds of the sale of the business and assets

5 2 Preferential Creditors

- 5 2 1 All employees transferred to the Purchaser following the sale of the business and assets of the Company, and consequently, it is not expected that any preferential claims will arise

5 3 Unsecured Creditors

- 5 3 1 There are approximately 120 unsecured creditors who are owed circa £24.7m as per the directors' Statement of Affairs

- 5 3 2 The sale of the business and assets included a provision for the Purchaser to meet a number of the creditors' pre-appointment liabilities and therefore it is expected that the amount above will reduce by approximately £600k when claims are formally agreed for dividend purposes

- 5 3 3 Creditors' claims have yet to be formally agreed and therefore the total claims are likely to be either above or below the directors' estimate

- 5 3 4 The expected dividend to non-connected creditors, based on claims per the directors' Statement of Affairs and claims that have subsequently come to light, is currently 12p in the £ including the expected distribution from the prescribed part. Please see Section 6 below together with the Estimated Outcome Statement at Section 11, and Appendix B, for further details

6. Prescribed Part

- 6 1 In accordance with Section 176A of the Insolvency Act 1986, a proportion of the company's net assets are to be set aside for the benefit of the company's unsecured creditors where the company has granted a floating charge after 15 September 2003. This is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter subject to a maximum fund of £600,000. Net property is defined as being the realisations from assets subject to the floating charge after costs and after settlement of the preferential creditors claims
- 6 2 In this instance, given the total of asset realisations, I can confirm that the prescribed part will be the maximum of £600,000
- 6 3 A floating charge creditor may not participate in the distribution from the prescribed part. Thamesteel acquired the debts of TVM Limited and Van Merksteijn and therefore, no claims from any of these companies will be admissible in the prescribed part distribution
- 6 4 Please see Section 11 and the Estimated Outcome Statement at Appendix B for details of how this will affect the dividend for unsecured creditors

7. Investigations

- 7 1 The Joint Administrators have reviewed the affairs of the Company for the period prior to Administration for the purpose of discharging their duties under the Companies Directors' Disqualification Act 1986
- 7 2 Creditors are reminded that the Administrators have a statutory obligation to consider the directors' conduct and to submit a return/ report to the Department for Business, Innovation & Skills' Disqualification Unit. The Administrators can confirm that they have complied with this requirement

8. Pre-Administration Costs

- 8 1 Creditors will recall that at the first meeting of creditors held on 5 August 2010, a resolution was passed to enable the Joint Administrators' pre-administration costs owing at the commencement of the Administration to be paid from Administration funds where the conditions set out in Rule 2.33(2B) of the Insolvency Act 1986 are met

- 8 2 The amount of Mazars' pre-administration costs approved totalled £38,632 made up of £38,575 fees charged and £57 expenses incurred before the Company entered Administration but with a view to it doing so, as detailed in the Administrators' Proposals and the Administrators' letter dated 9 June 2010. These amounts were paid by the Company prior to the administration and therefore there is no balance that remains unpaid.

9. Administrators' remuneration

- 9 1 Creditors will recall that at the first meeting of creditors held on 5 August 2010, a resolution was passed to enable the Joint Administrators to draw remuneration by reference to the time properly spent by the Joint Administrators and their staff in dealing with the matters arising during the Administration.
- 9 2 Attached at Appendix C is a summary of our time costs to 16 November 2010 in accordance with Statement of Insolvency Practice 9. As at that date, 280.50 hours have been spent dealing with the administration of this case, at a total cost of £75,151.10 representing an average hourly rate of £267.92. The balance of remuneration drawn by the Administrators totals £55,000. It is anticipated that further Administration fees of £20,000 will be drawn shortly.
- 9 3 A copy of the publication "A creditors guide to Administrators' Fees" which details the basis on which an Administrators' fees should be calculated is available to download from the website [www.r3.org.uk/uploads/sip/SIP9_v5_April_2007\(1\).pdf](http://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007(1).pdf) or alternatively will be provided free of charge upon written request to this office.
- 9 4 During the period, disbursements totalling £2,292.72 have been incurred, a breakdown of which is provided below. To date, £639 has been paid and the balance of £1,653.72 will be drawn shortly. All disbursements are third party expenses.

	Total	Paid
	£	£
Statutory advertising	151.20	75.60
Travel	107.70	
Bonding	1,440.00	
Sundry	30.42	
Stationery, Printing and Postage	563.40	563.40
	<hr/> 2,292.72	<hr/> 639.00

- 9 5 I would advise you that pursuant to rule 2.48A of the Insolvency Rules 1986, a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors or an unsecured creditor with permission of the court, may, within 21 days of receipt of this progress report, ask the Administrators for further information about the remuneration and expenses set out in this progress report.

9 6 Additionally, pursuant to rule 2 109 of the Insolvency rules 1986, a secured creditor or an unsecured creditor with concurrence of at least 10% in value of the unsecured creditors or an unsecured creditor with the permission of the court may, within 8 weeks of the receipt of this progress report, apply to the court on one or more of the following grounds

- the remuneration charged by the Administrators, or
- the basis fixed for the Administrators' remuneration, or
- expenses incurred by the Administrators

is or are in all of the circumstances, excessive or inappropriate

9 7 Notwithstanding that the Company is entering into Liquidation, paragraph 9 5 and 9 6 still apply

10. Professional advisors

10 1 Since the Administrators' last report, a further payment of £1,418 has been made to Speechly Bircham LLP in respect of Legal fees Speechly Bircham's fees were based on recorded hours at their prevailing charge out rates and were reviewed by the Administrators before being approved for payment The Administrators are satisfied that the fees charged are reasonable in the circumstances of the case


11. Estimated outcome statement

11 1 An Estimated Outcome Statement is attached at Appendix B This indicates an estimated distribution of 12p in the £ to all unsecured creditors, except the Thamesteel Group. It should be noted that

- No further realisations are expected
- Costs are estimated
- The unsecured creditor amounts are taken from the Company's books and records and include the deduction of £600k of pre-appointment liabilities which will be met by the purchaser
- The unsecured creditor amounts include a claim received from Heracles Limited the landlord of the Silvertown premises, which was not included in the directors' Statement of Affairs
- The current claim submitted by HMRC is for £2,632,845 This exceeds the liability listed in the directors' Statement of Affairs of £1,890,235 However, as noted in Section 3 4, HMRC's claim may be reduced in the event that the terminal loss relief claim for corporation tax is successful No adjustment has been made at this stage
- Creditor claims have yet to be agreed and therefore the final claims could result in the above estimate changing

12. Ending the administration

- 12.1 As the Administration has now run its course and the objective of the Administration has been achieved, in accordance with Rules 2.47 and 2.110 of the Insolvency Rules, this shall be the Administrators' final report in the Administration
- 12.2 As noted in Section 1, the Administration converted to Liquidation on 16 November 2010. The aim will be to agree the claims of creditors and make distributions to creditors upon receiving confirmation from HMRC regarding the potential repayment for terminal loss relief and VAT.



G R T Hollander
Joint Administrator

Dated 16 November 2010

Authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales

The affairs, business and property of the Company are being managed by the Joint Administrators

The Joint Administrators act as agents of the Company and without personal liability

Kierbeck Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 16/11/2010

S of A £		£	£
	ASSET REALISATIONS		
400,000 00	Plant & Machinery	400,000 00	
1 00	Stock	1 00	
4,039,563 00	Trade Debts	4,041,013 13	
606,518 00	Cash at Bank	600,636 17	
	Goodwill/IPR	3 00	
	Pre-appointment funds	14,607 52	
	Bank Interest Gross	985 69	
	Rates Refund	<u>182 61</u>	
			5,057,429 12
	COST OF REALISATIONS		
	Administrators' Fees	55,000 00	
	Agents Costs	14,022 35	
	Legal Fees and expenses	28,398 25	
	Stationery, Printing & Postage	563 40	
	Statutory Advertising	75 60	
	Rent	8,054 12	
	Rates	2,707 59	
	Insurance of Assets	948 13	
	Bank Charges	<u>225 00</u>	
			(109,994 44)
	FLOATING CHARGE CREDITORS		
(3,939,567 00)	Floating Charge Holder - Thamesteel Ltd	<u>3,939,567 00</u>	
			(3,939,567 00)
	UNSECURED CREDITORS		
(24,756,041 00)	Trade & Expense Creditors	<u>NIL</u>	
			NIL
<u>(23,649,526.00)</u>			<u>1,007,867.68</u>
	REPRESENTED BY		
	Floating Charge Current		989,314 57
	Vat Control Account float		18,553 11
			<u>1,007,867.68</u>

Kierbeck Limited
(in Administration)

Estimated Outcome Statement as at 16 November 2010

Notes	Receipts and Payments as at 16 November 2010 £	Estimated Future Movement £	Estimated Outcome £
Assets available for preferential creditors			
Stock	1	-	1
Goodwill/IPR	3	-	3
Cash at bank	600,636	-	600,636
Book debts	4,041,013	-	4,041,013
Plant & Machinery	400,000	-	400,000
Pre-appointment funds received	14,608	-	14,608
Bank interest	986	-	986
Rates Refund	183	-	183
VAT Payable	1	(69,557)	-
	<u>5,126,986</u>	<u>(69,557)</u>	<u>5,057,429</u>
Less			
Pre-appointment costs			
Legal fees and expenses	(9,760)	-	(9,760)
Agents Costs	(14,022)	-	(14,022)
Post-appointment costs			
Joint Administrators' Fees	(55,000)	(20,000)	(75,000)
Joint Administrators' Disbursements	-	(1,654)	(1,654)
Legal fees and expenses	(18,638)	(5,000)	(23,638)
Statutory Advertising	(76)	-	(76)
Stationery, Printing & Postage	(563)	-	(563)
Insurance of Assets	(948)	-	(948)
Rent	(8,054)	-	(8,054)
Rates	(2,708)	-	(2,708)
Bank Charges	(225)	(150)	(375)
Other costs	-	(2,000)	(2,000)
VAT receivable	1	88,110	-
Funds available to preferential creditors	<u>4,928,882</u>	<u>(10,251)</u>	<u>4,918,631</u>
Preferential creditors	-	-	-
Net property available to unsecured creditors	<u>4,928,882</u>	<u>(10,251)</u>	<u>4,918,631</u>
Less Prescribed Part	-	(600,000)	(600,000)
Available to floating charge holder	<u>4,928,882</u>	<u>(610,251)</u>	<u>4,318,631</u>
Thamesteel Limited - Chargeholder	<u>(3,939,567)</u>	-	<u>(3,939,567)</u>
	<u>989,315</u>	<u>(610,251)</u>	<u>379,064</u>
Add back Prescribed Part	-	600,000	600,000
Less Costs for dealing with the prescribed part	-	(50,000)	(50,000)
Total available to unsecured creditors	<u>989,315</u>	<u>(60,251)</u>	<u>929,064</u>
Unsecured Creditors			
HM Revenue & Customs	5		(2,632,845)
Thamesteel Group	2,3,4		(21,365,325)
Trade creditors	4		(2,431,604)
			<u>(26,429,774)</u>

Summary of the unsecured creditor position

£	Estimated amount to distribute	Estimated creditors' claims	Pence in the £
Prescribed part	550,000	5,064,449	10 9
Non-prescribed part	379,064	26,429,774	1 4
Estimated dividend to non-connected unsecured creditors			<u>12 3</u>

Notes

- VAT to be paid/reclaimed
- Thamesteel Group incorporates the estimated unsecured claims of Thamesteel Limited, TVM Limited and Van Merksteijn
- Thamesteel Group claims are disallowed for distributions from the prescribed part
- Amounts taken from the Directors' Statement of Affairs. In addition, the Trade Creditors balance now includes the claim from Heracles Limited in respect of the Silvertown premises
- Amount taken from claim submitted by HM Revenue & Customs in the Administration

KIERBECK LIMITED - KIER89759

Analysis of Liquidators' time costs for the period 28/05/2010 to 16/11/2010

Classification of work Function	Hours					Total Hours	Time Cost	Average Hourly Rate
	Partner	Director	Manager	Administrator	Clerical			
Charge - out rates	435	340	190 - 290	90 - 190	75			
1 Initial Admin & Planning	5 00			6 20		11 20	2,981 00	266 16
2 Admin & Planning			12 60	1 50		14 10	2,694 00	191 06
3 Taxation			5 50			5 50	1,325 00	240 91
4 Investigations	0 40		10 30	0 80		11 50	2,890 00	251 30
5 Realisation of Assets	35 70		64 00	1 00		100 70	33,037 00	328 07
6 Trading	1 00					1 00	435 00	435 00
7 Employees			4 90			4 90	1,198 50	244 59
8 Creditors	5 90		27 00	15 30		48 20	9,514 50	197 40
9 Reporting	14 50		34 10			48 60	14,969 00	308 00
11 Cashiering			2 80	13 90		16 70	1,584 10	94 86
12 Statutory & Compliance	2 20		15 90			18 10	4,523 00	249 89
Total Hours	64.70		177 10	38 70		280 50	75,151.10	267 92
Total Time Costs (£)	28,144 50		44,024 00	2,982 60		75,151 10		
Average Hourly Rate by Grade	435 00		248 58	77.07		267 92		