

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company ABBEYCREST PLC	Company number 01411796
In the Manchester District Registry <small>[full name of court]</small>	Court case number 2174 of 2012

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

I/We (a) A Poxon & J M Titley of Leonard Curtis, Hollins Mount,
Hollins Lane, Lancashire BL9 8DG

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

(b) Insert dates

from (b) 06 February 2012	to (b) 5 August 2012
------------------------------	-------------------------

Signed



Joint / Administrator(s)

Dated

31 August 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 searchers of the

Leonard Curtis	
Hollins Mount, Hollins Lane, Lancashire BL9 8DG	
Ref MD/20	Tel 0161 767 1250
DX Number	DX Exchange

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

own Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

WEDNESDAY



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COMPANIES HOUSE



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

ABBEYCREST PLC
(IN ADMINISTRATION)

Registered Number 01411796
Court Ref 2174 of 2012
Manchester District Registry

**Joint Administrators' first progress report in accordance
with Rule 2.47 of the Insolvency Rules 1986**

Report period
6 February 2012 to 5 August 2012

31 August 2012

Leonard Curtis
Hollins Mount, Hollins Lane, Bury, Lancashire BL9 8DG
Tel 0161 767 1250 Fax 0161 767 1240
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Ref K/20/MD/NA539K/1010

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- A Summary of Joint Administrators' Proposals
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**STRICTLY PRIVATE AND CONFIDENTIAL
NOT FOR PUBLICATION**

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

1 INTRODUCTION

- 1.1 This report has been produced in accordance with Rule 2.47 of the Insolvency Rules 1986 to provide creditors with an update on the progress of the administration of Abbeycrest Plc ("the Company") for the period from 6 February 2012 to 5 August 2012. This is the Joint Administrators' first progress report to creditors.

2 STATUTORY INFORMATION

- 2.1 A Poxon and J M Titley were appointed as Joint Administrators of Abbeycrest Plc in the jurisdiction of Manchester District Registry, number 2174 of 2012 on 06 February 2012. The administration appointment was made by the Directors.
- 2.2 The administration is being handled by the Bury office of Leonard Curtis, which is situated at Hollins Mount, Hollins Lane, Bury, Lancashire BL9 8DG.
- 2.3 The principal trading address of the Company was Elma House, Beaconsfield Close, Hatfield, Hertfordshire.
- 2.4 The registered office address of the Company at the date of the appointment of Administrators was Elma House, Beaconsfield Close, Hatfield, Hertfordshire, AL10 8YG. Following the appointment, this was changed to Hollins Mount, Hollins Lane, Bury, Lancashire BL9 8DG. The registered number of the Company is 01411796.
- 2.5 For the purposes of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 (as amended), it should be noted that during the period in which the Administration Order is in force, any act or function required or authorised under any enactment to be done by the Administrator may be exercised by all or any of the persons holding that office.
- 2.6 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.

3 JOINT ADMINISTRATORS' PROPOSALS

- 3.1 Attached at Appendix A is a summary of the Joint Administrators' approved proposals for achieving one of the three statutory purposes of Administration.
- 3.2 The Proposals were deemed approved on 17 April 2012.
- 3.3 There have been no major amendments to, or deviations from, the proposals during the course of the Administration to date.
- 3.4 The objective of the administration is to realise property in order to make a distribution to one or more secured or preferential creditors.
- 3.5 This objective has already been achieved as Chrysus Holdco Limited ("Chrysus") have received part payment under its fixed charge security.

4 PROGRESS OF THE ADMINISTRATION

- 4 1 Attached at Appendix B is the Joint Administrators' receipts and payments account for the period from 6 February 2012 to 5 August 2012

4 2 Sale of Shares

As previously reported to creditors, the shares held by the Company in Abbeycrest Thailand Limited were sold on 6 February 2012 to Chrysus, the secured creditor of the Company

The consideration of £400,000 was paid on completion

4 3 Cash at Bank

At the date of appointment the Company's bank account was in credit to the sum of £2,357 55. These funds have now been received into the Joint Administrators' bank account

4 4 Inter-Company Debtor

Following investigations, it appears that there may be a sum due from a group company which is currently in liquidation. I can advise that there is a prospect of a dividend payment to the Company from the connected liquidation. At this time the sum is uncertain as the claim has yet to be formally accepted by the Liquidator

4 5 Bank Interest and Sundry Refunds

Bank interest in the sum of £13 52 has been received. Further sundry refunds in the sum of £323 45 have been received

5 ASSETS STILL TO BE REALISED

- 5 1 The only asset still to be realised is the inter-company debtor detailed at 4 4 above

6 INVESTIGATIONS

- 6 1 Following their appointment, the Joint Administrators considered the information acquired in the course of appraising and realising the business and assets of the Company, together with information provided by the Company's directors and its creditors, to identify any further possible realisations for the estate and what further investigations, if any, might be appropriate

- 6 2 That assessment did not identify any possible further realisations. In addition, the Joint Administrators concluded that no further investigations were required. If, however, any creditor is aware of any particular matters which they consider requires investigation, they should please send full details to this office at the address given at the front of this report

- 6 3 Regardless of the above, the Joint Administrators have complied with their statutory obligations under the Company Directors Disqualification Act 1986 and the appropriate report has been submitted to the relevant authority

7 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

Pre-Administration Costs

- 7.1 On 17 April 2012, the secured creditor consented to the following pre-administration costs and expenses being paid as an expense of the administration

Charged by	Services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
Leonard Curtis	Advice to directors / secured creditors and considering whether an administration purpose could be achieved	3,955 50	Nil	n/a	3,955 50
Champion	Valuation of shares	3,750 00	3,750 00	Administrators	Nil
Addleshaw Goddard	Dealing with sale contract	5,000 00	Nil	n/a	5,000 00

Joint Administrators' Remuneration

- 7.2 On 17 April 2012, the secured creditor agreed that the basis of the Joint Administrators' remuneration be fixed by reference to time properly spent by them and their staff in attending to matters arising from the Administration. Approval was also received to draw category 2 disbursements as detailed at Appendix D
- 7.3 The time charged by the Joint Administrators' for the period of this report amounts to £16,984 00. This represents 70.8 hours at an average rate of £239.89 per hour. Attached at Appendix C is a time analysis which provides details of the activity costs incurred by staff grade during this period, along with a description of the work done by the Joint Administrators and their staff in respect of which the time has been charged
- 7.4 Administrators' fees drawn to date in respect of these time costs total £5,000 00 plus VAT

Joint Administrators Disbursements

- 7.5 The following Category 1 and Category 2 disbursements have been incurred on the case since appointment

Category 1 disbursements

Charged by	Services provided	Total amount pd by LC £	Amount recovered from case £	Amount still to be recovered from case £
Courts Advertising	Statutory Advertising	76 50	76 50	Nil
Business Tax Centre	Client Identification	10 00	10 00	Nil
AUA Insolvency Risk Services	IP Bond	40 00	40 00	Nil
Pelstar Computing Limited	Software Licence	75 00	75 00	Nil
Companies House	Companies House Searches	37 00	22 00	15 00

Category 2 disbursements

No disbursements of this kind have been incurred in this case

Expenses of the Administration

- 7.6 The Joint Administrators have also incurred expenses during the period of this report. These expenses are detailed in the table below, which also indicates whether these expenses have yet been paid from the case funds.

Nature of expenses		By whom provided	Amount incurred this period £	Total amount incurred to date £	Amount paid £	Amount unpaid £
Other fees	Professional	YIG Consulting Ltd	160.00	160.00	160.00	Nil
Other Fees	Professional	EK Employment Law Consultants	210.00	210.00	210.00	Nil
Other Fees	Professional	Harris & Co Chartered Accountants	2,500.00	2,500.00	2,500.00	Nil
TOTAL			2,870.00	2,870.00	2,870.00	Nil

- 7.7 Attached at Appendix D is additional information in relation to the firm's policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade. Please note that the firm's charge-out rates were changed on 1 January 2012.
- 7.8 Unsecured creditors whose debts amount to at least 5% of the total value of the unsecured claims, or any secured creditor, may request further information regarding remuneration or expenses (other than pre administration costs) by submitting their written requests before 25 September 2012.
- 7.9 In addition, unsecured creditors whose debts amount to at least 10% of the total value of the unsecured claims, or any secured creditor, may apply to court, if they believe the remuneration charged or expenses incurred by the Joint Administrators to be excessive or the basis fixed for the Joint Administrators' remuneration to be inappropriate. Any application should be made within 8 weeks of receipt of this report.

8 ESTIMATED OUTCOME FOR CREDITORS

8.1 Secured Creditors

Burdale Financial Limited ("Burdale")

Burdale held a fixed and floating charge debenture created on 16 June 2006 and registered on 23 June 2006. Burdale also held security in respect of a pledge and security agreement created on 22 June 2009 and registered on 6 July 2009 and a share mortgage created on 2 July 2009 and registered on 10 July 2009.

I can confirm that prior to our appointment Burdale were repaid in full by Chrysus.

Michael Neville Lever

Michael Neville Lever held a fixed and floating charge guarantee and debenture created on 13 March 2009 and registered on 21 March 2009.

Michael Neville Lever was repaid by Chrysus prior to administration. Furthermore the Joint Administrators have received evidence of the assignment of the outstanding charge to Chrysus Holdco Limited on 2 February 2012 who replaced Michael Neville Lever as a secured creditor.

Moorgarth Property Investments Limited ("Moorgarth")

Moorgarth held a fixed and floating charge guarantee and debenture created on 4 May 2011 and registered on 6 May 2011. Moorgarth Investments Limited also holds security in respect of a rent deposit deed created 18 July 2006 and registered on 20 July 2006.

Moorgarth were repaid by Chrysus prior to administration. Furthermore the Joint Administrators have received evidence of the assignment of the outstanding charge to Chrysus on 2 February 2012 who replaced Moorgarth as a secured creditor.

Chrysus

Chrysus holds security by way of a guarantee and debenture incorporating a fixed and floating charge over the Company assets which was created on 2 February 2012.

At the date of administration, Chrysus were owed an aggregate sum of £1,041,000. The above security also secured connected company assets under cross-company guarantees.

I can advise that Chrysus have received a distribution of £390,000 under its fixed charge following a sale of the shares held by the Company in Abbeycrest Thailand Limited.

It is not anticipated that realisations will be sufficient to allow a distribution to Chrysus under its floating charge.

8.2 Preferential Claims

The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay.

I can advise that all employees were made redundant either prior or upon our appointment. The employees will have claims for wages and holiday pay.

The relevant claims from employees have been forwarded to the Redundancy Payments Office. I can advise that a preferential claim in the sum of £4,438.82 has been received from the Redundancy Payments Office. In addition the employees may have residual preferential claims.

I can advise that it is anticipated that there will be insufficient funds to enable a distribution to preferential creditors.

8.3 Prescribed Part

As it is not anticipated that there will be a distribution under the floating charge, there is no requirement to calculate a prescribed part in this instance.

8.4 Unsecured Non-Preferential Claims

At present, it is considered unlikely that there will be sufficient funds available to enable a distribution to unsecured creditors. This statement is being made in accordance with paragraph 52(1)(b) of Schedule B1 to the Act. Creditors should however continue to submit details of their claims using the statement of claim form attached at Appendix E. These claims will be collated and passed to any subsequently appointed Liquidator in due course.

9 EXTENSIONS TO THE ADMINISTRATION

- 9 1 The appointment of administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment
- 9 2 In certain circumstances it may be necessary to extend the Administrators' term of office. In the circumstances of this case, this may be done for a specified period not exceeding six months with the consent of each secured creditor of the Company
- 9 3 The appropriate body of creditors will be contacted in due course should an extension be required

10 NEXT REPORT

- 10 1 The Joint Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised

If you wish to discuss the issues raised in this report or require any additional information please contact this office

for and on behalf of
ABBEYCREST PLC



A POXON
JOINT ADMINISTRATOR

Licensed 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, who act as agents of the Company without personal liability

SUMMARY OF JOINT ADMINISTRATORS' PROPOSALS

It is proposed that

- 1 The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration
- 2 If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company
- 3 If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors Voluntary Liquidation. It is further proposed that A Poxon and/or J M Titley be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved
- 4 Alternatively, if appropriate, the Joint Administrators apply to Court under Para 65 (3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration
- 5 In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved
- 6 The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company
- 7 The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that A Poxon and/or J M Titley be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them
- 8 The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration

RESOLUTIONS AGREED BY THE SECURED CREDITOR

- 1 Under Rule 2.106 of the Insolvency (Amendment) Rules 2010 and in the absence of a creditors' committee, the remuneration of the Joint Administrators be fixed by reference to time properly spent by them and their staff in attending to matters arising from the Administration, and the Joint Administrators be authorized to draw remuneration as and when funds are available on account of their time costs
- 2 That unpaid pre-administration costs may be paid as an expense of the Administration
- 3 For the discharge of Category 2 disbursements as detailed on the attached guide to fees,
- 4 The Joint Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM
6 FEBRUARY 2012 TO 5 AUGUST 2012

	Estimated to realise £	This period £
RECEIPTS		
Shares in Abbeycrest (Thailand) Plc	400,000	400,000 00
Cash at Bank	202	2,357 55
Bank Interest	-	13 52
Sundry Refunds	-	323 45
TOTAL	<u>400,202</u>	<u>402,694 52</u>
PAYMENTS		
Administrators' Remuneration		(5,000 00)
Pre-Appointment Agents' Fees and Expenses		(3,750 00)
Other Professional Fees		(2,870 00)
Category 1 disbursements		(223 50)
TOTAL		<u>(11,843 50)</u>
DISTRIBUTIONS		
Chrysus Holdco Limited		(390,000 00)
BALANCE IN HAND		<u>851 02</u>

SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD
FROM 6 FEBRUARY 2012 TO 5 AUGUST 2012

	Director		Senior Manager		Manager 2		Administrator 1		Administrator 4		Total		Average	
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Hourly Rate £	Hourly Rate £
Statutory & Review														
Receipts & Payments					15	427 50	2	46 00	61	823 50	78	1,297 00		166 28
Assets	40	1,700 00	37	1,424 50	-	-	-	-	18	243 00	18	243 00		135 00
Liabilities	-	-	91	3,503 50	-	-	-	-	1	13 50	78	3,138 00		402 31
General Administration	5	212 50	-	-	-	-	-	-	39	526 50	130	4,030 00		310 00
Appointment	10	425 00	20	770 00	15	427 50	-	-	35	472 50	40	685 00		171 25
Post Appointment Credits Mtngs	-	-	33	1,270 50	25	712 50	-	-	135	1,822 50	180	3,445 00		191 39
Investigations	3	127 50	-	-	25	712 50	-	-	78	1,053 00	136	3,036 00		223 24
									20	270 00	48	1,110 00		231 25
Total	58	2,465 00	181	6,968 50	80	2,280 00	2	46 00	387	5,224 50	708	16,984 00		
Average Hourly Rate (£)		425 00		385 00		285 00		230 00		135 00		239 89		

All Units are 6 minutes

DESCRIPTION OF TIME SPENT BY CATEGORY

Statutory and Review

This involved a review of the case file to ensure all matters were being progressed and statutory requirements were met

Receipts and Payments

This involved reviewing the VAT position during the administration. Regular outcome statements were also prepared

Assets

Time was spent negotiating and completing a sale of the shares. Further time was spent requesting repayment of the cash at bank and other refunds received. Further time was spent investigating the inter company debtors.

Liabilities

Time was spent dealing with general queries from trade creditors and employees by post, telephone and email.

General Administration

This includes setting up the case file and engaging in general correspondence.

Appointment

This involved notifying creditors and all relevant parties of our appointment as administrators including complying with statutory requirements.

Post Appointment Creditors' Meetings

Time was spent preparing and reviewing the Joint Administrators' proposals and report that was sent to all known creditors, and convening and holding a meeting of creditors by correspondence.

Investigations

Time was spent in the preparation and submission of our statutory report submitted to The Insolvency Service on the directors' conduct prior to our appointment.

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 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.

With effect from 1 January 2012 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis

	Standard £
Director	425
Senior Manager	385
Manager 1	330
Manager 2	285
Administrator 1	230
Administrator 2	210
Administrator 3	190
Administrator 4	135
Support	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. Category 1 disbursements may be drawn without prior approval.
- 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)	£66.09 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

STATEMENT OF CLAIM FORM

Date of administration order: 06 February 2012

Name of creditor: _____

Address of creditor. _____

Gross amount of claim
(ie including VAT) _____

Amount of VAT _____

Details of any document by
reference to which the debt can be
substantiated
(eg invoices) _____

Particulars of how and when debt
incurred. _____

Particulars of any security held, the
value of the security and the date it
was given _____

Signature of creditor or person
authorised to act on his behalf: _____

Name in BLOCK CAPITALS. _____

Position with or relation to creditor _____