

Administrator's progress report

Name of Company Eurotek Office Furniture Limited	Company Number 02086413
In the High Court of Justice, Chancery Division, Bristol District Registry (full name of court)	Court case number 38 of 2011

We Stuart David Maddison and Karen Lesley Dukes of PricewaterhouseCoopers LLP, Hill House,
Richmond Hill, Bournemouth BH2 6HR

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

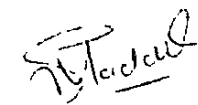
from

to

(b) 13 January 2011

(b) 12 July 2011

Signed



Joint Administrator

Dated 10 August 2011

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.

Louis Hemsley	
PricewaterhouseCoopers LLP, Hill House Richmond Hill Bournemouth BH2 6HR	
	Tel 01202 294621
DX Number 141500	DX Exchange Bournemouth 17



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13/08/2011
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

SATURDAY

**Eurotek Office Furniture Limited– in
Administration
High Court of Justice, Chancery Division,
Bristol District Registry
Case No. 38 of 2011**

**Joint Administrators' progress report for
the six months ended 12 July 2011**

10 August 2011

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Overview of the administration as at 12 July 2011

Estimated dividend prospects

	Amount	Forecast Timing
For preferential creditors: ie former employees (for arrears of wages up to £800 and holiday pay only) and unpaid pension contributions in certain circumstances	100%	3 - 6 months
For unsecured creditors: ie all other creditors which are neither secured nor preferential	Uncertain	Uncertain

Estimated secured creditor recoveries

Amounts due to secured creditor: HSBC Bank plc	c£10,000	
Forecast recovery	100%	1 - 3 months

Please note that the guidance on dividend prospects given in this report is indicative only. It should not be used as the sole or principal basis of any bad debt provision.

What do you need to do now:

If you wish to submit a claim in the administration and have not previously done so, you need to complete the statement of claim form attached (Appendix A) and send it to the Administrators at Hill House, Richmond Hill, Bournemouth BH2 6HR.

If you have any queries, please contact:

Colin Somers 01202 294621

Overview of the administration as at 12 July 2011

Trading names:	Eurotek Office Furniture Limited
Former trading address:	Steyning Way, Southern Cross Trading Estate, Bognor Regis, West Sussex PO22 9SB
What the company did:	The Company designed, manufactured and installed office furniture
What type of insolvency procedure is the company in:	Administration
The Administrators:	Stuart David Maddison and Lesley Karen Dukes of PwC, Hill House, Richmond Hill, Bournemouth, BH2 6HR
Administrators' website:	http://www.pwc.co.uk/eurotek
Information documents available to download:	<ul style="list-style-type: none">• Creditors' guide to Administrators' fees (in accordance with Statement of Insolvency Practice no 9),• Statement of creditor's rights,• Summary of key terms
What we are saying now	The Administrators are continuing to realise the Company's outstanding book debts in order to make a distribution to the Company's preferential and unsecured creditors

Joint Administrators' progress report for the six months ended 12 July 2011

Introduction

The Joint Administrators ("the Administrators") are writing to provide creditors with details of the progress of the administration of Eurotek Office Furniture Limited (the Company") in the six months since the Administrators' appointment on 13 January 2011. Please refer to Administrators' proposals dated 9 March 2011 for historical information relating to the administration.

At this time the Administrators are unable to provide a reliable estimate of the likely dividend to ordinary unsecured creditors as there are material uncertainties regarding future net realisations and the final level of creditor claims. These matters are discussed below.

- **Post appointment trading sales**

The Administrators retained a workforce capable of recommencing a full manufacturing process at short notice, if a going concern sale could be achieved. During this time the Administrators continued to trade the business and generated sales with a value of £160,539. To date, £102,730 has been received. The Administrators are currently collecting the outstanding post appointment trading debts and liaising with customers whose debts are disputed.

Unfortunately it was not possible to sell the business as a going concern and the Company subsequently was wound down.

- **Leasehold properties**

The Company had two leasehold factories in Bognor Regis and a leasehold showroom in London. Our agent, Edward Symmons & Partners LLP ("ES&P"), has advised that the leases to those properties have no realisable value.

- **Plant and machinery, stock and raw material**

The directors stated in their statement of affairs that the Company had plant and machinery, stock and raw materials estimated to realise £130,000 and £22,000 respectively.

An on-line auction was held which closed on 3 March 2011 and I am pleased to report that the Administrators have realised £204,920 in respect of these assets. There will be no further recoveries.

- **Motor vehicles**

The directors recorded in their statement of affairs that the Company owned motor vehicles which were estimated to realise £92,000.

The vehicles were sold as part of the on-line auction and the Administrators are pleased to report that £109,150 was realised from the sale of these vehicles.

- **Book debts**

Pre-appointment book debts were estimated to realise £883,416 in the directors' statement of affairs.

HSBC Invoice Financing UK Limited ("HSBCIF") provided debt factoring services to the Company and had a fixed charge over the Company's book debts. HSBCIF was owed £639,811 at the time of the Administrators' appointment. HSBCIF has recovered its lending in full and, therefore, the balance of the Company's pre-appointment book debt ledger has now reverted to the Company.

Joint Administrators' progress report for the six months ended 12 July 2011

The Administrators have instructed their debt recovery specialists to review the ledger and to recover the outstanding amounts. To date, the Administrators have received £30,543 in respect of book debts. Debts with a book value of £213,062 remain to be collected.

- **Intangible assets / intellectual property**

As part of the sales process the Administrators offered for sale various items of the Company's intellectual property.

In the event, £7,680 was realised and there will be no further recoveries in respect of the Company's intellectual property.

- **Legal settlement**

Prior to the Administrators' appointment, the Company had been in dispute with a former customer over an outstanding invoice. Upon their appointment the Administrators agreed to settle the dispute for a payment of £9,736 compared with the original debt of approximately £11,000.

Adoption of the Administrators' proposals

On 9 March 2011 the Administrators circulated to creditors their proposals for achieving the purpose of administration.

The proposals were approved by creditors without modification at a meeting held by correspondence.

Summary of financial information

A summary of financial information for the six months to 12 July 2011 is set out in section 3 of this report.

Outcome for creditors

Secured creditors

HSBCIF provided debt factoring services to the Company and has a fixed and floating charge dated 29 May 2009 under an agreement for the purchase of debts. As at the date of Administration HSBCIF was owed approximately £640,000, by the Company, plus interest and termination charges. HSBCIF has recovered its debt in full.

HSBC Bank plc ("the Bank") has a floating charge over the Company's assets dated 8 January 1997. In addition the Bank has a fixed charge dated 1 August 1997.

As at the date of administration the Administrators understand that the indebtedness to the Bank was approximately £10,000. This debt relates to the payment of wages in the week of the Administration appointment. Further details of this are given under the preferential creditor section below.

Preferential creditors

The Administrators envisage that preferential creditors totalling £56,828 will be paid in full. In addition, the Bank may also have a subrogated preferential claim of approximately £10,000 in respect of wages paid by the Bank prior to the Administrators' appointment. The Administrators are awaiting confirmation of this claim from the Bank.

Joint Administrators' progress report for the six months ended 12 July 2011

Employees

If you have not already done so, please return your fully completed RP1 to Mr Peter Smith at PricewaterhouseCoopers LLP, Hill House, Richmond Hill, Bournemouth BH2 6HR, for submission to the Redundancy Payments Office on your behalf

Unsecured creditors

The Administrators are as yet unable to comment on whether there will be funds available for distribution to the Company's unsecured creditors

What you need to do now

If you have not already submitted your claim, please do so using the form enclosed with this report. If you have already submitted a claim then you need not complete the form

Exit from Administration

The Administrators are also considering the most appropriate strategy for bringing the Administration to an end, taking into consideration the cost and tax implications. Creditors will be advised of the Administrators' decision in due course

Administrators' remuneration

The Administrators' remuneration has been approved by the general body of creditors on a time cost basis. To 12 July 2011 the Administrators have drawn remuneration of £146,418.75 in accordance with the resolutions passed at a meeting held by correspondence

In accordance with the requirements of Statement of Insolvency Practice No 9, a full analysis of the Administrators' time costs and Category 2 disbursements for the period 12 February to 30 June 2011 is provided in Section 4

Additional information

Further information about the administration can be found on the administration website at www.pwc.co.uk/eurotek, including -

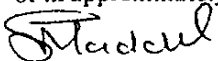
- a creditors' guide to Administrators' fees (in accordance with Statement of Insolvency Practice No 9),
- statement of creditor's rights,
- a summary of key terms used in this report

If any creditor requires further explanations on any aspect of the Administrators' progress report, then please telephone or write to Louis Hemsley on 01202 294621 who will be pleased to deal with such enquiries, however, any request for further information regarding the Administrators' remuneration or disbursements should be made in writing

In addition, should any creditor consider the Administrators' remuneration and disbursements to be excessive or inappropriate, they have the right to challenge the amounts

Next report

The Administrators' next report to creditors will be at the earlier of the conclusion of the Administration or in approximately six months


Stuart Maddison
Joint Administrator
Eurotek Office Furniture Limited in administration

Statutory and other information

Court details for the Administration:	High Court of Justice, Chancery Division, Bristol District Registry Case 38 of 2011
Full name:	Furotek Office Furniture Limited
Trading name:	Furotek Office Furniture Limited
Registered number:	02086413
Registered address:	c/o PricewaterhouseCoopers LLP, Hill House, Richmond Hill, Bournemouth BH2 6HR
Company directors:	Mr Mark Gregory, Mr Andrew Gwennap, Mr Terence Kuhler, Mr Robert Lee, Ms Ann Roberts, Mr Robert Vesey
Company secretary:	Mr Robert Lee
Shareholdings held by the directors and secretary:	Mr Robert Lee – 1,000 ordinary share of £1
Date of the Administration appointment:	13 January 2011
Administrators' names and addresses:	Stuart David Madison and Karen Lesley Dukes of PricewaterhouseCoopers LLP, Hill House, Richmond Hill, Bournemouth BH2 6HR
Changes in office holder:	N/A
Appointor's / applicant's name and address:	Mr Robert Lee, 2 Friary Close, Middleton-on-Sea, Bognor Regis, West Sussex, PO22 6PB
Objective being pursued by the Administrators:	(b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were placed into liquidation (without first being in administration)
Division of the Administrators' responsibilities:	In accordance with paragraph B1 of the Insolvency Act 1986, Robert Lee states that all functions are to be exercised by any one or all of the Joint Administrators
Proposed end of the Administration:	CVL followed by dissolution
Estimated dividend for unsecured creditors:	Uncertain
Estimated values of the prescribed part and the company's net property:	N/A
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	N/A
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000)	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings

Summary of financial information for the period 13 January 2011 to 12 July 2011

	As at 12 July 2011 £		As at 12 July 2011 £
Trading revenue		Less Cost of trading	
Post appointment trading sales	102,370	Employee expenses	117
		Wages/NIC/staff costs	42,179
		Insurance	14,760
		Utilities and telephone charges	5,573
		Cleaning and site clearance	420
		Trade purchases	208
Total revenue	102,370	Total cost of trading	63,257
		Trading profit	39,113
 Asset realisations		 Less Cost of realisations	
Trading profit	39,113	Hire purchase obligations	35,869
Plant and machinery	204,920	Legal fees and disbursements	67,661
Motor vehicles	109,150	Transport and carriage	86
Book debts	30,543	Mileage costs	2,244
Intellectual property rights	7,680	Storage	1,006
Legal settlements	9,736	Postage	518
VAT	18,576	Statutory advertising	74
		Staff accommodation	2,360
		Administrators' remuneration	146,419
		Bank charges	232
Total asset realisation	419,718	Total cost of realisation	256,469
		Funds in hand	163,249

Statement of expenses incurred for the period 13 January 2011 to 12 July 2011

	Total expenses incurred as at 12/07/11 £
Staff costs	
Employee expenses	117
Wages/NIC/staff costs	42,179
Professional fees	
Legal fees and disbursements	67,661
Administrators' remuneration	294,894
Property costs	
Insurance	14,760
Utilities and telephone charges	5,573
Other costs	
Rent	53,444
Rates	60,582
Cleaning and site clearance	420
Trade purchases	208
Hire purchase obligations	35,869
Transport and carnage	86
Mileage costs	2,244
Storage	1,006
Postage	655
Printing	60
Statutory advertising	74
Staff accomodation	2,360
Entertaining	974
Insurances	420
Subsistence	611
Travel	215
Mobile phone expenses	25
Bank charges	250
Total	584,570

Analysis of the Administrators' time costs and Category 2 disbursements for the period 13 January 2011 to 30 June 2011

Narrative of work carried out for the period 12 February to 30 June 2010

Please find attached at appendix B an analysis of the Administrators' time costs for the period 12 February 2011 to 30 June 2011

Please note that an analysis of the Administrators' time costs for the period 13 January 2011 to 11 February 2011 was included within the Administrators' proposals

The key areas of work have been

- Strategy and planning issues and general administration,
- Time spent on asset realisation and collection of the post appointment book debt ledger,
- Dealing with a number of retention of title creditors,
- Accounting and treasury functions,
- Dealing with preferential and unsecured creditor correspondence,

Category 2 disbursements for the period 13 January 2011 to 30 June 2011

Photocopying - £20

Mileage - £2,244

Summary of legal and other professional firms instructed in the period 13 January 2011 to 12 July 2011

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal advice	Bond Pearce LLP	Industry knowledge	Timecosts
Chattel agents and valuers	Edward Symmions & Partners LLP	Industry knowledge	Timecosts

Appendix A

Eurotek Office Furniture Limited - in Administration – statement of claim – D355E

Creditor's name and address	
Total amount of your claim, including any VAT at the date the administration commenced	£
Please provide details of any documents that substantiate your claim including where applicable, details of any reservation of title in respect of goods to which the debt relates If relevant, please attach a statement of account	
What goods or services did you provide?	
Is all or part of your claim preferential as defined in the Insolvency Act 1986? (see footnote) If so, please provide details where indicated, otherwise leave this section blank	Category Amount (s) claimed as preferential £
If you have security for your debt, please provide details of the type and value of the security, the date it was given, and provide details of how you have valued your security If no security held, leave this section blank	
We have a duty as administrators to consider the conduct of the directors prior to our appointment. Are there any particular matters relating to the purchase of goods and services from yourselves, or any other matters that you feel should be reviewed? If so, please provide brief details on this form, or on a separate sheet if there is insufficient room	
Signature of creditor or person authorised to act on behalf of the creditor	Date
Name in block capitals	
Position with or relation to the creditor (e.g. director, company secretary, solicitor)	

D355E

Categories of preferential creditors are defined in section 386 of the Insolvency Act 1986 (amended by the provisions of section 251 of the Enterprise Act 2002) as contributions to occupational pension schemes, remuneration and accrued holiday pay of employees, amounts due in respect of monies advanced to pay remuneration and accrued holiday pay, amounts ordered to be paid under the Reserve Forces (Safeguard of Employment) Act 1985 and levies on coal and steel production.

Eurotek Office Furniture Limited in Administration

Appendix B

Analysis of the Administrators' time costs for the period from 12 February 2011 to 30 June 2011

<u>Category of work</u>	<u>Partner</u>	<u>Director</u>	<u>Senior Manager</u>	<u>Manager</u>	<u>Associate</u>	<u>Senior Associate</u>	<u>Practice support</u>	<u>Total Hours</u>	<u>Time costs £</u>	<u>Average hourly rate £</u>
Strategy, planning and general administration	11 75	-	15 15	0 50	28 80	31 50	45 55	133 25	25,451 50	191 01
Asset realisations - freehold / leasehold property retention of title	-	-	7 50	0 30	0 50	1 30	-	9 60	3 198 70	333 20
- chattel assets	-	-	0 90	6 20	-	17 80	0 30	25 20	4 521 50	179 42
- book debts	-	-	2 50	0 70	18 00	-	-	21 20	4 990 40	235 40
- sale of business	-	-	18 60	11 45	42 50	101 75	2 20	176 50	33 567 45	190 18
	-	-	-	0 65	1 60	2 05	0 20	4 50	830 10	184 47
Investigation	-	-	-	0 70	5 70	43 90	-	50 30	7 717 30	153 43
Creditors claims / distributions	-	-	4 60	35 65	41 25	36 80	1 70	120 00	26 000 65	216 67
Accounting and treasury	-	-	1 00	3 00	24 65	56 58	4 80	90 03	14,807 05	164 47
Reporting to appointor / committee / creditors	-	-	2 00	9 40	7 40	15 40	2 40	36 60	7,278 80	198 87
Statutory and compliance	-	-	2 70	3 80	18 30	15 10	1 60	41 50	8 181 60	197 15
Tax / VAT / Pensions (specialist)	-	-	1 00	0 30	5 85	11 46	0 20	18 81	3 912 40	208 00
Case Specific - trading	-	-	2 75	1 30	1 00	-	2 30	7 35	1,763 25	239 90
Total for period to 30 June 2011	11 75	-	58 70	73 95	195 55	333 64	61 25	734 84	142,220 70	193 54
Hours and cost b/f 11 February 2011								668 45	146,418 75	
Total								1,403 29	288,639 45	205 69

Charge out rate per hour (up to)

- Insolvency from 1 May 2011

- Specialist from 1 June 2011

520 00	436 00	383 00	299 00	226 00	142 00	76 00
-	-	625 00	-	265 00	221 00	-