

The Insolvency Act 1986

INTERIM**Administrator's progress report**

Name of Company Aeroform Limited	Company Number 02100590
In the High Court of Justice Bristol District Registry (full name of court)	Court case number 1110 of 2010

We Edward Mark Shires and Stuart Maddison of PricewaterhouseCoopers LLP, Hill House, Richmond Hill, Bournemouth BH2 6HR

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

from

to

11 November 2010

30 November 2010

Signed



Joint Administrator

Dated 30 December 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.

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Aeroform Limited – in Administration

**High Court of Justice, Bristol District Registry
Case No. 1110 of 2010**

**Joint Administrators' progress report for the period from 11 November 2010 to 30
November 2010**

30 December 2010

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1. Joint Administrators' progress report for the period from 11 November 2010 to 30 November 2010

Introduction

In accordance with Rule 2 47 (3A) of the Insolvency Rules 1986 ("IR86"), the Joint Administrators ("the Administrators") write to provide creditors with details of the progress of the Administration of Aeroform Limited ("the Company") from 11 November 2010 to the date of the change of one of the officeholders, on 30 November 2010

HSBC Bank Plc ("the Bank") requested PricewaterhouseCoopers LLP to carry out an Independent Business Review in April 2010 in order to seek comfort around the Group's request for restructured Bank funding alongside proposed equity investments into the Company and Aeroform Impex Limited ("AIL"). During the early stages of the review one of the proposed investors withdrew and it became clear that replacement funding was unlikely to be secured in the short term leaving the Company and AIL insolvent on a balance sheet basis. As a result the directors appointed Stephen Roland Browne and Edward Mark Shires as Administrators to the Company. AIL and Aeroform Group Limited on 11 May 2010

Please refer to the Administrators' previous report for historical information relating to the Administration

The following matters remain ongoing since the Administrators' last report dated 9 December 2010

Statutory Information

The Administrators are required to provide certain statutory information in relation to the Company as required by Rule 2 47(1)(a) to (d) IR86 is set out in Section 2

Other Intellectual Property Rights ("IPR")

The Administrators are still in discussions with two other prospective purchasers in relation to the remaining assets. Negotiations are continuing

Changes in officeholder

On 30 November 2010 Stephen Roland Browne was replaced as Administrator of the Company by Stuart Maddison. The replacement was considered appropriate as Stephen Browne has left the firm

Stuart Maddison is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales

Receipts and payments account

There have been no receipts or payments during the period 11 November 2010 to 30 November 2010. A statement of the receipts and payments account to 30 November 2010 is included in Section 3

Expenses statement

There have been no further expenses incurred by the Administration in the period 11 November 2010 to 30 November 2010. A statement of the expenses incurred to 30 November 2010 is included in Section 4

Administrators' remuneration

The Administrators' remuneration for dealing with fixed charge realisations is to be approved by the Bank. The Administrators have not drawn any remuneration to date

As the Administrators have stated that they think that the Company has insufficient property to enable a dividend to be paid to the non-preferential unsecured creditors other than by virtue of Section 176A of the Insolvency Act 1986, it will be for the secured creditor and preferential creditors to determine the Administrators' remuneration for dealing with floating charge realisations

Approval will be sought from preferential creditors in due course

1. Joint Administrators' progress report for the period from 11 November 2010 to 30 November 2010

Creditors' rights

A statement of creditors' rights in relation to the Administrators' remuneration and expenses is set out at Section 5

Outcome for creditors

It is presently anticipated that the secured creditor will suffer a shortfall under its security

The Administrators envisage that preferential creditors totalling £63,000 will be repaid in full

The Administrators advised that it is likely there will be funds available for distribution to the Company's unsecured creditors by virtue of the prescribed part, however, the quantum is uncertain at this time

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

Next report

The Administrators anticipate that they will circulate their next report to creditors at the earlier of the conclusion of the Administration or in approximately six months



Edward Mark Shires
Joint Administrator
Aeroform Limited

Edward Mark Shires and Stuart Maddison have been appointed as Joint Administrators of Aeroform Limited to manage its affairs, business and property as its agents and act without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales

2. Statutory and other information

Court details for the Administration:

Full name:

High Court of Justice, Bristol District Registry, Court No 1110 of 2010

Trading name:

Aeroform Limited

Registered number:

Aeroform Limited
02100590

Registered address:

15 Upton Industrial Estate, Factory Road, Poole, Dorset BH16 5SN

Company directors:

Nigel McCorkell, Clive Anthony Davies, Benjamin Davies

Company secretary:

Richard David Davis

Shareholdings held by the directors and secretary.

Date of the Administration appointment:

11 May 2010

Administrators' names and addresses:

Edward Mark Shires and Stuart Maddison Stuart Maddison replaced
Stephen Roland Browne on 30 November 2010
PwC, Hill House, Richmond Hill, Bournemouth, BH2 6HR
Benjamin Davies, Old Manor Farm House, Hinton Martell, Wimborne, Dorset
BH21 7HE

Appointor's name and address.

Objective being pursued by the Administrators:

Division of the Administrators' responsibilities:

Proposed end of the Administration:

Estimated dividend for unsecured creditors:

Estimated values of the prescribed part and the company's net property:

Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:

The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):

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) in accordance with paragraph 100(2) Schedule B1 to the Insolvency Act 1986, I Benjamin Davies, state that all functions are to be exercised by any one or all of the Joint Administrators
Creditors' voluntary liquidation
Uncertain
Uncertain

N/A

The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings

3. Receipts and payments account

	As at 11 November 2010 £	Movements in the period £	As at 30 November 2010 £		As at 11 November 2010 £	Movements in the period £	As at 30 November 2010 £
Asset realisations				Less: Cost of realisation			
Fixed charge realisations				Staff costs			
Intellectual Property Rights/know-how and patents	400,000	-	400,000	Wages/NIC/staff costs	18,283	-	18,283
Intellectual Property Rights	65,000	-	65,000				
	465,000		465,000	Professional fees			
Floating charge realisations				Legal fees	40,003	-	40,003
Cash held by third parties	115,958	-	115,958	Legal disbursements	1,218	-	1,218
VAT refund	15,140	-	15,140	Agents' fees	9,500	-	9,500
Book debts	246,153	-	246,153	Agents' disbursements	14,757	-	14,757
Other assets	127,343	-	127,343				
Contribution to costs	1,700	-	1,700	Property costs			
Bank interest	565	-	565	Rent	3,182	-	3,182
Net VAT payable	20,817	-	20,817	Insurance	1,102	-	1,102
	527,676		527,676	Security	35	-	35
				Utilities	1,072	-	1,072
				Telephone and fax	222	-	222
				IT costs	46	-	46
				Other costs			
				Liens	2,972	-	2,972
				Royalty payments	1,600	-	1,600
				Management charges	5,588	-	5,588
				Statutory advertising	4,182	-	4,182
				Bank charges	14	-	14
				Refunds	23	-	23
Total asset realisation	992,676	-	992,676	Total cost of realisation	103,799	-	103,799
				Funds in hand	888,877		888,877

4. Statement of expenses incurred in the period from 11 November 2010 to 30 November 2010

	Expenses paid as at 11/11/2010	Expenses accrued as at 30/11/2010	Total expenses accrued as at 30/11/2010
	£	£	£
Staff costs			
Wages/NIC/staff costs	18,283 11	0 00	18,283 11
Professional fees			
Legal fees	40,003 00	36,000 00	76,003 00
Legal disbursements	1,218 27	0 00	1,218 27
Agents' fees	9,500 00	0 00	9,500 00
Agents' disbursements	14,756 63	0 00	14,756 63
Property costs			
Rent	3,182 42	3,000 00	6,182 42
Insurance	1,102 00	0 00	1,102 00
Security	35 00	0 00	35 00
Utilities	1,072 44	200 00	1,272 44
Telephone and fax	222 18	60 00	282 18
IT costs	45 75	0 00	45 75
Other costs			
Liens	2,972 29	0 00	2,972 29
Royalty payments	1,600 00	0 00	1,600 00
Management charges	5,587 50	0 00	5,587 50
Statutory advertising	4,182 20	49 00	4,231 20
Specific penalty bond	0 00	528 00	528 00
Postage	0 00	1,681 00	1,681 00
Photocopying	0 00	793 00	793 00
Change of appointment taker costs	0 00	30 00	30 00
Bank charges	13 74	5 00	18 74
Refunds	23 00	0 00	23 00
Administrators' remuneration	0 00	301,500 00	301,500 00
Total	103,799 53	343,846 00	447,645 53

5. Statement of creditors' rights

The IFR86 provide for creditors to request further information and challenge the Administrators' remuneration and expenses. The relevant provisions are as follows -

Rule 2.46A Creditors' request for further information

(1) If—

- (a) within 21 days of receipt of a progress report under Rule 2.47—
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor,

makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2.47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)

(2) The administrator complies with this paragraph by either—

- (a) providing all of the information asked for, or
- (b) so far as the administrator considers 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) the administrator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information

(3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—

- (a) the giving by the administrator of reasons for not providing all of the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just

(4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2.109(1B) by such further period as the court thinks just "

5. Statement of creditors' rights

Rule 2.109 Creditors' claim that remuneration is or other expenses are excessive

(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

(1A) Application may be made on the grounds that—

- (a) the remuneration charged by the administrator,
- (b) the basis fixed for the administrator's remuneration under Rule 2.106, or
- (c) expenses incurred by the administrator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

(1B) The application must, subject to any order of the court under Rule 2.48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")

(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly.

(3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it.

(4) If the court considers the application to be well-founded, it must make one or more of the following orders—

- (a) an order reducing the amount of remuneration which the administrator was entitled to charge,
- (b) an order fixing the basis of remuneration at a reduced rate or amount,
- (c) an order changing the basis of remuneration,
- (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administrator,
- (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify.

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report.

(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration.