

The Insolvency Act 1986

Administrator's progress report

Name of Company

Abracross Limited t/a Pipe Scenes

Company number

02692004

In the
High Court of Justice, Chancery Division,
Companies Court

(full name of court)

Court case number
5718 of 2011(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a)
Alexander Kinninmonth
RSM Tenon Recovery
Highfield Court, Tollgate
Chandlers Ford
Eastleigh
Hampshire, SO53 3TZDavid James Green
RSM Tenon Recovery
Highfield Court, Tollgate
Chandlers Ford
Eastleigh
Hampshire, SO53 3TZ

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

From

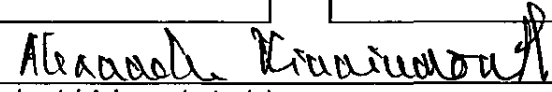
To

(b) Insert date

(b) 6 July 2011

(b) 5 January 2012

Signed


Joint / Administrator(s)

Dated

1 February 2012

WEDNESDAY



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AIQ

08/02/2012

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COMPANIES HOUSE

**Abracross Limited t/a Pipe Scenes (“the Company”) – In
Administration**

**Joint Administrators’ First Progress Report
for the period from 6 July 2011 to 5 January 2012**

Issued on: 1 February 2012

Alexander Kinninmonth and David James Green of RSM Tenon Recovery are the Joint Administrators of the Company and this is their report on the progress of the administration of the Company for the period from 6 July 2011 to 5 January 2012

1. Statutory Information

Statutory information relating to the Company is attached at **Appendix I**

2. Joint Administrators' receipts and payment account

A summary of the Joint Administrators' receipts and payments account relating to the Company for the relevant period from 6 July 2011 to 5 January 2012 is attached at **Appendix II**

3. Action taken by the Joint Administrators since appointment

I can confirm that the Joint Administrators' proposals for achieving the purpose of the administration were approved by creditors without modification on 12 August 2011

Sale of Business

As previously reported, the business and assets of the Company were sold to a company connected by common directorship, Pipe Scenes Limited, on 6 July 2011 for the sum of £40,000

The sale consideration was apportioned as follows

Goodwill	1
Plant and Equipment, Vehicles, Stock and Work in Progress	39,999
Total	<u>40,000</u>

The sale consideration was to be paid in 10 monthly instalments of £4,000 and I can advise that to the end of this period, the sum of £28,000 has been received in line with the sale and purchase agreement. A further sum of £4,000 has been received since the end of the first reporting period.

Book Debt Collection

The Statement of Affairs estimated that there was approximately £40,500 to be collected in respect of the outstanding book debt ledger.

Lloyds TSB Commercial Finance Limited ("LTSBCF") hold the benefit of a fixed and floating charge over the book debts which was created on 31 August 2003. It was estimated that LTSBCF were owed approximately £30,000 at the date of the Joint Administrators' appointment.

LTSBCF have advised that the liability to them has now been paid in full and have reassigned the balance of the debtor ledger to the Joint Administrators. From the information they have provided, there appears to be outstanding debtors totalling £32,196. I have instructed Husband Collection Services Limited to review and they have advised that they expect to make further realisations in this regard.

Other Realisations

A refund in the sum of £103 has been received from Southern Electric in respect of a pre-payment. No further realisations are anticipated in this regard.

Investigations

Administrators have a duty to submit confidential reports to the government's Disqualification Unit on the conduct of those persons who acted as directors of the Company in the three year period before the Administration. I can confirm that I have complied with my duties in this regard and that there are no outstanding lines of enquiry.

4. Future Actions of the Joint Administrators

The Joint Administrators will continue to collect the final two payments of £4,000 due from Pipe Scenes Limited.

We will also monitor the debtor collection to ensure that maximum recoveries are made in this regard.

5. Liabilities and dividends

Secured Creditors

As previously mentioned, LTSBCF hold the benefit of a fixed charge over the Company's book debts which was created on 31 August 2003. LTSBCF have advised that the liability to them has now been settled in full under the terms of its fixed charge.

Lloyds TSB Bank Plc ("the Bank") has the benefit of a fixed and floating charge over the Company's assets and at the date the Company entered administration, the sum of approximately £29,506 was owed in this regard. I can advise that the Bank has received the sum of £1 in respect of its fixed charge over the Company's goodwill. The Bank will therefore rely on its floating charge in respect of the balance of its claim.

Preferential Creditors

The former employees of the Company are preferential creditors in respect of unpaid wages and holiday pay. I can advise that they have submitted claims to the Redundancy Payments Office and that a preferential claim has been received in the sum of £5,278.

Any distribution to the preferential creditors will be reliant on the level of recoveries made from the book debt collection, which at this time is uncertain.

Floating Charge Creditors and Prescribed Part

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property".

In this case the primary security of both the Bank and LTSBCF was granted prior to 15 September 2003 and therefore the prescribed part provisions will not apply.

As mentioned above, has suffered a shortfall of approximately £29,505 and will need to rely on its floating charge for the balance. Any distribution to the Bank in this regard will be reliant on the level of recoveries made on the book debt collection, which at this time is uncertain.

Unsecured Creditors

The Statement of Affairs estimated that there were unsecured creditors totalling £293,147 and to date claims of £196,377 have been received in this regard. Current indications are that it is unlikely there will be a distribution to the unsecured creditors in this matter.

6. Joint Administrators' Remuneration, Disbursements and Expenses

Basis of remuneration and disbursements

The Joint Administrators' proposals relating to their remuneration and disbursements were approved at the meeting of creditors held on 12 August 2011. This provided for the Joint Administrators to be remunerated with reference to time properly spent in dealing with matters in the administration and that disbursements would be drawn in accordance with the tariff outlined in **Appendix III**.

Remuneration charged and drawn in the period

The Joint Administrators' time costs were charged (exc VAT) as follows:

	Incurred	Paid
For this period - from appointment on 6 July 2011 to 5 January 2012	£21,511	£15,000

In accordance with Statement of Insolvency Practice 9 attached at **Appendix III** is a breakdown of these time costs.

Disbursements incurred and drawn

The Joint Administrators' disbursements incurred during the period of this report and those reimbursed in the period are summarised below. Details are in the attached **Appendix III**.

	Incurred	Paid
Category 1 disbursements for this period - 6 July 2011 to 5 January 2012	£630.66	£0.00
Category 2 disbursements for this period - 6 July 2011 to 5 January 2012	£22.48	£0.00
Total	£653.14	£0.00

Expenses (professional advisors) charged and drawn in the period

The following professional advisors have been instructed in this matter

<i>Professional Advisor</i>	<i>Nature of Work</i>	<i>Fee Arrangement</i>
Blake Laphorn Solicitors	Drafting sale agreement and preparing the necessary documentation for the appointment of the Joint Administrators	Time costs + VAT + disbursements
Proudley Associates Limited	Valuing the business and assets of the Company	Fixed fee + VAT + disbursements

The choice of professionals was based on perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the Administrators' fee arrangement with them. Details of the costs incurred and paid by the Administrators in relation to administration expenses for the period are also attached at **Appendix III**

Pre-administration costs

Creditors also resolved on 12 August 2011 that the Joint Administrators be authorised to draw pre-administration costs totalling £18,865 plus VAT, which includes their fees, the fees of their professional advisors and expenses and disbursements incurred by them, out of the assets of the Company as an expense of the administration and to be drawn as and when funds permit

I can advise that the agents' and solicitors' fees incurred totalling £7,033 have been paid but the Joint Administrators' time costs of £11,832 are yet to be paid

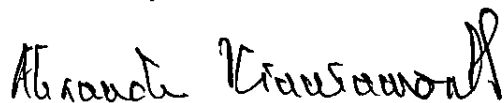
Creditors' Guide to Fees and statement of creditors' rights

Creditors have a right to request further information from the Administrators and additionally have a right to challenge the Administrators' remuneration and expenses time limits apply. Details can be found in the document 'Remuneration Guidelines Administration (post 6 April 2010)' which you can access and download at <http://www.rsmtenton.com/creditorguides>. Alternatively a copy is available free of charge upon request from the address above

7. End of Administration

Current indications are that the Administration will be exited by way of dissolution prior to the end of the one year Administration period. However, this is dependent on the progress of the book debt collection and it may be deemed necessary to seek approval for an extension to the Administration period from the Company's creditors. I will report to you separately if this course of action is required.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Alexander Kinninmonth', with a stylized flourish at the end.

Alexander Kinninmonth

Joint Administrator

*Licensed in the United Kingdom to act as an insolvency practitioner by the Association of Chartered Certified Accountants
The affairs, business and property of the Company are being managed by the Joint Administrators*

Company Information

Company Name	Abracross Limited t/a Pipe Scenes
Previous Name	Not Applicable
Company Number	02692004
Date of Incorporation	28 February 1992
Trading Address	536-540 Portswood Road, Southampton, Hampshire, SO17 3SP
Current Registered Office	Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire, SO53 3TZ
Former Registered Office	14 Station Road, Birchington, Kent, CT7 9DQ
Principal Trading Activity	The sale of bathroom and plumbing products

Appointment details

Joint Administrators' name and address	Alexander Kinninmonth of RSM Tenon Recovery, Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire, SO53 3TZ and David James Green of RSM Tenon Recovery Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire, SO53 3TZ
Date of appointment	6 July 2011
Court Name and Reference	High Court of Justice, Chancery Division, Companies Court 5718 / 2011
Appointment made by	Lloyds TSB Commercial Finance
Actions of Joint Administrators	Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators acting jointly or alone

Abracross Limited t/a Pipe Scenes
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 05/01/2012

S of A £		£	£
	SECURED ASSETS		
1 00	Goodwill	1 00	1 00
	SECURED CREDITORS		
(29,506 46)	Lloyds TSB Bank Plc	1 00	
40,500 00	Book Debts	NIL	
(30,000 00)	Lloyds TSB Commercial Finance Limit	NIL	(1 00)
	ASSET REALISATIONS		
39,999 00	Plant & Equipment, Vehicles, Stock, W	27,999 00	
500 00	Book Debts	NIL	
	Bank Interest Gross	3 35	
	Miscellaneous Refund	103 51	28,105 86
	COST OF REALISATIONS		
	Office Holders Fees	15,000 00	
	Agents/Valuers Fees	2,552 50	
	Legal Fees	4,529 16	
	Statutory Advertising	76 50	(22,158 16)
	PREFERENTIAL CREDITORS		
(2,000 00)	Employee Arrears/Hol Pay	NIL	NIL
	UNSECURED CREDITORS		
(240,324 76)	Trade & Expense Creditors	NIL	
(10,532 13)	Directors	NIL	
(11,790 23)	HM Revenue and Customs - PAYE	NIL	
(24,090 21)	HM Revenue and Customs - VAT	NIL	
(6,410 00)	Landlord	NIL	NIL
	DISTRIBUTIONS		
(2 00)	Ordinary Shareholders	NIL	NIL
(280,065 79)			5,947.70
	REPRESENTED BY		
	Vat Receivable		3,000 00
	Interest Bearing Current Account		1,516 06
	Vat Control Account		1,431 64
			5,947.70

Appendix III – Information relating to the Joint Administrators' Fees and Expenses

Abracross Limited t/a Pipe Scenes

Information relating to the Joint Administrators' Fees and Expenses

1. Explanation of Administrators' charging and disbursement recovery policies

1.1. Time recording

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge-out rates are

Grade	£
Director and associate director	340 – 435
Senior manager, manager & Supervisor	235 - 310
Other senior professionals	150-195
Support and administration staff	105

1.2 Disbursement recovery

Disbursements are categorised as either Category 1 or Category 2

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Where these have initially been paid by RSM Tenon Recovery and then recharged to the case, approval from creditors is not required. The amount recharged is the exact amount incurred.

Examples of Category 1 disbursements include postage, case advertising, specific bond insurance, company search fees, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case, (including business mileage up to HMRC approved rate for cases commenced before 1 November 2011). Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 disbursements include elements of shared or allocated costs incurred by RSM Tenon Recovery and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 disbursements are photocopying, all business mileage (for cases commencing on or after 1 November 2011), internal room hire and internal storage.

The current levels of Category 2 disbursements recovered by RSM Tenon Recovery are as follows

Category	Basis
stationery	4p, 3p, 35p per envelope, letterhead or label
photocopying	5p per page
postage	actual 1st or 2nd class
faxes	50p per page
storage	£7 20 per box per year
room hire	£100 fixed charge
car mileage	45p per mile
other travelling	actual

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally

2. Description of work carried out

Section 3 of this appendix outlines the time costs to date in relation to activities undertaken during this period. These can be summarised as follows:

2.1. Pre-appointment

Details of the Joint Administrators' pre-administration costs are set out in the main body of the report.

2.2. Administration and planning

This includes the following activities which have been undertaken:

- > Statutory duties associated with the appointment including the filing of relevant notices,
- > Notification of the appointment to creditors, members, employees and other interested parties,
- > Setting up case files,
- > Reviewing available information to determine appropriate strategy,
- > Setting up and maintaining bank accounts,
- > 6 monthly progress review of the case

Staff of different levels were involved in the above activities depending upon the experience required.

2.3. Investigations

The time spent includes:

- > Corresponding with the former directors and management,
- > Review of questionnaires and comments provided by interested parties,
- > Review of company documentation,

- > Completion of statutory returns to the Insolvency Service

Due to the complex nature and importance of the investigations, the staff utilised to conduct such work involved experienced members of staff

2.4. Realisation of assets

Please refer to the main body of the report but in summary the time spent includes

- > Liaison with agents and solicitors,
- > Correspondence and meetings with interested parties,
- > Monitoring and chasing of deposits,
- > Agreement of contracts

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake. The sale of the business was particularly complex and required extensive involvement of the Administrators and senior staff

2.5. Creditors

The time spent includes the following matters

- > Recording and maintaining the list of creditors,
- > Dealing with employee related matters,
- > Dealing with reservation of title claims,
- > Recording creditor claims
- > Reporting to creditors,
- > Meetings of creditors,
- > Dealing with creditor queries,
- > Reviewing and evaluating creditor claims,

Staff were chosen depending on the appropriate level of experience required for the activity they were required to undertake

3. Time and charge-out summary

For the period of this report from appointment on 6 July 2011 to 5 January 2012, 101.00 hours have been spent at an average charge out rate of £212.98 bringing the cost for this period to £21,511.00

The table on the next page details the time spent to date

SIP9 Detailed

5011976 Abracross Limited

Corp Administration/post apmt

06/07/2011 to 05/01/2012

RSM Tenon

SIP9 SubCategory	Director and Associate Director	Manager	Other Senior Professional	Assistant and Support Staff	Total Hours	Charge	Average
Administration and planning							
General Administration	4 60	0 50	19 50	1 70	26 30		201 08
Strategy / Review	2 20	0 50	0 00	0 00	2 70		345 19
Billing	0 00	0 00	0 20	0 00	0 20		195 00
Pension Scheme (General)	0 00	0 00	1 30	0 00	1 30		170 00
Cashiering (Administration)	0 20	0 30	6 40	0 00	6 90		191 96
Filing & Secretarial	0 00	0 00	0 20	0 10	0 30		165 00
	7 00	1 30	27 60	1 80	37 70	7,854 50	208 34
Creditors							
Other Creditor Related Activities	6 80	3 10	16 40	5 80	32 10		208 57
Distribution	0 10	0 00	0 00	0 00	0 10		435 00
Creditor Correspondence/ Queries	0 00	0 00	0 40	0 00	0 40		195 00
Employee Related Tasks	0 00	0 00	6 30	0 00	6 30		170 00
Reporting to Secured Creditor	0 00	1 50	8 50	0 00	10 00		212 25
Secured Creditors	0 20	0 00	0 50	0 00	0 70		263 57
	7 10	4 60	32 10	5 80	49 60	10,194 50	205 53
Investigations							
Investigations	0 50	0 00	4 20	0 00	4 70		211 38
CDDA Report / Return	0 20	0 00	0 00	0 00	0 20		435 00
	0 70	0 00	4 20	0 00	4 90	1,080 50	220 51
Realisation of assets							

SLIP Subcategory	Director and Associate Director	Manager	Other Senior Professional	Assistant and Support Staff	Total Hours	Charge	AvgsRate
Asset General (Uncharged)	0 00	0 00	0 10	0 00	0 10		195 00
FL Freehold & Leasehold	0 00	0 00	1 50	0 00	1 50		195 00
Tax - Refund	0 00	0 00	0 40	0 00	0 40		170 00
Book Debt Realisation (Uncharged)	0 00	0 00	0 50	0 00	0 50		170 00
FL Asset General	4 10	0 90	1 30	0 00	6 30		304 21
	4 10	0 90	3 80	0 00	8 80	2,381 50	270 63
Hours	18 90	6 80	67 70	7 60	101 00		
Charge	6,680 50	2,108 00	11,924 50	798 00		21,511 00	

4 Disbursements

Disbursements incurred during the period of this report and those reimbursed in the period are detailed below

Disbursements	Incurred £	This period	Paid £
<i>Category 1</i>			
Statutory Advertising	63 50	0 00	
Statutory Bond	120 00	0 00	
Book Keeping Fees	300 00	0 00	
Postage	95 16	0 00	
Website Charge	8 00	0 00	
Confidential Waste Destruction	44 00	0 00	
Total	630 66	0.00	
<i>Category 2</i>			
Stationery	17 08	0 00	
Mileage	5 40	0 00	
Total	22.48	0.00	

The above costs exclude VAT

5 Professional advisors and expenses

The Joint Administrators have incurred administration expenses in connection with the instruction of the following parties,

Name & Activity	Incurred £	This period	Paid £
Blake Lapthorn Solicitors	4,529 16		4,529 16
Proudley Associates	2,532 50		2,532 50
Add-Vanced Book Keeping Services Ltd	20 00		20 00
Total	7,081.66		7,081.66

The above costs exclude VAT