

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company A A B C LIMITED	Company number 02843694
In the HCJ Manchester District Registry <small>(full name of court)</small>	Court case number 2693 of 2009

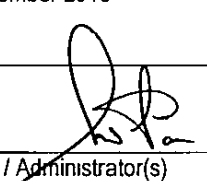
(a) Insert full name(s)
and address(es) of
administrator(s)

I/We (a) J M Titley & A Poxon 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) 24 September 2010	to (b) 24 March 2011
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Signed


 Joint / Administrator(s)

Dated

24 March 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.

Leonard Curtis	
Hollins Mount, Hollins Lane, Lancashire BL9 8DG	
Ref JH/19	Tel 0161 767 1250
DX Number	DX Exchange

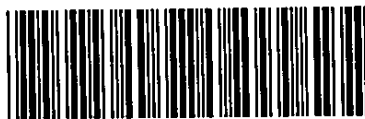
Companies House receipt date barcode

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

n Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

TUESDAY



A10 12/04/2011 39
 COMPANIES HOUSE
 A12 26/03/2011 314
 COMPANIES HOUSE



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**A.A.B.C. LIMITED
(IN ADMINISTRATION)**

**Joint Administrators' progress report
for the period from 25 September 2010 to 24 March 2011**

24 March 2011

CONTENTS

- 1 Statutory Information
- 2 Progress of the Administration
- 3 Assets Still to be Realised
- 4 Joint Administrators' Remuneration
- 5 Estimated Outcome for Creditors
- 6 Ending the Administration
- 7 Next Report

APPENDICES

- A Summary of Joint Administrators' Receipts and Payments Account for the Period from 25 September 2009 to 24 March 2011
- B Summary of Joint Administrators' Time Costs for the Period from 25 September 2009 to 24 March 2011
- C Additional Information in Relation to Administrators' Fees pursuant to Statement of Insolvency Practice 9
- D Form 2 35b – Notice Of Move from Administration to Dissolution

**STRICTLY PRIVATE AND CONFIDENTIAL
NOT FOR PUBLICATION**

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

1 STATUTORY INFORMATION

- 1 1 John Titley and Andrew Poxon were appointed Joint Administrators of A A B C Limited ("the Company") in the jurisdiction of the High Court of Justice, Manchester District Registry, Chancery Division, number 2693 of 2009 on 25 September 2009. The administration appointment was made by the Company's director.
- 1 2 The administration is being handled by Leonard Curtis' Bury office, which is situated at Hollins Mount, Hollins Lane, Bury, Lancashire BL9 8DG.
- 1 3 The trading address of the Company was Read Street, Hyde, Cheshire, SK14 2DP. The business traded under its registered name.
- 1 4 The Company's registered office was changed from 40 Mossgate Road, Shaw, Oldham, Lancashire, OL2 7PT to DTE House, Hollins Mount, Bury BL9 8AT on 29 September 2009. The Company's registered number is 02843694.
- 1 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.
- 1 6 The Company's main centre of operation is based in the UK. The EC Regulation on Insolvency Proceedings applies and the proceedings are main proceedings under the Regulation.
- 1 7 In accordance with the requirements of Rule 2.47 of The Insolvency (Amendment) Rules 2003 we are now submitting our final progress report. This report contains the information set out in Rule 2.47 of The Insolvency (Amendment) Rules 2003.

2 PROGRESS OF THE ADMINISTRATION

- 2 1 Attached at Appendix A is the Joint Administrators' receipts and payments account for the period from 25 September 2009 to 24 March 2011.

2.2 Sale of the Business

As we have previously advised, on the 25 September 2009 the Administrators concluded a sale of the Company's business and assets to Alexander Philips Investments Limited ('The Purchaser') for consideration of £20,000. The Purchaser is an associated company as defined in section 435 of the Act.

A A B C LIMITED – IN ADMINISTRATION

To date payments totalling only £15,500 have been received and the overdue balance of £4,500 was being pursued by the Administrators from both the Purchaser and the guarantor, Mr David Walsh

In addition, under the terms of the licence to occupy agreement granted to the Purchaser costs of £2,173 75 were incurred by the Administrators and indemnified by the Purchaser with Mr David Walsh party to the licence agreement as a guarantor. These costs have not been recovered by the Administrators therefore a cumulative debt of £6,673 75 is due from the Purchaser and subject to the personal guarantees provided by Mr David Walsh

This debt was formally assigned to Leonard Curtis Recovery Limited on 23 March 2011 in order that the debt can continue to be pursued following the Administrators' vacation from office. The resultant realisations will be utilised to discharge both the legal costs associated with recovery and a proportion of the Administrators' unsettled time costs

2.3 Book Debts

The Company's book debt ledger is subject to a fixed charge in favour of RBSIF. At the date of appointment, RBSIF was owed £69,883 66 against a book debt ledger of £76,927 35. RBSIF has advised that their final collections amount to £40,514 67

2.4 Freehold Property

In addition to the above the Company had a freehold property located at Read Street, Hyde. The property was subject to valuations by W T Gunson and subsequently Eddisons LLP, who both indicated the property had a market value of approximately £200,000. The property was subject to a fixed charge in favour of Barclays who were owed approximately £265,000. A number of offers were received and a sale of the property was concluded in the sum of £180,000 on 12 October 2010

3 ASSETS STILL TO BE REALISED

3.1 With the exception of the debt assigned to Leonard Curtis Recovery, all assets have now been realised

4 JOINT ADMINISTRATORS' REMUNERATION

4.1 The Joint Administrators' proposals were deemed to be accepted pursuant to Rule 2.33(5) of the Insolvency Rules 1986 (as amended). In accordance with Rule 2.106 of the Insolvency Rules 1986 (as amended), the secured creditors have also approved 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

4.2 The Joint Administrators' time costs at 24 March 2011 are £18,778 00. This represents 106.8 hours at an average rate of £175.82 per hour. Attached at Appendix B is a time analysis which provides details of the activity costs incurred by staff grade during this period. In addition £2,145 00 of time costs were incurred in the period prior to our appointment on 25 September 2009

4.3 I can confirm that the Administrators have drawn remuneration totalling £8,449 31. In addition, no pre-appointment time was drawn in accordance with Rule 2.67 (1). The Administrators' unsettled time costs amount to £10,328 69 and it is anticipated that a proportion of these time costs will be settled from any realisations in respect of the outstanding debt assigned to Leonard Curtis Recovery Limited

4.4 Attached as Appendix C 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

A A B C LIMITED – IN ADMINISTRATION

- 4.5 On this case we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fees
Farleys Solicitors LLP	Time costs
Chafes LLP	Time costs
Beever and Struthers Accountants	Time costs
WT Gunson	Time costs
Eddisons LLP	% of gross proceeds
Charles Taylor	Time costs

5 LIABILITIES

SECURED CREDITORS

5.1 RBS Invoice Finance Limited ('RBSIF')

The book debt funding provided by RBSIF relies upon all sales invoices and title to those invoices being assigned. In addition, RBSIF has the benefit of a debenture dated 15 April 2008 incorporating fixed and floating charges over all Company assets.

At the date of the administration RBSIF were owed £69,883.66, inclusive of termination charges due under the terms of the book debt assignment agreement. RBSIF has advised that their final collections amount to £40,514.67.

Barclays Bank PLC ('Barclays')

Barclays are secured by virtue of a fixed charge over a freehold property located at Read Street, Hyde and were owed approximately £265,000 at the date of the appointment. A number of offers were received and a sale of the property was concluded in the sum of £180,000 on 12 October 2010.

National Westminster Bank PLC ('NatWest')

NatWest have the benefit of a debenture dated 9 October 1998 incorporating fixed and floating charges over the Company's property. NatWest provided an overdraft facility to the Company and at the date of the Administrators' appointment was owed approximately £37,000. NatWest has a first charge over the Company's goodwill. The net realisations in respect of goodwill amount to £3,500 and have been remitted to NatWest.

Other Secured Creditors

In addition to the above the Company had three outstanding chattel mortgage charges registered at Companies House in favour of Industrial Equipment Finance, Hitachi Capital (UK) Plc and Finance for Industry Limited. These charges relate to hire purchase/finance agreements in respect of certain items of plant. Our agents have advised that there is no equity available in these items. It is understood that these agreements have all been novated to the Purchaser.

5.2 Preferential Claims

With effect from 15 September 2003 preferential status for debts owing to HM Revenue and Customs was abolished. Such debts now rank alongside other unsecured non-preferential creditors' claims. The claims which remain preferential are those of employees in respect of wages (up to £800 per employee) and holiday pay.

The majority of employees were transferred to the Purchaser under the TUPE regulations, thus mitigating the level of preferential claims anticipated in the matter. No preferential claims were received.

5.3 Prescribed Part

Section 176A of the Insolvency Act 1986 provides that, where the Company has created a floating charge after 15 September 2003, the administrator must make a *prescribed part* of the Company's *net property* available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims

In this instance, the prescribed part does not apply as it is not anticipated that there was no distribution under the terms of qualifying floating charge security

5.4 Unsecured Non-Preferential Claims

Unsecured claims received to date have been collated and acknowledged. However, on this occasion the Company has insufficient property to enable a distribution to be made to the unsecured creditors

6 Ending the Administration

6.1 I attach at Appendix D to this report form 2.35B Notice of Move from Administration to Dissolution. This report has been forwarded to Manchester High Court and to the Registrar of Companies

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
A A B C. LIMITED



J M TITLEY
JOINT ADMINISTRATOR

24 March 2011

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM
25 SEPTEMBER 2009 TO 24 MARCH 2011.**

	Per Statement of Affairs £	Received by Administrator £	Received by RBSIF
RECEIPTS			
Goodwill	5,000 00	5,000 00	-
Equipment	4,800 00	300 00	-
Contracts	1 00	1 00	-
Stock	1 00	1 00	-
Business Name	1 00	1 00	-
Personal Data	1 00	1 00	-
Business Intellectual Property	1 00	1 00	-
Motor Vehicles	400 00	400 00	-
Work in Progress	9,795 00	9,795 00	-
Property	180,000 00	180,000 00	-
VAT Refund	-	877 41	-
Book Debts	58,000 00	-	40,514 67
	<u>78,000 00</u>	<u>196,377 41</u>	<u>40,514 67</u>
Less PAYMENTS			
Insurance		1,690 12	-
Secured Creditor - Barclays		165,014 03	-
Secured Creditor - NatWest		3,500 00	-
Other Professional Fees		35 00	-
Administrators' Remuneration		8,449 31	-
Solicitors' Fees and Expenses		6,828 00	-
Sundry Expenses/Disbursements		315 78	-
Accountancy Fees		1,500 00	-
Agents' Fees		9,045 17	-
		<u>196,377 41</u>	<u>40,514 67</u>

A.A.B.C LIMITED – IN ADMINISTRATION

APPENDIX B

	Director		Senior Manager		Manager 1		Administrator 1		Administrator 2		Administrator 4		Total		Average	
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Hourly Rate £	Hourly Rate £
Statutory & Review	-	-	-	-	-	-	35	735 00	30	570 00	-	-	65	1,305 00	200 77	200 77
Assets	20	790 00	20	700 00	-	-	70	1,380 00	399	7,391 00	-	-	509	10,261 00	201 59	201 59
Liabilities	6	237 00	-	-	-	-	-	-	20	340 00	-	-	26	577 00	221 92	221 92
Debenture Holder	5	197 50	-	-	-	-	-	-	10	190 00	-	-	15	387 50	258 33	258 33
General Administration	-	-	-	-	-	-	-	-	35	645 00	103	1,081 50	138	1,726 50	125 11	125 11
Appointment	25	987 50	-	-	2	57 00	-	-	25	425 00	253	2,656 50	305	4,126 00	135 28	135 28
Post Appointment Creds Mirrgs	10	395 00	-	-	-	-	-	-	-	-	-	-	10	395 00	395 00	395 00

Total

66 2,607 00 20 700 00 2 57 00 105 2,115 00 519 9,561 00 356 3,738 00 1,068 18,778 00

Average Hourly Rate (£)

395 00 350 00 285 00 201 43 184 22 105 00 175 82

All Units are 6 minutes

ADDITIONAL INFORMATION IN RELATION TO ADMINISTRATORS' FEES AND DISBURSEMENTS PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9

The following information relating to the policy of Leonard Curtis is considered to be relevant to creditors

Staff Allocation, Support Staff and the Use of Subcontractors

We take an objective and practical approach to each assignment which includes active partner 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 charged.

With effect from 1 January 2010 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis

	£
Partner	395
Senior Manager	350
Manager 1	300
Manager 2	260
Administrator 1	210
Administrator 2	190
Administrator 3	170
Administrator 4	120
Support	0

Details of any subcontractor(s) used will be reported to creditors

Professional Advisors

Details of any professional advisor(s) used are given in the report which accompanies this Guide. 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

Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as a "category 1 disbursement". Category 1 disbursements will generally comprise supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses, including car mileage at 40p a mile, incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Where we propose to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, documents storage or communication facilities provided by us) they must be disclosed and be authorised by those responsible for approving the administrator's remuneration. Such expenditure is referred to as a "category 2 disbursement". 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

FORM 2.35B – NOTICE OF MOVE FROM ADMINISTRATION TO DISSOLUTION

See attached