

The Insolvency Act 1986

Administrator's progress report

Form 2.24B(CH)

| | |
|---|-----------------------------------|
| Name of Company Aerotrim Group Limited | Company number 02954937 |
| In the High Court of Justice Chancery Division Companies Court London (full name of court) | Court case number 1925 of 2013 |

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

We (a) Paul Williams and Geoffrey Bouchier of Duff & Phelps Ltd , The Shard, 32 London Bridge Street, London, SE1 9SG,

Joint Administrators of the above company attach a Progress Report for the period

from

to

(b) Insert dates

(b) 5 February 2014

(b) 4 August 2014

Signed

Joint Administrator

Dated

4/8/14

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

Duff & Phelps Ltd
The Shard
32 London Bridge Street
London
SE1 9SG

Tel +44 (0) 20 7089 4700

TUESDAY



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05/08/2014

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COMPANIES HOUSE

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Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

Progress Report to Creditors

4 August 2014

Aerotrim Group Limited (In Administration)

Joint Administrators' Progress Report to Creditors
for the period from 5 February 2014 to 4 August 2014
pursuant to Rules 2 47(1) & 2 112(1) of the Insolvency Rules 1986
(as amended)

**Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London
SE1 9SG**

Definitions

| Word or Phrase | Definition |
|-----------------------------------|--|
| the Act | The Insolvency Act 1986 (as amended) |
| Bibby | Bibby Financial Services Limited with whom the Company previously had an invoice finance facility, and the holder of a fixed and floating charge over the Company's assets |
| the Appointment Date | 14 March 2013, being the date of appointment of the Joint Administrators |
| Clydesdale / the Secured Creditor | Clydesdale Bank plc, 30 Vincent Place, Glasgow, G1 2HL, with whom the Company banked and the holder of a fixed and floating charge over the Company's assets |
| Category 1 Disbursements | The Joint Administrators' external and incidental costs and expenses in dealing with the Administration |
| Category 2 Disbursements | The Joint Administrators' internal costs and expenses in dealing with the Administration |
| the Company | Aerotrim Group Limited (In Administration) (Company Number 02954937) |
| the Court | High Court of Justice, Chancery Division, Companies Court, London (Court Number 1925 of 2013) |
| DBIS | The Department for Business, Innovation & Skills |
| the Director | Paul Harrison, the Director of the Company |
| Duff & Phelps | Duff & Phelps Ltd, The Shard, 32 London Bridge Street, London, SE1 9SG |
| the Joint Administrators* | Paul David Williams and Matthew Peter Bond, of Duff & Phelps However, in view of the death of Matthew Peter Bond and in accordance with the Order, with effect from 9 April 2013, Geoffrey Wayne Bouchier has been appointed as Joint Administrator |
| the Notice | A notice to move from Administration to Dissolution – Form 2 35B |
| the Order | In view of the death on 16 March 2013 of, Matthew Peter Bond, a Block Transfer Order (High Court of Justice No 2623 of 2013) was obtained on the 9 April 2013, appointing Geoffrey Wayne Bouchier, a licensed Insolvency Practitioner of Duff & Phelps, as Joint Administrator |
| Prescribed Part | Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to ordinary unsecured creditors |

| | |
|----------------------|---|
| the Property | Building 1, Roman Way, Crusader Park, Warminster, Wiltshire, BA12 8SP |
| the Proposals | The Joint Administrators' Proposals and Report issued on 1 May 2013 |
| the Reporting Period | The period 5 February 2014 to 4 August 2014 |
| RPS | Redundancy Payments Service |
| the Rules | The Insolvency Rules 1986 (as amended) |

* As stated in the report dated 4 February 2014, Matthew Peter Bond passed away on 16 March 2013 and as a result his appointment ceased to have effect as of that date. All references in this report shall remain the Joint Administrators to prevent confusion.

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- 1 Statutory Information
- 2 Joint Administrators' Receipts and Payments Account
- 3 Analysis of Time Charged and Expenses Incurred

| | | | |
|--------------------------------------|---|---|---|
| Names of Joint Administrators | Paul David Williams | Matthew Peter Bond | Geoffrey Wayne Bouchier |
| Date of Appointment: | 14 March 2013 | 14 March 2013 | 9 April 2013 |
| Date of Vacation | -- | 16 March 2013 | -- |
| Date of Report | 4 August 2014 | 4 August 2014 | 4 August 2014 |
| Appointed By: | Clydesdale Bank plc | Clydesdale Bank plc | The High Court of Justice under the Order |
| Court Reference | High Court of Justice, Chancery Division, Companies Court No 1925 of 2013 | High Court of Justice, Chancery Division, Companies Court No 1925 of 2013 | High Court of Justice, Chancery Division, Companies Court No 2623 of 2013 |

1. Introduction

- 1 1 The Joint Administrators were appointed on the Appointment Date, by the Secured Creditor, the holder of a qualifying floating charge under Paragraph 14 of Schedule B1 the Act
- 1 2 In accordance with Paragraph 100(2) of Schedule B1 to the Act the functions of the Joint Administrators are being exercised by any of the Administrators
- 1 3 The purpose of this report is to accompany the Joint Administrators' request to extend the duration of the Administration by 18 months from 14 September 2014 to 13 March 2016 by providing details of the progress of the Administration for the Reporting Period
- 1 4 This report should be read in conjunction with the Joint Administrators' previous progress reports
- 1 5 Statutory information on the Company is attached at Appendix 1

2 Joint Administrators' Report and Statement of Proposals

- 2 1 In accordance with Paragraph 52(1) of Schedule B1 to the Act, a creditors' meeting was not required to be held as the Joint Administrators believed that there would be insufficient realisations to enable a distribution to unsecured non-preferential creditors. No meeting was convened and, in accordance with Rule 2.33(5) of the Rules, the Proposals were deemed to have been approved by creditors on 10 May 2013
- 2 2 As advised in the Proposals, the Joint Administrators must perform their functions with the purpose of achieving one of the following objectives
 - Rescuing the Company as a going concern, or
 - 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), or
 - Realising property in order to make a distribution to one or more secured or preferential creditors
- 2 3 The third objective has been achieved as a distribution has been made to the Secured Creditor following the sale of the Property

3. Progress of the Administration

- 3 1 The manner in which the affairs and business of the Company have been managed in the Reporting Period and will continue to be managed and financed, are set out below

Asset Realisations

Interest Rate Hedging

- 3 2 The Joint Administrators are continuing to liaise with Clydesdale in respect of the interest rate hedging review. Clydesdale have advised that they are aiming to inform all customers of their redress outcome by the end of September 2014. However, depending on the outcome, this may not be the final stage of the review process

4. Investigations

- 4 1 As previously reported, the Joint Administrators' submitted their report on the Director's conduct to DBIS on 3 September 2013. The content of this report is confidential

5. Dividend Prospects / Prescribed Part

Secured Creditors

Clydesdale

- 5 1 In consideration for monies advanced under a loan facility, the Company granted Clydesdale a debenture dated 13 May 2008 which confers fixed and floating charges over the assets of the Company
- 5 2 As at the Appointment Date, the Company's indebtedness to Clydesdale was approximately £709,000 subject to accruing interest and charges
- 5 3 As previously reported, a first and second distribution totalling £270,000 has been paid to Clydesdale, under their fixed charge
- 5 4 A third and final distribution will be paid to Clydesdale once the costs of the Administration have been paid. There will be insufficient realisations to repay Clydesdale in full

Bibby

- 5 5 Bibby has confirmed that on 4 March 2013 the invoice discounting facility it provided to the Company was repaid in full and they have filed the relevant documents at Companies House to release its security over the Company

Preferential Creditors

- 5 6 Preferential claims received to date total £4,963. This claim is from the Secretary of State, following payment by the RPS
- 5 7 Subject to the interest rate hedging review being completed by Clydesdale, as detailed in section 3.2 above, if there is redress to the Company there may be sufficient funds available to enable a distribution to preferential creditors

Prescribed Part

- 5 8 The Proposals advised that as the security was created post 15 September 2003, it was unlikely that there would be sufficient net realisations to enable a distribution from the Prescribed Part. However, if there is redress to the Company from the interest rate hedging review there may be sufficient funds to enable a dividend to the non-preferential unsecured creditors via the Prescribed Part

Non-Preferential Unsecured Creditors

- 5 9 Non-preferential unsecured creditor claims received to date total £266,063
- 5 10 As advised in the Proposals, there is no prospect of any dividend to non-preferential unsecured creditors other than via the Prescribed Part

6 Joint Administrators' Receipts and Payments Account

- 6 1 A detailed Receipts and Payments account for the Reporting Period is shown in Appendix 2
- 6 2 As at 4 August 2014 there was a cash balance of £16,265, which is being retained to allow for costs in the Administration. This includes VAT receivable of £259

7. Statement of Pre-Administration Costs

- 7 1 The Joint Administrators have not incurred any pre-administration time costs or expenses in respect of the Company
- 7 2 It should be noted that Duff & Phelps were paid £7,500 plus disbursements of £438, plus VAT by the Director for completing an independent business review prior to the Joint Administrators' appointment

8 Joint Administrators' Costs and Expenses

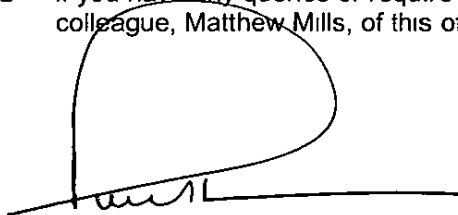
- 8 1 The Joint Administrators' basis of remuneration was approved on the basis of time properly charged, by the Secured Creditor on 10 May 2013, together with the authorisation to draw Category 2 Disbursements
- 8 2 The time costs charged by Duff & Phelps from 5 February 2014 to 27 July 2014 total £10,360 and are analysed at Appendix 3
- 8 3 A total of £40,000 plus VAT has been paid to 4 August 2014 in respect of the Joint Administrators' post appointment remuneration, none of which has been paid in the Reporting Period. Details of payments are shown on the Receipts and Payments account at Appendix 2
- 8 4 The Joint Administrators' have not incurred any disbursements during the Reporting Period. Please note that there are outstanding disbursements of £25 from the previous reporting period
- 8 5 The Joint Administrators have incurred expenses in dealing with the Administration of the Company and these are detailed in Appendix 3
- 8 6 Information regarding the fees and disbursements of Administrators, including details of the Duff & Phelps disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from the Joint Administrators' website at <http://www.duffandphelps.com/uk-restructuring/creditor-guides>. Should you require a copy, please contact this office
- 8 7 In accordance with Rule 2.48A of the Rules, secured creditors and unsecured creditors (with the concurrence of at least 5% in value of total unsecured creditor claims) or with the permission of the court, may make a request in writing for further information about the remuneration or expenses set out in this progress report. This should be done within 21 days receipt of this report, after which the Joint Administrators have 14 days to respond
- 8 8 In addition to the above, any secured creditor, or any unsecured creditor (with the support of at least 10% in value of the total unsecured creditors) or with the permission of the court, may apply to the court on the grounds that the remuneration or basis fixed for the Administrators' remuneration or the expenses incurred by the Joint Administrators are considered to be excessive. In accordance with Rule 2.109 of the Rules, this application must be made no later than eight weeks after receipt of the Progress Report, where the charging of the remuneration or the incurring of expenses in question occurs

9. Extension of the Administration and Conclusion

- 9 1 The Joint Administrators' Proposals advised that the Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the creditors' consent
- 9 2 The first extension to the Administration was approved on 6 February 2014 by the Secured Creditor to enable the interest rate hedging review to be completed
- 9 3 The Administration is therefore due to come to an automatic end on 13 September 2014, unless extended
- 9 4 As outlined in Section 3 2 above, Clydesdale have advised that the interest rate hedging review will not be completed before the automatic end of the Administration and, therefore, in accordance with Paragraph 76(2)(a) of Schedule B1 of the Act, the Joint Administrators are seeking an order of the Court to allow the term of the Administration to be extended by a further period of 18 months
- 9 5 Therefore if consent to the extension is given, the revised date for the end of the Administration is 13 March 2016
- 9 6 If the Company has no property with which to make a distribution to its non-preferential creditors via the Prescribed Part, it is anticipated that following final distributions to the secured and preferential creditors, the Notice will be submitted to the Registrar of Companies pursuant to Paragraph 84 of Schedule B1 to the Act
- 9 7 Following registration of the Notice by the Registrar of Companies, the Joint Administrators' appointment will cease to have effect, and they will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Act
- 9 8 At the end of three months beginning with the date of the Notice being registered by the Registrar of Companies the Company will be dissolved

10 Next Report

- 10 1 The Joint Administrators are required to provide a Progress Report within one month of end of the next six months of the Administration or earlier if the Administration can be concluded. This report will be provided no later than 4 March 2015, if the extension is granted
- 10 2 If you have any queries or require any further assistance, please do not hesitate to contact my colleague, Matthew Mills, of this office



Paul Williams
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators Paul Williams and Geoffrey Bouchier, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association

Appendix 1

Statutory Information

Statutory Information

| | |
|--------------------------------|---|
| Date of Incorporation | 2 August 1994 |
| Registered Number | 02954937 |
| Company Director | Paul Colin Harrison |
| Company Secretary | N/A |
| Shareholders | Paul Colin Harrison – 150,000 Ordinary £1 Shares |
| Trading Address | Building 1 Roman Way Crusader Park Warminster Wiltshire BA12 8SP |
| Registered Office | Current c/o Duff & Phelps Ltd The Shard 32 London Bridge Street London SE1 9SG Formerly c/o Duff & Phelps Ltd 43-45 Portman Square London W1H 6LY and Building 1 Roman Way Crusader Park Warminster Wiltshire BA12 8SP |
| Any Other Trading Names | N/A |

Appendix 2

Joint Administrators' Receipts and Payments Account

Aerotrim Group Limited (In Administration)
Joint Administrators' Receipts & Payments Account

| Statement * of Affairs | Reporting Period 5 February 2014 to 4 August 2014 | Cumulative Period 14 March 2013 to 4 August 2014 |
|-------------------------------------|---|--|
| £ | £ | £ |
| Secured Assets | | |
| Freehold Land & Property | 0 00 | 350,000 00 |
| Gross Bank Interest - Fixed Account | 0 00 | 34 59 |
| | <u>0 00</u> | <u>350,034 59</u> |
| Costs of Realisations | | |
| Joint Administrators' Remuneration | 0 00 | (40,000 00) |
| Joint Administrators' Disbursements | 0 00 | (455 62) |
| Agents and Valuers Fees | 0 00 | (7,884 95) |
| Property Agents Fees | 0 00 | (4,867 00) |
| Legal Fees | 0 00 | (3,750 00) |
| Legal Disbursements | 0 00 | (11 00) |
| Council Fee | 0 00 | (480 00) |
| Accountants Fees | (750 00) | (750 00) |
| Fixed Bank Charges | 0 00 | (5 28) |
| Heat and Light | (529 60) | (529 60) |
| Insurance | 0 00 | (4,877 45) |
| Repairs & Maintenance | 0 00 | (114 00) |
| Storage Costs | (15 00) | (15 00) |
| Bank Charges | 0 00 | (30 00) |
| | <u>(1,294 60)</u> | <u>(63,769 90)</u> |
| Secured Creditors | | |
| Clydesdale Bank plc | 0 00 | (270,000 00) |
| | <u>0 00</u> | <u>(270,000 00)</u> |
| | <u><u>(1,294 60)</u></u> | <u><u>16,264 69</u></u> |
| Represented by | | |
| VAT Receivable | | 3 00 |
| Fixed Charge VAT Receivable | | 255 92 |
| Closings Account | | 16,005 77 |
| | | <u><u>16,264 69</u></u> |

*Please note that a Statement of Affairs has not been provided by the Director

Appendix 3

Analysis of Time Charged and Expenses Incurred

Aerotrim Group Limited (In Administration)**Analysis of the Joint Administrators' time costs for the period 5 February 2014 to 27 July 2014**

| Classification of Work Function | Partner | Manager | Hours | | | Total Hours | Time Cost | Avg Hourly Rate |
|--|---------|----------|----------|-----------|---------|-------------|-----------|-----------------|
| | | | Senior | Assistant | Support | | | |
| Administration and Planning | | | | | | | | |
| Case review and Case Diary management | 0 10 | 4 00 | 2 10 | 4 50 | 0 50 | 11 20 | 3,193 00 | 285 09 |
| Cashienng & accounting | 0 00 | 0 20 | 0 70 | 2 50 | 0 00 | 3 40 | 684 00 | 201 18 |
| Dealings with Directors and Management | 0 00 | 0 20 | 0 00 | 0 00 | 0 00 | 0 20 | 86 00 | 430 00 |
| IPS set up & maintenance | 0 00 | 0 20 | 0 00 | 0 20 | 0 00 | 0 40 | 117 00 | 292 50 |
| Statutory matters (Meetings & Reports & Notices) | 0 00 | 0 10 | 2 90 | 15 00 | 0 00 | 18 00 | 3,238 00 | 179 89 |
| Strategy planning & control | 0 00 | 1 75 | 1 00 | 0 20 | 0 00 | 2 95 | 1,000 25 | 339 07 |
| Tax Compliance/Planning | 0 00 | 0 00 | 0 20 | 0 30 | 0 00 | 0 50 | 121 00 | 242 00 |
| Creditors | | | | | | | | |
| Communications with Creditors/Employees | 0 00 | 0 00 | 0 20 | 0 50 | 0 00 | 0 70 | 145 00 | 207 14 |
| Secured Creditors | 0 00 | 0 00 | 0 30 | 0 00 | 0 00 | 0 30 | 96 00 | 320 00 |
| Realisation of Assets | | | | | | | | |
| Freehold and Leasehold Property | 0 00 | 0 00 | 2 50 | 0 00 | 0 00 | 2 50 | 800 00 | 320 00 |
| Other Intangible Assets | 0 00 | 1 45 | 0 60 | 0 00 | 0 00 | 2 05 | 735 75 | 358 90 |
| Trading | | | | | | | | |
| Trading - Accounting | 0 00 | 0 30 | 0 00 | 0 00 | 0 00 | 0 30 | 144 00 | 480 00 |
| Total Hours | 0 10 | 8 20 | 10 50 | 23 20 | 0 50 | 42 50 | | 243 76 |
| Total Fees Claimed | 60 00 | 3,390 00 | 3,360 00 | 3,490 00 | 60 00 | | 10,360 00 | |

There have not been any category 1 or category 2 disbursements incurred in the period

Aerotrim Group Limited (In Administration)

Analysis of the Joint Administrators' time costs for the period 14 March 2013 to 27 July 2014

| Classification of Work Function | Partner | Manager | Hours Senior | Assistant | Support | Total Hours | Time Cost | Avg Hourly Rate |
|--|-----------------|------------------|------------------|------------------|---------------|---------------|------------------|-----------------|
| Administration and Planning | | | | | | | | |
| Case review and Case Diary management | 1 00 | 10 20 | 15 45 | 7 15 | 1 00 | 34 80 | 9,990 25 | 287 08 |
| Cashiering & accounting | 0 20 | 1 60 | 6 50 | 8 40 | 0 00 | 16 70 | 4,023 00 | 240 90 |
| Dealings with Directors and Management | 0 10 | 11 20 | 5 50 | 0 60 | 0 00 | 17 40 | 5,662 50 | 325 43 |
| IPS set up & maintenance | 0 00 | 0 20 | 1 70 | 2 20 | 0 00 | 4 10 | 772 00 | 188 29 |
| Insurance | 0 00 | 0 10 | 4 00 | 0 40 | 0 00 | 4 50 | 1,153 50 | 256 33 |
| Statement of affairs | 0 00 | 0 00 | 0 70 | 0 00 | 0 00 | 0 70 | 175 00 | 250 00 |
| Statutory matters (Meetings & Reports & Notices) | 1 50 | 16 45 | 33 20 | 56 10 | 0 00 | 107 25 | 23,649 50 | 220 51 |
| Strategy planning & control | 1 30 | 10 00 | 12 70 | 1 70 | 0 00 | 25 70 | 8,484 25 | 330 13 |
| Tax Compliance/Planning | 0 10 | 0 35 | 2 70 | 0 60 | 0 00 | 3 75 | 1,136 00 | 302 93 |
| Creditors | | | | | | | | |
| Communications with Creditors/Employees | 0 00 | 7 95 | 17 00 | 3 90 | 0 00 | 28 85 | 7,754 00 | 268 77 |
| Non Pref Creditor claims adjudication and dist'n | 0 00 | 0 00 | 0 10 | 0 00 | 0 00 | 0 10 | 25 00 | 250 00 |
| Secured Creditors | 0 00 | 5 00 | 4 10 | 0 00 | 0 00 | 9 10 | 3,054 50 | 335 66 |
| Investigations | | | | | | | | |
| CDDA & reports & Communication | 0 00 | 7 60 | 14 90 | 0 00 | 0 00 | 22 50 | 6,548 00 | 291 02 |
| Financial review and investigations (S238/239 etc) | 0 50 | 0 00 | 0 00 | 0 00 | 0 00 | 0 50 | 285 00 | 570 00 |
| Realisation of Assets | | | | | | | | |
| Freehold and Leasehold Property | 2 60 | 10 65 | 17 20 | 0 00 | 0 00 | 30 45 | 10,092 50 | 331 44 |
| Hire Purchase and Lease Assets | 0 00 | 0 00 | 1 00 | 0 00 | 0 00 | 1 00 | 250 00 | 250 00 |
| Other Intangible Assets | 0 00 | 1 45 | 0 70 | 0 00 | 0 00 | 2 15 | 766 25 | 356 40 |
| Pre-Appointment Tax Reclaims | 0 00 | 0 00 | 0 10 | 0 00 | 0 00 | 0 10 | 25 00 | 250 00 |
| Trading | | | | | | | | |
| Trading - Accounting | 0 00 | 0 30 | 0 00 | 0 00 | 0 00 | 0 30 | 144 00 | 480 00 |
| Trading - Retention of Title & Claims handling | 0 00 | 0 10 | 0 00 | 0 00 | 0 00 | 0 10 | 41 00 | 410 00 |
| Total Hours | 7 30 | 83 15 | 137 55 | 81 05 | 1 00 | 310 05 | | 271 02 |
| Total Fees Claimed | 4,182 00 | 31,862 50 | 36,937 00 | 10,932 25 | 117 50 | | 84,031 25 | |

Aerotrim Group Limited (In Administration)
Joint Administrators' Expenses

| | | | Reporting Period | |
|-------------------------------|---|-------------|------------------|-------------|
| Company | Activity | Fee Basis | Incurred (£) | Amount Paid |
| Professional Advisors | | | | |
| Haysmacintyre | Tax agents instructed to prepare the Company's Corporation Tax Return | Fixed Fee | 750 00 | 750 00 |
| British Gas Trading Limited | Electricity Charges | As incurred | 529 60 | 529 60 |
| Total Data Management Limited | Storage of the Company's books and records | As invoiced | 15 00 | 15 00 |
| TOTAL | | | 1,294 60 | 1,294 60 |