

The Insolvency Act 1986

Administrator's progress reportName of Company
Assetline LimitedCompany number
03210543In the
High Court of Justice, Manchester

[full name of court]

Court case number
3959/08(a) Insert full name(s) and
address(es) of
administrator(s)I / We (a) Leslie Ross and Matthew Dunham of Grant Thornton UK LLP, 4 Hardman Square,
Spinningfields, MANCHESTER, M3 3EB

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

from

to

(b) 19 May 2011

(b) 18 November 2011

(b) Insert dates

Signed



Joint Administrator

Dated

13 / 12 / 11

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.

Grant Thornton UK LLP, 11-13 Penhill Road, Cardiff, CF11 9UP

Tel 02920 235591

DX Number

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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



Our Ref LR/RL/TB/F00934/7

To The Creditors

13 December 2011

Dear Sirs

Recovery and Reorganisation

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Assetline Limited - In Administration (the Company)
In the High Court of Justice, Chancery Division, Manchester Court number
3959/08

1 Introduction

- 1 1 Following my appointment as joint administrator of the Company by the Co-Operative Bank plc (the Bank) on 19 November 2008 and Matthew Dunham's appointment as joint administrator by order of the Court dated 8 November 2010 in substitution of David Matthews, we write to report on our progress in the administration
- 1 2 In accordance with paragraph 100 (2) of Schedule B1 to the Insolvency Act 1986 the functions of the joint administrators are to be exercised by any or all of them. Please note we are both authorised by the Insolvency Practitioners Association to act as insolvency practitioners
- 1 3 I attach the following
 - Appendix 1, Form 2 24B together with an account of our receipts and payments for the period ended 18 November 2011 in accordance with Rule 2 47,
 - Appendix 2, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the Administrators (Rule 2 48A),
 - Appendix 3, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the Joint Administrators' fees if excessive (Rule 2 109)

2 Statutory Information

- 2 1 The Company's statutory details are as follows

Registered Number	03210543
Registered office	C/O Grant Thornton UK LLP, Kennet House, 80 Kings Road, Reading, RG1 3BJ

Chartered Accountants
Member firm within Grant Thornton International Ltd
Grant Thornton UK LLP is a limited liability partnership registered in England and Wales. No OC307742 Registered office Grant Thornton House, Melton Street, Euston Square, London NW1 2EP
A list of members is available from our registered office

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business.

A list of personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address.

3 Progress Report

- 3 1 We are appointed as joint administrators of Fairfax Gerrard Holdings Limited and the following subsidiaries (together the Group)
- Assetline Limited
 - Assetline Trading Limited
 - Fairfax Gerrard Traders Limited
 - Fairfax Gerrard International Limited
 - Fairfax Gerrard Contracts Limited
 - Harrington Exports Limited
- 3 2 We have continued to progress the collection of the Group's book debts. At the date of appointment, according to the Group's records, c £9 million remained outstanding.
- 3 3 To date £22,287 has been realised in respect of the book debts owing to the Company at the date of appointment.
- 3 4 Book debts of £895,771 have been collected across the Group as at 18 November 2011.
- 3 5 The Managing Director of the Group, David Ross, is engaged as an agent to assist in our collection of the Group's debts. This is due to the complexity of the debts, gaps in some of the Group's book debt records and David Ross's personal knowledge of the debts and relationships with certain debtors.
- 3 6 The Group's debts are proving difficult to collect. A significant amount is owed by companies which have now been dissolved and where the associated guarantors have not provided property security and have limited realisable assets for us to pursue. Indeed some of the guarantors are themselves involved in personal insolvency procedures.
- 3 7 Significant realisations have been made across the Group in the past six months. The debt collection process is now focused on a small number of debtors where recovery is considered possible.
- 3 8 The Court ordered that the administrations of the Group were extended to 17 November 2012.
- 3 9 A creditors committee is in place to assist the joint administrators with the administration and meetings have been held at which approval has been obtained for a number of matters including our book debt collection strategy and the terms upon which David Ross is remunerated.

4 Outcome for creditors

Secured creditors

- 4 1 The Group's principal secured creditor is the Bank, which at the date of appointment was owed £1,410,000 by Fairfax Gerrard International Limited and Fairfax Gerrard Contracts

Limited The Bank has cross guarantees over all companies in the Group

- 4 2 To date the Bank has received a distribution of £10,000 in respect of the Company, although distributions totalling £350,000 have been made to the Bank by all Group companies. Unfortunately for the reasons noted above in relation to the collectability of the debtors ledger it is currently unlikely that the Bank will be repaid in full in relation to its indebtedness.

Preferential creditors

- 4 3 The Company had no preferential creditors

Unsecured creditors

- 4 4 The joint administrators estimated financial position included with our statement of proposals estimated the Company's unsecured creditors amounted to £1,001,000
- 4 5 Unsecured creditors will not receive a dividend unless sufficient funds are realised from debtors to enable the preferential creditors, the Bank and the costs of the administrations to be settled in full
- 4 6 As the Bank's security is dated prior to 15 September 2003, there will be no prescribed part carve out in favour of unsecured creditors

5 Administrators' Remuneration and Expenses

- 5 1 In accordance with Statement of Insolvency Practice (SIP 9), we confirm our time costs to 18 November 2011 amounted to £16,590, representing 77 hours at an average of £213 per hour. To date I have drawn fees of £10,000 with the approval of the Bank
- 5 2 As our revised proposals dated 19 August 2009 confirmed that we do not anticipate there will be a dividend for the Company's unsecured creditors, we must seek approval of our fees from the Company's secured and any preferential creditors

Yours faithfully
for and on behalf of Assetline Limited



Les Ross
Joint Administrator

The affairs, business and property of Assetline Limited are being managed by Les Ross and Matthew Dunham, following the Company being placed into administration on 19 November 2008

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Appendix 1 - Abstract of the Administrators' receipts and payments

For the period 19 November 2008 to 18 November 2011

	19 May 2010 - 18 Nov 2011	19 Nov 2008 - 18 Nov 2011
Receipts		
Book debts	-	22,286 94
	-	22,286 94
Payments		
Administrators fees	10,000 00	10,000 00
Administrators expenses	-	95 97
Debt collection	-	1,995 80
Bank charges	5 60	22 50
	10,005 60	12,114 27
Balance	(10,005 60)	10,172 67
Represented by		
VAT receivable		2,014 40
Funds in hand		8,158 27
		10,172 67

Appendix 2 - An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the Administrators

Rule 2 48A

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 "

Appendix 3 - An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the Joint Administrators' fees if excessive

Rule 2 109

- (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 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 administration,
 - (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