

The Insolvency Act 1986

Administrator's progress report

Name of Company

Assetline Limited

Company number

03210543

In the
High Court of Justice, Chancery Division,
Manchester District Registry

(full name of court)

Court case number
3959 of 2008(a) Insert full
name(s) and
address(es) of
administrator(s)We (a)
Leslie Ross
Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester
M3 3EBMatthew Dunham
Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester
M3 3EB

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

From

To

(b) Insert date

(b) 19 May 2012

(b) 18 November 2012

Signed


Joint Administrator

Dated

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

Leslie Ross
Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester
M3 3EB

DX Number

0161 953 6900
DX ExchangeWhen 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 LZR/ZLC/BZM/KZP/F00934/

To the Creditors

22 November 2012

Dear Sir

Fairfax Gerrard Holdings Limited
Fairfax Gerrard Traders Limited
Harrington Exports Limited
Fairfax Gerrard International Limited
Fairfax Gerrard Contracts Limited
Assetline Limited
Assetline Trading Limited

- All in Administration (together "the Companies")

On 13 November 2012 the Court ordered that the Joint Administrators' term of office as Joint Administrators' of the Companies be extended for a period of 24 months in accordance with paragraph 76(2)(a) of Schedule B1 to the Insolvency Act 1986 giving a revised date for the automatic termination of the administrations of 16 November 2014

I enclose a copy of the progress report provided to court dated 12 October 2012. I can confirm that there have been no material changes between 12 October 2012 and 18 November 2012.

Yours faithfully
for and on behalf of the Companies

Leslie Ross
Joint Administrator

The affairs, business and property of the Companies are being managed by Leslie Ross and Matthew Dunham, appointed as administrators on 19 November 2008

Leslie Ross and Matthew Dunham are insolvency practitioners licenced by the Insolvency Practitioners Association

Recovery and Reorganisation

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Chartered Accountants

Member firm within Grant Thornton International Ltd

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Our Ref LZR/ZLC/BZM/KZP/A02920/J

To the creditors

12 October 2012

Dear Sirs

**Fairfax Gerrard Holdings Limited
Fairfax Gerrard Traders Limited
Harringtons Exports Limited
Fairfax Gerrard International Limited
Fairfax Gerrard Contracts Limited
Assetline Limited
Assetline Trading Limited
- All In Administration (together "the Companies")**

**In the High Court of Justice, Chancery Division, Manchester Court
No.'s 3954, 3955, 3956, 3957, 3958, 3959 and 3960 of 2008**

1 Introduction

1.1 Following my appointment as joint administrator of the Companies 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, I now report on the progress of the administrations to date and attach:

- Appendix A, Forms 2.24B, together with an account of our receipts and payments for the Companies for the period from 18 May 2012 to 12 October 2012 and also for the entire period of the administrations to date
- Appendix B, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from an administrator (Rule 2.48A)
- Appendix C, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge an administrator's remuneration or expenses, if excessive (Rule 2.109)

1.2 Please note that we are both authorised by the Insolvency Practitioners Association to act as insolvency practitioners

1.3 In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the administrators are to be exercised by any or all of them.

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2 Statutory information

2.1 The Companies' statutory details are as follows

Company	Registered number	Registered office
Fairfax Gerrard Holdings Limited	03198916	Grant Thornton UK LLP, 11-13 Penhill Road, Cardiff, CF11 9UP
Fairfax Gerrard Traders Limited	03197027	Grant Thornton UK LLP, 11-13 Penhill Road, Cardiff, CF11 9UP
Hamngtons Exports Limited	03239482	Grant Thornton UK LLP, Kennet House, 80 Kings Road, Reading, RG1 3BJ
Fairfax Gerrard International Limited	02964504	Grant Thornton UK LLP, 11-13 Penhill Road, Cardiff, CF11 9UP
Fairfax Gerrard Contracts Limited	03204571	Grant Thornton UK LLP, 11-13 Penhill Road, Cardiff, CF11 9UP
Assetline Limited	03210543	Grant Thornton UK LLP, Kennet House, 80 Kings Road, Reading, RG1 3BJ
Assetline Trading Limited	03244831	Grant Thornton UK LLP, Kennet House, 80 Kings Road, Reading, RG1 3BJ

3 Progress report

Book debt recovery

- 3.1 The principal assets of the Companies are book debts. At the date of appointment, according to the Companies' records, c £9 million remained outstanding.
- 3.2 Book debts of £1,070,953 have been collected as at 12 October 2012, as shown in the table below

Company	Book debt recovery (£'000)
Fairfax Gerrard Contracts Limited	478
Fairfax Gerrard Traders Limited	393
Fairfax Gerrard International Limited	178
Assetline Limited	22
Fairfax Gerrard Holdings Limited	-
Assetline Trading Limited	-
Hamngtons Exports Limited	-
Total	<u>1,071</u>

- 3.3 Since our last progress report covering the six months to 18 May 2012, we have received a distribution of c £175,000 from the supervisor of an individual voluntary arrangement of a guarantor of one of the debts in Fairfax Gerrard International Limited.
- 3.4 The debt collection is now focused on a small number of debtors where recovery is considered possible. These debtors are subject to on-going legal action or separate formal insolvency proceedings where we await distributions.

- 3 5 The collection process has been complicated and protracted as a significant proportion of the debts are owed by companies, individuals and guarantors which are either subject to insolvency procedures, dispute the debts and or have funds invested in property

Statutory matters

- 3.6 The Court ordered that the administrations were extended to 17 November 2012.
- 3 7 To enable the administrators to complete the collection of the remaining debts, the administrators will request the consent of the Court to extend the administrations for a further two years. It is anticipated the administrations will be brought to a conclusion within that period.

4 Outcome for creditors

Secured creditors

- 4 1 The 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 the Companies.
- 4 2 To date the Bank has received distributions totalling £350,000. Unfortunately for the reasons noted above in relation to the collectability of the debtors' ledger it is unlikely that the Bank will be repaid in full in relation to its indebtedness.

Preferential creditors

- 4 3 The preferential creditors of Fairfax Gerrard Holdings Limited were estimated at £7,000 in the estimated financial position provided to creditors with our statement of proposals. We do not anticipate there will be a dividend for these creditors.
- 4 4 There are no preferential creditors in any other of the companies.

Unsecured creditors

- 4 5 We do not anticipate the Companies' unsecured creditors will receive a dividend since, as noted above, it is estimated the Bank's debt will not be paid in full.
- 4 6 As the Bank's security is dated prior to 15 September 2003, there will be no prescribed part carved out in favour of unsecured creditors.

5 Joint administrators' remuneration and expenses

- 5 1 In accordance with Statement of Insolvency Practice (SIP 9), we confirm our time costs to 12 October 2012 for the administrations amounted to £666,792, representing 2,697 hours at an average of £247 per hour. To date I have drawn fees of £200,000.

- 5.2 The table below summarises the administrators' time costs and remuneration across the Companies

Company	Hours	Time costs (£)	Administrators' fees (£)
Fairfax Gerrard Holdings Limited	1,347.99	344,055.45	-
Fairfax Gerrard Traders Limited	608.74	147,873.00	115,000
Fairfax Gerrard Contracts Limited	360.03	86,595.75	75,000
Fairfax Gerrard International Limited	189.11	46,380.85	-
Assetline Limited	84.57	17,952.20	10,000
Harringtons Exports Limited	53.11	11,978.05	-
Assetline Trading Limited	63.05	11,955.20	-
Total	2,696.60	666,791.50	200,000

- 5.3 We have obtained approval of our fees from the Bank in accordance with Rule 2.106 of the Insolvency Act 1986

- 5.4 Background information regarding the fees of administrators can be found at www.insolvency-practitioners.org.uk (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees'). Alternatively, we will supply this information by post on request. Time is charged in 6 minute units.

6 Other expenses incurred by the joint administrators

- 6.1 Gateley Waring (Manchester) LLP (Gateley) continue to be engaged to provide legal advice
- 6.2 Gateley is currently advising me on the recovery of several debts and the statutory matters of the administrations, with the assistance of Counsel. There are currently no outstanding invoices due to Gateley or to Counsel
- 6.3 Gateley and Counsel has accrued costs of £9,800 and £8,016 respectively in the period. Both costs are exclusive of VAT

Yours faithfully

for and on behalf of Fairfax Gerrard Holdings Limited



Les Ross
Joint Administrator

The affairs, business and property of Fairfax Gerrard Holdings Limited are being managed by Leslie Ross and Matthew Dunham, following the Companies being placed into administration on 19 November 2008

Enc

A Abstracts of the administrators' receipts and payments

Fairfax Gerrard Holdings Limited – In
Administration
Receipts and payments account for the period
19 November 2008 to 12 October 2012

	19 Nov 2008 - 17 May 2012	18 May 2012 - 12 Oct 2012	Total
	£	£	£
Receipts			
Misc float receipts	481 59	-	481 59
Misc refund	2,000 09	-	2,000 09
Book debts due to Fairfax Gerrard Traders Limited	40,000 00	-	40 000 00
Book debts due to Fairfax Gerrard International Limited	-	175,182 78	175,182 78
	<u>42,481 68</u>	<u>-</u>	<u>217,664 46</u>
Payments			
Legal fees	9 510 00	-	9,510 00
Bank/ISA interest gross	9 48	-	9 48
Misc float payments	4,134 56	-	4,134 56
Agents/valuers fees	991 20	-	991.20
Professional fees	390 00	-	390 00
Debt collection	6,025.05	-	6,025 05
Stationery & Post	590 47	-	590.47
Storage Costs	2,813 06	-	2,813 06
Statutory advertising	226 80	-	226 80
Insurance of assets	3,294 13	-	3,294 13
Bank charges	6,844 64	6 88	6,851 52
	<u>34,829 39</u>	<u>6 88</u>	<u>34,836 27</u>
Balance	<u>7,652 29</u>	<u>(6 88)</u>	<u>182,828 19</u>
Represented by			
VAT receivable	4,576 71	-	4,576 71
Funds in hand	3,075 58	175,175 90	178,251 48
Owed to Fairfax Gerrard Traders Limited	(40 000 00)	-	(40,000 00)
Owed to Fairfax Gerrard International Limited	-	(175,182 78)	(175,182 78)
	<u>(32,347 71)</u>	<u>(6 88)</u>	<u>(32 354 59)</u>

Note There is no comparison to the directors statement of affairs as a statement of affairs has not been prepared

Harringtons Exports Limited – In Administration
 Receipts and payments account for the period
 19 November 2008 to 12 October 2012

	19 Nov 2008 - 17 May 2012	18 May 2012 - 12 Oct 2012	Total
	£	£	£
Receipts			
	-	-	-
Payments			
	-	-	-
Balance	-	-	-

Note There is no comparison to the directors statement of affairs as a statement of affairs has not been prepared.

Fairfax Gerrard International Limited – In
Administration

Receipts and payments account for the period
19 November 2008 to 12 October 2012

	19 Nov 2008 - 17 May 2012	18 May 2012 - 12 Oct 2012	Total
	£	£	£
Receipts			
Book debts	2,400 00	175,182 78	177,582 78
	<u>2,400 00</u>	<u>175,182 78</u>	<u>177,582 78</u>
Payments			
Administrators expenses	258 41	-	258 41
Bank charges	11 58	-	11 58
	<u>267 99</u>	<u>-</u>	<u>267 99</u>
Balance	<u>2,132 01</u>	<u>175,182 78</u>	<u>177,314 79</u>
Represented by			
VAT receivable	29 15	-	29 15
Funds in hand	2,102 86	-	2,102 86
Owed by Fairfax Gerrard Holding Limited	-	175,182 78	175,182 78
	<u>2,132 01</u>	<u>175,182 78</u>	<u>177,314 79</u>

Note. There is no comparison to the directors statement of affairs as a statement of affairs
has not been prepared

Fairfax Gerrard Contracts Limited – In Administration

Receipts and payments account for the period
19 November 2008 to 12 October 2012

	19 Nov 2008 - 17 May 2012	18 May 2012 - 12 Oct 2012	Total
	£	£	£
Receipts			
Book debts	478,521 25	-	478,521 25
Bank interest	138 43	-	138 43
	<u>478,659 68</u>	<u>-</u>	<u>478,659 68</u>
Payments			
Administrators fees	45,000 00	30,000 00	75,000 00
Administrators expenses	210 71	710 88	921 59
Legal fees	81,083 34	-	81,083 34
Litigation settlement	25,000 00	-	25,000 00
Corporation tax	34 92	-	34 92
Debt collection	11,203 04	-	11,203 04
Storage costs	110 00	-	110 00
Bank charges	40 60	11 20	51 80
Distribution to floating charge creditor	220,000 00	-	220,000 00
	<u>382,682 61</u>	<u>30,722 08</u>	<u>413,404 69</u>
Balance	<u>95,977 07</u>	<u>(30,722 08)</u>	<u>65,254 99</u>
Represented by			
VAT receivable	23,830 46	6,142 18	29,972 64
Funds in hand	72,146 61	(36,864 26)	35,282 35
	<u>95,977 07</u>	<u>(30,722 08)</u>	<u>65,254 99</u>

Note There is no comparison to the directors statement of affairs as a statement of affairs has not been prepared

Assetline Limited – In Administration
 Receipts and payments account for the period
 19 November 2008 to 12 October 2012

	19 Nov 2008 - 17 May 2012	18 May 2012 - 12 Oct 2012	Total
	£	£	£
Receipts			
Book debts	22,286 94	-	22,286 94
	<u>22,286 94</u>	<u>-</u>	<u>22,286 94</u>
Payments			
Administrators fees	10,000 00	-	10,000 00
Administrators expenses	95 97	-	95 97
Debt collection	1,995 80	-	1,995 80
Bank charges	22 50	-	22 50
	<u>12,114 27</u>	<u>-</u>	<u>12,114 27</u>
Balance	<u>10,172 67</u>	<u>-</u>	<u>10,172 67</u>
Represented by			
VAT receivable	2,014 40	-	2,014 40
Funds in hand	<u>8,158 27</u>	<u>-</u>	<u>8,158 27</u>
	<u>10,172 67</u>	<u>-</u>	<u>10,172 67</u>

Note. There is no comparison to the directors statement of affairs as a statement of affairs has not been prepared

Assetline Trading Limited – In Administration
 Receipts and payments account for the period
 19 November 2008 to 12 October 2012

	19 Nov 2008 - 17 May 2012	18 May 2012 - 12 Oct 2012	Total
	£	£	£
Receipts			
	-	-	-
Payments			
	-	-	-
Balance	-	-	-

Note There is no comparison to the directors statement of affairs as a statement of affairs has not been prepared.

B An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator

Rule 2.48A

- (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*

C An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses 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