

The Insolvency Act 1986

Administrator's progress report

Name of Company Broadcrown Holdings Limited	Company number 03444600
In the Royal Courts of Justice [full name of court]	Court case number 5647 of 2015

We, Steven John Currie and Robert Michael Young of Currie Young Limited, The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, ST3 6HP

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

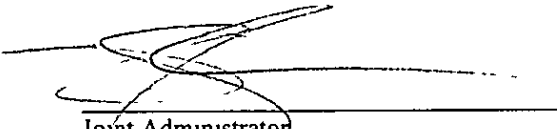
from

to

21 September 2015

20 March 2016

Signed


 Joint Administrator

Dated

19 April 2016

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.

Currie Young Limited	
The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, ST3 6HP	
	Tel Number 01782 394500
Fax Number 01782 395200	DX Number

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



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THURSDAY

Joint Administrators' Progress Report

Broadcrown Holdings Limited - In Administration

19 April 2016

BROADCROWN HOLDINGS LIMITED - IN ADMINISTRATION

CONTENTS

- 1** Introduction
- 2** Progress of the Administration
- 3** Joint Administrators Remuneration
- 4** Joint Administrators Expenses
- 5** Estimated Outcome for Creditors
- 6** Ending the Administration
- 7** Creditors' Rights
- 8** Next Report

APPENDICES

- A** Receipts and Payments Account from 21 September 2015 to 20 March 2016
- B** Additional Information in Relation to the Joint Administrators Fees, Expenses & Disbursements

THE ADMINISTRATOR'S PROGRESS REPORT

1 Introduction

- 1 1 I, together with my fellow director Robert Michael Young, was appointed as Joint Administrator of the Company on 21 September 2015. The appointment was made by the directors of the Company.
- 1 2 This Administration is being handled by Currie Young Limited, The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, ST3 6HP. The Administration is registered in the Royal Courts of Justice, reference number 5647 of 2015.
- 1 3 The trading address of the Company is Airfield Industrial Estate, Hixon, Stafford, ST18 0PF.
- 1 4 The registered office of the Company is Airfield Industrial Estate, Hixon, Stafford, ST18 0PF and its registered number 03444600.
- 1 5 As Joint Administrator, I am required to provide a progress report covering the period of six months commencing from the date the Company entered Administration and every subsequent period of six months. This progress report covers the period from 21 September 2015 to 20 March 2016 (the Period) and should be read in conjunction with my earlier proposals report and any previous progress reports which have been issued.

2 Progress of the Administration

- 2 1 You may recall that the statutory objective being pursued in the Administration was 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). In addition to the pursuance of this statutory objective, the Administrators have duties imposed by insolvency and other legislation, some of which may not provide any financial benefit to creditors.
- 2 2 This section of the report provides creditors with an update on the progress made in the Period, both in terms of the achievement of the statutory objective, but also work which is required of the Administrators under other related legislation.
- 2 3 At Appendix A is my Receipts and Payments Account covering the period of this report.
- 2 4 Further information about the basis of remuneration agreed in this case can be found in section 3 of this report.

Realisation of Assets

- 2 5 Further to my Receipts and Payments Account at Appendix A I comment as follows:

Receipts

Pre-packaged Sale of the Business and Assets

As previously reported, a pre-packaged sale of the business and assets of the Company completed on 21 September 2015 to JCB Power Products Broadcrown Limited. The total consideration paid was £3,750,000 of which £400,002 related to assets owned by the Company, the apportionment of the funds is as follows:

- Unit 38 Mochdre Industrial Estate - £400,000
- Goodwill - £1
- Intellectual Property Rights - £1

BROADCROWN HOLDINGS LIMITED - IN ADMINISTRATION

Credit Card Rebate

We have received a rebate of £100 due to the Company from Natwest Charge Card

Vehicle Licence Refund

The sum of £581 25 has been received from the DVLA in respect of vehicle licence refunds due to the Company

Insurance Claim

We have also received £2,741 in respect of an insurance claim payment that was due to the Company

Payments

Legal Fees

We have paid £7,520 plus VAT to Addleshaw Goddard LLP for the work that they have carried out in making the appointment of the Joint Administrators and preparing and advising on the Asset Sale Agreement

Legal Disbursements

We have also paid £136 23 to Addleshaw Goddard LLP in respect of the disbursements that they incurred

Office Holders Expenses

The sum of £148 50 has been paid in relation to the general expenses that we have incurred Further information in relation to this can be found at Appendix B

Photocopying (External)

To date we have paid £220 plus VAT to Minuteman Press for photocopying

Statutory Advertising

We have paid £153 44 plus VAT in respect of advertising our appointment as Joint Administrators and also the initial meeting of creditors

Bank Charges

We have paid £12 98 in bank charges since our appointment

Outstanding Assets

Book Debts

The book debts due to the Company are from associated companies which are all insolvent and/or in a formal insolvency process There is a debt of £2,000,000 due from BC Realisations 2015 Limited (formerly Broadcrown Limited) which is also in Administration It is anticipated that there will be a distribution from the Administration which will result in funds being received At this moment in time the timing and quantum of any such distribution is uncertain

Shares and Investments

The Company holds shares in various companies within the Broadcrown Group A large proportion of these companies are insolvent and/or in a formal insolvency process Where the company is not in a formal insolvency process, we are making enquiries as to the value of the shares and exploring whether there are any interested parties At this stage of the proceedings it is uncertain as to the level of any recoveries in this regard

Creditors (claims and distributions)

- 2 6 Further information on the anticipated outcome for creditors in this case can be found at section 5 of this report The Administrators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company This may involve separate reporting to

BROADCROWN HOLDINGS LIMITED - IN ADMINISTRATION

any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture

- 2 7 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal
- 2 8 The above work will not necessarily bring any financial benefit to creditors generally, however the Administrators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Administrators in dealing with those claims

Investigations

- 2 9 Some of the work the Administrators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Administrators can pursue for the benefit of creditors
- 2 10 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents
- 2 11 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting (where held) or as a response to my request to complete an investigation questionnaire. My investigations have revealed certain areas of concern and with the assistance of my solicitors I am investigating these further and assessing whether any recoveries will be available for the benefit of creditors. Due to the sensitive nature of these investigations I am unable to provide further information at this stage

3 Joint Administrators' Remuneration

- 3 1 The basis of the Administrators' fees has been fixed in the Administration as 10% of gross realisations of all categories of assets
- 3 2 The Administrators have made the following realisations upon which the creditors have approved a percentage be taken as remuneration. Details of the realisations to date and associated remuneration drawn on account of those realisations is set out below

Asset category	Value of assets realised in period (£)	Total value of assets realised since appointment (£)	Remuneration % agreed	Total fees invoiced to date (£)	Asset category
Unit 38 Mochdre Ind Estate	400,000 00	400,000 00	10	Nil	Fixed
Goodwill	1 00	1 00	10	Nil	Fixed
Intellectual Property Rights	1 00	1 00	10	Nil	Fixed
Credit card rebate	100 00	100 00	10	Nil	Floating
Vehicle Licence Refund	581 25	581 25	10	Nil	Floating
Insurance Claim	2,741 00	2,741 00	10	Nil	Floating

BROADCROWN HOLDINGS LIMITED - IN ADMINISTRATION

3 3 A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees>

3 4 Attached at Appendix B is additional information in relation to the Administrators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers

4 Estimated Outcome for Creditors

Secured Creditors

4 2 At the date of the Administration the indebtedness to RBS was estimated at £2,324,274 26, this was secured by way of a fixed and floating charge over the assets of the Company and also of BC Realisations 2015 Limited (formerly Broadcrown Limited), they also held a charge over the property from where the Company traded on Hixon Airfield Industrial Estate which was owned by Victor and Hilda Yates and Melman Investments Limited

RBS received a distribution of £365,835 73 under its fixed charge that it holds over the assets of the Company, they have also received a distribution of £165,869 89 under the fixed charge that it holds over the assets of Broadcrown Holdings Limited and £1,176,000 from the sale of the property at Hixon Airfield Industrial Estate

Furthermore, book debt payments totalling £616,568 64 were received directly in to the account that BC Realisations 2015 Limited operated with RBS

4 3 All of the above payments have satisfied the capital indebtedness of RBS, but further potential liability remains in respect of performance bonds and guarantees that they have provided on certain contracts operated by the BC Realisations 2015 Limited We are currently progressing this matter

Unsecured Creditors

4 4 I have received claims totalling £8,675,381 04 from 20 creditors I have yet to receive claims from 50 creditors whose debts total £145,250 69 as per the Estimated Financial Position

4 5 The Company granted a floating charge to RBS on 6 September 2006 Accordingly, I am required to create a fund out of the Company's net floating charge property for unsecured creditors (known as the **Prescribed Part**)

4 6 Based on present information, I believe that the indebtedness of the secured creditor shall be satisfied under the fixed charge that they hold and the Prescribed Part will not be applicable Again, this is calculated on the basis that RBS will not be called upon under the performance bonds and guarantees that are in place Should the position change I shall provide creditors with an estimate of the value of the Company's net floating charge property

4 7 I currently anticipate that a dividend may be available to the unsecured creditors other than from the Prescribed Part dependent upon any future recoveries that are made As a result, unless it is more expedient to make an application to court to allow this to be distributed in the Administration, I anticipate that the Company will exit into Creditors' Voluntary Liquidation in due course to facilitate the payment of a dividend to the unsecured creditors Further details will be provided in due course

BROADCROWN HOLDINGS LIMITED - IN ADMINISTRATION

5 Ending the Administration

- 5 1 At this moment in time it is anticipated that we shall file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation ("CVL")
- 5 2 The reason for this is that as Joint Liquidators of the Company we shall have further powers to pursue the current legal actions that we are considering with our solicitors and should further funds be recovered, we will be able to make a distribution to the unsecured creditors of the Company
- 5 3 As approved at the initial meeting of creditors held on 30 November 2015, both I and my fellow director Robert Michael Young shall be appointed as Joint Liquidators of the Company and we are authorised to act jointly and severally in the subsequent liquidation
- 5 4 The Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect


6 Creditors' Rights

- 6 1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report
- 6 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Administrators, as set out in this progress report, are excessive

7 Next Report

- 7 1 The Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised or they wish to extend it

For and on behalf of
Broadcrown Holdings Limited


S J Currie
Joint Administrator

BROADCROWN HOLDINGS LIMITED - IN ADMINISTRATION

Appendix A

Receipts and Payments Account from 21 September 2015 to 20 March 2016

Broadcrown Holdings Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 20/03/2016

S of A £		£	£
	SECURED ASSETS		
400,000 00	Unit 38 Mochdre Ind Estate	400,000 00	
1 00	Goodwill	1 00	
1 00	Intellectual Property Rights	1 00	
			400,002 00
	COSTS OF REALISATION		
	Legal Fees	7,520 00	
	Legal Disbursements	136 23	
			(7,656 23)
	SECURED CREDITORS		
(365,836 00)	The Royal Bank of Scotland	365,835 73	
			(365,835 73)
	ASSET REALISATIONS		
100,000 00	Book Debts	NIL	
NIL	Shares & Investments	NIL	
	Credit Card Rebate	100 00	
	Vehicle Licence Refund	581 25	
	Insurance Claim	2,741 00	
			3,422 25
	COST OF REALISATIONS		
	Office Holders Expenses	148 50	
	Photocopying (external)	220 00	
	Statutory Advertising	153 44	
	Bank Charges	12 98	
			(534 92)
	UNSECURED CREDITORS		
(403,254 00)	Trade Creditors	NIL	
(2,801,538 00)	Loans from Associated Companies	NIL	
(3,080,964 00)	Directors and Associates Loans	NIL	
(198,986 00)	HM Revenue & Customs	NIL	
			NIL
	DISTRIBUTIONS		
(4,700,000 00)	Ordinary Shareholders	NIL	
			NIL
(11,050,576 00)			29,397.37
	REPRESENTED BY		
	Vat Receivable		104 38
	Bank 1 Current		27,782 95
	Fixed Charge VAT Receivable		1,510 04
			29,397 37

BROADCROWN HOLDINGS LIMITED - IN ADMINISTRATION

Appendix B

Additional Information in Relation to the Joint Administrators' Fees, Expenses & Disbursements

1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case
- 1.2 The constitution of the case team will usually consist of a Director, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment
- 1.3 We are yet to utilise the services of any sub-contractors in this case

2 Professional Advisors

- 2.1 On this assignment 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 Fee Arrangement
Addleshaw Goddard LLP (legal advice)	Hourly rate and disbursements

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them

3 Joint Administrators' Expenses & Disbursements

- 3.1 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below

	Paid in prior period £	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Solicitors' costs	-	7,520 00	-	Uncertain
Statutory advertising	-	153 44	-	153 44
Specific penalty bond	-	148 50	-	148 50
Photocopying (external)	-	220 00	-	Uncertain

- 3.2 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above
- 3.3 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided in the Administrators' Proposals Report and approved by creditors

BROADCROWN HOLDINGS LIMITED - IN ADMINISTRATION

Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above