

The Insolvency Act 1986

**Administrator's progress report**

Name of Company  
Barncrest Trading Limited

Company number  
03696860

In the  
High Court of Justice, Bristol District  
Registry

[full name of court]

Court case number  
332 of 2011

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

I/We (a) Ian Edward Walker of Begbies Traynor (Central) LLP, Balliol House, Southernhay Gardens, Ex  
EX1 1NP and Julie Anne Palmer of Begbies Traynor LLP, 65 St Edmunds Church Street, Salisbury  
Wiltshire

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

(b) Insert dates

from

to

(b) 15 March 2011

(b) 14 September 2011

Signed

*[Signature]*  
Joint / Administrator

Dated

*14 September October 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.

Begbies Traynor (Central) LLP

Balliol House, Southernhay Gardens, Exeter, EX1 1NP

Tel Number 01392 260800

Fax Number 01392 260801

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



\*AZ95KYEJ\*

A04

15/10/2011

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COMPANIES HOUSE

SATURDAY

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability

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## **Barncrest Trading Limited (In Administration)**

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Progress report pursuant to Rule 2.47 of the  
Insolvency Rules 1986

Period: 15 March 2011 to 14 September 2011

### **Important Notice**

This progress report has been produced to comply with our statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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## 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Bamcrest Trading Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 15 March 2011
"the administrators" "we" "our" and "us"	Ian Edward Walker of Begbies Traynor (Central) LLP, Balliol House, Southernhay Gardens, Exeter, EX1 1NP and Julie Anne Palmer of Begbies Traynor LLP, 65 St Edmunds Church Street, Salisbury, Wiltshire, SP1 1EF
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and  (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

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## 2. COMPANY INFORMATION

Trading name	Bamcrest Trading Limited
Date of Incorporation	18 January 1999
Company registered number	03696860
Company registered office	Balliol House, Southernhay Gardens, Exeter, EX1 1NP

### 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of administrators' appointment	15 March 2011
Date of administrators' resignation	N/A
Court	High Court of Justice, Bristol District Registry
Court Case Number	332 of 2011
Person(s) making appointment / application	HSBC Bank plc 8 Canada Square London E14 5HQ
Acts of the administrators	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency Proceedings	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are main proceedings' within the meaning of Article 3 of the Regulation.

### 4. PROGRESS DURING THE PERIOD

Following a short period of trading by the Administrators, the business is now being traded, under licence, by a company owned by the director, Mr Batt. This has served to preserve the business and establish a stable business structure. Customers and some of the suppliers were causing concern as to the long term viability of trading under the administration. We were incurring losses and the cost of supervision was adding to this.

The Business has been traded under licence since June 2011 and we are informed a small profit is being made. The business will be marketed as a going concern over the next few months. We believe the business is a much more attractive prospect as a result of the licence.

Attached at Appendix 1 is our abstract of receipts and payments for the period from 15 March 2011 to 14 September 2011 incorporating an estimated outcome statement.

We are not able to provide the figures from the directors statement of affairs for comparative purposes because the director has not submitted his statement of affairs yet.

We intend to sell the business as a going concern, which will maximise realisations. However, the estimated outcome statement has been prepared using forced sale valuations for the assets and as such reflects and estimate worst case realisations and outcome for creditors. Our agents, Edward Symmons, have provided the forced sale valuations used.

We anticipate concluding a sale of the business early in 2012. Relevant estimates have included income and costs up to the end of January 2012.

### **Freehold property**

The Company traded from freehold premises situated at 30 Parkengue, Kernick Industrial Estate, Penryn, TR10 9EP. We have instructed Edward Symmons LLP as agents to market the property. They are currently marketing the property for £450,000.

We hope to sell the freehold as part of a sale of the business as a whole. However, we will consider offers for the freehold in isolation.

The only cost we have paid to date relating to the property is in respect of the required energy performance certificates. The majority of remaining costs only become due when the property is sold although a small amount of disbursements for advertising has already been incurred.

### **Trading and licence agreement**

The main reason for continuing to trade was to preserve the goodwill and intangible assets of the Company while the business was offered for sale as a going concern.

Following a short period of trading it was apparent the business was deteriorating. Customers are mostly private individuals and some of the Company's supplies came from abroad which placed a strain on the prospects of trading for more than a couple of months. Losses were being incurred and the cost of supervision was adding to this.

On 3 June 2011 a licence to trade the business was issued to a company owned by the director, Mr Q Batt ("NewCo"). This has served to preserve the business and establish a stable business structure. We understand a small profit has been made since June. The business will be thoroughly marketed in the coming months.

As a direct result of continuing to trade and the licence, the administration has benefitted. This is mainly due to the following:

- We were able to complete orders which were outstanding on appointment. If the orders had not been completed customers would have a claim against the Company. An estimate of the quantum of those claims is £27,000.
- Employees were retained and will not have a claim against the Company.
- We have been able to charge a licence fee of £1,000 per week to NewCo.

The only additional costs are payments for two pieces of financed equipment which total £2,069 per month.

### **RECEIPTS**

#### **Book debts**

The debtor ledger in the Company's records totals £18,021. However, after accounting for two disputed accounts and one customer who is in administration the true balance is £12,157.

£6,500 relates to an old debt due from a previous tenant. Solicitors are dealing with the collection of this debt.

The balance of £5,657 is due and payable from trade customers. We have received £3,712 to date. In addition one customer paid £1,342 directly into the Company's old bank account.

We will continue to collect the remaining balances which total £603.

### **Recharged bank charges**

The administration has received some funds which should have been paid to Mr Batt's new company. Mr Batt requested these amounts be transferred by CHAPS. The bank's charges have been recharged.

### **PAYMENTS**

#### **Legal fees and disbursements**

We instructed Morgan Cole solicitors to assist and advise on most legal matters arising in the administration. To date they have assisted with the general legal assistance, appointment formalities and the licence agreement. To 14 September we have only paid for the disbursements and they have accrued £11,423 which will be paid in due course.

The Company had instructed Michelmores solicitors to collect the book debt due from the previous tenant. We have instructed Michelmores to continue with the collection of this specific debt.

#### **Insurance**

We instructed Insolvency Risk Services to arrange insurance.

#### **Specific bond and statutory advertising**

The whole liability for these statutory requirements had accrued as at 14 September 2011.

#### **Hire purchase payments**

The payments to Clydesdale Asset Finance paid as at 14 September 2011 were up to date to the end of August 2011.

## **5. ESTIMATED OUTCOME FOR CREDITORS**

Included at Appendix 1 is an estimated outcome statement showing all anticipated future receipts and payments and the estimated outcome for each class of creditor.

### **Secured creditors**

#### **HSBC Bank plc**

As security HSBC hold a debenture incorporating fixed and floating charges over the assets of the Company and a legal mortgage over the freehold property and various other assets. The debenture was created on 3 May 2006 and registered at Companies House on 6 May 2006. The legal charge was created on 16 March 2007 and registered at Companies House on 20 March 2007.

HSBC also has an unlimited cross guarantee from the associated company, Alderney Partners Ltd ("Alderney").

The balance outstanding to HSBC at the commencement of the administration relates to several loan and current accounts operated by the Company.

Based on the projected outcome it is likely that HSBC will suffer a shortfall. However, the projected outcome is based on break up values. In the event that the Company is sold as a going concern the shortfall may be less.

Any shortfall to HSBC is likely to be covered in full by the associated company guarantee.

#### Clydesdale Asset Finance ("Clydesdale")

Clydesdale provided hire purchase finance for the CNC router and combilift forklift. The relevant agreements are both dated January 2008.

Based on the projected outcome Clydesdale are unlikely to suffer any shortfall.

#### Alderney Partners Ltd

Alderney is in administration and all creditors are likely to be paid in full. In the event that Alderney repays the Company's debt to HSBC under the terms of the associated company guarantee, Alderney will have a subrogated claim against the Company. This means that Alderney will "step into the shoes" of HSBC in relation to the debt and will be able to rely on HSBC's security.

#### **Preferential creditors**

We have paid two weeks salaries from prior to the commencement of the administration. The administration commenced half way through the month but we have paid employees for the whole month. If we had not paid the employees for the whole month we would have risked losing the work force and jeopardising the possibility of selling the business as a going concern. This two weeks worth of salaries would, if we had not paid it, have formed a preferential claim in the Administration and would therefore be paid in full in due course.

No further preferential claims are anticipated. Preferential creditors normally relate to employees claims for unpaid wages and holiday pay. As a result of the anticipated sale of the business and assets the employees are expected to transfer to the purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006. As such, there are unlikely to be any preferential claims.

#### **Unsecured creditors**

From the Company's records unsecured creditors have been estimated at £421,120.

There will be a distribution to unsecured creditors by way of the prescribed part (see below).

However based upon realisations to date and estimated future realisations there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors other than by virtue of the prescribed part, pursuant to Section 176A of the Act.

#### **Prescribed Part for unsecured creditors pursuant to Section 176A of the Act**

Section 176A of the Act provides that, where the company has created a floating charge on or 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 debts. *Net property* means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The floating charge holder may not participate in the distribution of the prescribed part of the Company's net property. The *prescribed part* of the Company's *net property* is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of *net property*;
- ☐ 20% of *net property* thereafter;
- ☐ Up to a maximum amount to be made available of £600,000.

An administrator will not be required to set aside the *prescribed part* of *net property* if

- ☐ the *net property* is less than £10,000 and the administrator thinks that the cost of distributing the *prescribed part* would be disproportionate to the benefit, (Section 176A(3)) or



- ☐ the administrator applies to the court for an order on the grounds that the cost of distributing the *prescribed part* would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

The administrators have estimated, to the best of their knowledge and belief, the Company's net property, as defined in section 176A(6) of the Act, to be £484,586 and the prescribed part of the Company's net property to be £99,917

On present information the administrators do not intend to make an application to court under Section 176A(5) of the Act for an order not to distribute the prescribed part of net property to the unsecured creditors. However we reserve our position generally in this regard should circumstances materially change

## 6. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by reference to the time properly given by us (as administrators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which accompanied the Statement of Proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report

Our time costs for the period from 15 March 2011 to 14 September 2011 amount to £68,130 which represents 471 hours at an average rate of £144 per hour

The following further information in relation to our time costs and disbursements is attached

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period March 2011 to 14 September 2011
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

No remuneration or disbursements have been drawn to date

## 7. ADMINISTRATORS' EXPENSES

Details of the expenses incurred during the period of this progress report is included in the estimated outcome statement attached at Appendix 1

## 8. ASSETS THAT REMAIN TO BE REALISED

Details of the value of assets which remain to be realised is included in the estimated outcome statement attached at Appendix 1

### **Chattel assets and motor vehicles**

Plant and machinery comprises machinery and tools used in the manufacturing process of wooden worktops and furniture. Office furniture and equipment comprises desks, chairs, other office furniture and computer equipment. The motor vehicle is a 2004 Ford Transit 85 T260 diesel SWB panel van with 87,000 miles recorded

The likely value of these assets has been assessed by valuers and auctioneers, Edward Symmons LLP. They have assessed the estimated realisation on two bases

- 1 Market value for removal assuming an 8 week period for the sale
- 2 Market value for sale as a whole in situ

The anticipated receipt included in the projected outcome reflects the "for removal" valuation. If a sale as a going concern is achieved we will expect to realise the "in situ" value. We have not provided the values of the "in situ" assessment because to do so could prejudice the sale price achieved for the business.

The CNC router and combilift forklift are subject to finance agreements with Clydesdale Asset Finance.

#### **Inter company account – Alderney Partners Limited**

The amount owed by Alderney relates to monies loaned from the Company to fund development costs. Alderney is in administration but it is likely that all creditors will be repaid in full.

#### **Director's loan account – Mr Q Batt**

The amount owed by the director relates to personal expenses of the director which have been paid by the Company over the course of several years. Mr Batt is not in a position to repay his debt at present. However, after the creditors of Alderney have been repaid, Mr Batt is the sole shareholder. As such he will receive a distribution on his shares and it is likely that he will be able to repay his entire debt.

## **9. OTHER RELEVANT INFORMATION**

#### **Report on Directors conduct**

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Innovation and Skills on the conduct of the director. We have complied with our duties in this respect.

#### **Investigations completed and action taken**

As explained in our Statement of Proposals, we have undertaken an initial assessment of the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect.

## **10. CREDITORS' RIGHTS**

#### **Right to request further information**

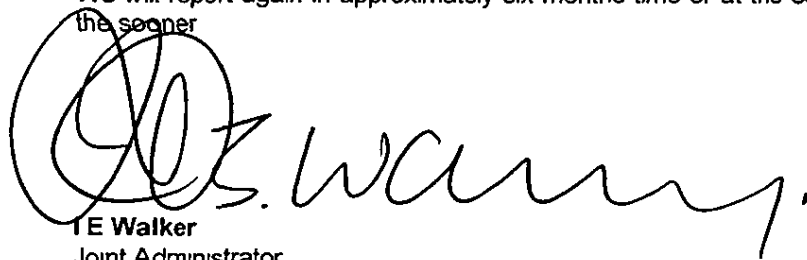
Pursuant to Rule 2.48A of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been detailed in this progress report.

### **Right to make an application to court**

Pursuant to Rule 2.109 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate

## **11. CONCLUSION**

We will report again in approximately six months time or at the conclusion of the administration, whichever is the sooner

A large, stylized handwritten signature in black ink, appearing to read 'T E Walker', is written over the printed name and title.

**T E Walker**  
Joint Administrator

Dated 14 October 2011

# JOINT ADMINISTRATORS' ACCOUNT OF RECEIPTS AND PAYMENTS AS AT 14 SEPTEMBER 2011 INCORPORATING AN ESTIMATED OUTCOME STATEMENT

Director's  
statement  
of affairs  
£

## Assets Specifically Pledged

Freehold Property  
Goodwill

Less costs Administrators remuneration  
Legal fees and disbursements  
Property agents fees and disbursements

Less fixed charge creditor HSBC Bank plc  
Deficit as regards HSBC Bank plc *c/fwd*

Plant and Machinery  
Less Costs Agents fees

Less Hire Purchase Creditor Clydesdale Asset Finance  
Surplus as regards Clydesdale Asset Finance *c/fwd*

## Assets Not Specifically Pledged

Trading Turnover (see Appendix 1a)  
Surplus as regards Clydesdale Asset Finance *b/fwd*  
Book Debts  
Plant and Machinery  
Office Furniture and Equipment  
Motor Vehicle  
Stock  
Licence fees  
Inter-company Loan Account - Alderney Partners Ltd  
Director's Loan Account - Mr Q Batt  
Bank Interest  
Recharged bank charges

Receipts  
&  
Payments  
to Date  
£

Anticipated  
Receipts &  
Payments  
£

Projected  
Outcome  
£

Nil	450,000	450,000
Nil	Not known	Not known
Nil	450,000	450,000
Nil	(10,000)	(10,000)
Nil	(5,000)	(5,000)
(275)	(9,500)	(9,775)
(275)	425,500	425,225
Nil	(817,622)	(817,622)
(275)	(392,122)	(392,397)
Nil	40,000	40,000
Nil	(4,000)	(4,000)
Nil	36,000	36,000
Nil	(28,800)	(28,800)
Nil	7,200	7,200
154,622	Nil	154,622
Nil	7,200	7,200
3,712	6,288	10,000
Nil	21,000	21,000
Nil	2,000	2,000
Nil	2,000	2,000
Nil	19,000	19,000
12,000	22,000	34,000
Nil	413,400	413,400
Nil	114,300	114,300
33	50	83
360	Nil	360
170,727	607,238	777,965

## Payments

Trading Expenditure (see Appendix 1a)  
Joint Administrators' Remuneration  
Joint Administrators' Disbursements  
Legal Fees & Disbursements  
Statement of Affairs Fee  
Advertising the Business  
Agents' Fees and Disbursements  
Insurance  
Specific Bond  
Stationery and Postage  
Statutory Advertising  
Hire Purchase Payments  
Bank Charges  
Fixed charge costs

## Total Payments

## Available for Preferential Creditors

Preferential Creditors

## Funds in Hand\* / Net Property

Prescribed Part

## Available for Floating Charge Creditor

Less Floating Charge Creditor HSBC Bank plc *b/fwd*

## Estimated deficiency as regards HSBC Bank plc

## Estimated Funds Available For Unsecured Creditors (Prescribed Part)

(Subject to the costs of liquidation)

## Total Estimated Unsecured Creditor Claims

## \*Funds in Hand are made up as follows

VAT Payable  
HSBC Current Account Balance  
Arbuthnot Latham Current Account Balance

(20,480)  
4,820  
18,946  
3,286

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## TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred,
- d Table of time spent and charge-out value for the period from 15 March 2011 to 14 September 2011

## **BEGBIES TRAYNOR CHARGING POLICY**

### **INTRODUCTION**

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance<sup>2</sup> requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### **OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

### **EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

Best practice guidance classifies expenses into two broad categories.

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval)

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting,
- Car mileage is charged at the rate of 45 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,

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<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

<sup>2</sup> *Ibid* 1

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

#### **BEGBIES TRAYNOR CHARGE-OUT RATES**

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Exeter office as at the date of this report are as follows

	<b>Standard 1 May 2011 – until further notice Regional</b>
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Prior to 1 May 2011, the following rates applied

<b>Grade of staff</b>	<b>Charge-out Rate (£ per hour)</b>
Partner	350
Director	325
Senior Manager	295
Manager	250
Assistant Manager	195
Senior Administrator	160
Administrator	130
Trainee Administrator	100
Support	100/60

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in 6 minute units

## SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	Bamcrest Trading Limited
CASE TYPE	Administration
OFFICE HOLDERS	Ian Edward Walker and Julie Anne Palmer
DATE OF APPOINTMENT	15 March 2011

### 1 CASE OVERVIEW

1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

#### 1.2 Complexity of the case

The Company trades as a manufacturer of high quality wooden worktops and other wooden products

#### 1.3 The office holders' effectiveness

The initial strategy envisaged continuing to trade so that the business could be marketed as a going concern. Trading has now ceased and the business is being traded under licence while it is marketed.

#### 1.4 Nature and value of property dealt with by the office holders'

The value of the assets will be maximised if the business can be sold as a going concern.

The assets include

- Freehold property
- Plant and machinery associated with the manufacture of wooden products
- Stock
- Office furniture and equipment.
- A motor vehicle
- Book debts

#### 1.5 Anticipated return to creditors

HSBC Bank plc hold security over the assets of the Company and are likely to suffer a shortfall. They are likely to be able to recover their shortfall under third party guarantees.

No preferential claims are anticipated.

Based upon realisations to date and estimated future realisations there will be insufficient funds available for distribution to unsecured creditors, other than by virtue of section 176(2)(a) of the Act (the Prescribed Part).

#### 1.6 Time costs analysis

An analysis of time costs incurred between 15 March 2011 and 14 September 2011 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type.

The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment only.



**1 7 The views of the creditors**

This progress report cover the initial six months of the administration

**1 8 Approval of fees**

No fees have been drawn to date by the Joint Administrators

**1 9 Approval of Expenses and Disbursements**

No disbursements have been drawn to date by the Joint Administrators

The only category 2 disbursements incurred to date relate to mileage totalling £XXXXX directly related to administering this case

**2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES**

2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached

2 2 The rates charged by the various grades of staff who may work on a case are attached

**3 SUMMARY OF WORK CARRIED OUT**

3 1 Since our appointment we have dealt with following

- Attending the Company's offices directly after appointment,
- Assessment of the options and how best to achieve the purpose of the Administration,
- Filing statutory documentation,
- Dealing with employee enquiries and other employment matters,
- Liaising with various parties in respect of continued trading,
- Preparation of the Joint Administrators' proposals,
- Attending to retention of title claims,
- Monitoring the trading position,
- General administration of day to day matters arising,
- Dealing with creditor enquiries
- Liaising with secured creditors

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