

AM10

Notice of administrator's progress report



Companies House

THURSDAY



A27 *A7AIR6EQ* 19/07/2018 #39
COMPANIES HOUSE

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1 Company details

Company number 0 3 8 2 6 6 9 5

Company name in full Formston Evans Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Alan Brian

Surname Coleman

3 Administrator's address

Building name/number The Copper Room

Street Deva Centre

Post town Trinity Way

County/Region Manchester

Postcode M 3 7 B G

Country

4 Administrator's name ①

Full forename(s)

Surname

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other administrator
Use this section to tell us about
another administrator.

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Notice of administrator's progress report

6 Period of progress report

From date	^d 2	^d 1	^m 1	^m 2	^y 2	^y 0	^y 1	^y 7
To date	^d 2	^d 0	^m 0	^m 6	^y 2	^y 0	^y 1	^y 8

7 Progress report

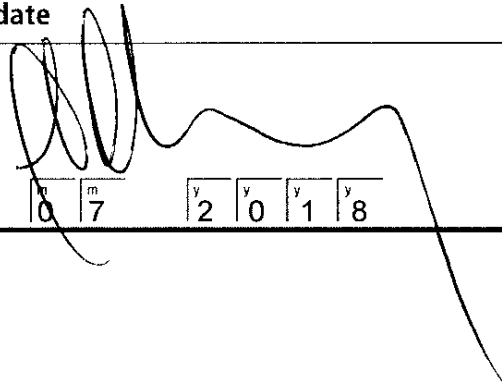
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date	^d 1	^d 6	^m 0	^m 7	^y 2	^y 0	^y 1	^y 8
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Administrator's Progress Report

**Formston Evans Limited
- In Administration**

Period: 21 December 2017 to 20 June 2018

FORMSTON EVANS LIMITED - IN ADMINISTRATION

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FORMSTON EVANS LIMITED - IN ADMINISTRATION

THE ADMINISTRATOR'S PROGRESS REPORT

1 Introduction

- 1.1 Alan Brian Coleman, together with Julie Webster was appointed Joint Administrator of Formston Evans Limited (the **Company**) on 21 June 2017. The appointment was made by Factor 21 (North) Limited under Paragraph 14 of schedule B1 of the Insolvency Act 1986.
- 1.2 This Administration is being handled by Royce Peeling Green Limited (RPG) at The Copper Room, Deva Centre, Trinity Way, Manchester, M3 7BG. The Administrator's contact details are by phone on 0161 608 0000 or via email at insolvency@rpg.co.uk.
- 1.3 The Administration is registered in the High Court of Justice, Chancery Division, Manchester District Registry, reference number 2592 of 2017.
- 1.4 Information about the way that we will use, and store personal data on insolvency appointments can be found in the Privacy Notice attached at Appendix E.
- 1.5 A block transfer order was issued in The High Court of Justice, The Business and Property Courts in Manchester on 10 November 2017. Under the terms of the Order, Julie Webster was removed as Joint Administrator of the Company as a result of Julie Webster resigning as an employee of RPG. Alan Brian Coleman remained in office as sole Administrator.
- 1.6 The trading address of the Company is Kent Street, Bolton, Lancashire, BL1 2LN.
- 1.7 The registered office of the Company is The Copper Room, Deva Centre, Trinity Way, Manchester, M3 7BG and its registered number 03826695.
- 1.8 As 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 December 2017 to 20 June 2018 (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 to achieve a better result than would be likely if the company were wound up. In addition to the pursuance of this statutory objective, the Administrator has 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 Administrator under other related legislation.
- 2.3 At Appendix A is my Receipts and Payments Account covering the period of this report together with a cumulative Receipts and Payments Account from the date of my appointment as Administrator to 20 June 2018.

Receipts

Work in Progress

- 2.4 The balance of £556.00 was received during the Period.

FORMSTON EVANS LIMITED - IN ADMINISTRATION

Bank Interest

- 2.5 Bank interest totalling £0.97 was received in the Period.

Payments

Administrator Fees

- 2.6 Fees totalling £3,900.00 have been drawn during the Period.

Administrator Disbursements

- 2.7 Disbursements totalling £556.00 have been drawn during the Period.
- 2.8 Attached at Appendix B is a time analysis outlining the time spent by the Administrator and his staff during the Period together with a cumulative time analysis covering the period since my appointment.
- 2.9 Further information about the basis of remuneration agreed in this case and the Administrator's fees estimate can be found in section 4 of this report, together with any relevant information about revisions to my initial estimate, where applicable.

Administration (including statutory compliance & reporting)

- 2.10 As noted above, the Administrator must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work that I anticipated would need to be done in this area was outlined in my initial fees estimate/information.
- 2.11 During the Period, 24.70 hours at a cost of £2,975.70 have been spent on Administration matters at an average of £120.47 per hour.
- 2.12 The time was spent undertaking work in the following areas
- Preparation and issue of first progress report to creditors.
 - Filing statutory documents at Companies House
 - Periodic case reviews
 - VAT Returns
 - Cashiering
 - Requesting the extension of the Administration
 - Case filing
- 2.13 As noted in my initial fees estimate, this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

Realisation of Assets

- 2.14 During the Period, the Administrator and his staff have spent 9.30 hours at a cost of £2,270.10 dealing with the Realisation of Assets.
- 2.15 The time was spent undertaking work in the following area:-
- Collection of the balance due for the Work in Progress,
 - Liaising with the directors of Furniture in relation to the balance due for the sale of the assets of the Company.

FORMSTON EVANS LIMITED - IN ADMINISTRATION

Sale of the Assets

- 2.16 During the Period, the Administrator agreed a revised payment schedule with the directors of Formston Evans Furniture Limited (Furniture) in respect of the balance due for the sale of the assets of the Company.
- 2.17 Furniture agreed to pay the balance due of £10,910.00 over a period of 12 months at a rate of £909.16 per month for 11 months and a final payment of £909.24.
- 2.18 No payments were made in relation to the revised payment plan.
- 2.19 On the 4 June 2018, the Company was notified that Mr Charles MacMillan of Beever and Struthers Chartered Accountants and Business Advisors had been appointed as Liquidator of Furniture on 24 May 2018.
- 2.20 The Administrator has since written to the director of Furniture to request payment of the balance due under her personal guarantee.

Creditors (claims and distributions)

- 2.21 Further information on the anticipated outcome for creditors in this case can be found at section 4 of this report.

Investigations

- 2.22 You may recall from my first progress report to creditors that some of the work an Administrator is 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 can be pursued for the benefit of creditors.
- 2.23 My report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the first period of the Administration and is confidential.
- 2.24 Since my last progress report I would advise that no further asset realisations have come to light that may be pursued by me for the benefit of creditors.
- 2.25 The Administrator's enquiries into the directors loan account are ongoing.

Extension of the Administrator's term of office

- 2.26 On 24 January 2018, the Administrator wrote to creditors to request a decision by correspondence to consent to the extension of the terms of the Administration for a period of 12 months to the 20 June 2019.
- 2.27 Creditors accepted the Administrators request on 8 February 2018.
- 2.28 The Administrator filed form AM19 – Extension of the Administration, which was registered at Companies House on 19 February 2018.

3 Administrator's Remuneration

- 3.1 The basis of the Administrator's fees has been fixed in the Administration by reference to the time properly spent by him and his staff in managing the Administration. My fees estimate/information was originally provided to creditors when the basis of my remuneration was approved and was based on information available to me at that time.

FORMSTON EVANS LIMITED - IN ADMINISTRATION

3.2 A copy of that estimate is reproduced below:

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Administration (inc statutory compliance & reporting)	35.00	175.00	6,125.00
Realisation of assets	16.00	175.00	2,800.00
Creditors (claims & distributions)	6.00	150.00	900.00
Investigations	10.00	175.00	1,750.00
Total estimated fees	67.00		£11,575.00

3.3 My revised fee estimate was approved by creditor on 8 February 2018

3.4 A copy of the revised fee estimate is reproduced below:

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Administration (inc statutory compliance & reporting)	20.00	175.00	3,500.00
Realisation of assets	10.00	175.00	1,750.00
Creditors (claims & distributions)	5.00	175.00	875.00
Investigations	10.00	200.00	2,000.00
Total estimated fees	42.50		£8,125.00

3.5 The Administrators time costs for the Period are £5,552.00. This represents 36.10 hours at an average rate of £153.80 per hour. Attached at Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent in managing the Administration.

3.6 Fees totalling £3,900.00, plus disbursements of £593.25 has been drawn in the Period.

3.7 Also attached at Appendix B is a cumulative Time Analysis for the period from 21 June 2017 to 20 June 2018 which provides details of my time costs since my appointment. The cumulative time costs incurred to date are £17,353.90 and this represents 120.80 hours at an average rate of £143.66 per hour.

3.8 To date, fees totalling £15,475.00, plus disbursements of £593.25 has been drawn on account.

3.9 At the date of this report. I can confirm that my fees estimates remain unchanged. Any further revision will need to be approved by creditors should they be required.

3.10 A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from www.rpg.co.uk/downloads/fees/post20151001/Administrators.pdf

3.11 Attached at Appendix C is additional information in relation to the Administrator's fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

4 Outcome for Creditors

4.1 The outcome for each class of creditors is as follows:

Secured Creditors

4.2 Factor 21 holds a fixed and floating charge over the assets of the Company. Factor 21 have recovered their indebtedness in full from book debt realisations.

FORMSTON EVANS LIMITED - IN ADMINISTRATION

Preferential Creditors

- 4.3 There are no preferential creditors on this matter.

Unsecured Creditors

- 4.4 I have received claims totalling £253,188.47 from six creditors.
- 4.5 I have yet to receive claims from seven creditors whose debts total £11,389.54 as per the Company's statement of affairs.
- 4.6 A return to unsecured creditors, will be wholly dependent upon the recovery of the sale considerations via the personal guarantee provided by the director of Furniture.

5 Ending the Administration

- 5.1 Based on present information, the Administrator thinks that the Company has no property, which might permit a distribution to its unsecured creditors. Accordingly, as detailed in the Administrators' proposals a notice will be filed at Court and with the Registrar of Companies with the Administrators' final report, for the dissolution of the Company.
- 5.2 Should the Administrator think that a dividend will be available to unsecured creditors in the Administration then he will 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) to facilitate this distribution. Alan Brian Coleman will become the Liquidator of the CVL.
- 5.3 Should a dividend to unsecured creditors not be anticipated but the Administrator conclude that an exit into Liquidation be appropriate so that further investigations into the affairs of the Company's affairs may be carried out then an application will be made to Court to exit into Compulsory Liquidation. It is anticipated that Alan Brian Coleman would be made liquidator 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 Administrator provide further information about his 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 Administrator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Administrator, as set out in this progress report, are excessive.

FORMSTON EVANS LIMITED - IN ADMINISTRATION

7 Next Report

- 7.1 The Administrator is 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 he wishes to extend it.

For and on behalf of
Formston Evans Limited


A B Coleman
Administrator

FORMSTON EVANS LIMITED - IN ADMINISTRATION

Appendix A

Receipts and Payments Account from 21 Decmeber 2017 to 20 June 2018 together with a Cumulative Receipts and Payments Account for Period from 21 June 2017 to 20 June 2018

Formston Evans Limited
(In Administration)

Administrator's Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (-)	From 21/06/2017 To 20/12/2017 (-)	From 21/12/2017 To 20/06/2018 (-)	Total (-)
Goodwill	7,498.00	0.00	0.00	0.00
Book Debts	106,398.00	0.00	0.00	0.00
Plant & Machinery	12,000.00	12,000.00	0.00	12,000.00
Furniture & Equipment	500.00	0.00	0.00	0.00
WIP	1,668.00	1,112.00	556.00	1,668.00
Stock	10,000.00	7,090.89	0.00	7,090.89
Contracts	1.00	0.00	0.00	0.00
Book Debts		6,405.20	0.00	6,405.20
Directors Loan Account	Uncertain	0.00	0.00	0.00
Business Information	1.00	0.00	0.00	0.00
Cash at Bank		688.18	0.00	688.18
Bank Interest Gross		0.00	0.97	0.97
Cash In Hand		125.00	0.00	125.00
		27,421.27	556.97	27,978.24
PAYMENTS				
Factor 21 (North) Limited	(97,664.00)	0.00	0.00	0.00
Specific Bond		96.00	0.00	96.00
Pre Appointment Fees		6,394.00	0.00	6,394.00
Joint Administrators' Fees		11,575.00	3,900.00	15,475.00
Joint Administrators' Disbursements		0.00	593.25	593.25
Legal Fees - Pre Appointment		3,500.00	0.00	3,500.00
Legal Disbursements - Pre Appointment		55.00	0.00	55.00
Legal Fees - Post Appointment		500.00	0.00	500.00
Legal Disbursement - Post Appointment		75.00	0.00	75.00
Marketing Expense		175.00	0.00	175.00
Statutory Advertising		84.60	0.00	84.60
Trade & Expense Creditors	(22,527.79)	0.00	0.00	0.00
Inland Revenue	(164,899.02)	0.00	0.00	0.00
Ordinary Shareholders	(100.00)	0.00	0.00	0.00
		22,454.60	4,493.25	26,947.85
Net Receipts/(Payments)		4,966.67	(3,936.28)	1,030.39

MADE UP AS FOLLOWS

Bank 1 Current	504.95	889.40	1,394.35
VAT Receivable / (Payable)	4,461.72	(4,825.68)	(363.96)
	4,966.67	(3,936.28)	1,030.39


Alan Brian Coleman
Administrator

FORMSTON EVANS LIMITED - IN ADMINISTRATION

Appendix B

**Time Analysis for the Period from 21 December 2017 to 20 June 2018 together with a Cumulative
Time Analysis for the Period from 21 June 2017 to 20 June 2018**

Time spent by grade in the period from 21 December 2017 to 20 June 2018

Approved Fees Estimate

	Senior IP / Director	Junior IP / Senior Manager		Administrator	Cashier	Total Hours	Total Cost		Average Rate	Anticipated No of Hours		Average Rate		Anticipated Cost	
							£	£		£	£	£	£	£	£
Administration & Planning	2.30	0.20		16.70	-	19.20	2,414.70	125.77		55.00		175.00		9,625.00	
Cashiering	-	-		-	5.50	5.50	561.00	102.00							
Creditor Communications	-	0.20		1.00		1.20	171.20	142.67		11.00		161.36		1,775.00	
Realisation of Assets	7.50	-		1.80		9.30	2,270.10	244.10		26.00		175.00		4,550.00	
Investigations	-	-		0.90		0.90	135.00	150.00		20.00		187.50		3,750.00	
Total hours/Cost	9.80	0.40		20.40	5.50	36.10	5,552.00	153.80		112.00		175.89		19,700.00	

Cumulative Time spent by grade in the period from 21 June 2017 to 20 June 2018

	Senior IP / Director	Junior IP / Senior Manager		Administrator	Cashier	Total Hours	Total Cost		Average Rate
							£	£	
Administration & Planning	3.00	7.50		48.30	-	58.80	7,655.40	130.19	
Cashiering	-	-		-	12.60	12.60	1,285.20	102.00	
Creditor Communications	1.00	0.70		3.80		5.50	856.80	155.78	
Realisation of Assets	10.40	0.50		3.60		14.50	3,376.20	232.84	
Investigations	3.50	3.60		22.30		29.40	4,180.30	142.19	
Total hours/Cost	17.90	12.30		78.00	12.60	120.80	17,353.90	143.66	

FORMSTON EVANS LIMITED - IN ADMINISTRATION

Appendix C

Additional Information in Relation to the Administrator's 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 Partner, 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 not proposing 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
Turner Parkinson LLP (legal advice)	Hourly rate and disbursements
JPS Chartered Surveyors (valuation and disposal 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 Administrator's Expenses & Disbursements

- 3.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the Administration was provided to creditors in the Administrator's Proposals Report a copy of which is set out below:

Expense	Estimated cost £
Agents' costs	2,500.00
Solicitors' costs	4,738.00
Marketing Expense	175.00
Statutory advertising	338.40
Specific penalty bond	136.00
Bank Charges	75.00

FORMSTON EVANS LIMITED - IN ADMINISTRATION

Current position of Administrator's expenses

- 3.2 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 £
Agents' costs	0.00	0.00	2,500.00	2,500.00
Solicitors' costs	4,130.00	0.00	0.00	4,130.00
Marketing Expense	175.00	0.00	0.00	175.00
Statutory advertising	84.60	0.00	0.00	169.20
Specific penalty bond	96.00	0.00	0.00	96.00

- 3.3 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.
- 3.4 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 Administrator's Proposals Report and approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

4 Charge-Out Rates

- 4.1 Royce Peeling Green Limited's current charge-out rates effective from 1 September 2016 are detailed below.
- 4.2 Please note this firm records its time in minimum units of 6 minutes.

	(Per hour) £
Partner/Senior Insolvency Practitioner	275.00
Senior Manager/ Junior Insolvency Practitioner	250.00
Administrator/Support	102.00 – 150.00

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Notice of administrator's progress report



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Matthew Bannon
Company name	Royce Peeling Green Limited
Address	The Copper Room Deva Centre
Post town	Trinity Way
County/Region	Manchester
Postcode	M 3 7 B G
Country	
DX	
Telephone	0161 608 0000



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse