

The Insolvency Act 1986

Administrator's progress report

Name of Company

28 Black Limited

Company number

04341497

In the
Manchester District Registry

(full name of court)

Court case number
2206 of 2012(a) Insert full
name(s) and
address(es) of
administrator(s)IAWe (a)
Kevin Lucas
Lucas Johnson Limited
22 Greenwood Street
Altrincham
Cheshire
WA14 1RZ

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

From

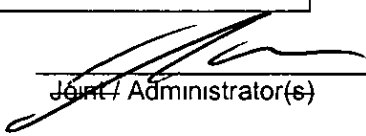
To

(b) Insert date

(b) 9 August 2012

(b) 31 January 2013

Signed


Joint Administrator(s)

Dated

31 JANUARY 2013

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

Kevin Lucas
Lucas Johnson Limited
22 Greenwood Street
Altrincham
Cheshire
WA14 1RZ

DX Number

0161 929 8666
DX Exchange

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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COMPANIES HOUSE

28 BLACK LIMITED - IN ADMINISTRATION

**Administrator's Progress Report pursuant to Rule 2.110 of the Insolvency Rules 1986
For the period from 9 August 2012 to 31 January 2013**

**28 BLACK LIMITED - IN ADMINISTRATION
FOR THE PERIOD FROM 9 AUGUST 2012 TO 31 JANUARY 2012**

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**28 BLACK LIMITED - IN ADMINISTRATION
FOR THE PERIOD FROM 9 AUGUST 2012 TO 31 JANUARY 2012**

1. STATUTORY INFORMATION

Name of Administrator	Kevin Lucas		
Date of appointment	9 February 2012		
Appointed by	CPI Apparel (Holdings) Limited – as Qualifying Floating Charge Holder		
Court reference number	High Court of Justice, Chancery Division, Manchester District Registry Number 2206 of 2011		
Company name	28 Black Limited		
Registered number	04341497		
Date of incorporation	17 December 2001		
Any other trading name	Fashion Exchange Retail		
Registered office	Carlton Place, 22 Greenwood Street, Altrincham WA14 1RZ		
Former registered office	Blackfriars House, Parsonage, Manchester M3 2JA		
Principal trading address	Unit 7a, Trafalgar Business Park, Broughton Lane, Manchester M7 9TZ		
Directors	<i>Name</i>	<i>Appointed</i>	<i>Resigned</i>
	Michael Margolis	17/12/2001	14/11/2011
	Michael Margolis	16/01/2012	-
	Charles Pi	02/02/2002	14/11/2011
Company Secretary	Not appointed		
Shareholders	CPI Apparel (Holdings) Limited – 1 Ordinary £1 share		
Registered Charges	Fixed and floating charge in favour of The Royal Bank of Scotland Plc – created 24 July 2003		
	Charge Deposit Deed in favour of The Royal Bank of Scotland Plc – created 28 July 2003		
	Fixed and floating charge in favour of The Royal Bank of Scotland Plc – created 29 January 2006		

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Registered Charges (Cont)

Rent Deposit Deed in favour of Timothy John Heard –
created 14 February 2008

Fixed and floating charge in favour of CPI Apparel (Holdings)
Limited – created 21 October 2011

**28 BLACK LIMITED - IN ADMINISTRATION
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2 INTRODUCTION

- 2.1 Kevin Lucas was appointed Administrator of 28 Black Limited ("the Company") on 9 February 2012 by CPI Apparel (Holdings) Limited ("CPI") as Qualifying Floating Charge holder of the Company pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 ("the Act")
- 2.2 This progress report covers the period from 9 August 2012 to 31 January 2013 and is issued pursuant to Rule 2.110 of the Insolvency Rules 1986 ("the Rules") to provide creditors with a final update on the progress of the Administration to date
- 2.3 The Administrator's proposals ("the Proposals") were deemed approved by creditors on 11 April 2012
- The Administrator continues to manage the business, affairs and property of the Company in such a manner as he considers expedient with a view to achieving the statutory purposes of the Administration, whilst generally exercising his powers as contained in Schedule 1 of the Act
 - That the Administration is concluded at a time the Administrator sees fit by either
 - making of an application under Paragraph 79 of Schedule B1 of the Act, following which the Administrator requests that the Company be placed into compulsory liquidation and Kevin Lucas may be appointed Liquidator, if he so desires, or
 - filing the necessary returns at Court and the Registrar of Companies to place the company into creditors' voluntary liquidation pursuant to paragraph 83 of Schedule B1 of the Act and that Kevin Lucas be appointed Liquidator, or
 - filing the necessary returns at Court and with the Registrar of Companies to dissolve the Company pursuant to paragraph 84 of Schedule B1 of the Act
 - The Administrator be discharged from all liability pursuant to paragraph 98 of Schedule B1 of the Act upon the Administration ending or the Administrator's appointment ceasing to have effect

3 PROGRESS OF THE ADMINISTRATION

- 3.1 The Proposals advised that the Administration was being conducted with a view of achieving the third objective of Administration, namely realising property in order to make a distribution to one or more secured or preferential creditors

- 3.2 There have been no amendments to, or deviations from the Proposals

Cash at Bank

- 3.3 As previously advised, cash at bank of £84,032.85 has been received from The Royal Bank of Scotland Plc. This is the sole asset in the Administration
- 3.4 Bank interest of £51 has also been received

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Future Realisations

3 5 There are no anticipated future realisations

4. RECEIPTS AND PAYMENTS ACCOUNT AND EXPENSES INCURRED

4 1 A receipts and payments account for the period is attached at Appendix 1

4 2 As detailed in the first six monthly progress report the petitioning creditor's costs of £2,366.50 were agreed. These were subsequently paid during the period of this report. In addition, a first interim distribution to CPI of £40,000 under its floating charge was also made during the period – see Section 6 for further information

5. ADMINISTRATOR'S REMUNERATION AND DISBURSEMENTS

5 1 Remuneration for the Administrator was approved by creditors to be based on time costs. Fees of £5,000 plus VAT were drawn during the period of the last report to cover both pre-appointment fees of £3,217.50 and post-appointment fees of £1,782.50, both plus VAT.

5 2 The Administrator's time costs for the period of this report are £1,645 and are shown in more detail in Appendix 2. This represents 8.9 hours at an average hourly rate of £185. This relates to time spent on progressing the case to closure and to completing statutory tasks in accordance with the Administrator's duties.

5 3 The Administrator's cumulative time costs for the period 9 February 2012 to 31 January 2013 are £7,990 and are shown in more detail in Appendix 2. This represents 35.8 hours at an average hourly rate of £223.

5 4 For further information relating to Administrator's time costs in accordance with Statement of Insolvency Practice 9, please see the ICAEW's website at the following address: www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-to-administrators-fees-england-and-wales.ashx

5 5 Should you be unable to obtain a copy from this address, please contact this office.

5 6 Disbursements incurred by the Administrator are split into 2 categories. Category 1 disbursements are disbursements paid to third parties and are shown under the relevant expense headings in the receipts and payments account. Category 2 disbursements are disbursements that are incurred but where no payments are made to third parties and require approval. These have been previously approved by creditors and have been incurred as follows:

	Incurring during the period 09/02/12– 08/08/12	Incurring during the period 09/08/12 – 31/01/13	Total Incurred
	£	£	£
Software Licence Fee	125.00	0.00	125.00
Specific Bond	400.00	0.00	400.00
Court Filing Fee	35.00	0.00	35.00
Advertising	126.68	0.00	126.68
TOTAL	686.68	0.00	686.68

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- 5 7 Of those disbursements incurred, a total of £125 plus VAT has been paid in relation to the software licence fee
- 5 8 In addition to the disbursements detailed in paragraph 5 4, the Administrator has also instructed the following professionals to assist him in relation to the Company
- *N J Goodman & Co – Legal advice in relation to the validity of the appointment and assistance in negotiating the petitioning costs*
- 5 9 As required by Statement of Insolvency Practice Number 9, a schedule of the Administrator's charge out rates and disbursement charging policies is shown at Appendix 3
- 5 10 Under Rule 2 47(1)(fa) of the Rules the Administrator is required to draw creditors' attention to Rules 2 109, which provides that any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors or the permission of the court, may no later than 8 weeks after receipt of the progress report make an application to the court on the grounds that the remuneration charged by the Administrator, the basis fixed for the Administrator's remuneration, or the expenses incurred by the Administrator, are in the circumstances excessive or inappropriate

6 OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

Secured Creditors

- 6 1 There is an amount outstanding of £436,535 in relation to CPI's floating charge, the validity of which has been confirmed by N J Goodman & Co
- 6 2 On 3 October 2012, a first interim distribution of £40,000 was paid to CPI under their floating charge
- 6 3 It is anticipated that a second and final distribution of approximately £16,000 will be made to CPI following the Company's move into Liquidation

Preferential Creditors

- 6 4 A preferential claim has been received from the Redundancy Payments Service in the amount of £1,185 33 This will be agreed and paid in full by the Liquidator

Unsecured Creditors

- 6 5 As per the estimated Statement of Affairs, unsecured creditors were expected to amount to £79,701 Claims of £99,494 have been received to date from six creditors
- 6 6 It is expected that a distribution will be made to unsecured creditors upon the Company moving into Liquidation As there is a qualifying floating charge, Section 176A of the Act in relation to the Prescribed Part does apply
- 6 7 It is anticipated that there will be approximately £17,000 available to unsecured creditors by virtue of the Prescribed Part However, this amount will be subject to costs of distribution

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- 6 8 Any creditor who has not yet submitted a proof of debt form is invited to complete the form attached to this report. Unsecured creditors who have previously submitted a claim do not need to resubmit their claim in this matter.

Investigations and Directors' conduct reporting

- 6 9 The Administrator has completed his duties under the Company Directors Disqualification Act and submitted a confidential report to the Department of Business, Innovation and Skills.
- 6 10 Our investigations into the company's affairs have not highlighted any potential rights of action that could be taken by an Administrator or Liquidator for the benefit of company creditors.

Exit

- 6 11 The Company will shortly move from Administration into Creditors' Voluntary Liquidation in accordance with Paragraph 83 of Schedule B1 of the Act. It is proposed that Kevin Lucas will be appointed Liquidator.
- 6 12 As the Administrator's remuneration was approved by the floating charge holder, the Liquidator will need to obtain approval from the unsecured creditors in order to draw remuneration in the Liquidation. This will be done shortly after the Company moves into Creditors' Voluntary Liquidation.

Statement under Rule 2 47(1)(fa)

- 6 13 Within 21 days of receipt of this report, a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, or with the permission of the court upon an application made within that period of 21 days any unsecured creditor, may request in writing that the Administrator provides further information about remuneration or other expenses, as detailed in the progress report.

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APPENDIX 1 – RECEIPTS AND PAYMENTS ACCOUNT

28 Black Limited - in Administration

Receipts and Payments Account for the period 09/08/2012 to 31/01/2013

	Statement of Affairs £	Movement From 09/08/2012 to 31/01/2013 £	Cumulative From 09/02/2012 to 31/01/2013 £
RECEIPTS			
Cash at Bank	83,000 00	-	84,034 95
Bank Interest Gross	-	32 87	51 32
	<u>83,000 00</u>	<u>32 87</u>	<u>84,086 27</u>
PAYMENTS			
Software Licence Fee		-	125 00
Petitioners' Costs		2,366 35	2,366 35
Pre-Appointment Costs		-	3,217 50
Administrator's Fees		-	1,782.50
Legal Fees		686 10	686 10
Corporation Tax		10 26	10 26
Distribution to Floating Charge Holder		40,000 00	40,000 00
		<u>43,062 71</u>	<u>48,187 71</u>
Balance in Hand			<u><u>35,898.56</u></u>
Represented By			
Current Account			34,736 94
VAT Control Account			<u>1,161 62</u>
			<u><u>35,898.56</u></u>

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APPENDIX 2 – SIP 9 TIME ANALYSES

Breakdown of Time Spent

For the Period 09/08/2012 to 31/01/2013

Hours							
Classification of work	Director	Manager	Other Senior Professionals	Assistants and Support Staff	Total Hours	Time cost £	Average hourly rate £
Administration and planning	0 4	-	8 0	-	8 4	1,520 00	180 95
Investigations	-	-	-	-	-	-	-
Realisation of assets	-	-	-	-	-	-	-
Creditors	0 3	-	0 2	-	0 5	125 00	250 00
Total	0 7	-	8 2	-	8 9	1,645 00	184 83

Cumulative Breakdown of Time Spent

For the Period 09/02/2012 to 31/01/2013

Hours							
Classification of work	Director	Manager	Other Senior Professionals	Assistants and Support Staff	Total Hours	Time cost £	Average hourly rate £
Administration and planning	9 4	-	8 0	9 1	26 5	5,812 50	219 34
Investigations	0 0	-	0 3	0 0	0 3	52 50	175 00
Realisation of assets	2 4	-	0 8	0 0	3 2	860 00	268 75
Creditors	2 0	-	0 2	3 6	5 8	1,265 00	218 10
Total	13 8	-	9 3	12 7	35 8	7,990 00	223 18

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APPENDIX 3 – ADMINISTRATOR’S CHARGE OUT RATES AND CATEGORY 2 DISBURSEMENTS

CHARGE OUT RATES AND DISBURSEMENT POLICY EFFECTIVE FROM 1 SEPTEMBER 2011

GRADE	RATE £ per hour
Director	300
Manager	200
Senior Administrator	175
Administrator	125
Junior and Support	75

These rates are applied across all insolvency appointments and subject to approval by the general body of creditors or a creditors’ committee

Time spent on a matter is recorded in 6 minute units, therefore 10 units are charged per hour

Disbursements incurred in the course of an appointment are recharged to the case in accordance with Statement of Insolvency Practice Number 9 Disbursements are split into two categories – Category 1 and Category 2

Category 1 disbursements are specific costs incurred in dealing with insolvency appointments and payable to third parties, for example statutory advertising and postage

Category 2 disbursements, such as stationery, photocopying and mileage and are not separately recorded or payable to a third party are re-charged by this firm at the following rates

Mileage	50p per mile
Photocopying and stationery	£10 per creditor
Storage of files	£30 per box
Meeting room hire (where an internal room is used)	£50 per hour