

The Insolvency Act 1986

Administrator's progress report

Name of Company
Aascent Finance Company Limited

Company number
04389134

In the High Court of Justice
Chancery Division
Companies Court

Court case number
5503/08

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

We (a) Malcolm Shierson and Daniel Smith of Grant Thornton UK LLP, 30 Finsbury Square,
London, EC2P 2YU

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

from

to

(b) 7 July 2008

(b) 6 January 2009

(b) Insert dates

Signed

Joint Administrator

Dated

13 January 2009

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

	Tel
DX Number	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



AJMRD6K9

A50

16/01/2009

269

COMPANIES HOUSE

FRIDAY



Our Ref LHH/RJM/MBS/A00365/PF7

To the Creditors

Recovery and Reorganisation

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

T +44 (0)20 7383 5100
F +44 (0)20 7184 4308
www.grant-thornton.co.uk

"STRICTLY PRIVATE & CONFIDENTIAL"

13 January 2009

Dear Sirs

Aascent Finance Company Limited - In Administration (the Company)

**High Court of Justice, Chancery Division, Companies Court:
Ref 5503/08 of 2008**

1 Introduction

- 1.1 Following the appointment of Daniel Smith and I as Joint Administrators of the above company by the Directors on 7 July 2008, I now report on the progress of the administration to date.
- 1.2 I enclose Form 2.24B together with an account of my receipts and payments for the six months ended 6 January 2009 in accordance with Rule 2.47 of the Insolvency Rules 1986.
- 1.3 In accordance with paragraph 100 (2) of Schedule B1 to the Insolvency Act 1986 the functions of the administrators are to be exercised by any or all of them.
- 1.4 The administration constitutes "main proceedings" under EC Regulation on Insolvency Proceedings.

Chartered Accountants

Member firm within Grant Thornton International Ltd

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No. OC307742. Registered office: Grant Thornton House, Melton Street, Euston Square, London NW1 2EP
A list of members is available from our registered office.

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business.

A list of personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address.

2 Statutory Information

2.1 The Company's statutory details are as follows:

registered number	04389134
registered office	30 Finsbury Square London EC2P 2YU
former trading address	Biba House 14 Bevis Marks London EC3A 7NT

3 Administrators' Proposals

- 3.1 The Joint Administrators proposals were circulated to creditors on 19 August 2008 and were approved without modification on 31 August 2008.
- 3.2 The Joint Administrators have pursued the objective of realising property in order to make a distribution to one or more secured or preferential creditors.
- 3.3 It was proposed that the best way to achieve the objective of the administration was to realise the assets of the company via an orderly wind down of the business.

4 Report & Outcome

- 4.1 As advised in my previous report, the Company's principal trading activity was a provider of Insurance Premium Finance, specialising in commercial insurance. Since its incorporation in 2002, the Company had been a leading 2nd tier player in the growing insurance premium finance market with a highly invested IT platform.
- 4.2 The Company had effectively been loss making since its incorporation, largely due to the significant loan book required to break-even. The Company's loan book as at the date of appointment was significantly below the estimated value required of c£70million to break-even.
- 4.3 During the last year prior to the onset of insolvency, Barclays Bank Plc (the Bank), had assisted the Company in an attempt to preserve the business, whilst a sale of the business and its assets was pursued.
- 4.4 A sale of the business was not achieved and with losses continuing, the Directors decided that the Company was insolvent and that it was in the best interest of the creditors to appoint administrators and on 7 July 2008, Daniel Smith and I were appointed Joint Administrators.

- 4.5 Upon our appointment, key staff members were retained to assist in collecting the existing loan book. All other staff were made redundant. The retained staff are assisting the Joint Administrators' with loan book collections, funding Mid Term Adjustments and the collection of outstanding debtors.

Assets

- 4.6 The Company's assets can be identified as falling within the following categories;

Current Loan Book

- 4.7 The Directors Statement of Affairs indicated an amount of c£21million for the outstanding loan book at the date of appointment. The Joint Administrators completed a detailed review and concluded that the collectable loan book amounted to c£20million, for which a minimum of £17.6million was deemed recoverable. This takes into account loans not taken up, cancellations and defaults.
- 4.8 I am continuing to realise the outstanding loans and to date c£16.3million has been realised.
- 4.9 Collections will continue to be realised for the remaining duration of the loan term, which we anticipate will be finalised by May 2009. We have made further redundancies in order to take account of the reducing levels of collections.

IT & Software

- 4.10 The company has IT hardware and software based at its office. As the Company is continuing to trade, this equipment is still required. Therefore, assets are not expected to be realised until trading has been completed, and I can not confirm the estimated likely realisation value at this stage, although we expect this to be minimal.

Pre-Paid Commission

- 4.11 A number of brokers were paid commission in advance and I am currently pursuing the recovery of these sums. To date £1,568 has been collected.

Fixture & Fittings

- 4.12 As advised above, I am continuing to trade the Company whilst I collect the loan book. However, due to the reduction in staff numbers and the lease on the Company's trading office expiring, the Joint Administrators' have moved the Company's office to smaller furnished premises. The majority of the furniture was sold to a third party for £2,162. My agents, Edward Symmons, are in the process of selling the remaining furniture, although further realisations are expected to be minimal.

Liabilities

4.13 The estimated liabilities of the Company are as follows:

Secured Creditor

4.14 The Bank, holds a fixed, and floating charge over the Company's assets. At the date of our appointment, the Banks indebtedness was approximately £32million. To date £15million has been distributed to the Bank as the secured creditor.

Preferential Creditors

4.15 Upon my appointment, ten members of staff were made redundant. Further redundancies were made in October 2008 and are due to be made in January 2009. All of the employees preferential claims were paid by the Joint Administrators, therefore there are no outstanding preferential liabilities.

Unsecured Creditors

4.16 As advised in my Statement of Proposals, the current estimates of the total unsecured creditors stands at c£961k. There will be insufficient funds to enable a distribution to be made to the unsecured creditors, even through the virtue of the Prescribed Part.

5 Exit Route From Administration

5.1 As advised above, as it is anticipated that there will be insufficient funds to pay a dividend to the unsecured creditors. Therefore, as proposed in the Statement of Proposals, the Joint Administrators will pay the secured and preferential creditors, to the extent that they are able, and that the administration will end by the Company being dissolved pursuant to paragraph 84 of Schedule B1 of the Insolvency Act 1986.

5.2 However, should realisations be significantly better than expected which will allow a distribution to the unsecured creditors, then the Company will be placed into Creditors Voluntary Liquidation, and Daniel Smith and I will be appointed as Joint Liquidators.

5.3 The Joint Administrators advise that they will seek to be discharged from liability 14 days after the final report is filed in Companies House pursuant to paragraph 98 of Schedule B1 of the Insolvency Act 1986. As it is anticipated that there will be no distribution to the unsecured creditors, the Joint Administrators will seek approval for release from the administration from the secured and preferential creditors.

6 Administrators' Remuneration And Disbursements

- 6.1 In accordance with Statement of Insolvency Practice (SIP 9), I attach as Appendix B a summary of my time costs to 6 January 2009 by grade of staff and type of work. This shows total time costs of £289,575, representing 1,117 hours at an average of £259 per hour. Details of any matters which have had a significant impact on the time costs are included in the appendix, together with details of any disbursements charged during the period under review.
- 6.2 The Administrators' remuneration is determined in accordance with Rule 2.106 of the Insolvency Rules 1986, as amended by the Enterprise Act 2002. Where a statement to the effect that there will be no funds available to unsecured creditors, the Joint Administrators remuneration will be approved by the company's secured and preferential creditors (if applicable). A total of £140,000 has been agreed and drawn to date.
- 6.3 The Administrators' will charge out of pocket expenses at cost. Mileage is charged at standard rates which comply with HM Revenue and Customs limits or AA recommended rates. VAT is added to disbursement charges as necessary.
- 6.4 Background information regarding the fees of administrators can be found at <http://www.insolvency-practitioners.org>. (navigate via Technical to 'Creditors Guide to Fees'). Alternatively I will supply this information by post on request.
- 6.5 Should you have any further queries, please contact Lucy Harris of this office on 020 7728 2997.

Yours faithfully
for and on behalf of Aascent Finance Company Limited



Malcolm Shierson
Joint Administrator

Aascent Finance Company Limited - In Administration

Summary of Receipts & Payments
For The Period 7 July 2008 to 6 January 2009

Receipts	Total (£)
Loan collections	16,285,044
Close Pipeline Funding - Trust Monies	11,718
Furniture & Equipment	2,162
Cash at bank	76,215
Bank interest	18,376
	<hr/>
	16,393,515
 Payment	
Net wages	104,203
PAYE & NI	45,353
Employee expenses	1,610
Rents	18,649
Telephone	3,604
Heat & Light	2,825
Property expenses	1,452
Close - Management Fee	72,097
Mid Term Adjustments	632,432
Funding payments	45,729
Broker commission	16,129
Debt collection costs	684
Forensic investigation fee	18,767
Administrators' fees	140,000
Administrators' expenses	1,435
Legal fees	2,863
IT fees	63,210
Re-Direction of mail	50
Postages	900
Statutory advertising	220
Bank charges	1,411
Floating charge creditor	15,000,000
VAT irrecoverable	33,800
	<hr/>
	16,207,422
 Cash in hand	
	<hr/>
	186,093

Statement of Insolvency Practice 9

Ascent Finance Company Limited - In Administration
 Joint Administrators' Time Costs & Disbursements 7 July 2008 to 6 January 2009

Work Description	Partner		Manager		Senior		Admin/Support		Total Hrs	Total £	Average hourly rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£			
Administration and Planning	38	18,348	127	45,547	142	27,112	245	36,509	552	127,516	231
Investigations			12	4,382			7	960	19	5,342	289
Realisation of Assets	36	17,160	67	24,495	23	5,410	20	3,366	146	50,431	346
Creditors			56	21,974	31	7,313	29	4,134	117	33,421	286
Trading			107	38,952	44	10,341	132	23,572	283	72,865	257
Total	74	35,508	369	135,350	240	50,176	433	68,541	1,117	289,575	259
Disbursements										1,435	
Grand Total										291,010	
Total Drawn to Date										(141,435)	
Total Outstanding										149,575	

Administration & Planning &
 Legal Matters

Includes: Case planning; statutory obligations (eg holding meetings; statutory returns); maintenance of cash and estate records; general correspondence; reporting to creditors; insurance; on site trading during wind down of operations; correspondence with solicitors on all legal matters.

Investigations

Statutory duty of investigation into the company's affairs under Statement of Insolvency Practice (SIP2) and reporting the conduct of the directors to the Department of Trade and Industry under the Company Directors Disqualification Act 1986

Realisation of Assets

Includes: realisation of debtors; realisation of fixtures and fittings and stock and tax planning for realisations.

Creditors

Preferential creditors: dealing with redundancies, correspondence with employees; calculation and payment of preferential claims; correspondence with the Department of Trade and Industry; dealing with pensions;
 Unsecured creditors: correspondence with creditors; dealing with third party assets; dealing with retention of title claims.

Trading

Includes: Overseeing the day to day running of the business; paying wages, suppliers