

The Insolvency Act 1986
Administrator's progress report

Name of Company Harvard Technology Limited	Company number 04442616
In the High Court of Justice, Chancery Division Companies Court (full name of court)	Court case number 368 of 2012

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

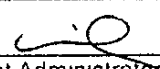
We (a)
David Riley
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

David Thurgood
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

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

(b) Insert date	From (b) 13 January 2012	To (b) 12 July 2012
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Signed


Joint Administrator(s)

Dated

9 8 12

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

David Riley
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

DX Number

Tel/Fax
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

Our Ref JAR/DMR/PAM/CJL/EZF/H01153/PF7

TO THE CREDITORS

Recovery and Reorganisation

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10 August 2012

Dear Sirs

Harvard Technology Limited - In Administration (the Company)
High Court of Justice, Chancery Division, Companies Court
No 368 of 2012

1 Introduction

1.1 Following my appointment as joint administrator of the Company with David Thurgood by a qualifying floating charge holder on 13 January 2012, I now report on the progress of the administration to date and attach

- Appendix A, Form 2.24B, together with an account of our receipts and payments for the period from 13 January 2012 to 12 July 2012 and also for the whole administration to date
- Appendix B, a statement of the remuneration charged by the joint administrators in the period 13 January 2012 to 12 July 2012 and a statement of expenses incurred in the period
- Appendix C, an analysis of our time costs as required by Statement of Insolvency Practice 9
- Appendix D, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator (Rule 2.48A)
- Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses, if excessive (Rule 2.109)

1.2 Please note that we are both authorised by The Insolvency Practitioners Association to act as insolvency practitioners

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

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, Mellon 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	04442616
Registered office	4 Hardman Square, Spinningfields, Manchester, M3 3EB

3 Assets and liabilities

Stock

- 3.1 Following appointment, the joint administrators instructed Edward Symmons and Partners (ES) to conduct an inventory and valuation of the Company's stock
- 3.2 Some of the stock was held at the Company's concession at Alders Department Store, Croydon ("Alders"), as well as at the Company's warehouse premises. Alders had sought to enforce a lien over the stock held at the concession against monies it was seeking to claim against the Company. In conjunction with our solicitors this stance was refuted.
- 3.3 Subsequently, Alders agreed to the release of all stock. Accordingly, ES uplifted the remaining stock held by Alders.
- 3.4 Upon securing the stock from Alders and on advice from ES, an online auction was undertaken to dispose of the remaining stock. Realisations from the auction process totalled £34,272 and all sale proceeds have been collected.

Debtors

- 3.5 The Company's trade debtors comprise monies from its concession partners totalling c£15k, of which c£9,000 was from Alders. To date the sum of £4,600 has been collected from Alders in respect of the outstanding sum owed. The remaining amounts outstanding are disputed and no further realisations are anticipated in this regard.
- 3.6 Additionally, the joint administrators are aware of three further historic trade debts totalling c£114,000. However, all three debts relate to historic legal disputes between the Company and the debtors. Following a review of these matters and considering the ages of the debts claimed, it is considered not to be commercially viable to pursue them further. Accordingly, no further realisations are anticipated from the Company's debtors.

Hire Purchase Asset

- 3.7 Following a review of the Company records it was noted the Company had an interest in a forklift truck held on a hire purchase agreement. Following correspondence with the finance company it was ascertained the truck had positive equity within the agreement. As such upon advice from ES, the truck was sold which yielded a positive income of £1,258 following settlement of the outstanding finance.

Payments during the period

- 3 8 Following appointment the services of two part time employees were retained to assist ES in their review of the Company stock. Accordingly, gross wages of £1,640 were paid during the period. Following the completion of the valuation of the stock, the joint administrators made these employees redundant.
- 3 9 During the period statutory advertising costs and postage costs total £476 and £10 respectively.

Secured Creditor

- 3 10 Barclays Bank Plc (the Bank) holds debentures over the Company's assets registered on 10 August 2009 and 22 December 2010. At the date of appointment, the Bank was owed approximately £440,000 under this security.
- 3 11 It is estimated there will be a shortfall to the Bank under its exposure to the Company.

Preferential Creditors

- 3 12 The remaining two part time employees were made redundant shortly after my appointment.
- 3 13 The employees may have preferential claims against the Company for outstanding holiday and redundancy pay. As yet these claims are yet to be received. Notwithstanding this, given the estimated level of realisations it is unlikely there will be sufficient funds to make a distribution to the preferential creditors in the administration.

Unsecured Creditors

- 3 14 To date I have received unsecured claims totalling c£156,000. Based on current information there will not be any funds available for the unsecured creditors after professional costs including administrators fees, their solicitors and agents and sundry costs.
- 3 15 In accordance with Section 176A of the Insolvency Act 1986, as the first floating charge which is held over the assets of the Company post-dates 15 September 2003, a prescribed part, if available is to be carved out of the floating charge assets and made available to the unsecured creditors of the Company. The calculation is applied to the net property, this being the floating charge assets less certain professional costs and sums due to the preferential creditors. The prescribed part is 50% of the first £10,000 of realisations and 20% of all further realisations up to £2,975,000.
- 3 16 The prescribed part carve out will only become payable if there are sufficient realisations. It is unlikely there will be sufficient net floating realisations to generate a distribution via the prescribed part.

4 Exit Route

- 4 1 It is proposed that the administration will end within the next six months by way of dissolution, at which point the joint administrators require their discharge from liability. Given that there will be no distribution to the unsecured creditors the joint administrators will seek approval from the secured creditor for the discharge of their liability.

5 Joint administrators' remuneration and expenses

5.1 The basis of the joint administrators' remuneration will be determined by the secured creditor in this instance.

5.2 Our fees for acting as joint administrators have been fixed by reference to our time costs. You will note from the SHP 9 table attached at Appendix C that our time costs for the period from 13 January 2012 to 12 July 2012 are £66,153. A statement of the time costs incurred in the period but not drawn as remuneration to date is enclosed at Appendix B, together with details of expenses incurred during the period.

5.3 Background information regarding the fees of administrators can be found at www.insolvency-practitioners.org.uk (navigate via 'Regulation and Guidance' to 'Creditors' Guides to Fees'). Alternatively, we will supply this information by post on request. Time is charged in 6 minute units.

6 Other expenses incurred by the joint administrators

6.1 To date legal fees of £6,260 have been incurred but not yet paid. In the main these costs relate to overseeing the appointment of the joint administrators and corresponding with Alders regarding the release of stock held.

6.2 Based upon the limited realisation in the administration professional fees will be capped.


6.3 Agents fees of £47,198 have been incurred during the period but not yet paid. These costs relate to the sale of the Company stock and hire purchase asset.

6.4 During the period sundry expenses of £135 have also been incurred.

Should you require any further information in this regard please contact James Rutliff on 0207 28 2875.

Yours faithfully

for and on behalf of Harvard Technology Limited


David Riley
Joint Administrator

The other business and property of Harvard Technology Limited are being managed by David Riley and David Charnock appointed as joint administrators on 13 January 2012.

Enc

Harvard Technology Limited - in administration Receipts and payments account from 13 January 2012 to 12 July 2012

	Statement of affairs £	Total £
Receipts		
Plant & Machinery		5,300 00
Stock	20,000 00	34,272 82
Book Debts		4,600 09
Bank/ISA InterestGross		1 76
Vat Payable		7,914 56
		<u>52,089 23</u>
Payments		
Gross Wages		1,640 00
Heat & Light		174 72
Advertising		476 50
Postages		10 26
Legal Fees		125 00
Bank Charges		2 74
HP/Lease company		4,042 36
Vat Receivable		212 25
Fixed Ch Vat Receivable		25 00
		<u>6,708 83</u>
Balance - 12 July 2012		<u><u>45,380 40</u></u>
Made up as follows		
Floating Current Account		45,380 40
		<u><u>45,380 40</u></u>

B Remuneration charged and expenses incurred by the administrators in the period

	Paid in period of report	Charged/ accrued in period but not yet paid	Total
	£	£	£
Joint administrators' fees			
Time costs	-	66,453	66,453
Expenses	-	135	135
Legal fees	-	6,260	6,260
Agents Fees	-	47,198	47,198
	<u>-</u>	<u>120,046</u>	<u>120,046</u>

nb Due to the level of realisations all professional fees will be capped

C SIP 9 information

Introduction

The following information is provided in connection with the administrators' remuneration and disbursements in accordance with SIP 9

Explanation of Grant Thornton UK LLP charging and disbursement recovery policies

Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown on the attached schedule. Details of the hourly charge-out rates are made available to creditors or committees at the time of fixing the basis of our fees. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it.

	From 01/07/09	From 01/07/10	From 01/07/11	From 01/07/12
	£	£	£	£
Partners up to	510	535	560	580
Managers up to	385	405	425	440
Administrators up to	275	285	300	310
Assistants and support staff up to	190	195	205	210

Disbursements

Out of pocket expenses are charged 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.

HARVARD TECHNOLOGY LIMITED - IN ADMINISTRATION

SIP 9 TIME COST ANALYSIS FOR THE PERIOD FROM 13 JANUARY 2012 TO 12 JULY 2012

	Partner/Director Hrs	£	Manager Hrs	£	Executive Hrs	£	Admin/Support Hrs	£	Total Hrs	£	Average Hourly Rate
Administration and Planning	31.80	14,628.00	3.60	1,532.50	21.81	5,388.10	57.29	10,746.40	114.50	32,295.00	282.05
Investigations	3.05	1,503.00	0.00	0.00	1.40	350.00	4.85	970.50	9.30	2,823.50	303.60
Realisations of Assets	3.85	1,771.00	5.50	2,337.50	17.20	4,264.00	26.30	5,369.00	52.85	13,741.50	260.01
Creditors	8.90	4,094.00	0.00	0.00	27.20	6,808.00	34.45	6,691.25	70.55	17,593.25	219.37
Grand Total	47.60	21,996.00	9.10	3,870.00	67.61	16,810.10	122.89	23,777.15	247.20	66,453.25	268.82

Administration & Planning

Includes general administration and planning, initial stages work reporting court filings, physical filing internal compliance reviews, case planning statutory obligations (eg statutory returns), maintenance of cashbook and estate records and general correspondence

Investigations

Includes statutory investigation conducted by the joint administrators regarding the conduct of the Company directors

Realisation of Assets

Includes realising the Company assets including stock and and leased assets

Creditors

Includes establishing company creditors (including secured creditor), circulation of statutory documentation corresponding with unsecured creditors, dealing with creditor correspondence liaising with secured creditor

D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator

Rule 2 48A

- (1) If
 - (a) within 21 days of receipt of a progress report under Rule 2 47 -
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)
- (2) The administrator complies with this paragraph by either -
 - (a) providing all of the information asked for, or
 - (b) so far as the administrator considers that
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
 - (iii) the administrator is subject to an obligation of confidentiality in respect of the information,
 giving reasons for not providing all of the information
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of -
 - (a) the giving by the administrator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),
 and the court may make such order as it thinks just
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just

E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses if excessive

Rule 2.109

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that -
 - (a) the remuneration charged by the administrator,
 - (b) the basis fixed for the administrator's remuneration under Rule 2.106, or
 - (c) expenses incurred by the administrator,
 is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 2.48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders -
 - (a) an order reducing the amount of remuneration which the administrator was entitled to charge
 - (b) an order fixing the basis of remuneration at a reduced rate or amount
 - (c) an order changing the basis of remuneration
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration
 - (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify
 and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration

The Insolvency Act 1986
Administrator's progress report

Name of Company Harvard Technology Limited	Company number 04442616
In the High Court of Justice Chancery Division Companies Court (full name of court)	Court case number 368 of 2012

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

We (a)
David Riley
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30 Finsbury Square
London
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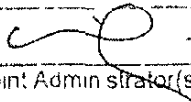
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administrator(s) of the above company attach a progress report for the period

(b) Insert date

From (b) 13 January 2012	To (b) 12 July 2012
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Signed


Joint Administrator(s)

Dated

9.8.12