

The Insolvency Act 1986

**Administrator's progress report**

Name of Company

Britspace Modular Buildings Ltd

Company number

04503758

In the  
High Court of Justice

(full name of court)

Court case number  
7169 of 2011(a) Insert full  
name(s) and  
address(es) of  
administrator(s)I/We (a)  
David Thornhill  
FRP Advisory LLP  
1 St Ann Street  
Manchester  
M2 7LRGeoffrey Paul Rowley  
FRP Advisory LLP  
10 Furnival Street  
London

EC4A 1YH

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

From

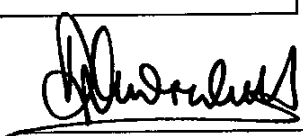
(b) 15/08/2011

To

(b) 14/02/2012

(b) Insert date

Signed

  
Joint / Administrator(s)

Dated

15/03/12.

FRIDAY



QIQ

\*Q14SDBR7\*  
16/03/2012  
COMPANIES HOUSE

#105



**FRP Advisory LLP**  
1 St Ann Street  
Manchester  
M2 7LR  
Tel +44(0)161 833 3344  
Fax +44(0)161 833 5633  
www.frpadvisory.com

**To All Creditors**

your ref:

our ref: B1179MAN/DT/FR/DC

date: 15 March 2012

Please ask for: Dominic Castle

Dear Sirs

**BRITSPACE MODULAR BUILDINGS LTD (IN ADMINISTRATION) ("THE COMPANY")  
In The High Court of Justice No. 7169 of 2011**

Further to my appointment as Joint Administrator of the above Company on 15 August 2011, I provide my progress report on this administration for the period 15 August 2011 to 15 February 2012 ("the period") in accordance with Rules 2.47 of the Insolvency Rules 1986.

I attach:

- Appendix A - Statutory information regarding the Company and the appointment of the Administrators
- Appendix B - Form 2.24B, formal notice of the progress report
- Appendix C - Receipts and payments account
- Appendix D - Details of my firms' time costs and disbursements incurred in the period
- Appendix E - Statement of expenses incurred in the period

**1. The Administrators' Proposals**

In their statement of proposals dated 5 October 2011 the Joint Administrators set out the following proposals:

- That objective (b) as detailed in Paragraph 3(1) of Schedule B1 to the Insolvency Act 1986, a better result for the Company's creditors as a whole, than would be likely if the Company had been wound up without first being in administration.
- That, in order to achieve the objective set out above, the Joint Administrators continue to manage the business, affairs and property of the Company.
- That the administration continue until the realisable assets of the Company have been realised and all liabilities incurred during the administration have been discharged.
- The administration may be extended by six months prior to the one year anniversary.
- If the Joint Administrators consider the company has no property which might permit a distribution to its unsecured creditors they will send notice to the Registrar of Companies and three months after the filing of such notice the Company will be deemed to be dissolved
- If the Joint Administrators are of the view that it is appropriate for the Company to be placed into liquidation they may take steps to place the Company into whichever process they deem appropriate.

As the Joint Administrators considered that the Company has insufficient property to enable a distribution to be made to the unsecured creditors the following additional proposals were included for consideration by the secured creditors and preferential creditors:

- The Joint Administrators fees plus VAT be approved on a time cost basis.

- The Joint Administrators discharge from liability shall take effect 30 days after the Company enters liquidation or the filing of the notice of moving from administration to dissolution.
- That the unpaid pre-administration costs set out in Appendix F to the report of 5 October 2011 be authorised to be drawn as an expense of the administration.

## **2. Progress of the Administration**

I attach at Appendix C a receipts and payments account for the period 15 August 2011 to 15 February 2012.

The only assets still to be realised in relation to the Company are book debts and retentions relating to work carried out by it in the period leading up to the administration. The Joint Administrators have instructed Messrs Leslie Keats (Quantity Surveyors) to assist and advise them in relation to the collection of outstanding sums.

The Joint Administrators retained a small number of employees for a period following their appointment to allow for the dispatch of a number of completed and part-completed pieces of work in progress. All such work was completed and the site vacated in early November 2011. The Joint Administrators agents (Edward Symmons ("ES")) continued to work on the site in order to achieve a sale of the remaining large items of plant and machinery and stock of the Company, working in conjunction with the Company's landlord which was, at the same time, seeking a sale of the freehold site. An e-auction of items of smaller pieces of equipment, including office furniture and equipment took place during October 2011 and the sale of the remaining items of plant and equipment was completed in January 2012. The values achieved from the sales were in excess of the value originally attributed to these assets by ES.

In addition the Joint Administrators have entered into an agreement to sell the Intellectual Property of the Company. The sale proceeds of £11,500 plus VAT have been received in full.

It is considered that the Joint Administrators strategy of retaining members of the work force to allow the sale of complete and part-completed items to existing customers who expressed a desire to receive the items for which they had placed orders was successful and substantially higher returns have been achieved as a result.

Notwithstanding the above there is no prospect that any dividend will be payable to the unsecured creditors from this administration.

## **3. Investigations**

Part of my duties include carrying out proportionate investigations into what assets the company has, including any potential claims against directors or other parties, and what recoveries could be made. I have reviewed the company's books and records and accounting information, requested further information from the directors, and invited creditors to provide information on any concerns they have concerning the way in which the company's business has been conducted.

I have also conducted investigations into the conduct of the directors of the Company in the period leading up to its insolvency and these enquiries are continuing. I shall, in due course submit returns to the Department for Business Innovation and Skills with the results of my enquiries. These returns remain confidential between myself and the Department.

11222  
AKS/MRO/11

#### **4. Estimated Outcome**

As set out in the report of 5 October 2011 the only distribution in this matter will be to Pulse Cashflow Finance Limited ("Pulse") as the first ranking secured creditor.

There is no prospect of any distribution to either preferential creditors or non-preferential unsecured creditors.

#### **5. Administrators' Pre-Appointment Costs**

Pre-appointment costs totalling £21,999.05 were set out in the report dated 5 October 2011. Approval for the payment of these costs was approved by the secured creditors and a majority of the preferential creditors whose votes on the proposal were received by 27 October 2011. In fact the amount of pre-appointment legal fees and disbursements paid totalled £5,362.65, somewhat below the total of £5,529.15 set out in the earlier report.

#### **6. Administrators' Remuneration, Disbursements and Expenses**

Turning to our costs for acting as Joint Administrators in this matter, our remuneration as Administrators is based on computerised records of all time spent on the administration of this case. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and experience required. Time is charged to the case in maximum of 6 minute units. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters. Charge out rates are reviewed at least annually, details of FRP Advisory LLP charge out rates are included at Appendix D. A breakdown of our time costs incurred during the period of this report, in accordance with Statement of Insolvency Practice 9 is set out at Appendix D.

The sum of £200,000 plus VAT has been drawn in respect of these costs as set out in the receipts and payments account attached.

The Joint Administrators' disbursements are a recharge of actual costs incurred by the Joint Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP Advisory at the HMRC approved mileage rate prevailing at the time the mileage was incurred. Details of disbursement incurred during the period of this report are set out in Appendix D. None of these disbursements have been paid to date.

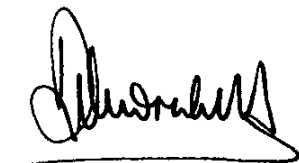
I attach at Appendix E a statement of expenses that have been incurred during the period covered by this report including a cumulative summary of expenses incurred to date.

Creditors have a right to request further information from the Administrators under Rule 2.48A of the Insolvency Rules 1986 and further have a right to challenge the Administrators' remuneration and other expenses, which are first disclosed in this report, under Rule 2.109 of the Insolvency Rules 1986. Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link <http://www.frpadvisory.com/fees-guide.html> and select the one for administrations. Alternatively a hard copy of the relevant guide will be sent to you on request. Please note there is a time limit for requesting information being 21 days following the receipt of this progress report. There is a time limit of 8 weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive.

1-122P  
14/10/2011

Form 2.24B, formal notice of the progress report is also attached.

If you have any queries about this report or the progress of the administration, please do not hesitate to contact Dominic Castle at this office.



**David Thornhill**  
**Joint Administrator**

Licensed in the United Kingdom by the Institute of Chartered Accountants in England & Wales

**The Joint Administrators act as agents of the Company and without personal liability.**

**The affairs, business and property of the Company are being managed by David Thornhill and Geoffrey Paul Rowley who were appointed Joint Administrators on 15 August 2011.**

11-12-11  
GPRP  
Geoffrey Paul Rowley

**Britspace Modular Buildings Ltd**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 15/08/2011 To 14/02/2012	From 15/08/2011 To 14/02/2012
	<b>SECURED ASSETS</b>		
314,000.00	Cash at Bank	12,871.69	12,871.69
472,271 00	Book Debts	51,170 28	51,170 28
79,145 00	Retentions	<u>NIL</u>	<u>NIL</u>
		64,041.97	64,041.97
	<b>SECURED CREDITORS</b>		
(960,099 00)	Chargeholder	<u>64,041.97</u>	<u>64,041 97</u>
		(64,041.97)	(64,041 97)
	<b>ASSET REALISATIONS</b>		
66,010 00	Plant & Machinery	234,673 22	234,673.22
	Furniture & Equipment	12,113 00	12,113.00
	Motor Vehicles	14,550 00	14,550.00
	Stock	10,726.55	10,726.55
136,110 00	Stock and Work in Progress	361,462.88	361,462.88
	Cash at Bank	11 65	11 65
	Employee Floats	100 00	100 00
	Petty Cash	747 82	747 82
	Bank Interest Gross	461.50	461.50
	Insurance Policy Refund	2,109.03	2,109.03
	Telephone Refund	25.86	25 86
	Rates Refund	<u>2,597 91</u>	<u>2,597 91</u>
		639,579 42	639,579.42
	<b>COST OF REALISATIONS</b>		
	Pre-Appointment Legal Fees	5,005.00	5,005.00
	Bordereau	387.50	387.50
	Pre Appointment Fees	16,184.00	16,184.00
	Pre Appointment Disbursements	285 90	285.90
	Administrators' Remuneration	200,000 00	200,000 00
	Legal Disbursements	357.65	357.65
	Website Domain Names	85.00	85.00
	Staff Expenses	1,350.59	1,350 59
	Agents/Valuers Fees	64,086.40	64,086.40
	Quantity Surveyors Fees	56,710 08	56,710 08
	Post-Appointment Legal Fees	25,052 00	25,052.00
	Motor Vehicle Finance Company	6,032.90	6,032.90
	Hire of Equipment	11,354.00	11,354.00
	IT Support	21,000.00	21,000.00
	Security Costs	17,655.41	17,655.41
	Storage Costs	40,012.27	40,012 27
	Rents Payable	29,903 66	29,903 66
	R O.T Creditors	6,470.95	6,470 95
	Wages & Salaries	52,851.73	52,851 73
	Bank Charges - Floating	543.93	543.93
	Utilities	<u>13 25</u>	<u>13 25</u>
		(555,342.22)	(555,342.22)
	<b>PREFERENTIAL CREDITORS</b>		
(290,000.00)	Employee Arrears/Hol Pay	<u>NIL</u>	<u>NIL</u>
		NIL	NIL

**Britspace Modular Buildings Ltd**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 15/08/2011 To 14/02/2012	From 15/08/2011 To 14/02/2012
(320,000.00)	FLOATING CHARGE CREDITORS 2nd Floating Charge Creditor	<u>NIL</u> <u>NIL</u>	<u>NIL</u> <u>NIL</u>
(5,607,909.00)	UNSECURED CREDITORS Trade & Expense Creditors	<u>NIL</u>	<u>NIL</u>
(1,290,433.00)	Employees	<u>NIL</u>	<u>NIL</u>
(1,104,969.00)	H M Revenue & Customs	<u>NIL</u> <u>NIL</u>	<u>NIL</u> <u>NIL</u>
(201,000.00)	DISTRIBUTIONS Ordinary Shareholders	<u>NIL</u> <u>NIL</u>	<u>NIL</u> <u>NIL</u>
<b>(8,706,874.00)</b>		<u><b>84,237.20</b></u>	<u><b>84,237.20</b></u>
	REPRESENTED BY		
	Vat Receivable - Floating		98,464.25
	Bank 2 Current A/c		106,198.47
	Vat Payable - Floating		(120,425.52)
			<u><b>84,237.20</b></u>

David Thornhill  
Joint Administrator