

The Insolvency Act 1986

**Administrator's progress report****2.24B**

Name of Company  
ACRELANE JOINERY LIMITED

Company number  
04760951

In the  
HIGH COURT OF JUSTICE, CHANCERY DIVISION  
COMPANIES COURT

Court case number  
5691 OF 2008

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

I/ We (a) Paul Appleton and Henry Lan of David Rubin & Partners, 26 – 28 Bedford Row, London WC1R 4HE

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

(b) Insert dates

from

(b) 22 JULY 2008

to

(b) 21 JANUARY 2009

Signed

[Signature]  
Joint Administrator(s)

Dated

22/1/09

**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 RUBIN & PARTNERS

26-28 BEDFORD ROW

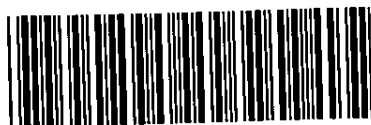
LONDON WC1R 4HE

Tel 020 7400 7900

DX Number

DX Exchange

THURSDAY



\*A4YU974Q\*

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05/02/2009

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COMPANIES HOUSE

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: PA/DM/A'G/A959/Stg 2

# David Rubin & Partners

Your Ref:

Chartered Accountants • Licensed Insolvency Practitioners

**TO ALL KNOWN CREDITORS**

26-28 Bedford Row  
London WC1R 4HE

DX 267 LONDON/CHANCERY LANE

Telephone: 020 7400 7900  
Facsimile: 020 7242 3233  
E-Mail: [addressee]@drpartners.com  
Website: www.drpartners.com

Also at: North Finchley and Watford

28 January 2009

Dear Sirs

## **ACRELANE JOINERY LIMITED - IN ADMINISTRATION**

I enclose, for your information, the Joint Administrators' Progress Report as at 21 January 2009, issued pursuant to Rule 2.47 of the Insolvency Rules 1986 (as amended).

I trust that the report is self-explanatory but, should you have any queries in respect of the same, please do not hesitate to contact my Manager, David Marks.

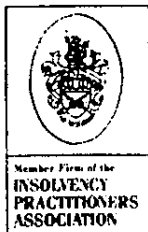
Yours faithfully  
**for and on behalf of**  
**Acrelane Joinery Limited - In Administration**

## **P R APPLETON – JOINT ADMINISTRATOR**

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

*Paul Appleton and David Rubin were appointed Joint Administrators of Acrelane Joinery Limited on 22 July 2008 and are managing the affairs, business and property of the Company.*

*Paul Appleton and David Rubin are licensed to act as Insolvency Practitioners by the ICAEW.*



David Rubin FCA, FCCA, MIPA, FABRP, CFE  
Paul Appleton BA(Hons), FCA, MIPA, MABRP  
Henry Lan FCA, MIPA, FABRP  
Asher Miller BSc(Hons), ACA, MIPA, MABRP  
Rod Reeken ACA, (NZ)

**CHANCERY DIVISION**

**COMPANIES COURT**

**ACRELANE JOINERY LIMITED - IN ADMINISTRATION**

**REPORT TO CREDITORS AS AT 21 JANUARY 2009**

**1. INTRODUCTION**

This report is addressed to the creditors of Acrelane Joinery Limited - In Administration ("the Company") in accordance with Rule 2.47 of the Insolvency Rules 1986 (as amended).

**2. COMPANY INFORMATION**

Company Name: Acrelane Joinery Limited  
Registered Office: First Floor, 26-28 Bedford Row, London WC1R 4HE  
Company Number: 04760951

**3. JOINT ADMINISTRATORS' APPOINTMENT**

We, Paul Robert Appleton and David Rubin of David Rubin & Partners, 26-28 Bedford Row, London WC1R 4HE, were appointed Joint Administrators of the Company by the Company's Director on 22 July 2008.

During the period for which the Joint Administrators are appointed, any act required or authorised under any enactment to be done by the Administrator may be done by all or any one or more of the persons for the time being holding that office.

The period of the Administration is twelve months and no extension to this period has been sought.

**4. RECEIPTS & PAYMENTS**

Attached, as Appendix 1, is a summary of the Administrators' Receipts and Payments for the six month period to 21 January 2009.

**4.1 *Sale of Business and Assets***

As creditors will be aware from the report circulated to creditors on 10 September 2008, immediately on appointment, we extended the existing licence with Acrelane Woodworks Limited ("Woodworks"), on behalf of the Company in Administration, and instructed agents to schedule and value the assets of the Company and to advise on the best method of disposal.

Following discussions with Woodworks, my agent considered the value of the Company's goodwill, work in progress, less the costs to complete outstanding work, and its leased and unencumbered plant and machinery, etc.

#### **4.1 Sale of Business and Assets (continued)**

Following negotiations, my agent was able to secure an offer of £100,000, which was accepted. The consideration, payable over an extended, term was allocated as follows:

- Goodwill, Client List and Business Intellectual Property - £20,000
- Plant and Machinery - £34,000
- Office Furniture and Equipment - £1,000
- Stock, Work in Progress and the Contracts - £19,999
- The Information Technology - £1
- Equitable Interest in the Leased Equipment and Vehicles - £25,000

Formal completion of the sale did not take place until 11 September 2008, as there were a number of procedural issues that could not be resolved in respect of the refinancing of certain assets. There were also protracted negotiations with the Company's secured creditors, which further delayed completion.

Woodworks made the initial payment of £30,000 on completion as stipulated under the terms of the sale agreement. The balance of £70,000 is due over the next eleven months in equal instalments. However, due to the current adverse trading conditions in the construction industry, Woodworks has been performing under budget and, therefore, unable to meet its monthly instalments in full. As at 21 January 2009, the Company has only made payments totalling £15,546.32. This leaves arrears of £9,908.20, which need to be settled.

I have met with the management of Woodworks and their accountants in order to discuss the position. It appears that the core business is relatively strong in terms of actual turnover as against budgeted sales, with work being picked up from competitors, who have gone out of business. However, costs remain higher than anticipated and measures have been implemented, which have resulted in reductions in terms of staffing and overheads. In addition, efforts are being made to introduce additional working capital into the business. We are closely monitoring the position to ensure that the return to the Company's creditors is maximised.

Creditors will note that, as the consideration is being paid over an extended period, the Sale Agreement incorporated a personal guarantee from the Director of the Company. In addition, the Agreement also enables the Administrators to charge interest on overdue payments.

#### **4.2 Other Assets**

In addition to the outstanding sale proceeds, there were two other potential assets, namely an insurance claim and the Directors' loan account. There is an outstanding consequential loss claim for business interruption, but the loss adjusters queried the figures. We have instructed the Company's former accountants to assist us in making a recovery.

The Director's loan account was circa £102,000 at April 2008 and the balance of the loan, as at the date of the Administrators' appointment, still needs to be determined, in order that agreement may be reached with regard to repayment.

#### **4.2 Other Assets (continued)**

We have now instructed the Company's former accountants in this regard and there are, potentially, offsetting entries in respect of assets introduced and dividends and salaries, which have not been paid or taken. There are also adjustments to be made in respect of various guarantee liabilities provided by the Director in respect of the sale of the Company's business and assets.

#### **4.3 Payments**

##### Statutory Advertising

This sum represents the cost of publishing statutory adverts in the London Gazette and a newspaper local to the Company's trading premises in respect of our appointment and the meeting of creditors.

It should be noted that, during the course of the Administration, significant legal and agents fees have accrued. Such costs will be met from asset realisations in due course.

#### **5. PREFERENTIAL CREDITORS**

Further to our last report, we can confirm that no preferential claims have been received.

#### **6. UNSECURED CREDITORS**

The claims of the unsecured creditors have been acknowledged, when received. The prospect of a distribution on account of such claims is dependent on the realisation of the balance of deferred consideration due under terms of the Sale Agreement, together with any realisation in respect of the future assets mentioned above.

#### **7. CONCLUSION OF THE ADMINISTRATION PROCESS**

In order that the purpose of the Administration may be fully achieved, the Joint Administrators propose to remain in office at this time in order to conclude the asset realisation exercise via the terms of the Sale Agreement.

As agreed by creditors on 29 September 2008, the Joint Administrators may exit the Administration by placing the Company into Creditors' Voluntary Liquidation. It was also resolved that the Joint Administrators, Paul Appleton and David Rubin, would be appointed as Liquidators of the Company.

#### **8. JOINT ADMINISTRATORS' REMUNERATION**

Within the Statement of Proposals, as at 10 September 2008, as agreed by creditors, our fees are to be charged on a time cost basis and that we receive reimbursement for out of pocket expenses incurred, to include our legal and agent's fees. To date, the time spent by our staff and ourselves is 121:42 hours at a cost of £29,571.00 excluding VAT, being an average rate of £242.98 per hour. Appendix 2, attached to this report, provides a more detailed breakdown of how these costs have been incurred to date.

## 8. JOINT ADMINISTRATORS' REMUNERATION (CONTINUED)

The work undertaken to date by the Administrators and our staff includes, inter alia, the following:

- i) Dealing with statutory matters as required by the insolvency legislation;
- ii) Concluding the disposal of the Company's business and certain assets to Acrelane Woodworks Limited and liaising with the Purchaser in respect of settlement of the deferred consideration;
- iii) Instructing and liaising with the Company's accountants in respect of the Company's outstanding insurance claim and the Director's Loan Account;
- iv) Liaising with Bibby Financial Services in respect of the Company's factored sales ledger;
- v) Preparation and circulation of proposals to creditors pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986;
- vi) Preparation and submission of the report on the conduct of the Directors pursuant to the requirements of the Company Directors Disqualification Act 1986;
- vii) Obtaining and acknowledging the claims of unsecured creditors, including HM Revenue & Customs, and dealing with any correspondence therein; and
- viii) Arranging the insolvency practitioners' bond and submission of the bordereau.

In accordance with the guidelines issued by the Association of Business Recovery Professionals, a creditor's guide to Administrators' fees is available for your inspection at [http://www.r3.org.uk/uploads/sip/SIP9\\_v5\\_April\\_2007\(1\).pdf](http://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007(1).pdf), should you wish to peruse the same.

## 9. OTHER MATTERS

Should you have any queries regarding the content of this report or the Administration generally, please do not hesitate to contact my Manager, David Marks.

  
**P R APPLETON**  
**JOINT ADMINISTRATOR**

**ACRELANE JOINERY LIMITED - IN ADMINISTRATION****Administrators' Receipts and Payments Account****for the period 22 July 2008 to 21 January 2009**

	£	£
<b><u>Receipts</u></b>		
<u>Sale of Business and Assets (Apportioned)</u>		
Goodwill, Client List and Intellectual Property	3,109.26	
Plant and Machinery	5,285.75	
Office Furniture and Equipment	155.47	
Stock, Work in Progress and the Contracts	3,109.26	
Equity in Leased Equipment and Vehicles	3,886.58	
	<u>15,546.32</u>	
Bank Interest Gross	9.43	
	<u></u>	15,555.75
<b><u>Payments</u></b>		
Statutory Advertising	<u>408.10</u>	
		<u>408.10</u>
<b>Balance in Hand</b>		£ <u><u>15,147.65</u></u>
<b>Represented by:-</b>		
Current Account		15,076.23
VAT Receivable		<u>71.42</u>
		£ <u><u>15,147.65</u></u>

**APPENDIX 2**

ACRELANE JOINERY LIMITED - IN ADMINISTRATION							
ADMINISTRATORS' TIME COSTS FOR THE PERIOD 22 JULY 2008 TO 21 JANUARY 2009							
SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Managers / Senior Managers	Administrators/ Senior Administrators	Cashiers	Total hours		
Statutory compliance, admin and planning	06:00	06:30	08:54	04:42	26:06	5,418.00	207.59
Realisations of assets	17:24	39:30	01:42	00:00	58:36	16,316.00	278.43
Creditors	02:54	14:48	11:00	00:00	28:42	5,902.00	205.64
Total hours and costs	27:18	65:18	24:18	04:48	121:42	29,571.00	242.98

The above headings include *inter alia*:

**Administration and Planning**

case planning  
appointment notification  
maintenance of records  
statutory reporting and compliance  
tax and VAT

**Realisation of Assets**

identifying and securing assets  
debt collection  
property, business and asset sales

**Investigations**

SIP2 review  
reports pursuant to Company Directors Disqualification Act 1986  
investigating antecedent transactions

**Creditors**

communications with creditors  
creditors claims (including secured creditors, employees and preferential creditors)

**Chargeout rates**

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the current hourly chargeout rates applicable to this appointment, exclusive of VAT, are as follows:

	£
Partners/Office Holders	300-395
Managers/Senior Managers	220-260
Administrators/Senior Administrators	110-140
Cashiers	100-120

Chargeout rates are normally reviewed annually in November, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance.

**Direct expenses ("Category 1 disbursements")**

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case will be charged to the estate at cost, with no uplift. These include but are not limited to such items as case advertising, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

**Indirect expenses ("Category 2 disbursements")**

It is normal practice to also charge the following indirect disbursements ("Category 2 disbursements" as defined by SIP 9) to the case, where appropriate:

**Postage and stationery: circulars to creditors**

Headed paper	25p per sheet	Envelopes	25p each
Photocopying	6p per sheet	Postage	Actual cost

**Meeting Costs:** Use of Meeting Room is charged at £150 per session.

**Storage and Archiving**

We use a commercial archiving company for storage facilities for company's records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £30 per hour.

Mileage incurred as a result of any necessary travelling is charged to the estate at the HM Revenue & Customs approved rate, currently 40p per mile.