

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company Henderson Process Systems Limited	Company number 05147582
In the High Court, Chancery Division, Newcastle upon Tyne	Court case number 4928 of 2009

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

We (a) Mark Ranson of Baker Tilly Restructuring and Recovery LLP, 1 St James' Gate, Newcastle upon Tyne, NE1 4AD and Philip Pierce, Baker Tilly Restructuring and Recovery LLP, 2 Whitehall Quay, Leeds, LS1 4HG, the Joint Administrators of the above company attach a progress report for the period

(b) Insert dates

from (b) 28 September 2009	to (b) 27 March 2010
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Signed MM
Mark N Ranson
Joint Administrator

Dated 21/04/10

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.

Richard Gardner	
2 Whitehall Quay, Leeds LS1 4HG	
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SATURDAY



A33 24/04/2010 141
COMPANIES HOUSE

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HENDERSON PROCESS SYSTEMS LIMITED IN ADMINISTRATION

JOINT ADMINISTRATORS' FIRST AND FINAL PROGRESS REPORT

19 APRIL 2010

1. PURPOSE OF REPORT

- 1.1 This report is prepared pursuant to Rule 2.47 and Rule 2.110 of the Insolvency Rules 1986 (as amended). The purpose of the report is to provide creditors with information relating to the progress of the Administration from 28 September 2009 to 27 March 2010 and from 28 March 2010 to date

2. JOINT ADMINISTRATORS' APPOINTMENT

- 2.1 Mark Ranson of Baker Tilly Restructuring and Recovery LLP, 1 St James' Gate, Newcastle upon Tyne, NE1 4AD and Philip Pierce of Baker Tilly Restructuring and Recovery LLP, 2 Whitehall Quay, Leeds LS1 4HG were appointed Joint Administrators of Henderson Process Systems Limited on 28 September 2009 by the Company's board of directors.
- 2.2 The notice of appointment was filed in the in the High Court of Justice, Chancery Division, Newcastle Upon Tyne District Registry under case reference number 4928 of 2009
- 2.3 The Joint Administrators' appointment specified that they would have power to act jointly and severally. The Joint Administrators' have exercised and will continue to exercise all of their functions jointly and severally as stated in the notice of appointment

3. COMPANY DETAILS

- 3.1 The registered number of the company is 05147582
- 3.2 The Registered Office of the company is Baker Tilly Restructuring and Recovery LLP, 2 Whitehall Quay, Leeds LS1 4HG

4. RECEIPTS AND PAYMENTS SUMMARY

- 4.1 We attach as Appendix A receipts and payments summary for the periods from 28 September 2009 to 27 March 2010 and from 28 March 2010 to 19 April 2010. A summary of the trading account is attached at Appendix A1.
- 4.2 A duress payment of £421 was made to a former employee of the Company.

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- 4.3 A contribution of £15,000 was agreed with Heerema (Hartlepool) Limited towards a lien over completed pipe work claimed by one of the Company's suppliers. This amount was deducted from payment of the post-appointment sales invoice in respect of completion of the work in progress.
- 4.4 No claims for retention of title in respect of chattel assets or stock were made.
- 4.5 There are certain matters relating to the Administration that require finalisation, for example, payment of outstanding legal costs, reclaiming VAT, submitting a corporation tax return for the period of the administration and the subsequent payment of the tax liability. These are, however, capable of being completed by the Liquidators and will be agreed and paid as a first call on the funds available to the Liquidators.
- 4.6 **VAT Basis**
- Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue & Customs shown separately.

5. Prescribed Part

- 5.1 There have been no payments made to unsecured creditors (to date) in relation to the Prescribed Part (Section 176A of the Insolvency Act 1986 (as amended)). We have retained sufficient funds for distribution to unsecured creditors in respect of the Prescribed Part. For commercial reasons, we intend to distribute these, through the Creditors' Voluntary Liquidation, simultaneously with other residual funds which we anticipate will be available to unsecured creditors.
- 5.2 As mentioned later in this report, we have filed the requisite documents with the Registrar of Companies and the Court such that the Company can proceed to Creditors' Voluntary Liquidation as soon as practicable. As such, any available funds will be distributed to unsecured creditors in the Liquidation.

6. DIVIDEND PROSPECTS FOR CREDITORS

Secured Creditors:

Halifax Bank of Scotland PLC (now merged with Lloyds TSB Bank PLC)

- 6.1 As previously reported, the Company's book debts were subject to a cash flow finance agreement with Halifax Bank of Scotland PLC ("the Bank"). As at 28 September 2009, the Bank was owed £83,349 in respect of cash advances made to the Company under the agreement before the application of final fees and termination charges. The Bank's lending was secured by way of a debenture conferring fixed and floating charges over the Company's assets.

Henderson Process Systems Limited In Administration
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- 6.2 The Bank has now recovered its principal indebtedness in full and has finalised and levied termination charges against the Company (as agreed). Following this, surplus book debt realisations were transferred into the Administration (see paragraph 7.11 for further details).

Mr Joseph Henderson

- 6.3 As at 28 September 2009, the Company's records showed an outstanding balance owed to Mr Joseph Henderson (the Company's managing director), of £232,765 (net of interests and costs). The indebtedness represented personal funds advanced by Mr Henderson to the Company. Mr Henderson's lending to the Company was secured by a debenture creating fixed and floating charges over the Company's assets.
- 6.4 Following the date of Administration, Mr Henderson quantified and lodged his final claim against the Company (inclusive of interest) in the sum of £244,298. This was paid by way of instalments. The first payment was made on 4 January 2010 for £200,000, the second instalment of £43,123 was paid on 9 February 2010 and the final payment of £1,175 was paid on 30 March 2010.
- 6.5 Following the date of Administration, Mr Henderson retained the services of RSM Tenon, to advise on matters concerning repayment to him of the Company's indebtedness under the debenture. We have been notified that the costs of this professional advice total £1,000 plus VAT. These costs were secured by the debenture and have been discharged as detailed in the above paragraph. Mr Henderson confirmed that he had no objection to the filing of the declaration of satisfaction in respect of his debenture.

Validity of Registered Charges

- 6.6 For the avoidance of doubt, we instructed Bermans Solicitors LLP ("Bermans") to investigate and advise on the priorities existing between the unsatisfied charges which were registered against the Company at the date of Administration. Bermans confirmed that both charges were indeed valid and executed correctly and furthermore that the debenture granted in favour of the Bank ranked ahead of Mr Henderson's debenture.

Preferential Creditors

- 6.7 Preferential Creditors will receive payment in full in respect of their agreed claims. We have recently received the Redundancy Payments Office's claim against the Company for preferential liabilities and are in the process of agreeing the preferential claims. As the preferential claims have the same status in a Creditors Voluntary Liquidation we concluded that agreement of the claims should not delay the Company entering Liquidation. As a result, funds will be distributed in full and final settlement of preferential creditors' claims, through the Liquidation, once all the claims have been agreed.

Unsecured Creditors

- 6 8 As previously mentioned, we have made an adequate provision for funds to be set aside for distribution to the Company's unsecured creditors in respect of the Prescribed Part. We intend to distribute these in conjunction with residual funds which we anticipate will be available once the Company is in Liquidation.
- 6 9 At this stage we are unable to confirm the timing or quantum of any dividend to unsecured creditors which will depend on the extent of future asset realisations, the costs of realisation and the agreement of creditors' claims. The agreement of unsecured claims will be undertaken by the appointed Liquidator in due course.

7. CONDUCT OF THE ADMINISTRATION

- 7 1 As previously reported, the Company's financial position and immediate prospects were assessed prior to our appointment as Administrators. We considered that we would not be able to achieve objective (a) of the Administration, (i.e. rescue of the Company as a going concern), given the extent of the Company's accumulating trading losses and liabilities.
- 7.2 We reviewed the Company's trading position shortly before our appointment and we concluded that the continuation of the trading operations for a limited period in the Administration would preserve existing book debts and work in progress. This would ultimately enable objective (b) to be achieved (i.e. a better result for the Company's creditors as a whole than would be possible if the Company were to be wound up (without first being in Administration)).
- 7 3 We evaluated the prospects of marketing the Company's business and assets on a going concern basis, however, in view of the limited work in progress and funding requirements, it was concluded that this would not be possible.

Trading

- 7 4 We have already reported to creditors in detail as regards the management of the Company's trading operations during the first few weeks of the Administration. By way of a summary:
- The Company's existing work in progress at the date of appointment comprised principally of only one significant contract which was in the final stages of completion,
 - The customer, Heerema Hartlepool Limited ("Heerema"), had subcontracted the Company to fulfil significant pipe work manufacturing requirements for one of its own customers,
 - It was considered that existing sales ledger balances, which would shortly become due and payable by Heerema, totalling some £539,000, could be preserved by completing the contract along with preserving existing work in progress totalling some £81,000,

Henderson Process Systems Limited In Administration
contd.

- Following our appointment, we met with representatives of Heerema to discuss the viability of completing the contract and the terms of any ongoing engagement,
- Hereema subsequently instructed the Company to complete the contract whilst providing an undertaking to make an early payment of £280,669 on account of pre-appointment invoices

7.5 Upon appointment, we met with the Company's employees who were advised of the Administration and the likely implications. Unfortunately, it was necessary to make 87 of the Company's total workforce redundant at this time, with the remaining 12 staff retained for the purposes of facilitating completion of the 'Heerema' Contract

7.6 The Company's trading operations were finalised in November 2009 and trading losses of £18,804 have been recorded from the date of Administration to cessation of trade. A detailed trading profit and loss account is enclosed herewith at Appendix A1. Notwithstanding these reported losses, the completion of the 'Heerema' Contract, as forecasted, resulted in a full recovery of outstanding pre-appointment book debts due to the Company from Heerema in addition to payment in full of the completed work in progress. We also negotiated an amount for storage in respect of the "free issue" stock in the sum of £57,500. This would not have been possible if the Company ceased to trade upon our appointment.

7.7 There follows a summary of payments made to the Company by Heerema since the date of Administration

Payment:	£
On account of Pre-appointment Invoices	280,699
Of Residual Sales Ledger Balances	258,181
Post appointment Sales (net of VAT)	123,286
	<hr/>
	662,166

7.8 Following conclusion of the trading operations, the Company vacated its leasehold premises and the landlord accepted an informal surrender of the leasehold interest. The Administrators had provided an undertaking to discharge rents and rates from Company assets during the period of occupation.

Book Debts

7.9 As previously mentioned, the Company's book debts were subject to a cash flow finance agreement with the Bank, which was owed £83,349 in respect of cash advances made to the Company under the agreement before the application of final fees and charges

Henderson Process Systems Limited In Administration
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- 7 10 As at 28 September 2009, the Company's records showed outstanding sales ledger balances of £985,415. The sales ledger was re-assigned to the Company shortly following the date of Administration and surplus funds of £186,472 were transferred into the Administration. Book debt recoveries to date total £807,516 as follows:

	£
Book debts as at 28/09/09	985,415
Add Credit balances	1,157
Less Contras	(1,190)
Credit notes issued	(12,396)
Bank's indebtedness, termination fees and charges as below	(161,452)
Book debts available for collection by administrators	811,534
Collections to date per Appendix A	(807,516)
Outstanding debts	<u>4,018</u>

- 7 11 Prior to reassignment of the ledger, the Bank levied its final fees and termination charges after accounting for this firm's Pre-appointment Costs and Book Debt Collection Fees (paragraph 11 contains further details) These fees were deducted from book debt realisations

	Notes	£
Amount due to the Bank as at 28/09/09		(83,349)
Collections to 30/10/09		<u>447,924</u>
		364,575
Less:		
Surplus Funds advanced by the Bank to the Company	1	(100,000)
Pre-appointment Fees (inclusive of VAT)	2	(19,550)
Book Debt Collection Fees (inclusive of VAT)	3	(23,000)
Termination Fee (inclusive of VAT) and final charges	4	(35,553)
Surplus Funds transferred into the administration		<u>186,472</u>

Notes

- 1 The Bank agreed to advance funds of £100,000 to the Company for the purposes of facilitating ongoing trading in administration prior to re-assignment of the ledger
- 2 See paragraph 11 1 for further details
- 3 See paragraph 11 2 for further details
- 4 Termination fees comprise a management charge of £5,000 plus 20% of collections (excluding debts collected from Heerema and Henderson Site Services Limited) in addition to final service charges

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- 7.12 At the date of appointment, there remained a small residual credit balance on the Company's corporate account. This was subsequently repaid to the Company and transferred into the Administration. Upon receiving confirmation from the Bank that its secured lending to the Company had been discharged in full, we subsequently filed the Statement of Satisfaction with the Registrar of Companies.

Chattel Assets

- 7.13 As previously reported, we instructed Walker Singleton LLP (professional valuers and auctioneers) to undertake an independent valuation of the Company's chattel assets. These comprised plant and machinery, fixtures and fittings and motor vehicles.
- 7.14 The majority of the assets were sold by Walker Singleton, by way of a tender sale from the Company's premises in Sunderland with the remaining assets sold privately. Total chattel asset realisations to date are in the sum of £61,332. Our agents have advised that the chattel asset sales have been concluded and accordingly, we do not anticipate any further realisations in this regard.

Goodwill (Connected Party Transaction)

- 7.15 As previously reported, it was apparent that the Company transferred a number of ongoing service contracts to a connected Company, Henderson Site Services Limited ("HSSL"), prior to the date of Administration. Mr Henderson is also a director of HSSL.
- 7.16 We undertook a review of the Company's records with a view to obtaining further information relating to the transactions, however, it was apparent that there was little in the way of available information and evidence. We subsequently met with Mr Henderson and his professional advisors to discuss the matter in further detail. Mr Henderson refuted that there had in fact been a transfer of goodwill and instead maintained that the customers had contracted with HSSL after refusing to continue to trade with the Company (upon becoming aware of its financial difficulties).
- 7.17 After further correspondence, HSSL made a best and final offer of £5,000 plus VAT in full and final settlement of the Company's claim to the transfer of goodwill. In view of the available information and the unlikely prospects of any further recoveries, we accepted this offer. Payment was received in full on 20 January 2010.

8. ASSETS REMAINING TO BE REALISED

- 8.1 There are three book debts totalling £4,018 remaining to be collected although it is anticipated that recoveries are likely to be minimal. We have passed two of the outstanding balances to our solicitors for collection.

9. JOINT ADMINISTRATORS' PROPOSALS

The Joint Administrators' proposals were approved by creditors at the meeting held on 2 December 2009. The proposals can be summarised as follows:

- 9.1 The Joint Administrators should continue to finalise the trading operations for the purposes of completing the 'Hereema' contract.
- 9.2 As a sale of the business and assets on a going concern basis is not achievable, the Joint Administrators should consider and pursue the most appropriate method of realising the remaining assets for the benefit of the creditors once trading has ceased.
- 9.3 The Joint Administrators should arrange to distribute available funds from the realised assets to those creditors entitled to them in such manner as they consider will lead to an early distribution of the available assets in an economic manner.
- 9.4 The Joint Administrators be authorised to make such application to court for directions as they consider appropriate with a view to achieving the purposes of the administration or their proposals.
- 9.5 To consider and if thought fit, appointing a Creditors' Committee to assist the Joint Administrators (and subsequent Joint Liquidators if appointed).
- 9.6 In the event that a Creditors' Committee is not established, the Joint Administrators shall be authorised to draw their remuneration based upon their time costs by reference to the time properly given by the Joint Administrators and their staff, in attending to matters arising in the administration at Baker Tilly Restructuring and Recovery LLP standard hourly rates, current details of which are attached at Appendix I, but which are reviewed periodically to be paid out of the assets of the Company and which may be drawn on account as and when funds permit.
- 9.7 In the event that a Creditors' Committee is not established, the Joint Administrators shall be authorised to draw their disbursements and other expenses incurred by them in the administration, to be paid out of the assets of the Company, such disbursements to include "Category 2 disbursements" at the rates disclosed in Appendix I.
- 9.8 The Joint Administrators conclude the administration when all the property and assets have been realised and distributed (after costs).
- 9.9 The Company exits the administration either by way of dissolution or liquidation.
- 9.10 If the Company exits the Administration via liquidation, that Mark Ranson and Philip Pierce of Baker Tilly Restructuring and Recovery LLP be appointed Joint Liquidators of the Company following the cessation of the Administration.
- 9.11 In the event that a Creditors' Committee is not established, the Joint Administrators be discharged from liability in respect of any action of theirs as Joint Administrators immediately following their cessation to act as Joint Administrators.

- 9 12 We have performed all the necessary duties to comply with the proposals although there remain a few book debts to realise. As we are of the opinion that the anticipated recoveries from these assets will be small and can be as easily pursued in the subsequent liquidation. We have been unable to pay a distribution to preferential creditors through the administration as the final claims have not been received from the Redundancy Payments Office, as the claims retain the same status in the liquidation there is no purpose served by the company remaining in administration. We also consider it cost effective to make a distribution to the unsecured creditors of the prescribed part at the same time as making a distribution of the remaining funds available for unsecured creditors.

10. EXTENSION OF THE ADMINISTRATION

- 10.1 There have been no extensions of the Administration.

11. PRE-APPOINTMENT COSTS

- 11 1 As previously reported, the Bank agreed to meet certain costs incurred by this firm. Time costs of £17,129 and disbursements of £17.71 were incurred prior to our appointment arising from work undertaken in determining that the purpose of the administration could be achieved (and making the required statement on form 2 2B) along with liaising with the Bank and agreeing a strategy. The Bank agreed to meet £17,000 of these costs (plus VAT) from book debt realisations prior to reassigning the sales ledger back to the Company. The remaining un-billed costs were written off.
- 11 2 The Bank also agreed to meet a proportion of those costs pertaining to time directly spent by the Administrators and their staff assisting the Bank with book debt recoveries and ongoing trading (which ultimately helped preserve recoveries). These costs totalled £20,000 plus VAT and were again deducted from book debt realisations prior to re-assignment of the sales ledger.

12. JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

- 12 1 The basis of the Joint Administrators' remuneration was approved by creditors at the meeting held on 2 December 2009, when the following resolution was passed:
- “The Joint Administrators shall be authorised to draw their remuneration based upon their time costs, by reference to the time properly given by the Joint Administrators and their staff, in attending to matters arising in the administration at Baker Tilly Restructuring and Recovery LLP standard hourly rates which may be reviewed periodically, to be paid out of the assets of the Company and which may be drawn on account as and when funds permit”
- 12.2 To date we have drawn a total of £133,668 plus VAT on account of our time costs incurred to 15 April 2010 of £159,992 (including those costs mentioned in paragraph 11 2 above). These costs represent 871 1 hours spent by the Administrators and their staff in the Administration of the estate from the date of appointment to 15 April 2010, at an average hourly charge out rate of £184.

12 3 Attached are the following

- Appendix B Joint Administrators' time cost analysis
- Appendix C Joint Administrators' charge out and disbursement rates
- Appendix D Summary of payments to Joint Administrators and associated parties
- Appendix E Baker Tilly Restructuring and Recovery LLP charging, expenses and disbursements policy statement

12 4 **Analysis of time spent in administration of the estate**

There follows a narrative summary of the tasks carried out by the Administrators and their staff.

a) Administration and Planning

This includes dealing with the commencement of the Administration, statutory filing of appointment documents with Companies' House, requesting the submission of the Statement of Affairs and filing it at Companies' House, together with day-to-day administration duties. These include but are not limited to: handling receipts and payments, VAT and Corporation Tax issues such as the monthly VAT returns, pension queries and general correspondence.

b) Realisation of Assets

Our staff have been employed on various matters, including: negotiating with Heerema to conclude the contract thereby not only allowing recovery in full of the book debts at the date of appointment but also the work in progress. Negotiations were also undertaken in respect of the storage costs of the "free issue" stock. Further time spent relates to the general liaison with agents as regards the disposal of the Company's chattel assets and in the collection of the outstanding sales ledger balances. Asset realisation is considered to be a key aspect of the administration.

c) Trading

Our staff have had to set up accounts with suppliers in order to trade on an ongoing basis. As the majority of the management team were made redundant on appointment or shortly thereafter, our staff had a substantial involvement ensuring that the contract with Heerema was completed within the agreed timescales and to specification which involved a substantial amount of remedial/rectification work. Payments to suppliers and general correspondence with these have been undertaken. Since trading has ceased, all accounts have been closed and final bills paid.

d) Investigations

We are required to report to the Secretary of State on the conduct of the Company's directors under the Company Directors Disqualification Act 1986. This report has now been submitted.

e) Creditors

Queries from and correspondence with creditors and employees have been necessary aspects of the administration process. The preparation of the Joint Administrators' proposals has been undertaken including the attendant aspects of providing and obtaining the required information, convening the creditors' meeting etc. A brief report on the outcome of the creditors' meeting and the report on the first six months of the administration period and to 19 April 2010 have been prepared

12.5 Joint Administrators' disbursements

The basis of the Joint Administrators drawing disbursements was approved by the creditors on 2 December 2009, when the following resolution was passed

"The Joint Administrators shall be authorised to draw their disbursements and other expenses incurred by them in the administration, to be paid out of the assets of the company, such disbursements to include "Category 2 disbursements" at the rates disclosed in the Joint Administrators' proposals dated 10 November 2009."

Disbursements drawn from the company's assets in accordance with the resolution are detailed on Appendix D To date we have drawn a total of £3,192 plus VAT on account of disbursements paid on behalf of the Company's estate of £3,205

13. CLOSURE OF THE ADMINISTRATION

- 13.1 As previously mentioned, we consider that the purpose of the Administration has now been achieved such that it is now appropriate for the Company to move to Creditors' Voluntary Liquidation in accordance with the agreed Proposals To that end, we have filed the requisite form (Form 2.34B) with the Registrar of Companies and Court Upon registration of Form 2 34B by the Registrar, the Company will be wound up and the Joint Administrators will be appointed as Joint Liquidators for the purposes of the winding up



Mark N Ranson
Baker Tilly Restructuring and Recovery LLP
Joint Administrator

Mark Ranson and Philip Pierce are licensed to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales

The affairs, business and property of the company are being managed by the Joint Administrators who act as agents of the company and without personal liability

Henderson Process Systems Limited In Administration

Joint Administrators' Abstract of Receipts and Payments for the period 28 September 2009 to 19 April 2010

Statement Of Affairs Value £	Notes	Receipts and Payments for period 28 September 2009 to 27 March 2010 £	Receipts and Payments for period 28 March 2010 to 19 April 2010 £	Total to date £
SECURED ASSETS				
846 490 00	Debtors (Pre-Appointment)	804,289 41	3,227 00	807 516 41
		804,289 41	3 227 00	807 516 41
POST APPOINTMENT TRADING				
-	Trading Debt	(18 803 96)	0 00	(18,803 96)
		(18 803 96)	0 00	(18 803 96)
ASSET REALISATIONS				
0 00	Bank Interest Gross	897 20	0 00	897 20
0 00	Cash at Bank	47 57	0 00	47 57
0 00	Goodwill	5 000 00	0 00	5,000 00
28 00	Party Cash	85 70	0 00	85 70
40 000 00	Plant and Machinery furniture fixtures & fittings	52,839 49	8,493 00	61,332 49
		58,869 96	8 493 00	67 362 96
COST OF REALISATIONS				
0 00	Agents / Valuers Fees	(14 525 00)	(849 30)	(15 374 30)
0 00	Agents/Valuers Disbursements	(5 205 68)	(2 554 75)	(7,760 43)
0 00	Joint Administrators' Disbursements	(3 191 97)	0 00	(3 191 97)
0 00	Joint Administrators' Fees	(133 667 50)	0 00	(133 667 50)
0 00	Legal Disbursements	(82 98)	0 00	(82 98)
0 00	Legal Fees	(3 800 00)	0 00	(3,800 00)
0 00	Mail Redirection	(24 90)	0 00	(24 90)
0 00	Preparation of Statement of Affairs Fee	(4 000 00)	0 00	(4 000 00)
0 00	Quantity Surveyors' Fees	(11 210 00)	0 00	(11 210 00)
0 00	Record Destruction	(697 00)	0 00	(697 00)
0 00	Statutory Advertising	(151 20)	0 00	(151 20)
0 00	Storage Costs	(1 130 75)	0 00	(1 130 75)
0 00	Third Party Printing Copying and	(991 33)	0 00	(991 33)
		(178 678 31)	(3 404 05)	(182,082 36)
PREFERENTIAL CREDITORS				
(91 432 00)	Employee Claims	0 00	0 00	0 00
		0 00	0 00	0 00
FLOATING CHARGE CREDITORS				
(242 608 00)	Claims	(243,122 53)	(1 175 00)	(244,297 53)
		(243 122 53)	(1 175 00)	(244,297 53)
NON - PREFERENTIAL CREDITORS				
(709 870 00)	Trade and expense creditors	0 00	0 00	0 00
(495 549 00)	Employees	0 00	0 00	0 00
(17 969 00)	Corporation tax	0 00	0 00	0 00
(480 262 00)	PAYE and Social Security	0 00	0 00	0 00
(228 527 00)	VAT	0 00	0 00	0 00
		0 00	0 00	0 00
(1 379 699 00)		422,554 57	7 140 95	429 695 52
REPRESENTED BY				
	Floating Charge and BOS	418 963 97	8 502 70	427 466 67
	VAT Receivable (Payable)	3 590 60	(1 361 75)	2 228 85
		422 554 57	7 140 95	429 695 52

Receipts and payments are shown net of VAT with any amount due to or from HM Revenue & Customs shown separately

NOTES

1. Please refer to paragraph 7.10 of the progress report
2. Please refer to Appendix A1 for further details (enclosed herewith)

Henderson Process Systems Limited In Administration	Appendix A1
Trading account	

	£	£
Post Appointment Sales (Trading)		
Sales - completion of work in progress	80,786 10	
Sales - storage of free issue stock	57,500 00	
Sale of stock item	8 70	
Total Post Appointment Sales (Trading).		138,294.80
Purchases		
Trading Expenditure		
Carriage	(6,095 00)	
Consultancy fee	(920 19)	
Duress payment to employee	(420 56)	
Contribution to duress payment to supplier	(15,000 00)	
Hire of Equipment	(347 84)	
I T Charges	(670 00)	
Insurance	(1,792 41)	
Internet Charges	(178 49)	
Lease /HP Payments	(243 22)	
NI Employers Contribution	(3,066 01)	
Pension - employers contributions	(252 36)	
Rates	(6,568 77)	
Rent	(21,678 88)	
Repairs & Maintenance	(214 00)	
Stationery	(29 88)	
Sub-contractors - Painter	(47,695 78)	
Sub-contractors - X-ray	(10,034 06)	
Sundry Expenses	(176 47)	
Telephone & Fax	(310 45)	
Travel	(42 00)	
Utilities	(9,138 64)	
Wages (Gross)	(32,223 75)	
Total Trading Expenditure:		(157,098.76)
Net Trading Loss:		(18,803.96)

Note

All entries are shown net of VAT (where applicable)

Henderson Process Systems Limited in Administration
Joint Administrators' Time Costs incurred to 15 April 2010 in accordance with Statement of Insolvency Practice 9

Summary of Time Costs and Charge-out Rates

	Partners	Associate Director	Administrators	Support Staff	Total Hours	Total Time Costs	Average hourly rate (£)
Administration and Planning	10.8	27.2	80.4	4.4	122.8	19,298.50	157.15
Investigations	0.9	1.7	17.5	0.0	20.1	2,818.50	140.22
Realisation of Assets	13.2	85.2	36.7	0.0	135.1	29,471.50	218.15
Trading	34.9	164.8	167.3	0.0	367.0	71,458.50	194.71
Creditors	18.8	41.8	164.1	1.4	226.1	36,945.00	163.40
Total Hours	78.6	320.7	466.0	5.8	871.1		
Total Time Costs	29,049.00	77,070.00	53,511.00	362.00		159,992.00	

Charge-out Rates

Current charge-out rates (from 1 April 2010)
 Charge out rates at commencement of case

£37.5	£275-£360	£120-£135	£75-£90
£370	£275-£360	£100-£120	£50-£80

Total time costs

159,992.00

Less

Costs billed to the Bank as detailed at paragraph 11.1 of this report
 Remuneration drawn on account

(20,000.00)
 (133,667.50)

Unbilled work in progress

6,324.50

Note

- (1) Time costs of £17,129, not included in the analysis above, together with disbursements of £17.71 were incurred prior to the Administrators' appointment. A fee of £17,000 was paid by the Bank, and the remaining balance has been written off.
- (2) The time cost disclosure has been made to 15 April 2010.

Appendix C

BAKER TILLY RESTRUCTURING AND RECOVERY LLP

JOINT ADMINISTRATORS' CHARGE OUT AND DISBURSEMENT RATES

	Rate at commencement £	Current rate £
Partner	370	375
Associate Director	275-360	275-360
Manager	150-240	150-240
Administrator	100-120	120-135
Support staff	50-80	75-90

It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.

Baker Tilly Restructuring and Recovery LLP's charge out rates are reviewed periodically

CURRENT "CATEGORY 2" DISBURSEMENT RATES

Authority was sought to recover the following costs as "Category 2" disbursements at the creditors' meeting held on 2 December 2009:

Photocopying	10 pence per sheet
Subsistence	£23 per night
Travel (car)	38 pence per mile (rate at commencement) 40 pence per mile (current rate)

Appendix D

SUMMARY OF PAYMENTS TO THE JOINT ADMINISTRATORS AND ASSOCIATED PARTIES

AMOUNTS PAID OR PAYABLE TO THE JOINT ADMINISTRATORS' FIRM	
TYPE AND PURPOSE	£
Pre-appointment Fees (paid by Bank of Scotland)	17,000 00
Book Debt Collection Fees (paid by Bank of Scotland)	20,000 00
Joint Administrators Fees (paid)	133,667 50
Joint Administrators Disbursements (paid)	3,191 97
Joint Administrators Fees (unpaid)	6,324 50
Joint Administrators Disbursements (unpaid)	12 50
Total	£180,196 47

AMOUNTS PAID OR PAYABLE TO ASSOCIATED PARTIES OF THE JOINT ADMINISTRATORS	
TYPE AND PURPOSE	£
N/A	N/A

AMOUNTS PAID OR PAYABLE TO THE JOINT ADMINISTRATORS' SOLICITOR	
TYPE AND PURPOSE	£
Bermans - fees & disbursements (paid)	3,301 00
Watson Burton - fees & disbursements (paid)	581 98
Watson Burton (unpaid)	3,000 00
Total	£6,882 98

AMOUNTS PAID OR PAYABLE TO THE JOINT ADMINISTRATORS' AGENT	
TYPE AND PURPOSE	£
Naismiths - fees (paid)	11,210 00
Walker Singleton - fees & disbursements (paid)	23,134 73
Total	£34,344 73

BAKER TILLY RESTRUCTURING AND RECOVERY LLP

CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate
- Time is recorded in 6-minute units
- The current charge rates for Baker Tilly Restructuring and Recovery LLP Leeds/Newcastle are attached
- Time billed is subject to Value Added Tax at the applicable rate.

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to creditors, but do not require creditors' approval prior to being drawn from the insolvency estate. These are known as "Category 1" disbursements
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) require the approval of creditors prior to being drawn from the insolvency estate. These are known as "Category 2" disbursements
- A resolution to consider approving "Category 2" disbursements at the attached rates applicable to Baker Tilly Restructuring and Recovery LLP Leeds/Newcastle was proposed and approved by creditors at the meeting held on 2 December 2009
- General office overheads are not re-charged to the insolvency estate as a disbursement
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of creditors
- Where applicable, expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate.