

The Insolvency Act 1986

Administrator's progress report

Name of Company

Andrew Jones (Pies) Limited

Company number

05373608

In the
High Court of Justice, Chancery Division, Leeds
District Registry

(full name of court)

Court case number

647 of 2011

(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a)
Phil Booth
PR Booth & Co
Suite 7
Milner House
Milner Way
Ossett
WF5 9JE

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

(b) Insert date

From

(b) 13 May 2011

To

(b) 13 November 2011

Signed


Administrator

Dated

12/12/11

FRIDAY



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16/12/2011

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COMPANIES HOUSE

**ANDREW JONES (PIES) LIMITED – IN ADMINISTRATION
("THE COMPANY")**

**ADMINISTRATOR'S PROGRESS REPORT
PURSUANT TO RULE 2.47 OF THE INSOLVENCY RULES 1986**

1. Details of Appointment

- | | | |
|-----|--|--|
| 1 1 | Date of appointment | 13 May 2011 |
| 1 2 | Court Reference | High Court of Justice, Chancery Division
Leeds District Registry
No 647/2011 |
| 1 3 | Administrator | Philip Booth
PR Booth & Co
Suite 7
Milner House
Milner way
Ossett
WF5 9JE |
| 1 4 | Authorising Body | Philip Booth is authorised by the Insolvency Practitioners Association |
| 1 5 | Appointed by | The appointment was made on the application of the Company's director pursuant to Paragraph 22(2) of Schedule B1 of the Insolvency Act 1986 ('IA86') |
| 1 6 | Director | Andrew Robert Jones |
| 1 7 | Registered office | Suite 7, Milner House, Milner Way, Ossett, WF5 9JE |
| 1 8 | I can confirm that the EC Regulations on Insolvency Proceedings applies to this report and that the proceedings are main proceedings as defined in Article 3 (1) of the EC Regulations | |

2 Summary of Administrator's Proposals

- | | |
|-----|---|
| 2 1 | This report should be read in conjunction with the report dated 8 July 2011 previously submitted under Paragraph 49 of Schedule B1 of the Insolvency Act 1986. |
| 2 2 | The purpose of the Administration was to achieve a better result for the Company's Creditors as a whole than would be likely if the Company were to be wound up (without first being in Administration) |
| 2 3 | When issuing my Statement of Proposals on 8 July 2011, I considered that in accordance with Paragraph 52 of Schedule B1 to the Insolvency Act 1986, I would not convene a meeting of creditors unless 10% in value of the Company's creditors requested me to do so, given that there would be no funds available for distribution to unsecured creditors |
| 2.4 | No creditors requested a meeting therefore my proposals were deemed to be accepted Accordingly, Form F2 18, Notice of Deemed Approval of Proposals, has been filed at Companies House pursuant to the provisions of Rule 2.33 of the Insolvency Rules 1986 |
| 2.5 | The proposals are summarised below: |

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- *I will continue to manage the business, affairs and property of the Company with a view to achieving the purposes set out in the Administration Order and do all other such things and generally exercise all of my powers as Administrator as I consider desirable or expedient at my discretion in order to achieve the purpose of the Administration, to protect and preserve the assets of the Company, to maximise the realisations of those assets or for any other purpose incidental to these proposals*
- *I will continue to collect the outstanding book debts with the assistance of debt collection agents if appropriate*
- *I will realise any other assets that may come to my attention during the course of the Administration*
- *I be permitted to charge fees on a time cost basis and be authorised to draw fees on account*
- *I be authorised to charge disbursements to the case which include elements of shared or allocated costs ('Category 2' disbursements), such disbursements to be charged from time to time*
- *I be authorised to receive payment in the sum of £6,580 plus disbursements and VAT in respect of my assistance with the making of the appointment, marketing the business and assets and dealing with potential interested parties and in determining at that time that it was reasonably likely that the purpose of administration would be achieved*
- *I be permitted to appoint and retain agents and solicitors of our choice*
- *I will, if appropriate, seek permission of the Court to make a distribution to unsecured creditors of the Company pursuant to paragraph 65 of Schedule B1 of IA86*
- *Once the purposes of the Administration have been achieved, the Company be dissolved pursuant to Paragraph 84 of Schedule B1 IA86 and that I be discharged from liability in accordance with Paragraph 98 of Schedule B1 IA86*

2 6 As outlined in my Statement of Proposals, I believe that the purpose of Administration has been achieved by virtue of the immediate sale of the business and assets to A J Pies and Pastries Limited ('Newco')

3 Conduct of the Administration – Asset Realisations

3 1 I attach a copy of the up to date receipts and payments account

3 2 Since my last report, I have received the deferred consideration element of £13,499 from Newco, thus the maximum proposed sales consideration of £50,000 has been achieved, split as follows

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Asset	£
Goodwill and contracts	13,499
Intellectual property	1
Plant and equipment	30,000
Stock	2,000
Motor vehicles	4,500
	<u>£50,000</u>

- 3 3 As anticipated in my Statement of Proposals, HSBC Invoice Finance ('HSBCIF') has collected out under the terms of its factoring agreement with the Company. Surplus funds of £7,508.01 have been received, after the deduction of all collect out and termination charges. A number of uncollected accounts have subsequently been reassigned to the Company for collection.
- 3 4 To date, I have also received £7,089.70 in respect of outstanding sales ledger balances from the Company's non factored and reassigned factored accounts. All remaining balances, totalling c£8,000 have now been passed to my debt recovery agents, Debt Collection Services UK Limited. The age of the debtors and the fact that a number of the remaining accounts were deemed uncollectible by HSBCIF suggest that further recoveries will be low.
- 3 5 Other than the book debts referred to above, the only other realisable asset is a Volkswagen Polo motor vehicle which was not purchased by Newco. The vehicle was subject to a hire purchase agreement with Black Horse Limited. The vehicle was valued by agents at £4,000 and the outstanding finance as at 23 May 2011 was £1,547.
- 3 6 The director, Andrew Jones, subsequently made an offer of £2,453 to purchase the equity and also settled the outstanding finance. I agreed that the equity could be paid over two months and I can confirm that the first payment of £1,453 has been received and the balancing payment of £1,000 is due to be paid shortly.

4 Conduct of the Administration – Payments

- 4 1 Where it has been necessary to instruct professionals such as solicitors, agents and accountants, they have been chosen based upon their independence and relevant experience in dealing with such matters. The professional costs are based upon an agreed time cost basis (or a % of realisations in the case of agents), details of which are provided to me periodically for review and which are consistent with other professional firms dealing with similar matters.
- 4 2 To date I have paid the sum of £9,400 to Irwin Mitchell Solicitors in respect of the legal fees and disbursements relating to my appointment and the subsequent sale of the Company's assets. This is split £8,000 in respect of pre-Administration costs and £1,400 post Administration costs to date.
- 4 3 The sum of £385 plus VAT has been paid to the Company's former accountants, Metcalfe's, in respect of the completion of employee year end returns and P45s together with the provision of general assistance in respect of the Company's accounts.

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- 4 4 Finance Director Solutions Limited has been paid the sum of £1,300 plus VAT in respect of assisting the director in the completion of the Director's Statement of Affairs

5 Administrator's Remuneration

- 5 1 The basis of my remuneration has been agreed by HSBC Bank Plc, being the only unsatisfied debenture holder, pursuant to Rule 2 106(9) of the Insolvency Rules 1986
- 5 2 I have drawn fees of £6,000 against my firm's pre appointment time costs of £6,580. This sum has been agreed by HSBC and no further fees will be drawn in respect of these costs
- 5 3 My firm's post appointment time costs to 30 October 2011 are £9,596 representing 69 8 hours at an average hourly rate of £137 48
- 5 4 Attached at Appendix C is a detailed summary of my firm's time costs for your information
- 5 5 To date, I have not drawn any fees in respect of my post appointment time costs referred to above

6 Secured Creditors

- 6 1 At the date of my appointment, there were two secured creditors who had the benefit of fixed and floating charges over the Company's assets, namely HSBC Invoice Finance Limited ('HSBCIF') and HSBC Bank Plc ('the Bank')
- 6 2 As previously stated, I have received confirmation from HSBCIF that their indebtedness has been fully discharged from debtor realisations
- 6 3 To date, I have distributed the sum of £22,300 to the Bank of which £12,300 relates to its fixed charge security and £10,000 to its floating charge security
- 6 4 On present information I consider that there will be a shortfall to the Bank in this matter

7 Preferential and Unsecured Creditors

- 7 1 There are no Preferential claims as all employees were transferred to Newco under the Transfer of Undertaking (Protection of Employment) Regulations 1981
- 7 2 On the basis of current information, there will be insufficient funds to enable a dividend to be paid to unsecured creditors other than by virtue of Section 176A of the Insolvency Act 1986 regarding the Prescribed Part Fund ('PPF')
- 7 3 I would refer creditors to my Statement of Proposals for details of how the PPF is calculated. At this stage in my administration of this case I am unable to accurately estimate the value of the PPF as all assets have not been realised and the costs of Administration have yet to be finalised, however based on current information the PPF could be in the region of £8,000.
- 7 4 Given the Director's Statement of Affairs envisaged that unsecured claims (excluding shortfalls to secured creditors) total approximately £368,000, this would result in a dividend of approximately 2p in the £, subject to the costs of agreeing and distributing the PPF

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- 7 5 It is, however, likely that the costs of agreeing and distributing the PPF would extinguish the majority, if not all, of the funds available. Should I deem that to be the case, I may consider making an application to Court to disapply the provisions of Section 176A. If such an application was successful there would therefore be no PPF to distribute.

8 Administrator's Disbursements

- 8 1 Category 1 disbursements (a simple reimbursement of actual payments made on behalf of the assignment which do not require creditor approval) which have been incurred and recovered from the asset realisations are as follows -

	£
Company Search	7 00
Insolvency Bond	300 00
Statutory Advertising	76 50
Storage & Collection of Records	186 80
Postage	67 86
	<hr/> 638 16

- 8 2 Category 2 disbursements (charges including an element of shared or allocated costs which require creditor approval) which have been incurred and recovered from the asset realisations are as follows -

	£
Faxes/Photocopying/Postage	107 10
Travel	29 28
	<hr/> 136 38

- 8 3 In accordance with best practice guidelines as set out in Statement of Insolvency Practice 9 I require creditors' approval for my Category 2 disbursements to be charged as an expense of the Administration.

- 8 4 As mentioned earlier, as creditors have accepted and agreed our Statement of Proposals and did not request a creditors' meeting, I can therefore confirm that creditors have approved my Category 2 disbursements.

9 Future Conduct of the Administration

- 9 1 I will continue to pursue the realisation of the remaining book debt assets.
- 9 2 Pursuant to Section 7 above, should there be sufficient funds to warrant a distribution to unsecured creditors, I will apply for consent from the Court to make any distribution from the Administration. This will be more cost effective than putting the Company into Liquidation.
- 9 3 It is proposed that once the purposes of the Administration have been achieved the Company will be dissolved pursuant to Paragraph 84 of Schedule B1 of the Insolvency Act 1986.

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9 4 Under these provisions, on the registration of a notice sent by me to the Registrar of Companies, my appointment ceases to have effect, and at the end of a period of three months the Company will be automatically dissolved

10 General

10 1 Should you require any further information please contact either myself or my colleague Luke Brough

Dated 12 December 2011

Signed

A handwritten signature in black ink, appearing to read 'P. Booth', with a stylized flourish at the end.

**Philip Booth
Administrator**

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Appendix A – Statutory Information

Court Details	High Court of Justice, Chancery Division, Leeds District Registry No 647 of 2011		
Trading name and address	Andrew Jones (Pies) Limited Units 2,3 & 4 Queens Mill Industrial Estate Queens Mill Lane Lockwood Huddersfield HD1 3RR		
Company Number	05373608		
Registered office	c/o PR Booth & Co Suite 7, Milner House Milner Way Ossett West Yorkshire WF5 9JE Formerly Units 2,3 & 4 Queens Mill Industrial Estate Queens Mill Lane Lockwood Huddersfield HD1 3RR		
Director	Mr Andrew Robert Jones		
Secretary	Mrs Linda Margaret Jones		
Shareholder*			Shares Held
	Mr AR Jones	Ordinary	100
Accountants.	Metcalfes Accountants & Business Advisors		
Bankers/Financiers	HSBC Bank Plc HSBC Invoice Finance (UK) Limited		

ANDREW JONES (PIES) LIMITED – IN ADMINISTRATION (“THE COMPANY”)

**Appendix B – Administrator’s Abstract of Receipts & Payments
to 13 November 2011**

**Andrew Jones (Pies) Limited
(In Administration)**

**Administrator's Abstract Of Receipts And Payments
To 13 November 2011**

	Fixed Charge £	Floating Charge £	Total £
RECEIPTS			
Goodwill	13,499 00		13,499 00
Intellectual Property	1 00		1 00
Plant & Machinery		30,000 00	30,000 00
Motor Vehicles		5,952 97	5,952 97
Stock		2,000 00	2,000 00
Book Debts		7,089 70	7,089 70
Bank Interest Gross		11 49	11 49
Surplus from Factoring Company		7,508 01	7,508 01
	13,500.00	52,562 17	66,062 17
PAYMENTS			
HSBC Bank Plc (fixed charge dist)	12,300 00		12,300 00
Office Holders Fees (pre-app)		6,000 00	6,000 00
Office Holders Expenses		774 54	774 54
Accountants Fee		385 00	385 00
Prep of Director's Statement of Affairs		1,300 00	1,300 00
Legal Fees		9,400 00	9,400 00
Solicitors Disbursements		45 00	45 00
Statutory Advertising		10 00	10 00
HSBC Bank Plc (floating ch dist)		10,000 00	10,000 00
Vat Receivable		3,573 91	3,573 91
	12,300 00	31,488 45	43,788 45
Balances in Hand	1,200.00	21,073 72	22,273.72
	13,500 00	52,562 17	66,062 17

ANDREW JONES (PIES) LIMITED – IN ADMINISTRATION (“THE COMPANY”)

Appendix C

- **Administrator’s Post Appointment Time Costs to 31 October 2011**

Andrew Jones (Pies) Limited - In Administration

Summary of Administrator's Time Costs to 31 October 2011

13 May 2011 to 31 October 2011

Classification of Work	Insolvency Practitioner	Senior Manager	Manager	Senior Administrator	Administrator	Support	Total Hours	Time Cost £	Average Rate/hr £
Hourly Rate (£/hr)	165.00	150.00	100.00	75.00	50.00	35.00			
From 20/07/09									
Brought forward costs									0.00
Administration, Planning & Statutory Matters	17.40	0.60	0.00	0.00	2.40	0.00	20.40	3,429.00	168.09
Investigations	0.50	0.00	1.80	0.00	0.00	0.00	2.30	272.50	118.48
Realisation of Assets	19.00	0.00	8.20	0.00	9.90	0.00	37.10	4,830.00	130.19
Creditors	2.70	0.00	4.00	0.00	3.30	0.00	10.00	1,064.50	106.45
Total Hours	39.60	0.60	14.00	0.00	15.60	0.00	69.80		
Time Costs (£)	7,326.00	90.00	1,400.00	0.00	780.00	0.00		9,596.00	137.48

Standard activity

Examples of work

Administration and planning

Case planning
 Administrative set up
 Appointment notification
 Maintenance of records
 Statutory reporting
 Annual and internal reviews

Investigations

SIP 2 review
 Investigating antecedent transactions
 Directors Conduct Report

Realisation of assets

Identifying, securing, insuring assets
 Retention of title
 Debt collection
 Property, business and asset sales

Creditors

Communication with creditors
 Creditors' claims (including employees' and other preferential creditors)