

The Insolvency Act 1986

Administrator's progress report

Name of Company
James & James Trading Limited T/A Right Price Furniture

Company number
05484484

In the
High Court of Justice

[full name of court]

Court case number
9941 of 2010

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

~~✓~~ We (a) David Birne and Brian Johnson of Fisher Partners
Acre House, 11-15 William Road, London NW1 3ER

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

from

to

(b) Insert dates

(b) 10 June 2011

(b) 30 November 2011

Signed

Joint Administrators

Dated

7/12/11

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 Birne
Fisher Partners

Acre House
11-15 William Road

London
NW1 3ER

Tel

DX Number

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

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COMPANIES HOUSE

Joint Administrators' Final Progress Report
For the period
10 June 2011 to 30 November 2011

James & James Trading Limited
T/A Right Price Furniture
-In Administration

James & James Trading Limited T/A Right Price Furniture – In Administration

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James & James Trading Limited T/A Right Price Furniture – In Administration

1 Statutory Information

- 1 1 I was appointed as Joint Administrator of James & James Trading Limited T/A Right Price Furniture (“the Company”) together with Brian Johnson on 10 December 2010. The application for the appointment of an Administrator was made by the directors of the Company.
- 1 2 The Administration is being handled by Fisher Partners at Acre House, 11-15 William Road, London NW1 3ER.
- 1 3 The Administration is registered in the High Court of Justice under reference 9941 of 2010.
- 1 4 The trading address of the Company was Harts Building, Main Avenue, Brackla Industrial Estate, Bridgend, Mid Glamorgan, CF31 2AG. The business traded under the name Right Price Furniture.
- 1 5 The registered office of the Company is Acre House, 11-15 William Road, London NW1 3ER and the Company’s registered number is 05484484.

2 Joint Administrators’ Proposals

- 2 1 As previously advised, the Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:
- rescuing the Company as a going concern,
 - achieving a better result for the Company’s creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or
 - realising property in order to make a distribution to one or more secured or preferential creditors.
- 2 2 Due to the Company’s financial position it was not possible to rescue the Company as a going concern.
- 2 3 As previously advised, a pre-packaged sale of various assets was completed on 10 December 2010 to J B Global Limited. The sale has enabled the realisation of the Company’s goodwill and it is believed that the overall realisations have been better than what would have been possible in a liquidation.
- 2 4 The third objective of realising property in order to make a distribution to one or more secured or preferential creditors was achieved. The secured creditor, National Westminster Bank plc (“Natwest”), was paid in full on 17 February 2011. As detailed below, it was not possible to make any realisations from the Company’s insurance claim, which has meant that there were insufficient funds to enable a dividend to the preferential creditors.

3 Progress of the Administration

- 3 1 Attached, at Appendix A, is my Receipts and Payments Account for the period from 10 June 2011 to 30 November 2011 and cumulative to date.

James & James Trading Limited T/A Right Price Furniture – In Administration

- 3 2 As previously advised a pre-packaged sale of various assets of the Company was agreed to J B Global Limited (“JB Global”) To my knowledge, J B Global is not related to the Company

Stock

- 3 3 As part of the sale of assets to JB Global, customer stock which was not claimed or wanted by customers was to be sold by them One third of the sale proceeds were to be paid to the Company In this regard, the sum of £3,051 39 plus VAT was received from JB Global

Insurance Claim

- 3 4 As previously advised, one of the reasons for the Company’s financial position was a fire at the Company’s deliver company in November 2010 I attempted to pursue an insurance claim against the Company’s delivery company, Home Delivery Co UK LLP (“HDC”) and the company’s insurers. Advice and assistance was also provided by my insurance brokers, however, claims for the stock destroyed in the fire and for business interruption was rejected by the company’s insurers as the majority of the stock destroyed in the fire was already paid for by customers and as such the Company had not suffered a direct loss My insurance broker confirmed that the business interruption loss of profits claim was unquantifiable and was likely to be negligible, as the Company had received substantial deposits from customers This meant that the majority of the profit the Company would have made had already been received by the Company In addition on 14 January 2011 HDC went into Liquidation with a substantial shortfall to creditors The statement of affairs suggested that there was no prospect of a recovery for creditors As such, no realisations have been made

Settlement with Darren James

- 3 5 Upon review of the Company’s Sage accounting records, it was found that the loan account for one of the directors’, Darren James, showed an overdrawn position of £45,000 Evidence provided by Mr James and his accountant showed that Mr James had a claim for set off in respect of sums for expenses, accrued leasing equipment costs and undrawn salary that had not been included in the accounts totalled £35,000
- 3 6 Following further correspondence clarifying the sums above and further investigations the sum of £10,000 was accepted in settlement of the claim against Mr James

4 Joint Administrators’ Remuneration

- 4 1 On 24 January 2011, creditors approved that the basis of the Joint Administrators’ remuneration be fixed by reference to the time properly spent by them and their staff in managing the Administration
- 4 2 The Joint Administrators’ time costs for the period 10 June 2011 to 30 November 2011 are £17,204 10 This represents 93 52 hours at an average rate of £183 96 per hour Attached, as Appendix B, is a Time Analysis which provides details of the activity costs incurred by staff grade during this final period in respect of the costs fixed by reference to time properly spent by the Joint Administrators and their staff in managing the Administration
- 4 3 Also attached, as Appendix C, is a cumulative Time Analysis for the period from 10 December 2010 to 30 November 2011 Total time costs are £86,946 90. This represents 505 72 hours at an average rate of £171 93 per hour Please note that additional time costs

James & James Trading Limited T/A Right Price Furniture – In Administration

have also been incurred in respect of finalising the administration, including the preparation of this final report

- 4 4 The total fees drawn since my appointment are £46,216 87 and I can confirm no further amounts will be drawn
- 4 5 A significant amount of Partner time has been spent reviewing statutory reports to creditors and other correspondence. Partner time was also spent in relation to the investigations into the claim against the director and in particular pursuing the recovery. Partner time was also spent in relation to case administration, which includes attending to post appointment correspondence and telephone conversations with interested parties and in relation to customer goods held by the Company
- 4 6 A large amount of Group Leader time has been spent reviewing various reports to creditors and attendance at the initial meeting of creditors. Significant time has also been spent in relation to creditor correspondence and calls, including calls with Verbatim, who assisted in answering calls from customers
- 4 7 A large amount of Administrator time has been spent on investigations into the claim against the director and pursuing the recovery of the monies due. Significant time was also spent in relation to correspondence and calls with creditors, including customers. Time has also been spent reports and meetings, which includes the preparation of statutory reports to creditors and attendance at the initial meeting of creditors. Case administration time includes attendance at the Company's premises following the Company being placed into Administration and correspondence and calls with interested parties
- 4 8 Support Staff time has been spent on reports and meetings, which includes the distribution of correspondence to creditors. A large amount of Support Staff time has been spent in relation to calls and correspondence with creditors, including customers. Significant time has also been spent in relation to case administration which includes correspondence with interested parties and in respect of customer goods.
- 4 9 Attached, as Appendix D, is additional information in relation to this firm's policy on staffing the use of subcontractors, disbursements and details of our current charge-out rates by staff grade
- 4 6 Since the date of my last progress report, no Category 2 disbursements have been billed. Details of my Category 2 disbursements in the period under review are detailed in Appendix D of this report

5 Administrators' Expenses

- 5 1 No expenses have been incurred by the Joint Administrators in the period covered by this report

6 Investigations

- 6 1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS). As this is a confidential report, I am not able to disclose the contents.

James & James Trading Limited T/A Right Price Furniture – In Administration

7 Unrealised Assets

- 7 1 I confirm that all assets have now been realised and the cumulative Receipts and Payments Account at Appendix A reflects the final position on both realisations achieved and payments discharged during the course of the Administration

8 Outcome For Creditors

- 8 1 As previously advised, the Company's secured creditor, Natwest was paid in full on 17 February 2011
- 8 2 There are insufficient funds to enable a dividend to be paid to either the preferential or unsecured creditors of the Company

9 Creditors' Rights

- 9 1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses (other than pre-administration costs), which have been itemised in this progress report
- 9 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to Court on the grounds that, in the circumstances, the basis fixed for the Joint Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Administrators as set out in this progress report are excessive

10 Ending the Administration

- 10 1 As there are insufficient funds to enable a dividend to be paid to unsecured creditors, I will now file a notice pursuant to paragraph 84 of Schedule B1 to the Insolvency Act 1986 together with this final progress report, at Court and with the Registrar of Companies for the dissolution of the Company. The appointment will end following the registration of the notice by the Registrar of Companies

The Joint Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon his appointment as Administrator ceasing to have effect

For and on behalf of

JAMES & JAMES TRADING LIMITED T/A RIGHT PRICE FURNITURE



DAVID BIRNE
JOINT ADMINISTRATOR

(The Joint Administrators act as agents on behalf of
the Company and without personal liability)

**James & James Trading Limited T/A Right Price Furniture
(In Administration)
Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 10/06/2011 To 30/11/2011	From 10/12/2010 To 30/11/2011
	GENERAL FIXED CHARGE		
10,000 00	Goodwill	NIL	10,000 00
(2,686 07)	National Westminster Bank Plc	<u>NIL</u>	<u>(3,373 06)</u>
		NIL	6,626 94
	ASSET REALISATIONS		
200 00	Office Equipment	NIL	NIL
10,000 00	Stock	3,051 39	13,051 39
50,001 82	Funds held by Joint Administrators	NIL	50,001 82
Uncertain	Insurance Claim	NIL	NIL
	Bank Interest Gross	0 23	48 94
	Rates Refund	NIL	2,318 65
	Settlement with Darren James	<u>10,000 00</u>	<u>10,000 00</u>
		13,051 62	75,420 80
	COST OF REALISATIONS		
	Insurance Bordereau	NIL	135 00
	Pre appointment fees	NIL	19,506 75
	Administrators Fees	13,055 48	46,215 87
	Administrators Expenses	1 00	1,218 85
	Agents/Valuers Fees (1)	NIL	6,515 50
	Legal Fees (1)	NIL	7,006 00
	External Photocopying	NIL	589 85
	Re-Direction of Mail	NIL	103 92
	Statutory Advertising	<u>NIL</u>	<u>756 00</u>
		(13,056 48)	(82,047 74)
	PREFERENTIAL CREDITORS		
(19,855 24)	Employees Holiday Pay	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	UNSECURED CREDITORS		
(116,149 07)	Trade & Expense Creditors	NIL	NIL
(35,607 70)	Employees - Notice & Redundancy Pa	NIL	NIL
(5,000 00)	Darren James (Director)	NIL	NIL
(24,087 72)	HM Revenue & Customs - PAYE/NIC	NIL	NIL
(60,000 00)	HM Revenue & Customs - VAT	NIL	NIL
(614,554 20)	Customer Deposits / Prepayments	NIL	NIL
(43,072 80)	Customers where order is complete	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	DISTRIBUTIONS		
(100 00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(850,910 98)</u>		<u>(4 86)</u>	<u>(0 00)</u>
	REPRESENTED BY		
	VAT Receivable		2,611 30
	Bank 1 - Current		0 00
	VAT Payable		(610 28)
	Office Holders Account		<u>(2001 02)</u>
			<u>0 00</u>

James & James Trading Limited T/A Right Price Furniture - In Administration

Appendix B

Joint Administrators' Time Costs for the period 10 June 2011 to 30 November 2011

Service	Partner	Group Leader	Administrator	Support Staff	Total Hours	Total Cost
Acct/bookkeeping	-	-	-	-	-	-
Asset Realisation - Floating Charge	-	0 07	0 90	7 30	8 27	984 60
Asset realisation - non-charged assets	-	-	0 10	-	0 10	20 50
Case Admin	1 30	-	6 25	1 55	9 10	1,988 50
Employees	-	-	3 50	0 90	4 40	806 75
Investigations	-	-	2 30	-	2 30	471 50
Landlord/Creditor Correspondence	5 15	-	15 35	4 40	24 90	5,731 00
Reports & Meetings	-	-	1 70	3 85	5 55	829 75
Review	0 25	0 60	8 90	24 80	34 55	4,798 25
	3 55	0 30	0 40	0 10	4 35	1,573 25
Total Time.	10 25	0 97	39 40	42 90	93 52	
Total Cost (£)	4,048 75	247 35	8,073 50	4,834 50		17,204 10
Average rate per hour (£)	395 00	255 00	204 91	112 69		183 96

James & James Trading Limited T/A Right Price Furniture - In Administration

Appendix C

Joint Administrators' Time Costs for the period 10 December 2010 to 30 November 2011

Service	Partner	Group Leader	Administrator	Support Staff	Total Hours	Total Cost
Acct/bookkeeping	3 85	6 37	4 75	16 80	31 77	5,814 10
Asset Realisation - Fixed Charge	0 40	-	-	0 05	0 45	164 25
Asset Realisation - Floating Charge	0 10	-	7 00	0 15	7 25	1,433 25
Asset realisation - non-charged assets	4 00	-	16 95	2 75	23 70	5,395 00
Case Admin	8 00	1 50	23 25	55 50	88 25	14,377 50
Dividends	-	-	1 35	-	1 35	276 75
Employees	-	-	5 35	5 55	10 90	1,770 00
General Advice	-	-	4 20	-	4 20	857 00
Investigations	6 65	2 25	33 05	13 90	55 85	11,713 25
Landlord/Creditor Correspondence	3 80	8 95	52 10	74 80	139 65	23,592 75
Proof/claims - Unsecured	0 60	-	-	1 95	2 55	480 75
Reports & Meetings	1 95	9 95	29 15	86 35	127 40	16,539 80
Review	10 65	0 30	0 85	0 60	12 40	4,532 50
Total Time	40 00	29 32	178 00	258 40	505 72	
Total Cost (£)	15,800 00	7,373 60	36,118 00	27,655 30		86,946 90
Average rate per hour (£)	395 00	251 49	202 91	107 03		171 93

Additional Information in Relation to Administrator's Fees Pursuant to Statement of Insolvency Practice 9

Appendix D

1 Policy

Detailed below is Fisher Partners policy in relation to

- Staff allocation and the use of sub-contractors,
- Professional advisors, and
- Disbursements

1.1 Staff Allocation and the use of Sub-contractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, Group Leader, Senior Administrator, Administrator and Support Staff. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignments. The charge out rate schedule below provides details of all grades of staff and their experience level.

We have not utilised the services of any sub-contractors in this case.

1.2 Professional Advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Rosenblatt Solicitors (legal advice)	Hourly rate and disbursement
AUA Insolvency Risk Services (insurance)	Risk based premium
Edward Symmons LLP (valuation and disposal advice)	Percentage of realisations and valuation fee
Verbatim (helpline services)	Monthly charge

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

James & James Trading Limited T/A Right Price Furniture – In Administration

1.3 Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred, which include an element of recharge overhead. On this case the following costs have been incurred since 10 June 2011, including costs in connection to the distribution of the final letter to creditors but not paid.

Other amounts paid or payable to the officeholder's firm or to any party in which the officeholder or his firm or any associate has an interest	10 June 2011 to date	10 December 2011 to date
Photocopying	792.00	2,460.75
Postage	1,029.60	2,883.10
Storage	288.00	1,152.00
Total	2,109.60	6,495.85

2.0 Charge-out Rates

A schedule of Fisher Partners charge-out rates for this assignment effective from 1 January 2011 is detailed below.

	Per hour
Partners / Senior Consultants	£395
Group Leaders	£255
Senior Administrators	£205
Administrators	£170-185
Junior Administrators	£125
Support Staff	£85-125