

The Insolvency Act 1986

**Administrator's progress report**

Name of Company

Little Ducklings Daycare Limited

Company number

05697765

In the  
Newbury County Court

(full name of court)

Court case number  
20 of 2011(a) Insert full  
name(s) and  
address(es) of  
administrator(s)

I/We (a)  
James Richard Tickell  
Portland Business & Financial Solutions  
1640 Parkway  
Solent Business Park  
Whiteley  
Fareham  
Hampshire  
PO15 7AH

Carl Derek Faulds  
Portland Business & Financial Solutions  
1640 Parkway  
Solent Business Park  
Whiteley  
Fareham  
Hampshire  
PO15 7AH

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

From

To

(b) Insert date

(b) 9th March 2011

(b) 8th September 2011

Signed

Joint / Administrator(s)

Dated

7<sup>th</sup> October 2011

MONDAY



A09

\*A16Z9Y9W\*

10/10/2011

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COMPANIES HOUSE



**PORTLAND**

WWW.PORTBFS.CO.UK

1640 Parkway  
Solent Business Park  
Whiteley  
Fareham  
Hampshire  
PO15 7AH  
Telephone 01489 550440  
Facsimile 01489 550499  
E-mail post@portbfs.co.uk

JT/CF/MIF/SIG/JK/DT//L7146/C GEN

6<sup>th</sup> October 2011

## TO THE CREDITORS

### Six monthly progress report to creditors

#### Little Ducklings Daycare Limited in administration

Six months has recently passed since our appointment as joint administrators on 9th March 2011. We are therefore providing you with a report on the progress of the administration since our report dated 4<sup>th</sup> May 2011 containing our proposals that were subsequently approved.

We enclose statutory details of our appointment.

#### Progress to date in realising assets

We enclose a summary of our receipts and payments during the six months. We have provided comparisons of the realisations with the statement of affairs in our previous report, which we hope you will find helpful.

We explained in our report that we completed on a sale of the business to Little Ducklings Day Nursery Limited, a connected company by way of common director, Ian Morgan. The price was set at the amount of the secured lending of the company that Mr Morgan was personally guaranteeing, around £140k, which was in excess of the business valuation. All this consideration has now been paid. We have yet to complete the conveyance of the lease, which still awaits the attention of the solicitors for the landlord.

The debt due from the parent company, Bright New Minds Limited, has proved to be irrecoverable as this company was itself insolvent and has since been dissolved.



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#### Portland Business & Financial Solutions Ltd

Registered No 3830668  
Carl D Faulds, Mike Fortune, James Tickell  
All Licensed Insolvency Practitioners are authorised  
by the Insolvency Practitioners Association

## Investigation

In our first report and our proposals we invited creditors to bring to our attention any matters that they believe require further investigation. We have also conducted an investigation into the affairs of the company in order to identify matters that would lead to a cost effective recovery for creditors. We have concluded that there are no matters of concern that merit pursuing.

In addition, a report has been submitted to The Insolvency Service as required under the provisions of the Company Directors Disqualification Act 1986.

## Creditors' claims and dividends

A summary of the position regarding creditors' claims is set out below -

	Creditor totals			Dividend totals	
	Statement of affairs £000	Claims received £000	Claims agreed £000	Paid to date £000	%
Secured claims	280	282*	282	127	45
Preferential claims	NIL	NIL	See note	--	--
Unsecured creditors	65	91	See note	--	--

\* Total liability to HSBC Bank Plc which includes cross company guarantees

We comment further as follows -

- We have taken legal advice to confirm that the charge held by HSBC Bank Plc is valid and we have confirmed the amount of the secured claim.
- HSBC has received £127k under its fixed charge. No further payments are expected to be made and therefore the bank will have to rely on its guarantee from Mr Morgan for the remainder of its liability.
- There were no preferential creditors as the employees were transferred under TUPE regulations to Little Ducklings Day Nursery Limited.
- Administrators do not have the power to distribute funds to unsecured creditors. We have limited our role to responding to creditor correspondence in a basic manner and where requested, we are confirming balances for audit or insurance purposes.
- In our proposals we made a declaration under paragraph 52(1)(b) of Schedule B1 of the Insolvency Act 1986 that there were insufficient funds to enable a distribution to the unsecured creditors. In addition we advised that the 'prescribed part' provisions did not apply in this case.

### Administrators' fees, disbursements and expenses

We are required to agree the basis of our remuneration with the secured and preferential creditors in this case. This authority has been granted and has been fixed such that the total costs of the administration do not exceed £10k. We therefore anticipate being able to draw £6k in respect of our remuneration, of which £5k has been drawn to date.

We are required to provide creditors with details relating to those time costs and the disbursements that we have incurred since our last report to creditors and to date in the administration. This is analysed on the attached schedule, along with a schedule of our current charge-out rates and disbursements policy, and the totals are summarised below.

	Administration total
	£
Time costs	10,454
Average hourly rate	169
Fees drawn	5,000

In the attached analysis, we have recorded time in the following categories of work that we have handled -

- **Asset realisations** – Taking appropriate measures to realise the assets of the company, as more fully explained under the heading “Progress to date in realising assets”
- **Administration and planning** - internal management of the case to ensure it is completed in an expedient manner and in accordance with good practice. Maintaining the distribution and preparation of proposals, estate accounts and ensuring compliance and statutory filing requirements.
- **Reporting** - communicating with creditors about the initial appointment, and preparing and distributing reports.
- **Investigation** - carrying out a review of the events leading up to failure and completing the CDDA reports, which is explained in more detail under the heading of “Investigation” above.
- **Creditors' claims** – Corresponding with creditors about their claims, as more fully described under the ‘Creditor claims and dividends’ above.

We have also instructed agents to handle certain aspects of the administration on our behalf where it was either more cost-effective for them to do so or where they have a particular expertise that was required. A summary of the name of agents, the work handled, the basis of the fees paid and the amounts paid and accrued is given below.

Name and profession	Nature of work handled	Basis of fees paid	Paid £
Coffin Mew Solicitors	Debenture validation Business sale agreement	Time cost	2,326

Coffin Mew was chosen because the firm has previously acted for us and are known to be experienced in preparing simple sale agreements cost effectively

### **Anticipated timescale for completion of the winding-up**

We expect to be able to complete the administration within the next three months following which the company will be dissolved. Before that can happen, we

We hope that the contents of this report have provided you with a clear and detailed explanation of the conduct of the administration. If you should have any queries or require further explanation please do not hesitate to contact us

James Tickell  
**Joint Administrator**

Within twenty-one days of receipt of this progress report, a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors may make a written request for further information in relation to the report, including information about the administrators' remuneration or expenses. If a creditor believes that this remuneration is excessive, the basis is inappropriate, or the expenses incurred by the administrators are excessive, the creditor may, provided certain conditions are met, apply to court within eight weeks of receiving the progress report to challenge these

Further information regarding administrators' fees can be found by visiting the following website link

<http://www.insolvency-practitioners.org.uk/uploads/Admin.pdf>

### **Attached**

- Summary of receipts and payments
- Statutory information
- SIP 9 time analysis
- Schedule of charge out rates

**Little Ducklings Daycare Limited  
(In Administration)**

**Joint Administrator's receipts and payments account**

	Statement of affairs £	From 09/03/2011 To 08/09/2011 £
<b>RECEIPTS</b>		
Goodwill/leashold premium	120,000 00	127,383 32
Intercompany debt	NIL	0 00
Tangible assets sold with business	10,000 00	10,000 00
Book debts	NIL	0 00
Bank interest	-	12 64
	<hr/> 130,000 00 <hr/>	<hr/> 137,395 96 <hr/>
<b>PAYMENTS</b>		
Bank charges		1 20
Legal fees		2,325 70
Administrators' remuneration		5,000 00
VAT irrecoverable		1,465 14
Payment to HSBC Bank Plc - under its fixed charge		127,383 32
		<hr/> 136,175 36 <hr/>
<b>Balance</b>		<hr/> 1,220 60 <hr/>

## Little Ducklings Daycare Limited in administration

### Details about the administration

This section provides background information about the company, the events leading up to the administration appointment and the conduct of the administration

#### Details of the court and the reference number

<b>Supervising court</b>	Newbury County Court	<b>Court reference number</b>	20 of 2011
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#### Details of the company

<b>Full registered name</b>	Little Ducklings Daycare Limited	<b>Registered number</b>	05697765
<b>Former registered office</b>	Pennyhill House Eastbury Hungerford Berkshire RG17 7JN	<b>Former trading address</b>	Campbell Road Woodley Reading Berkshire RG5 3NA

#### Details about the administration appointment

<b>Name of administrators and licensing bodies</b>	James Richard Tickell	Insolvency Practitioners Association	
	Carl Derek Faulds	Insolvency Practitioners Association	
<b>Date of appointment</b>	9th March 2011	<b>Appointer</b>	The directors of the company
<b>Allocation of administrators' powers</b>	All the powers and functions of an administrator are exercisable by either or both of the appointed administrators		

#### Details of the administration proposals

<b>Date of original proposals</b>	18th March 2011	<b>Details of any subsequent amendments</b>	None
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# **Little Ducklings Daycare Limited in administration**

## **SIP9 Time and cost summary**

From 9th March 2011 To 8th September 2011

Classification of work function	Partner	Manager	Other senior professionals	Assistants and support staff	Total hours	Time cost (£)	Average hourly rate (£)
Realisation of assets	3 20	12 20	2 00	0 20	17 60	3,495 00	198 58
Administration and planning	2 60	0 00	1 40	0 00	4 00	874 00	218 50
Creditors	0 50	2 80	13 70	0 70	17 70	2,039 00	115 20
Investigations	0 20	2 00	3 80	0 00	6 00	808 00	134 67
Reporting	2 00	13 00	1 40	0 00	16 40	3,238 00	197 44
<b>Total Hours</b>	<b>8 50</b>	<b>30 00</b>	<b>22 30</b>	<b>0 90</b>	<b>61.70</b>	<b>10,454.00</b>	<b>169 43</b>
<b>Total Fees Claimed</b>						<b>5,000.00</b>	

Category 2 Disbursements	Accrued in period £	Paid in period £	Total accrued £	Total paid £
Postage and stationery	38 03	0 00	38 03	0 00
Photocopying	3 66	0 00	3 66	0 00
Mileage	1 35	0 00	1 35	0 00
Room hire	0 00	0 00	0 00	0 00
Storage (Portland archive)	0 00	0 00	0 00	0 00
Facsimile	4 00	0 00	4 00	0 00
Company searches	12 00	0 00	12 00	0 00
	<b>59 04</b>	<b>0.00</b>	<b>59 04</b>	<b>0 00</b>



## **PORTLAND BUSINESS & FINANCIAL SOLUTIONS LTD.**

### **Schedule of current charge out rates**

We have set out below our rates with effect from 1<sup>st</sup> September 2010

	<b>Current rate per hour £</b>
Director	285
Senior manager - London	280
Associate	280
Senior manager	225
Case manager	195
Case administrator	165
Administrator	95
Cashiers	95
Support staff	70

Appropriate grades of staff will be allocated to each assignment according to the size and complexity of the matter

The charge out rates are subject to review

### **Schedule of disbursements effective from 1<sup>st</sup> February, 2009**

Category 2 (paid to Portland Business & Financial Solutions Ltd )

Postage and stationery	-	Three times postage cost
Photocopying	-	10p per copy
Facsimile	-	£1 per page
Mileage	-	HM Revenue & Customs agreed rate
Room Hire	-	£100 per meeting
Storage (Portland archive)	-	£7 50 per box per quarter
Company searches	-	Two times cost