

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company
Andrew Armstrong (Bakewell) Ltd

Company number
06624138

In the High Court of Justice
(full name of court)

Court case number
1589 of 2010

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

I/We (a)
 Andrew Maybery
 Hart Shaw LLP
 Europa Link
 Sheffield Business Park
 Sheffield
 S9 1XU

Christopher Brown
 Hart Shaw LLP
 Europa Link
 Sheffield Business Park
 Sheffield
 S9 1XU


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

(b) Insert date

From
(b) 3rd August 2010

To
(b) 2nd February 2011

Signed


 Joint / Administrator(s)

Dated

01/03/11

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

Andrew Maybery
 Hart Shaw LLP
 Europa Link
 Sheffield Business Park
 Sheffield
 S9 1XU

DX Number

0114 251 8850
 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



Co

SATURDAY

ANDREW ARMSTRONG (BAKEWELL) LTD - IN ADMINISTRATION

RECEIPTS & PAYMENTS ACCOUNT TO 01 MARCH 2011

	£
	Total as at
Receipts	
Sale Proceeds	50 000 00
Book Debts	1 554 90
Bank Interest Gross of Tax	0 60
	<hr/>
	51,555 50
	<hr/>
Payments	
Specific Bond	276 00
Administrators Fees	
Agents/Valuers Fees	2 000 00
Professional Fees	95 00
Legal Fees	5,057 00
Category 2 Disbursements	35 20
Postage	25 96
Statutory Advertising	61 88
	<hr/>
	7,551 04
Balance at Bank	42,745 84
VAT Receivable	1,258 62
VAT Payable	
	<hr/>
	51,555 50
	<hr/>

Notes

The basis of the office holder's remuneration is disclosed in the main body of the report

The Company was registered for VAT Receipts & Payments have been shown net of VAT and the relevant amount of VAT payable or receivable has either been accounted for or is shown above and will be accounted for in due course

BUSINESS RECOVERY AND INSOLVENCY

Europa Link Sheffield Business Park, Sheffield S9 1XU Tel 0114 251 8850 Fax 0114 242 1217

HART SHAW

Chartered Accountants & Business Advisers

Our Ref M/EI/JT/F

Your Ref

1 March 2011

TO ALL CREDITORS

Dear Sir,

Andrew Armstrong (Bakewell) Ltd – In Administration

I was appointed the Joint Administrator together with Christopher J Brown of the above named company on 3rd August 2010

In accordance with Rule 2.47(4) of the Insolvency (Amendment) Rules 2003, I attach Form 2.24B, the administrators' progress report for the period 3rd August 2010 to 2 February 2011

Yours faithfully,
for and on behalf of Andrew Armstrong (Bakewell) Ltd - In Administration



Andrew J Maybery
Joint Administrator

When telephoning please ask for James Taylor

Email info@hartshaw.co.uk Web www.hartshaw.co.uk

Members: Andrew Maybery FCA, Christopher Brown MIPA, Paul Dawson FCA, Martin McDonagh FCA, Jonathan Robinson FCA, Chris Sellars ACA, Steve Vickers CTA ACA, Martin Whittin FCA
Registered to carry on audit work by the Institute of Chartered Accountants in England and Wales
A member of the U.K. 200 Group and The International Association of Practising Accountants

A J Maybery and C J Brown are licensed to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales

Hart Shaw is the trading name of Hart Shaw LLP a limited liability Partnership of Chartered Accountants registered in England and Wales (number OC310996)
Registered Office: Europa Link Sheffield Business Park Sheffield S9 1XU

Andrew Armstrong (Bakewell) Ltd (In Administration)
Chancery Division, Leeds District Registry Number 1589 of 2010

Registered Office. Church Court, Stourbridge Road, Halesowen, B63 3TT
Company Number 06624138

Joint Administrator's Progress Report to Creditors Pursuant to Rule 2.47 of the
Insolvency (Amendment) Rules 2003.

Events leading to the appointment of Joint Administrators

On 3rd August 2010 an Administrator Order was granted, No 1589 of 2010 in the High Court of Justice Chancery Division, at the Leeds District Registry. Andrew J Maybery and Christopher J Brown of Hart Shaw LLP, Europa Link, Sheffield Business Park, Sheffield S9 1XU were appointed as Joint Administrators. The administrators were introduced to the business by David Gledhill of Peak Business Solutions, Bakewell Derbyshire. Mr Gledhill who is a turnaround specialist had been introduced to the business by the Company's bankers.

In accordance with paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, all the functions of the Administrations, Andrew J Maybery and Christopher J Brown may be exercised by them acting jointly or by each of them separately and on behalf of each other.

The circumstances leading up to the appointment were fully detailed in the Report and Proposals of the Joint Administrators, which was circulated to all creditors on 27th September 2010. As there was no prospect of a distribution to unsecured creditors the decision was taken not to summon an initial meeting of creditors. Creditors whose debts amount to at least 10% of the total debts of the Company had the right to request, within 12 days of the proposal being sent out, that a meeting of creditors be convened. No request was received by 9th October 2010 and therefore the Administrators deemed the proposal had been accepted by creditors on the 11th October 2010.

Progress of the Administration

Prior to Administration Appointment the Joint Administrators instructed Charterfields Limited to value the business and assets and advise on the potential opportunities to realise assets.

A limited marketing process was undertaken by Charterfields Limited prior to Administration. Charterfields held discussions with four separate parties with regards the disposal of the business assets.

The decision was taken by the Joint Administrators to sell the intellectual property, customer list, the equipment, the goodwill, the IT, the stock and WIP of the business to Michael I Holdsworth Limited for a consideration of £50,000, which was paid on completion.

It was believed that the sale would maximise the value of goodwill and therefore return to creditors. It was not possible to trade the business and offer it for sale as a going concern as the Company had minimal stock and was unable to restock.

Prior to the date of appointment the Directors of the Company made 2 employees who worked on the retail side of the business redundant. The staff which worked in the trade side of the business was transferred to the purchaser.

The trading of the business ceased on 3rd August 2010 and the 2 remaining employees were also declared redundant on this date.

Property

The company rented the premises at The Square, Bakewell, Derbyshire DE45 1BT from the Director Harry Price. Following the Administration appointment, Michael I Holdsworth Limited continued to use the premises in the interim period until the business could be transferred to alternative premises.

Book Debts

At the time of appointment the Company's invoice discounters were Aldermore Invoice Finance Ltd. The amount owed to Aldermore Invoice Finance Ltd was £53,055.40. The current debtor balance outstanding at March 2011 is c£22,000 with the current account now being fully repaid.

It is the Joint Administrators plan for these debtors to be reassigned from Aldermore to the Company, to allow Joint Administrators to continue to pursue these debtors for payment.

Furniture, fittings & equipment, Stock and Motor Vehicles

All the fixed assets, stocks and WIP of the business were included in the sale to Michael I Holdsworth Limited.

Investigation

The Joint Administrators have carried out a thorough investigation into the conduct of the directors and the affairs of the business.

The Joint Administrators have submitted their report to the Department for Business Innovation and Skills, formerly the Department for Trade & Industry, in accordance with our duties under the Company Directors Disqualification Act 1986. Please be advised that this report is a confidential report and therefore the content cannot be disclosed.

Professional Fees

Charterfields Limited has been paid £2 000 plus VAT in connection with their services in marketing of the business and successfully negotiating the sale of the business

Nicklin Limited has been paid £95 00 plus VAT in connection with the preparation of P45 s and P35 s for the business

Legal Fees

The Joint Administrators instructed HLW Commercial Lawyers as their Solicitors in this matter and we have paid legal fees and disbursements to date of £5.057 plus VAT in respect of preparation of Sale and Purchase agreement along with general advice and retention of title issues

Preferential Creditors

We have received preferential claims totalling £1,241 80 in respect of wage arrears and holiday pay due to the employees and the Redundancy Payments Office. We are in the process of verifying and agreeing these claims and will declare a dividend once this has been finalised

Unsecured Creditors

We have received claims totalling £101,621 27 from unsecured creditors however to date there hasn't been any work carried out in agreeing these claims. There are 40 creditors who have yet to submit their claim in this matter

As detailed in the proposal which was sent out to unsecured creditors on the 27th September 2010, there is no prospect of a dividend being paid out to unsecured creditors

Administrators' Proposals

A copy of the statement of the Administrators' proposals was sent to all creditors on 27th September 2010 as part of our initial report to creditors. As there was no prospect of a dividend being paid out to creditors it was proposed that there would not be a meeting of creditors.

Creditors whose debts amount to at least 10% of the total debts of the Company had the right to request, within 12 days of the proposal, were sent out that a meeting of creditors be convened. No request was received by 9th October 2010 and therefore the Administrators deemed the proposal had been accepted by creditors on the 11th October 2010.

Further Reporting

In accordance with Rule 2.47 of the Insolvency Rules 1986, we intend to report at six monthly intervals for the duration of the Administration.

In line with our proposals, we anticipate at this stage being in a position for the company to proceed into dissolution prior to 3rd August 2011 when the Administration would automatically end.

Administrators' Time Costs

As part of the accepted proposal to creditors, which was deemed to have been accepted on 11th October 2010, the Administrators' remuneration was approved on a fixed basis of £6,000 plus VAT. To date, these time costs amount to £10,811 in respect of 58.67 hours of chargeable time. To date, no remuneration has been drawn by the Administrators.

In accordance with the provisions of SIP9 which came into effect on 1st January 2003, below is a summary of the time spent by the Joint Administrators and their staff in dealing with the case and a summary of category 2 disbursements paid.

Summary of Time Costs

Classification Of Work Function	Hours				Total Time Costs £	Average Hourly Rate £
	Partner	Manager / Senior	Junior / Support	Total Hours		
Administration & Planning	8.50	13.30	18.47	40.27	7,467	185.41
Investigations	0.00	0.00	0.00	0.00	0	0.00
Realisation of Assets	0.00	0.50	1.30	1.80	265	147.36
Trading	0.00	0.00	0.00	0.00	0	0.00
Creditors	5.00	2.10	9.50	16.60	3,079	185.49
Total	13.50	15.90	29.27	58.67	10,811	184.27

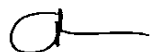
Summary of Category 2 disbursements for services provided by Hart Shaw

Classification Of Expenses	Rate	Total
Photocopying	10 pence per sheet for circulars and other bulk copying	18 60
Mileage	Up to 40 pence per mile	35 20
Document Storage	£5 per bankers box per year	
Total		53.80

Conclusion

There will not be a dividend to unsecured creditors in this matter and therefore the likely exit route for the Administration will be that the Company will be dissolved at Companies House

Attached to this report is a Receipts and Payments Account for the six month period 2nd February 2011



Andrew J Maybery
Joint Administrator

1st March 2011