

The Insolvency Act 1986

Administrator's progress report

Name of Company Allanfield Group Plc	Company number 07652397
In the The High Court of Justice	Court case number 9587 of 2012

We
Jason Daniel Baker
FRP Advisory LLP
10 Furnival Street
London
EC4A 1AB

Philip Lewis Armstrong
FRP Advisory LLP
10 Furnival Street
London
EC4A 1AB

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


From

27 June 2013

To

26 December 2013

Signed


Joint Administrator

Dated

24 January 2014

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 members of the public

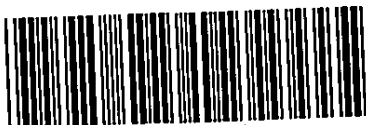
Jason Daniel Baker
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020 3005 4000
DX Exchange

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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To All Creditors

your ref

our ref A1277LON

date 24 January 2014

Please ask for Dominic Roberts

Dear Sirs

**ALLANFIELD GROUP PLC
(IN ADMINISTRATION) ("THE COMPANY")
IN THE HIGH COURT OF JUSTICE NO. 9587 of 2012**

Further to my appointment as Joint Administrator on 27 December 2012, I provide my progress report on this administration for the period 27 June 2013 to 26 December 2013 ("the period") in accordance with Rules 2.47 of the Insolvency Rules 1986.

I attach

- Appendix A - Statutory information regarding the Company and the appointment of the Joint Administrators
- Appendix B - Joint Administrators' receipts & payments account
- Appendix C - Details of my firms' time costs and disbursements
- Appendix D - Statement of expenses
- Form 2.24B - Formal notice of the progress report

1. The Administrators' Proposals

1.1 The objectives of the administration were -

- A To rescue the Company as a going concern, failing which
- B To achieve 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), failing which
- C To realise property in order to make a distribution to one or more secured or preferential creditors.

1.2 Objective A cannot be achieved as trading of the subsidiaries ceased on 19 December 2012 and due to the prospect that there may be a low level of realisations it is expected that objective B will also not be achieved. As such, it is expected that objective C will be achieved, to realise property in order to make a distribution to one or more secured or preferential creditors.

1.3 The proposals included a statement in accordance with Paragraph 52 of Schedule B1 to the Insolvency Act 1986 and therefore the Joint Administrators were not required to convene a meeting of creditors.

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1 4 A summary of the Joint Administrators proposals, which were deemed to have been approved on 5 March 2013, is given below.

- a) The Joint Administrators will continue to realise the assets of the Company
- b) The Company may be placed into liquidation if appropriate. The proposed Liquidators are to be Jason Daniel Baker and Philip Lewis Armstrong
- c) If the Company has no property which might permit a distribution to its unsecured creditors, or if they also consider that an exit from the administration into liquidation is not appropriate, the Joint Administrators will send a notice to the Registrar of Companies and three months after the filing of the notice the Company will be dissolved
- d) As the Joint Administrators consider that the Company has insufficient property to enable a distribution to be made to the unsecured creditors, the following sections of the Joint Administrators' proposals, will require the consent of each secured creditor
 - (i) The Joint Administrators' fees plus VAT should be approved on a time cost basis charged at the charge out rates prevailing at the time the work is undertaken, to be drawn when the Joint Administrators' see fit. A schedule of current charge out rates is set out in Appendix C
 - (ii) Mileage can be recharged and drawn at the HMRC approved mileage rate prevailing at the time the mileage was incurred
 - (iii) The Joint Administrators' discharge from liability shall take effect in accordance with Paragraph 98 of Schedule B1 to the Act 30 days following either the Company entering into liquidation or filing the notice of moving from administration to dissolution

1 5 The Secured Creditor has confirmed its acceptance of sections (i) to (iii), above, of the proposals

2. Progress of the Administration

2 1 I attach at Appendix B a receipts and payments account detailing transactions for the period 27 June 2013 to 26 December 2013

2 2 The Company did not trade and did not own any tangible assets. It operated from leasehold premises and there is no value in the lease

2 3 The Company was a holding company for two insurance broker businesses also in administration, being Allanfield Property Insurance Services Limited and Industrial & Commercial Property Insurance Services Limited (together with the Company "the Group")

2 4 The Company is not VAT registered and cannot recover VAT. Irrecoverable VAT has been shown separately in the receipts and payment account

2 5 Part of my duties include carrying out proportionate investigations into what assets the Company has, including any potential claims against directors or other parties, and what recoveries could be made. I am continuing my investigations in this regard. As the investigation is on-going I have not disclosed further information at this stage

2 6 The Secured Creditor has provided funding for a preliminary investigation into the Company's affairs and the identification of any possible avenues for recovery that could be pursued further

- 2 7 Accordingly I instructed forensic accountants, Crowe Clark Whitehill LLP, on 4 September 2013, to begin an investigation into (amongst other things) the reasons for the failure of the Group. I await CCW's initial report on this matter.

3. Extension of the Administration

- 3.1 It was necessary to ensure sufficient time to allow for the above work to continue without the restriction of the period of administration.
- 3 2 Accordingly a six month extension to the administration period, being to 26 June 2014, was subsequently granted by the Secured Creditors pursuant to Paragraph 76(2) of Schedule B1 of the Insolvency Act 1986.

4. Outcome for Secured Creditor

- 4.1 At the date of appointment Coutts Bank was owed approximately £2.6m in accordance with a credit facility granted to the Company. It is expected that Coutts Bank will suffer a significant shortfall.

5. Outcome for Preferential Creditors

- 5 1 There were no employees and as such there are no preferential creditors.

6. Outcome for Unsecured Creditors & Prescribed Part

- 6 1 The Joint Administrators have considered the possibility of a prescribed part for unsecured creditors under S176A of the Insolvency Act 1986. A prescribed part may be applicable in this case but its sum, if any, is dependent on the quantum of the realisations and the costs of the administration.
- 6 2 The statement of affairs indicates that, subject to costs, a dividend will not be available to unsecured creditors.

7. Administrators' Pre-Appointment Costs

- 7 1 As the Joint Administrators considered that the Company has insufficient property to enable a distribution to be made to the unsecured creditors, the Joint Administrators' pre appointment costs of £15,773.42 require the consent of the secured creditor. Approval was received from Coutts Bank as the secured creditor in accordance with Rule 2.67A (3) of the Insolvency Rules 1986.

8. Administrators' Remuneration, Disbursements and Expenses

- 8 1 Turning to our own costs in this matter, our remuneration as Joint Administrators is based on computerised records of all time spent on the administration of this case. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and experience required. Time is charged to the case in minimum of 6 minute units. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters. Charge out rates are reviewed at least annually, details of FRP Advisory LLP charge out rates are included at Appendix C. A breakdown of our time costs incurred during the period of this report, in accordance with Statement of Insolvency Practice 9 is set out at Appendix C.
- 8 2 The Joint Administrators' disbursements are a recharge of actual costs incurred by the Joint Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP Advisory at the HMRC approved mileage rate prevailing at the time the mileage was incurred. Details of disbursement incurred during the period of this report are set out in Appendix C.

- 8.3 In accordance with Rule 2.106(5A) it falls to the secured creditor to agree the basis of the Joint Administrators remuneration. Coutts Bank has confirmed its agreement to the basis of the Joint Administrators remuneration being charged on a time cost basis
- 8.4 I attach at Appendix D a statement of expenses that have been incurred during the period covered by this report
- 8.5 Creditors have a right to request further information from the Joint Administrators under Rule 2.48A of the Insolvency Rules 1986 and further have a right to challenge the Joint Administrators' remuneration and other expenses, which are first disclosed in this report, under Rule 2.109 of the Insolvency Rules 1986 (For ease of reference these are the expenses incurred in the reporting period as set out in Appendix D only) Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link <http://www.frapadvisory.com/fees-guide.html> and select the one for administrations Alternatively a hard copy of the relevant guide will be sent to you on request Please note there is a time limit for requesting information being 21 days following the receipt of this progress report There is a time limit of 8 weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive

If you have any queries about this report or the progress of the administration, please do not hesitate to contact Dominic Roberts at this office

Dated: 24 January 2014



Jason Baker

Joint Administrator

Licensed in the United Kingdom by the Institute of Chartered Accountants in England & Wales

The Joint Administrators act as agents of the Company and without personal liability.

The affairs, business and property of the Company are being managed by Jason Daniel Baker and Philip Lewis Armstrong who were appointed Joint Administrators on 27 December 2012.

Allanfield Group Plc

Statutory Information

ADMINISTRATION DETAILS:

Date of notice of intention to appoint Administrators presented to Court:	17 December 2012
Consent to the notice to appoint an Administrator provided by the qualifying charge holder as follows	18 December 2012
Names of Joint Administrators	Jason Daniel Baker and Philip Lewis Armstrong
Address of Joint Administrators:	FRP Advisory LLP 10 Furnival Street London EC4A 1AB
The appointment of the Joint Administrators included a declaration that they are acting jointly or severally as Administrators of the Company	
Date of appointment of Administrators	27 December 2012
Court in which administration proceedings were brought:	The High Court of Justice
Court reference number	9587 of 2012
Application for administration order made by:	Mr Darryl Noik, Director
Date of deemed approval of Administrators Proposals.	5 March 2013
Administration extension.	With the consent of creditors to 26 June 2014
The EC Regulation on Insolvency Proceedings will apply in this matter and accordingly the Administration will constitute main proceedings	

COMPANY DETAILS:

Date of incorporation:	31 May 2011
Company number	07652397
Registered office	10 Furnival Street London EC4A 1AB
Previous registered offices and trading addresses	62 Margret Street London W1W 8TF 99 Heath Street London NW3 6ST

Directors

Mr Darryl Noik
Mr Gary Field
Mr Harvey Soning
Mr John Dembitz
Mr Simon Harding
Mr Tim Allan

Company secretary:

Mr Darryl Noik

The directors have the following shareholdings of £0.01 shares in the Company:-

Name	Shares	Type	Percentage shareholding
Mr Gary Field	3,702,736	Ordinary	22
Mr Tim Allan	2,043,242	Ordinary	12
Mr Darryl Noik	549,751	Ordinary	4
Mr Simon Harding	338,308	Ordinary	2
Mr Gary Field	1,614,791	Deferred	19
Mr Tim Allan	930,349	Deferred	11
Mr Darryl Noik	53,982	Deferred	1

Extracts from the consolidated financial statements for the group are summarised below -

Period Ended	Turnover	Gross Profit	Net Profit/ (Loss)	Dividend paid	P & L a/c c/fwd
	£'000	£'000	£'000	£'000	£'000
Y/E 31.12.2011	2,228	(364)	(476)	Nil	531
Y/E 31.12.2010	1,513	716	508	300	1,007



Allanfield Group Plc (In Administration)

Time charged for the period 27 June 2013 to 26 December 2013

	Partner	Manager	Other Professional	Support	Total Hours	Total Cost £	Average Hourly Rate £
Administration and Planning							
Case Control and Review	0.30	0.75	1.65	5.00	7.70	1,580.00	205.19
Case Accounting - General	0.30		0.35	2.00	2.35	148.50	495.00
General Administration		0.75	1.30	3.00	5.05	557.50	237.23
Asset Realisation			0.20		0.20	874.00	173.07
Asset Realisation			0.20		0.20	44.00	220.00
Creditors			4.80		6.05	1,481.00	244.79
Secured Creditors	1.25	1.00	0.50		1.50	450.00	300.00
HP/ Leasing	1.00	0.25			0.25	85.00	340.00
Landlord	0.25		3.40		3.40	748.00	220.00
Shareholders			0.90		0.90	198.00	220.00
Investigation					1.00	340.00	340.00
Investigatory work - Other	1.00	1.00			1.00	340.00	340.00
Statutory Compliance			11.20		13.20	3,144.00	238.18
Statutory Compliance - General	2.00	2.00	1.50		1.50	330.00	220.00
Statutory Reporting/ Meetings			9.50		11.50	2,770.00	240.87
Bonding/ Statutory Advertising			0.20		0.20	44.00	220.00
Total Hours	0.30	5.00	17.85	5.00	28.15	6,589.00	234.07

Disbursements for the period

27 June 2013 to 26 December 2013

	Value £
Postage	42.60
Travel	2.40
Grand Total	45.00

Mileage is charged at the HMRC rate prevailing at the time the cost was incurred

FRP Charge out rates	At
Grade	1st July 2012
Partner	275-495
Manager	225-455
Other Professional	85-275
Support	70-320

APPENDIX C



Allanfield Group Plc (In Administration)

Time charged for the period 27 December 2012 to 26 December 2013

	Partner	Manager	Other Professional	Support	Total Hours	Total Cost £	Average Hourly Rate £
Administration and Planning	0 30	5 45	14 65	6 30	26 70	6,335 50	237.28
Case Control and Review	0 30	1 25	2 60		4 15	1,145 50	276 02
Case Accounting - General		0 20	1 15	3 30	4 65	1,099 00	236 34
General Administration		4 00	9 90	3 00	16 90	3,871 00	229 05
Fee and WIP			1 00		1 00	220 00	220 00
Asset Realisation		2 25	1 80		4 05	1,161.00	286.67
Asset Realisation		1 75	1 40		3 15	308 00	220 00
Freehold/Leasehold Property		0 50			0 50	595 00	340 00
Legal-asset Realisation		2 25	15 95		18 20	258 00	286 67
Creditors	1 50				19 70	5,016.50	254.64
Unsecured Creditors	1 50		2 80		4 30	1,358 50	315 93
Secured Creditors		1 50	0 90		2 40	708 00	295 00
Employees			0 75		0 75	165 00	220 00
HP/ Leasing		0 25			0 25	85 00	340 00
Landlord			8 50		8 50	1,870 00	220 00
Shareholders		0 50	3 00		3 50	830 00	237 14
Investigation		1 50	1 70	6 00	9 20	2,804.00	304.78
Investigatory work - Other		1 00	0 80	6 00	7 80	2,436 00	312 31
Legal - Investigations		0 50	0 10		0 60	192 00	320 00
CDDA Enquiries			0 80		0 80	176 00	220 00
Statutory Compliance	0 85	8 65	41 20		50 70	12,425 75	245 08
Statutory Compliance - General		0 65	19 30		19 95	4,467 00	223 91
Statutory Reporting/ Meetings	0 85	8 00	15 10		23 95	6,462 75	269 84
Bonding/ Statutory Advertising			0 50		0 50	110 00	220 00
Statement of Affairs			6 30		6 30	1,386 00	220 00
Total Hours	2 65	20 10	75 30	12 30	110 35	27,742.75	251 41

Disbursements for the period

27 December 2012 to 26 December 2013

	Value £
Company Search	8 00
Meeting	9 60
Postage	130 38
Sundries/General	262 51
Travel	2 40
Bonding	20 00
Grand Total	432 89

Mileage is charged at the HMRC rate
prevailing at the time the cost was incurred

FRP Charge out rates	At
Grade	1st July 2012
Partner	275-495
Manager	225-455
Other Professional	85-275
Support	70-320

ALLANFIELD GROUP PLC (IN ADMINISTRATION)

STATEMENT OF EXPENSES FOR THE 6 MONTH PERIOD ENDED 26 JUNE 2013

Expenses	Notes	Total paid to 26 December 2013 per Receipts & Payments £	Costs committed to but not yet paid at reporting date £	Total Expenses Incurred Since Appointment £	Total Expenses disclosed in previous periods £	Total Expenses for the 6 months ended 26 December 2013 £
Administrators' remuneration	(1)		27,742 75	27,742 75	21,153 75	6,589.00
Administrators' disbursements			432 89	432 89	387 89	45.00
Legal fees	(2)		4,776 56	4,776 56	5,000 00	(223.44)
Irrecoverable VAT	(3)		6,590 44	6,590 44	5,308 33	1,282.11
Total		0 00	39,542 64	39,542 64	31,849 97	7,692.67

Notes

- 1 This figure relates to time costs charged to the Administration - an apportionment with the client account may be required where work has overlapped
- 2 Solicitors acting for the Administrators in respect of companies within the Allanfield group have apportioned their time across the group companies resulting in a reduction in the legal fees due by Allanfield Property Insurance Services Ltd
- 3 As the Company was a holding company for insurance broker subsidiaries VAT is not recoverable