

The Insolvency Act 1986

**Notice of move from  
administration to  
dissolution****R2.48(1)**Pursuant to paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 and  
Rule 2.48(1) of the Insolvency (Scotland) Rules 1986

Name of Company

ABC Business Centres Limited

Company number

SC184779

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

We

(a) A P Beveridge  
Zolfo Cooper  
10 Fleet Place  
London  
EC4M 7RBE G Mackay  
Zolfo Cooper  
Cornerstone  
107 West Regent Street  
Glasgow  
G2 2BAA C O'Keefe  
Zolfo Cooper  
The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1AB(b) Insert name and  
address of  
registered office of  
companyhaving been appointed administrator(s) of (b) ABC Business Centres Limited, c/o Zolfo Cooper,  
Cornerstone, 107 West Regent Street, Glasgow G2 2BA(c) Insert date of  
appointment  
(d) Insert name of  
applicant/appointor

on (c) 3 May 2012 by (d) Directors

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986  
apply.

We attach a copy of the final progress report

Signed

Joint Administrator

Dated

16/9/14

**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 recordSuzie Friedrich  
Zolfo Cooper  
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Manchester  
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DX Number

+44 (0) 161 838 4500  
DX Exchange

FRIDAY



SCT

\*S3GPYE5D\*

19/09/2014

#213

COMPANIES HOUSE

When you have completed and signed this form, please send it to the  
Registrar of Companies at:-  
Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge,  
Edinburgh, EH3 9FF  
DXED235 Edinburgh 1 / LP- 4 Edinburgh 2

# Administrators' Final Progress Report for the period 3 May 2014 to 15 September 2014

ABC Business Centres Limited  
In Administration

16 September 2014

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## **1 Statutory information**

- 1.1 Alastair Beveridge was appointed Administrator of ABC Business Centres Limited (the Company) together with Elizabeth Mackay and Anne O'Keefe on 3 May 2012 by the Edinburgh Court of Session. The application for the appointment of Administrators was made by the directors of the Company, c/o 249 West George Street, Glasgow, G2 4RB.
- 1.2 This Administration is being handled by Zolfo Cooper's Manchester office, situated at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.
- 1.3 The Administration is registered in the Edinburgh Court of Session, no reference number was provided.
- 1.4 The trading address of the Company was Abbey House, Wellington Way, Weybridge, Surrey, KT13 0TT. The business traded under the name Abbey Business Centres.
- 1.5 The registered office of the Company has been changed to c/o Zolfo Cooper, 107 West Regent Street, Glasgow, G2 2BA and its registered number is SC184779.
- 1.6 In accordance with paragraph 100(2) of schedule B1 to the Insolvency Act 1986, all functions of the Administrators are to be exercised by any or all of the Administrators. Any reference to the Administrators should be read as the Joint Administrators.

## **2 Administrators' proposals**

- 2.1 As advised in the Joint Administrators' Statement of Proposals dated 1 June 2012 (the Proposals), the Administrators must perform their functions with the purpose of achieving one of the following objectives:
  - rescuing the company as a going concern; or
  - 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 The second objective of 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) was pursued.
- 2.3 The strategy for achieving this objective was to review the options available in relation to the leases of the properties, with a view to assigning the leases to another party for a premium. By completing successful assignments of the leases for a premium, the Company has achieved higher asset realisations than would have been achieved if the Company had been wound up.

### **3 Progress of the Administration**

- 3.1 This report should be read in conjunction with the Proposals and the Joint Administrators' Progress Reports (the **Previous Reports**).
- 3.2 Attached at Appendix A is the Administrators' Receipts and Payments Account for the period 3 May 2014 to 15 September 2014 (the **Period**), together with a Cumulative Account for the period 3 May 2012 to 15 September 2014.

#### **Properties**

- 3.3 At the date of the Administrators' appointment, the Company had three properties, situated at The Moorings, Redhill (**Redhill**), St Martin's-le-grand, London (**St Martin's**) and The Beacon, Glasgow (**Glasgow**).
- 3.4 In order to preserve the value of the leases, the Company continued to operate from each of the properties following the Administrators' appointment.
- 3.5 The Company's operations were sub-contracted to Regus Management UK Limited (**RMUK**) under a full service agreement. As the Company was not in a position to meet the cash requirements of continuing to trade, RMUK agreed to discharge the costs and assume the potential risks of trading, in return for any upside. As a result, there have been no realisations available to the Administration from the Company's site operations.
- 3.6 Shortly after appointment, Redhill was vacated and a surrender of the lease was offered to the landlord. The lease was subsequently assigned to a third party.
- 3.7 The Administrators achieved an assignment of the lease of the property at St Martin's to a third party for £20,000.
- 3.8 The Glasgow property was vacated and a renunciation deed was signed in respect of the lease, in consideration of which £20,000 was paid by Regus Plc.

#### **Other assets**

- 3.9 During the Period, bank interest of £43 has accrued on account, which brings the total interest received to £284.

### **4 Administrators' fees**

- 4.1 On 6 December 2013, the secured creditors approved that the basis of the Administrators' fees be fixed by reference to the time properly spent by the Administrators and their staff on matters arising in the Administration.
- 4.2 Approval of the Administrators' fees has been sought in accordance with rule 2.39 of the Insolvency (Scotland) Rules 1986 as amended. This approval was sought from the secured creditors, as the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the Unsecured Creditors' Fund (see section 5.5).

- 4.3 The Administrators' time costs for the Period are £12,308. This represents 42 hours at an average rate of £292 per hour. Attached at Appendix B is a Time Analysis for the Period, which provides details of the costs incurred by activity and by staff grade.
- 4.4 Principal areas of activity during the period are discussed in further detail below.
- **Administration and planning** - time has been incurred monitoring the case strategy, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here.
  - **Creditors** - time has been incurred preparing statutory reports, agreeing the claims of unsecured creditors, calculating the dividend and making the distributions to both the unsecured and secured creditors.
- 4.5 A copy of 'A Creditors' Guide to Administrations (Scotland)' which includes guidance on Administrators' fees can be downloaded from Zolfo Cooper's creditor portal (<http://www.zcinfoportal.com>). If you would prefer this to be sent to you in hard copy please contact Suzie Friedrich on 0161 838 4518 or by email at [creditorreports@zolfocooper.eu](mailto:creditorreports@zolfocooper.eu).
- 4.6 Attached at Appendix C is a Cumulative Time Analysis for the period 3 May 2012 to 15 September 2014, which provides details of the costs incurred by activity and staff grade since the Administrators' appointment.
- 4.7 Administrators' fees of £72,441, of which £2,000 relates to the cost of administering the Unsecured Creditors' Fund, plus disbursements of £906 have been drawn during the course of the Administration.
- 4.8 The Joint Administrators confirm that the following category 2 disbursements have been taken.
- Photocopying - charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying.
  - Printing - charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour.
- 4.9 Information in relation to the Administrators' policy on staffing, the use of sub-contractors, disbursements and details of their current charge-out rates by staff grade is provided at Appendix D.

## 5 Outcome for creditors

### Secured creditors - Pathway Finance SARL and ABC Acquisitions Limited

- 5.1 The Company granted a floating charge to Pathway Finance SARL (SARL) on 17 December 2010 and a subsequent floating charge to ABC Acquisitions Limited (ABC) on 16 May 2011. As stated in Previous Reports, SARL's charge ranks in priority to ABC's.
- 5.2 At the date of the Administrators' appointment, SARL was owed approximately £1.5 million under its security. Since the last report, a final distribution of £53,700 has been made, bringing total distributions to £93,700. SARL has suffered a shortfall on its lending.

### **Preferential creditors**

- 5.3 The Company did not have any employees and consequently there are no preferential creditors.

### **Unsecured Creditors' Fund**

- 5.4 Pursuant to section 176A of the Insolvency Act 1986, where there is a floating charge which post-dates 15 September 2003, the Administrators are required to create a fund from the Company's net property available for the benefit of unsecured creditors (Unsecured Creditors' Fund), commonly known as the 'prescribed part'.
- 5.5 As the Company granted a floating charge to the secured creditor after 15 September 2003, the Administrators were required to create an Unsecured Creditors' Fund. The net floating charge property was £120,871, which resulted in an amount available for the Unsecured Creditors' Fund of £27,174, before costs.
- 5.6 The Administrators successfully applied to court for permission to distribute the Unsecured Creditors' Fund in the Administration.
- 5.7 Unsecured creditor claims totalling £261,439 were received and agreed. On 24 June 2014, a first and final dividend of 9.06 pence in the pound was paid to the unsecured creditors.

## **6 Ending the Administration**

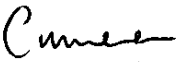
- 6.1 The Administration was previously extended with the consent of court until 2 November 2014. All assets of the Company have been realised and all funds in the Administration have been distributed.
- 6.2 The Administrators will now file a notice, together with this report, at court and with the Registrar of Companies for the dissolution of the Company. The Administrators will also send copies of these documents to the Company and its creditors. The appointment will end following the registration of the notice by the Registrar of Companies.
- 6.3 The Administrators will be discharged from liability under paragraph 98 of schedule B1 to the Insolvency Act 1986 immediately after their appointment as Administrators ceases to have effect.

## **7 Creditors' rights**

- 7.1 Within 21 days of the receipt of the report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% of the value of the unsecured creditors) may request in writing that the Administrators provide further information about their fees or expenses, which have been itemised in this progress report.

- 7.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% of the value of unsecured creditors), may, within eight weeks of receipt of this progress report, make an application to court on the grounds that the basis fixed for the Administrators' fees is inappropriate, or that the fees or the expenses incurred by the Administrators as set out in the progress report are excessive.

For and on behalf of  
ABC Business Centres Limited

  
Catherine Williamson  
For Anne O'Keefe  
Administrator

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**Receipts and Payments Account for the period  
3 May 2014 to 15 September 2014 and a  
Cumulative Account for the period 3 May 2012 to  
15 September 2014**

**Appendix A**

Statement of Affairs	Period	Cumulative
£	£	£
<b>Floating charge assets</b>		
<b>Receipts</b>		
549,753 Trade debtors	-	150,608
Leasehold property:	-	
St Martin's	-	20,000
Glasgow	-	20,000
Rates refund	-	775
819 Cash at bank	-	11,764
Bank interest	43	284
	<u>43</u>	<u>203,431</u>
<b>Payments</b>		
Administrators' fees	15,496	70,441
Category 1 disbursements:		
Specific penalty bond	-	147
Statutory advertising	-	77
Storage costs	62	62
Stationery, postage and photocopying	12	241
Telephone charges	-	1
Category 2 disbursements:		
Internal printing and photocopying	378	378
Agent's/valuer's fees	-	3,000
Legal fees	-	7,401
Legal disbursements	-	503
Prescribed part costs:		
Legal fees	-	1,500
Administrators' fees	2,000	2,000
Insurance of assets	212	212
Bank charges	39	94
	<u>(18,199)</u>	<u>(86,057)</u>
<b>Distributions</b>		
Floating chargeholder - Pathway Finance SARL	53,700	93,700
Unsecured creditors:		
9.06p/£, 24/06/2014	23,674	23,674
	<u>(77,374)</u>	<u>(117,374)</u>
<b>Balance</b>	<u>(95,530)</u>	<u>-</u>

## Time Analysis for the period 3 May 2014 to 15 September 2014

## Appendix B

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
<b>Administration and planning</b>							
Strategy and control	1.0	-	1.4	-	2.4	980.00	408
Statutory duties	-	-	3.3	0.3	3.6	972.50	270
Case administration	-	0.2	1.5	-	1.7	508.00	299
Accounting and treasury	0.3	0.1	7.1	5.0	12.5	2,782.00	223
Internal documentation	-	-	0.6	-	0.6	168.00	280
<b>Realisation of assets - floating charge</b>							
Dealing with third party assets	-	-	0.3	-	0.3	84.00	280
Asset accounting and administration	0.1	-	-	0.5	0.6	129.50	216
<b>Creditors</b>							
Creditor claims	-	-	0.7	-	0.7	196.00	280
Reporting to creditors	0.8	2.0	11.1	-	13.9	4,586.50	330
Secured creditors	-	-	0.8	-	0.8	224.00	280
Unsecured creditors	0.2	1.1	3.8	-	5.1	1,677.00	329
<b>Totals</b>	<b>2.4</b>	<b>3.4</b>	<b>30.6</b>	<b>5.8</b>	<b>42.2</b>	<b>12,307.50</b>	<b>292</b>

## Cumulative Time Analysis for the period 3 May 2012 to 15 September 2014

## Appendix C

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
<b>Administration and planning</b>							
Planning	-	-	0.2	-	0.2	56.00	280
Strategy and control	6.3	16.6	17.9	3.9	44.7	15,674.50	351
Statutory duties	-	7.9	26.5	5.2	39.6	11,880.50	300
Case administration	1.1	2.0	14.1	8.5	25.7	7,045.00	274
Accounting and treasury	0.7	5.6	30.6	23.7	60.6	14,745.50	243
Internal documentation	-	-	2.4	1.9	4.3	957.00	223
<b>Investigations</b>							
Director conduct reports	-	2.3	8.0	4.7	15.0	4,076.00	272
Other investigations	-	-	-	2.8	2.8	420.00	150
Internal documentation	-	-	0.5	-	0.5	152.50	305
<b>Realisation of assets - floating charge</b>							
Asset realisation strategy	-	2.0	0.2	-	2.2	821.00	373
Asset identification and valuation	-	2.7	-	-	2.7	999.00	370
Sale of assets	-	6.5	-	-	6.5	2,441.00	376
Recovery of assets	-	1.5	5.6	2.6	9.7	2,668.00	275
Dealing with third party assets	-	3.0	15.2	5.0	23.2	6,302.00	272
Asset accounting and administration	0.2	-	0.2	1.9	2.3	457.00	199
<b>Creditors</b>							
Creditor claims	-	-	2.0	0.3	2.3	605.00	263
Reporting to creditors	3.1	8.1	48.5	4.9	64.6	20,282.00	314
Secured creditors	-	1.1	5.2	-	6.3	1,863.00	296
Unsecured creditors	0.2	2.5	11.5	4.5	18.7	5,100.00	273
<b>Totals</b>	<b>11.6</b>	<b>61.8</b>	<b>188.6</b>	<b>69.9</b>	<b>331.9</b>	<b>96,545.00</b>	<b>291</b>

## Additional information in relation to Administrators' fees pursuant to Statement of Insolvency Practice 9 (Scotland)

## Appendix D

### 1. Policy

Detailed below is Zolfo Cooper's 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 Administrators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The case team will usually consist of a partner, an associate director or a senior associate, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Administrators' charge-out rate schedule below provides details of all grades of staff and their experience level.

With regard to support staff, time spent by treasury in relation to specific tasks on an assignment is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution. The Administrators have not utilised the services of any sub-contractors in this case.

#### 1.2 Professional advisors

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

Name of professional advisor	Basis of fee arrangement
Sidley Austin LLP (legal advice)	Hourly rate and disbursements
Dentons UKMEA LLP (legal advice)	Hourly rate and disbursements
MacRoberts LLP (legal advice)	Hourly rate and disbursements
Willis Limited (insurance)	Risk based premium
CBRE Limited (valuation and disposal advice)	Percentage of realisations

The Administrators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.

### 1.3 Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case, eg postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by the Administrators and their staff.

Category 2 disbursements do require prior approval by creditors before they are paid. Any incurred in this case have been drawn in accordance with the Proposals, which approved category 2 disbursements as follows.

- Photocopying - charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying.
- Printing - charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour.

## 2. Charge-out rates

A schedule of Zolfo Cooper charge-out rates for this assignment effective from 1 April 2014 is detailed below. Time is charged by partners and case staff in units of six minutes.

Description	Rates from
	1 April 2014
	£
Partner 1	595
Partner 2	540
Director	520
Associate director	440
Senior associate	390
Associate	330
Analyst	280
Junior analyst	200
Senior treasury associate	230
Treasury associate	155
Treasury analyst	100
Support	84