

The Insolvency Act 1986

2.23B**Notice of result of meeting of Creditors**

Name of Company Electrical & T V Services (Helston) Limited	Company number 00771649
In the Truro County Court (full name of court)	Court case number 0234 of 2011

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

I/We (a)
Jeremiah Anthony O'Sullivan
Bishop Fleming
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Samuel Jonathan Talby
Bishop Fleming
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter

hereby report that a meeting of the creditors of the above company was held at

(b) Insert place of
meeting

(b) The Alverton Manor Hotel, Tregolls Road, Truro, Cornwall,

(c) Insert date of meeting

on (c) 1 July, 2011 at which

*Delete as applicable

*1 ~~Proposals/revised proposals~~ were approved

*2 ~~Proposals/revised proposals were modified and approved~~

~~The modifications made to the proposals are as follows~~

(d) Give details of the
modifications (if any)

(d)

*3 ~~The proposals were rejected~~

(e) Insert time and date of
adjourned meeting

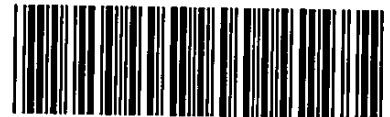
*4 ~~The meeting was adjourned to (e)~~

(f) Details of other
resolutions passed

*5 Other resolutions (f)

- Under Rule 2 67A of the Insolvency Rules 1986 and in the absence of a Creditors' Committee, the pre-administration costs as detailed in the Joint Administrators' proposals be approved
- Under Rule 2 106 of the Insolvency Rules 1986 and in the absence of a Creditors' Committee, the remuneration of the Joint Administrators be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the Administration as detailed in the Joint Administrators' proposals
- In accordance with Statement of Insolvency Practice No 9, issued by the Association of Business Recovery Professionals, the Joint Administrators be authorised to draw remuneration as and when funds are available
- The Joint Administrators' Category 2 disbursements reflecting the use of Bishop Fleming's facilities shall be paid in accordance with Bishop Fleming's standard tariff as circulated to the creditors
- The Joint Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect

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~~The revised date for automatic end to administration is~~

A creditors' committee was not formed

Signed

Joint / Administrator(s)

Dated

5 July 2011

*Delete as applicable

A copy of the *original proposals / ~~modified proposals / revised proposals~~ is attached for those who did not receive such documents prior to the meeting

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

Jeremiah Anthony O'Sullivan
Bishop Fleming
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

DX Number
exinsolvency@bishopfleming.co.uk

01392 448800
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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Joint Administrators' Report and Statement of Proposals

Electrical & T.V. Services (Helston) Limited - In Administration

15 June 2011

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ELECTRICAL & T.V. SERVICES (HELSTON) LIMITED - IN ADMINISTRATION

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ELECTRICAL & T.V. SERVICES (HELSTON) LIMITED - IN ADMINISTRATION

1 Statutory Information

1.1 The registered number of Electrical & T V Services (Helston) Limited (the **Company**) is 00771649

1.2 The Company traded from the following premises

- Water Ma Trout Industrial Estate, Water Ma Trout, Helston, Cornwall, TR13 0LW
- Camborne Retail Park, Trevenson Road, Redruth, Cornwall, TR15 3PS
- 4 Market Place, Helston, Cornwall, TR13 8TH
- 17 King Street, Truro, Cornwall, TR1 2RQ
- 28 Market Place, Penzance, Cornwall, TR18 2JD
- 9 Fore Street, St Austell, Cornwall, PL25 5PX
- Fore Street, Bodmin, Cornwall, PL31 2HQ

1.3 The company had previously traded from premises at Drake Circus Shopping Centre, Plymouth, PL1 1EA See para 2.4 below

1.4 The business traded under the name ETS

1.5 The registered office of the Company has been changed from Unit 14, Water Ma Trout Industrial Estate, Helston, Cornwall, TR13 0LW to Bishop Fleming, Stratus House, Emperor Way, Exeter, Devon, EX1 3QS

ELECTRICAL & T.V. SERVICES (HELSTON) LIMITED - IN ADMINISTRATION

1 6 The Company is a wholly owned subsidiary of Marazion Holdings Limited which owns 100% of the Company's shares

1 7 Details of the Company's directors within the past 3 years and secretary are as follows

	Date appointed	Date resigned	Shares held
Director(s)			
Mr James St Aubyn	26/09/1991	N/A	0
Mr Raymond Harvey	15/05/1998	N/A	0
Mr Robert Abernethy	27/10/2009	N/A	0
Mrs Elizabeth Champion	02/11/2004	N/A	0
The Rt Hon John F St Leven	26/09/1991	27/10/2009	0
Secretary			
Mrs Elizabeth Champion	02/11/2004	N/A	0

2 Background to the Administration

2 1 The Company was incorporated in 1963 during the boom in T V sales to supply high quality domestic appliances to the general public and amalgamated with a number of local electrical retailers

2 2 The first store was opened in Market Place, Helston and over some fifty years the Company has expanded and opened further stores throughout Cornwall, predominantly in high street locations

2 3 In 2002 the Company opened its first out of town store at Camborne, and this 'superstore' became the flagship store for the ETS brand

2 4 In early 2007, the Company branched out further, opening its first store in Devon in Plymouth, attracted by the new Drake Circus development. However the market proved to be more difficult than anticipated and the investment required to establish the operation there drained the Company of significant working capital. This Plymouth store was subsequently closed in late 2010 as it had been trading at a loss.

2 5 As a result of the failure of the Plymouth store, and the general downturn in trade across the other stores, the board were closely monitoring the Company position throughout late 2010 and engaged the services of a specialist consultant to advise them and review the options available for the Company. This consultant worked with the board to consider all options for the business including restructuring and refinancing.

ELECTRICAL & T.V. SERVICES (HELSTON) LIMITED - IN ADMINISTRATION

- 2 6 This review identified that that a number of stores were loss making. This together with the downturn in the trading environment generally and the quantum of property dilapidations combined with high rental outlays meant that the Company was unable to continue in its current state.
- 2 7 The turnover for the period to March 2011 showed a fall of £1.64 million compared to the previous year. A number of reasons were given for the decreased turnover including the current economic climate and the increase of online competition. With the assistance of the consultant and external accountants, the Directors and Shareholders explored a number of options open to them, ultimately focusing on a Company Voluntary Arrangement. It was established that the CVA strategy required a large injection of third party investment. Whilst this was thoroughly considered by the holding company, ultimately as a result of the scale of investment required and the uncertainty regarding any return on it, such an investment was declined.
- 2 8 A sale of the business had been considered and explored with several interested parties during 2010 but no firm offers were made.
- 2 9 Consequently, the board was left with no alternative but to consider formal insolvency options.
- 2 10 On 12th April 2011, following advice from the Company's accountants, the Directors held a meeting with Business Recovery & Insolvency Specialists, Bishop Fleming.
- 2 11 The Company was insolvent on both a balance sheet test and cash-flow test. As such, steps were taken for the Directors to place the Company into Administration.
- 2 12 On 19th April 2011, a meeting of Directors was held which passed a resolution to place the Company into Administration. Jerry O'Sullivan and Samuel Talby of Bishop Fleming were proposed as Joint Administrators. A Notice of Intention was filed at Truro County Court later that day and subsequently served on Lloyds TSB bank plc, the floating chargeholder, and the Company on the 20th April 2011.
- 2 13 Confirmation from the Floating Charge Holder of their agreement to the appointment of Jerry O'Sullivan and Samuel Talby was received on 26th April 2011.
- 2 14 As a result, Jerry O'Sullivan & Samuel Talby of Bishop Fleming, Stratus House, Emperor Way, Exeter, Devon, EX1 3QS, licensed insolvency practitioners, were appointed Joint Administrators of the Company on 27th April 2011.
- 2 15 The Administration is registered in the Truro County Court, under reference number 234 of 2011.

ELECTRICAL & T.V. SERVICES (HELSTON) LIMITED - IN ADMINISTRATION

- 2 16 The EC Regulation on Insolvency Proceedings 2000 applies to the Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

3 Administration Strategy and Objective

- 3 1 The 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.

- 3 2 The Administrators initially opted to follow the first objective, the rescue of the Company as a going concern. Failing this, it was noted that the second objective would have to be followed, 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).

- 3 3 To succeed in the first objective the Administrators immediately collated a list of potential interested parties from the Directors and Shareholders of the Company. Further marketing was undertaken through local solicitors' bulletins (reaching thousands of contacts) and via local press.

- 3 4 An Information Memorandum was sent to a dozen parties who had expressed an interest in the Business. A handful followed up with serious interest resulting in meetings with the Administrators, some site visits and property discussions involving our agents and some of the landlords. This took place over the two week period following Administration by which time it was becoming apparent that a global offer was unlikely to be received. The feedback from interested parties generally has been that whilst there was perceived value in the brand, the onerous property costs and substantial accrued employee rights (which would transfer to a purchaser under the Transfer of Undertakings Regulations (TUPE)), enhanced the investment risk in a difficult trading environment.

- 3 5 The Administrators therefore considered sales of the individual stores. There was little interest in the high street shops but the Camborne Superstore did attract a number of firm enquiries. Site visits were conducted and interested parties were advised to speak directly with the landlord of the premises concerning the assignment of the lease. We do not yet

ELECTRICAL & T V. SERVICES (HELSTON) LIMITED - IN ADMINISTRATION

know what will happen finally to the leasehold premises but there is no current prospect achieving any assignment premiums

- 3 6 Whilst the Business was being marketed as a going concern, the Administrators continued to trade the 6 stores to realise stock in trade. It was decided at an early stage that for economic reasons a reduced workforce was sufficient to assist in this process. As such, 18 of the 57 staff were immediately dismissed upon the Administrators' appointment.
- 3 7 Discounts were introduced throughout the stores in an effort to maximise sales and provide working capital for the Administrators' trading period. This produced a high level of customer interest and resultant sales. There was some further discount of price towards the end of the trading period as customer choice and stock levels depleted.
- 3 8 The Company had a specialist repairs and service division and sold 'in house' extended warranties to customers. Several thousand customers hold current warranties which guarantee goods will be repaired or replaced for a fixed period of between two and five years. Following the announcement of the Administration, the Administrators have received a very high volume of calls in relation to warranties given by the Company, even where goods are not faulty. The possibility of a sale of this division of the business was pursued as this would help to mitigate the potential claims of the warranty customers. However, the quantum of the potential claims arising under the warranties have meant that it has not been possible to find a buyer at this time. All customers who have taken out an extended ETS warranty are currently classed as contingent creditors in the Administration. This avenue is still being pursued.
- 3 9 A number of Retention of Title (ROT) claims from creditors were made known to the Administrators. Panasonic submitted their ROT terms which were accepted by the Administrators. It was noted, however, that the level of stock held far exceeded the debt due to Panasonic. An agreement was reached whereby the stock would be sold in the trading period and the Administrators settle the residual balance due.
- 3 10 CIH Group, the buying group of which ETS was a member, also exercised their ROT terms. As with Panasonic, the stock was spread across the 6 stores and any ROT claim would have interrupted trading. Again, as the stock value exceeded the balance of the debt due to CIH Group the Administrators agreed to settle the balance due on the basis that CIH Group would release title to the goods.
- 3 11 There are a number of other creditors who have made ROT claims which are currently being reviewed. Owing to the timing of the Administration it was not possible to address all potential ROT claims before trading commenced. Claims are presently being reviewed and should it be determined that creditors have valid claims then the Administrators will account

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to those creditors for the cost of any goods sold during the Administration and allow recovery of any unsold goods

- 3 12 It is noted that Lloyds TSB Bank Plc gave a guarantee of £300,000 to CIH Group on account of the Company's liability. On payment of the agreed balance due to CIH Group by the Administrators this liability will be extinguished and the Bank will be released under their guarantee. This will greatly reduce the liability due to Lloyds.
- 3 13 As outlined above it was not possible to find a buyer for the business so it was not possible to further pursue the first objective. The second objective, achieving a better realisation than on winding up, is now to be followed.
- 3 14 Following a detailed review of stock levels and sales figures, on Monday 9th May 2011 the Administrators closed the stores at Penzance, Bodmin and St Austell. All residual stock from those stores was transferred to Truro and Camborne.
- 3 15 On Thursday 12th May 2011, the Administrators took steps to close the stores at Truro, Helston and Camborne and trading effectively ceased. 32 further redundancies were made on 13 May. A skeleton team of 7 staff was retained to assist with the clearance of the premises, retrieval of residual stock back to the freehold warehouse at Water Ma Trout, and the completion of essential accounting functions.
- 3 16 Edward Symmons LLP have now been instructed to sell all residual stock, motor vehicles and fixtures and fittings. These goods are to be sold in an online auction in the coming weeks.
- 3 17 Edward Symmons LLP have also been instructed to market the freehold properties at 4 Market Street, Helston, Cornwall TR13 8TH and Unit 14, Water-Ma-Trout Industrial Estate, Helston, Cornwall TR13 0LW.
- 3 18 Significant interest local was generated in the Water Ma Trout property as a result of the media publicity of the Administration. These enquiries have all been referred to the agents. Press advertisement has also been arranged.
- 3 19 An offer for the Water Ma Trout property has now been received and on agents' advice has been accepted. The buyer is in a position to proceed immediately and completion is being arranged to coincide with the clearance of the premises following the online sale of the residual stock.
- 3 20 Lloyds TSB Bank plc purports to hold a fixed charge over the freehold premises at Water Ma Trout by virtue of its fixed and floating charge debenture dated 2 February 1994 and as such

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should be entitled to have first call on the net proceeds of sale to the extent that it has any actual or contingent claims against the Company

- 3 21 The Helston shop premises are still being actively marketed by joint agents and we know that some interest has already been shown. No offers have been received to date. This property is also subject to a first charge to Lloyds TSB.
- 3 22 The leasehold premises have now all been emptied and vacated. Following independent advice from our agents we are advised that there is no benefit for the Administrators continuing to incur property costs by active occupation. I am seeking the agreement of the landlords to the surrender of the leases.
- 3 23 In accordance with Statement of Insolvency Practice No 13, I would advise you that the following assets were sold to a director of the Company:

Date of transaction	Assets involved & nature of transaction	Consideration paid & date	Sold to	Relationship
26/05/2011	Saab 9 3 Aero	£2,200 - still due as of 15/06/11	Ray Harvey	Director

The above transaction was approved by the Administrators' agents, Edward Symmons

4 Administrators' Receipts and Payments

- 4 1 A summary of receipts and payments for the Administration period from the date of appointment to 15 June 2011 is attached as Appendix A. This includes a summary of the Administrators' trading account.
- 4 2 The majority of customer payments to the Company during trading in administration were made by debit or credit card through the Company's pre-existing facility with Cardnet, part of the Lloyds TSB Group with a small percentage being made through American Express.
- 4 3 The sales figure in the attached Receipts and Payments account represents the net value of sales after the deduction of associated VAT and is grossed up for funds currently being held back by both Cardnet and American Express pending clarification of potential clawback issues. The gross amounts held are £89,048.29 and £11,413.45 respectively.
- 4 4 Additionally, Cardnet is holding the sum of £48,517.00, equating to the reconciled balance on the Company's Lloyds TSB Bank plc bank account as at the commencement of the Administration, and an amount of £2,334.79 in relation to pre-appointment debtors again pending the clarification of potential clawback issues.

ELECTRICAL & T.V. SERVICES (HELSTON) LIMITED - IN ADMINISTRATION

5 Financial Position

- 5 1 Attached at Appendix B is a summary of the Directors' Estimated Statement of Affairs of the Company as at the date of the appointment of the Administrator
- 5 2 I have the following observations to make in relation to the Directors' Estimated Statement of Affairs
- No provision has been made in the Statement of Affairs for the Landlords claims for either dilapidations or future rent. Such claims will be admissible as claims against the Company in the administration
 - The liability to Lloyds TSB Bank plc is estimated based upon information available at the date of Administration. An updated estimate, to reflect more detailed information which is now available is included in the Estimated Outcome Statement, Appendix E
- 5 3 The Directors' Statement of Affairs reflects the position as at the date of Administration. The Estimated Outcome Statement, Appendix E, reflects the current anticipated outcome based upon developments since the date of administration

6 Proposals

- It is proposed that the Administrators will continue to manage the affairs of the Company in order to achieve the objective of the Administration. In the circumstances it is proposed that
- 6 1 The Administrators will continue to trade the Company in order to achieve the intended objective(s) outlined above
- 6 2 If having realised the assets of the Company, the Administrators think that a distribution will be made to the unsecured creditors, we propose filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the Administrator to an end and will move the Company automatically into Creditors' Voluntary Liquidation (CVL) in order that the distribution can be made. In these circumstances, it is proposed that the Administrators will become the Liquidators of the CVL. See Section 7 below on **Exit Routes** for further information on this process
- 6 3 If the Administrators think that the Company has no property which might permit a distribution to its creditors, we will file a notice with the Court and the Registrar of Companies for the dissolution of the Company. See Section 7 below on **Exit Routes** for further information on this process

ELECTRICAL & T V. SERVICES (HELSTON) LIMITED - IN ADMINISTRATION

- 6 4 The Administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as they consider desirable or expedient to achieve the statutory purpose of the Administration
- 6 5 If the creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Administrators' remuneration and any proposed act on the part of the Administrators without the need to report back to a further meeting of creditors generally, to include any decision regarding the most appropriate exit route from the Administration
- 6 6 The basis of the Administrators' remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by them
- as a percentage of the value of the assets they have to deal with, or
 - by reference to time properly spent by the Administrators and their staff managing the Administration, or
 - as a set amount
- 6 7 Where no Creditors' Committee is appointed, the remuneration of the Administrators shall be fixed by resolution of a meeting of creditors or where the Administrators think that the company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the prescribed part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with R2 106 of the Insolvency Rules 1986
- 6 8 In this case, the Administrators are seeking to approve the basis of their remuneration as follows
- By reference to the time properly spent by the Administrators and their staff in attending to matters arising in the Administration The Administrators be authorised to draw remuneration as and when funds are available
- 6 9 The Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect

ELECTRICAL & T.V. SERVICES (HELSTON) LIMITED - IN ADMINISTRATION

7 Exit Routes

Creditors Voluntary Liquidation

- 7 1 Based on present information, the Administrators think a dividend will be paid to the unsecured creditors. In this situation, the Administrators will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation (CVL). It is proposed that the Administrators will also become the Liquidators of the CVL.
- 7 2 Creditors have the right to nominate an alternative liquidator of their choice. To do this, creditors must make their nomination in writing to the Administrators prior to these proposals being approved. Where this occurs, the Administrators will advise creditors and provide the opportunity to vote. In the absence of a nomination, the Administrators will automatically become the Liquidators of the subsequent CVL.

Dissolution of the Company

- 7 3 If the Administrators think that the Company has no property which might permit a distribution to its creditors, it is proposed that they file a notice together with their final progress report at Court and with the Registrar of Companies for the dissolution of the Company. They will send copies of these documents to the Company and its creditors. The Administrators' appointment will end following the registration of the notice by the Registrar of Companies.

8 Pre-administration Costs

Pre-administration costs are defined as

- (i) Fees charged, and
- (ii) Expenses incurred

by the Administrator, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so), and "unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.]

- 8 1 Pre-appointment fees charged and expenses incurred by the administrator are as follows

ELECTRICAL & T.V. SERVICES (HELSTON) LIMITED - IN ADMINISTRATION

Charged by	Brief description of services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
Bishop Fleming	Preparation of sales pack & information memorandum and circulation to and discussions with interested parties, statutory paperwork and meetings to place the Company into Administration, liaison with QFC	£11,700 plus disbursements of £147 19 & VAT	£7,000 plus VAT	The Company	£5,816 63 (gross)

8 2 The sum of £7,000 plus disbursements and VAT was paid by the Company prior to the appointment of the Joint Administrators, having been agreed by the Directors

8 3 Following the instruction from the Board to assist in the formalities to place the Company into liquidation significant work was undertaken to investigate the possibility of a sale of the business. A number of interested parties were contacted and a detailed information memorandum and sales pack was prepared to provide the necessary information to interested parties. It was necessary to complete this work prior to administration in order to maintain the interest and try to maximise the value in the business. Any delay in providing the information may have resulted in the loss of that interest and potentially the loss of the prospect of a sale of the business.

8 4 This work was in addition to the statutory formalities required to effect the appointment.

8 5 The balance of my pre appointment costs is £5,816 63.

8 6 This balance is considered to be unpaid pre-administration costs which are an expense of the Administration and are subject to the approval of creditors, separately to the approval of the Administrator's proposals. This approval will be the responsibility of the Creditors' Committee if one is appointed or alternatively by resolution of a meeting of creditors where there is no Committee.

9 Administrators' Remuneration

9 1 The Administrators' time costs at 13 June 2011 are £77,589 75. This represents 503 05 hours at an average rate of £154 24 per hour. As noted in the Proposals section above, the Administrator is seeking to fix the basis of his remuneration on a time costs basis. Appropriate approval will be sought as outlined in section 6 of this report.

ELECTRICAL & T.V. SERVICES (HELSTON) LIMITED - IN ADMINISTRATION

- 9 2 A copy of "A Creditors' Guide to Administrator's fees is available on request or can be downloaded from www.bishopfleming.co.uk/creditorsguides If you would prefer this to be sent to you in hard copy please contact Emma Keany of this office on 01392 448800
- 9 3 Attached as Appendix C is a Time Analysis which provides details of the activity costs incurred by staff grade to the above date
- 9 4 Attached as Appendix D is additional information in relation to my firm's policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade
- 9 5 The most significant amount of my time has been spent in dealing with the trading of the business This includes supervising the ongoing trading across multiple sites, monitoring sales and cash receipts and dealing with queries regarding orders, faulty goods and deposits In addition, my staff have received a substantial number of calls from warranty customers regarding what would happen should their goods become faulty Dealing with these phone calls and queries has taken a substantial amount of time
- 9 6 Further time was also spent in following up enquires regarding the sale of the business including meetings with interested parties and provision of information where requested, liaising with landlords and agents, dealing with employee claims and queries, and creditors claims and enquiries relating to retention of title over goods supplied

10 Estimated Outcome

- 10 1 An estimate of the outcome of the Administration as at 15 June 2011 is attached as Appendix E This indicates that there will be sufficient funds to pay secured and preferential creditors in full and enable a distribution to be made to unsecured creditors
- 10 2 Based on the directors' Estimated Statement of Affairs attached to this report the estimated value of the preferential creditors is £20,845 and the unsecured creditors is £1,003,106
- 10 3 The Company granted a floating charge to Lloyds TSB Bank plc on 2 February 1994 However, it is anticipated that the bank will be repaid in full under its fixed charge(s) As such all floating charge realisations will become available for unsecured creditors
- 10 4 The estimated return to unsecured creditors in this case is approximately 40 p in the £ It is emphasised that this is not a guaranteed dividend and the outcome will be affected by actual asset realisation levels, consequential tax deductions and final level of unsecured creditors' claims

ELECTRICAL & T.V. SERVICES (HELSTON) LIMITED - IN ADMINISTRATION

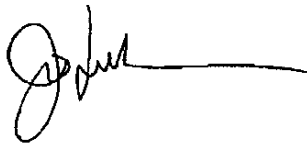
11 Next Report

- 11 1 The Administrators are required to provide a progress report within one month of the end of the first six months of the Administration

12 Meeting of Creditors

- 12 1 An initial meeting of the Company's creditors is being convened to approve the Administrator's proposals. The meeting will be held on 1 July 2011 at 10 30 a m at The Alverton Manor Hotel, Tregolls Road, Truro, Cornwall, TR1 1ZQ
- 12 2 Further information on the meeting is contained in the letter accompanying this report

For and on behalf of
Electrical & T V Services (Helston) Limited



J A O'Sullivan
Joint Administrator

Enc

Electrical & T.V. Services (Helston) Limited
(In Administration)
Joint Administrators' Trading Account
To 15/06/2011

S of A £	£	£
POST APPOINTMENT SALES		
Shop Sales	312,233 28	312,233 28
PURCHASES		
Stock	1,255 76	
ROT Payments	39,088 58	
Customer refunds	434 38	(40,778 72)
TRADING EXPENDITURE		
Rents	20,270 50	
Rates	14,303 53	
Telephone & Broadband	321 55	
Diesel/fuel	716 68	
Property Insurance	82 18	
Repairs & Maintenance	95 82	
Stationery	92 50	
Postages	27 60	
Accounting Fees	1,150 00	
Wages	43,037 20	(80,097 56)
TRADING SURPLUS/(DEFICIT)		191,357.00

Electrical & T.V. Services (Helston) Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 15/06/2011

S of A £		£	£
	SECURED ASSETS		
400,000 00	Freehold Property - Water ma Trout	NIL	
200,000 00	Freehold Property - Helston Shop	NIL	
			NIL
	COSTS OF REALISATION		
	Energy Performance Certificates	275 00	
			(275 00)
	SECURED CREDITORS		
(102,481 00)	Lloyds TSB Bank plc	NIL	
			NIL
	ASSET REALISATIONS		
1,000 00	Leasehold Improvements	NIL	
1,000 00	Fixtures, Plant & Machinery	NIL	
500 00	Computer Equipment	NIL	
10,000 00	Motor Vehicles	NIL	
299,607 00	Stock	NIL	
NIL	TV Rentals	NIL	
37,845 00	Book Debts	26,105 47	
NIL	Investments	NIL	
	Till Floats	434 96	
	Bank Interest Gross	2 43	
	Trading Surplus/(Deficit)	191,357 00	
			217,899 86
	COST OF REALISATIONS		
	Confidential Waste Destruction	283 90	
	Re-Direction of Mail	181 72	
	Statutory Advertising	186 75	
	Bank Charges	318 46	
			(970 83)
	PREFERENTIAL CREDITORS		
(20,845 00)	Employee Arrears/Hol Pay	1,730 07	
			(1,730 07)
	UNSECURED CREDITORS		
(99,996 00)	Trade & Expense Creditors	NIL	
(81,887 00)	Intercompany debt	NIL	
(476,175 00)	Employees- Redundancy/Notice Pay	NIL	
(59,255 00)	Landlords	NIL	
(35,344 00)	Misc creditors	NIL	
(53,384 00)	HM Revenue & Customs (PAYE/NIC)	NIL	
(166,304 00)	HM Revenue & Customs (VAT)	NIL	
(4,091 00)	Customers - credit notes	NIL	
(1,670 00)	Customer Deposits	NIL	
(25,000 00)	Contingent Liability - Warranty Custom	NIL	
			NIL
	DISTRIBUTIONS		
(300 00)	Ordinary Shareholders	NIL	

Electrical & T.V. Services (Helston) Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 15/06/2011

S of A £		£	£
(30,000 00)	Deferred Shareholders	<u>NIL</u>	NIL
<u>(206,780 00)</u>			<u><u>214,923 96</u></u>

REPRESENTED BY

VAT on Payments	9,261 75
Administration Bank Account	167,818 24
Company Bank Account	(117 95)
American Express (Suspense account)	11,413 45
Cardnet (suspense account)	89,048 29
VAT on Receipts	(62,499 82)
	<u><u>214,923 96</u></u>

Insolvency Act 1986

Electrical & T V Services (Helston) Limited
Estimated Statement Of Affairs as at 27 April 2011

	Book Value	Estimated to Realise
	£	£
ASSETS		
Freehold Property - Water ma Trout	450,000 00	400,000 00
Freehold Property - Helston Shop	260,000 00	200,000 00
Lloyds TSB Bank plc	(102,481 00)	(102,481 00)
Surplus c/d		<u>497,519 00</u>
Leasehold Improvements	35,735 00	1,000 00
Fixtures, Plant & Machinery	22,137 00	1,000 00
Computer Equipment	4,192 00	500 00
Motor Vehicles	15,084 00	10,000 00
Stock	429,635 00	299,607 00
TV Rentals	298 00	NIL
Book Debts	37,845 00	37,845 00
Investments	1,390 00	NIL
Surplus b/d		<u>497,519 00</u>
		847,471 00
LIABILITIES		
PREFERENTIAL CREDITORS -		
Employee Arrears/Hol Pay		20,845 00
		<u>20,845 00</u>
		826,626 00
DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003		
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS		<u>NIL</u>
		826,626 00
Estimated prescribed part of net property where applicable (to carry forward)		<u>NIL</u>
		826,626 00
DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003		<u>NIL</u>
		826,626 00
Estimated prescribed part of net property where applicable (brought down)		<u>NIL</u>
		826,626 00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors		99,996 00
Intercompany debt		81,887 00
Employees- Redundancy/Notice Pay		476,175 00
Landlords		59,255 00
Misc creditors		35,344 00
HM Revenue & Customs (PAYE/NIC)		53,384 00
HM Revenue & Customs (VAT)		166,304 00
Customers - credit notes		4,091 00

Insolvency Act 1986

Electrical & T.V Services (Helston) Limited
Estimated Statement Of Affairs as at 27 April 2011

	Book Value £	Estimated to Realise £	£
Customer Deposits		1,670 00	
Contingent Liability - Warranty Customer		25,000 00	
			<u>1,003,106 00</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F C's post 14 September 2003)			<u>(176,480 00)</u>
			<u>(176,480 00)</u>
Issued and called up capital			
Ordinary Shareholders		300 00	
Deferred Shareholders		30,000 00	
			<u>30,300 00</u>
TOTAL SURPLUS/(DEFICIENCY)			<u><u>(206,780 00)</u></u>

Appendix C

Electrical & T.V Services (Helston) Limited - In Administration

Analysis of Joint Administrators' time costs for the period 17 April 2011 to 13 June 2011

Classification of work function	Hours					Cost	
	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Costs £	Average Hourly rate £
Administration & Planning	4 20	24 20	40 35	1 65	70 40	10 616 75	150 81
Investigations		0 20			0 20	38 00	190 00
Realisation of Assets							
Fixed Charge		10 60	4 70		15 30	2,578 00	168 50
Floating Charge		23 60	30 15		53 75	8,102 00	150 73
RoT		1 10	15 30		16 40	2,045 00	124 70
Sale of Business		17 45	5 70		23 15	3,999 50	172 76
Trading	59 90	49 55	107 85		217 30	36 433 00	167 66
Creditors		9 80	48 80	2 80	61 40	7 990 00	130 13
Tax & VAT			6 25		6 25	547 50	87 60
Case Specific Matters					0 00		0 00
Cashiering		1 25		4 25	5 50	620 00	112 73
Statutory Duty & Compliance	3 30	4 05	24 45	1 60	33 40	4 620 00	138 32
Closure					0 00		0 00
Liquidator's hours and time costs to date, and average rate					503 05	77,589 75	154 24

Standard Activity

Examples of work

Administration and planning

Case Planning
 Administrative set-up
 Appointment notification
 Maintenance of records
 Statutory reporting

Investigations

SIP 2 review
 CDDA reports

Realisation of assets

Investigating antecedent transactions
 Identifying securing insuring assets
 HP & Leased Assets
 Retention of title
 Debt collection

Trading

Property business and asset sales
 Management of operations
 Accounting for trading

Creditors

On-going employee issues
 Communication with creditors
 Creditors' claims (including employees' and other preferential creditors)

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

Appendix D

1 Policy

Detailed below is this firm'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 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, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. Our 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
Foot Anstey LLP (legal advice)	Hourly rate and disbursements
AUA (insurance/Bordereau)	Risk based premium/scale charges
Edwards Symmons (valuation and disposal advice)	Commissions

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.

ELECTRICAL & T.V. SERVICES (HELSTON) LIMITED - 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 prior approval by creditors before they are paid and whilst it is unlikely that any Category 2 disbursements will be incurred on the case, appropriate approval will be sought before any such expenses are paid.

2 Charge-out Rates

A schedule of our charge-out rates for this assignment effective from 1 July 2010 is detailed below.

Insolvency Partner	£235
Insolvency Practitioner	£235
Director	£205
Senior Manager	£170 - £190
Manager	£150
Other Senior Professionals	£85 - £130
Support Staff	£33 - £90
Other Specialists	
Tax Executive	£70
Tax Manager	£82 - £140
Tax Partner	£200
VAT Director	£180

ELECTRICAL & T V SERVICES (HELSTON) LIMITED - IN ADMINISTRATION

APPENDIX E

ESTIMATED OUTCOME STATEMENT AS AT 15 JUNE 2011

	NOTE	Statement of Affairs £	Estimated Outcome £
Assets - subject to Fixed charges			
Freehold property		600,000	875 000
Leasehold property		35,735	1
Less Agents fees/legal fees			(13 500)
Less Administrators' Fees			(7 500)
Less Insurance costs			(10 000)
Less Misc costs			(2,500)
Less Lloyds TSB Bank Plc			<u>(157 000)</u>
			484 501
Assets - subject to Floating charges			
Surplus from fixed charge assets			484,501
Fittings, Plant & Machinery		22,137	4 500
Computer Equipment		4,192	500
Motor Vehicles		15,084	25 000
Investments		1,390	0
TV Hire Sets		298	0
Debtors		37,845	30 000
Cash at Bank (at date of administration)			48 517
Stock		429,635	-
Administrators Trading	Trading Surplus per R&P		191 357
	Unpaid expenses - utilities card fees etc		<u>(15,000)</u>
	Trading surplus		176,357
	Residual Stock		<u>20,000</u>
			789 375
Less Costs of Realisation			
Capital Gains on sale of properties			0
Administrators /Liquidators Fees			(120 000)
Administrators disbursements			(2 500)
Insurance costs			(15 000)
Agents Costs			(15,000)
Legal Fees			<u>(10,000)</u>
			(162 500)
Funds available to preferential creditors			626 875
Estimated preferential creditors			
Unpaid pension contributions		3 662	
Unpaid commissions		1 730	
Estimated holiday pay		11 035	<u>(16,427)</u>
Estimated funds available for floating chargeholder			610 448
Sums due to floating chargeholder			0
Funds available for unsecured creditors			610 448
Unsecured creditors	Trade & Expense Creditors	99,996	
	Intercompany debt	81 887	
	Employees Redundancy/Notice Pay	476 175	
	Landlords - estimate of future rent say 6 months	270 000	
	Landlords - estimated dilapidations	300 000	
	HMRC - PAYE- NIC	53 384	
	HMRC VAT	166 304	
	Credit Notes	4 091	
	Warranty Customers	25,000	
	Customer Deposits	1 670	
	Misc creditors	35,344	
			<u>(1 513 851)</u>
Estimated distribution to unsecured creditors			40 32

p in the £

Bishop Fleming Business Recovery & Insolvency

Information to Creditors

Charge out rates and policy regarding the recharge of Disbursements

Charge out Rates (£ per hour)

Insolvency Partner	£235
Insolvency Practitioner	£235
Director	£205
Senior Manager	£170 - £190
Manager	£150
Other Senior Professionals	£85 - £130
Support Staff	£33 - £90

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP9) disbursements are categorised as either Category 1, being expenses paid by Bishop Fleming directly to a third party, (for example, statutory advertising, external meeting room hire, specific bond, company search fees, storage costs and staff mileage at HMRC approved rates etc) Category 1 disbursements are recoverable in full without the prior approval of creditors

Alternatively the expenses may be regarded as Category 2, being expenses incurred by Bishop Fleming and recharged whether incurred directly or by way of costs with a profit element (for example a charge for the use of a meeting room at Bishop Fleming's own premises) Category 2 disbursements are recoverable in full, subject to the basis of the recharge being approved by creditors in advance

Category 2 disbursements are proposed to be recovered as follows:

Room Hire	£50 per meeting
IPS Accounting system charge	£15 per case
Registered Office Fee	£100
Telephone – Corporate Insolvency	£26 per annum
Telephone – Personal Insolvency	£10 per annum
Fax	40p per sheet
Photocopying	10p per sheet
Stationery Costs	£50 (personal cases) or £70 (corporate cases) to cover the cost of files and other consumables

All costs are subject to VAT, where applicable

Proxy (Administration)

Electrical & T.V. Services (Helston) Limited – In Administration

Name of Creditor

Address

Please insert name of person (who must be 18 or over) or the Chairman of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well.

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion

Name of Proxy Holder

- 1 _____
- 2 _____
- 3 _____

I appoint the above person to be my/the creditor's proxy holder at the meeting of creditors to be held on 1 July 2011 or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

Voting Instructions for resolutions

*Please delete as appropriate

- 1 **For / Against *** That the Administrator's proposals be approved
- 2 **For / Against *** Under Rule 2.67A of the Insolvency Rules 1986 and in the absence of a Creditors' Committee, the pre-administration costs as detailed in the Joint Administrators' proposals be approved
- 3 **For / Against *** Under Rule 2.106 of the Insolvency Rules 1986 and in the absence of a Creditors' Committee, the remuneration of the Joint Administrators be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the Administration as detailed in the Joint Administrators' proposals
- 4 **For / Against *** In accordance with Statement of Insolvency Practice No 9, issued by the Association of Business Recovery Professionals, the Joint Administrators be authorised to draw remuneration as and when funds are available
- 5 **For / Against *** The Joint Administrators' Category 2 disbursements reflecting the use of Bishop Fleming's facilities shall be paid in accordance with Bishop Fleming's standard tariff as attached
- 6 **For / Against *** The Joint Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect

This form must be signed

Signature _____ Date ____/____/____

Name in CAPITAL LETTERS _____

Only to be completed if the creditor has not signed in person

Position with creditor or relationship to creditor or other authority for signature

**ELECTRICAL & T.V. SERVICES (HELSTON) LIMITED - IN ADMINISTRATION
CREDITOR'S STATEMENT OF CLAIM**

Name and address of creditor

Amount claimed in the Administration

(Including VAT)

£ _____

Signature of creditor

Name of creditor

Telephone

Registered number (for Companies)

Fax

E-mail

Date

_____/_____/_____

Please provide appropriate documentation in support of your claim

If you are registered for VAT the amount claimed should include VAT even if VAT bad debt relief has been claimed under the Value Added Tax Act 1994

Please return this form when you have completed it to Bishop Fleming, Stratus House, Emperor Way, Exeter, Devon, EX1 3QS

Creditors registered for VAT may be able to claim VAT bad debt relief in accordance with Section 36 Value Added Tax Act 1994. In broad terms relief is available when the debt is six months old and "written off" by the creditor entering it on his VAT refunds-for-bad-debts-account

Claims lodged in the Administration should be gross, including any VAT element. Amounts claimed should also be net of any discount and any adjustment made to set-off amounts owed by the creditor to the company in Administration. If/when dividends are paid, creditors who have claimed VAT bad debt relief must apportion the dividend between VAT and the net element of their claim and account to HM Revenue & Customs for the VAT element through their VAT return.

Insolvency Practitioners have no role in administering VAT bad debt relief under the Value Added Tax Act 1994. Creditors who are uncertain how to claim should contact their VAT office or take professional advice.