

The Insolvency Act 1986

Administrator's progress report

Name of Company

Alan Dick & Company Limited

Company number

01007434

In the
High Court of Justice, Chancery Division,
Companies Court

(full name of court)

Court case number
531 of 2013(a) Insert full
name(s) and
address(es) of
administrator(s)We (a)
David Dunckley
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YUNicholas Wood
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

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

From

To

(b) Insert date

(b) 24 July 2013

(b) 13 January 2014

Signed

Joint Administrators

Dated

13 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 searchers of the public record

David Dunckley
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

DX Number

020 7184 4300
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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Our Ref DJD/PAM/RJJ/EZF/A00810/A00809/PF7

TO THE CREDITORS

Recovery and Reorganisation

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13 January 2014

Dear Sirs

Alan Dick & Company Limited (ADC)
Alan Dick & Company (Holdings) Limited (ADH)
Both in Administration (the Companies)
High Court of Justice, Chancery Division, Companies Court
No 531 of 2013

1 Introduction

- 1.1 Following my appointment as joint administrator of the Companies with Nicholas Wood by the directors on 24 January 2013, I now report on the progress of the administrations to 13 January 2014 and attach
- Appendix A, Form 2.24B, together with an account of our receipts and payments for ADC for the period from 24 July 2013 to 13 January 2014 and also for the whole administration to date. ADH is a non-trading entity and does not have any known assets. Accordingly, a receipts and payments account for ADH is not attached as there have been no receipts and payments for the period ending 13 January 2014.
 - Appendix B, a statement of the remuneration charged by the joint administrators in the period 24 July 2013 to 13 January 2014 and a statement of expenses incurred in the period.
 - Appendix C, an analysis of our time costs as required by Statement of Insolvency Practice 9.
 - Appendix D, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator (Rule 2.48A).
 - Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses, if excessive (Rule 2.109).
- 1.2 Please note that we are both authorised by the Insolvency Practitioners Association to act as insolvency practitioners.
- 1.3 In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the administrators are to be exercised by any or all of them.

Chartered Accountants

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2 Statutory information

2.1 The Companies' statutory details are as follows

Alan Dick & Company Limited

Registered number 01007434

Registered office c/o Grant Thornton UK LLP, 4 Hardman Square, Spinningfields, Manchester, M3 3EB

Alan Dick & Company (Holdings) Limited

Registered number 04421228

Registered office c/o Grant Thornton UK LLP, 4 Hardman Square, Spinningfields, Manchester, M3 3EB

3 Assets

Alan Dick (Beijing) Telecom Equipment Co Limited (ADB)

3.1 As detailed in my previous report, the sale of shares in ADB realised £93,890

Alan Dick & North Africa (ADN) and Al.An for Antenna Support S.A.E (AAS)

3.2 ADC owns ADN and 70% of AAS which are both Egyptian registered companies. Both ADN and AAS continue to trade in Egypt and the joint administrators have agreed a sale of the business and assets. The sale is currently being progressed by solicitors.

3.3 The sum of £231,397 has been received as part of the consideration for the agreed sale. Additionally, ADC has previously received payments from ADN and AAS of £20,870 and £40,905 respectively.

Alan Dick & Co (Pakistan) Limited (ADP)

3.4 ADC owns ADP which is a Pakistan registered company. ADP is a dormant company and no longer trades. It is understood that ADP holds a modest cash balance although the exact amount is uncertain. The joint administrators are currently in the process of winding up ADP, the costs of which will be settled from the funds held. There will be no realisations to ADC in respect of this matter.

Alan Dick (Thailand) Co Limited (ADT) and Alan Dick Bangladesh (ABB)

3.5 ADC owns both ADT and ABB which are registered companies in Thailand and Bangladesh respectively. There is also a further entity in Bangladesh which is a branch of ADT. It is understood that both ADT and ABB hold cash balances. The joint administrators are currently in correspondence with the directors of ADC with regard to closure of ABB and the Bangladesh branch in order to potentially release the cash held. The likely timescale and quantum of any potential release of funds is uncertain, particularly in light of the very strict Bangladesh foreign exchange restrictions.

- 3 6 Additionally, the joint administrators are seeking to wind up ADT in order to release the cash held. The likely timescale and quantum of any potential release is dependent upon the closure of the Bangladesh branch first.

Alan Dick Middle East (ADM) and Al Bawardi Alan Dick LLC (ABA)

- 3 7 ADC previously owned ADM and 49% of ABA, companies both registered in the UAE. As advised in my previous report in order to minimise the potential exposure to ADC and the directors and to minimise the costs to the Bank, a sale of ADM and ABA was completed on 10 May 2013. There were no realisations due to the Company in this regard.

4 Liabilities

Secured creditors

- 4 1 Lloyds Bank Plc (the Bank) holds fixed and floating charges over the Companies' assets and is owed approximately £100 million.
- 4 2 Barclays Bank Plc (Barclays) also holds a fixed and floating charge over the Companies' assets and is owed in the order of £25 million. The Bank's charge is held in priority to Barclays.
- 4 3 Based on current information there will be a significant shortfall to the Bank and Barclays.

Preferential creditors

- 4 4 ADH did not have any employees. Therefore there will be no preferential creditors.
- 4 5 ADC had four employees who were made redundant with effect from 31 January 2013. To date the joint administrators have received notice of c£5,000 of preferential claims for unpaid wages and accrued holiday pay. Based on current information there is unlikely to be a distribution to the preferential creditors.
- 4 6 The joint administrators retained the services of the financial director of ADC in order to assist with the disposal of the foreign subsidiaries. The financial director was made redundant with effect from 31 July 2013.

Unsecured creditors

- 4 7 To date we have received unsecured claims against the Companies totalling c£200,000. On present information there is unlikely to be a dividend to the unsecured creditors.
- 4 8 In accordance with section 176A of the Insolvency Act 1986, as the first floating charge which is held over the assets of the Companies post-dates 15 September 2003, a prescribed part is to be carved out of the floating charge assets.
- 4 9 The prescribed part carve out will only become payable if there are sufficient floating charge realisations. Based on current information it is unlikely there will be a distribution to the unsecured creditors via the prescribed part.

5 Joint administrators' remuneration and expenses

- 5.1 Attached as Appendix C is a summary of our time costs to 13 January 2014 by grade of staff and type of work. This shows time costs of £189,402 representing 565 hours at an average of £335 per hour.
- 5.2 Our fees for acting as joint administrators will be calculated by reference to our time costs and approval for our fees will be sought from the Bank. No fees have been drawn to date.
- 5.3 Background information regarding the fees of administrators can be found at www.insolvency-practitioners.org.uk (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees'). Alternatively, we will supply this information by post on request. Time is charged in 6 minute units.


6 Other expenses incurred by the joint administrators

- 6.1 In respect of other expenses incurred by the joint administrators, we have incurred the following significant expenses:
- Legal fees incurred for engaging Hogan Lovells LLP (HL) total £100,835 which have been settled in full. This relates primarily to advising on the disposal of the foreign subsidiaries detailed above.

7 Extension of the administrations

- 7.1 The administration is due to expire on 23 January 2014. As set out above, I do not believe that all outstanding matters will be concluded within this time and it is therefore my intention to seek the approval of the secured creditor to extend the administration for a period of six months.
- 7.2 It is proposed that the administration will end by the administrators filing a notice to dissolve the company, or if more time is needed to complete realisations after any extension of the administration, the administrators may present a petition to wind up the company and then seek their appointment as liquidators.
- 7.3 Should you have any queries regarding this matter please do not hesitate to contact my colleague James Ruthven.

Yours faithfully
for and on behalf of the Companies


David Dunckley
Joint Administrator

The affairs, business and property of the Companies are being managed by David Dunckley and Nicholas Wood, appointed as joint administrators on 24 January 2013.

Enc

Alan Dick & Company Limited - in administration
 Summary of receipts and payments
 from 24 January 2013 to 13 January 2014

Statement of affairs	From 24 Jan 2013 to 23 Jul 2013	From 24 Jul 2013 to 13 Jan 2014	Total
£	£	£	£
Receipts			
Tax Refund	0 00	100 00	100 00
Insurance Refund	297 10	0 00	297 10
Alan Dick North Africa	51,340 00	241,831 75	293,171 75
Misc Float Receipts	1,302 98	0 00	1,302 98
Bank/ISA InterestGross	181 88	0 00	181 88
Alan Dick China	93,889 77	0 00	93,889 77
Utility Refunds	3,799 15	0 00	3,799 15
HIMRC - VAT received/paid	220 74	19,619 54	19,840 28
	151,031 62	261,551 29	412,582 91
Payments			
Professional Fees	2,073 70	2,046 13	3,662 83
PAYE /NI	23,857 09	5,278 33	29,135 42
Net Wages	18,040 06	6,013 22	24,053 28
Legal Fees (1)	13,194 89	87,640 47	100,835 36
Distribution to Lloyds Bank Plc	19,986 16	0 00	19,986 16
Stationery & Postage	283 54	110 31	318 26
Rc-Direction of Mail	120 00	0 00	120 00
Statutory Advertising	0 00	84 60	84 60
Rents Payable	1,425 00	0 00	1,425 00
Bank Charges	63 58	82 92	146 50
Employee pension scheme contributions	4,940 91	0 00	4,940 91
Vat on Purchases	6,506 95	13,759 48	20,266 43
	90,491 88	115,015 46	205,507 34
Net Receipts	60,539 74	146,535 83	207,075 57
Made up as follows			
Floating Current Account	60,539 74	146,535 83	207,075 57
	60,539 74	146,535 83	207,075 57

B Remuneration charged and expenses incurred by the administrators in the period

	Charged/incurred in period 24/07/2013 to 13/01/2014	Cumulative charged/incurred to 13/01/2014	Of which paid to 13/01/2014
	£	£	£
Joint administrators' fees	77,464	189,402	-
Legal fees Hogan Lovells LLP	3,105	100,835	100,835

C SIP 9 information

Introduction

The following information is provided in connection with the administrators' remuneration and disbursements in accordance with SIP 9

Explanation of Grant Thornton UK LLP charging and disbursement recovery policies

Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown on the attached schedule. Details of the hourly charge-out rates are made available to creditors or committees at the time of fixing the basis of our fees. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it.

	From 01/07/11	From 01/07/12	From 01/07/13
	£	£	£
Partners up to	560	580	600
Managers up to	425	440	455
Administrators up to	300	310	320
Assistants and support staff up to	205	210	220

Disbursements

Out of pocket expenses are charged at cost. Mileage is charged at standard rates which comply with HM Revenue and Customs limits or AA recommended rates. VAT is added to disbursement charges as necessary.

ALAN DICK AND COMPANY LIMITED - IN ADMINISTRATION

SIP 9 TIME COST ANALYSIS FOR THE PERIOD FROM 24 JANUARY 2013 TO 13 JANUARY 2014

	Partner/Director		Manager		Executive		Admin/Support		Total		Average Hourly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning	38 80	23,015	159 70	69,605	120 20	34,370	74 20	11,249	392 90	138,239	352
Creditors	0 00	0 00	0 95	389	34 05	10,719	14 15	1,771	49 15	12,879	262
Investigations	0 00	0 00	6 80	2,924	2 75	791	3 60	540	13 15	4,255	324
Realisations of Assets	0 00	0 00	0 00	0 00	105 65	33,350	4 45	680	110 10	34,030	309
Grand Total	38.80	23,015	167.45	72,918	262.65	79,230	96.40	14,240	565.30	189,402	335

Note The above schedule reflects the total timecosts for both Alan Dick & Company Limited and Alan Dick & Company (Holdings) Limited, both in administration

D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator

Rule 2 48A

- (1) If
 - (a) within 21 days of receipt of a progress report under Rule 2 47 -
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)
- (2) The administrator complies with this paragraph by either -
 - (a) providing all of the information asked for, or
 - (b) so far as the administrator considers that
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
 - (iii) the administrator is subject to an obligation of confidentiality in respect of the information,
 giving reasons for not providing all of the information
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of -
 - (a) the giving by the administrator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),
 and the court may make such order as it thinks just
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just

E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses if excessive

Rule 2 109

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that -
 - (a) the remuneration charged by the administrator,
 - (b) the basis fixed for the administrator's remuneration under Rule 2 106, or
 - (c) expenses incurred by the administrator,
 is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders -
 - (a) an order reducing the amount of remuneration which the administrator was entitled to charge
 - (b) an order fixing the basis of remuneration at a reduced rate or amount
 - (c) an order changing the basis of remuneration
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration
 - (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify
 and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration