

## The Insolvency Act 1986

**Administrator's progress report****2.24B**

Name of Company Kingavon Limited	Company number 1325578
In the Birmingham District Registry  [full name of court]	Court case number 4298 of 2006

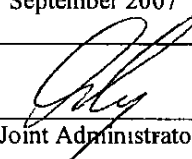
(a) Insert full name(s) and address(es) of administrator(s)

We Graham Paul Bushby and Nigel Millar of Baker Tilly Restructuring and Recovery LLP, 5<sup>th</sup> Floor, Exchange House, 446 Midsummer Boulevard, Central Milton Keynes, MK9 2EA

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

(b) Insert dates

from 13 September 2007	to 12 March 2008
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Signed   
Joint Administrators

Dated 9/4/2008

**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.

Mr G P Bushby	
Baker Tilly Restructuring & Recovery LLP, 5 <sup>th</sup> Floor, Exchange House, 446 Midsummer	
Boulevard, Milton Keynes, MK9 2EA	Tel 01908 687800
DX Number 54472	DX Exchange MILTON KEYNES

THURSDAY



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COMPANIES HOUSE

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

**KINGAVON LIMITED - IN ADMINISTRATION**

**JOINT ADMINISTRATORS' FINAL PROGRESS REPORT**

**12 March 2008**

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**1. PURPOSE OF REPORT**

This report is prepared pursuant to Rules 2.47 and 2.110 of the Insolvency Rules 1986 (as amended) and is the final report to be issued by the Joint Administrators. The report provides creditors with information relating to the progress of the administration in the final period from 13 March 2006 to date.

**2. JOINT ADMINISTRATORS' APPOINTMENT**

Graham Paul Bushby and Nigel Millar of Baker Tilly Restructuring and Recovery LLP, 5<sup>th</sup> Floor, Exchange House, 446 Midsummer Boulevard, Central Milton Keynes, MK9 2EA were appointed Joint Administrators ("the Joint Administrators") of Kingavon Limited ("the Company") on 13 March 2006 by the Qualifying floating Chargeholder, Ansbacher & Co Limited, Two London Bridge, London, SE1 9RA.

The notice of appointment was filed in the Birmingham District Registry of the High Court under reference number 4298 of 2006.

The Joint Administrators' appointment specified that they would have power to act jointly and severally. The Joint Administrators have exercised and will continue to exercise all of their functions jointly and severally as stated in the notice of appointment.

**3. COMPANY DETAILS**

The registered number of the Company is 1325578.

The Registered Office of the Company is c/o Baker Tilly, 5<sup>th</sup> Floor, Exchange House, 446 Midsummer Boulevard, Central Milton Keynes, MK9 2EA.

**4. RECEIPTS AND PAYMENTS SUMMARY**

We attach as Appendix A, a receipts and payments summary for the period from 13 March 2006 to date.

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**Prescribed Part**

There have been no payments to unsecured creditor in relation to the Prescribed Part (Section 176A of the Insolvency Act 1986 (as amended))

**5. DIVIDENDS PAID TO CREDITORS**

To date payments have been made to the secured creditors in the sum of £526,536 which falls under their floating charge

We are not aware of any preferential claims

There are insufficient funds to pay dividend to unsecured creditors

**6. CONDUCT OF THE ADMINISTRATION**

On appointment our strategy was to safeguard (and where possible realise) the assets of the Company, whilst negotiating the terms of the offers from some of the former directors and investors in Kingavon Limited In particular -

A total of £4,535 has been collected in respect of book debts received prior to the sale on 17 March 2006, and

The sum of €9,500 had been identified in an account at the Bank of Ireland in Eire. This has been received and once converted into sterling realised the sum of £7,618

An offer of £600,000 was received for all assets of the company, including debtors

The sale of the Company's assets was completed on 17 March 2006, and all sums due under this contract have been received As this was to an associated party to the directors full disclosure was made in accordance with SIP 13.

Following on from my previous report, I confirm the sum of £54,956.46 was received from H M Revenue & Customs which related to payments deducted in error from the Company's bank account after my appointment This is slightly less than our original estimate due to H M Revenue & Customs being able to retain certain funds under their guarantee claim

**7. ASSETS REMAINING TO BE REALISED**

There are no assets which have not been realised

**8. ADMINISTRATORS' PROPOSALS**

As you are aware my proposal were approved with two modifications

- That the exit route of the administration be by Creditors Voluntary Liquidation or Dissolution
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- That if the £180,000 deferred consideration is not received in full by the 30 June 2006 the Company is immediately placed into liquidation

As the £180,000 was received by the due date this part of the proposal was not acted on

## **9. EXTENSION OF THE ADMINISTRATION**

There have been two extensions, once by the creditors from 13 March 2007 to 13 September 2007 and once by court order from 14 September 2007 to 13 March 2008

## **10. ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS**

### **Time costs and fees drawn to date**

The basis of the Joint Administrators' remuneration was approved by Ansbacher & Co Limited in June 2006, when the following resolution was passed

"The Joint Administrators shall be authorised to draw their remuneration based upon time costs incurred by them in the Administration, to be paid out of the assets of the Company in accordance with Rule 2.106(2) (b) "by reference to the time properly given by the Administrators and their staff, in attending to matters arising in the administration "

To date we have drawn a total of £78,361 plus disbursements and VAT on account of our time costs incurred

A Creditors Guide to Fees Charged by Administrators, a guide in relation to the remuneration of an Administrator, can be accessed at the website of the Association of Business Recovery Professionals at [www.13.org.uk/publications/statements](http://www.13.org.uk/publications/statements) of the insolvency practice (Statement of Insolvency Practice 9 – Remuneration of Insolvency Office Holders England and Wales) Alternatively, I can provide you with a copy on written request to my office

Attached are the following

- Appendix B Baker Tilly's Restructuring and Recovery LLP charging, expenses and disbursements policy statement
- Appendix C. Time and charge out summary
- Appendix D Charge out bands and disbursement rates
- Appendix E Summary of payments to office holder and associated parties

A total of 560 hours have been spent by our staff in the administration of the estate from the date of appointment to 13 March 2008, at an average hourly charge out rate of £131

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### **Analysis of time spent in administration of the estate**

Our staff have carried out the following tasks

#### **Administration and Planning**

This includes dealing with the commencement of the Administration, statutory filing of appointment documents with Companies' House, requesting the submission of the Statement of Affairs and filing it at Companies' House, together with day-to-day administration duties. These include but are not limited to handling receipts and payments, VAT and Corporation Tax issues such as the monthly VAT returns, pension queries and general correspondence.

#### **Realisation of Assets**

Our staff have been employed on various matters, including dealing with Creditors' Reservations of Title claims. Investigating and instructing solicitors to assist with a matter arising from a sale of part of the Company which took place prior to my appointment. Asset realisation is considered to be a key aspect of the Administration.

#### **Creditors**

Queries from and correspondence with creditors and employees have been necessary aspects of the Administration process. The preparation of the Administrators' Proposals has been undertaken including the attendant aspects of providing and obtaining the required information, convening the creditors' meeting etc. A brief report on the outcome of the creditors' meeting and the report on the first six months of the Administration period have both been prepared.

#### **Administrators' Disbursements**

The basis of the Joint Administrators' drawing disbursements was approved by Ansbacher & Co Limited in June 2006, when the following resolution was passed:

"The Joint Administrators be authorised to draw their disbursements and other expenses incurred by them in the Administration, to be paid out of the assets of the Company. Such disbursements to include "Category 2 disbursements at the rates set out at Appendix H to the Proposals"

Disbursements drawn from the Company's assets in accordance with the resolution are detailed on Appendix E

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## 11. CLOSURE OF THE ADMINISTRATION

The Joint Administrators will bring the administration to a close by 13 March 2008 and the route exit will be to move from administration to dissolution



**G P Bushby**  
**Baker Tilly Restructuring and Recovery LLP**  
**Joint Administrators**

Graham Paul Bushby and Nigel Millar were appointed joint Administrators on 13 March 2006 to manage the affairs, business and property of the company

The Joint Administrator act solely as agents to the company without personal liability

Graham Paul Bushby is licensed to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales under Registration No 8736

# Receipts and Payments Abstract by Security Type: SKINGAV - Kingavon Limited In Administration

All Bank, Cash and Cash Investment Accounts All Dates

	Fixed £	Floating £	Total £
<b>RECEIPTS</b>			
Bank Interest	1,531 26		1,531 26
Books & Records	1 00		1 00
Customer Contracts	1 00		1 00
Customer List	1 00		1 00
Deposits to Suppliers	1 00		1 00
Goodwill	1 00		1 00
Plant & Machinery	24,994 00		24,994 00
Shares of Munro Importers Ltd	1 00		1 00
Stock	225,000 00		225,000 00
Tax Claims	1 00		1 00
Trade Debts (51)	350,000 00		350,000 00
Bank Interest Gross		528 64	528 64
Book Debts (109)		4,535 12	4,535 12
Cash at Bank		7,617 73	7,617 73
Furniture & Fittings		0 00	0 00
Stock		0 00	0 00
VAT Refund		54,956 46	54,956 46
Trade & Expense Creditors		0 00	0 00
Ordinary Shareholders		0 00	0 00
	601,532 26	67,637 95	669,170 21
<b>PAYMENTS</b>			
Agents Disbursements	(320 00)		(320 00)
Agents/Valuers Fees	(2,000 00)		(2,000 00)
Corporation Tax	(376 88)		(376 88)
Legal Disbursements	(239 90)		(239 90)
Legal Fees	(16,625 00)		(16,625 00)
Office Holders Expenses	(1,138 99)		(1,138 99)
Office Holders Fees	(50,787 20)		(50,787 20)
Corporation Tax		(77 66)	(77 66)
Insurance of Assets		(435 75)	(435 75)
Legal Disbursements		(30 00)	(30 00)
Legal Fees (1)		(2,817 00)	(2,817 00)
Legal fees (2)		(400 00)	(400 00)
Meeting Room for Creditors Meeting		(100 00)	(100 00)
Office Holders Expenses		(100 00)	(100 00)
Office Holders Fees		(27,574 50)	(27,574 50)
Statutory Advertising		(370 35)	(370 35)
Floating Charge Creditor		(565,776 98)	(526,536 00)
	(71,487 97)	(597,682 24)	(669,170 21)
Balance	530,044 29	(530,044 29)	0 00
<b>REPRESENTED BY</b>			0 00

## Appendix B

### BAKER TILLY RESTRUCTURING AND RECOVERY LLP

#### CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT

##### Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate
- Time is recorded in 6-minute units
- Time billed is subject to Value Added Tax (VAT) at the applicable rate

##### Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate
  - Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to creditors, but do not require creditors' approval prior to being drawn from the insolvency estate. These are known as "Category 1" disbursements
  - Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) require the approval of creditors prior to being drawn from the insolvency estate. These are known as "Category 2" disbursements
  - General office overheads are not re-charged to the insolvency estate as a disbursement
  - Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of creditors
  - Where applicable, expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate
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## Appendix C

## TIME AND CHARGE OUT SUMMARY

	HOURS SPENT					TIME COSTS £
	Partner	Manager	Administrator	Assistants & Support Staff	Total	
Administration and planning	8.0	101.40	110.4	2.1	220.3	26,679.30
Investigations	0.0	22.5	0.0	0.0	22.5	2,654.00
Realisation of assets	9.5	29.7	0.0	0.0	39.2	8,848.00
Trading	0.0	23.0	0.0	0.0	23.0	2,530.00
Creditors	10.1	182.6	37.4	40.3	270.4	35,334.90
Case specific matters	0.0	16.6	0.0	0.0	16.6	2,315.50
<b>Total Hours</b>	27.6	374.2	147.8	42.4	592.00	78,361.70
<b>Total Time Costs</b>	9,600.00	55,045.40	10,624.80	2,864.50	78,161.70	78,361.70

**Appendix D**

**BAKER TILLY RESTUCTURING AND RECOVERY LLP**

**Milton Keynes**

**CHARGE OUT RATE BANDS**

	Charge out band as at date of appointment	Charge out band as at date of current report
Partners	350	350
Managers	245	255
Administrators	115	125
Assistants & Support Staff	45	45

It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it

Baker Tilly Restructuring and Recovery LLP's charge out rates are reviewed periodically

**"CATEGORY 2" DISBURSEMENTS**

Authority will be sought to recover the following costs as "Category 2" disbursements at the creditors' meeting

Fax	62p per fax
Photocopying	6 5p per sheet
Internal room hire	£25 or £80 per room used
Subsistence	£23 per night
Travel (car)	38 pence per mile

## Appendix E

### SUMMARY OF PAYMENTS TO OFFICE HOLDER AND ASSOCIATED PARTIES

AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S FIRM	
TYPE AND PURPOSE	£
Office holder Fees	78,361
Office holder expenses	1,238 99
Total	79,599 99

AMOUNTS PAID OR PAYABLE TO ASSOCIATED PARTIES OF OFFICE-HOLDER	
TYPE AND PURPOSE	£
Total	

AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S SOLICITOR	
TYPE AND PURPOSE	£
Legal Fees	19,842 00
Legal disbursements	269 90
Total	20,111 90

AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S AGENT	
TYPE AND PURPOSE	£
Agents Fees	2,000 00
Disbursements	320 00
Total	2,320 00

**Kingavon Limited in Liquidation**  
**Disbursements breakdown**  
**As at 19 February 2008**

**Appendix B**

**Category 1 disbursements**

Disbursement type	Disbursement cost (£)
Advertising (statutory)	370 35
Advertising (sale of business)	
Bond	464 00
Companies House fees	9 00
Courier	
Hotel	
Insurance of assets	435 75
HM Land Registry fees	
Library Services	
Mail re-direction	
Postage	
Photocopying	
Room hire (external venue)	100 00
Storage (third party facility)	
Subsistence (invoiced)	
Telephone (identifiable)	
Travel	290.40
Mileage - Own Car	375.59
<b>Total</b>	<b>2,045.09</b>

**Recovery Policy on Category 1 disbursements**

All Category 1 disbursements are recovered per the supplier's invoice as these costs are those of external suppliers

The only exceptions to this rule are as follows -

Postage recovered at the at the prevailing first or second class Royal Mail rates

Travel (not at cost) charged at the firm's mileage rate of 38p per mile

**Category 2 disbursements**

Disbursement type	Disbursement cost (£)
Fax	
Photocopying/printing	
Room hire (internal)	
Subsistence	
Travel (not at cost)	
<b>Total</b>	<b>0.00</b>

**Recovery Policy on Category 2 disbursements**

Fax charged at 62p per fax

Photocopying charged at 6 5p per sheet

Room hire (internal) £25 or £80 per room used

Subsistence charged at the firm's rate of £23 per night