

To All Creditors

27 January 2009

Our Ref: LE0307022//JRC/LR 8

Dear Sir/Madam

WEDNESDAY



Holmes 2001 Limited (formerly Holmes Halls Tanners Limited) - In Company Voluntary Arrangement ("Holmes").
Profitwell Limited - In Company Voluntary Arrangement ("Profitwell")

Introduction

I write in my capacity as Supervisor of the Company Voluntary Arrangement ("CVA") of Holmes and Profitwell to provide my six monthly report on the progress of the Arrangements.

Creditors will recall that both companies are part of the Profitwell Group ("the Group"), the other member company of which, Hartside Limited, entered into a CVA on the same date.

As advised in earlier reports the Group's assets and liabilities, under the terms of the proposals, are to be pooled and this report is therefore addressed to all Group creditors. I also enclose the Supervisors' final report in respect of Hartside Limited, on behalf of the Supervisors, Mr P Pierce and Mr BA MacKay, under the terms of an agency agreement in existence between us.

Creditors will note that the Supervisors of the Hartside Limited Arrangement, having remitted all funds to me as Supervisor of the Holmes and Profitwell arrangements, have now formally concluded their work and this voluntary arrangement has been fully implemented.

Extension of the Arrangements

In 2006, a unanimous resolution of the Creditors' Committee was obtained to further extend the duration of all three Arrangements to 21 November 2006. Due to the protracted nature of the above issues, a further extension was unanimously agreed by members of the Creditors' Committee until 21 November 2008, or until a final distribution is made, whichever is the earlier.

Progress under the Arrangements

Please find enclosed the Supervisor's Receipts and Payments Account for the period of my administration to date.

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I am pleased to report that on 23 January 2009, I made a first and final dividend of 28.6p in the pound to all proving creditors.

This broadly concludes the successful implementation of both arrangements, but I am seeking to draw final fees of in relation to my outstanding unbilled work in progress.

Once this has been agreed with the creditors committee, I will file a formal notice that the voluntary arrangements of Holmes and Profitwell have been fully implemented in accordance with the proposals.

I expect to file this notice in Court and with the Registrar of Companies within the next 30 days.

Creditors will also receive a copy of my formal notice with my final R&P in due course.

Office Holders Costs

The nominees' fees in respect of all three Group companies are payable to Messrs. Barker and MacKay of Baker Tilly, as are the Supervisors' fees in respect of Hartside. Full details in respect of Hartside's office holders' costs can be found in the Hartside report included with this report.

Nominees' fees in respect of Holmes were estimated in the proposals at approximately £15,000 on a time cost basis. These sums were satisfied by the company pre-CVA and the sum of £9,523 was paid as an expense of the Arrangement in respect of Nominees' time costs not anticipated when the original proposals were drafted. Nominee's fees in respect of Profitwell (£2,000 - as estimated in the proposal) were discharged prior to the implementation of the CVA.

My remuneration as Supervisor (of both Holmes and Profitwell) is governed by Clause 12.2 of the proposals, on a time-cost basis. My time costs incurred for the six months to July 2007 amount to £3,575 in respect of Holmes, (and have necessitated the inclusion of partner and senior manager input due to the complex work surrounding the pension resolutions) and nil in respect of Profitwell, bringing total time costs to £183,458 (Holmes Halls Tanners) and £9,167 (Profitwell). Creditors have already received SIP 9 time analysis and charge out rates in my previous reports, and as it will be necessary to write off time, my staff and I have not recorded subsequent time incurred in payment of the dividend.

Against the time already incurred, creditors are reminded that resolutions have been obtained to allow me to draw the sum of £100,000 to date. The remainder of the time will be written off after final fees have been drawn. Creditors have been provided with "A Creditor's guide to fees" in previous reports, but are reminded that these are available to download from www.R3.org.uk.

These assignments were expected at the outset to be of a straightforward nature and junior staff have been utilised wherever possible. Certain matters did however necessitate the input of more senior management and partner time.

There have as yet been no disbursements paid to my firm in respect of these assignments.

Outcome for Creditors

As previously mentioned, the creditors have received a first and final dividend of 28.6p in the pound, and the arrangements are largely complete. I will forward a copy of the notice of satisfaction of the arrangements in due course.

Yours faithfully

K. J. Shuttleworth

PP **Angus M Martin**
Supervisor- Holmes 2001 Limited
- Profitwell Limited

Encs:

Receipts & Payments Account

**Holmes 2001 Limited Formerly Holmes Halls Tanners Limited
(Under a Voluntary Arrangement)**

**Supervisor's Abstract Of Receipts And Payments
To 26 January 2009**

	Fixed Charge £	Floating Charge £	Total £
RECEIPTS			
Freehold Land & Property		345,000.00	345,000.00
Book Debts		2,788.40	2,788.40
Insurance Refund		3,250.41	3,250.41
Contribution from Company		510,000.00	510,000.00
Dividend Receipts from Municipal		867.53	867.53
Rates Refund		17,271.04	17,271.04
Payment From Hartside Ltd		132,689.14	132,689.14
Bank Interest		143,630.60	143,630.60
	0.00	1,155,497.12	1,155,497.12
PAYMENTS			
Nominees Fees		9,523.00	9,523.00
Nominees expenses		876.93	876.93
Contribution from Company - Paid		10,000.00	10,000.00
Payment to Hartside Ltd		8,896.25	8,896.25
Supervisors Fees		120,000.00	120,000.00
Legal Fees		76,003.42	76,003.42
Legal Fees expenses		185.64	185.64
Professional Fees - Tax Advice		3,900.00	3,900.00
Ongoing Funding		127,500.00	127,500.00
Storage Costs		1,684.65	1,684.65
Statutory Advertising		211.05	211.05
Insurance of Assets		7,496.31	7,496.31
Bank Charges		20.00	20.00
1st & Final Pref Div. 100p in œ		72,869.34	72,869.34
Trade & Expense Creditors		651,767.35	651,767.35
VAT Receivable		35,849.76	35,849.76
	0.00	1,126,783.70	1,126,783.70
Balances in Hand	0.00	28,713.42	28,713.42
	0.00	1,155,497.12	1,155,497.12