

Rule 1.26 The Insolvency Act 1986
Voluntary Arrangement's Supervisor's
Abstract of Receipts and Payments
Pursuant to Rule 1.26(2) (b) of the
Insolvency Rules 1986

R1.26(2)(b)

For Official Use

To the Registrar of Companies

Company Number

1429556

Name of Company

Holmes 2001 Limited (formerly Holmes Halls Tanners Limited)

I / We

Angus Matthew Martin
1 City Square
Leeds
West Yorkshire
LS1 2AL

supervisor(§) of a voluntary arrangement approved on

22/05/2001

present overleaf my / our abstract of receipts and payments for the period from

22/05/2003

to

21/05/2004

Number of continuation sheets (if any) attached

Signed

Date

22/2/04

Deloitte & Touche LLP
1 City Square
Leeds
West Yorkshire
LS1 2AL

Ref: HOLM04D/MJB/JRC/BB1

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Insolvency Sect

Post Room

A10
COMPANIES HOUSE

A1JAYKHF

0718
03/07/04

RECEIPTS		£
Brought forward from previous Abstract (if Any)		551,782.49
Payment From Hartside Ltd		100,000.00
Bank Interest		8,385.75
Carried forward to * continuation sheet / next abstract		660,168.24
PAYMENTS		£
Brought forward from previous Abstract (if Any)		150,441.95
Supervisors Fees		50,000.00
Legal Fees		8,877.40
Ongoing Funding		20,000.00
VAT Receivable		10,303.55
Carried forward to * continuation sheet / next abstract		239,622.90

* Delete as appropriate

* Delete as appropriate

Note - The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the supervisor since he was appointed.

Direct line: 0113 2921346
Direct fax: 0113 2448942

To All Creditors

29 June 2004

Our Ref: LE0307022/MJB/JRC 8

Dear Sir/Madam

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 Arrangements 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"), whose other member company – 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 Supervisor's six monthly report in respect of Hartside Limited, on behalf of the Supervisors, Mr RH Barker and Mr BA MacKay, under the terms of an Agency Agreement in existence between us. A Creditors' Guide to Fees which covers all three voluntary arrangements is enclosed for your information.

Extension of the Arrangements

As a result of the ongoing pension scheme issue continuing to preclude my ability to finalise my administration in these matters, a unanimous resolution of the Creditors' Committee has been obtained in order to extend the duration of all three Arrangements, to 21 November 2004.

Progress under the Arrangements

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

Audit.Tax.Consulting.Corporate Finance.

A member firm of
Deloitte Touche Tohmatsu

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Assets

Land and buildings

The remaining asset has been sold subject to contract. The Supervisor's solicitors are dealing with the sale of the property, and completion is expected during August 2004. Since my last report I have returned £35,000 to the directors to allow them to maintain and insure the property. I will continue to provide funds in order to protect the interest in the property until the sale is completed.

Surplus from securities

All secured assets have been realised as detailed in previous reports and the group's indebtedness to the secured creditors settled in full. The residual funds available were transmitted to the Supervisor and are included on the attached receipts and payments account.

Other assets

There are expected to be no further material asset realisations.

Liabilities

The group's preferential creditors have been paid in full as advised in my previous reports.

I have continued to receive and agree unsecured creditors claims since my last report and the majority in both number and value have now been agreed.

The position as regards the Holmes Halls Tanners Limited Pension Scheme and its ability to prove a debt in the arrangement, has yet to be resolved. Several meetings have been held between my staff, my solicitors and the scheme trustees, but negotiations have reached an impasse. I am now seeking counsel's opinion with a view of settling the matter through the courts. I continue to be advised that it remains unsafe to make a distribution to the unsecured creditors whilst this situation remains unresolved. This situation has become somewhat protracted but I hope that it can be resolved such that creditors' dividend expectations are not materially adversely affected.

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 Halls Tanners 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.

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My remuneration as Supervisor (both Holmes and Profitwell) is governed by Clause 12.2 of the proposals, on a time-cost basis. My time costs amount to £105,287 (Holmes Halls Tanners) and £58,481 (Profitwell) and I have obtained a signed resolution from the Creditors' Committee to draw fees of £50,000 plus VAT in the case of Holmes. Against this resolution the sum of £50,000 has been drawn to date.

I intend to request that the Committee authorise further fees of £50,000 (plus VAT) in the near future.

A summary can be found at appendix 1.

These assignments were expected at the outset to be of a straightforward nature and junior staff have been utilised wherever possible. Certain matters have however necessitated the input of more senior and partner time - in particular in liaising with and reporting to the company itself, via its director as regards strategy in respect of major asset realisations and the pensions issue outlined earlier. There has also been a need (not originally envisaged) to obtain legal advice in respect of several issues, most notably the pension scheme.

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

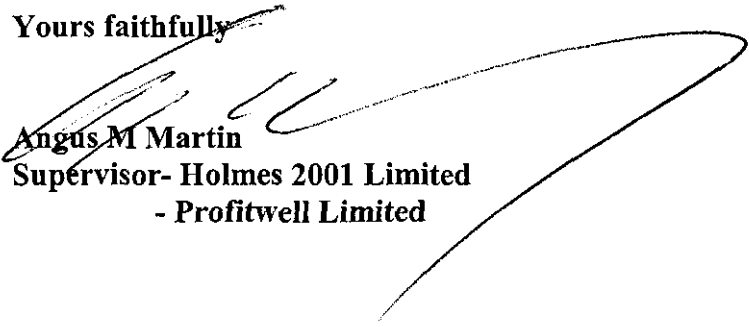
Estimated Outcome for Creditors

The interim dividend discussed in my last report has had to be deferred due to the continuing uncertainty surrounding the pension issue. This dividend will be paid once I have sufficient comfort as to the likely extent of any claim and the benefit of further legal discussions. I hope however that the eventual resolution will not dilute creditors' dividend prospects in a material way but am unable to give any guarantees.

I expect to be in a better position to advise on the extent and timing of total dividends once I am in receipt of the funds pertaining to the sale of the land and buildings and further progress made as regards the pension scheme issue. Creditors will be advised as soon as possible of any material developments.

If any further information is required please do not hesitate to contact my colleagues Martin Barron or James Clark.

Yours faithfully


Angus M Martin
Supervisor- Holmes 2001 Limited
- Profitwell Limited

Appendix 1: SIP 9 Analysis - Holmes Halls Tanners Ltd

Grade	Partner	Senior Manager	Junior Manager	Administrator	Secretarial	Totals Hours
Task						
Asset Realisation	7.0	1.0				8.0
Cashiering			1.0	6.6		7.6
Compliance		5.5	7.0	0.2		12.7
Debtor Collection						0.0
Employee Matters						0.0
Pension Scheme	7.0	10.0	3.5			20.5
Statutory Reporting		3.0	1.0			4.0
Unsecured Creditors		3.6	7.8			11.4
VAT and Tax		4.0				4.0
Totals: Hours	14.0	27.1	20.3	6.8	0.0	68.2
Costs (£):	6,230.00	8,536.50	3,552.50	816.00	0.00	19,135.00

Average Fee/hour (£) 280.57

Chargeout Rates:

	2003	2004
Partner	425	445
Senior Manager	300	315
Junior Manager	165	175
Administrator	115	120
Secretarial	35	45

Appendix 2: SIP 9 Analysis - Profitwell Ltd

Grade	Partner	Senior Manager	Junior Manager	Administrator	Secretarial	Totals Hours
Task						
Asset Realisation						0.0
Cashiering						0.0
Compliance		1.9	0.2			2.1
Debtor Collection						0.0
Employee Matters						0.0
Pension Scheme						0.0
Statutory Reporting	1.0			0.3		1.3
Unsecured Creditors						0.0
VAT and Tax		2.2	4.3			6.5
Totals: Hours	1.0	4.1	4.5	0.3	0.0	9.9
Costs (£):	445.00	1,291.50	787.50	36.00	0.00	2,560.00
Average Fee/hour (£)	258.59					
Chargeout Rates:		2003	2004			
Partner						
Senior Manager		425	445			
Junior Manager		300	315			
Administrator		165	175			
Secretarial		115	120			
		35	45			

Holmes 2001 Limited (formerly Holmes Halls Tanners Limited)
(Under a Voluntary Arrangement)

Income And Expenditure Account
To 29/06/2004

	Fixed Charge	Floating Charge	Total
INCOME	£	£	£
Book Debts		1,655.52	1,655.52
Insurance Refund		3,250.41	3,250.41
Contribution from Company		510,000.00	510,000.00
Rates Refund		17,271.04	17,271.04
Payment From Hartside Ltd		103,975.78	103,975.78
Bank Interest		24,664.03	24,664.03
	<hr/>	<hr/>	<hr/>
	Nil	660,816.78	660,816.78
	<hr/>	<hr/>	<hr/>
EXPENDITURE			
Nominees Fees		9,523.00	9,523.00
Nominees expenses		876.93	876.93
Payment to Hartside Ltd		8,896.25	8,896.25
Supervisors Fees		50,000.00	50,000.00
Legal Fees		38,377.40	38,377.40
Legal Fees expenses		153.14	153.14
Professional Fees - Tax Advice		1,000.00	1,000.00
Ongoing Funding		55,000.00	55,000.00
Insurance of Assets		7,496.31	7,496.31
1st & Final Pref Div. 100p in £		72,869.34	72,869.34
	<hr/>	<hr/>	<hr/>
	Nil	244,192.37	244,192.37
	<hr/>	<hr/>	<hr/>
BALANCE	Nil	416,624.41	416,624.41
	<hr/>	<hr/>	<hr/>

MADE UP AS FOLLOWS

VAT Receivable	17,485.39
Current Account	316.07
Moneymaster Account	7,351.65
One Week Money Market	391,471.30
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	416,624.41
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