

The Insolvency Act 1986

Administrator's progress report

Name of Company

Art Forma (Furniture) Limited

Company number

01643759

In the
High Court of Justice, Chancery Division,
Birmingham District Registry

(full name of court)

Court case number
8256 of 2013(a) Insert full
name(s) and
address(es) of
administrator(s)We (a)
Patrick B Ellward
Baker Tilly Business Services Limited
The Poynt
45 Wollaton Street
Nottingham
NG1 5FWDilip K Dattani
Baker Tilly Business Services Limited
The Poynt
45 Wollaton Street
Nottingham
NG1 5FW

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

From

To

(b) Insert date

(b) 11 June 2013

(b) 31 October 2013

Signed


Joint Administrators

Dated

11/11/13

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

Patrick B Ellward
Baker Tilly Business Services Limited
The Poynt
45 Wollaton Street
Nottingham
NG1 5FW

DX Number nottingham

+44 (0) 115 948 9400
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

WEDNESDAY



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06/11/2013

#164

COMPANIES HOUSE

Private and Confidential

To All Known Members and Creditors

Baker Tilly Business Services Limited
The Poynt, 45 Wollaton Street, Nottingham,
NG1 5FW
T +44 (0) 115 948 9400
F +44 (0) 115 948 9401
www.bakertilly.co.uk

Our Ref: BE/DKD/LC/5528764/ADM0602k3/
Your Ref
1 November 2013

When telephoning or emailing please contact Louise Carrington on 0115 948 9457 or louise.carrington@bakertilly.co.uk

Dear Sirs

Art Forma (Furniture) Limited ("the Company") - In Creditors' Voluntary Liquidation

Please note that RSM Tenon Limited (which has changed its name to Baker Tilly Business Services Limited) has been acquired by Baker Tilly UK Holdings Ltd and all future communications will be conducted under the Baker Tilly name

The Administration of the Company has been concluded and we enclose a copy of the Joint Administrators' final progress report

I confirm that Dilip K Dattani and I were appointed Joint Liquidators to the Company on 31 October 2013 following filing of our Notice of Move from Administration to Creditors' Voluntary Liquidation as Administrators, on 28 October 2013, by the Registrar of Companies. We will be writing to you again in that capacity in due course

Should you require any further information relating to this report, please do not hesitate to contact this office on the number above

Yours faithfully

For and on behalf of

Art Forma (Furniture) Limited – Formerly in Administration, now Liquidation



Patrick B Ellward
Baker Tilly Business Services Limited
Former Joint Administrator

*Licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales
The affairs, business and property of the company are being managed by the Joint Administrators who act as agents of the company and without personal liability*

Enclosures

- > Form 2 24B - Administrators' Progress Report
- > Joint Administrators' Report
- > Appendix I Statutory Information
- > Appendix II Receipts and Payments Account
- > Appendix III Information relating to Administrators' Fees and Expenses
- > Appendix IV Proposals
- > Statement of Affairs
- > SIP9 Report

Baker Tilly Tax and Advisory Services LLP, Baker Tilly UK Audit LLP, Baker Tilly Corporate Finance LLP and Baker Tilly Restructuring and Recovery LLP are limited liability partnerships registered in England and Wales, with registered numbers OC325348, OC325350, OC325347 and OC325349 respectively. Baker Tilly Tax and Accounting Limited, Baker Tilly Revas Limited, Baker Tilly Management Limited, Baker Tilly Business Services Limited, Baker Tilly Audit Limited and Baker Tilly CF Limited are registered in England and Wales with numbers 6677561, 6463594, 3077999, 04066924, 04045321, 06555639 respectively. All limited companies and limited liability partnerships are registered at 25 Farningdon Street, London, EC4A 4AB. For Baker Tilly Business Services Limited, Baker Tilly CF Limited, Baker Tilly Audit Limited, the term 'Partner' refers to the title of senior employees, none of whom provide services on their own behalf.

**Art Forma (Furniture) Limited (“the Company”)
– In Administration**

**Joint Administrators’ Final Progress Report
for the period from 11 June 2013 to 31 October 2013**

Issued on: 1 November 2013

Patrick B Ellward and Dilip K Dattani of Baker Tilly Business Services Limited are the Joint Administrators of the Company and this is their final progress report on the Administration of the Company for the period from 11 June 2013 to 31 October 2013. This report should be read in conjunction with the approved Joint Administrators' Proposals.

1. Statutory Information

Statutory information relating to the Company is attached at **Appendix I**

2 Joint Administrators' Receipts and Payments Account

A summary of the Joint Administrators' receipts and payments account ("R&P") for the period from 11 June 2013 to 31 October 2013, is attached at **Appendix II**

We trust the entries are self-explanatory however, we can comment specifically as follows

Trading

The short term trading period (11 June 2013 to 28 June 2013) produced the following results

	Realised to date £	To be realised £	Total £
Sales	31,570	4,674	36,244
Wages	(12,517)	-	(12,517)
Other costs	(2,331)	(753)	(3,084)
Rent	(6,333)	-	(6,333)
Rates	(3,194)	-	(3,194)
	<u>7,195</u>	<u>3921</u>	<u>11,116</u>

It should be noted that £26,666.66 was paid in rent to the Landlord, Enwabe Investments Limited ("Enwabe"), a company which forms part of pension scheme of Stuart Blyth (one of the Company's three Directors). This represents three months of rent for a period of two months and nineteen days of occupation. Approximately nineteen days of this rent (£6,333) can be attributed to the trading period. The water and gas bills have not yet been received but are expected to be in the region of £40.00 and £1,149.00 per month. I estimate that £753 of these costs relates to the trading period. The rates, gas and water for the period 11 June 2013 to 28 June 2013 are included in other costs in the table above at £3,983. A rates bill of £13,284.47 has been paid covering the period of occupation, of which £3,194 relates to the trading period.

Receipts

Below are the assets realised during the Administration period

Entry	Total	Comments
Sale of Intellectual Property	£8,333.33	See paragraph below
Plant and Machinery	£23,441.00	See paragraph below
Book Debts	£24,733.80	See paragraph below
Vending Machine Refund	£39.89	Self-explanatory
Cash at Bank	£41,214.93	Self-explanatory
Stock	£137,302.00	See paragraph below
Petty Cash	£289.31	Self-explanatory
Stock Float	£22.36	Self-explanatory

Bank Interest	28 24	Self-explanatory
Unknown Receipt	£1,284 00	See paragraph below

Sale of Intellectual Property

Following the marketing of the business, no interest was received as a whole. However, we did receive an offer of £8,333.33 plus VAT from Gascoigne Designs Upholstery Manufacturers Limited ("GDUM") for the Company's intellectual property. We can confirm that this offer was accepted in July 2013. The sale of this asset will produce a small charge of corporation tax.

Plant and Machinery

The majority of the Company's chattel assets are free from finance and have been valued by my agents, John Pye & Sons Limited ("John Pye"). The Statement of Affairs ("SofA") shows a book value of £10,795.00, with an estimated to realise value of £7,000.00. Some of these assets were sold to GDUM for £12,500.00 plus VAT. The balance of £10,941.00 was sold by way of online auction.

The SofA shows a book value of £3,085.00 for fixtures, with an estimated to realise value of £700.00. These were sold via online auction and are incorporated in the plant and machinery realisation figures above.

Book Debts

The debtor book had a book value of £24,798.00 (after accounting for known bad debts and purchase ledger set offs). The book value figure in the SofA was £50,458.00 which is incorrect as it includes some post appointment sales. The estimated to realise value was £50,000.00.

To date, realisations amount to £24,733.80. No further realisations are expected.

Stock

The Company had stock with a book value of £200,000.00 (per the SofA) and estimated to realise value of £80,000.00. Some of the stock was sold during the trading period and the balance was disposed of via online auction. The online auction has so far received £164,007.00, of which John Pye has sent us £137,302.00. John Pye are holding £26,705.00 net of VAT. The realisations from the second online auction are not expected to exceed £5,000.00.

Unknown Receipt

A cheque for £1,284.00 has been received which is not recognised as an outstanding debt on the sales ledger. We are investigating if the Company is entitled to keep this sale.

Payments

Below are the payments made during the Administration period which are not included in the trading profit.

Entry	Total	Comments
Rent	£26,666 00	Three months of rent of which £6,333.00 is allocated to trading
Statement of Affairs Fee	£2,500 00	Fixed fee agreed with Robert Whowell & Partners
Agents' Fee	£29,229 30	Fees for realising the Company's stock and plant
Agents' Expenses	£2,186 00	Self-explanatory
Legal Fees	£3,546 00	Fees and disbursements for placing Company into Administration
ERA Agents Fee	£1,300 00	Fees for advising and processing employees' claims
Pension Agents Fee	£520 00	Fixed fee for pension review
Storage	£1,298 15	Collection and storage of Company records
Bank Charges	£56 94	Self-explanatory
Insurance	£1,450 47	Self-explanatory

Rates	£13,284 47	See above
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The only expected payments from the Administration left to settle in the Liquidation are as follows

- Agent's fee regarding the sale of the final stock, which is expected to be £4,005 00,
- Potential £300 00 to be paid to our pension agent for investigating a further pension scheme,
- Gas and water

3 Action Taken by the Joint Administrators

Following appointment on 11 June 2013, we decided to allow the Company to continue trading in the short term to fulfil a large, outstanding customer order. This decision was taken so that we could maximise realisations from the Company's work in progress, for the benefit of the Company's creditors as a whole. As only a small number of the Company's employees were required to complete the order, we had no choice but to make the remaining employees redundant. These initial redundancies took place on 12 June 2013. Trading has been funded by the Company's existing cash reserves and has not required any overdraft or other bank facility. All trading ceased on 28 June 2013, on which date the last employee was made redundant.

Since appointment on 11 June 2013, the following tasks have been undertaken

- Upon appointment, we notified all known creditors, employees, Directors and members of the Company and complied with our statutory duties. Insurance cover has been obtained through our specialist insolvency insurers, Insolvency Risk Services ("IRS"), in order to cover the Company's assets from the date of appointment,
- The Directors were contacted with a request for a Statement of Affairs and any other documents relevant to the Administration which we require. This document has now been provided,
- We appointed Insol Employee Solutions Limited ("Insol") to deal with all employee related matters. Insol attended the employee meetings that took place on 12 and 27 June 2013,
- We liaised with our agents, John Pye, with regard to the valuation and realisation of the Company's assets,
- We instructed Actons to act as legal advisors during the Administration,
- We instructed Alexander Forbes Trustee Services Limited ("AFTS") to act as our pension scheme agents and to assist us with all pension related matters,
- We collated information in relation to the Company's creditors and debtors and have liaised with the Company's retained employees regarding further asset realisations where possible
- We sold the intellectual property of the Company to GDUM for £8,333 33 plus VAT

Investigations

Administrators have a duty to submit confidential reports to the Insolvency Service on the conduct of those persons who acted as Directors of the Company in the three year period prior to the Administration. We can confirm that these have been completed and that we have complied with our duties in this regard. We are currently reviewing the movement in the loan accounts with connected parties.

4. Joint Administrators' Proposals

As previously advised, at the meeting of creditors held on 31 July 2013, the Joint Administrators' proposals for achieving the purpose of the Administration were approved by creditors without modifications. A further copy is attached at **Appendix IV**

There were no major amendments to, or deviations from, these proposals

5. Liabilities and Dividends

Secured Creditors

There are no secured creditors in this matter

Preferential Creditors

The preferential creditors are not yet fully agreed but we anticipate that they will be in the region of £10,000 00

Prescribed Part

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property". A Company's net property is left after paying the preferential creditors and costs and expenses of the Administration, but before paying the lender who holds a floating charge. An Administrator has to set aside

- > 50% of the first £10,000 of the net property plus
- > 20% of the remaining net property up to a maximum prescribed part of £600,000

The Company granted a fixed and floating charge to Midland Bank plc ("the Bank") on 31 January 1996. The money due the Bank has been fully repaid. As a result, there will be no distribution under their floating charge, such that the prescribed part provisions will not apply.

Unsecured Non-Preferential Creditors

The unsecured creditors will receive a dividend. We will send (in our capacity as Joint Liquidator) a notice of intended dividend to creditors once we are in a position to pay the dividend.

Claims received and admitted to date total £12,080 94. The SofA showed unsecured creditors to the value of £706,191 99, of which £523,609 90 is owed to a connected party, Blyth Farms Limited.

Surplus funds passed from the former Administration to the Liquidation will enable a dividend to be paid to the unsecured creditors. The amount of the dividend will be determined by the extent of claims lodged by creditors, the amount at which these claims are agreed by the Joint Liquidators and the extent of the costs. Further information will be provided by the Joint Liquidators as soon as possible, but in the meantime, creditors who have already lodged details of their claim with the former Administrators, do not need to lodge their claims again.

6. Joint Administrators' Remuneration, Disbursements and Expenses

Basis of Remuneration and Disbursements

As a result of the agreement of the Joint Administrators' proposals, the Joint Administrators' proposals relating to their remuneration and disbursements were approved. This provided for the Joint Administrators to be remunerated with reference to time properly spent in dealing with matters in the Administration and that disbursements would be drawn in accordance with the tariff outlined in **Appendix III**.

Remuneration Charged and Drawn in the Period

The Joint Administrators' time costs were charged and drawn (excluding VAT) as follows

Since appointment on 11 June 2013 to 31 October 2013

Incurred	Paid
£90,018 00	£80,000 00

In accordance with Statement of Insolvency Practice 9, attached at **Appendix III**, is a breakdown of these time costs

The above costs exclude VAT

Disbursements Incurred and Drawn

The Joint Administrators' disbursements incurred during the period of this report and those reimbursed in the period, are summarised below Details are attached at **Appendix III**

	Incurred	Paid
Category 1 disbursements from 11 June 2013 to 31 October 2013	£302 60	£302 60
Category 2 disbursements from 11 June 2013 to 31 October 2013	£206 10	£206 10
Total	£508.70	£508 70

The above costs exclude VAT

Expenses (Professional Advisors) Charged and Drawn in the Period

The following professional advisors have been instructed in this matter

Professional Advisor	Nature of Work	Fee Arrangement
John Pye and Sons Limited ("John Pye")	Chattel asset agents John Pye provided an initial valuation of the Company's chattel assets and have been instructed to realise the Company's assets	Based on time costs and a percentage of realisations
Actons	Solicitors Actons have been engaged to provide legal advice on all necessary matters during the Administration period, including pre appointment formalities	Based on time costs
Insolvency Risk Services ("IRS")	Insurers Providing insurance of the assets for the Joint Administrators	Based on quoted rates
Insol Employee Solutions Limited ("Insol")	Employee Agent Assisting with the processing of employees' claims and assisting employees with any associated queries	Fixed fee based on number of employees
Alexander Forbes Trustee Services Limited ("AFTS")	Pension Agent Assisting with the winding up of the Company's pension schemes	Fixed fee
Robert Whowell & Partners	Accountants Statement of Affairs preparation	Fixed fee

The choice of professionals was based on perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the Administrators' fee arrangement with them

Statement of Pre Administration Costs

Pre Administration costs are defined in the Insolvency Rules as fees charged and expenses incurred by the Administrators or their firm, or another person qualified to act as an Insolvency Practitioner, before the Company entered Administration but with a view to its doing so

Summary of the Joint Administrators' Pre Administration Costs

The Joint Administrators' pre Administration costs comprise

	£
Pre Administration time costs	16,434 50
Pre Administration expenses	
Legal costs	3,200 00
Pre Administration disbursements	
Category 1	26 10
Category 2 (see Appendix III)	-
Total	<u>£19,660.60</u>

The Joint Administrators sought approval for part payment of their pre Administration costs as an expense of the Administration from the creditors

Further information on each category of pre Administration cost is given below

Pre Administration Time Costs of the Joint Administrators

The Joint Administrators' pre Appointment time costs total £16,434 50, at Baker Tilly Business Services Limited's (formerly RSM Tenon Limited) standard charging rates (see **Appendix III**). Of this total cost, £2,838 00 relates to work undertaken on 10 June and morning of 11 June 2013, in preparing information that was needed to conduct the Administration. These costs do not fall within the definition of pre Administration costs as they were not incurred specifically with a view to the Company entering into Administration. However, the tasks performed would have had to have been undertaken post Administration, if not done pre Administration and, accordingly, we sought to recover this amount. These pre appointment fees of £2,838 00, together with £26 10 of disbursements, were approved and drawn.

The balance of the Joint Administrators' pre Appointment time costs were written off.

Pre Administration Expenses

Details of pre Administration expenses which were incurred with a view to the Company's Administration are

Advisor and Nature of Work	Date of Engagement	Fees £
Actons Solicitors ("Actons") – Appointment Assistance	3 June 2013	3,350 00

We instructed Actons to deal with the steps necessary to effect our appointment at court. These pre Administration expenses have been incurred by Actons on a time cost basis, plus disbursements of £196 00.

Of the £3,350 00 fee, £3,200 related to pre appointment work and £150 00 to post appointment. These costs have been paid.

Pre Administration Disbursements

We have incurred pre Administration disbursements as follows –

	£
Category 2	
Mileage	26 10

Creditors' Guide to Fees and statement of creditors' rights

Creditors have a right to request further information from the Administrators and additionally have a right to challenge the Administrators' remuneration and expenses however, time limits do apply. Details can be found in the document 'A Creditor's Guide to Administrators' Fees' which can be accessed at the website of the Insolvency

Practitioners' Association (www.insolvency-practitioners.org.uk > Regulation and Guidance" > Creditors Guides to Fees), or the Institute of Chartered Accountants in England & Wales (www.icaew.com > Technical Resources > Insolvency > Creditors' Guides) Alternatively, a copy is available free of charge upon request from the address above

7 Statement of Affairs

A copy of the Statement of Affairs is attached at **Appendix VI**

8 End of Administration

Objectives (b) and (c) of the Administration have been achieved This was done through trading the business for a short period to maximise the value of the Company's stock, by converting items into completed sales This achieved a greater return to the Company's creditors as a whole and the secured creditors

Patrick B Ellward and Dilip K Dattani were appointed Joint Liquidators of the Company on 31 October 2013, following the filing of our Notice of Move from Administration to Creditors' Voluntary Liquidation, as Administrators on 28 October 2013, by the Registrar of Companies

It was resolved at a meeting of creditors that, upon the Company proceeding into Creditors' Voluntary Liquidation, the Joint Administrators' discharge from liability shall take effect 14 days following the Company entering into Liquidation

Should you have any further questions, please do not hesitate to contact Louise Carrington of this office



Patrick B Ellward
Baker Tilly Business Services Limited
Joint Administrator

*Licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales
The affairs, business and property of the Company are being managed by the Administrators*

Appendix I

Company Information

Company Name	Art Forma (Furniture) Limited
Previous Name	Stonesford Fashions Limited
Company Number	01643759
Date of Incorporation	16 June 1982
Trading Address	Station Road, Castle Donnington, Derby, Derbyshire, DE74 2NU
Current Registered Office	The Poynt, 45 Wollaton Street, Nottingham, NG1 5FW
Former Registered Office	Station Road, Castle Donnington, Derby, Derbyshire, DE74 2NU
Principal Trading Activity	Furniture Manufacturer

Appointment Details

Joint Administrators' name and address	Patrick B Ellward of Baker Tilly Business Services Limited, The Poynt, 45 Wollaton Street, Nottingham, NG1 5FW and Dilip K Dattani of Baker Tilly Business Services Limited The Poynt, 45 Wollaton Street, Nottingham, NG1 5FW
Date of Appointment	11 June 2013
Court Name and Reference	High Court of Justice, Chancery Division, Birmingham District Registry 8256 / 2013
Appointment Made By	Directors
Actions of Joint Administrators	Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators acting jointly or alone

**Art Forma (Furniture) Limited
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs	From 11/06/2013 To 31/10/2013	From 11/06/2013 To 31/10/2013
POST APPOINTMENT SALES		
Manufacturing Sales	12,629 83	12,629 83
Stock Sales	17,249 00	17,249 00
Obsolete Stock Sales	1,691 67	1,691 67
	<u>31,570 50</u>	<u>31,570 50</u>
PURCHASES		
Purchases	915 09	915 09
Purchases - Related Party	235 94	235 94
	<u>(1,151 03)</u>	<u>(1,151 03)</u>
OTHER DIRECT COSTS		
Direct Labour	12,517 95	12,517 95
	<u>(12,517 95)</u>	<u>(12,517 95)</u>
TRADING EXPENDITURE		
Rents	26,666 66	26,666 66
Rates	13,284 47	13,284 47
Heat, Light & Water	19 11	19 11
Delivery and Transport Costs	627 60	627 60
Payroll Services	36 00	36 00
Payroll Services - Related Party	325 00	325 00
Labour & Logistics - Related Party	172 50	172 50
	<u>(41,131 34)</u>	<u>(41,131 34)</u>
TRADING SURPLUS/(DEFICIT)	<u>(23,229 82)</u>	<u>(23,229.82)</u>

Art Forma (Furniture) Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 11/06/2013 To 31/10/2013	From 11/06/2013 To 31/10/2013
ASSET REALISATIONS		
	8,333 33	8,333 33
7,000 00 Sale of Intellectual Property	23,441 00	23,441 00
700 00 Plant & Machinery	NIL	NIL
80,000 00 Fixtures	137,302 00	137,302 00
50,000 00 Stock	24,733 80	24,733 80
38,848 44 Book Debts	41,214 93	41,214 93
	28 24	28 24
	289 31	289 31
	22 26	22 26
	(23,229 82)	(23,229 82)
	1,284 00	1,284 00
	39 89	39 89
	<u>213,458 94</u>	<u>213,458 94</u>
COST OF REALISATIONS		
	2,864 10	2,864 10
	80,000 00	80,000 00
	508 70	508 70
	2,500 00	2,500 00
	29,229 30	29,229 30
	2,186 00	2,186 00
	3,546 00	3,546 00
	1,300 00	1,300 00
	520 00	520 00
	1,298 15	1,298 15
	1,450 47	1,450 47
	56 94	56 94
	<u>(125,459 66)</u>	<u>(125,459 66)</u>
PREFERENTIAL CREDITORS		
(20,778 38) DE Arrears & Holiday Pay	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
UNSECURED CREDITORS		
(23,878 81) Trade & Expense Creditors	NIL	NIL
(145,904 90) Employees	NIL	NIL
(832 19) HMRC - PAYE/NIC	NIL	NIL
(11,966 18) HMRC VAT	NIL	NIL
(523,609 91) Connected Party - Blyth Farms Ltd	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
DISTRIBUTIONS		
(283,179 00) Ordinary Shareholders	NIL	NIL
(77,219 00) Ordinary B Shareholders	NIL	NIL
(152,533 00) Share Premium	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
(1,063,352 93)	<u>87,999 28</u>	<u>87,999.28</u>
REPRESENTED BY		
Vat Receivable		7,300 00

Floating Current A/c
Vat Payable
Suspense Account

81,732.54
(993.66)
(39.60)

87,999.28

Appendix III – Information relating to the Joint Administrators’ Fees and Expenses

Appendix III

Art Forma (Furniture) Limited

Information relating to the Joint Administrators' Fees and Expenses

1. Explanation of Administrators' charging and disbursement recovery policies

1.1. Time recording

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge-out rates are

Staff	Rate from 1 November 2011 £
Insolvency Practitioner	395.00
Director	360.00
Senior Manager, BD Consultant	300.00
Manager	260.00
Assistant Manager, Supervisor	220.00
Senior Administrator, Cashier, Recovery Senior, BD Executive	185.00
Administrator, Credit Controller, Cashier, Customer Services Adviser, Case Worker, Collections Officer, Credit Analyst	160.00
Assistant Administrator, Cashier, Secretarial, Support Staff	110.00 – 160.00

1.2. Disbursement recovery

Disbursements are categorised as either Category 1 or Category 2

Category 1 disbursements

External supplies of incidental services specifically identifiable to the case. Where these have initially been paid by Baker Tilly Business Services Limited (formerly RSM Tenon Limited) and then recharged to the estate, approval from creditors is not required.

Examples of category 1 disbursements include postage, case advertising, specific bond insurance, company search fees, external room hire, storage, case management software system, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case (including business mileage up to HMRC approved rate for cases commenced before 1 November 2011).

Category 2 disbursements

These include elements of shared or allocated costs incurred by Baker Tilly Business Services Limited (formerly RSM Tenon Limited) and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance.

Category 2 disbursements charged by Baker Tilly Business Services Limited (formerly RSM Tenon Limited) are as follows:

Disbursement charge	Rate
Company searches (Tracker)	£10 per case
File set up	£7 per file

Photocopying, scanning and faxes	10p per side of paper
Mileage	45p per mile
Room hire (internal) - London	£150 per hour
Room hire (internal) - outside London	£100 per hour
Reports to creditors and members - posted	50p per report
Reports to creditors and members - published on line	25p per report

2. Description of work carried out

Section 4 of this appendix outlines the time costs to date in relation to activities undertaken during this period. These can be summarised as follows:

2.1. Pre Appointment

Details of the Joint Administrators' pre Administration costs are set out in the main body of the report. These costs have been drawn.

2.2. Administration and planning

The following activities have been undertaken:

- > Statutory duties associated with the appointment including the filing of relevant notices,
- > Notification of the appointment to creditors, members, employees and other interested parties;
- > Reviewing available information to determine appropriate strategy,
- > Maintaining bank accounts,
- > Six monthly progress review of the case,
- > Setting up and maintaining bank accounts

Staff of different levels were involved in the above activities depending upon the experience required.

2.3 Investigations

The time spent includes:

- > Corresponding with the Directors and management,
- > Review of questionnaires and comments provided by interested parties,
- > Review of company documentation,
- > Completion of statutory returns to the Insolvency Service

Due to the complex nature and importance of the investigations, the staff utilised to conduct such work involved experienced members of staff.

2.4. Realisation of assets

Please refer to the main body of the report but, in summary, the time spent includes:

- > Liaising with agents and solicitors,
- > Corresponding and meeting with interested parties,
- > Sale of intellectual property,
- > Pursuing book debt collection,
- > Sale of stock and plant and machinery

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake.

2.5. Trading

Trading activities included

- > Planning appropriate trading strategy,
- > Liaising with employees,
- > Dealing with suppliers,
- > Contacting and negotiating with customers,
- > Authorising commitments,
- > Reviewing trading position,
- > Paying suppliers

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake

2.6. Creditors

The time spent includes the following matters

- > Recording and maintaining the list of creditors,
- > Dealing with employee related matters,
- > Dealing with retention of title claims,
- > Recording creditor claims,
- > Reporting to creditors,
- > Meeting with creditors,
- > Dealing with creditor queries,
- > Reviewing and evaluating creditor claims

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake

3 Time and charge out summary

For the period of the report from 11 June 2013 to 31 October 2013, a total of 380 34 hours have been spent at an average charge out rate of £236 68, bringing the total cost to date to £90,018 00

The report attached shows details of the time costs charged (excluding VAT)

4. Disbursements

Disbursements incurred and reimbursed, are detailed below

Disbursements	Total	
	Incurred £	Paid £
Category 1		
Willis - Bordereau	210 00	210 00
Online Website Fee	8 00	8 00
Statutory Advertising	84 60	84 60
Category 2		
Mileage	206 10	206 10
Total	508 70	508.70

The above costs exclude VAT

5 Professional Advisors and Expenses

The Joint Administrators have incurred administration expenses in connection with the instruction of the parties shown below. Expenses incurred and paid are detailed below.

Name & Activity	Total	
	Incurred £	Paid £
Actons Solicitors Fees & Disbursements	3,546 00	3,546 00
John Pye & Sons Limited Fees & Disbursements	31,415 30	31,415 30
Robert Whowell & Partners SofA Fee	2,500 00	2,500 00
Insol Employee Solutions Fee	1,300 00	1,300 00
Alexander Forbes Trustee Services Limited	520 00	520 00
Total	39,281.30	39,281.30

The above costs exclude VAT.

15. EC Regulation on Insolvency Proceedings

I consider that the EC Regulation on Insolvency Proceedings applies and that these are "main" proceedings as defined in Article 3 of the EC Regulations as the centre of main interest of the Company is in the United Kingdom

16. Joint Administrators' Proposals

In order to achieve the objective set out at Section 3 above, Patrick B Ellward and Dilip K Dattani of RSM Tenon Restructuring, the Joint Administrators formally propose to creditors that

- (a) they continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that they
 - (i) sell the Company's assets at such time(s) on such terms as they consider appropriate,
 - (ii) collect the Company's debts,
 - (iii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company, and
 - (iv) do all such things and generally exercise all their powers as Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- (b) If there are funds available to be distributed to the unsecured creditors, the Company exits the Administration by way of a Creditors' Voluntary Liquidation, and that Patrick B Ellward and Dilip K Dattani are appointed the Joint Liquidators of the Company, and that they will act jointly and severally in their duties. Creditors may nominate a different person(s) as the proposed liquidator(s), but must make the nomination(s) at any time after receipt of these proposals, but before they are approved. Information about the approval of the proposals is set out at Section 13
- (c) If the Administration ends by the Company moving into liquidation or being dissolved, the Joint Administrators shall be discharged from liability 14 days following either the Company entering into liquidation or filing the notice of moving from administration to dissolution

17. Further Information

Should you require any further information relating to these proposals or the administration of the Company, please do not hesitate to contact Eleanor Scarff on the telephone number shown in the covering letter enclosing these proposals



Patrick B Ellward
Joint Administrator

*Licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales
The affairs, business and property of the Company are being managed by the Administrators*

STATEMENT OF AFFAIRS

Name of Company

Art Forma (Furniture) Limited

Company Number

01843759

In the

High Court of Justice, Chancery Division, Birmingham District Registry

Court case number

8256 / 2013

Statement as to the affairs of

Art Forma (Furniture) Limited

The Poynt

45 Wollaton Street

Nottingham

on the 11 June 2013, the date that the company entered administration.

Statement of Truth

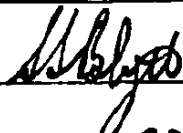
I believe the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 11 June 2013 the date that the company entered administration

Full Name

STUART AUBREY OLYTH

Signed

x



x

Dated

20-8-13

Art Forma (Furniture) Limited
Statement Of Affairs as at 11 June 2013

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Assets subject to floating charge:		
Uncharged assets:		
Plant & Machinery	10,795 00	7,000 00
Fixtures	3,085.00	700 00
Stock	200,000.00	80,000 00
Book Debts	50,458.76	50,000 00
Cash at Bank	38,848.44	38,848 44
Estimated total assets available for preferential creditors		176,548 44

Signature

x



x

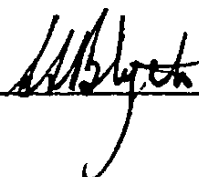
Date

20-8-13

Art Forma (Furniture) Limited
Statement Of Affairs as at 11 June 2013

A1 - Summary of Liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)	176,548.44
Liabilities	
Preferential Creditors -	
DE Arrears & Holiday Pay	20,778.38
	<u>20,778.38</u>
Estimated deficiency/surplus as regards preferential creditors	155,770.06
Debts secured by floating charge pre 15 September 2003	
Other Pre 15 September 2003 Floating Charge Creditors	<u>NIL</u>
	155,770.06
Estimated prescribed part of net property where applicable (to carry forward)	<u>NIL</u>
Estimated total assets available for floating charge holders	155,770.06
Debts secured by floating charges post 15 September 2003	
Estimated deficiency/surplus of assets after floating charges	<u>NIL</u>
	155,770.06
Estimated prescribed part of net property where applicable (brought down)	<u>NIL</u>
Total assets available to unsecured creditors	155,770.06
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
Trade & Expense Creditors	23,878.81
Employees	145,904.90
HMRC - PAYE/NIC	832.19
HMRC VAT	11,966.18
Connected Party - Blyth Farms Ltd	523,609.91
	<u>706,191.99</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)	(550,421.93)
Estimated deficiency/surplus as regards creditors	<u>(550,421.93)</u>
Issued and called up capital	
Ordinary Shareholders	283,179.00
Ordinary B Shareholders	77,219.00
Share Premium	152,533.00
	<u>512,931.00</u>
Estimated total deficiency/surplus as regards members	<u>(1,063,352.93)</u>

Signature  Date 20-8-13

**RSM Tenon Restructuring
Art Forma (Furniture) Limited
B - Company Creditors**

Key	Name	Address	£
C500	512 EMA Limited	104 Bondgate, Castle Donington, Derby, DE74 2NR	44 94
CA00	Aegon	Edinburgh Park, Edinburgh, EH12 9SE	0 00
CA01	Allen Vending	27 High Street, Ruddington, Nottingham, NG11 6DW	0 00
CA02	Accruals		4,000 00
CA03	Arkwell Fasteners Limited	Unit 1 Chapel Street, Long Eaton, Nottingham, NG10 1EQ	0 00
CB00	BT Plc	Department W, Durham TE, Providence Row, Durham, DH1 1RR	0 00
CB01	Browne Jacobson LLP	Mowbray House, Castle Meadow Road, Nottingham, NG2 1BJ	0 00
CB02	British Gas	C/o Moon Beaver, 260 Avenue West, Skyline 120, Great Notley, Essex, CM77 7AA	193 20
CB03	Blyth Farms Ltd	Bunker Hill Farm, Berrycott Lane, Thrussington, Leicestershire, LE7 4TA	523,609 91
CB04	Directors Loan (which one?)		0 00
CC00	Contributions Agency	Insolvency Section, Room 106E Central Office, Longbenton, Newcastle upon Tyne NE98 1YX	0 00
CC01	Charles Blyth & Co Limited	Station Road, Castle Donington, Derby, DE74 2NU	1,469 54
CC02	Clockwork Components Limited	Unit 6, Network Point, Range Road, Witney, Oxon OX29 0YN	18 29
CC03	Cover-tex Limited	Unit 1, Orient Industrial Estate, Simonds Road, Leyton, London, E10 7DE	(0 62)
CC04	Crest JMT Leather	Unit 3, Blueberry Business Park, Wallhead Road, Lancashire, OL16 5DB	292 18
CC05	Canon (UK) Limited	Chatham Way, Brentwood, Essex, CM14 4DZ	0 00
CC06	Canon (UK) Limited	Chatham way, Brentwood, Essex, CM14 4DZ	0 00
CC07	The Conran Shop (Contracts)	22 Shad Thames, London, SE1 2YU	0 00
CD00	Davidson-Richards Limited	The Parker Centre, Mansfield Road, Derby, DE21 4SZ	0 00
CD01	DHL		0 00
CD02	DHL		(118 86)
CE00	Enwabe Investments Limited	PO Box 116, Jersey, JE4 8SU, Channel Islands	0 00
CE01	Enwabe Investments Limited	Hilgrove House, 10 Hilgrove Street, St Helier, Jersey, JE4 8SU	10,000 00
CE02	Employees - Unsecured		145,904 90
CH00	Hopewell the Furnishers	Huntingdon Street, Nottingham, NG1 33R	0 00
CH01	HM Revenue & Customs	National Insolvency Unit, Regan House, James Street, Liverpool, L75 1AD	11,966 18
CH02	Mr and Mrs Holmes	1 Willoughby Close, Breaston, Derby, DE72 3UQ	0 00
CI00	HM Revenue & Customs	Durrington Bridge House, Barrington Road, Worthing, West Sussex BN12 4SE	832 19
CI01	ISF Coatings	Thurmaston Boulevard, Leicester, LE4 9HS	352 25

Signature _____

**RSM Tenon Restructuring
Art Forma (Furniture) Limited
B - Company Creditors**

Key	Name	Address	£
CI02	Irongate Group	Kingsway Park Close, Kingsway Industrial Park, Derby, DE22 3FT	0 00
CK00	KB Packaging	Merlin Way, Quarry Hill Industrial Estate, Ilkeston, Derbyshire, DE7 4RA	0 00
CL00	Lexington		(2,726 63)
CM00	M R Electrics	40 Melbourne Road, Ibstock, Coalville, Leicester, LE67 6JS	366 00
CO00	Oce UK Limited	Oce House, Chatham Way, Brentwood, Essex, CM14 4DZ	78 20
CP00	Pension Protection Fund	Knollys House, 17 Addiscombe Road, Croydon, Surrey, CR0 6SR	0 00
CP01	The Pensions Regulator	Customer Support Team, Napier House, Trafalgar Place, Brighton, BN1 4DW	0 00
CP02	P J Alarms	152-154 Nedham Street, PO Box 16, Leicester, LE2 0HB	108 00
CR00	Robert Whowell & Partners Chartered Accountants	Westwood House, 78 Loughborough Road, Quorn, Leicestershire, LE12 8DX	0 00
CR01	Ray Clarke	Industrial Sewing Machines, 8 Brook Street, Rearsby, Leicester, LE7 8YA	255 00
CR02	R J Binnie Sewing Threads	Bays 3 and 4 Block 56, Whittle Estate, Cambridge Road, Whetstone, Leicestershire, LE8 6LH	348 07
CS00	Severn Trent Water Limited	PO Box 5310, Coventry, CV3 9FJ	0 00
CS01	Steeple Assoc T/A P Cook Int	Unit 2, Acton Avenue, Fields Farm Road, Long Eaton, Nottingham, NG10 1GA	84 00
CS02	Shenzhen Polygrance Leather Limited	No 59 Shuangxiu Road, Xiuxin Village, Kengzi Town, Pingsan New District, Shenzhen, CHINA	8,246 94
CS03	Skye Direct	Unit 15-16, Howley Business Park, Morley, Leeds, LS27 0BZ	30 60
CS04	SNG Logistics (UK) Limited	59 Clayton Hall Road, Crosshills, Near Keighley, West Yorkshire, BD20 7TA	572 00
CS05	Sundry		139 71
CT00	Thompson and Richardson (Lincoln) Limited	1st Floor, The Maltings, 11-15 Brayford Wharf East, Lincoln, LN5 7AY	0 00
CU00	United Fillings Limited	27 Vine Street, Billingborough, Sleaford, Lincolnshire, NG34 0QE	126 00
48 Entries Totalling			706,191.99

Signature _____

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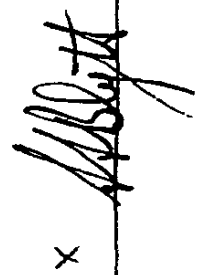
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**RSM Tenon Restructuring
Art Forma (Furniture) Limited
C - Shareholders**

Key	Name	Address	Prof	Ord	Other	Total
HA00	Art Forma (Holdings) Limited	Station Road, Castle Donnington, Derby, Derbyshire, DE74 2NU	0	5,663,574	1,544,386	7,207,960
1 Entries Totalling						7,207,960

Signature

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Page 1 of 1

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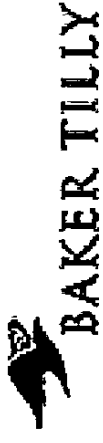
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SIP9 Detailed

5528764 Art Forma (Furniture) Ltd

Corp Administration/Post Appt

11/06/2013 to 31/10/2013



SIP9 Subcategory	Partnering Director	Manager	Other Senior Professional	Assistant and Support Staff	Total Hours	Charge	AvgRate
Administration and planning							
General Administration	4.80	0.00	8.50	0.00	13.30		283.16
Strategy / Review	7.10	0.00	3.10	8.57	18.77		259.08
Tax Post Appointment	0.00	0.00	2.00	4.00	6.00		180.00
Appointment Documentation	0.00	0.00	0.00	6.10	6.10		160.00
Billing	0.00	0.00	1.50	0.40	1.90		224.21
Pension Scheme (General)	0.00	0.00	1.00	18.10	19.10		166.54
Cashiering (Administration)	0.00	0.00	11.10	12.06	23.16		190.31
Filing & Secretarial	0.33	0.00	4.20	5.57	10.10		171.25
Statutory Documentation	3.10	0.00	0.00	3.60	6.70		268.73
	15.33	0.00	31.40	58.40	105.13	22,229.67	211.45
Creditors							
Other Creditor Related Activities	4.80	0.00	6.00	5.91	16.71		241.65
Reporting to Creditors	0.00	0.00	0.00	3.00	3.00		120.00
Proposals	0.00	0.00	4.00	6.50	10.50		179.05
Closure	4.20	0.00	1.80	0.90	6.90		332.39
Employee Related Tasks	0.70	0.00	1.90	10.88	13.48		176.00
Retention of Title	0.00	0.00	0.30	0.60	0.90		180.00
Secured Creditors	0.17	0.00	0.00	0.90	1.07		196.10
	9.87	0.00	14.00	28.69	52.56	11,315.83	215.29
Investigations							

SIP Subcategory	Partner and Director	Manager	Other Staff Professional	Assistant and Support Staff	Total Hours	Charge	Avg Rate
Investigations	18 50	0 00	5 00	6 85	30 35		315 44
	18 50	0 00	5 00	6 85	30 35	9,573 50	315 44
Realisation of assets							
Asset General (Uncharged)	20 80	0 00	19 10	5 70	45 60		292 32
FX Freehold & Leasehold	0 00	0 00	0 00	0 70	0 70		160 00
Sale of Business	8 70	0 00	3 20	3 90	15 80		301 55
Insurance/ Bond	0 00	0 00	0 10	3 30	3 40		161 76
Book Debt Realisation (Uncharged)	1 00	0 00	19 30	2 30	22 60		220 22
Debtor Instalments	0 00	0 00	0 50	0 00	0 50		220 00
FL Asset General	1 00	0 00	0 00	0 00	1 00		395 00
	31 50	0 00	42 20	15 90	89 60	24,238 50	270 52
Trading							
Trading	8 30	0 00	71 30	23 10	102 70		220 65
	8 30	0 00	71 30	23 10	102 70	22,660 50	220 65
Hours	83 50	0 00	163 90	132 94	380 34		
Charge	32,982 50	0 00	36,394 00	20,641 50		90,018 00	