

**2.24B**

The Insolvency Act 1986

**Administrator's progress report**

Name of Company
Sella Office Seating Limited

Company number
02204367

In the High Court of Justice, Chancery Division, Manchester District Registry
(full name of court)

Court case number
2304 / 09

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

We (a)  
Jeremy Woodside  
Tenon Recovery,  
Arkwright House,  
Parsonage Gardens,  
Manchester,  
M3 2LF

Christopher Ratten  
Tenon Recovery  
Arkwright House,  
Parsonage Gardens,  
Manchester,  
M3 2LF

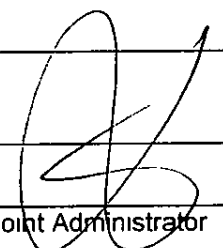
administrators of the above company attach a progress report for the period

(b) Insert date


From
(b) 11 August 2009

To
(b) 10 February 2010

Signed

  
Joint Administrator

Dated

 10/2/10**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

Jeremy Woodside  
Tenon Recovery  
Arkwright House,  
Parsonage Gardens,  
Manchester,  
M3 2LF

DX Number

+44 (0) 161 834 3313  
DX Exchange

THURSDAY



PC3 25/03/2010 745  
COMPANIES HOUSE

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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**

**Private and Confidential**

**To All Known Creditors**

RSM Tenon Limited  
Arkwright House, Parsonage Gardens,  
Manchester M3 2LF  
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[www.rsmtenon.com](http://www.rsmtenon.com)

Our ref 5502985/JW/JR/JER  
Your ref  
Email [james.rogerson@rsmtenon.com](mailto:james.rogerson@rsmtenon.com)  
11 March 2010

Dear Sirs

## **Sella Office Seating Limited ("The Company") – In Administration**

In accordance with Rule 2.47 of the Insolvency Rules 1986, I would like to provide creditors with my first progress report following my appointment as Joint Administrator on 11 August 2009 and the proposals circulated to creditors on 5 October 2010

### **1 Statutory Information**

Statutory information relating to the Company and the appointment is attached to this report as **Appendix I**

### **2. Joint Administrators' accounts**

Attached as **Appendix II** is the Joint Administrators' account for the period 11 August 2009 to 10 February 2010. I would comment specifically as follows

#### **2.1. Book Debts**

The Companies' book debts are assigned to Bibby Invoice Finance Limited ("Bibby"). There have been a number of disputes on the ledger in terms of contra trading, advance invoicing and the offsetting of retrospective discounts and commissions. There is a balance outstanding of £25,504 with approximately £121,000 owing to Bibby. There is therefore not expected to be a surplus.



## **2.2. Plant & Machinery**

The plant and machinery was sold for a total consideration of £29,448 following independent agent's valuation. Of this £17,669 has been received to date with the remaining balance payable on deferred terms.

## **2.3. Stock**

The stock was sold for a total consideration of £6,552 following independent agent's valuation. Of this £3,931 has been received to date with the remaining balance payable on deferred terms.

## **2.4. Goodwill**

The goodwill was sold for a total consideration of £9,000 following independent agent's valuation. Of this £5,400 has been received to date with the remaining balance payable on deferred terms.

## **3. Joint Administrators' Proposals**

I can confirm that at the meeting of creditors held on 20 October 2009 the Joint Administrators' proposals for achieving the purpose of the Administration were approved by creditors.

## **4. Dividend Prospects**

### **4.1 Secured Creditors**

The Company's book debts are subject to an assignment to Bibby's. While collections are ongoing there is expected to be a shortfall.

### **4.2 Preferential creditors**

The preferential creditors consist of employee claims for unpaid wages and holiday pay. It is anticipated that there will be sufficient funds to pay a small dividend.

### **4.3 Unsecured creditors**

It is anticipated that there will be no surplus available to the unsecured creditors.

## 5. End of Administration

As outlined in the initial report to creditors it is the Joint Administrators intention to exit the Administration into Creditors Voluntary Liquidation

It was resolved at a meeting of creditors that upon the Company either proceeding into Creditors Voluntary Liquidation or dissolution, the Joint Administrators discharge from liability, pursuant to paragraph 98 of Schedule B1 shall take effect 14 days following either the Company entering into liquidation or filing the notice of moving from Administration to dissolution

## 6. Remuneration

At the initial meeting of creditors held pursuant to paragraph 49 of Schedule B1 of the Act it was resolved that the Joint Administrators' proposals relating to their remuneration be approved. This provided for the Joint Administrators to be remunerated with reference to time properly spent in dealing with this matter.

The Joint Administrators' time costs to date amount to £38,214.50 plus disbursements of £494.80. In accordance with Statement of Insolvency Practice 9 I have attached at **Appendix III** a breakdown of these time costs. No remuneration or disbursements have been drawn to date.

Please go to [www.tenonrecovery.com](http://www.tenonrecovery.com) and click on "Creditors' Guides" should you require further information relating to Administrator's remuneration, alternatively a copy is available free of charge upon request.

## 7. Further Information

Should you have any queries please do not hesitate to contact James Rogerson on the above number.

Yours faithfully  
For and on behalf of  
Sella Office Seating Limited

  
Jeremy Woodside  
Joint Administrator

*Licensed to act in the United Kingdom 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*

Enclosures

## **Appendix I – Statutory Information**

### **Company Information**

Company Name	Sella Office Seating Limited
Company Number	02204367
Registered Office	Arkwright House, Parsonage Gardens, Manchester, M3 2LF
Trading Address	Wellington Street, Bury, Lancashire, BL8 2BD

### **Appointment details**

Joint Administrators	Christopher Ratten and Jeremy Woodside of RSM Tenon Recovery
Joint Administrators' address	Arkwright House, Parsonage Gardens, Manchester, M3 2LF

Date of appointment	11 August 2009
Court	Manchester High Court
Court Reference	2304/2009
Appointed by	Directors
Functions	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
EC Regulations	The Company's registered office is from where the Company carries on its business. Therefore in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom and as such these proceedings will be the main proceedings as defined in article 3 of the EC regulation

**Sella Office Seating Limited  
(In Administration)  
Joint Administrators' Abstract of Receipts & Payments**

**To 10/02/2010**

S of A £	£	£
<b>ASSET REALISATIONS</b>		
Goodwill	5,600 00	
Plant & Machinery	17,669 00	
Stock	3,931 00	
Bank Interest Net of Tax	0 08	
		27,000 08
 <b>COST OF REALISATIONS</b>		
Specific Bond	98 00	
Office Holders Expenses	24 00	
Professional Fees - Tax	267 17	
Bank Charges	4 00	
		(393 17)
		 <b>26,606 91</b>
 <b>REPRESENTED BY</b>		
Vat Receivable		40 08
Floating Deposit A/c		26,566 83
		 <b>26,606 91</b>

**Notes**

## **Appendix III**

### **Information relating to Joint Administrators' Remuneration**

#### **Office Holder Remuneration**

Case Name	Sella Office Seating Limited	
Court	Manchester High Court	
Court reference	2304/2009	
Office Holders	Christopher Ratten and	IP Number 009338
	Jeremy Woodside	IP Number 009515
Firm	RSM Tenon Recovery	
Address	Arkwright House, Parsonage Gardens, Manchester,	
Type of Appointment	Administration	
Date of Appointment	11 August 2009	

#### **1. Overview of Case**

##### **1.1. Appointment**

We were appointed Joint Administrators on 11 August 2009 following an application by the Directors

##### **1.2. Strategy**

The strategy for the Administration is to achieve a better result for the Company's creditors than would be achieved should the Company be wound up

This has included attending to all statutory matters as and when required and to realise Company assets

##### **1.3. Staffing**

A number of staff of various levels have been required. This has been necessary in order to deal with all aspects of the case

##### **1.4. Existing fee arrangements**

As previously mentioned, the Joint Administrators are proposing that they should be remunerated by reference to time properly spent for their services as Administrators and also their staff in attending to the matters arising from the Administration of the Company. The Joint Administrators will be seeking agreement for such remuneration from the Creditors' Committee, or in the event that such a committee is not formed, from the creditors at the forthcoming meeting by way of formal resolution

## **2. Explanation of office-holders charging and disbursement recovery policies**

### **2.1. Time recording**

Time properly incurred on cases is charged to the assignment at the hourly rate prevailing at the time  
The current hourly charge out rates are outlined below

	£
Director and licensed Insolvency Practitioner	355
Associate Director	355
Senior Manager	260
Manager	190
Assistant Manager	155
Senior Administrator	155
Administrator	130
Cashier	105

[Secretarial and support staff are not charged to the cases concerned, being accounted for as an overhead of RSM Tenon Recovery ]

### **2.2. Disbursement recovery**

Certain costs may be incurred in relation to a case and in the first instance, paid by RSM Tenon Recovery, and then recharged to the case. The amount recharged is the exact amount incurred. Examples are statutory bond, statutory advertising, Land Registry searches, insurance, travel and subsistence, archiving and storage costs.

Other costs which may be charged to the case are room hire for meetings held at the offices of RSM Tenon Recovery and the cost of sending out reports to creditors, if material. The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.

The current level of costs recharged are detailed below

	£
Room hire	£60.00
Envelope	4.2p
Paper (photocopies per sheet)	1.75p
Postage (depending on size and weight)	At cost
Files and dividers (cost per 100 creditors)	£2.00
Storage of archive box for one quarter	£1.60
Travel (per mile)	40p



### **3. Description of work carried out**

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

#### **3.1 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,
- > Setting up case files,
- > Reviewing available information to determine appropriate strategy,
- > Setting up and maintaining bank accounts,

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

#### **3.2 Investigations**

The time spent comprises:

- > Corresponding with the former directors and management,
- > Review of questionnaires and comments provided by interested parties,
- > Review of company documentation,

#### **3.3 Realisation of assets**

Please refer to main body of the proposal.

#### **3.4 Creditors**

The time spent includes the following matters:

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

#### 4. Time and chargeout summary

To date a total of 178 1 hours have been spent at an average charge out rate of £214 57 bringing the total cost to date to £38,214 50

A summary table is shown below

Classification of work function	Insolvency Practitioner/ Director/ Associate Director	Manager	Hours Other senior professionals	Assistants and support staff	Total	Time cost £	Average Hourly rate £
Administration and planning	14 5	8 0	5 15	4 8	32 45	7,887 75	243 07
Creditors	25 5	40 5	60 3	0	126 30	26,588 50	209 69
Realisation of Assets	2 5	7 0	9 85	0	19 35	3,738 25	193 19
Total hours	42 5	55 5	75 3	4 8	178 1	38,214 50	214 57

The above costs exclude VAT

## 5. Disbursements

### 5.1. Category 1

Category 1 disbursements incurred are outlined below

	Incurred £	Paid £
Mileage	424 8	Nil
Legal	70	Nil
Total	<u>494 80</u>	<u>Nil</u>

The above costs exclude VAT

### 5.2. Category 2 disbursements

No Category 2 disbursements have been charged to this matter