

The Insolvency Act 1986

Administrators' progress report

Name of Company Hythe Realisations Limited (formerly Elec-Track Installations) Limited

Company number
02792810In the
High Court of Justice, Chancery Division, Companies CourtCourt case number
360 of 2008(a) Insert full name(s) and
address(es) of
administrator(s)

We (a) Martin Ellis and David Thurgood of Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU

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

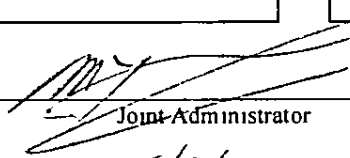
from

to

(b) 16 January 2008

(b) 15 July 2008

(b) Insert dates

Signed 

Joint Administrator

Dated 15/8/08

Contact Details:

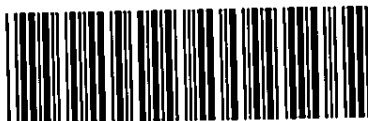
You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

	Tel
DX Number	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



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16/08/2008

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COMPANIES HOUSE

SATURDAY

Our Ref AIC/JSK/DRT/E00043/PF/7

TO THE CREDITORS

Recovery and Reorganisation

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

T +44 (0)20 7383 5100
F +44 (0)20 7184 4301
www.grantthornton.co.uk

15 August 2008

Dear Sirs

**HYTHE REALISATIONS LIMITED (FORMERLY ELEC-TRACK INSTALLATIONS LIMITED) - IN ADMINISTRATION (THE COMPANY)
In the High Court of Justice, No 574 Of 2008**

1 Introduction

- 1.1 Following the appointment of myself and Martin Ellis as Joint Administrators of the above Company by the Company's directors on 16 January 2008, I now report on the progress of the administration to date
- 1.2 I enclose Form 2.24B together with an account of my receipts and payments for the six month period ended 15 July 2008 in accordance with Rule 2.47 of the Insolvency Rules 1986
- 1.3 In accordance with paragraph 100 (2) of Schedule B1 to the Insolvency Act 1986 the functions of the administrators are to be exercised by any or all of them

2 Statutory Information

- 2.1 The company's statutory details are as follows

Registered Number	02792810
Registered office	30 Finsbury Square, London, EC2P 2YU (formerly Unit 1 Pennypot Industrial Estate Hythe Kent CT21 6PE)
Former trading addresses	please see attached schedule at Appendix B

Chartered Accountants
Member firm of Grant Thornton International Ltd
Grant Thornton UK LLP is a limited liability partnership registered in England and Wales. No OC307742. Registered office: Grant Thornton House, Melton Street, Euston Square, London NW1 2EP
A list of members is available from our registered office

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business.

A list of personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address.

3 Progress Report

Sale of Business

- 3 1 As you will know from my prior reports, following the sale process undertaken by the directors in Autumn/Winter 2007, the directors ultimately sold the business and assets of the Company's Isolations and Possessions (I&P) division to Morgan Est Plc (Morgan Est) on 11 January 2008
- 3 2 However, in the subsequent days the directors were unable to dispose of the Overhead Line Electrification (OLE) division
- 3 3 On my appointment I formed the view that there was no realistic prospect of achieving a going concern sale of the OLE division. Accordingly, all the Company's contracting operations ceased and associated staff were made redundant

Office Closure

- 3 4 The Company retained certain members of office staff to assist with administrative tasks and with the collection of the Company's book debts
- 3 5 In doing so the Company has paid wages and associated costs of £32,578 12. Those staff have now been made redundant
- 3 6 The Company continued to occupy certain of its premises whilst I gathered the information required to assist with the book debt collections. In doing so the Company has incurred costs of £12,823 87
- 3 7 The Company has now vacated all the properties and returned the keys to the landlords

Book Debt Collection

- 3 8 Morgan Est was appointed by the Company's directors to collect the book debts of the I&P division under the terms of the 11 January 2008 sale agreement. Morgan Est has continued to collect these debts after my appointment
- 3 9 Upon my appointment I instructed my agents, Naismiths, to assist me in collecting the book debts relating to the OLE division
- 3 10 To date book debts collections total of £663,544 70 from both divisions
- 3 11 Morgan Est and Naismiths are continuing to negotiate with all debtors and I anticipate further realisations in the region of £100,000 to £200,000
- 3 12 After payment of the costs and expenses of the administration, funds realised from book

debts and other assets will be paid first in satisfaction of the Company's preferential creditors (£72,000), and secondly to the Company's secured lender (Lloyds TSB) pursuant to its floating charge security

Stock

- 3 13 As part of the sale agreement between the Company and Morgan Est, Morgan Est purchased all stock relating to the I&P division
- 3 14 On my appointment I instructed my agents, King Sturge (formerly Bache Treharne LLP) to remove all remaining stock and store it on my behalf whilst seeking to dispose of it
- 3 15 I am currently in negotiations with interested parties to dispose of the stock

Other Assets

- 3 16 Prior to my appointment the Company had commenced legal proceedings against a third party, and the directors informed me that there was potentially significant value in this claim
- 3 17 I have investigated this matter further and sought my own legal advice. Based on my enquiries and the legal advice I have received I have continued to pursue this claim on the Company's behalf
- 3 18 The directors have been assisting me in this matter and I have been liaising with the Company's former advisors in addition to my own solicitors in order to finalise the Company's claim
- 3 19 A claim has now been issued and I am liaising with the defendant's legal advisors. The matter is ongoing and I am, therefore, unable to provide full details to creditors as to do so would potentially prejudice the outcome. I will report to creditors on the outcome in due course
- 3 20 In addition, I have received a refund of £30,917.34 from the Company's former holiday benefit scheme, this represents the surplus in the scheme after all payments to beneficiaries had been made

Estimated Outcome For Creditors

- 3 21 My receipts and payments account for the period, attached at Appendix A, shows that I currently have funds in hand of £278,582.16
- 3 22 Preferential claims in the administration total c £72,000, and I anticipate paying a dividend of 100p in the pound in respect of these claims
- 3 23 To date I have distributed £49,412.50 to the Company's secured creditor under its floating charge
- 3 24 There will be no prescribed part of the Company's assets made available to the Company's

unsecured creditors pursuant to s176A of the Insolvency Act 1986, which I previously noted in my proposals of 10 March 2008

- 3 25 I anticipate a significant shortfall to the Company's secured creditor, and therefore do not expect to be able to make any distribution to the unsecured creditors

Trust Accounts

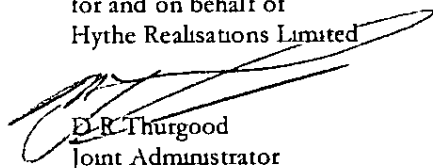
- 3 26 As creditors are aware the directors of the Company established two 'trust' accounts in order to protect the interests of the Company's creditors whilst they sought a rescue/sale of the Company's business
- 3 27 The first account was effective from 30 November 2007 to 11 January 2008 (the Trust), and the second account covered the period 12 January 2008 to 15 January 2008 (the Escrow Account)
- 3 28 Having responded to queries raised by certain creditors I have now contacted all potential beneficiaries of the Trust with a view to progressing the distribution from this account as soon as is practicable
- 3 29 Further correspondence in respect of the Escrow Account will be issued shortly to relevant creditors

Administrators' Remuneration

- 3 30 In accordance with Statement of Insolvency Practice (SIP 9), I attach as Appendix C a summary of my time costs to 15 July 2008, by grade of staff and type of work. This shows total time costs of £252,787.00, representing 1,215.83 hours at an average of £207.91 per hour, against which I have drawn fees of £134,113 on account. Details of any matters which have had a significant impact on the time costs are included in the appendix, together with details of any disbursements charged during the period under review
- 3 31 I have obtained approval for my remuneration from secured and preferential creditors, having previously made a statement under paragraph 52 of the Insolvency Act 1986 that I do not expect to be able to make a distribution to unsecured creditors

Should you wish to discuss any aspect of this report please contact Andy Charters on the details below

Yours faithfully
for and on behalf of
Hythe Realisations Limited



D. R. Thurgood
Joint Administrator

The affairs, business and property of Hythe Realisations Limited are being managed by Martin G Ellis and David R Thurgood, appointed Joint Administrators on 16 January 2008

Direct T 020 7865 2321
Direct F 020 7184 4303
Email andrew.charters@gtuk.com

**Hythe Realisations Limited formerly Elec-Track Installations
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments
To 15 July 2008**

RECEIPTS	Total (£)
Book Debts	663,544 70
Insurance Refund	776 19
Misc Float Receipts	5,175 01
Bank/ISA InterestGross	5,013 35
Misc Refunds	30,917 34
Vat Payable	61,169 35
	<u>766,595 94</u>
 PAYMENTS	
Heat & Light	739 07
Travel	215 20
Professional Fees	240 00
Property Expenses	5,857 00
Vehicle Running Costs	49 37
PAYE/NI	9,992 64
Net Wages	21,627 65
Other Payroll Deductions	589 13
Employee Expenses/Redundancy	368 75
Rent	6,012 60
Specific Bond	1,440 00
Administrators Fees	134,113 00
Administrators Expenses	2,910 71
Agents/Valuers Fees (1)	21,005 00
Legal Fees (1)	67,937 24
Professional Fees	14,152 34
Debt Collection	89,932 55
Telephone Telex & Fax	338 41
Stationery & Postage	668 91
Statutory Advertising	478 92
Insurance of Assets	210 00
Bank Charges	845 56
Floating Charge Creditor	49,412 50
Vat Receivable	58,877 23
	<u>488,013 78</u>
Balances in Hand	<u>278,582 16</u>
	<u>766,595 94</u>

HYTHE REALISATIONS LIMITED - IN ADMINISTRATION

Former Trading Addresses

3 Verity Court
Pochin Way
Middlewich
Cheshire CW10 0GW

Unit 6-7
Home Farm Industrial Estate
Hunsdon Road
Stanstead Abbots
Ware, Herts SG 12 8LA

Unit 3
Balloch Mill Business Park
Rutherglen
Glasgow
Scotland G73 1PT

Unit 5-6
Railway Terrace
Rugby
Warwickshire CV21 3HS

Cottage Leap
Rugby
Warwickshire
CV21 3XP

GRANT THORNTON UK LLP

Appendix C

HYTHE REALISATIONS LIMITED - IN ADMINISTRATION
SIP 9 TIME COST ANALYSIS FOR THE PERIOD FROM 16 JANUARY 2008 TO 15 JULY 2008

Classification of work function	Partner Hours	Manager Hours	Other Senior Professionals Hours	Assistants and Support Staff Hours	Total Hours	Time Cost £	Average Hourly Rate £/Hour
Administration and Planning	56 60	164 30	52 55	283 03	556 48	134,058 00	240 90
Investigations	-	7 30	0 75	5 75	13 80	3,496 00	253 33
Realisation of Assets	16 00	5 00	128 80	96 85	246 65	46,588 00	188 88
Creditors	3 00	35 70	75 55	236 05	350 30	62,070 00	177 19
Trading	-	-	47 15	1 45	48 60	6,575 00	135 29
Grand Total	75 60	212 30	304 80	623 13	1,215 83	252,787 00	207 91

Narrative of tasks undertaken**Administration and Planning**

Includes general administration and planning, reporting, statutory returns, court filings, physical filing, internal compliance reviews, case planning, statutory obligations (eg statutory returns) maintenance of cash and estate records and general correspondence

Includes initial consideration of approach to investigation into Company and directors Further inquiries are presently underway

Investigations**Realisation of assets**

Includes collection of pre-appointment bank balances, monitoring of book debt collection, dealing with creditors claims to assets including vehicles and retention of title, attendance at trading sites to secure, preservation of asset-specific books and records, pursuing a refund of insurance premium

Creditors

Includes correspondence with preferential and unsecured creditors, dealing with creditor correspondence, preparing reports and circulars to creditors, liaising with secured creditor, assistance to DTI in relation to their preferential claim, dealing with inquiries as to redundancies, employee inquiries and general creditor inquiries

Trading

Includes site closures including physical exits, liaison with retained staff, site landlords and utilities providers