

The Insolvency Act 1986

Administrator's progress reportName of Company
Fairfax Gerrard Holdings LimitedCompany number
03198916In the
High Court of Justice, Manchester

[full name of court]

Court case number
3954/08(a) Insert full name(s) and
address(es) of
administrator(s)I / We (a) David Matthews and Leslie Ross of Grant Thornton UK LLP, Kennet House, 80 Kings Road,
Reading, RG1 3BJ

administrator(s) of the above company attach a progress report for the period

from

to

(b) Insert dates

(b) 19 November 2009

(b) 18 May 2010

Signed

David Matthews - Joint Administrator

Dated 17 June 2010

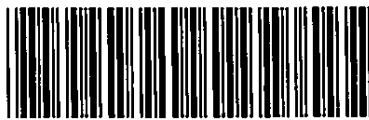
Contact Details:You do not have to give any contact information in
the box opposite but if you do, it will help Companies
House to contact you if there is a query on the form

Tim Brotherton, Grant Thornton UK LLP, 11-13 Penhill Road, Cardiff, CF11 9UP

Tel: 02920 235591

DX Number

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SATURDAY

THURSDAY



Grant Thornton

Our Ref DM/RL/TB/F00934/7

To the Creditors

17 June 2010

Recovery and Reorganisation

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Dear Sirs

**Fairfax Gerrard Holdings Limited - In Administration ("the Company")
In the High Court of Justice, Chancery Division, Manchester Court number
3954/08**

1 INTRODUCTION

- 1.1 Following the appointment of my partner Les Ross and myself as joint administrators of the Company by the Co-Operative Bank plc (the Bank) on 19 November 2008, we write to report on our progress in the administration
- 1.2 We enclose Form 2.24B together with an account of our receipts and payments for the period ended 18 May 2010 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 joint 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 03198916

Registered office c/o Grant Thornton UK LLP, 11-13
Penhill Road, Cardiff, CF11 9UP

Former trading address 45-47 Station Road, Gerrard Cross,
Bucks, SL9 8ES

Chartered Accountants
Member firm within 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

- 3 1 We were appointed as joint administrators of Fairfax Gerrard Holdings Limited and the following subsidiaries (together the Group) on 19 November 2008
- Assetline Limited
 - Assetline Trading Limited
 - Fairfax Gerrard Traders Limited
 - Fairfax Gerrard International Limited
 - Fairfax Gerrard Contracts Limited
 - Harrington Exports Limited
- 3 2 We have continued to progress the collection of the Group's book debts. At the date of appointment, according to the Group's records, c£9 million remained outstanding
- 3 3 To date no amounts have been realised in respect of the non-group book debts of £1,291,000 owing to the Company, according to its records, at the date of appointment
- 3 4 We have engaged the Managing Director of the Group, David Ross, as an agent to assist in our collection of the Group's debts. This is due to the complexity of the debts, gaps in some of the Group's book debt records and David Ross's personal knowledge of the debts and relationships with certain debtors
- 3 5 The Group's debts are proving difficult to collect. A significant level are to companies which have now been dissolved and where the associated guarantors have not provided property security and have limited realisable assets for us to pursue, indeed some of the guarantors are themselves involved in personal insolvency procedures
- 3 6 We were granted a twelve month extension of the Group's administrations by the court on the twelve month anniversary of our appointment. The Order obtained made it clear that we may seek another extension in November 2010. We currently anticipate seeking a further extension
- 3 7 A creditors committee is in place to assist the joint administrators with the administration and regular meetings have been held at which approval has been obtained for a number of matters including our book debt collection strategy and the terms upon which David Ross is remunerated

4 OUTCOME FOR CREDITORS

Secured creditors

- 4 1 The Group's principal secured creditor is the Bank, which at the date of appointment was owed £1,731,000 by Fairfax Gerrard International Limited and Fairfax Gerrard Contracts Limited. The Bank has cross guarantees over all companies in the Group.
- 4 2 Unfortunately for the reasons noted above in relation to the collectability of the debtors ledger it is currently unlikely that the Bank will be repaid in full in relation to its indebtedness.

Preferential creditors

- 4 3 The Company's preferential creditors were estimated at £7,000 in the estimated financial position provided to creditors with our statement of proposals. It is currently uncertain whether these creditors will be paid in full.

Unsecured creditors

- 4 4 The joint administrators estimated financial position included with our statement of proposals estimated the Company's unsecured creditors amounted to £9,325,000.
- 4 5 Unsecured creditors will not receive a dividend unless sufficient funds are realised from debtors to enable the preferential creditors, the Bank and the costs of the administrations to be settled in full.
- 4 6 As the Bank's security is dated prior to 15 September 2003, there will be no prescribed part carve out in favour of unsecured creditors.

5 ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

- 5 1 In accordance with Statement of Insolvency Practice (SIP 9), we confirm our time costs to 18 May 2010 amounted to £226,837.95, representing 981.39 hours at an average of £231.14 per hour, against which we have not drawn any fees.
- 5 2 As our revised proposals dated 19 August 2009 confirmed that we do not anticipate there will be a dividend for the Company's unsecured creditors, we must seek approval of our fees from the Company's secured and any preferential creditors.

Please do not hesitate to contact my colleague Tim Brotherton at this office should you have any queries

Yours faithfully
for and on behalf of Fairfax Gerrard Holdings Limited

A handwritten signature in black ink, appearing to read 'DM', with a stylized flourish at the end.

David Matthews
Joint Administrator

The affairs, property and business of Fairfax Gerrard Holdings Limited are being managed by David Matthews and Les Ross, appointed as joint administrators on 19 November 2008

FAIRFAX GERRARD HOLDINGS LIMITED - IN ADMINISTRATION

Abstract of Receipts and Payments

	19 Nov 2009 - 18 May 2010 £	19 Nov 2008 - 18 May 2010 £
Receipts		
Misc float receipts	(7,932)	482
Misc refund	1,917	2,000
VAT control account	0	1,009
	<u>(6,015)</u>	<u>3,490</u>
PAYMENTS		
Debtors post appt trading	0	4,381
Bank/ISA interest gross	(0)	9
Misc float payments	(7,757)	3,642
Agents/valuers fees	0	991
Legal fees	3,113	3,113
Professional fees	0	390
Debt collection	353	950
Telephone telex & fax	0	175
Storage Costs	2,813	2,813
Insurance of assets	742	2,239
Bank charges	1,258	1,852
VAT receivable	1,826	1,851
	<u>2,346</u>	<u>22,406</u>
Balance in hand	<u>(8,361)</u>	<u>(18,916)</u>