

The Insolvency Act 1986

Administrator's progress report

Form 2.24B(CH)

Name of Company Avocet Hardware Limited	Company number 03288247
In the High Court of Justice, Chancery Division, Companies Court, London (full name of court)	Court case number 463 of 2012

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

We (a) Benjamin John Wiles and Andrew Gordon Stoneman of Duff & Phelps Ltd , 43-45 Portman Square, London, W1H 6LY

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

from to

(b) Insert dates

(b) 23 January 2012

(b) 22 July 2012

Signed

Joint Administrator

Dated

22/8/2012

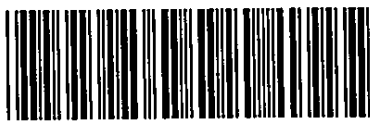
Contact Details

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

Duff & Phelps Ltd
43-45 Portman Square
London
W1H 6LY

Tel 020 7487 7240

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24/08/2012

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COMPANIES HOUSE

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

Report to Creditors

22 August 2012

Avocet Hardware Limited (In Administration)

Joint Administrators' Progress Report to Creditors
for the period from 23 January 2012 to 22 July 2012
pursuant to Rule 2.47(1) of the Insolvency Rules 1986 as amended



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24/08/2012
COMPANIES HOUSE

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**Duff & Phelps Ltd
43-45 Portman Square
London
W1H 6LY**

Definitions

Word or Phrase	Definition
ABS	means High Security Lock division, one of the three UK divisions of the Company,
the Act	means the Insolvency Act 1986 (as amended),
the Agents	means SIA Group, independent agents instructed to value and sell certain assets of the Company,
the Appointment Date	means 23 January 2012, being the date of appointment of the Joint Administrators,
Builders Hardware	means Builders Hardware division, one of the three UK divisions of the Company,
Category 2 Disbursements	means the Joint Administrators' internal costs and expenses in dealing with the Administration,
the Company	means Avocet Hardware Limited (In Administration) (Company Number 03288247),
D&W	means Doors and Windows Hardware division, one of the three UK divisions of the Company,
DBIS	means the Department for Business Innovation and Skills,
the Directors	means Ian Jones, Nicholas Ridings and Michael Tuck, the directors of the Company,
Duff & Phelps	means Duff & Phelps Ltd , 43-45 Portman Square, London, W1H 6LY,
EC Regulation	means EC Regulation on Insolvency Proceedings 2000,
the Freehold Property	means Brookfoot Mills, Elland Road, Brighouse, West Yorkshire, HD6 2RW,
HMRC	means HM Revenue and Customs,
HSBC	means HSBC Bank Plc, with whom the Company banked,
the Joint Administrators	means Benjamin John Wiles and Andrew Gordon Stoneman of Duff & Phelps,
Mascot	means Mascot Metal Manufacturers Limited, a creditor of the Company,
PNC	means PNC Financial Services UK Limited, the holder of a fixed charge and a floating charge and the provider of a property loan, stock loan and invoice finance facility,

the Period	means the period from 23 January 2012 to 22 July 2012,
Prescribed Part	means Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential unsecured creditors,
the Proposals	means the Joint Administrators' Statement of Proposals as approved by creditors on 29 March 2012,
the Purchaser	means RTMV Jain Limited with respect to the freehold property and L Fibreluk Limited with respect to the business and certain assets,
RPS	means Redundancy Payments Service,
the Rules	means the Insolvency Rules 1986 (as amended),
SIP 9	means Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements,
SIP 13	means Statement of Insolvency Practice 13- Industry best practice, regarding the acquisition of assets of insolvent companies by Directors,
SOA	means Statement of Affairs, supplied by the Directors outlining the Company's financial position as at the Appointment Date, and
TUPE	means the Transfer of Undertaking (Protection of Employment) Regulations 2006

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1 Introduction

- 1 1 The Joint Administrators were appointed on 23 January 2012 by PNC of 8-14 The Broadway, Haywards Heath, West Sussex, RH16 3AP, the holder of a qualifying floating charge, under Paragraph 14 of Schedule B1 to the Act
- 1 2 The Joint Administrators were appointed in the High Court of Justice, Chancery Division, Companies Court, London and the court reference is 463 of 2012
- 1 3 In accordance with Paragraph 100(2) of Schedule B1 to the Act the functions of the Joint Administrators are being exercised by any of the Joint Administrators
- 1 4 The purpose of this report is to provide creditors with details of the progress of the Administration, in accordance with Rule 2 47(1) of the Rules, for the six month period from 23 January 2012 to 22 July 2012 and should be read in conjunction with the Proposals

2 Joint Administrators' Report and Statement of Proposals

- 2 1 The Joint Administrators issued their Report to Creditors together with their Proposals on 16 March 2012
- 2 2 In accordance with Paragraph 52(1) of Schedule B1 to the Act, a creditors' meeting was not required to be held as there will be insufficient realisations to enable a distribution to non-preferential unsecured creditors (other than via the Prescribed Part) No meeting was convened and in accordance with Rule 2 33(5) of the Rules, the Proposals were deemed to have been approved by creditors on 29 March 2012
- 2 3 As advised in the Proposals, the Joint Administrators must perform their functions with the purpose of achieving one of the following hierarchal objectives
- Rescuing the Company as a going concern, or
 - Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or
 - Realising property in order to make a distribution to one or more secured or preferential creditors
- 2 4 In accordance with Paragraph 49(2) of Schedule B1 to the Act the Joint Administrators note the following
- The first objective will not be achieved as there are insufficient funds and assets available to enable the creditors to be repaid and to enable the Company to be rescued as a going concern
 - The Joint Administrators consider that the second objective has been achieved, for the following reasons
 - The Joint Administrators concluded a sale of the business and certain assets of the Company on 24 February 2012, maximising the value of the goodwill and achieving a greater value for the stock than would have been possible in a Liquidation scenario,

- In addition, the book debt collections have been enhanced by the continuity of business provided to customers by the Purchaser, and
- Finally, if the Company had been wound up, the employees would have all been made redundant resulting in an increase in both preferential and non-preferential unsecured claims

3 Progress of the Administration

- 3.1 The manner in which the affairs and business of the Company have been managed since the appointment of Joint Administrators and will continue to be managed and financed are set out below

Administration Trading Period

- 3.2 As previously reported, the Joint Administrators continued to trade the business in Administration to retain the value of the business whilst it was marketed for sale. The Joint Administrators continued to trade the business for five weeks until the business and certain assets were sold on 24 February 2012.
- 3.3 In order to facilitate the continued trading of the business, PNC provided the Joint Administrators with an invoice discounting facility to enable them to fund the costs and expenses incurred during the Administration trading period. PNC advanced £1,384,700 under the Administration trading facility.
- 3.4 For the five week trading period, sales totalled £1,535,055 (excluding VAT).
- 3.5 Attached at Appendix 2 is a trading statement summarising the Administration trading period receipts and payments to date.
- 3.6 Sales of £1,491,292 (excluding VAT) were collected during the Period. These funds repaid PNC's advance of £1,384,700 plus interest and charges. The sales figure excludes rental income.
- 3.7 The Joint Administrators continue to finalise trading matters. The Joint Administrators' receipts and payments account is currently showing a trading surplus of £327,317, however, until all trading liabilities have been settled the final trading position will not be known.
- 3.8 The Joint Administrators will provide an update on the final outcome of the Administration trading period in their next report to creditors.

Sale of the Business, Certain Business Assets and Freehold Property

- 3.9 As previously reported, the business and assets of the Company were sold to the Purchaser on 24 February 2012 for £1,750,000.
- 3.10 Under the terms of the sale and purchase agreement, the Purchaser paid £700,000 upon completion, £300,000 on 2 March 2012 and the remaining £750,000 is payable in three equal instalments of £250,000 on 15 October 2012, 15 November 2012 and 15 December 2012.
- 3.11 As part of the sale to the Purchaser, the Joint Administrators exchanged contracts on the sale of the Freehold Property to the Purchaser for £1,950,000.
- 3.12 A deposit of £195,000 in respect of the Freehold Property was received on exchange of contracts. In accordance with the sale agreement, the remaining £1,755,000 will be payable in full on or before 24 November 2012, being nine months from the date of exchange.

Book Debts

- 3 13 According to the Company's books and records, the outstanding debts of the Company totalled £3,375,435 (including VAT) as at the Appointment Date. These debts were assigned to PNC under an invoice discounting agreement.
- 3 14 The principal amount owing to PNC under the invoice discounting agreement as at the Appointment Date was circa £2,082,941, subject to accruing interest and charges.
- 3 15 During the Period, £2,087,999 has been realised from the book debts. The debtor ledger is being collected by the Purchaser on behalf of the secured creditor with the assistance of the Joint Administrators.
- 3 16 Total debtor receipts of £27,668 were received into the Administration estate during the Period and these funds will be paid across to PNC.
- 3 17 Surplus funds available from the book debt collections will be subject to set-off against further funds owed to PNC under their inventory loan facility and property loan.

Cash at Bank

- 3 18 The Company held both USD and Sterling accounts with HSBC. As at the Appointment Date, the USD account balance was nil and funds of £3,860 have been transferred to the Company's estate account from the Sterling account.

Pre-appointment VAT Refund

- 3 19 The Company submitted a VAT return prior to the Appointment Date with a refund of £15,264. This was remitted to the Administration estate on 10 February 2012.
- 3 20 The Joint Administrators are currently liaising with HMRC to obtain a breakdown of the amounts due to them at the Appointment Date in respect of import VAT and duty.
- 3 21 Once this has been received, a final pre-appointment VAT return for the Company will be submitted to HMRC. It is currently anticipated that the return will be in a payable position and no realisations are expected.

Other Debtors

- 3 22 As previously reported, the SOA shows that a balance of £184,774 is due from other debtors. A bond guarantee of £110,000 is held by HSBC as security for HMRC in respect to import VAT and duty. The remaining balance relates to a further HSBC guarantee for credit card and foreign exchange exposure.
- 3 23 The Joint Administrators wrote to both HSBC and HMRC to determine the status of these guarantees and any potential claims that may be made against them.
- 3 24 HSBC have advised that HMRC has submitted two claims totalling £110,000 in respect of pre-appointment import VAT and duty which has been settled by the bond guarantee.
- 3 25 It is currently uncertain whether any funds will be realised for the benefit of the Company.

Rental Income

- 3 26 The Company rented out a proportion of its premises for £600 per quarter.

- 3 27 Rent of £1,200 was received during the Period for the first and second rent quarters from 1 February 2012 to 30 April 2012 and 1 May 2012 to 31 July 2012

Employee Float

- 3 28 Prior to the Appointment Date, the Company provided fifteen employees with a float of between £300 and £400 each to cover the cost of fuel and other incidental expenses. According to the SOA the total float across all employees was £3,630
- 3 29 After accounting for unpaid expenses, the balance of the floats were £2,691 which has been recovered in full

Sundry Refunds

- 3 30 Bank interest of £150 has been received during the Period from the Company's fixed and floating bank accounts of £28 and £122 respectively
- 3 31 A rates refund of £12,812 was received in respect of a pre-appointment business rates liability
- 3 32 The Company's pension provider issued the Company with a refund of £2,510 on 14 February 2012 in respect of a refund of pension deductions made in error in respect of two employees - These funds have been returned to the relevant employees

Other Matters

- 3 33 During the course of the Administration, the Joint Administrators have been involved in dealing with a number of retention of title creditors, including reaching commercial settlements for stock sold during the Administration trading period

4 Investigations

- 4 1 The Joint Administrators' investigations into the Company's affairs are currently ongoing. The Joint Administrators cannot, at this stage, detail the nature of these investigations as it may hamper any further action that may be required. However, should any of the Company's creditors have information concerning the Company's affairs that they would like to bring to the Joint Administrators' attention, please contact this office
- 4 2 The Joint Administrators have a statutory obligation to file a report with DBIS concerning the conduct of all directors of the Company that served in the three years prior to the Joint Administrators appointment. The content of this report is confidential

5. Dividend Prospects / Prescribed Part

Secured Creditors

PNC

- 5 1 In consideration for the monies advanced under the Company's invoice discounting agreement, a property loan and inventory finance facility, the Company granted PNC a debenture dated 29 June 2010, which confers a fixed charge and a floating charge over all of the assets of the Company. As detailed in paragraph 3 13, the invoice discounting agreement results in the assignment of all book debts to PNC

- 5 2 As at the Appointment Date, the Company's indebtedness to PNC was c £7,100,000, subject to accruing interest, charges and costs
- 5 3 PNC have a prior ranking charge over the fixed and floating assets of the Company over the other secured creditors, being Landsbanki Commercial Finance and Hotbed Limited
- 5 4 Distributions of £514,604 have been made to PNC during the Period of which £300,000 relates to fixed charge distribution and £214,604 relates to floating charge distributions
- 5 5 It is anticipated that there will be insufficient realisations to repay PNC in full
- Landsbanki Commercial Finance
- 5 6 According to the SOA, the Company's indebtedness to Landsbanki Commercial Finance as at the Appointment Date was £500,000, subject to accruing interest and charges
- 5 7 In consideration for monies advanced under a loan facility, the Company granted Landsbanki Commercial Finance a debenture dated 2 November 2007, which confers a fixed charge and floating charge over the assets of the Company
- 5 8 It is anticipated that there will be insufficient realisations to enable a distribution to Landsbanki Commercial Finance
- Hotbed Limited
- 5 9 According to the SOA, the Company's indebtedness to Hotbed Limited at the Appointment Date was £4,050,000
- 5 10 In consideration for monies advanced under a loan facility, the Company granted Hotbed Limited a debenture dated 2 November 2007, which confers a fixed charge and a floating charge over the assets of the Company
- 5 11 It is anticipated that there will be insufficient realisations to enable a distribution to Hotbed Limited

Preferential Creditors

- 5 12 According to the SOA, the estimated preferential claims are estimated to be £13,131
- 5 13 The preferential creditors' claims consist of employee claims for arrears of pay and holiday pay, the majority of which are likely to be subrogated to the DBIS following payment to the employees by the RPS
- 5 14 Following the sale of the business and assets of the Company to the Purchaser, the Company's remaining employees were transferred to the Purchaser pursuant to TUPE Accordingly, preferential claims will be limited to those employees who were made redundant prior to the Appointment Date
- 5 15 The RPS submitted a preferential claim totalling £13,782 on 2 August 2012 in respect of payments made to the Company's former employees
- 5 16 There will be sufficient funds available to enable a distribution to preferential creditors, and this will be paid shortly
-

Prescribed Part

- 5 17 Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a Prescribed Part of the Company's net property shall be made available to non-preferential unsecured creditors
- 5 18 The Prescribed Part is calculated as a percentage of net property, is as follows -
- | | |
|-----------------------------------|--|
| Net property less than £10,000 | 50% unless the Joint Administrator considers that the costs of making a distribution to the non-preferential unsecured creditors would be disproportionate to the benefits |
| Net property greater than £10,000 | 50% up to £10,000 plus 20% thereafter to a maximum of £600,000 |
- 5 19 The Joint Administrators are of the opinion, based on the current information, that it is likely that there will be sufficient realisations to enable a distribution to non-preferential unsecured creditors under the Prescribed Part. The quantum and timing of any distribution is uncertain at this time

Non-Preferential Unsecured Creditors

- 5 20 According to the SOA, non-preferential unsecured creditors total £12,561,297. To date claims received from non-preferential unsecured creditors total £4,216,090. The non-preferential unsecured creditors can be summarised as follows

Creditor	Amount	Claim
Trade & Expense Creditors & Accruals	£ 3,779,163	4,001,586
Inter-Company Loan	£ 7,864,615	-
HM Revenue & Customs	£ 786,960	35,360
Unpaid Redundancy Payments	£ 130,558	179,144
Total	£ 12,561,296	4,216,090

- 5 21 It is anticipated that there will be insufficient realisations to enable a distribution to the non-preferential unsecured creditors of the Company, other than from the Prescribed Part

6 Joint Administrators' Receipts and Payments Account

- 6 1 The Joint Administrators' receipts and payments account is provided at Appendix 2 and is self explanatory
- 6 2 The balance of funds are held in fixed and floating interest bearing accounts in the insolvent estates name

- 6 3 A separate receipts and payments account has been prepared for the Administration trading period. This is also attached at Appendix 2.
- 6 4 The receipts and payments account excludes the collection of pre-appointment book debts as these are subject to an invoice discounting agreement and are therefore not an asset of the Company.

7 Pre-Administration Costs

- 7 1 On 13 April 2012, the time costs incurred by Duff and Phelps in the period prior to the Administration, totalling £38,393, were approved by the secured and preferential creditors, to be paid out of the assets of the Company. These costs were incurred in relation to the initial strategic review of the Company, the preparation of the sale documentation and planning for the Company to be placed into Administration in order to facilitate a sale of the Company's business and assets.
- 7 2 A breakdown of these time costs is attached at Appendix 3.
- 7 3 To date, no payment has been made to Duff & Phelps in respect of pre-appointment time costs.
- 7 4 In addition, the following amounts in respect of pre-administration expenses (excluding VAT) were also approved by secured and preferential creditors on 13 April 2012.

Company	Role	Total Amount Approved (£)
Squire Sanders	Solicitors – Ad hoc legal matters and assisting placing the Company into Administration	2,500 00
SIA Group	Agents – Provided a valuation report of the Company's assets and assisted in the implementation of a stock disposal strategy	19,849 22
Ansarada Limited	Data room provider – provided a data room to assist with the sale of the business and assets of the Company	544 65

- 7 5 The pre-administration costs of Squire Sanders, SIA Group and Ansarada Limited have been paid in full.

8. Joint Administrators' Costs and Expenses

- 8 1 The Joint Administrators' basis of remuneration was approved on the basis of time properly charged by the Joint Administrators and their staff by the secured and preferential creditors on 29 March 2012.
- 8 2 The time costs charged in the Period by the Joint Administrators are as analysed at Appendix 3.

- 8 3 Remuneration of £200,000 has been paid during the Period. Details of payments are shown on the receipts and payments account at Appendix 2
- 8 4 Information regarding the fees of administrators called "A Creditors' guide to Administrators' fees" can be found on the Duff & Phelps' website at www.duffandphelps.com/uk-restructuring/creditor-guides. Should you require a copy, please contact this office
- 8 5 The Joint Administrators have incurred a number of expenses in the Period of this report in dealing with the Administration of the Company, details of which are provided in Appendix 3
- 8 6 The Joint Administrators' choice of Agents and Solicitors instructed was based on their perception of the ability and experience to perform this type of work, the complexity and nature of the assignment and the basis of the Joint Administrators' fee arrangement with them
- 8 7 In accordance with Rule 2.48A of the Rules, secured creditors and unsecured creditors (with the concurrence of at least 5% in value of total unsecured claims) may make a request in writing to the Joint Administrators for further information about the remuneration or expenses set out in this progress report. This should be done within 21 days receipt of this report, after which the Joint Administrators have 14 days to respond
- 8 8 In addition to the above, any secured creditor, or any unsecured creditor (with the support of at least 10% in value of the unsecured creditors) or the permission of the court, may apply to the court on the grounds that the remuneration or basis fixed for the Administrators' remuneration or the expenses incurred by the Joint Administrators are considered to be excessive. In accordance with Rule 2.109 of the Rules, this application must be made no later than 8 weeks after receipt of the Progress Report, where the charging of the remuneration or the incurring of expenses in question occurs

9. EC Regulation

- 9 1 It is the Joint Administrators' opinion that the EC Regulation applies and these proceedings are main proceedings, as defined in Article 3 of the EC Regulation. The centre of main interests of the Company is in England

10 Conclusion and Ending the Administration

- 10 1 The Joint Administrators' Proposals advised that an Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the creditors' consent. As previously advised in the event that there are insufficient realisations to permit a distribution to the unsecured creditors, other than from the Prescribed Part, if any, then the Joint Administrators recommend that the Company be dissolved
- 10 2 It is anticipated that that once all outstanding matters have been satisfactorily completed by the Joint Administrators, and on completion of the distribution to secured and preferential creditors and the distribution of the Prescribed Part if any, the Joint Administrators will give notice to the Registrar of Companies under Paragraph 84 of Schedule B1 to the Act to the effect that the Company has no property to realise which might permit a distribution to its unsecured creditors, at which stage the Administration will cease. The Company will be dissolved three months following the registration of the notice at the Registrar of Companies
- 10 3 In the event that the Joint Administrators form the view that a distribution can be made to the unsecured creditors, then the Joint Administrators recommend that the Company be moved to

CVL If the distribution is from the Prescribed Part then the Joint Administrators may apply to Court to pay this distribution in the Administration

- 10.4 It is proposed that the Joint Administrators, currently Benjamin John Wiles and Andrew Gordon Stoneman, be appointed as Joint Liquidators of the Company should it be placed into CVL
- 10.5 The Joint Administrators' Proposals left the choice of exit route from Administration open so that an alternative strategy can be adopted, at the appropriate at the time

11. Next Report

- 11.1 Should the Joint Administrators request an extension of the Administration then they are obliged to send a copy of their report to all known creditors within 1 month of the date of the report. Any extension report would be prepared prior to the last month of the Administration and therefore, if applicable, the next progress report would be sent within the next six months. Alternatively, if the Joint Administrators are able to conclude the Administration within the next six months then they will send their final report at that time
- 11.2 If you have any queries or require any further assistance, please do not hesitate to contact my colleague Lucy Egginton of this office

For and on behalf of
Avocet Hardware Limited



Benjamin Wiles
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Benjamin Wiles and Andrew Stoneman, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association.

Appendix 1

Statutory Information

Statutory Information

Date of Incorporation	5 December 1996
Registered Number	03288247
Company Directors	Ian Gary Jones Nicholas Ridings Michael Colin Tuck
Company Secretary	Nicholas Ridings
Shareholder	Avocet Holdings Limited - 1,000,000 Ordinary Shares
Trading Address	Brookfoot Mills Elland Road Brighouse West Yorkshire HD6 2RW
Registered Office	Current: 43-45 Portman Square London W1H 6LY Formerly: Brookfoot Mills Elland Road Brighouse West Yorkshire HD6 2RW

Appendix 2

Joint Administrators' Receipts and Payments Account

Avocet Hardware Limited
(In Administration)
Joint Administrators' Trading Account

**Statement
of Affairs
ERV (£)**

**From 23/01/2012
To 22/07/2012
£**

POST APPOINTMENT SALES

Sales	1,466,274 97
VISA Sales	11,302 66
Sales Refunds	(873 72)
Rent	1,200 00
Website Sales	14 588 21
	1,492,492 12

OTHER DIRECT COSTS

Management Charge	33,035 55
Direct Labour	335,119 73
Employee Expenses	7 831 59
Other Payroll Deductions	1,995 16
	(377,982 03)

TRADING EXPENDITURE

PAYE / NIC	113,666 80
Rates	13 056 78
Utilities - Water Heat	647 59
General Operating Expenses	1,976 00
Carnage	63,804 30
Security	3,219 50
Bank Charges - Trading Account	159,876 65
Lease / HP Payments	11,499 29
Hire of Equipment	4,776 00
Repairs & Maintenance	950 00
Pallet Charges	10,082 49
Vehicle Running Costs	391 43
Joint Administrators' remuneration	172 500 00
Stationery	261 50
Forwarding Services	89,382 36
Duty	117,462 54
Domain Name Charge	11 00
HSBC Merchant Services Charge	2,915 88
Pensions	6,170 30
Sage Pay Charge	50 00
Payroll Services	605 00
Packaging	927 59
ROT Settlement	12,960 46
	(787,193 46)

TRADING SURPLUS

327,316 63

Avocet Hardware Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs ERV (£)		From 23/01/2012 To 22/07/2012 £
1,950,000 00	SECURED ASSETS	
	Freehold Land & Property	195 000 00
	Goodwill & Intellectual Property	200 000 00
	Gross Bank Interest - Fixed Account	28 26
		<u>395,028 26</u>
	COSTS OF REALISATION	
	Joint Administrators' Remuneration	27,500 00
	Legal Fees	23,498 00
	Property Search Fee	1,150 00
	Legal Fees	5,000 00
	Fixed Bank Charges	34 41
		<u>(57,182 41)</u>
	SECURED CREDITORS	
	PNC	300,000 00
		<u>(300,000 00)</u>
50,000 00	ASSET REALISATIONS	
1,500,000 00	Furniture & Equipment	49,998 00
3,000 000 00	Stock	750,000 00
3,630 00	Debtors	27,668 13
	Employee Float	2,691 10
	Pre-appointment VAT Refund	15 264 06
2,919 41	Cash at Bank and Merchant Service Funds	3,860 15
	Work in Progress	1 00
	Bank Interest Gross	121 70
	Rates Refund	12,811 68
	Trading Surplus/(Deficit)	327,316 63
	Seller's Records	1 00
	Third Party - Pension Funds	2,510 17
44,716 64	Prepayments	-
200,000 00	Investment	-
184 774 39	Other book debts	-
		<u>1,192,243 62</u>
	COST OF REALISATIONS	
	Legal Fees	40,000 00
	Petitioners Costs	4,309 87
	Data Room Fees	544 65
	Accountants Fees	5,000 00
	Agents/Valuers Fees	38,180 00
	Agents/Valuers Disbursements	1,362 60
	Legal Fees	27,610 50
	Legal Disbursements	451 70
	Stationery & Postage	1 076 91
	Third Party - Pension Refunds	2,510 17
	Statutory Advertising	76 50
	Bank Charges	929 31
		<u>(122,052 21)</u>
	FLOATING CHARGE CREDITORS	
	PNC	214,604 00
		<u>(214,604 00)</u>
		<u>893,433 26</u>
	REPRESENTED BY	
	Import VAT	366 06
	VAT Receivable	108,724 36
	Fixed Bank Account	36 843 85
	Floating/Main Current Account	99 151 65
	PNC Administration Funding	(163,462 77)
	Funds Held by Avocet Hardware (UK)	199,767 27
	Fixed Charge VAT Receivable	9,500 00
	VAT Payable	(298,553 15)
	General VAT Control Account	901,095 99
		<u>893,433 26</u>

Appendix 3

Analysis of Time Charged and Expenses Incurred

Avocet Hardware Limited (In Administration)
Administration Expenses for the period 23 January 2012 to 22 July 2012

Company	Role	Basis of Fee	Amount Incurred (£)	Amount Paid (£)
SIA Group	Chattels agents – Valuation of stock and chattel assets and assist Joint Administrators in the sale of these assets	Time Cost	39,542 60	39,542 60
Squire Sanders (UK) LLP	Solicitors – Review the sale of business contract, assist with placing the Company into Administration and other ad hoc legal matters	Time Cost	91,701 30	83,062 20
Simmons Gainsford	Tax agents – Review tax position for refunds and complete tax returns for the Administration period	Time Cost	5,000 00	5,000 00
Accurate Mailing	Mailing agent – Print and send by post correspondence to the Company's creditors and members	Per Unit	1,076 91	1,076 91
Johnsons Solicitors Limited	Solicitors – Assistance in collection of pre-appointment book debts	book Time Cost	10,313 52	8,498 00
Courts Advertising	Advertising the Joint Administrators' appointment in accordance with statutory obligations	Per Unit	76 50	76 50
AUA Insolvency risk Services	Insurance Brokers - Insurance of the Properties	Premium	9,242 72	0 00
Total Data Management	Storage Agents- storage of Company's records	Per Unit	17 62	17 62
Elite Energy	Provision of Commercial Energy Performance Certificates	Per Unit	1,150 00	1,150 00
Berwin Leighton Paisner LLP	Solicitors – Review and evaluation of security position	Fixed	5,000 00	5,000 00

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

Avocet Hardware Limited (In Administration)

Analysis of Duff & Phelps' time costs for the period 10 January 2012 to 22 January 2012 (Pre-appointment costs)

Classification of Work Function	Hours					Total	Time	Ave
	Partner	Manager	Senior	Assistant	Support	Hours	Cost	hourly Rate
							£	£
Administration and Planning								
Strategy planning & control	6 00	15 10	6 20	0 50		27 80	10 477 00	376 87
Dealing with notice of intention to appoint	3 00	2 50				5 50	2 510 00	456 36
Dealings with Directors and Management	3 00					3 00	1 635 00	545 00
Cashienng & accounting		0 30	0 80	0 20		1 30	383 00	294 62
IPS set up & maintenance			0 20			0 20	58 00	290 00
Realisation of Assets								
Book debts		59 00				59 00	20 650 00	350 00
Sale of business	1 00		2 00	0 50		3 50	1 232 50	352 14
Creditors								
Secured Creditors	2 00					2 00	1,090 00	545 00
Communications with Creditors/Employees				2 10		2 10	357 00	170 00
Total Hours	15 00	76 90	9 20	3 30	0 00	104 40		367 74
Total Fees Claimed (£)	8,175 00	26,976 50	2,653 00	588 00	0 00		38,392 50	

Avocet Hardware Limited (In Administration)

Analysis of Joint Administrators' time costs for the period 23 January 2012 to 22 July 2012

Classification of Work Function	Hours					Total Hours	Time Cost	Avg Hourly Rate
	Partner	Manager	Senior	Assistant	Support			
Administration and Planning							F	£
Strategy planning & control	74.50	37.50	43.70	5.40	0.00	161.10	66,314.00	411.63
Case review and Case Diary management	3.50	3.40	6.40	67.80	0.00	81.10	18,887.50	232.89
Statutory matters (Meetings & Reports & Notices)	4.00	10.30	9.40	32.40	0.00	56.10	14,266.50	254.34
Cashflow & accounting	1.40	13.60	25.00	11.00	0.00	51.00	14,705.50	288.34
Tax Compliance/Planning	0.00	0.10	4.20	7.20	0.00	11.50	2,321.00	201.83
Statement of affairs	0.00	0.00	2.80	0.90	0.00	3.70	825.00	222.97
IPS set up & maintenance	0.00	0.40	0.10	1.00	0.00	1.50	355.00	236.67
Insurance	0.00	0.00	2.10	0.00	0.00	2.10	534.00	254.29
Creditors								
Secured Creditors	45.50	22.10	1.00	19.50	0.00	88.10	36,450.50	413.74
Communications with Creditors/Employees	0.00	0.60	4.20	61.10	0.00	65.90	13,670.50	207.44
Non Pref Creditors/Employees claims handling	0.00	5.20	23.50	2.60	0.00	31.30	9,074.50	289.92
Pref claims adjudication and distribution	0.00	0.60	0.00	0.00	0.00	0.60	210.00	350.00
Investigations								
CDDA & reports & Communication	2.00	5.20	25.00	3.60	3.70	39.50	9,417.00	238.41
Financial review and investigations (\$238/239 etc)	2.50	2.30	0.00	0.00	0.00	4.80	2,167.50	451.56
Realisation of Assets								
Book debts	14.50	262.30	0.00	4.50	0.00	301.30	107,777.00	357.71
Sale of business	112.50	35.40	66.20	2.40	0.00	216.50	93,638.00	429.92
Stock and Work in Progress	3.00	2.10	2.70	0.00	0.00	7.80	3,068.00	393.33
Freehold and Leasehold Property	2.00	2.80	1.80	0.60	0.00	7.20	2,629.00	365.14
Hire Purchase and Lease Assets	0.00	0.00	1.60	1.00	0.00	2.60	599.00	230.38
Plant & Machinery & Fixtures & Motor Vehicles	0.00	0.00	0.10	1.00	0.00	1.10	199.00	180.91
Other Tangible Assets	0.00	0.20	0.00	0.00	0.00	0.20	70.00	350.00
Trading								
Trading - Operations	0.00	114.10	201.20	101.00	0.00	416.30	112,587.50	270.45
Trading - Retention of Title & Claims handling	3.00	38.30	117.30	20.40	0.00	179.00	47,692.50	266.44
Trading - Accounting	2.00	64.50	41.70	3.30	0.00	111.50	34,894.00	312.95
Trading - Employees	0.00	19.50	0.30	107.90	0.00	127.70	29,926.00	234.35
Trading - Hire Purchase Matters	0.00	0.00	1.70	0.20	0.00	1.90	457.00	240.53
Trading - Insurance	0.00	0.00	0.00	0.70	0.00	0.70	150.50	215.00
Total Hours	270.40	660.50	584.00	455.50	3.70	1,974.10		315.68
Total Fees Claimed	147,368.00	233,186.50	149,800.00	62,622.50	111.00		623,188.00	

Category 2 Disbursements

There are no category 2 disbursements for this