

## 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  (full name of court)	Court case number  463 of 2012

(a) Insert full name(s) and  
address(es) of administratorsWe (a) Benjamin John Wiles and Andrew Gordon Stoneman of Duff & Phelps Ltd , The Shard, 32  
London Bridge Street, London, SE1 9SG, ,

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

from

to

(b) Insert dates

(b) 1 June 2013

(b) 30 November 2013

Signed



Joint Administrator

Dated

27 12 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 record

Duff & Phelps Ltd  
The Shard  
32 London Bridge Street  
London  
SE1 9SG

Tel +44 (0) 20 7089 4700

MONDAY



A38 30/12/2013 #4  
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

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# Progress Report to Creditors

27 December 2013

## Avocet Hardware Limited (In Administration)

Joint Administrators' Progress Report to Creditors  
for the period from 1 June 2013 to 30 November 2013  
pursuant to Rule 2 47(1) of the Insolvency Rules 1986 as amended

Duff & Phelps Ltd.  
The Shard  
32 London Bridge Street  
London  
SE1 9SG

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**Definitions**

<b>Word or Phrase</b>	<b>Definition</b>
the Act	means the Insolvency Act 1986 (as amended),
the Appointment Date	means 23 January 2012, being the date of appointment of the Joint Administrators,
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) whose registered office is The Shard, 32 London Bridge Street, London, SE1 9SG,
DBIS	means the Department for Business, Innovation & Skills,
the Directors	means Ian Jones, Nicholas Ridings and Michael Tuck, the directors of the Company,
Duff & Phelps	means Duff & Phelps Ltd, The Shard, 32 London Bridge Street, London, SE1 9SG,
EC Regulation	means EC Regulation on Insolvency Proceedings 2000,
the Freehold Property	means the property situated at Brookfoot Mills, Elland Road, Brighouse, West Yorkshire, HD6 2RW,
the Joint Administrators	means Benjamin John Wiles and Andrew Gordon Stoneman of Duff & Phelps,
Mortons	means Morton Meadow Logistics, a third party who shared a central electricity meter with the Company
PNC	means PNC Financial Services UK Limited, (successor in title to KBC Business Capital, a division of KBC Bank NV) the holder of a fixed charge and a floating charge and the provider of a property loan, stock loan and invoice finance facility,
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 Fibrelok Limited with respect to the business and certain assets,
the Reporting Period	means the period from 1 June 2013 to 30 November 2013,
RPS	means Redundancy Payments Service,

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the Rules	means the Insolvency Rules 1986 (as amended),
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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**Names of Joint Administrators:** Benjamin John Wiles  
Andrew Gordon Stoneman

**Date of appointment:** 23 January 2012

**Date of report:** 27 December 2013

**Appointed by:** PNC of 8-14, The Broadway, Haywards Heath, West  
Sussex, RH16 3AP

**Court reference:** High Court of Justice, Chancery Division, Companies  
Court, London  
Court no 463 of 2012

**1. Introduction**

- 1 1 The Joint Administrators were appointed on the Appointment Date by PNC, the holder of a qualifying floating charge, under Paragraph 14 of Schedule B1 to the Act
- 1 2 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 Administrators
- 1 3 An extension was approved by creditors for the six month period to 22 July 2013 and a further extension was approved by the Court for the nine month period from 23 July 2013 to 22 April 2014
- 1 4 The purpose of this report is to provide creditors with details of the progress of the Administration for the Reporting Period, in accordance with Rule 2 47(1) of the Rules
- 1 5 This report should be read in conjunction with the Joint Administrators' previous progress reports dated 16 March 2012, 22 August 2012, 21 December 2012 and 31 May 2013
- 1 6 Statutory information on the Company is attached at Appendix 1
- 1 7 It is anticipated that the Joint Administrators will be commencing the process of making a Prescribed Part dividend to the unsecured creditors in January 2014. If you have not yet submitted a proof of debt form you should complete the form at Appendix 4 and return it to the Joint Administrators together with documentation to support your claim

**2. Joint Administrators' Report and Statement of Proposals**

- 2 1 The Joint Administrators issued the 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 it was anticipated that there would 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 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 for five weeks until the business and certain assets were sold on 24 February 2012
- 3 3 Sales totalled £1,535,055 (excluding VAT) during the Administration trading period. There have been no further sales receipts during the Reporting Period. However, sales of £937 have been collected since the end of the Reporting Period
- 3 4 Accordingly, sales of £1,508,017 (excluding VAT) have been collected to date. The balance of sales receipts have been written off owing to warranty disputes
- 3 5 Attached at Appendix 2 is a trading statement summarising the Administration trading period receipts and payments
- 3 6 The Joint Administrators have now concluded all trading matters, including payment of outstanding trading expenses
- 3 7 As previously reported, as part of the trading expenses, the Joint Administrators have paid electricity costs relating to the Freehold Property for the Administration trading period. Historically, the Company recharged a proportion of these costs to Mortons as they shared a central electricity meter. The Joint Administrators have recharged £4,167 to Mortons which was received during the Reporting Period
- 3 8 The receipts and payments account is currently showing a trading surplus of £340,596, which the Joint Administrators consider to be the final position

#### **Book Debts**

- 3 9 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 10 The principal amount owing to PNC under the invoice discounting agreement as at the Appointment Date was £2,082,941, subject to accruing interest and charges
- 3 11 Collections during the Reporting Period totalled £4,061. However, these were transferred into the estate account from the Joint Administrators' solicitors after the end of the Reporting Period. This brings total book debt collections to £2,246,116
- 3 12 PNC have now concluded their book debt collections and surplus book debts totalling £34,729 are held in the Administration Estate, which is shown in the receipts and payments account



- 3 13 The Joint Administrators have reviewed all outstanding book debts and anticipate that further realisations will be minimal

**Third Party Funds**

- 3 14 A third party receipt totalling £401 was received during the Reporting Period to bring total third party receipts to £9,710. Refunds totalling £8,633 have been made to date of which £7,801 were received during the Reporting Period, leaving the balance of third party funds held as £1,077. These are due to be refunded to customers of the Purchaser who have made payment to the Company's pre appointment bank account in error. The Joint Administrators have identified the parties concerned and will be arranging for these funds to be returned to the relevant parties.

**Bank Interest**

- 3 15 Bank interest of £185 has been received during the Reporting Period into the Company's fixed and floating bank accounts of £3 and £182 respectively.

**Cash at Bank**

- 3 16 Prior to the Joint Administrators' appointment, the Company operated a card processing facility with Global Pay.
- 3 17 Global Pay held a security deposit of £13,000 for use of this facility and this was refunded to the Company during the Reporting Period.

**4. Investigations**

- 4 1 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 and has been submitted to the Insolvency Practitioners Compliance Unit.

**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 10, 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 charge over the fixed and floating assets of the Company and have priority over the other secured creditors, being Landsbanki Commercial Finance and HL2012 Limited.

- 5 4 Distributions of £3,055,010 have been made to PNC during the Administration of which £2,055,000 relates to fixed charge distributions and £1,000,010 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  
HL2012 Limited (Formerly Hotbed Limited)
- 5 9 According to the SOA, the Company's indebtedness to HL2012 Limited at the Appointment Date was £4,050,000
- 5 10 In consideration for monies advanced under a loan facility, the Company granted HL2012 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 HL2012 Limited in their capacity as a secured creditor
- 5 12 In view of the distribution prospects, HL2012 Limited have written to the Joint Administrators to advise that they wish to withdraw their security against the Company in order to submit a claim as a non-preferential unsecured creditor via the Prescribed Part.

**Preferential Creditors**

- 5 13 The preferential creditors' claims consist of employee claims for arrears of pay and holiday pay, the majority of which were 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 were 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 and the Joint Administrators have also received further preferential claims, in excess of the limits imposed by the RPS, totalling £313, from the former employees
- 5 16 These preferential creditors have been paid a distribution of 100 pence in the pound

#### **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, 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 made an application to Court to pay a distribution to non-preferential unsecured creditors by way of the Prescribed Part in Administration. On 27 March 2013, it was ordered by the Court that the Joint Administrators are authorised to distribute the Prescribed Part in the Administration
- 5 20 The Joint Administrators are seeking final approvals from the Court regarding the payment of the Prescribed Part and once received will be issuing a Notice of Intended Dividend to all known creditors in respect of a first and final distribution to all non-preferential unsecured creditors via the Prescribed Part. It is anticipated that this process will commence in January 2014
- 5 21 The total value of the Prescribed Part is currently estimated at £253,752 based on available net property of £1,253,762. Taking into account the estimated cost incurred by the Joint Administrators, the total amount payable to unsecured non-preferential creditors under the Prescribed Part is £203,752
- 5 22 The exact quantum of any distribution will be dependent upon the level of agreed claims
- 5 23 **If you have not yet submitted your claim, I attach at Appendix 4 a proof of debt form which should be submitted to the Joint Administrators (together with documentation to support your claim) in order to be included in the dividend.**
- 5 24 To date, the Joint Administrators have billed £35,000 from Prescribed Part funds in respect of time costs incurred in adjudicating upon creditor claims as discussed in Paragraph 7.3

#### **Non-Preferential Creditors**

- 5 25 According to the SOA, non-preferential unsecured creditors total £12,561,297. To date claims received from non-preferential unsecured creditors total £9,082,616. The non-preferential unsecured creditors can be summarised on the table overleaf

<b>Creditor</b>	<b>SOA Amount</b>		<b>Claim</b>	
Trade & Expense Creditors & Accruals*	£	3,779,163	£	4,054,078
HL2012 Limited	£	4,050,000	£	4,802,326
Inter-Company Loan	£	7,864,615	£	-
HM Revenue & Customs	£	786,960	£	35,360
Unpaid Redundancy Payments	£	130,558	£	190,852
<b>Total</b>	<b>£</b>	<b>16,611,296</b>	<b>£</b>	<b>9,082,616</b>

- 5 26 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 deemed to be self explanatory
- 6 2 The balance of funds are held in fixed and floating interest bearing accounts in the name of the insolvent estate
- 6 3 A separate receipts and payments account has been prepared for the Administration trading period This is also attached at Appendix 2

#### **7. Joint Administrators' Costs and Expenses**

- 7 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 In addition, the Joint Administrators' disbursements were also approved
- 7 2 The time costs charged in the Reporting Period by the Joint Administrators are as analysed at Appendix 3, together with a summary of all time costs charged to date
- 7 3 Remuneration of £85,000 has been paid during the Reporting Period, of which £35,000 related to Prescribed Part costs and the balance of £50,000 related to the general costs in the Administration Details of payments are shown on the receipts and payments account at Appendix 2
- 7 4 The Joint Administrators' disbursements are also detailed at Appendix 3
- 7 5 The Joint Administrators have undertaken a review of the fees and disbursements paid by the Company during the Administration and it would appear that due to a processing error, disbursements in the sum of £19,849 have been overpaid Accordingly a refund for this amount was paid to the Administration estate on 19 December 2013

- 7 6 Information regarding the fees and disbursements of administrators, including details of the Duff & Phelps disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from the Joint Administrators' website at <http://www.duffandphelps.com/uk-restructuring/creditor-guides>. Should you require a copy, please contact this office.
- 7 7 The Joint Administrators have incurred a number of expenses in the Reporting Period of this report in dealing with the Administration of the Company, details of which are provided in Appendix 3.
- 7 8 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.
- 7 9 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.
- 7 10 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.

## **8. Conclusion and Ending the Administration**

- 8 1 The Proposals advised that the Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the creditors' consent.
- 8 2 As previously advised, an extension was granted by creditors for the six month period to 22 July 2013 and a second extension was granted by the Court for the nine month period to 22 April 2014.
- 8 3 It is anticipated that the Joint Administrators will be commencing the process of making a Prescribed Part dividend to the unsecured creditors in January 2014. If you have not yet submitted a proof of debt form you should complete the form at Appendix 4 and return it to the Joint Administrators together with documentation to support your claim.
- 8 4 As the Company has no property with which to make a distribution to its non-preferential unsecured creditors (other than via the Prescribed Part) it is anticipated that following the distribution of the Prescribed Part funds, a notice to move from Administration to dissolution, Form 2.35B, will be submitted to the Registrar of Companies pursuant to Paragraph 84 of Schedule B1 to the Act.

8 5 Following registration of the notice by the Registrar of Companies, the Joint Administrators appointment will cease to have effect, and they will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Act

8 6 At the end of three months beginning with the date of Form 2 35B being registered by the Registrar of Companies, the Company will be dissolved

**9. Next Report**

9 1 Generally, the Joint Administrators will provide a progress report within one month of the end of the each six months of the Administration or earlier if an extension to the period of the Administration is required

9 2 On present information, as it is anticipated that the Administration will conclude within the next six months and the next report to creditors will be a final report



**Benjamin Wiles**  
Joint Administrator

The affairs business and property of the Company are being managed by the Joint Administrators, Benjamin John Wiles and Andrew Gordon 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**

<b>Date of Incorporation</b>	5 December 1996
<b>Registered Number</b>	03288247
<b>Company Directors</b>	Ian Gary Jones Nicholas Ridings Michael Colin Tuck
<b>Company Secretary</b>	Nicholas Ridings
<b>Shareholder</b>	Avocet Holdings Limited - 1,000,000 Ordinary Shares
<b>Trading Address</b>	Brookfoot Mills Elland Road Bnghouse West Yorkshire HD6 2RW
<b>Registered Office</b>	<b>Current:</b> Duff & Phelps Ltd The Shard 32 London Bridge Street London SE1 9SG  <b>Formerly:</b> Brookfoot Mills Elland Road Bnghouse West Yorkshire HD6 2RW



**Appendix 2**

**Joint Administrators' Receipts and Payments Account**

**Trading Receipts and Payments Account**  
**Avocet Hardware Limited (In Administration)**

	From 1 June 2013 to 30 November 2013	From 23 January 2012 to 20 December 2013
<b>Post Appointment Sales</b>		
Sales	NIL	1,481,043 55
VISA Sales	NIL	11,302 88
Sales Refunds	NIL	(873 72)
Rent	NIL	1 956 52
Websales	NIL	14,588 21
	NIL	1,508,017 22
<b>Other Direct Costs</b>		
Management Charge	NIL	(33 035 55)
Direct Labour	NIL	(241,856 42)
Employee Expenses	NIL	(7,831 59)
Other Payroll Deductions	NIL	(1,843 55)
	NIL	(284,367 11)
<b>Trading Expenditure</b>		
PAYE / NIC	NIL	(81,153 72)
Telephone	NIL	(8,209 30)
Rates	NIL	(13 058 78)
Utilities - Water Heat	4 168 87	(25,417 47)
General Operating Expenses	NIL	(1,978 00)
Carriage	NIL	(63,804 30)
Security	NIL	(3,219 50)
Bank Charges - Trading Account	NIL	(159 876 85)
Lease / HP Payments	NIL	(11,489 29)
Hire of Equipment	NIL	(4 776 00)
Repairs & Maintenance	NIL	(950 00)
Pallet Charges	NIL	(10,082 49)
Vehicle Running Costs	NIL	(391 43)
Joint Administrators' Remuneration	NIL	(172 500 00)
Stationery	NIL	(261 50)
Joint Administrators' Disbursements	NIL	(11,428 50)
Forwarding Services	NIL	(89,382 36)
Duty	NIL	(117 482 54)
Domain Name Charge	NIL	(11 00)
HSBC Merchant Services Charge	NIL	(3,015 88)
Pensions	NIL	(6 170 30)
Sage Pay Charge	NIL	(50 00)
Packaging	NIL	(927 59)
ROT Settlement	NIL	(97,431 41)
	4,168 87	(883,054 01)
<b>Trading Surplus</b>	<b>4,166 67</b>	<b>340,596 10</b>

**Receipts and Payments Account**  
**Avocat Hardware Limited (In Administration)**

Statement of Affairs ERV (£)		From 1 June 2013 to 30 November 2013	From 23 January 2012 to 20 December 2013
		£	£
1,950,000 00	<b>Secured Assets</b>		
	Freehold Land & Property	NIL	1,950,000 00
	Goodwill & Intellectual Property	NIL	200,000 00
	Gross Bank Interest - Fixed Account	3 48	51 83
		<b>3 48</b>	<b>2,150,051 83</b>
	<b>Costs of Realisation</b>		
	Joint Administrators' Remuneration	NIL	(27,500 00)
	Legal Fees	NIL	(18,984 52)
	Legal Fees - Fixed	NIL	(24,000 48)
	Legal Disbursements - Fixed	(245 00)	(290 00)
	Fixed Bank Charges	NIL	(53 52)
	Agents / Valuers Fees	NIL	(3,300 00)
	Property Search Fee	NIL	(1,150 00)
	Insurance of Assets	NIL	(9,242 72)
		<b>(245 00)</b>	<b>(82,521 24)</b>
	<b>Secured Creditors</b>		
	PNC	NIL	(2,055,000 00)
		<b>0 00</b>	<b>(2,055,000 00)</b>
	<b>Asset Realisations</b>		
50 000 00	Furniture & Equipment	NIL	49 998 00
1 500 000 00	Stock	NIL	1 500 000 00
3,000,000 00	Debtors	NIL	34,729 37
3,630 00	Employee Float	NIL	2,691 10
	Pre-Appointment VAT Refund	NIL	15,284 08
2 919 41	Cash at Bank and Merchant Service	13,000 00	16 880 15
	Work in Progress	NIL	1 00
	Bank Interest	181 75	1,153 09
	Rates Refund	NIL	12,811 68
	Third Party Funds	400 94	9,710 33
	Trading Surplus / (Deficit)	4,188 87	340 598 10
	Seller's Records	NIL	1 00
	Third Party - Pension Funds	NIL	2,510 17
		<b>17,749 36</b>	<b>1,986,326 05</b>
	<b>Cost of Realisations</b>		
	Legal Fees	NIL	(40,000 00)
	Petitioners Costs	NIL	(4 309 87)
	Data Room Fees	NIL	(544 85)
	Joint Administrators' Remuneration- General	(50,000 00)	(500,000 00)
	Joint Administrators' Remuneration- Prescribed Part	(35,000 00)	(35,000 00)
	Joint Administrators' Disbursements	NIL	(1,018 34)
	Accountants Fees	NIL	(5 000 00)
	Agents / Valuers Fees	NIL	(43,180 00)
	Agents / Valuers Disbursements	NIL	(1 362 80)
	Legal Fees	(5 500 00)	(42,924 50)
	Legal Disbursements	(535 00)	(1,883 87)
	Stationery & Postage	(266 41)	(2,178 52)
	Third Party - Pension Refunds	NIL	(2,510 17)
	Storage Costs	NIL	(32 82)
	Statutory Advertising	NIL	(78 50)
	Refund of Third Party Funds	(7,881 27)	(8,833 12)
	Bank Charges	(38 98)	(1,123 33)
		<b>(99,221 64)</b>	<b>(689,775 89)</b>
	<b>Preferential Creditors</b>		
	HM Revenue & Customs	NIL	(74 34)
	DE Arrears & Holiday Pay	NIL	(13,782 24)
	Employee Arrears / Holiday Pay	NIL	(238 45)
		<b>0 00</b>	<b>(14,095 03)</b>
	<b>Floating Charge Creditors</b>		
	PNC	NIL	(1,000,010 00)
		<b>0 00</b>	<b>(1,000,010 00)</b>
	<b>Balance</b>		<b>294,975 72</b>
	<b>Represented By</b>		
	Fixed Bank Account		16,174 59
	Floating Main Current Account		283,120 84
	VAT Payable		(4,990 51)
	VAT Receivable		670 80
			<b>294,975 72</b>

**Appendix 3**

**Analysis of Time Charged and Expenses Incurred**

**Avocet Hardware Limited (In Administration)**

**Analysis of the Joint Administrators' Post Appointment Time Costs from 1 June 2013 to 30 November 2013**

Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost	Avg Hourly Rate
<b>Administration and Planning</b>								
Case review and Case Diary management	0 00	1 40	4 00	3 50	0 00	8 90	1 965 00	220 79
Cashiering & accounting	0 10	4 00	5 50	2 70	1 15	13 45	3 877 75	288 31
Statutory matters (Meetings & Reports & Notices)	0 00	2 70	1 80	4 20	0 00	8 70	1 932 00	222 07
Strategy planning & control	0 00	7 40	11 55	0 00	0 00	18 95	6 268 25	330 78
Tax Compliance/Planning	0 00	0 90	1 00	0 00	0 45	2 35	645 75	274 79
<b>Creditors</b>								
Communications with Creditors/Employees	0 00	0 30	1 60	0 80	1 15	3 85	762 75	208 97
<b>Realisation of Assets</b>								
Book debts	0 00	7 70	40 30	0 00	0 00	48 00	13 119 50	273 32
Plant & Machinery & Fixtures & Motor Vehicles	0 00	0 00	1 20	0 00	0 00	1 20	300 00	250 00
Sale of business	0 00	1 80	1 80	1 50	0 00	5 10	1 390 00	272 55
<b>Trading</b>								
Trading - Accounting	0 00	4 50	4 70	0 00	0 75	9 95	2 970 25	298 52
<b>Total Hours</b>	<b>0 10</b>	<b>30 70</b>	<b>73 45</b>	<b>12 50</b>	<b>3 50</b>	<b>120 25</b>		<b>276 35</b>
<b>Total Fees Claimed</b>	<b>57 00</b>	<b>11 695 00</b>	<b>19 463 25</b>	<b>1 613 50</b>	<b>402 50</b>		<b>33 231 25</b>	

Category 1 Disbursements No Category 1 Disbursements during the Reporting Period

Category 2 Disbursements No Category 2 Disbursements during the Reporting Period

**Avocet Hardware Limited (In Administration)****Analysis of Joint Administrators' Prescribed Part Time Costs from 1 June 2013 to 30 November 2013**

Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost	Avg Hourly Rate
<b>Administration and Planning</b>								
Strategy planning & control	0 00	3 70	1 10	0 60	0 00	5 40	1,921 50	355 83
<b>Creditors</b>								
Communications with Creditors/Employees	0 00	0 00	0 00	0 50	0 00	0 50	112 50	225 00
Non Pref Creditor claims adjudication and dist'n	0 00	0 00	0 00	1 70	0 00	1 70	195 50	115 00
<b>Total Hours</b>	<b>0 00</b>	<b>3 70</b>	<b>1 10</b>	<b>2 80</b>	<b>0 00</b>	<b>7 60</b>		<b>293 36</b>
<b>Total Fees Claimed.</b>	<b>0 00</b>	<b>1,517 00</b>	<b>335 50</b>	<b>377 00</b>	<b>0 00</b>		<b>2,229 50</b>	

Category 1 Disbursements No Category 1 Disbursements during the Reporting Period

Category 2 Disbursements No Category 2 Disbursements during the Reporting Period

**Avocet Hardware Limited (In Administration)**
**Analysis of Joint Administrators' Post Appointment Time Costs from 23 January 2012 to 30 November 2013**

Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost	Avg Hourly Rate
<b>Administration and Planning</b>								
Case review and Case Diary management	3 50	15 30	20 90	74 30	0 00	114 00	27,669 50	242 71
Cashiering & accounting	2 10	23 20	53 60	31 60	1 15	111 65	30,288 75	271 28
Dealings with Directors and Management	0 00	0 00	2 30	0 00	0 00	2 30	552 00	240 00
IPS set up & maintenance	0 00	1 30	0 10	2 20	0 00	3 60	844 00	234 44
Insurance	0 00	0 00	1 70	0 00	0 00	1 70	423 00	248 82
Statement of affairs	0 00	0 00	2 80	0 90	0 00	3 70	825 00	222 97
Statutory matters (Meetings & Reports & Notices)	7 50	32 10	63 60	48 60	0 00	151 80	39,172 50	258 05
Strategy planning & control	73 50	51 30	69 95	16 90	0 00	211 65	80,562 75	380 64
Tax Compliance/Planning	0 00	1 50	20 00	7 20	0 45	29 15	6,734 75	231 04
<b>Creditors</b>								
Communications with Creditors/Employees	0 00	0 90	10 70	73 55	1 15	86 30	17,592 25	203 85
Non Pref Creditors/Employee claims handling	0 00	5 00	24 80	3 40	0 00	33 20	9,488 50	285 80
Pref claims adjudication and distribution	0 00	18 10	2 40	9 40	0 00	29 90	10,062 50	336 54
Prescribed Part	0 00	0 90	0 00	0 00	0 00	0 90	315 00	350 00
Secured Creditors	41 20	32 60	46 10	22 20	0 00	142 10	49,037 00	345 09
<b>Investigations</b>								
CDDA & reports & Communication	2 00	12 60	59 30	3 60	0 00	77 50	20,128 00	259 72
Financial review and investigations (S238/239 etc)	2 50	0 20	0 00	0 00	0 00	2 70	1,432 50	530 56
<b>Realisation of Assets</b>								
Book debts	17 00	309 80	129 90	8 30	0 00	465 00	152,182 50	327 27
Freehold and Leasehold Property	2 00	0 40	12 70	2 40	0 00	17 50	4,630 00	264 57
Goodwill and Intellectual Property Rights	0 00	0 00	3 20	0 00	0 00	3 20	787 00	245 94
Hire Purchase and Lease Assets	0 00	0 00	1 60	1 00	0 00	2 60	599 00	230 38
Other Intangible Assets	0 00	0 00	0 00	0 00	0 00	0 00	192 00	240 00
Other Tangible Assets	0 00	0 30	0 00	0 00	0 00	0 30	105 00	350 00
Plant & Machinery & Fixtures & Motor Vehicles	0 00	0 00	1 30	1 00	0 00	2 30	499 00	216 96
Pre-Appointment Tax Reclaims	0 00	0 00	3 40	0 00	0 00	3 40	850 00	250 00
Sale of business	108 50	33 70	78 30	4 40	0 00	224 90	94,168 00	418 71
Stock and Work In Progress	3 00	0 70	3 50	0 00	0 00	7 20	2,770 00	384 72
<b>Trading</b>								
Trading - Accounting	2 00	69 90	56 00	7 30	0 75	135 95	41,420 25	304 67
Trading - Employees	0 00	19 50	0 30	109 40	0 00	129 20	30,286 00	234 41
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
Trading - Operations	0 00	114 10	201 20	103 40	0 00	418 70	113,082 50	270 08
Trading - Retention of Title & Claims handling	3 00	40 20	122 70	20 40	0 00	186 30	49,692 50	266 73
	0 00	0 00	0 00	0 00	3 70	3 70	111 00	30 00
<b>Total Hours:</b>	<b>267 80</b>	<b>783 60</b>	<b>994 85</b>	<b>552 35</b>	<b>7 20</b>	<b>2,605 80</b>		<b>302.06</b>
<b>Total Fees Claimed</b>	<b>145,966 00</b>	<b>278,994.50</b>	<b>252,821 75</b>	<b>108,814.50</b>	<b>513 50</b>		<b>787,110 25</b>	

**Category 1 Disbursements**

SIA Group	19,849 22
Travel and Sustenance	12,298 90
Courier	20 95
Barclays	135 49
<b>Total</b>	<b>32,304 56</b>

**Category 2 Disbursements No Category 2 Disbursements during the Reporting Period**

**Avocet Hardware Limited (In Administration)**

Analysis of Joint Administrators' Prescribed Part Time Costs from 23 January 2012 to 30 November 2013

Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost	Avg Hourly Rate
<b>Administration and Planning</b>								
Strategy planning & control	20 00	10 70	6 20	2 10	0 00	39 00	17,422 00	446 72
Tax Compliance/Planning	0 00	0 50	0 00	0 00	0 00	0 50	195 00	390 00
<b>Creditors</b>								
Communications with Creditors/Employees	0 00	0 00	0 00	1 60	0 00	1 60	349 00	218 13
Non Pref Creditor claims adjudication and dist'n	0 00	12 80	0 00	1 80	0 00	14 60	5 210 00	356 85
Non Pref Creditors/Employee claims handling	0 00	0 00	0 00	9 00	0 00	9 00	1,955 00	217 22
Pref claims adjudication and distribution	0 00	0 00	0 00	14 20	0 00	14 20	2,843 00	200 21
Prescribed Part	21 50	5 10	0 00	10 10	0 00	36 70	16,090 50	438 43
<b>Total Hours</b>	<b>41 50</b>	<b>29 10</b>	<b>6 20</b>	<b>38 80</b>	<b>0 00</b>	<b>115.60</b>		<b>381 18</b>
<b>Total Fees Claimed</b>	<b>23,205.00</b>	<b>11,325 00</b>	<b>1,597 50</b>	<b>7,937 00</b>	<b>0 00</b>		<b>44,064 50</b>	

Category 1 Disbursements No Category 1 Disbursements during the Reporting Period

Category 2 Disbursements No Category 2 Disbursements during the Reporting Period



## Expenses Incurred in the Reporting Period

Avocet Hardware Limited (In Administration)

From 1 June 2013 to 30 November 2013

Company / Organisation	Expenses (as per Receipts and Payments Account)	Detail	Fee Basis	Incurred in the Reporting Period (£)	Amount Paid in the Reporting Period (£)
Accurate Mailing	Stationery & Postage	Printing and postage of circulars and reports to all known members and creditors of the Company	Per unit	266	266
SGH Martineau LLP	Legal Fees	Solicitors - Assistance in application to Court for Extension of Administration	Fixed	6,035	6,035
Berwin Leighton Pasker LLP	Legal Fees	Solicitors - Assistance in recovery of outstanding book debts	Fixed	3,644	245
Simmons Gansford	Tax Fees	Tax Advisors - Completion of Post Appointment Tax Returns	Fixed	7,860	-
				<b>17,805</b>	<b>6,546</b>

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.

**Appendix 4**

**Proof of Debt Form**

**Proof of Debt – General Form**

<b>Avocet Hardware Limited (In Administration)</b>		
Date of Administration 23/01/2012		
1	Name of creditor (If a company please also give company registration number)	
2	For correspondence Address of creditor	
	Contact telephone number of creditor	
	Email address of creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into Administration	
4	Details of any documents by reference to which the debt can be substantiated (Note There is no need to attach them now but the Administrator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting)	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount.	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7	Particulars of any security held, the value of the security, and the date it was given	
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or in relation to creditor	
	Address of person signing (if different from 2 above)	
<b>For Administrators' Use only</b>		
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Administrator		Administrator