

The Insolvency Act 1986

Administrator's progress report**2.24B**


Name of Company BERRYS DIRECT LIMITED	Company number 03400140
In the High Court of Justice [full name of court]	Court case number 4034 of 2005

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

I/We (a) S D Swaden & N A Bennett of Leonard Curtis, One Great Cumberland Place,
Marble Arch, London W1H 7LW

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

(b) Insert dates	from (b) 21 December 2005	to (b) 20 June 2006
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Signed 
 Joint / Administrator(s)

Dated 18 July 2006

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

Leonard Curtis	
One Great Cumberland Place, Marble Arch, London W1H 7LW	
Ref: SWB/4	Tel 020 7535 7000
DX Number	DX Exchange



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 COMPANIES HOUSE 21/07/2006

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 House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff



LEONARD CURTIS
business rescue & recovery

**BERRYS DIRECT LIMITED
(IN ADMINISTRATION)**

Company Number 3400140

**Joint Administrators' Progress Report
pursuant to Rule 2.47 of the Insolvency Rules 1986**

for the period from 21 December 2005 to 20 June 2006

18 July 2006

Leonard Curtis
One Great Cumberland Place
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**Joint Administrators' Progress Report pursuant to
Rule 2.47 of the Insolvency Rules 1986**

1. Statutory Information

- 1.1 I was appointed Joint Administrator of the Company together with S D Swaden ("Mr Swaden") on 21 June 2005 by the High Court. Both Mr Swaden and I are licensed by the Insolvency Practitioners Association. The appointment of Joint Administrators was made by Mr Neal Menashe, Flat 3, 88 Fitzjohns Avenue, Hampstead, London NW3 6NP, a director of the Company.
- 1.2 The Administration is being handled by Leonard Curtis' office, situated at One Great Cumberland Place, Marble Arch, London W1H 7LW.
- 1.3 The Administration proceedings are under the jurisdiction of the High Court of Justice under Court reference number 4034 of 2005.
- 1.4 The Company operated as a retailer of electrical goods and office equipment. It traded from premises at 77 Kingsway, London WC2B 6ST. The registered office of the Company was at 72 New Cavendish Street, London WC1M 8AU but was changed to One Great Cumberland Place, London W1H 7LW. Its registered number is 3400140.
- 1.5 In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the function of the Joint Administrators (Administrators) may be exercised by either or both, acting jointly or alone. There have been no changes in office-holder.
- 1.6 The period of the Administrators' appointment has been extended by six months to 20 December 2006.

2. Purpose of Administration

- 2.1 The purposes of Administration as defined in Paragraph 3(1) of Schedule B1 of the Insolvency Act 1986 are:
 - (a) rescuing the Company as a going concern, or (if this cannot be achieved)
 - (b) 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 (if (a) and (b) cannot be achieved)
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.

- 2.2 It was not possible to achieve the first objective given the fact that the Company's business had been sold prior to my appointment.
- 2.3 The second objective is being achieved by means of enhancing both the collection of the book debts and maximisation of the deferred consideration.
- 2.4 It is still hoped that the proceeds of the book debts, deferred consideration and other assets will be sufficient to enable both secured creditors to be paid in full. If this fails to be the case, objective (c) is capable of being achieved.

3. Steps taken during the Administration and progress to date

3.1 Receipts and Payments Account

- 3.1.1 A summary of the Joint Administrators' receipts and payments for the period from 21 June 2005 to 20 June 2006 is attached at Appendix A. This shows what assets have been realised, for what value, and what payments have been made to creditors and others. No payment has yet been made to ordinary unsecured creditors from the prescribed part of £8,176.78.

3.2 Sale Agreement

- 3.2.1 As previously advised, the Company's business had already been sold to Dudley Inkwell Limited ("DI") prior to my appointment. The terms of the sale to them are explained in my report to creditors dated 3 August 2005. Deferred consideration earned since the date of the Agreement is as follows:

Month	£
2005	
June	6,151.79
July	19,447.91
August	19,006.83
September	20,030.32
October	20,207.36
November	21,032.11
December	19,285.22
2006	
January	20,450.74
February	20,993.94
March	23,678.99
April	20,645.90
May	22,096.34

3.2.2 The figures will need to show a substantial improvement during the remainder of the earn out period to enable the claims of the two secured creditors to be paid let alone reach the maximum consideration.

3.2.4 I referred in my last progress report to the assignment of the Company's leasehold premises and can confirm that the consideration of £20,000 has now been received.

3.3 Book Debts

3.3.1 The collection of the book debts is now almost completed. Many residual balances are however well below £100 and will not be economic to collect.

3.4 Secured Creditors

3.4.1 The legal advice that I obtained concerning debentures granted by the Company in favour of Paramount Park Limited ("Paramount") and Investec Bank (UK) Limited ("Investec") was summarised in my report dated 10 January 2006.

4 Administrators' Remuneration

4.1 At the meeting of creditors held on 19 August 2005 it was resolved that the remuneration of the Joint Administrators, including costs incurred in dealing with matters prior to their appointment, be fixed and payable by reference to the time properly given by the Administrators and their staff in attending to matters arising in the Administration.

4.2 The Joint Administrators' time costs at 20 December 2005 total £137,987.50. A time analysis is attached as Appendix B. This provides details of the activity costs incurred by staff grade for the entire Administration. To date, £96,918 has been drawn on account of these costs.

5 Further assets to be realised

5.1 Unrealised assets comprise the balance of the sales ledger as mentioned in paragraph 3.3 above and deferred consideration due from DI.

6 Other relevant information

6.1 By notice dated 1 June 2006, and filed on 6 June 2006, the administration was extended for a period of 6 months to 20 December 2006. Before that date however I intend to file a further notice to move the Company from Administration into Creditors Voluntary Liquidation with myself as Liquidator.

6.2 Following filing of this notice the appointment of the Joint Administrators will cease to have effect and my appointment as Liquidator will be effective. I will then be able

to distribute the prescribed part of assets, together with any other surplus funds should both secured creditors be paid in full, to ordinary unsecured creditors.

Creditors requiring further information should contact my office, in writing. Electronic communications should also contain a full postal address.

for and on behalf of
BERRYS DIRECT LIMITED



N A BENNETT
Joint Administrator

Licensed by the Insolvency Practitioners Association

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability

Berrys Direct Limited - In Administration

Joint Administrators' Receipts and Payments Account
for the period 21 June 2005 to 20 June 2006

	Investec Bank (UK) Limited	Paramount Park Limited		Total
RECEIPTS	Fixed Charge £	Fixed Charge £	Floating Charge £	£
Balance at Bank	-	-	51,799.15	51,799.15
Stock	-	-	33,576.77	33,576.77
Deferred Consideration	133,766.02	-	-	133,766.02
Book Debts	-	1,038,751.51	-	1,038,751.51
Dudley Inkwell Limited	-	-	124,500.00	124,500.00
Cash with Solicitor re sale of Goodwill	60,000.00	-	-	60,000.00
Leasehold Property	20,000.00	-	-	20,000.00
Deposit Interest	854.58	3,346.16	-	4,200.74
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	214,620.60	1,042,097.67	209,875.92	1,466,594.19
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PAYMENTS				
Administrators' Trading & Retention of Title	-	-	94,081.97	94,081.97
Warehousing Costs	-	-	22,329.26	22,329.26
Property Charges	3,916.19	-	-	3,916.19
Office Running Costs	11,500.00	23,000.00	-	34,500.00
Solicitors' Fees and Expenses	3,246.58	5,170.08	3,246.59	11,663.25
Agents' Fees & Expenses	-	-	3,053.20	3,053.20
Statutory Advertising	-	-	914.08	914.08
Bordereau Fee	-	-	400.00	400.00
Insurance	-	-	3,529.73	3,529.73
Storage Charges	-	-	1,561.61	1,561.61
Sundry Expenses	-	-	315.03	315.03
Bank Interest and Charges	1,117.57	1,117.57	1,117.57	3,352.70
Joint Administrators' Remuneration, on account	23,051.50	23,135.50	50,730.50	96,917.50
VAT Input Tax	-	-	2,712.50	2,712.50
	<hr/>	<hr/>	<hr/>	<hr/>
	42,831.84	52,423.15	183,992.04	279,247.02
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	171,788.76	989,674.52	25,883.88	1,187,347.17
PAID TO CREDITORS				
Paramount Park Limited - on account	-	894,547.90	-	944,547.90
Investec Bank (UK) Ltd - on account	144,812.18	-	-	144,812.18
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BALANCE IN HAND	26,976.58	95,126.62	25,883.88	97,987.09
Less Prescribed Part Provision	-	-	8,176.78	8,176.78
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	26,976.58	95,126.62	17,707.11	89,810.31
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Berrys Direct Limited
(In Administration)

Summary of Joint Administrators' Time Costs from 21 June 2005 to 20 June 2006

	Partner		Senior Manager		Manager 1		Manager 2		Assistant		Support		Total	
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £
Statutory & Review	10	450.00	36	1,170.00	15	375.00	-	-	-	-	-	-	61	1,995.00
Receipts & Payments	-	-	50	1,625.00	-	-	382	7,640.00	102	1,020.00	-	-	534	10,285.00
Insurance	-	-	-	-	-	-	5	100.00	-	-	-	-	5	100.00
Assets	100	4,500.00	510	16,575.00	-	-	935	18,700.00	-	-	-	-	1,545	39,775.00
Liabilities	-	-	90	2,925.00	-	-	20	400.00	-	-	9	67.50	119	3,392.50
Landlords	-	-	2	65.00	-	-	40	800.00	-	-	-	-	42	865.00
Trading	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debtenture Holder	20	900.00	115	3,737.50	-	-	15	300.00	-	-	-	-	150	4,937.50
General Administration	-	-	440	14,300.00	-	-	105	2,100.00	35	350.00	-	-	580	16,750.00
Pre-Apppt Creds Meetings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Appointment	60	2,700.00	55	1,787.50	120	3,000.00	-	-	50	500.00	-	-	285	7,987.50
Pre-Appointment	260	11,700.00	60	1,950.00	120	3,000.00	-	-	-	-	-	-	440	16,650.00
Post Appointment Creds Mtngs	70	3,150.00	250	8,125.00	115	2,875.00	300	6,000.00	-	-	-	-	735	20,150.00
Creds Committee Meetings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investigations	155	6,975.00	250	8,125.00	-	-	-	-	-	-	-	-	405	15,100.00
Total	675	30,375.00	1,858	60,385.00	370	9,250.00	1,802	36,040.00	187	1,870.00	9	67.50	4,901	137,987.50
Average Hourly Cost (£)		<u>450.00</u>		<u>325.00</u>		<u>250.00</u>		<u>200.00</u>		<u>100.00</u>		<u>75.00</u>		<u>281.55</u>

All Units are 6 minutes