

## 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 & Co, 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	to
	(b) 21 June 2005	(b) 20 December 2005

Signed

Joint / Administrator(s)

Dated

11 January 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 & Co	
One Great Cumberland Place, Marble Arch, London W1H 7LW	
Ref: SWB/4	Tel 020 7535 7000
DX Number	DX Exchange



When you have completed and signed this form please send it to the Registrar of Companies at: Companies  
House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff

Please ask for : Nigel Gomez-Lee  
 Our ref : NGL/4/SBER07/1050  
 Your ref :

**LEONARD LC CURTIS**  
 BUSINESS RECOVERY AND INSOLVENCY • CHARTERED ACCOUNTANTS

10 January 2006

**TO ALL KNOWN CREDITORS**

**PRIVATE & CONFIDENTIAL**

LEONARD CURTIS & CO  
 ONE GREAT CUMBERLAND PLACE  
 LONDON W1H 7LW  
 Telephone: 020 7535 7000  
 Fax: 020 7723 6059  
 Email: solutions@leonardcurtis.co.uk  
 www.leonardcurtis.co.uk

Dear Sir(s)/Madam

**BERRYS DIRECT LIMITED (IN ADMINISTRATION)**

In accordance with the provisions of Rule 2.47(1) of the Insolvency Rules 1986 (as amended) please find enclosed my progress report to creditors for the period from 21 June 2005 to 20 December 2005.

Any enquiries regarding the contents of this letter and its enclosure should be addressed to my office, **in writing**. Electronic communications should include a full postal address.

Yours faithfully  
 for and on behalf of  
**BERRYS DIRECT LIMITED**



**S D SWADEN FCA**  
 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.

# LEONARD CURTIS

BUSINESS RECOVERY AND INSOLVENCY • CHARTERED ACCOUNTANTS

## 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 21 June 2005 to 20 December 2005

11 January 2006

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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 N A Bennett ("Mr Bennett") on 21 June 2005 by the High Court. Both Mr Bennett 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 & Co's 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.

**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 anticipated 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 December 2005 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 £7,611.81.

#### 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

- 3.2.2 The payments for June and July are reflected in the receipts and payments account attached as Appendix A. The payment for August 2005 has since been received and the payment for September 2005, due at the end of December 2005, is late, but expected during the course of the next few days.
- 3.2.3 The figures will need to show a substantial improvement during the remaining 21 months of the earn out period to enable the claims of the two secured creditors to be paid let alone reach the maximum consideration. The directors of the Company, who have been assisting me in verifying the underlying turnover behind the consideration, are however of the opinion that the figures merely reflect an extended period of "bedding down" of the new business and will continue to improve during 2006.

- 3.2.4 I am pleased to confirm that the assignment of the Company's leasehold premises is now complete and all that remains is the release of the £20,000 held in escrow.

### 3.3 Other Assets

- 3.3.1 The collection of the book debts has been progressing satisfactorily and I anticipate passing the residual balances of the sales ledger to a collection agent shortly. Many of these balances are however well below £100 and may not be economic to collect.

- 3.3.2 The remainder of the stock outside the sale to DI has been sold following resolution of retention of title claims and the realisation from this source is also shown on the receipts and payments account.

### 3.4 Secured Creditors

- 3.4.1 Following my appointment I obtained legal advice concerning debentures granted by the Company in favour of Paramount Park Limited ("Paramount") and Investec Bank (UK) Limited ("Investec"). The advice received is summarised below.

#### 3.4.2 Paramount Park Limited ("Paramount")

My solicitors have confirmed the validity of Paramount's fixed and floating charges, including the fixed charge over book debts. To the extent that Paramount are not repaid from book debt realisations, they will have a second charge over the proceeds of the deferred consideration due from DI.

#### 3.4.3 Investec Bank (UK) Limited ("Investec")

My solicitors have advised that Investec hold valid first fixed charges over the deferred consideration from DI and the proceeds of the assignment of the leasehold property.

They have also advised that Investec's floating charge created on 18 March 2005 is invalid as the monies that it sought to secure were advanced prior to its creation.

## 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 £124,148. 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, deferred consideration and the consideration for the assignment of the leasehold property.

**6 Other relevant information**

- 6.1 The automatic end of the Administration is 20 June 2006. If the Administration is not extended for a further period of up to 6 months, I intend to move the Company from Administration into Creditors Voluntary Liquidation at some point before then.
- 6.2 Following this notice the appointment of the Joint Administrators will cease to have effect and the appointment of a Liquidator will be effective. Creditors ought however to be aware that although it was resolved at the meeting of creditors held on 19 August 2005 that I be appointed Liquidator it is my intention to appoint Mr Bennett in my place. As I do not think that this is a substantial revision to the Joint Administrators' proposals I do not intend to summon a meeting of creditors to ratify this appointment.

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**



✠ **S D SWADEN FCA**  
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**

**APPENDIX A**

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

	<b>Investec Bank (UK) Limited</b>	<b>Paramount Park Limited</b>	<b>Total</b>
<b>RECEIPTS</b>	<b>Fixed Charge £</b>	<b>Fixed Charge £</b>	<b>Floating Charge £</b>
Balance at Bank	-	-	51,799.15
Stock	-	-	33,576.77
Deferred Consideration	25,599.70	-	25,599.70
Book Debts	-	993,503.46	993,503.46
Dudley Inkwell Limited	-	-	124,500.00
Cash with Solicitor re sale of Goodwill	60,000.00	-	60,000.00
Deposit Interest	2,481.66	-	2,481.66
VAT Output Tax	1,039.51	123.28	5,999.21
	<hr/>	<hr/>	<hr/>
	89,120.87	993,626.74	215,875.13
	<hr/>	<hr/>	<hr/>
<b>PAYMENTS</b>			
Joint Administrators' Remuneration, on account	23,051.50	23,135.50	50,730.50
Warehousing Costs	-	-	22,329.26
Property Charges	3,916.19	-	3,916.19
Solicitors' Fees and Expenses	3,246.58	3,246.58	3,246.59
Agents' Fees & Expenses	-	-	3,053.20
Statutory Advertising	-	-	914.08
Bordereau Fee	-	-	400.00
Insurance	-	-	3,529.73
Storage Charges	-	-	518.04
Sundry Expenses	-	-	175.91
Bank Interest and Charges	1,065.69	1,065.69	1,065.68
Administrators' Trading & Retention of Title	-	-	94,081.97
VAT Input Tax	5,658.06	4,756.55	12,771.12
	<hr/>	<hr/>	<hr/>
	36,938.02	32,204.32	192,816.08
	<hr/>	<hr/>	<hr/>
	52,182.85	961,422.42	23,059.05
	<hr/>	<hr/>	<hr/>
<b>PAID TO CREDITORS</b>			
Paramount Park Limited - on account	-	894,547.90	-
Investec Bank (UK) Ltd - on account	34,812.18	-	-
	<hr/>	<hr/>	<hr/>
<b>BALANCE IN HAND</b>	17,370.67	66,874.52	23,059.05
<b>Less Prescribed Part Provision</b>	-	-	7,611.81
	<hr/>	<hr/>	<hr/>
	17,370.67	66,874.52	15,447.24
	<hr/>	<hr/>	<hr/>

Leonard Curtis & Co  
One Great Cumberland Place  
London  
W1H 7LW

S D Swaden & N A Bennett  
Joint Administrators

**Berrys Direct Limited**  
(In Administration)

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

	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	-	-	11	357.50	15	375.00	-	-	-	-	-	-	26	732.50
Receipts & Payments	-	-	20	650.00	-	-	378	7,560.00	102	1,020.00	-	-	500	9,230.00
Insurance	-	-	-	-	-	-	5	100.00	-	-	-	-	5	100.00
Assets	100	4,500.00	430	13,975.00	-	-	915	18,300.00	-	-	-	-	1,445	36,775.00
Liabilities	-	-	45	1,462.50	-	-	20	400.00	-	-	8	60.00	73	1,922.50
Landlords	-	-	-	-	-	-	40	800.00	-	-	-	-	40	800.00
Debenture Holder	10	450.00	110	3,575.00	-	-	15	300.00	-	-	-	-	135	4,325.00
General Administration	-	-	330	10,725.00	-	-	105	2,100.00	35	350.00	-	-	470	13,175.00
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	210	6,825.00	115	2,875.00	225	4,500.00	-	-	-	-	620	17,350.00
Investigations	155	6,975.00	250	8,125.00	-	-	-	-	-	-	-	-	405	15,100.00
<b>Total</b>	<b>655</b>	<b>29,475.00</b>	<b>1,521</b>	<b>49,432.50</b>	<b>370</b>	<b>9,250.00</b>	<b>1,703</b>	<b>34,060.00</b>	<b>187</b>	<b>1,870.00</b>	<b>8</b>	<b>60.00</b>	<b>4,444</b>	<b>124,147.50</b>
<b>Average Hourly Cost (£)</b>		<u><b>450.00</b></u>		<u><b>325.00</b></u>		<u><b>250.00</b></u>		<u><b>200.00</b></u>		<u><b>100.00</b></u>		<u><b>75.00</b></u>		<u><b>279.36</b></u>

All units are 6 minutes