

The Insolvency Act 1986

Administrator's progress report - 2.24B

Name of Company Park Asset Finance Limited	Company number 03406291
In the High Court of Justice <small>[full name of court]</small>	Court case number 8695 of 2008

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

We:

Robert Derek Smailes
Shipleys LLP
10 Orange Street
London
WC2H 7DQ

Conrad Beighton
Shipleys LLP
10 Orange Street
London
WC2H 7DQ

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

(b) Insert dates

from

to

(b) 6 October 2008

(b) 5 April 2009

Signed

Joint Administrator

Dated

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

Contact Name: Deviesh Raikundalia	
Shipleys LLP, 10 Orange Street, London, WC2H 7DQ	
	Tel 020 7766 8560
DX Number 40001	DX Exchange Covent Garden

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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COMPANIES HOUSE

WEDNESDAY



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Our Ref: RDS/50969/DRR/COM/SD

Please call: Deviesh Raikundalia

E RaikundaliaD@shipleys.com

Your Ref:

5 May 2009

TO ALL KNOWN CREDITORS

Dear Sirs

Park Asset Finance Limited (In Administration)

I refer to the appointment of C A Beighton and I as Joint Administrators of the Company on 6 October 2008.

Please find enclosed my progress report on the above administration in accordance with rule 2.47 of the Insolvency (Amendment) Rules 2003 for the six month period ended 5 April 2009.

I also enclose a copy of the Administrators' receipts and payments abstract summary for the period 6 October 2008 to date.

Yours faithfully
For and on behalf of
Park Asset Finance Limited

Robert Smailes
Joint Administrator

In accordance with Paragraph 45 of Schedule B1 of the Insolvency Act 1986 ("the Act"), I give notice that the affairs, business and property of the Company are being managed by the Joint Administrators. Pursuant to Paragraph 69 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators act as agents of the Company and without personal liability.

Robert Smailes is licensed by the Insolvency Practitioners Association and Stephen Ryman is licensed to act as an insolvency practitioner by the Association of Chartered Certified Accountants.

Offices:
London
Godalming
Saffron Walden
Birmingham

Principals - Chartered Accountants: Guy Fisher (Managing), Jane Henman, Steven Jeffcott, Stewart Jell, Steve Jobbins, Joe Kinton, Alastair Mein, Shane Moloney, Ken Roberts, Simon Robinson, Steve Ryman, James Vassilou
Others: Conrad Beighton, Ben Bidwell, Nancy Cruickshanks, Steve Foster, Gary Haselden, Mike Luckett, Robert Smailes
A member of AGN International Limited. An association of separate and independent accounting and consulting firms
Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities
Shipleys LLP is a limited liability partnership registered number OC317129 in England & Wales, registered office 10 Orange Street, Haymarket, London WC2H 7DQ

PARK ASSET FINANCE LIMITED (IN ADMINISTRATION)

Registered No. 03406291

Registered office situated at C/O Shipleys LLP, PO Box 60317, 10 Orange Street,
London WC2H 7WR

In the High Court of Justice

Case number 8695 of 2008

1 Introduction

1.1 I refer to the appointment of C A Beighton and I as Joint Administrators of the above named Company on 6 October 2008. For the purposes of Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, both C A Beighton and myself act jointly and concurrently in respect of all actions taken.

1.2 This is a progress report to the Creditors of Park Asset Finance Limited pursuant to Rule 2.47 of the Insolvency (Amendment) Rules 2003 for the six month period ended 5 April 2009.

2 Progress of the Administration since the Joint Administrators' report to Creditors dated 1 December 2008

2.1 Asset realisations

✓ 2.1.1 Please find enclosed a Receipts and Payments Abstract summary for the period 6 October 2008 to date, which outlines asset realisations to date.

2.2 Trading of the Business, Book Debts & Receivables

✓ 2.2.1 As previously advised, having completed my review of the Company immediately upon my appointment, I made the decision to continue to trade the Company in order to maximise the return to Creditors. I detail the results below of trading to date and the anticipated receipts during the forthcoming period of trading.

2.2.2 Hitachi Capital (UK) Limited

2.2.2.1 At the date of my appointment, the outstanding receivables due to Hitachi Capital (UK) Limited ("Hitachi") on a book value amounted to £717,079. Hitachi hold a fixed charge against the Company in relation to the receivables due to them and as at the date of my appointment, the indebtedness to Hitachi was £527,867. The Director's Estimated Statement of Affairs estimated £559,162 to be collected in this regard.

✓ 2.2.2.2 I advise that to the six month anniversary, the sum of £137,878 has been collected by the Administrators and paid to Hitachi in order to discharge their indebtedness. Of the remaining receivables, I estimate that a further £240,519 is recoverable in relation to the Hitachi debts.

2.2.2.3 It is likely, based on information currently available, that Hitachi will suffer a shortfall in the Administration, however will be able to claim for this deficit

as an unsecured creditor. As mentioned in my previous report, Hitachi also hold a personal guarantee against the Director for any shortfall to their debt.

2.2.3 Lombard plc

2.2.3.1 At the date of my appointment, the outstanding receivables due to Lombard plc ("Lombard") on a book value amounted to £532,136. Although Lombard do not hold a fixed charge against the Company, however Lombard do retain title on the receivables due to them and as at the date of my appointment, the indebtedness to Lombard was £453,564. The Director's Estimated Statement of Affairs estimated £412,291 to be collected in this regard.

2.2.3.2 I advise that to the six month anniversary, the sum of £107,599 has been collected by the Administrators and paid to Lombard in order to discharge their indebtedness. Of the remaining receivables, I estimate that a further £264,024 is recoverable in relation to the Lombard debts.

2.2.3.3 It is likely, based on information currently available, that Lombard will suffer a shortfall in the Administration, however will be able to claim for this deficit as an unsecured creditor. As mentioned in my previous report, Lombard also hold a personal guarantee against the Director for any shortfall to their debt.

2.2.4 Halifax Bank of Scotland

2.2.4.1 At the date of my appointment, the outstanding receivables due to Halifax Bank of Scotland plc ("HBoS") on a book value amounted to £1,119,696. HBoS hold a fixed charge against the Company and as at the date of my appointment, the indebtedness to HBoS was £1,506,722. The Director's Estimated Statement of Affairs estimated £1,119,696 to be collected in this regard, however at the date of my last report, my review revealed that £952,123 would be collectable during the Administration.

2.2.4.2 I advise that to the six month anniversary, the sum of £547,446 has been collected by the Administrators, of which £481,341 is due to be paid to HBoS (taking into account costs, as detailed below) in order to discharge their indebtedness. Of the remaining receivables, I estimate that a further £361,999 is recoverable in relation to the HBoS debts.

2.2.4.3 Following my last report, I advise that the circumstances surrounding the direct debit receipts has been resolved and Virtual Lease Services Limited have been instructed to collect the remaining direct debits on the existing mandate that they have for this purpose.

2.2.4.4 In my last report to creditors, I advised that discussions with HBoS regarding the continued collection of the outstanding ledger was continuing. I confirm that an agreement was reached in March 2009 following extensive negotiations between HBoS and my office. The agreement reached was as follows:

8% recoveries from the Current/Live Ledger as at 6 October 2008;

10% on recoveries from the 2008 Reserve Ledger as at 6 October 2008;

16% on recoveries from the Arrears Ledger as at 6 October 2008.

Of these, it has been agreed that a percentage will be payable to the Director for his continued assistance with the collections of this ledger. Given the respective collection percentages of 8%, 10% and 16% as above, it has been agreed that 7%, 8% and 14%, respectively, would apply as the collection fee to the Director. I am currently in the processing of finalising the reconciliations to April 2009 in order that a payment be made to HBoS and the Director shortly.

2.2.4.5 It is likely, based on information currently available, that HBoS will suffer a shortfall in the Administration, however will be able to claim for this deficit as an unsecured creditor.

2.2.5 Unencumbered Receivables

2.2.5.1 At the date of my appointment, the outstanding unencumbered receivables due to the Company amounted to £233,879. The Director's Estimated Statement of Affairs estimated £186,272 to be collected in this regard.

2.2.5.2 I advise that to date, the sum of £105,818 has been collected by the Administrators, to include other unencumbered receivables such as secondary rentals. Of the remaining receivables, I estimate that a further £95,340 is recoverable.

2.2.6 Cash at Bank

2.2.6.1 I confirm that the sum of £277,887 has been collected as Cash at Bank since the date of my appointment. Of the sums recovered, I made a commercial decision to make certain payments to Hitachi, Lombard and HBoS in order to either satisfy respective fixed charges or agreement on the future collections. I therefore advise that £15,904 and £11,174 has been paid to Hitachi and Lombard, respectively, in respect of receipts into the Company's bank account from 1 October 2008 to the date of Administration. £94,672 is due to be paid to HBoS in respect of receipts into the Company's bank account from 1 September 2008 to the date of Administration.

3 Creditors' claims

3.1 Secured Creditors

3.1.1 I have outlined above the potential deficit to each class of Secured Creditor. It is expected that each secured creditor will suffer a shortfall and will be able to claim their respective shortfalls as unsecured creditors in the Administration. As previously advised, Hitachi and Lombard each hold a personal guarantee from the Director will are likely to call on the guarantee shortly after collection of the respective ledgers.

3.2 Preferential Creditors

- 3.2.1 I am unaware that the Company employed any staff and therefore am not expecting any Preferential Creditors' claims.

3.3 Unsecured Creditors

- 3.3.1 As you are aware, based upon claims received from Creditors to date and the records of the Company, it is estimated that the total claims of Unsecured Creditors of the Company is in the vicinity of £124,000 plus the deficit from the secured creditors, which is estimated at £510,000. I advise that a distribution to ordinary Unsecured Creditors is likely, however the quantum of such distribution is highly dependant on collections from the outstanding receivables, the deficit after discharging the Secured Creditor and after taking into account the costs of the Administration, however this is subject to completion of trading and asset realisations as mentioned in paragraph 2.2.2 above.

4 Amounts available to creditors in respect of the prescribed part

- 4.1.1 Under the provisions of Section 176A of the Insolvency Act 1986 I must state the amount of funds available to Unsecured Creditors in respect of the Prescribed Part. This provision only applies where the Company has granted a floating charge after 15 September 2003.
- 4.1.2 Although the Company has granted charges after 15 September 2003, having taken legal advice and received an opinion from specialist legal counsel, the charges created after 15 September 2003 do not qualify as a floating charge, as defined under Section 176A of the Insolvency Act 1986. However, it will be the duty of the duly appointed Liquidator to verify this.
- 4.1.3 Accordingly there will be no prescribed part in this Administration however the Director's Estimated Statement of Affairs makes a provision for a prescribed part for completeness and Creditors will note that the inclusion or removal of this prescribed part does not affect the overall return to unsecured Creditors.

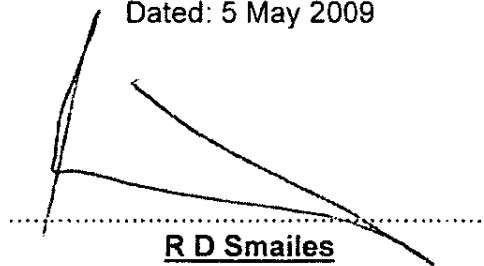
5 Joint Administrators' Remuneration and Disbursements

- 5.1.1 I advise that in accordance with the Statement of Insolvency Practice 9, issued by the Association of Business Professionals and adopted by my professional body, my time costs incurred to 5 April 2009 amount to £36,207.00. This represents 149 hours and 25 minutes work at an average chargeable rate of £149.42. A summary detailing a breakdown of my time costs are attached to this report.
- 5.1.2 I can confirm that I will shortly be drawing my remuneration on account of my fees and disbursements to date, as agreed by creditors on 15 December 2008 on a time cost basis.

6 Creditors' Voluntary Liquidation

- 6.1.1 In accordance with the Joint Administrators' proposals that were approved by Creditors on 15 December 2008, I shall proceed to move the Company into Creditors' Voluntary Liquidation. It is expected that an extension of the Administration will be required to facilitate continued collections of the outstanding receivables. I will be reporting separately to the secured creditors in this regard in August 2009 and will confirm the extension of the Administration in my next report to unsecured creditors, due in November 2009.
- 6.1.2 Should you have any queries in relation to this matter, please contact Deviesh Raikundalia of this office.

Dated: 5 May 2009



R D Smailes
Joint Administrator

**Park Asset Finance Limited
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments
To 05 May 2009**

RECEIPTS	Total (£)
Book Debts subject to HBoS	70,299.76
Book Debts subject to Hitachi	44,487.86
Book Debts subject to Lombard	12,553.23
Book Debts	1,032,918.36
Rent Deposit	6,871.12
Cash at Bank	118,537.46
Bank Interest Net of Tax	543.96
VAT Payable	6,115.56
	<hr/>
	1,292,327.31

PAYMENTS	
Rents	962.50
Telephone & Internet	2,275.82
Portfolio Management Charges	1,521.00
Sundry Expenses	7,620.10
IT Support	796.25
Stationery	344.65
Postages	9.24
Accountancy Costs	7,676.34
Consultancy Fee (PC)	18,943.42
Hitachi Capital (UK) Limited	153,781.30
Lombard North Central plc	80,993.92
Legal Fees	5,900.00
Legal Disbursements	808.55
Bank Charges	180.00
VAT Receivable	3,166.39
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	284,979.48
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Balance	1,007,347.83

MADE UP AS FOLLOWS

BoS Current Account	776,395.95
BoS re HBOS	230,951.88
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	1,007,347.83

**Park Asset Finance Limited
(In Administration)**

**Joint Administrators' Account of Trading
06 October 2008 To 5 April 2009**

INCOME	£	Total £	Notes
Book Debts subject to HBoS	547,446		
Less: Halifax Bank of Scotland plc (to be paid)	(576,013)		
Less: Collection Fee (to be paid)	<u>(49,655)</u>	(78,223)	1
Book Debts subject to Hitachi	137,878		
Less: Hitachi Capital (UK) plc (to be paid)	(12,940)		
Less: Hitachi Capital (UK) plc (paid)	<u>(140,842)</u>	(15,904)	2
Book Debts subject to Lombard	107,599		
Less: Lombard (to be paid)	(30,315)		
Less: Lombard (paid)	<u>(88,458)</u>	(11,174)	3
Cash at Bank		277,887	4
Book Debts (unencumbered)		35,200	
Other Unencumbered Income		70,618	
Bank Interest (Net)		544	
		<u>278,949</u>	
EXPENDITURE			
Rent		963	
Telephone & Internet		2,276	
Portfolio Management Charges		1,521	
IT Support		796	
Stationary		345	
Postages		9	
Accountancy Costs		7,676	
Sundry Expenses		7,620	
Accrued Trading Expenditure (to be paid)		72,782	
Bank Charges		180	
		<u>94,168</u>	
Balance		<u>184,781</u>	
MADE UP AS FOLLOWS			
Cash at Bank		277,887	
HBoS Receipts pre Administration (Sept '08)		(94,672)	
Hitachi Receipts pre Administration		(15,904)	
Lombard Receipts pre Administration		(11,174)	
Surplus from Trading		<u>28,643</u>	
		<u>184,781</u>	

Notes

- 1 Refer to paragraph 6.3.4.2 of the attached report to creditors.
- 2 The negative balance is as a result of receipts received into the Company's bank account in October 2008 but prior to the date of Administration. The funds are payable to Hitachi in accordance with paragraph 6.3.2.2 of the attached report to creditors. Paragraph 6.4.4.2 also refers.
- 3 The negative balance is as a result of receipts received into the Company's bank account in October 2008 but prior to the date of Administration. The funds are payable to Lombard in accordance with paragraph 6.3.3.2 of the attached report to creditors. Paragraph 6.4.5.2 also refers.
- 4 Refer to paragraph 6.5.3.2 of the attached report to creditors.
- 2 The above is all exclusive of VAT with cash available to discharge post Administration VAT payable

Park Asset Finance Limited - In Administration

Schedule of Administrators' time costs for the period 6 October 2008 to 5 April 2009

	Partner	Director	Manager	Assistant Manager	Senior Administrator	Administrator	Assistant	Cost
	Time	Cost	Time	Cost	Time	Cost	Time	Cost
Administration and Planning								
Case Planning	10.20	£3,850.00	0.00	£0.00	0.00	£1,200.00	1.70	£67.80
Administrative Set Up	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Appointment Notification	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Maintenance of Records	0.00	£0.00	0.00	£275.00	1.50	£300.00	14.47	£1,264.90
Statutory Reporting	0.00	£0.00	0.00	£0.00	1.50	£300.00	0.30	£27.00
Realisation of Assets								
Identifying, Securing, Insuring	0.00	£0.00	0.00	£1,155.00	0.00	£0.00	0.00	£0.00
Retention of Title	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Debt Collection	12.50	£4,937.50	0.00	£110.00	1.00	£200.00	0.00	£0.00
Sales	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Creditors								
Creditors - Communication with	1.50	£582.50	0.00	£0.00	6.25	£1,250.00	0.00	£0.00
Creditors Claims	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Investigations								
SIP2 Review	0.00	£0.00	0.00	£0.00	3.00	£600.00	0.00	£0.00
CDDA Reporting	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Antecedent Transactions	0.00	£0.00	0.00	£0.00	0.00	£0.00	0.00	£0.00
Trading								
Management of Operations	3.00	£1,125.00	0.00	£0.00	37.00	£7,400.00	0.00	£0.00
Accounting for Trading	8.00	£3,160.00	0.00	£0.00	10.25	£2,050.00	0.00	£0.00
Ongoing Employees	6.50	£2,437.50	0.00	£0.00	0.00	£0.00	0.00	£0.00
Total	41.70	£16,182.50	0.00	£0.00	68.50	£13,300.00	16.47	£1,359.50
Average Hourly charge out rate	£388.15		£0.00	£220.00	£200.00	£0.00	£82.54	
Total Hours	149.42							
Total Cost	£36,207.00							
Average	£	242.32						