

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company

1ST DENTAL LIMITED

Company number

04190366

In the High Court of Justice

Chancery Division

Manchester District Registry

Court case number

2247 of 2010

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

I/We (a) A Poxon & J M Tittley of Leonard Curtis, Hollins Mount,

Hollins Lane, Bury, Lancashire BL9 8DG

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

(b) Insert dates

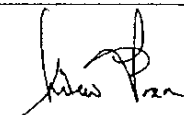
from

(b) 24 September 2010

to

(b) 23 March 2011

Signed



Joint / Administrator(s)

Dated

18 April 2011

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

Hollins Mount, Hollins Lane, Lancashire BL9 8DG

Ref KL/20

Tel 0161 767 1250

DX Number

DX Exchange

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



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COMPANIES HOUSE



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

1ST DENTAL LABORATORIES PLC (IN ADMINISTRATION)
1ST DENTAL LIMITED (IN ADMINISTRATION)
AESTHETIC DENTAL SERVICES LIMITED (IN ADMINISTRATION)
BENCHMARK DENTAL LABORATORIES HOLDINGS LIMITED
(IN ADMINISTRATION)
CORPORATE LABORATORIES LIMITED (IN ADMINISTRATION)
("THE GROUP")

Registered Numbers: 04258740, 04190366; 01319234, 04190370, and 04056307

Court Refs 2244, 2247, 2245, 2246 and 2248 of 2010

High Court of Justice, Manchester District Registry

**Joint Administrators' first progress report in accordance with Rule 2.47 of the
Insolvency Rules 1986**

Report period
24 September 2010 to 23 March 2011

18 April 2011

LEONARD CURTIS
Holins Mount, Holins Lane, Bury, Lancashire, BL9 8DG
Tel 0161 767 1250 Fax 0161 767 1240
Ref K/20/KL/NF285K/1010

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1st DENTAL LABORATORIES PLC – IN ADMINISTRATION
1ST DENTAL LIMITED – IN ADMINISTRATION
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CORPORATE LABORATORIES LIMITED – IN ADMINISTRATION

STRICTLY PRIVATE AND CONFIDENTIAL
NOT FOR PUBLICATION

TO. THE REGISTRAR OF COMPANIES
ALL CREDITORS
ALL MEMBERS

1 INTRODUCTION

- 1 1 This report has been produced in accordance with Rule 2.47 of the Insolvency Rules 1986 to provide creditors with an update on the progress of the Administrations of 1st Dental Laboratories plc, 1st Dental Limited, Aesthetic Dental Services Limited, Benchmark Dental Laboratories Holdings Limited and Corporate Laboratories Limited ("the Group") for the period from 24 September 2010 to 23 March 2011

2 STATUTORY INFORMATION

- 2 1 A Poxon and J M Titley were appointed as Joint Administrators of the Group in the High Court of Justice, Manchester District Registry under Court references 2244, 2247, 2245, 2246 and 2248 of 2010. The administration appointments were made by the directors of the Group.
- 2 2 The Group administration is being handled by the Bury office of Leonard Curtis, which is situated at Hollins Mount, Hollins Lane, Bury, Lancashire, BL9 8DG.
- 2 3 The Group traded from the various freehold and leasehold premises detailed in the administrators' earlier report.
- 2 4 The registered office address of the Group at the date of the appointment was 122 Wetherby Road, Harrogate, HG2 7AB. Following the appointment, this has been changed to Hollins Mount, Hollins Lane, Bury, Lancashire, BL9 8DG. The registered numbers are 04258740, 04190366, 01319234, 04190370, and 04056307.
- 2 5 For the purposes of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 (as amended), it should be noted that during the period in which the Administration Order is in force, any act or function required or authorised under any enactment to be done by the Administrator may be exercised by all or any of the persons holding that office.
- 2 6 The Group's main centre of operation is based in the UK. The EC Regulation on Insolvency Proceedings applies and the proceedings are main proceedings under the Regulation.

3 JOINT ADMINISTRATORS' PROPOSALS

- 3 1 Attached at Appendix I is a summary of the Joint Administrators' approved proposals for achieving one of the three statutory purposes of Administration.
- 3 2 The proposals of 1st Dental Limited were approved by creditors on 14 January 2011. In respect of the other Group companies, the proposals were deemed approved on 1 December 2010.
- 3 3 The purpose being pursued in the administration of 1st Dental Limited is the second purpose, to achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in Administration) and in the event that the second purpose is not achieved, the third purpose, to realise property in order to make a distribution to secured or preferential creditors.

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CORPORATE LABORATORIES LIMITED – IN ADMINISTRATION

3 4 Centric Commercial Finance Limited ("Centric") has been repaid in full from book debt realisations. Further realisations from the sale of properties should also allow the other secured creditor One DSPV Limited ("DSPV") to be repaid in full, in addition to funds being available to make a distribution to the unsecured creditors, thus achieving one or more of the purposes of administration.

3 5 The purpose being pursued in the administration in respect of the other Group companies is the third purpose, as there will be a return to the secured creditors under the cross company guarantee.

4 PROGRESS OF THE ADMINISTRATION

4 1 Attached at Appendix II is the Joint Administrators' receipts and payments account for the period from 24 September 2010 to 23 March 2011 for each of the Group companies.

4 2 Sale of Business

As previously reported to creditors, the business and assets of the Group were sold on 24 September 2010 to One DSPV1 Limited ("The Purchaser") who has since changed their name to 1st Dental Products Limited, a company with common directors to the Group.

The agreed sale consideration was £1,020,000, apportioned as follows:

| Category of asset | £ |
|-------------------------------|-------------------------|
| Goodwill | 75,000 |
| Freehold & Leasehold Property | 700,000 |
| Plant & Equipment | 165,000 |
| Stock | 30,000 |
| Equity in Debtors/WIP | 49,994 |
| Business Names, Rights etc | 6 |
| Total | <u>1,020,000</u> |

£745,000 was payable on completion followed by 11 monthly instalments of £25,000. The sale consideration is secured by way of a debenture dated 24 September 2010 and registered on 1 October 2010, creating fixed and floating charges over the assets of the Purchaser, in the event that there is a default on payment. The consideration is split £636,000 for 1st Dental Laboratories plc and £384,000 for 1st Dental Limited.

In the period of this report £870,000 has been received in respect of the deferred consideration and payments are up to date. £615,000 has been allocated to 1st Dental Laboratories plc and £255,000 for 1st Dental Limited.

4 3 Debts

The Group's book debt ledger was subject to a confidential invoice discounting arrangement with Centric, who at the date of appointment were owed £450,000. As previously reported to creditors, independent agents Cerberus Recoveries ("Cerberus") were instructed to value the debtor ledger, taking into account the likely costs of collection given the large volume of small balances, the provision for aged and doubtful debts, and the unvoiced WIP and accrued wages payable to maintain continuity. The equity in the ledger was valued at between £15,000 - £60,000 and was sold for a consideration of £49,994 as part of the sale agreement detailed at 4 2 above. This has been received into the administrators' account.

4 4 Cash at Bank

As at the date of appointment, the Group held various bank accounts with credit balances totalling £6,730. This has now been received into the administrators' accounts.

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4 5 Intercompany Balances

Intercompany debtor and creditor balances have been extracted from the Group's records and as all Group companies are insolvent no debtor balances are deemed to be recoverable, except to the extent that an unsecured dividend may be paid from the relevant Administration

5 ASSETS STILL TO BE REALISED

5 1 The asset still to be realised is the sales consideration detailed at 4 2 above

6 JOINT ADMINISTRATORS' REMUNERATION

Pre-Administration Costs

6 1 On 1 December 2010 the secured creditors of 1st Dental Laboratories plc and on 3 December 2010 the general body of creditors of 1st Dental Limited consented to the following pre-administration costs and expenses being paid as an expense of the administration

| Charged by | Services provided | Total amount charged Plc £ | Total amount charged 1 st Dental £ | Amount paid £ | Amount Unpaid £ |
|----------------------|--|----------------------------|---|---------------|-----------------|
| Leonard Curtis | Advising on the financial position, options available, and consideration of the offer for the business & negotiation of the sale | 1,975 00 | 7,980 00 | 7,980 00 | 1,975 00 |
| Champion Accountants | Valuation of goodwill | 1,500 00 | 6,000 00 | 7,500 00 | - |
| Landwood Group | Valuation of freehold & leasehold properties | 2,500 00 | 500 00 | 3,000 00 | - |
| Charles Taylor | Valuation of tangible assets | 2,400 00 | 5,100 00 | 7,500 00 | - |
| Cerberus Recoveries | Valuation of the book debt ledger | - | 10,000 00 | 10,000 00 | - |
| Addleshaw Goddard | Preparation and filing of statutory documents and preparation of the sale contract | 12,000 00 | 8,662 20 | 20,662 20 | - |

Administrators' Remuneration

6 2 On 1 December 2010 the secured creditors of 1st Dental Laboratories plc and on 3 December 2010 the general body of creditors of 1st Dental Limited agreed that the basis of the Joint Administrators' remuneration be fixed by reference to time properly spent by them and their staff in attending to matters arising from the Administration

6 3 The time charged by the Joint Administrators' for the period of this report amounts to

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| Company | Total time costs to the current period £ | Total Hours | Average Hourly Rate £ |
|--|---|-------------|--------------------------|
| 1 st Dental Laboratories plc | £18,049 00 | 66 4 | £271 82 |
| 1 st Dental Limited | £107,722 50 | 397 4 | £271 07 |
| Aesthetic Dental Services Limited | £2,360 00 | 10 8 | £218 52 |
| Benchmark Dental Laboratories Holdings Limited | £2,045 00 | 9 3 | £219 89 |
| Corporate Laboratories Limited | £1,667 00 | 7 5 | £222 27 |

Attached at Appendix III is a time analysis which provides details of the activity costs incurred by staff grade during this period, along with a description of the work done by the Joint Administrators and their staff in respect of which the time has been charged

- 6 4 Administrators' fees drawn to date in respect of these time costs have been drawn from 1st Dental Limited totalling £42,020 plus VAT. No fees have been drawn in respect of the other Group companies
- 6 5 The Joint Administrators have also incurred expenses for each Group company during the period of this report. These expenses are detailed in the tables below, which also indicates whether these expenses have yet been paid from the case funds

1st Dental Laboratories Plc

| Nature of expenses | By whom provided | Amount incurred this period £ | Total amount incurred to date £ | Amount paid £ | Amount unpaid £ |
|------------------------------|------------------------------|----------------------------------|------------------------------------|------------------|--------------------|
| IP bond | AUA Insolvency Risk Services | 10 00 | 10 00 | 10 00 | - |
| Client identification checks | Business Tax Centre | 29 85 | 29 85 | 29 85 | - |
| Statutory Advertising | Courts Advertising | 75 60 | 75 60 | 75 60 | - |
| Licence Fee | Pelstar Computing | 75 00 | 75 00 | 75 00 | - |
| Company Searches | Companies House | 6 00 | 6 00 | - | 6 00 |

1st Dental Limited

| Nature of expenses | By whom provided | Amount incurred this period £ | Total amount incurred to date £ | Amount paid £ | Amount unpaid £ |
|-------------------------------|-------------------------------|----------------------------------|------------------------------------|------------------|--------------------|
| Solicitors' fees & Expenses | Addleshaw Goddard LLP | 16,800 00 | 16,800 00 | 5,000 00 | 11,800 00 |
| Statutory Advertising | Courts Advertising | 226 80 | 226 80 | 226 80 | - |
| IP bond | AUA Insolvency Risk Services | 260 00 | 260 00 | 260 00 | - |
| Professional Fees | EK Employment Law Consultants | 250 00 | 250 00 | 25 00 | - |
| Register of Shareholders | Capita Registrars | 95 00 | 95 00 | 95 00 | - |
| Licence Fee | Pelstar Computing | 75 00 | 75 00 | 75 00 | - |
| Administrators' Disbursements | Leonard Curtis | 79 20 | 79 20 | 72 90 | - |
| Company Searches | Companies House | 2 00 | 2 00 | - | 2 00 |

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CORPORATE LABORATORIES LIMITED – IN ADMINISTRATION

Aesthetic Dental Services Limited

| Nature of expenses | By whom provided | Amount incurred this period £ | Total amount incurred to date £ | Amount paid £ | Amount unpaid £ |
|---------------------------|------------------------------|----------------------------------|------------------------------------|------------------|--------------------|
| IP bond | AUA Insolvency Risk Services | 35 00 | 35 00 | 10 00 | 15 00 |
| Licence Fee | Pelstar Computing | 75 00 | 75 00 | 75 00 | - |
| Bank Interest and Charges | Royal Bank of Scotland | 20 00 | 20 00 | 20 00 | - |
| Company Searches | Companies House | 1 00 | 1 00 | - | 1 00 |

Benchmark Dental Laboratories Holdings Limited

| Nature of expenses | By whom provided | Amount incurred this period £ | Total amount incurred to date £ | Amount paid £ | Amount unpaid £ |
|--------------------|------------------------------|----------------------------------|------------------------------------|------------------|--------------------|
| IP bond | AUA Insolvency Risk Services | 35 00 | 35 00 | 10 00 | 15 00 |
| Licence Fee | Pelstar Computing | 75 00 | 75 00 | 75 00 | - |
| Company Searches | Companies House | 1 00 | 1 00 | - | 1 00 |

Corporate Laboratories Limited

| Nature of expenses | By whom provided | Amount incurred this period £ | Total amount incurred to date £ | Amount paid £ | Amount unpaid £ |
|--------------------|------------------------------|----------------------------------|------------------------------------|------------------|--------------------|
| IP bond | AUA Insolvency Risk Services | 10 00 | 10 00 | - | 10 00 |
| Licence Fee | Pelstar Computing | 75 00 | 75 00 | - | 75 00 |

- 6 6 Attached at Appendix IV is additional information in relation to the firm's policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade
- 6 7 Unsecured creditors whose debts amount to at least 5% of the total value of the unsecured claims, or any secured creditor, may request further information regarding remuneration or expenses (other than pre administration costs) by submitting their written requests before 6 May 2011
- 6 8 In addition, unsecured creditors whose debts amount to at least 10% of the total value of the unsecured claims, or any secured creditor, may apply to court, if they believe the remuneration charged or expenses incurred by the Joint Administrators to be excessive or the basis fixed for the Joint Administrators' remuneration to be inappropriate. Any application should be made within 8 weeks of receipt of this report

7 ESTIMATED OUTCOME FOR CREDITORS

7.1 Secured Creditors

Centric

Centric holds security in the form of a composite guarantee and debenture, dated 23 April 2010 and registered on 13 May 2010, creating fixed and floating charges over the Group's assets in respect of the invoice discounting facility extended to 1st Dental. Centric's liability amounted to £450,000. Independent agents Cerberus Recoveries valued the equity in the debtor ledger at between £15,000 - £60,000 and was sold for a consideration of £50,000 as part of the sale agreement. Collections to date have repaid Centric in full.

DSPV

DSPV holds debentures against each of the Group's Companies, which were created on 23 September 2010, creating fixed and floating charges over the assets of the Group. At the date of appointment, DSPV was owed £768,000 and has to date received the sum of £745,000 in part settlement of this liability following the sale of the business and assets on 24 September 2010. It is anticipated that DSPV will be repaid in full from fixed charge realisations.

7.2 Preferential Claims

The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay. Ten employees from the Group's Blackpool branch were made redundant following the appointment of the joint administrators and they have submitted preferential claims for unpaid holiday pay. These claims are estimated to total £8,000 and are likely to be repaid in full.

7.3 Prescribed Part

As Centric has been repaid in full and DSPV is likely to be repaid in full from fixed charge realisations, there is no requirement to set aside a prescribed part.

7.4 Unsecured Non-Preferential Claims

All unsecured non-preferential claims will be subject to agreement by a subsequently appointed Liquidator in due course. The Joint Administrators anticipate that there may be sufficient funds to enable a distribution to be made to the unsecured non-preferential creditors of 1st Dental Limited, but unlikely within the other Group Companies. If you have not already done so, please submit details of your claim to my office. A statement of claim form is attached at Appendix V.

8 EXTENSIONS TO THE ADMINISTRATION

8.1 The appointment of administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.

8.2 In certain circumstances it may be necessary to extend the Administrators' term of office. In the circumstances of 1st Dental Limited, this may be done for a specified period not exceeding six months with the consent of each secured creditor of the Company, and unsecured creditors whose debts amount to more than 50% of the Company's unsecured debts, disregarding debts of any creditor who does not respond to an invitation to give or withhold consent.

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8.3 In the circumstances of the other Group Companies this may be done for a specified period not exceeding six months with the consent of each secured creditor of the Company

8.4 The appropriate body of creditors will be contacted in due course should an extension be required

9 NEXT REPORT

9.1 The Joint Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised

If you wish to discuss the issues raised in this report or require any additional information please contact this office

For and on behalf of

1st DENTAL LABORATORIES PLC

1st DENTAL LIMITED

AESTHETIC DENTAL SERVICES LIMITED

BENCHMARK DENTAL LABORATORIES HOLDINGS LIMITED

CORPORATE LABORATORIES LIMITED



A POXON

JOINT ADMINISTRATOR

Licensed in the UK by the Institute of Chartered Accountants in England and Wales

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

SUMMARY OF JOINT ADMINISTRATORS' PROPOSALS

- 1 The Joint Administrators continue to manage the business, affairs and property of the Group in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration
- 2 If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to any of the companies that comprise the Group
- 3 If appropriate, the Joint Administrators file a notice with the Registrar of Companies with regard any particular Group company in order that that specific Administration will cease and the company in question will move automatically into Creditors Voluntary Liquidation. It is further proposed that J M Titley and/or A Poxon be appointed (Joint) Liquidator(s) of the company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved
- 4 In the event that there are no monies remaining to be distributed to creditors in the Administration of a particular Group company and as soon as all matters relating to that particular Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the company should be dissolved
- 5 The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Group may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Group
- 6 A Group company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that J M Titley and/or A Poxon be appointed (Joint) Liquidator(s) of the company
- 7 The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration

1st DENTAL LABORATORIES PLC

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM 24
SEPTEMBER 2010 TO 23 MARCH 2011

| | Estimated to realise £ | This period £ |
|---|------------------------------|------------------|
| RECEIPTS | | |
| Goodwill | 15,000 00 | - |
| Plant & Machinery | 31,000 00 | 25,000 00 |
| Balance at Bank | 5,000 00 | 6,047 85 |
| Sundry Refunds | - | 315 37 |
| Deposit Interest Gross | - | 1 74 |
| Property | 590,000 00 | 590,000 00 |
| | 641,000 00 | 621,364 96 |
| PAYMENTS | | |
| Accountancy Fees – pre appointment | | 1,500 00 |
| Agents' Fees & Expenses – pre appointment | | 4,900 00 |
| Bond | | 10 00 |
| Money Laundering | | 29 85 |
| Statutory Advertising | | 75 60 |
| Sundry Expenses | | 75 00 |
| Solicitors' Fees & Expenses – pre appointment | | 12,000 00 |
| | | (18,590 45) |
| DISTRIBUTIONS | | |
| DSPV | | (590,000 00) |
| BALANCE IN HAND | | 12,774 51 |

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CORPORATE LABORATORIES LIMITED – IN ADMINISTRATION

APPENDIX II (continued)

1ST DENTAL LIMITED

| | Estimated to realise £ | This period £ |
|---|---------------------------|--------------------|
| RECEIPTS | | |
| Rent (held on behalf of landlord) | - | 2,484 01 |
| Business Names, Rights, etc | 6 00 | 6 00 |
| Book Debt Equity | 49,994 00 | 49,994 00 |
| Plant & Machinery | 134,000 00 | 20,000 00 |
| Stock | 30,000 00 | 30,000 00 |
| Balance at Bank | 1,000 00 | 632 15 |
| Sundry Refunds | - | 1,378 51 |
| Deposit Interest Gross | - | 52 39 |
| Property | 110,000 00 | 110,000 00 |
| Book Debts | 450,000 00 | 450,000 00 |
| Goodwill | 60,000 00 | 45,000 00 |
| | 835,000 00 | 709,547 06 |
| PAYMENTS | | |
| Administrators' Pre-Appointment Fees | | 7,980 00 |
| Administrators' Remuneration | | 42,020 00 |
| Agents' Fees & Expenses – pre appointment | | 5,600 00 |
| Solicitors' Fees & Expenses – pre appointment | | 8,662 20 |
| Solicitors' Fees & Expenses | | 5,000 00 |
| Debt Valuation Fees – pre appointment | | 10,000 00 |
| Statutory Advertising | | 226 80 |
| Bond | | 260 00 |
| Accountancy Fees – pre appointment | | 6,000 00 |
| Other Professional Fees | | 250 00 |
| Sundry Expenses | | 170 00 |
| Administrators' Disbursements | | 79 20 |
| | | (86,248 20) |
| DISTRIBUTIONS | | |
| DSPV | | (155,000 00) |
| Centnc | | (450,000 00) |
| | | |
| BALANCE IN HAND | | 18,298 86 |

AESTHETIC DENTAL SERVICES LIMITED

| | Estimated to realise £ | This period £ |
|------------------------|---------------------------|------------------|
| RECEIPTS | | |
| Sundry Refunds | - | 2,947 37 |
| Deposit Interest Gross | - | 0 46 |
| | - | 2,947 83 |
| PAYMENTS | | |
| Bond | | 10 00 |
| Sundry Expenses | | 75 00 |
| | | (85 00) |
| BALANCE IN HAND | | 2,862 83 |

BENCHMARK DENTAL LABORATORIES HOLDINGS LIMITED

| | Estimated to realise £ | This period £ |
|------------------------|---------------------------|------------------|
| RECEIPTS | | |
| Sundry Refunds | - | 2,536 86 |
| Deposit Interest Gross | - | 0 44 |
| | - | 2,537 30 |
| PAYMENTS | | |
| Bond | | 10 00 |
| Sundry Expenses | | 75 00 |
| | | (85 00) |
| BALANCE IN HAND | | 2,452 30 |

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 CORPORATE LABORATORIES LIMITED – IN ADMINISTRATION

APPENDIX II (continued)

CORPORATE LABORATORIES LIMITED

| | | Estimated to realise £ | This period £ |
|-----------------|--|------------------------------|------------------|
| RECEIPTS | | | |
| | | - | - |
| | | - | - |
| PAYMENTS | | | |
| | | | - |
| | | | - |
| | | | |
| BALANCE IN HAND | | | - |

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APPENDIX III

SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE CURRENT PERIOD

1st DENTAL LABORATORIES PLC

| | Director | | Senior Manager | | Manager 1 | | Manager 2 | | Administrator 1 | | Administrator 4 | | Total | | Average Hourly Rate £ |
|------------------------------|----------|-----------|----------------|-----------|-----------|-----------|-----------|-----------|-----------------|-----------|-----------------|-----------|-------|-----------|-----------------------------|
| | Units | Cost £ | Units | Cost £ | Units | Cost £ | Units | Cost £ | Units | Cost £ | Units | Cost £ | Units | Cost £ | |
| Statutory & Review | 4 | 158 00 | 5 | 175 00 | 5 | 150 00 | 3 | 78 00 | 73 | 1,533 00 | 12 | 144 00 | 102 | 2,238 00 | 219 41 |
| Receipts & Payments | - | - | - | - | - | - | 3 | 78 00 | 13 | 273 00 | 13 | 156 00 | 29 | 507 00 | 174 83 |
| Insurance | - | - | - | - | - | - | - | - | 14 | 294 00 | - | - | 14 | 294 00 | 210 00 |
| Assets | 64 | 2,528 00 | 10 | 350 00 | 22 | 660 00 | 2 | 52 00 | 10 | 210 00 | - | - | 108 | 3,800 00 | 351 85 |
| Liabilities | - | - | - | - | - | - | 10 | 260 00 | 127 | 2,667 00 | - | - | 137 | 2,927 00 | 213 65 |
| Landlords | - | - | 4 | 140 00 | - | - | 15 | 390 00 | 21 | 441 00 | 5 | 60 00 | 45 | 1,031 00 | 229 11 |
| Debenture Holder | 14 | 553 00 | - | - | - | - | - | - | 15 | 315 00 | - | - | 29 | 868 00 | 299 31 |
| General Administration | 16 | 632 00 | - | - | - | - | - | - | 24 | 504 00 | 7 | 84 00 | 47 | 1,220 00 | 259 57 |
| Appointment | 4 | 158 00 | - | - | - | - | - | - | 13 | 273 00 | 8 | 96 00 | 25 | 527 00 | 210 80 |
| Post Appointment Creds Mtngs | 46 | 1,817 00 | 57 | 1,995 00 | - | - | 5 | 130 00 | - | - | - | - | 108 | 3,942 00 | 365 00 |
| Investigations | 10 | 395 00 | - | - | 10 | 300 00 | - | - | - | - | - | - | 20 | 695 00 | 347 50 |

Total 158 6,241 00 76 2,660 00 37 1,110 00 38 988 00 310 6,510 00 45 540 00 664 18,049 00

Average Hourly Rate (£) 395 00 350 00 300 00 260 00 210 00 120 00 271 82

All Units are 6 minutes

1st DENTAL LABORATORIES PLC – IN ADMINISTRATION
1st DENTAL LIMITED – IN ADMINISTRATION
AESTHETIC DENTAL SERVICES LIMITED - IN ADMINISTRATION
BENCHMARK DENTAL LABORATORIES HOLDINGS LIMITED - IN ADMINISTRATION
CORPORATE LABORATORIES LIMITED – IN ADMINISTRATION

APPENDIX III (continued)

1st DENTAL LIMITED

| | Director | | Senior Manager | | Manager 1 | | Manager 2 | | Administrator 1 | | Administrator 4 | | Total | | Average | |
|--------------------------------|----------|-----------|----------------|-----------|-----------|-----------|-----------|-----------|-----------------|-----------|-----------------|-----------|-------|-----------|------------------|------------------|
| | Units | Cost £ | Units | Cost £ | Units | Cost £ | Units | Cost £ | Units | Cost £ | Units | Cost £ | Units | Cost £ | Hourly Rate £ | Hourly Rate £ |
| Statutory & Review | 32 | 1,264 00 | 18 | 630 00 | 16 | 480 00 | 4 | 104 00 | 111 | 2,331 00 | 77 | 924 00 | 258 | 5,733 00 | 222 21 | 222 21 |
| Receipts & Payments | - | - | - | - | - | - | 27 | 702 00 | 45 | 945 00 | 49 | 588 00 | 121 | 2,235 00 | 184 71 | 184 71 |
| Insurance | - | - | - | - | - | - | - | - | 18 | 378 00 | - | - | 18 | 378 00 | 210 00 | 210 00 |
| Assets | 299 | 11,810 50 | 217 | 7,595 00 | - | - | 8 | 208 00 | 94 | 1,974 00 | - | - | 618 | 21,587 50 | 349 31 | 349 31 |
| Liabilities | 41 | 1,619 50 | 71 | 2,485 00 | - | - | 5 | 130 00 | 809 | 16,989 00 | 200 | 2,400 00 | 1,126 | 23,623 50 | 209 80 | 209 80 |
| Landlords | 82 | 3,239 00 | 85 | 2,975 00 | - | - | 40 | 1,040 00 | 246 | 5,166 00 | 33 | 396 00 | 486 | 12,816 00 | 263 70 | 263 70 |
| Debtore Holder | 70 | 2,765 00 | 20 | 700 00 | - | - | - | - | 41 | 861 00 | - | - | 131 | 4,326 00 | 330 23 | 330 23 |
| General Administration | 149 | 5,885 50 | - | - | - | - | 5 | 130 00 | 47 | 987 00 | 108 | 1,296 00 | 309 | 8,298 50 | 268 56 | 268 56 |
| Appointment | 45 | 1,777 50 | 25 | 875 00 | - | - | - | - | 81 | 1,701 00 | - | - | 151 | 4,353 50 | 288 31 | 288 31 |
| Post Appointment Credits Mtngs | 120 | 4,740 00 | 131 | 4,585 00 | 5 | 150 00 | 40 | 1,040 00 | 45 | 945 00 | 31 | 372 00 | 372 | 11,832 00 | 318 06 | 318 06 |
| Investigations | 61 | 2,409 50 | 92 | 3,220 00 | 226 | 6,780 00 | 5 | 130 00 | - | - | - | - | 384 | 12,539 50 | 326 55 | 326 55 |

Total 899 35,510 50 659 23,065 00 247 7,410 00 134 3,484 00 1,537 32,277 00 498 5,976 00 3,974 107,722 50

Average Hourly Rate (£) 395 00 350 00 300 00 260 00 210 00 120 00 271 07

All Units are 6 minutes

1st DENTAL LABORATORIES PLC – IN ADMINISTRATION
1ST DENTAL LIMITED – IN ADMINISTRATION
AESTHETIC DENTAL SERVICES LIMITED - IN ADMINISTRATION
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CORPORATE LABORATORIES LIMITED – IN ADMINISTRATION

APPENDIX III (continued)

AESTHETIC DENTAL SERVICES LIMITED

| | Director | | Manager 2 | | Administrator 1 | | Administrator 4 | | Total | | Average Hourly Rate £ |
|------------------------|----------|-----------|-----------|-----------|-----------------|-----------|-----------------|-----------|-------|-----------|--------------------------------|
| | Units | Cost £ | Units | Cost £ | Units | Cost £ | Units | Cost £ | Units | Cost £ | |
| Statutory & Review | 4 | 158 00 | 1 | 26 00 | 36 | 756 00 | 10 | 120 00 | 51 | 1,060 00 | 207 84 |
| Insurance | - | - | - | - | 7 | 147 00 | - | - | 7 | 147 00 | 210 00 |
| Assets | 4 | 158 00 | - | - | 5 | 105 00 | - | - | 9 | 263 00 | 292 22 |
| Liabilities | - | - | - | - | 10 | 210 00 | - | - | 10 | 210 00 | 210 00 |
| Debenture Holder | - | - | - | - | 2 | 42 00 | - | - | 2 | 42 00 | 210 00 |
| General Administration | - | - | - | - | 8 | 168 00 | - | - | 8 | 168 00 | 210 00 |
| Appointment | 4 | 158 00 | - | - | 12 | 252 00 | 5 | 60 00 | 21 | 470 00 | 223 81 |

Total 12 474 00 1 26 00 80 1,680 00 15 180 00 108 2,360 00

Average Hourly Rate (£)

395 00 260 00 210 00 120 00 218 52

All Units are 6 minutes

1st DENTAL LABORATORIES PLC – IN ADMINISTRATION
1ST DENTAL LIMITED – IN ADMINISTRATION
AESTHETIC DENTAL SERVICES LIMITED - IN ADMINISTRATION
BENCHMARK DENTAL LABORATORIES HOLDINGS LIMITED - IN ADMINISTRATION
CORPORATE LABORATORIES LIMITED – IN ADMINISTRATION

APPENDIX III (continued)

BENCHMARK DENTAL LABORATORIES HOLDINGS LIMITED

| | Director | | Manager 2 | | Administrator 1 | | Administrator 4 | | Total | | Average Hourly Rate £ |
|------------------------|----------|-----------|-----------|-----------|-----------------|-----------|-----------------|-----------|-------|-----------|-----------------------------|
| | Units | Cost £ | Units | Cost £ | Units | Cost £ | Units | Cost £ | Units | Cost £ | |
| Statutory & Review | 4 | 158.00 | 1 | 26.00 | 31 | 651.00 | 10 | 120.00 | 46 | 955.00 | 207.61 |
| Insurance | - | - | - | - | 3 | 63.00 | - | - | 3 | 63.00 | 210.00 |
| Assets | 4 | 158.00 | - | - | - | - | - | - | 4 | 158.00 | 395.00 |
| Liabilities | - | - | - | - | 10 | 210.00 | - | - | 10 | 210.00 | 210.00 |
| Debenture Holder | - | - | - | - | 2 | 42.00 | - | - | 2 | 42.00 | 210.00 |
| General Administration | - | - | - | - | 7 | 147.00 | - | - | 7 | 147.00 | 210.00 |
| Appointment | 4 | 158.00 | - | - | 12 | 252.00 | 5 | 60.00 | 21 | 470.00 | 223.81 |

| | | | | | | | | | | |
|-------|----|--------|---|-------|----|----------|----|--------|----|----------|
| Total | 12 | 474.00 | 1 | 26.00 | 65 | 1,365.00 | 15 | 180.00 | 93 | 2,045.00 |
|-------|----|--------|---|-------|----|----------|----|--------|----|----------|

| | | | | | |
|-------------------------|--------|--------|--------|--------|--------|
| Average Hourly Rate (£) | 395.00 | 260.00 | 210.00 | 120.00 | 219.89 |
|-------------------------|--------|--------|--------|--------|--------|

All Units are 6 minutes

1st DENTAL LABORATORIES PLC – IN ADMINISTRATION
1ST DENTAL LIMITED – IN ADMINISTRATION
AESTHETIC DENTAL SERVICES LIMITED - IN ADMINISTRATION
BENCHMARK DENTAL LABORATORIES HOLDINGS LIMITED - IN ADMINISTRATION
CORPORATE LABORATORIES LIMITED – IN ADMINISTRATION

APPENDIX III (continued)

CORPORATE LABORATORIES LIMITED

| | Director | | Manager 2 | | Administrator 1 | | Administrator 4 | | Total | | Average Hourly Rate £ |
|------------------------|----------|-----------|-----------|-----------|-----------------|-----------|-----------------|-----------|-------|-----------|--------------------------------|
| | Units | Cost £ | Units | Cost £ | Units | Cost £ | Units | Cost £ | Units | Cost £ | |
| Statutory & Review | 4 | 158.00 | 1 | 26.00 | 16 | 336.00 | 10 | 120.00 | 31 | 640.00 | 206.45 |
| Insurance | - | - | - | - | 3 | 63.00 | - | - | 3 | 63.00 | 210.00 |
| Assets | 4 | 158.00 | - | - | - | - | - | - | 4 | 158.00 | 395.00 |
| Liabilities | - | - | - | - | 7 | 147.00 | - | - | 7 | 147.00 | 210.00 |
| Debenture Holder | - | - | - | - | 2 | 42.00 | - | - | 2 | 42.00 | 210.00 |
| General Administration | - | - | - | - | 7 | 147.00 | - | - | 7 | 147.00 | 210.00 |
| Appointment | 4 | 158.00 | - | - | 12 | 252.00 | 5 | 60.00 | 21 | 470.00 | 223.81 |

Total 12 474.00 1 26.00 47 987.00 15 180.00 75 1,667.00

Average Hourly Rate (£)

395.00 260.00 210.00 120.00 222.27

All Units are 6 minutes

DESCRIPTION OF TIME SPENT BY CATEGORY

Statutory and Review

This involved making regular reviews of the case files to ensure all matters were being progressed and complying with the statutory requirement to submit a Directors' Conduct Report to The Insolvency Service

Receipts and Payments

This involved the posting of monies received into the administration account and making payments in respect of expenses incurred in the administration

Insurance and Pension

This involved undertaking the necessary statutory checks and notifications with regards to the Company pension scheme

Assets

This involved completing a sale of the business and assets and liaising with the Purchaser on an ongoing basis regarding the deferred consideration. This also involved monitoring of the debt collection process

Liabilities

A significant portion of time was spent dealing with creditor queries from trade creditors, former employees and shareholders by post, telephone and email

Landlords

This involved liaising with our solicitor and the landlords' solicitor regarding the surrender of the various leases

Debenture Holder

This included liaising with the secured creditors in respect of monies outstanding and repayment of their debt

General Administration

This includes setting up the case file and engaging in general correspondence

Appointment

This involved notifying creditors and all relevant parties of our appointment as administrators, and complying with statutory requirements

Post Appointment Creditors' Meetings

Time was spent preparing and reviewing the Joint Administrators' proposals and report that was sent to all known creditors, and convening and holding a meeting of creditors by correspondence in the case of 1st Dental Limited

Investigations

This involved gathering information from the company records for assistance in preparation of the statutory requirement to submit a Directors' Conduct Report to The Insolvency Service

ADDITIONAL INFORMATION IN RELATION TO THE POLICY OF LEONARD CURTIS REGARDING FEES AND DISBURSEMENTS

The following information relating to the policy of Leonard Curtis is considered to be relevant to creditors

Staff Allocation, Support Staff and the Use of Subcontractors

We take an objective and practical approach to each assignment which includes active partner involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case.

Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution of the secured creditors, a creditors' committee or creditors generally, that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters arising in the appointment, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below.

With effect from 1 January 2010 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis.

| | Standard £ |
|-----------------|---------------|
| Partner | 395 |
| Senior Manager | 350 |
| Manager 1 | 300 |
| Manager 2 | 260 |
| Administrator 1 | 210 |
| Administrator 2 | 190 |
| Administrator 3 | 170 |
| Administrator 4 | 120 |
| Support | 0 |

Details of any subcontractor(s) used will be given in subsequent reports to creditors.

Professional Advisors

Details of any professional advisor(s) used are given in the report which accompanies this Guide. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Disbursements

Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as a "category 1 disbursement". Category 1 disbursements will generally comprise supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses, including car mileage at 40p a mile, incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Where we propose to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, documents storage or communication facilities provided by us) they must be disclosed and be authorised by those responsible for approving the administrator's remuneration. Such expenditure is referred to as a "category 2 disbursement". The following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision.

| | |
|--|---|
| Internal photocopying | 10p per copy |
| General stationery, postage, telephone etc | £100 per 100 creditors/ members or part thereof |
| Storage of office files (six years) | £66.09 per box |

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CORPORATE LABORATORIES LIMITED – IN ADMINISTRATION

APPENDIX V

STATEMENT OF CLAIM FORM

Date of administration order. 24 September 2010

Name of creditor.

Address of creditor

Gross amount of claim*
(ie including VAT)

Amount of VAT

Details of any document by
reference to which the debt can be
substantiated:
(eg invoices)

Particulars of how and when debt
incurred

Particulars of any security held, the
value of the security and the date it
was given*

Signature of creditor or person
authorised to act on his behalf.

Name in BLOCK CAPITALS

Position with or relation to creditor
