

**2.24B****Administrator's progress report**

Name of Company Sandstone Trading Limited in administration	Company number 04961459
In the High Court of Justice, Chancery Division Leeds District Registry	Court case number 9 of 2009

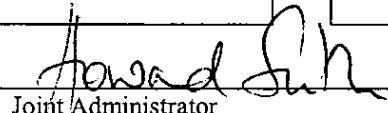
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United Kingdom

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

from 6 January 2009	to 5 July 2009
------------------------	-------------------

Signed

  
Joint Administrator

Dated

4 August 2009

**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

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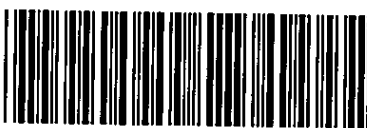
Tel  
DX Exchange Leeds

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

THURSDAY



A31 06/08/2009 290  
COMPANIES HOUSE



**Sandstone Trading Limited**  
**(in administration)**

**Report to Creditors pursuant  
to Rule 2.47 of the  
Insolvency (Amendment)  
Rules 2003**

KPMG LLP

4 August 2009

*This report contains 10 pages*

hs/sg/ml/lf



## Notice: About this Report

This Report has been prepared by Howard Smith and Richard Fleming, the Joint Administrators of Sandstone Trading Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Sandstone Trading Limited.

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report.

Howard Smith and Richard Fleming are authorised to act as insolvency practitioners by the Insolvency Practitioners Association.

The Joint Administrators act as agents for Sandstone Trading Limited and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the administration.



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## Glossary

Joint Administrators	Howard Smith and Richard Dixon Fleming of KPMG LLP
The Company	Sandstone Trading Limited (company registration number 04961459)
The Act	The Insolvency Act 1986
Directors	Joseph Cookson and Richard King
RBS / Bank	Royal Bank of Scotland PLC
Plant Hire	Cookson Plant Hire Limited
Holdings	JR Cookson Holdings Limited
Developments	JR Cookson Developments Limited
North Yorkshire	Cookson Homes North Yorkshire Limited
Estates	Cookson Estates Limited
Securities	Cookson Securities Limited
WG1	Cookson Homes WG1 Limited
WG2	Cookson Homes WG2 Limited
The Cookson Group	The group of companies comprising Holdings and its subsidiaries (Developments, North Yorkshire, Estates, Securities, WG1, and WG2)
CW	Craig Waddington
Clayton	Clayton Penistone Group
JTR & RB	JTR & RB Developments LLP
Towngate	Towngate Homes Limited
BERR	The Department for Business, Enterprise and Regulatory Reform
Woodsome Avenue	Joint venture development between the Company and Towngate

## 1 Introduction

As previously reported, Howard Smith and Richard Dixon Fleming of KPMG LLP, were appointed as Joint Administrators of Sandstone Trading Limited on 6 January 2009 by the Bank, a holder of a qualifying floating charge. The appointment was filed in the High Court of Justice, Chancery Division, Leeds District Registry. The Court Administration Order number is 9 of 2009.

In accordance with Rule 2.47 of the Insolvency (Amendment) Rules 2003, we are writing to provide an update on the progress of the first six months of the administration. We also enclose Form 2.24B attached at appendix 3.

Statutory information for the Company is outlined in Appendix 1 and an abstract receipts and payments account for the first six months of the Administration is attached at Appendix 4. Other information required by Rule 2.47 of the Insolvency (Amendment) Rules 2003 is included in the main body of the report and the appendices. A schedule of the administrators' time costs and disbursements is attached at Appendix 2.

In accordance with paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, the functions of the administrators are to be exercised by either or both of them.

The EC Regulation on Insolvency Proceedings 2000 will apply in this matter and these proceedings will be the main proceedings as defined in Article 3 of the EC Regulation. The Company's registered office and centre of main interests are in the United Kingdom.

## 2 Joint Administrators' Proposal

In accordance with Paragraph 52(1) of Schedule B1 of the Insolvency Act 1986, the Joint Administrators did not summon an initial meeting of creditors as the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of section 176A(2)(a) of the Insolvency Act 1986, the Prescribed Part.

As no meeting was requisitioned in accordance with the above, pursuant to Rule 2.33(5) of the Insolvency Rules 1986, the following resolutions 1 and 2 (excluding proposals relating to the Joint Administrators' remuneration) set out below were deemed to have been approved by the creditors:

## **Resolution 1**

- to continue to do all such things to reasonably expedient and generally exercise all their powers as Joint Administrators as they, in their discretion, consider desirable in order to fulfil the objective of maximising realisations from the assets of the Company;
- in pursuing this objective the Joint Administrators will have the power to take all necessary steps to propose a Company Voluntary Arrangement between the Company and its creditors, if this is deemed to offer the best prospect of maximising realisations for the benefit of creditors;
- to seek an extension to the administration period if deemed necessary by the Joint Administrators pursuant to Paragraph 76 of schedule B1 to the Act;
- when it is considered that no further distributions to creditors will be made and that the Joint Administrators have concluded their duties, to take the necessary steps to move the Company from administration to Dissolution, pursuant to Paragraph 84 of Schedule B1 to the Act;
- if the Joint Administrators consider that a distribution will be made to unsecured creditors of the Company, to take the necessary steps to move the Company into Creditors' Voluntary Liquidation pursuant to Paragraph 83 of Schedule B1 to the Act;
- if Creditors' Voluntary Liquidation is deemed appropriate, the Joint Administrators would be permitted to seek the appointment of Howard Smith and Richard Dixon Fleming of KPMG LLP as Joint Liquidators of the Company without any further recourse to creditors. In accordance with Paragraph 83(7) and Rule 2.117(3), creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of the proposals and before the proposals are approved;
- if one of the criteria set out in Paragraph 79(2) of schedule B1 to the Act apply to the Company, to make an application to court to end the administration and, if deemed appropriate, to petition the court for the winding up of the Company. If appropriate, the Joint Administrators will, at the same time, apply to be appointed as Joint Liquidators under Section 140(1) of the Act;
- that the Joint Administrators be discharged from liability in accordance with Paragraph 98(2) of Schedule B1 of the Insolvency Act 1986, upon the filing of the final Receipts and Payments account in accordance with Rule 2.110 of the Insolvency Rules 1986;
- in the event that Howard Smith and Richard Fleming are appointed Joint Liquidators then they will be allowed to act jointly and severally.

## **Resolution 2**

In relation to Administrators' fees:

- That in the event that no creditors committee is formed, the Joint Administrators be authorised to draw fees on account from the assets of the Company from time to time, during the period of the administration, based on time properly spent by KPMG LLP. Time costs incurred by the Joint Administrators are to reflect the complexity of the assignment in accordance with the charge out rates detailed in Appendix 4. In the event that Howard Smith and Richard Dixon Fleming be appointed Joint Liquidators that they will be able to draw fees on the same basis as the Joint Administrators as agreed by the Company's creditors. Also, that the Joint Administrators be authorised to draw disbursements from time to time; and
- that the costs of KPMG LLP in respect of HSE, Pension, Tax and VAT advice provided to the Joint Administrators be based upon time costs and shall be paid out of the assets of the Company.

## **3 Purpose of the Administration**

In accordance with Paragraph 3(1) of Schedule B1 Insolvency Act 1986 the Joint Administrators have stepped objectives. In order, these are:

- (a) rescue the Company as a going concern;
- (b) achieve a better result for the Company's creditors as a whole than would be likely if the Company was wound up; but if unachievable
- (c) to realise property in order to make a distribution to one or more secured or preferential creditors.

The objective as set out in Paragraph 3(1)(a) rescuing the Company (legal entity) as a going concern was not possible due to the high level of liabilities incurred by the Company.

The Company ceased to trade upon the Joint Administrators' appointment and the Joint Administrators do not anticipate any dividend to unsecured creditors, except potentially under the Prescribed Part rules, and so the objective as set out in Paragraph 3(1)(b) will not be achieved.

The objective of this administration is therefore that which is set out in Paragraph 3(1)(c), realising property in order to make a distribution to one or more secured or preferential creditors.



## **4 Progress of the Administration to 5 July 2009**

### **4.1 Initial strategy**

As previously reported, immediately upon the Joint Administrators' appointment, representatives attended the Company's premises to secure the books and records and to take control of the business.

The Joint Administrators decided that the most appropriate strategy was to cease to trade immediately and all employees were made redundant by the Joint Administrators upon appointment.

### **4.2 Debtors**

As per my previous report, the Company had debtor balances of £3.7 million at my appointment. A summary of the debtors is provided below; for more detailed information regarding the debtors please see my previous report. The debtors are made up as follows:

- £1.0 million relates to contract debtors due from third parties. The majority of this (£940,000) relates to work done for the Towngate joint venture (Woodsome Avenue). This balance will be realised as houses are sold;
- £2.2 million relates to debts due from associated companies. These companies are not in a position to repay these debts immediately. In respect of the debt due from WG2 (£387,000), the Joint Administrators have obtained a legal charge over the properties which will rank second behind Yorkshire Bank Plc, who are funding the development. The Joint Administrators have met with the Directors and performed a review of the financial position of the associated companies. The review has shown that at present it would not be cost effective to obtain further security over the associated companies. The Joint Administrators will continue to review the associated companies and will seek further security in order to recover the intercompany debts if it is thought cost effective to do so;
- £90,000 consists of VAT receivable of £71,000 from Her Majesty's Revenue and Customs (HMRC) and other prepayments of £19,000. A VAT refund of £63,000 was received by the Company shortly after the appointment of Administrators; and
- £43,000 in trade debtors which are being actively pursued by the Joint Administrators.

### 4.3 Contract Claims

As previously reported the Company had several 'live' contracts at the date of the Joint Administrators appointment. A summary of the current status of each is given below:

<b>Contract</b>	<b>Status</b>
WG2	Second legal charge taken over the assets of WG2 to secure the intercompany debt.
CW	Contract determined. Claim for damages for breach of contract in progress.
Clayton	Work to date paid in full by Clayton. No further monies being sought from this contract.
JTR & RB	Contract repudiated. No outstanding monies due.
Towngate	Development agreement not determined. Site consists of five properties of which one has been sold. The Joint Administrators are working with Towngate to complete and market the four remaining properties.

### 4.4 Fixtures and fittings

Office fixtures and fittings at the Companies head office have been sold to Developments for £11,500 including VAT. At 5 July £1,500 had been received in relation to this and a further £9,050 has been received since that date. The balance of £950 is being pursued by the Joint Administrators as this is now overdue.

### 4.5 Motor vehicles

All leased motor vehicles held by the Company have either been returned to the leasing company or novated to Developments.

### 4.6 Statutory Investigations

As part of the Joint Administrators' statutory duties, an investigation into the conduct of the directors has been undertaken and a return submitted to BERR.

## **5 Estimated Outcome for Creditors**

### **5.1 Secured Creditors**

At the date of appointment the Bank was owed in the region of £1.187 million comprising a loan of £878,000 and an overdraft of £309,000. The Company held funds of £49,000 in its deposit account and this has been offset against the secured creditors claim, reducing the claim to £1.136 million.

To date the Bank has received £168,000 directly in relation to the sale of one of the houses at Woodsome Avenue. The Bank has agreed to release £56,353 from these funds to the Joint Administrators for the completion of the remaining houses at Woodsome Avenue. Further funds will be distributed to the Bank as they are realised until the Banks indebtedness is repaid in full. Based on current estimates it is unlikely that the Bank will be repaid in full.

### **5.2 Preferential Creditors**

We estimate that preferential claims in the administration will be in the region of £35,000. This comprises employees' claims for arrears of wages and holiday pay. Based on current estimates of realisations the Administrators believe that there may be sufficient funds to repay preferential creditors in full, however this is dependent on the level of floating charge realisations.

### **5.3 Funds Available to Prescribed Part**

The Insolvency Act 1986 (Prescribed Part) Order 2003 applies in this case as the qualifying floating charge was created post 15 September 2003. This legislation allows a proportion of the Company's net property to be realised for the benefit of the Company's unsecured creditors.

Net property is defined as the funds available after the payment of the administration costs and preferential creditors that would have been previously paid to the floating charge holder. The Prescribed Part is calculated as a percentage of floating charge realisations (after costs and preferential creditors), being 50% of the first £10,000 and 20% of the balance up to a maximum of £600,000.

Based on current information, the Joint Administrators estimate that a Prescribed Part distribution may be made to unsecured creditors, however this is dependent upon the level of floating charge realisations.

### **5.4 Unsecured Creditors**

The total value of unsecured creditors shown on the statement of affairs is £3.1 million.

Based on the Administrators current estimates it appears unlikely that any dividend will become available to unsecured creditors over and above any Prescribed Part.

## **6 Receipts and payments**

I enclose at Appendix 3 a receipt and payments account for the period 6 January 2009 to 5 July 2009. Unless otherwise indicated, all amounts are stated net of VAT.

### **6.1 Receipts**

#### **6.1.1 Refunds**

The Joint Administrators have received £63,246 in respect of a pre-appointment VAT refund for November 2008.

#### **6.1.2 Furniture and Equipment**

£1,500 has been received to 5 July in respect of the agreed £11,500 (including VAT) sale price for the fixtures and fittings at the Company's head office. A payment plan has been agreed with Developments for the outstanding £10,000.

#### **6.1.3 Bank Contribution to Realisation Costs**

The Bank has released funds of £56,353 from the sales proceeds of plot 4 Woodsome Avenue to cover costs of realisations in respect of this development.

#### **6.1.4 Other Receipts**

Bank interest totalling £10 has been received in relation to the Company's administration bank accounts.

### **6.2 Payments**

#### **6.2.1 IT Ransom Payment**

IT services to the Company were suspended by ICUK Technologies Limited ("ICUK") until their pre-appointment creditor claim of £13,600 was agreed in full. The Joint Administrators negotiated a ransom payment of £3,000 in order to maintain access to the information technology services on site for a three month period.

#### **6.2.2 Wages and Salaries**

The Joint Administrators have paid a total of £5,798 to the Company's former quantity surveyor and accountant, who were retained on a self employed basis for one month.

#### **6.2.3 Professional Fees**

£6,075 has been paid to Wren Corporate Finance, for work carried out in relation to the preparation of the financial accounts and the Statement of Affairs for the first month of the administration, to assist the Joint Administrators with their duties.

#### **6.2.4 Other costs**

To date £228 has been paid in respect of statutory advertising, £10 in respect of Land Registry search fees, £650 in respect of storage costs, and bank charges of £40.

#### **6.2.5 Woodsome Avenue Completion Costs**

£31,970 has been paid in respect of completing the building works at Woodsome Avenue to enable the sale of the remaining plots and hence maximise realisations in the administration. The Bank are releasing total funds of £56,353 to the Joint Administrators to enable the completion of the remaining plots.

#### **6.2.6 Woodsome Avenue Running Costs**

As part of the joint venture agreement the Company is liable for the utility costs and council tax at Woodsome Avenue. To date £2,493 has been paid in respect of these costs.

#### **6.2.7 Agents Fees and Disbursements**

Eddisons were instructed to act as agents by the Joint Administrators to assist with valuing the Company's assets. £773 has been paid in relation to Eddisons fees and disbursements.

#### **6.2.8 Eversheds Legal Fees**

The Joint Administrators have obtained a second ranking legal charge over WG2 to recover the outstanding intercompany debtor. Eversheds LLP have been paid £2,500 in relation to preparing the legal charge documentation.

## **7 Future Conduct of the Administration**

### **7.1 Administrators' actions**

The Joint Administrators will continue to manage the business and affairs of the Company.

The key remaining issues to be dealt with include, but are not limited to:

- collection of outstanding book debts;
- completion of Woodsome Avenue;
- damages claim against CW;
- finalising the administration, including payment of all administration liabilities;

- payment of preferential dividend;
- further statutory reporting to creditors on the progress of the administration;
- obtaining tax and VAT clearance; and
- any other matters arising.

## **7.2 Extension of the administration**

Per Paragraph 52(1)(C) of Schedule B1 of the Insolvency Act 1986, the appointment of an administrator ceases to have effect at the end of one year, in this case 5 January 2010, unless there is an extension to the administration.

The Joint Administrators do not anticipate that the issues outlined in section 7.1 will be completed prior to the anniversary of the commencement of the administration.

In accordance with Paragraph 76(2)(b) of Schedule B1 of the Insolvency Act 1986, the Joint Administrators are therefore requesting an extension by six months of the administration from both the Bank and the preferential creditors; this will extend the administration to 5 July 2010. Preferential creditor approval is being sought with this report.

## **7.3 End of the administration**

Following the completion of the points outlined in section 7.1, the Joint Administrators will either place the Company into liquidation or move to dissolve the Company.

## **8 Cost of Realisations**

The Joint Administrators' time costs to 5 July 2009 are £113,777. This reflects 543 hours at an average rate of £210. A full analysis of the Joint Administrators' costs to date in accordance with the provisions of the Statement of Insolvency Practice 9 is attached at Appendix 2. Expenses incurred to 5 July 2009 are £157.

The Administrators have instructed KPMG Tax, Pensions, HSE (Health, Safety & Environment) and VAT specialists to carry out assessments of the Group's position. Their costs are reflected in the total KPMG time costs detailed above.

To date the Joint Administrators have not drawn any fees.

The statutory provisions relating to remuneration are set out in Rule 2.106 of the insolvency Rules 1986. Further information is given in the Association of Business Recovery Professionals' publication a Creditors' Guide to Administrators' Fees, a copy of which can be obtained by logging on to the R3 website at [http://www.r3.org.uk/uploads/sip/SIP9\\_v5\\_April\\_2007\(1\).pdf](http://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007(1).pdf). However if you are unable

to access this guide and would like a hard copy, please contact Michael Lewis on 0113 231 3191.


In accordance with Rule 2.106(5A) of Insolvency Rules 1986, our remuneration may be fixed by the approval of the secured and preferential creditors of the Company. At the date of this report, the Joint Administrators have obtained the approval of the secured creditor to draw a fee on account of £25,000. The Joint Administrators are seeking the approval of the preferential creditors to the fee resolution included in the Joint Administrators' proposals. It is the intention of the Joint Administrators to draw a fee of £25,000 once preferential creditor approval has been obtained.

## 9 Other matters

Pursuant to Rule 2.33(1)(ii) of the Insolvency Rules 1986 (as amended) the Joint Administrators must state whether they intend to make an application to the Court, under section 176A(5) of the Insolvency Act 1986, for an order that they are not required to make a distribution to unsecured creditors on the ground that the costs of doing so would be disproportionate to the benefits. The Joint Administrators do not intend to make such an application at this stage

In accordance with Rule 24.7 of the Insolvency (Amendments) Rules 2003, the next progress report is due within 1 month of the end of the six month period ending 5 January 2010, or within 1 month of the discharge of the administration order.

This concludes the Joint Administrators' report to creditors. Should any creditor require further information, please contact my colleague, Michael Lewis, who can be contacted on 0113 231 3191.

  
Howard Smith  
Joint Administrator



## Appendix 1 - Statutory information

Date of incorporation	12 November 2003
Company registration number	04961459
Present registered office	c/o KPMG LLP, 1 The Embankment Neville Street Leeds LS1 4DW
Previous registered office	14A Longbow Close Bradley Huddersfield West Yorkshire HD2 1GQ
Trading address	14A Longbow Close Bradley Huddersfield West Yorkshire HD2 1GQ
Issued share capital	Ordinary 1
Shareholders	Joseph Richard Cookson
Directors	Joseph Richard Cookson Richard Anthony King
Company secretary	Karen Lesley Dews
Employees	34





## Appendix 2 -Joint Administrators' time costs

Reporting period: 6 January 2009 to 5 July 2009

SIP 9 Compliant fees worksheet

Consolidated time spent by grade

Activity

Administration & planning

Activity	Partner/Director	Management	Administrators	Support	Total Hours	Total Cost £	Average Rate £
Appointment related formalities	4.20	3.00	29.20	-	36.40	7,231.00	198.65
Statutory Receipts & Payments	-	-	1.10	-	1.10	165.00	150.00
Bonding & bordereau	-	-	1.90	-	1.90	285.00	150.00
Strategy documents	0.50	4.00	1.50	-	6.00	1,917.50	319.58
Reports to debenture holders	2.50	5.50	11.20	-	19.20	5,027.50	261.85
Checklists and Reviews	0.10	-	6.40	-	6.50	1,102.50	169.62
Notify shareholders	-	1.00	3.00	-	4.00	815.00	203.75
Fees & WIP	-	-	0.20	-	0.20	19.00	95.00
General cashing	-	-	4.80	-	4.80	632.50	131.77
Reconciliations	-	4.00	2.60	-	6.60	1,764.50	267.35
Fund management	-	-	0.20	-	0.20	33.00	165.00
Initial CT & VAT reviews	2.50	4.60	13.00	-	20.10	5,060.50	251.77
Post appointment VAT	0.50	0.10	18.40	-	19.00	3,506.00	184.53
Post appointment CT	1.50	8.50	16.00	-	26.00	6,677.00	256.81
Post Appointment PAYE	-	-	7.80	-	7.80	1,170.00	150.00
	11.80	30.70	117.30	-	159.80	35,406.00	221.56

Investigation

Questionnaires & checklist	-	1.00	-	-	1.00	365.00	365.00
D Form drafting/submission	1.40	4.00	54.50	-	59.90	11,228.50	187.45
Statement of Affairs	-	3.00	1.50	-	4.50	1,320.00	293.33
Correspondence with Directors	-	-	10.00	-	10.00	1,650.00	165.00
Preferences/ Transactions at an undervalue	-	-	16.20	-	16.20	2,673.00	165.00
Review of pre-appt transactions	-	-	6.00	-	6.00	990.00	165.00
	1.40	8.00	88.20	-	97.60	18,226.50	186.75



**Sandstone Trading Limited (in administration)**  
**Report to Creditors pursuant to Rule 2.47 of the Insolvency (Amendment) Rules 2003**  
**KPMG LLP**  
**4 August 2009**

Investigation									
Questionnaires & checklist	-	1.00	-	-	1.00	365.00	365.00	-	-
D Form drafting/submission	1.40	4.00	54.50	-	59.90	11,228.50	187.45	-	-
Statement of Affairs	-	3.00	1.50	-	4.50	1,320.00	293.33	-	-
Correspondance with Directors	-	-	10.00	-	10.00	1,650.00	165.00	-	-
Preferences/ Transactions at an undervalue	-	-	16.20	-	16.20	2,673.00	165.00	-	-
Review of pre-appt transactions	-	-	6.00	-	6.00	990.00	165.00	-	-
	1.40	8.00	88.20	-	97.60	18,226.50	186.75	-	-
Realisation of assets									
Freehold property	1.50	16.00	18.90	-	36.40	9,848.50	270.56	-	-
Leasehold property	-	1.00	4.00	-	5.00	965.00	193.00	-	-
Office equipment & fixtures/fitings	-	1.00	5.50	-	6.50	1,190.00	183.08	-	-
Vehicles	-	-	4.50	-	4.50	675.00	150.00	-	-
Stock & WIP	-	-	2.80	-	2.80	462.00	165.00	-	-
Debtors	6.60	14.50	3.00	-	24.10	8,570.00	355.60	-	-
Cash & investments	-	1.00	-	-	1.00	405.00	405.00	-	-
Other assets	-	3.00	4.20	-	7.20	1,908.00	265.00	-	-
Health & Safety	-	1.50	-	-	1.50	435.00	290.00	-	-
	8.10	38.00	42.90	-	89.00	24,458.50	274.81	-	-
Trading									
Creditors									
Creditor correspondence	0.10	14.30	113.55	-	127.95	22,534.75	176.12	-	-
Reports to creditors	1.00	3.00	40.40	-	44.40	7,642.00	172.12	-	-
Agree unsecured claims	-	-	1.00	-	1.00	150.00	150.00	-	-
Secured creditors	-	5.00	-	-	5.00	1,825.00	365.00	-	-
ROT Claims	-	1.50	9.00	-	10.50	1,952.50	185.95	-	-
Pre-appointment tax & VAT refunds	-	0.20	-	-	0.20	73.00	365.00	-	-
Employee correspondence	-	1.80	-	-	1.80	657.00	365.00	-	-
Pension reviews	-	0.30	5.10	-	5.40	852.00	157.78	-	-
	1.10	26.10	169.05	-	196.25	35,686.25	181.84	-	-
Total hours/cost									
	22.40	102.80	417.45	-	542.65	113,777.25	209.67	-	-
Hours/Costs to date									
B/f				-	-	-	-	-	-
In the period				-	542.65	113,777.25	209.67	-	-
C/f				-	542.65	113,777.25	209.67	-	-



## Expenses

	£
Car Mileage	152.60
Lunch	4.00
<b>Total expenses</b>	<b>156.60</b>

## KPMG charge out rates

	1 October 2007 to 31 March 2009 (£)	1 April 2009 to 30 September 2009 (£)
Partner	465	515
Director	400	440
Senior Manager	365	405
Senior Manager Tax	450	450
Manager	290	320
Manager Tax	290	290
Assistant Manager	205	225
Assistant Manager Indirect Tax	315	315
Assistant Manager Tax	210	210
Case Administrator	150	165
Case Administrator Indirect Tax	235	235
Support	95	105



*Sandstone Trading Limited (in administration)*  
*Report to Creditors pursuant to Rule 2.47 of the Insolvency (Amendment) Rules 2003*  
*KPMG LLP*  
*4 August 2009*

## **Appendix 3 – Administrators’ Receipts and Payments Account – Form 2.24B**

RECEIPTS		£
Brought forward from previous Abstract (if Any)		0.00
Bank contribution to realisation costs		55,000.00
Bank interest, gross		0.15
Furniture & equipment		1,500.00
VAT refunds (pre-app'ent)		63,245.52
Bank interest, gross		9.60
Bank contribution to realisation costs		1,352.92
Fixed charge VAT control		85.50
Carried forward to		121,193.69
* continuation sheet / next abstract		
PAYMENTS		£
Brought forward from previous Abstract (if Any)		0.00
Woodsome Avenue Completion Costs		31,970.35
Bank charges		20.00
Search Fees		10.00
Woodsome Avenue Running Costs		2,493.00
Agents'/Valuers' fees		750.00
Eversheds Legal Fees		2,500.00
Agent's Disbursements		22.55
IT Ransome Payment		3,000.00
Storage costs		650.00
Statutory advertising		228.24
Wages & salaries		5,798.44
Bank charges		20.00
Professional Fees		6,075.00
Floating ch. VAT rec'able		2,105.24
Fixed charge VAT rec'able		85.50
Floating ch. VAT control		69.76
Carried forward to		55,798.08
* continuation sheet / next abstract		

\* Delete as appropriate

\* Delete as appropriate

Note - The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the administrator since he was appointed.



*Sandstone Trading Limited (in administration)*  
*Report to Creditors pursuant to Rule 2.47 of the Insolvency (Amendment) Rules 2003*  
KPMG LLP  
4 August 2009

## **Appendix 4 - Abstract of Administrators' Receipts & Payments accounts for the period 6 January 2009 to 5 July 2009**

**Sandstone Trading Limited**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 06/01/2009 To 05/07/2009	From 06/01/2009 To 05/07/2009
	<b>FIXED CHARGE ASSETS</b>		
827,742.82	Woodsome Avenue	NIL	NIL
	Bank contribution to realisation costs	55,000.00	55,000.00
	Bank interest, gross	0.15	0.15
49,846.79	Deposit Account	NIL	NIL
18,464.81	Vehicles Subject to HP	NIL	NIL
		<u>55,000.15</u>	<u>55,000.15</u>
	<b>FIXED CHARGE COSTS</b>		
	Woodsome Avenue Completion Costs	31,970.35	31,970.35
	Bank charges	20.00	20.00
		<u>(31,990.35)</u>	<u>(31,990.35)</u>
	<b>FIXED CHARGE CREDITORS</b>		
(896,054.42)	Fixed charge creditor	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>ASSET REALISATIONS</b>		
113,071.08	Freehold property	NIL	NIL
10,000.00	Furniture & equipment	1,500.00	1,500.00
164,423.00	Work in progress & unpaid certified work	NIL	NIL
41,673.07	Pre-appointment book debts	NIL	NIL
63,246.00	VAT refunds (pre-app'ent)	63,245.52	63,245.52
		<u>64,745.52</u>	<u>64,745.52</u>
	<b>OTHER REALISATIONS</b>		
	Bank interest, gross	9.60	9.60
515,605.36	Intercompany debtors	NIL	NIL
		<u>9.60</u>	<u>9.60</u>
	<b>COST OF REALISATIONS</b>		
	Bank contribution to realisation costs	1,352.92	1,352.92
	Search Fees	(10.00)	(10.00)
	Woodsome Avenue Running Costs	(2,493.00)	(2,493.00)
	Agents'/Valuers' fees	(750.00)	(750.00)
	Eversheds Legal Fees	(2,500.00)	(2,500.00)
	Agent's Disbursements	(22.55)	(22.55)
	IT Ransome Payment	(3,000.00)	(3,000.00)
	Storage costs	(650.00)	(650.00)
	Statutory advertising	(228.24)	(228.24)
	Wages & salaries	(5,798.44)	(5,798.44)
	Bank charges	(20.00)	(20.00)
	Professional Fees	(6,075.00)	(6,075.00)
		<u>(20,194.31)</u>	<u>(20,194.31)</u>
	<b>PREFERENTIAL CREDITORS</b>		
(32,721.74)	Employees' wage arrears	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>FLOATING CHARGE CREDITORS</b>		
(308,268.80)	Floating charge	NIL	NIL
		<u>NIL</u>	<u>NIL</u>

**Sandstone Trading Limited**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 06/01/2009 To 05/07/2009	From 06/01/2009 To 05/07/2009
	UNSECURED CREDITORS		
(3,130,356.40)	Trade & expense	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	DISTRIBUTIONS		
(1.00)	Ordinary shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(2,563,329.43)</u>		<u>67,570.61</u>	<u>67,570.61</u>
	REPRESENTED BY		
	Fixed charge current 48k overdraft		24,362.72
	Floating charge current		41,032.89
	Floating ch. VAT payable		1,500.00
	Floating ch. VAT control		675.00
			<u>67,570.61</u>

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Howard Smith  
Administrator