

The Insolvency Act 1986

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 RegistryCourt case number
9 of 2009We
Howard Smith
KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW
United KingdomRichard Dixon Fleming
KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

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

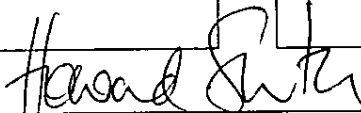
from

6 July 2009

to

5 January 2010

Signed


Joint Administrator

Dated

28 January 2010

Contact Details

You have to give my contact information in
 opposite but if you do it will help Companies
 House to contact you if there is a query on the form
 or to put contact information that you give will be visible to
 creditors of the public record

Ian Campbell
 KPMG LLP
 1 The Embankment
 Neville Street
 Leeds

LS1 4DW
 DX Number 724440

Tel 01130 231 3036
 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

le



A42 06/02/2010 212
 COMPANIES HOUSE



**Sandstone Trading Limited
(in administration)**

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

KPMG LLP
28 January 2010

hs/dr/ic



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.



Contents

1	Introduction	1
2	Joint Administrators' Proposal	1
3	Purpose of the Administration	3
4	Progress of the Administration to 5 January 2010	4
5	Estimated Outcome for Creditors	5
6	Receipts and payments	7
7	Future Conduct of the Administration	8
8	Joint Administrators' fees	8
9	Other matters	9

Appendices

1	Statutory information
2	Joint Administrators' time costs
3	Administrators' Receipts & Payments Account – Form 2.24
4	Abstract of Administrators' Receipts and Payments Period Account for the period 6 July 2009 to 5 January 2010



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
WG1	Cookson Homes WG1 Limited
WG2	Cookson Homes WG2 Limited
CW	Craig Waddington
Towngate	Towngate Homes Limited
BERR	The Department for Business, Enterprise and Regulatory Reform
Woodsome Avenue	Joint venture development between the Company and Towngate
JTR & RB	JTR & RB Developments LLP
Developments	JR Cookson Developments Limited



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 previous six months of the Administration. We also enclose Form 2 24 attached at appendix 3.

Statutory information for the Company is outlined in Appendix 1 and an abstract receipts and payments account for the previous 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 January 2010

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 our appointment. A summary of the debtors is provided below, for more detailed information regarding the debtors please refer to the Administrators Proposals issued on 26 February 2009. The debtors comprise the following

- £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. To date just 2 of the completed properties have been sold, with two others reserved and two still for sale. Due to the current market conditions, interest in the remaining properties has been low.
- £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 now been advised that there has been little interest in the remaining plots, and sale prices have been reduced accordingly. It is now considered unlikely that there will be sufficient realisations to discharge the indebtedness of the first charge holder. It is therefore not anticipated that there will be a return to the Company in this respect,
- £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 from which it is not anticipated that there will be any realisation.

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.

Contract	Status
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. The Joint Administrators are currently in communication with solicitors acting on behalf of CW.
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 remaining properties.

4.4 Motor vehicles

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

4.5 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 creditor's 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 released £63,582 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 Bank's 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 under the 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 directors' statement of affairs is £3.1 million.

Based on the Joint 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 (form 2 24) for the period 6 July 2009 to 5 January 2010 Unless otherwise indicated, all amounts are stated net of VAT

6 1 Receipts

6 1 1 Furniture and Equipment

Office fixtures and fittings at the Company's head office have been sold to Developments for £11,500 including VAT At 5 January 2010 £9,050 plus VAT had been received in relation to this The balance is being pursued by the Joint Administrators as this is now overdue

6 1 2 Bank Contribution to Realisation Costs

The Bank has released further funds of £8,582 from the sales proceeds in relation to the Woodsome Avenue development to cover costs of realisations in respect of this development

6 1 3 Other Receipts

Bank interest totalling £20 has been received in relation to the Company's administration bank accounts

6 2 Payments

6 2 1 Legal Fees

£3,000 has been paid to Walker Morris Solicitors for their assistance with, among other issues, the initial appointment documentation, assisting with the sale of property in the Woodsome Avenue development, and obtaining security in relation to the WG2 contract

6 2 2 Other costs

During the period of this report storage costs of £134 have been incurred, as well as insurance costs totalling £6,451

6 2 3 Woodsome Avenue Completion Costs

£9,335 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

6 2 4 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 A sum of £341 has been paid in respect of these costs during this period

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

Consequently, in accordance with Paragraph 76(2)(b) of Schedule B1 of the Insolvency Act 1986, the Joint Administrators have therefore obtained an extension by six months of the Administration by consent of both the Bank and the preferential creditors, this has extended the Administration to 5 July 2010 to allow further time for the issues outlined in section 7.1 above to be completed

Following completion, the Joint Administrators will either place the Company into liquidation or move to dissolve the Company

8 Joint Administrators' fees

The Joint Administrators' time costs to 5 January 2010 are £167,621. This reflects 779 hours at an average rate of £215. 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 January 2010 are £157 To date fees of £7,000 have been drawn from fixed charge realisations Please note that authorisation to draw fees of up to £25,000 has been received from preferential and secured creditors

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

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 Professional's 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 Ian Campbell on 0113 231 3036

The Joint Administrators are also required to obtain approval for their fees from unsecured creditors, and I would draw your attention to the voting form attached to this report

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 grounds 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 2.47 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 July 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, Ian Campbell, who can be contacted on 0113 231 3036

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



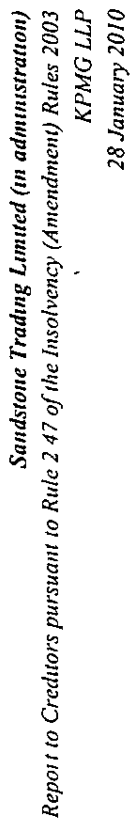
Appendix 2 -Joint Administrators' time costs

Administration & Planning

	Partner/Director	Management	Administrators	Support	Total Hours	Total Cost £	Average Rate £
Appointment related formalities	4 20	3 00	18 00	1 50	26 70	5,630 50	210 88
Statutory Receipts & Payments	0 30	0 50	3 40	0 00	4 20	901 50	214 64
Bonding & bordereau	0 00	0 00	1 90	0 00	1 90	285 00	150 00
Strategy documents	0 50	9 50	1 50	0 00	11 50	4,145 00	360 43
Reports to debenture holders	2 70	13 50	44 90	0 00	61 10	13,931 00	228 00
Books and Records	0 00	0 00	10 70	0 00	10 70	1,765 50	165 00
Checklist and Reviews	0 30	10 50	21 70	0 00	32 50	7,982 50	245 62
Notify shareholders	0 00	1 00	3 00	0 00	4 00	815 00	203 75
Shareholder correspondence	0 00	0 00	21 80	0 00	21 80	3,270 00	150 00
Fees & WIP	1 10	0 00	0 80	0 00	1 90	626 75	329 87
General cashiering	0 00	0 00	5 10	4 00	9 10	1,228 00	134 95
Reconciliations	0 00	5 00	1 50	2 70	9 20	2,385 50	259 29
Fund management	0 00	0 00	0 20	0 00	0 20	33 00	165 00
Post appointment PAYE	0 00	0 00	7 80	0 00	7 80	1,170 00	150 00
Initial CT & VAT reviews	2 50	4 60	14 00	0 00	21 10	5,225 50	247 65
Post appointment VAT	0 50	0 10	28 00	0 00	28 60	5,201 75	181 88
Post appointment CT	1 50	10 30	21 30	0 00	33 10	8,272 50	249 92
	13 60	58 00	205 60	8 20	285 40	62,869 00	220 28

Investigation

Questionnaires & checklist	0 00	1 00	2 00	0 00	3 00	695 00	231 67
D Form drafting/submission	2 60	4 00	58 70	0 00	65 30	12,449 50	190 65
Correspondence with Directors	0 00	0 00	10 00	0 00	10 00	1,650 00	165 00
Statement of Affairs	0 00	3 00	1 50	0 00	4 50	1,320 00	293 33
Pre appointment transactions	0 00	0 00	6 00	0 00	6 00	990 00	165 00
Preferences/transactions at an undervalue	0 00	0 00	16 20	0 00	16 20	2,673 00	165 00
	2 60	8 00	94 40	0 00	105 00	19,777 50	188 36



See Notice About this Report All rights reserved



Expenses

	£
Mileage	152.60
Lunch	4.00
Total expenses	156.60

KPMG charge out rates

	1 October 2008 –31 March 2009 (£)	From 1 April 09 (£)
Partner	465	515
Associate Partner	400	440
Director Tax	535	535
Director	400	440
Senior Manager	365	405
Senior Manager Tax	375	375
Manager Tax	305	305
Manager	290	320
Assistant Manager Tax	205	205
Assistant Manager	205	225
Case Administrator Tax	165	165
Case Administrator	150	165
Support	95	105



Sandstone Trading Limited (in administration)
Report to Creditors pursuant to Rule 2.47 of the Insolvency (Amendment) Rules 2003
KPMG LLP
28 January 2010

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

RECEIPTS		£
Brought forward from previous Abstract (if Any)		121,193 69
Bank contribution to realisation costs		8,582 19
Bank interest, gross		0 54
Furniture & equipment		7,549 65
Bank interest, gross		19 37
Floating ch VAT payable		1,500 00
Floating ch VAT control		675 00
Carried forward to		139,520 44
* continuation sheet / next abstract		
PAYMENTS		£
Brought forward from previous Abstract (if Any)		55,798 08
Administrators' fees		7,000 00
Legal fees		3,000 00
Woodsome Avenue Completion Costs		9,334 65
Insurance of Assets		5,582 19
Woodsome Avenue Running Costs		340 82
Storage costs		134 46
Insurance of assets		868 35
Floating ch VAT rec'able		35 42
Fixed charge VAT rec'able		1,542 75
Carried forward to		83,636 72
* 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
28 January 2010

Appendix 4 - Abstract of Administrators' Receipts & Payments accounts for the period 6 July 2009 to 5 January 2010.

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

Statement of Affairs		From 06/07/2009 To 05/01/2010	From 06/01/2009 To 05/01/2010
	FIXED CHARGE ASSETS		
827 742 82	Woodsome Avenue	NIL	NIL
	Bank contribution to realisation costs	8,582 19	63,582 19
	Bank interest gross	0 54	0 69
49 846 79	Deposit Account	NIL	NIL
18 464 81	Vehicles Subject to HP	NIL	NIL
		<u>8,582 73</u>	<u>63,582 88</u>
	FIXED CHARGE COSTS		
	Administrators' fees	7,000 00	7,000 00
	Legal fees	3,000 00	3,000 00
	Woodsome Avenue Completion Costs	9,334 65	41,305 00
	Bank charges	NIL	20 00
	Insurance of Assets	5,582 19	5 582 19
		<u>(24,916 84)</u>	<u>(56,907 19)</u>
	FIXED CHARGE CREDITORS		
(896 054 42)	Fixed charge creditor	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	ASSET REALISATIONS		
113 071 08	Freehold property	NIL	NIL
10 000 00	Furniture & equipment	7,549 65	9,049 65
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)	NIL	63,245 52
		<u>7,549 65</u>	<u>72,295 17</u>
	OTHER REALISATIONS		
	Bank interest gross	19 37	28 97
515 605 36	Intercompany debtors	NIL	NIL
		<u>19 37</u>	<u>28 97</u>
	COST OF REALISATIONS		
	Bank contribution to realisation costs	NIL	1,352 92
	Search Fees	NIL	(10 00)
	Woodsome Avenue Running Costs	(340 82)	(2,833 82)
	Agents'/Valuers' fees	NIL	(750 00)
	Eversheds Legal Fees	NIL	(2,500 00)
	Agent's Disbursements	NIL	(22 55)
	IT Ransome Payment	NIL	(3,000 00)
	Storage costs	(134 46)	(784 46)
	Statutory advertising	NIL	(228 24)
	Insurance of assets	(868 35)	(868 35)
	Wages & salaries	NIL	(5 798 44)
	Bank charges	NIL	(20 00)
	Professional Fees	NIL	(6,075 00)
		<u>(1,343 63)</u>	<u>(21,537 94)</u>
	PREFERENTIAL CREDITORS		
(32 721 74)	Employees' wage arrears	NIL	NIL
		<u>NIL</u>	<u>NIL</u>

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

Statement of Affairs		From 06/07/2009 To 05/01/2010	From 06/01/2009 To 05/01/2010
	FLOATING CHARGE CREDITORS		
(308 268 80)	Floating charge	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	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>(10,108 72)</u>	<u>57,461 89</u>
	REPRESENTED BY		
	Floating ch VAT rec'able		35 42
	Fixed charge current		5 132 94
	Floating charge current		50,750 78
	Fixed charge VAT rec'able		1,542 75
			<u>57,461 89</u>

Howard Smith
Administrator

**In the matter of Sandstone Trading Limited in administration
("the Company")**

and

In the matter of the Insolvency Act 1986

Resolutions on fees and Administrators Liability

Please indicate your acceptance or rejection of the following resolution relating to the Company by ticking the appropriate box below

The Joint Administrators propose the following

- that the Joint Administrators will be authorised to draw fees on account from the assets of the Company from time to time during the period of Administration based on time properly spent at KPMG LLP charge out rates that reflect the complexity of the assignment Also, the Joint Administrators will be authorised to draw disbursements from time to time, and

Yes

☐

No

☐

- That the costs of KPMG LLP in respect of HSE, Pension, Tax, Receivables Realisation Group and VAT advice provided to the Joint Administrators be based on time costs and shall be paid out of the assets of the Company

Yes

☐

No

☐

- the Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Act immediately upon their appointment as Joint Administrators ceasing to have effect

Yes

☐

No

☐

Name of
creditor

Address

Signature

Date

Please return this form to Ian Campbell, KPMG Restructuring, 1 the Embankment, Neville Street, Leeds, LS1 4DW