

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company FRAME 1 (2004) LIMITED	Company number 05101189
In the High Court of Justice Chancery Division Manchester District Registry	Court case number 4044 of 2008

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

I/We (a) A Poxon & J M Titley of Leonard Curtis, DTE House,
Hollins Mount, Bury BL9 8AT

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

(b) Insert dates	from (b) 28 November 2008	to (b) 27 May 2009
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Signed

Joint / Administrator(s)

Dated

19 June 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

Leonard Curtis	
DTE House, Hollins Mount, Bury BL9 8AT	
Ref: MD/20	Tel 0161 767 1250
DX Number	DX Exchange

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



A43 23/06/2009 252
COMPANIES HOUSE



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**FRAME 1 (2004) LIMITED
(IN ADMINISTRATION)**

**Joint Administrators' progress report
for the period 28 November 2008 to 27 May 2009**

19 June 2009

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**STRICTLY PRIVATE AND CONFIDENTIAL
NOT FOR PUBLICATION**

**TO: THE REGISTRAR OF COMPANIES
THE COURT
ALL CREDITORS
ALL MEMBERS**

1 STATUTORY INFORMATION

- 1.1 John Titley and Andrew Poxon were appointed as Joint Administrators of Frame 1 (2004) Limited ("the Company") in the jurisdiction of Manchester High Court, Manchester District Registry, number 4044 of 2008 on 28 November 2008. The administration appointment was made by the Trustees of the Patterson & Rothwell Directors Retirement Scheme under the terms of a Debenture created on 17 December 2007.
- 1.2 The Administration is being handled by Leonard Curtis' Bury office, which is situated at DTE House, Hollins Mount, Bury, Lancashire BL9 8AT.
- 1.3 The trading address of the Company was Unit 22, Castle Park Industrial Estate, Evans Street, Flint, Clwyd CH6 5XA. The business traded under its registered name.
- 1.4 The registered office address at the date of the appointment of administrators was Unit 22, Castle Park Industrial Estate, Evans Street, Flint, Clwyd CH6 5XA. This was changed to DTE House, Hollins Mount, Bury, Lancashire BL9 8AT on 11 December 2008. The Company's registered number is 05101189.
- 1.5 The functions of the Administrators may be exercised by either or both, acting jointly or alone.

2 PROGRESS OF THE ADMINISTRATION

- 2.1 Attached at Appendix A is the Joint Administrators' receipts and payments account for the six month period from 28 November 2008 to 27 May 2009.

2.2 Sale of the Plant, Machinery & Equipment

A sale of the above assets was completed on 19 December 2008 to Geoff Dallimore, Alan Rothwell and Gary Torr. The agreed sales consideration was £30,000. I can confirm that the whole of the sale consideration has now been received. This is currently being held by our agents so is not included in the receipts and payments account at Appendix A.

2.3 Book Debts

RBS Commercial Services hold security in the form of a fixed charge over the Company's book debts. As at the date of the administration, the Company had book debts with a book value of £1,296,615. However, following a review by management prior to our appointment, a large number of invoices were identified as being raised where the work had not been completed. A review by our debt collection agents estimated that invoices raised for work done totalled £753,100. Our agents estimated that £441,813 was potentially collectible. To date £244,458 has been collected. At this time, the level and timing of further collections is uncertain.

3 ASSETS STILL TO BE REALISED

- 3.1 The only assets of the Company still to be realised are the book debts referred to in 2.3 above.

4 JOINT ADMINISTRATORS' REMUNERATION

- 4.1 The secured and preferential creditors have approved that the basis of the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the Administration.
- 4.2 The Joint Administrators' time costs at 27 May 2009 are £24,425.00. This represents 113.4 hours at an average rate of £215.39 per hour. Attached at Appendix B is a time analysis which provides details of the activity costs incurred by staff grade during this period.
- 4.3 Time costs of £3,607.50 were incurred in the period prior to our appointment which the creditors are not required to approve. To date this has not been paid.
- 4.4 To date remuneration of £7,000 has been drawn on account.
- 4.5 Attached as Appendix C 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.

5 ESTIMATED OUTCOME FOR CREDITORS

- 5.1 The Joint Administrators consider that the third objective of administration will be achieved in this case, namely realising property in order to make a distribution to one or more secured or preferential creditors.
- 5.2 It is anticipated that there will be insufficient funds available to make a payment in respect of the claims of the preferential creditors, namely the Redundancy Payments Office and employees, for unpaid pay arrears and holiday pay.
- 5.3 I can confirm that it is anticipated that debtor realisations will be insufficient to repay The Royal Bank of Scotland Commercial Services Limited in full in respect of its security over the company's debtor ledger.
- 5.4 I can also advise that it is anticipated that there will be insufficient funds to enable a distribution to the other secured creditor, Patterson & Rothwell Directors Retirement Benefit Scheme.
- 5.5 The administrators are required by law, subject to certain rules, to set aside a proportion of the funds which would normally be paid to the floating charge holder under the terms of its security, for the benefit of unsecured creditors. This is known as the "Prescribed Part". Based upon the information currently available, as it is anticipated that there will be insufficient funds to enable a distribution to secured creditors under their floating charge, there will be no requirement to calculate a prescribed part in this matter.

6 ENDING THE ADMINISTRATION

- 6.1 It is unlikely that a request will be submitted to creditors for an extension of time to the current 12 month duration of the administration. If required, a request for an extension of time will be communicated to creditors in due course. The exit route from administration is likely to be by way of dissolution.
- 6.2 The Joint Administrators will be discharged from liability immediately upon their appointment as Administrators ceasing to have effect.

7 NEXT REPORT

- 7.1 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.

For and on behalf of
FRAME 1 (2004) LIMITED
(IN ADMINISTRATION)



J M TITLEY
JOINT ADMINISTRATOR
19 June 2009

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM
28 NOVEMBER 2008 TO 27 MAY 2009

	£
RECEIPTS	
Book debts	244,458.60
Interest	17.36
Sundry Receipts	12.00
Sundry Refunds	12.60
Rates Refund	2,263.67
Sundry Expenses/Disbursements	15.10
	<u>246,779.33</u>
PAYMENTS	
Administrators' Remuneration	7,000.00
Other Professional Fees	2,200.00
Insurance	435.87
Heat, Light and Telephone	308.73
Bank Interest and Charges	40.00
Wages and Salaries	3,279.95
	<u>13,264.55</u>
DISTRIBUTIONS	
RBSCS	<u>199,842.39</u>
BALANCE IN HAND	<u>33,672.39</u>

SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD
FROM 28 NOVEMBER 2008 TO 27 MAY 2009

Frame 1 (2004) Limited
(In Administration)

Summary of Administrators' Time Costs from 28 November 2008 to 27 May 2009

	Director		Senior Manager		Manager 2		Administrator 2		Administrator 4		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory & Review	-	-	-	-	-	-	-	-	39	409.50	39	409.50	105.00
Assets	51	1,861.50	140	4,431.00	-	-	210	3,300.00	7	70.50	408	9,663.00	236.84
Liabilities	-	-	28	882.00	12	279.00	233	3,675.00	11	104.50	284	4,940.50	173.96
Landlords	25	987.50	43	1,400.00	-	-	35	595.00	-	-	103	2,982.50	289.56
Trading	10	365.00	-	-	-	-	-	-	16	168.00	26	533.00	205.00
Debtenture Holder	-	-	27	861.00	-	-	20	340.00	-	-	47	1,201.00	255.53
General Administration	20	730.00	-	-	-	-	-	-	5	47.50	25	777.50	311.00
Appointment	20	730.00	6	189.00	-	-	40	600.00	-	-	66	1,519.00	230.15
Post Appointment Creds Mtngs	-	-	6	189.00	-	-	130	2,210.00	-	-	136	2,399.00	176.40
Total	126	4,674.00	250	7,952.00	12	279.00	568	10,720.00	78	800.00	1,134	24,425.00	

Average Hourly Rate (£)

370.95	318.08	232.50	160.48	102.56	215.39
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All Units are 6 minutes

ADDITIONAL INFORMATION IN RELATION TO ADMINISTRATORS' FEES AND DISBURSEMENTS PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9

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 charged.

With effect from 1 January 2009 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

Partner	£395	Administrator 2	£170
Senior Manager	£350	Administrator 3	£150
Manager 1	£285	Administrator 4	£105
Manager 2	£245	Support	£0
Administrator 1	£195		

We have not utilised the services of any sub-contractors in this case.

Professional Advisors

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.

On this case we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
Turner Parkinson (legal advice)	Hourly rate and disbursements
Charles Taylor (valuation advice)	Hourly rate and disbursements
Largo (debt collection)	Hourly rate and disbursements
EK Employment Consultants (employee advice)	Hourly rate and disbursements

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. Category 1 disbursements incurred on this case are detailed in Appendix A.

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 ordinarily 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 (6 years)	£62.90 per box

No category 2 disbursements have been drawn on this case to date.