

The Insolvency Act 1986

Administrator's progress report

Name of Company

The Desk Centre Holdings Limited

Company number

05319219

In the

High Court of Justice, Chancery Division, Manchester
District Registry

Court case number

2279/2009

(a) Insert full name(s)
and address(es) of
administrator(s)I/ We (a) Thomas Andrew Jack and Simon AllportErnst & Young LLP, 100 Barbirolli Square, Manchester, M2 3EY

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

from

to

(b) Insert dates

(b) 31 July 2009

(b) 30 January 2010

Signed

Joint Administrator(s)

Dated

23 | 02 | 10

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

Chris Gibson

Ernst & Young LLP, 100 Barbirolli Square, Manchester, M2 3EY

Tel 0161 333 3286

DX Number

DX Exchange

THURSDAY
25 FEB 2010
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COMPANIES HOUSE

If you have completed and signed this form please send it to the Registrar of Companies

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

TO ALL KNOWN CREDITORS

23 February 2010

Ref: CRT/J/CB/CG/NWM 0984/D16 1

Please ask for Chris Gibson

Direct line: 0161 333 3286
Direct Fax: 0161 333 3008

Dear Sirs

COMPANIES HOUSE

**TDC Realisations Limited (Formerly The Desk Centre Limited) ("TDC")
The Desk Centre Holdings Limited ("TDCH")**

(Both In Administration) (together "the Companies")

**TDC Realisations Limited: Company number 0190248
The High Court of Justice, Chancery Division, Manchester District Registry
Court number 2247/2009
Registered office address: 100 Barbirolli Square, Manchester, M2 3EY**

**The Desk Centre Holdings Limited: Company number 05319219
The High Court of Justice, Chancery Division, Manchester District Registry,
Court number 2279/2009
Registered office address: 100 Barbirolli Square, Manchester, M2 3EY**

I write, in accordance with Rule 2.47 of the Insolvency Rules 1986, to provide creditors with a report on the progress of the Administrations. This report covers the period from 31 July 2009 to 30 January 2010 and should be read in conjunction with the Joint Administrators' Statement of Proposals dated 21 September 2009 ("the Proposals").

The Companies entered Administration on 31 July 2009 and Simon Allport and Tom Jack were appointed to act as Joint Administrators. The appointments were made by Royal Bank of Scotland Invoice Finance Limited ("RBSIF") as the qualifying floating charge holder under the provisions of paragraph 14 of Schedule B1 to the Insolvency Act 1986 in respect of TDC, and the Directors of the company under the provisions of paragraph 14 of Schedule B1 to the Insolvency Act 1986 in respect of TDCH.

Under the terms of the appointment, any act required or authorised to be done by the Joint Administrators may be carried out jointly or by either of the Joint Administrators acting alone.

As stated in the Proposals, shortly after appointment a sale of the Companies' business and assets (excluding book debts) was completed to Desk Centre Limited (Formerly Halco 1697 Limited), a subsidiary of Vision Support Services Limited ("the Purchaser"). The transaction included the transfer of all employees of the Companies to the Purchaser. Further details of the transaction are contained in the Proposals.



Summary of progress

Pre-appointment book debts

At the date of our appointment the debtors ledger of TDC stood at circa £570k. As previously noted in the Proposals, after taking into account contras, pre-appointment credit notes, intercompany balances and other relevant provisions, the realisable value of pre-appointment debtors was estimated to be approximately £260k.

Realisations in respect of the pre-appointment debtors of TDC have exceeded this initial estimate, and collections of circa £297k have been made to date. We continue to pursue a small number of remaining balances, however we anticipate future book debt collections are unlikely to exceed £5k.

The pre-appointment book debts of TDC are subject to Royal Bank of Scotland Invoice Finance Limited's ("RBSIF") fixed and floating charges. Despite greater than anticipated realisations in this regard, we continue to expect RBSIF will face a shortfall against its lending.

TDCH was a non-trading entity, which holds the entire share capital of TDC. At the date of appointment TDCH had no other assets and consequently no realisations have been made in respect of TDCH outside those assets realised under the sale and purchase agreement as detailed in the Proposals.

Leasehold premises

As detailed in the Proposals, the Companies occupied two leasehold premises at the date of appointment, a principal trading office in Birkenhead and a satellite sales office in Leeds. No realisations have been made or are expected in the future.

Rent received under a licence agreement

As stated in the Proposals, a licence was granted to the Purchaser to occupy the Companies' premises in Birkenhead for a limited period. Under the terms of this licence the Purchaser was required to provide the Companies with funds to remit to the landlord in respect of rent, insurance and services charges, and any other costs properly incurred in relation to their continued occupation of the premises.

The Purchaser ceased occupation of the Birkenhead premises with effect from 31 January 2010, the date of expiry of the licence agreement. Following the vacation of the premises, the Companies have no ongoing interest in the Birkenhead property and have handed back their copy of the lease and keys and have offered a surrender of the property back to the landlord.

The Purchaser did not require use of the Leeds premises following the sale of the Companies' business and assets and this site was handed back to the landlord by the Joint Administrators, a subsequent surrender of the lease has been offered to the landlord, which has yet to be accepted.

Retention of title

As detailed in the Proposals, the Purchaser has been corresponding with the suppliers of TDC in relation to any Retention of Title claims. We encourage any supplier who believes they may

have a Retention of Title claim to contact the Purchaser directly in the first instance, and notify ourselves as we look to finalise the remaining matters in the Administrations

TDCH is a non-trading entity and consequently we are not aware of any suppliers or any Retention of Title claims in this regard

Creditors

An indication is provided below of the current position with regard to each class of creditors' claims against the Companies. The figures have been compiled according to the books and records of the Companies have not been subjected to independent review or statutory audit

Secured creditors

The book debts due to TDC are secured by a first ranking fixed charge held by RBSIF, who in addition also hold a second ranking floating charge over the other remaining assets of the Companies

At the date of appointment, TDC's principal indebtedness to RBSIF totalled approximately £335k after allowing for a transfer between TDC's pre-appointment facilities with Royal Bank of Scotland Plc ("the Bank"). To date RBSIF have received book debt collections of circa £297k. Although book debt collections have exceeded initial expectations, future realisations in respect of the remaining debtor balances are expected to be minimal and accordingly we anticipate RBSIF will face a shortfall against its security.

The Royal Bank of Scotland plc also held first ranking fixed and floating charges over the Companies' assets (excluding book debts). At the date of appointment, TDC's total indebtedness to the Bank in respect of its pre-appointment overdraft was circa £108k (after allowing for a transfer between facilities). Following the sale of the business and assets (excluding book debts) of the Companies and after allowing for costs in the Administration, we continue to estimate that the Bank will face a significant shortfall against its lending facility.

No distributions have been made to date to the Bank as a secured creditor in respect of realisations of the assets subject to its security.

TDCH offered a cross guarantee in respect of the borrowings of TDC. We are not aware of any other creditors with respect to this company.

Preferential creditors

All employees of TDC were transferred to the Purchaser under the Transfer of Undertakings (Protection of Employment) Regulations. We are not aware of TDCH having any employees.

Accordingly we do not anticipate there to be any preferential claims in these Administrations.

Non-preferential creditors

Non-preferential claims against TDC continue to be received in the Administration. As detailed in the Proposals, it is estimated that non-preferential claims in this Administration will be in the region of £2m.

We currently estimate that due to the anticipated shortfall to the secured creditors, it is unlikely that there will be a sufficient surplus available for a distribution to be made to the non-preferential creditors of either company

As indicated previously TDCH was a non-trading company and we are not aware of any non-preferential claims being received in respect of TDCH

The Prescribed Part

The Prescribed Part is a proportion of floating charge assets set aside for non-preferential creditors out of the net realisations (i.e. after associated costs) of property subject to a floating charge which was created on or after 15 September 2003

The secured lenders' floating charge debentures in respect of the Companies were created after 15 September 2003, and consequently section 176A of the Insolvency Act 1986 applies in these Administrations

We currently anticipate that in TDC and TDCH, after costs of realisation, net property is likely to be circa £5k and £nil respectively. As the net property of TDC is below the prescribed minimum of £10k, the Joint Administrators do not intend to set aside a Prescribed Part pursuant to paragraph 176A(3) of the Insolvency Act 1986. As the net property of TDCH is estimated to be nil, it follows that a prescribed part cannot be set aside

Receipts and payments accounts

I enclose receipts and payments accounts in respect of the Companies for the period 31 July 2009 to 30 January 2010 at Appendix 1. Please note that these accounts do not reflect any estimated future costs or realisations

Joint Administrators' remuneration and disbursements

No creditors committee was formed in these Administrations, and therefore as stated in the Proposals we will seek the approval of the Companies' secured and preferential creditors (if applicable) to fix and be paid remuneration on a time cost basis, in accordance with the provisions of Rule 2.106(5A) of the Insolvency Rules 1986

To 30 January 2010, total time costs of £158,847 in respect of TDC Realisations Limited and £9,968 in respect of The Desk Centre Holdings Limited have been incurred. An analysis of the time spent in dealing with the Administrations is attached as Appendix 2 to this report. No fees were drawn by the Joint Administrators as at 30 January 2010

At Appendix 3 is a statement of the Joint Administrators' policy in relation to charging time and disbursements

To date, the sum of £234.00 has been incurred in respect of Category 2 disbursements, an analysis of these disbursements to 30 January 2010 is attached at Appendix 2. No money has yet been drawn in respect of these Category 2 disbursements

The affairs, business and property of the Companies are being managed by the Joint Administrators, T A Jack and S Allport, who act as agents of the Companies only and without personal liability

Appendix 1

**TDC Realisations Limited (Formerly The Desk Centre Limited) ("TDC")
(In Administration)****Joint Administrators' Abstract of Receipts and Payments
31 July 2009 to 30 January 2010**

<i>Estimated to Realise per Directors' Statement of Affairs £</i>		<i>Total £</i>
	<u>Receipts</u>	
300,000	Book Debts	297,458 44
50,000	Goodwill	65,000 00
30,000	Plant & Vehicles	10,000 00
35,000	Stock	59,993 00
	Business Name, Rights & Records	6 00
	Licence Fee	43,266 69
	Prepayments & Other Debts	3,815 92
	Bank Interest	38 90
415,000 00		479,578 95
	<u>Payments</u>	
	Rent	42,500 33
	Insurance	315 00
	Legal Fees	25,039 78
	Public Notices	241 65
	Sundry Expenses	995 03
	Bank Charges	60 00
		69,151 79
	Balance In Hand	410,427 16
	<u>Represented By</u>	
	VAT Receivable	3,923 92
	Fixed Charge Current Account	46,030 63
	General Current Account	65,019 77
	RBSIF Current Account	290,421 28
	Balance of funds owing from Purchaser in respect of debtors received by them	5,031 56
		410,427 16

Appendix 1

The Desk Centre Holdings Limited ("TDCH") (In Administration)
Joint Administrators' Abstract of Receipts and Payments
31 July 2009 to 30 January 2010

<i>Estimated to Realise per Directors' Statement of Affairs £</i>	<i>Total £</i>
<u>Receipts</u>	
Monies in respect of the assets of The Desk Centre Holdings Limited	1 00
	<hr/>
	1 00
<u>Payments</u>	
	<hr/>
	0 00
	<hr/>
Balance In Hand	1 00
	<hr/>
<u>Represented By</u>	
General Current Account	1 00
	<hr/>
	1 00
	<hr/>

Notes to Abstracts of Receipts & Payments

- 1 Receipts and payments are shown net of VAT
- 2 The receipts and payments accounts have been prepared on a cash basis and do not take account of realisations yet to be collected or liabilities not yet paid
- 3 Funds are held on interest bearing accounts

Appendix 2

Summary of Joint Administrators' Time Costs and Category 2 Disbursements from 31 July 2009 to 30 January 2010

TDC Realisations Limited (Formerly The Desk Centre Limited) (In Administration)

Summary of time and time costs from 31 July 2009 to 30 January 2010

Classification of Work Function	Partner / Director	Assistant Director	Senior Executive	Executive	Analyst	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Job Acceptance & Strategy	4.0	-	-	-	-	4.0	1,980	495
Immediate Tasks	4.5	5.0	12.0	16.5	-	38.0	10,578	278
Bank & Statutory Reporting	3.0	0.5	47.0	32.0	-	82.5	21,105	256
Property	1.0	-	29.5	9.0	-	39.5	10,407	263
Debtors	1.5	3.4	128.7	73.0	173.5	380.1	65,805	173
Other Assets	-	-	-	-	-	-	-	-
Trading	-	-	-	-	-	-	-	-
Retention of Title	-	-	-	5.0	-	5.0	1,000	200
Creditors	1.0	2.1	15.5	28.1	7.0	53.7	11,673	217
Members	-	-	-	-	-	-	-	-
Investigations & CDDA	-	-	8.0	-	15.0	23.0	3,400	148
Legal Issues	2.0	-	-	-	-	2.0	990	495
Employee Matters	-	-	-	2.0	-	2.0	400	200
Accounting & Administration	-	-	31.2	32.1	9.3	72.6	15,633	215
Environmental Issues	-	-	-	-	-	-	-	-
Statutory Duties	-	-	10.5	9.5	4.4	24.4	5,156	211
VAT & Taxation	-	-	5.5	8.7	13.1	27.3	5,294	194
Other Matters	2.0	-	0.5	21.5	-	24.0	5,428	226
Total Hours	19.0	11.0	288.4	237.4	222.3	778.1		
Time Costs (£)	9,405	3,970	79,310	48,089	18,073		158,847	
Average Hourly Rate (£)	495	361	275	203	81		204	
Category 1 disbursements (£)								
Category 2 disbursements (£)	234							

The Desk Centre Holdings Limited (In Administration)

Summary of time and time costs from 31 July 2009 to 30 January 2010

Classification of Work Function	Partner / Director	Assistant Director	Senior Executive	Executive	Analyst	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Job Acceptance & Strategy	2.0	-	-	-	-	2.0	990	495
Immediate Tasks	0.5	1.0	4.5	1.0	-	7.0	2,095	299
Bank & Statutory Reporting	0.5	-	-	8.5	-	9.0	2,008	223
Property	-	-	-	-	0.2	0.2	24	120
Debtors	-	-	-	-	-	-	-	-
Other Assets	-	-	-	0.5	-	0.5	100	200
Trading	-	-	-	-	-	-	-	-
Retention of Title	-	-	-	-	-	-	-	-
Creditors	-	-	-	0.5	0.2	0.7	124	177
Members	-	-	-	-	-	-	-	-
Investigations & CDDA	-	-	3.0	-	2.0	5.0	985	197
Legal Issues	-	-	-	-	-	-	-	-
Employee Matters	-	-	-	-	-	-	-	-
Accounting & Administration	-	-	1.2	2.5	0.8	4.5	846	188
Environmental Issues	-	-	-	-	-	-	-	-
Statutory Duties	-	-	1.0	9.5	0.4	10.9	2,223	204
VAT & Taxation	-	-	1.3	-	1.8	3.1	574	185
Other Matters	-	-	-	-	-	-	-	-
Total Hours	3.0	1.0	11.0	22.5	5.4	42.9		
Time Costs (£)	1,485	470	3,025	4,500	488		9,968	
Average Hourly Rate (£)	495	470	275	200	90		232	
Category 1 disbursements (£)								
Category 2 disbursements (£)								

Appendix 2

Summary of Joint Administrators' Time Costs and Category 2 Disbursements from 31 July 2009 to 30 January 2010

Below is a summary of the current charge-out rates for the Joint Administrators' and their staff, effective from 1 July 2009

Current charge out rates	Grade	Current Rate, £ - Effective from 1 July 2009
Restructuring	Partner / Director	405 - 495
	Assistant Director	350 - 590
	Senior Executive	275
	Executive	200
	Analyst	20 - 120
Indirect Tax	Executive	270
	Analyst	120

Category 2 Disbursements

To date, the following Category 2 expenses have been incurred in relation to TDC Realisations Limited

Nature of expense	Amount - £	Basis of charge
Mileage	234.00	Mileage is charged at a rate of 40p per mile

It is proposed that the Joint Administrators seek approval from the secured creditors and preferential creditors (if applicable) to draw these expenses in line with the policy set out in the Office Holders' Charging Policy for Disbursements at Appendix 3

To date, no Category 2 expenses have been incurred in relation to The Desk Centre Holdings Limited

Appendix 3

TDC Realisations Limited (Formerly The Desk Centre Limited) ("TDC") The Desk Centre Holdings Limited ("TDCH") (Both In Administration)

Office Holders' Charging Policy for Fees

It is stated in the Statement of Administrators' Proposals that, in the event that a creditor's committee is not formed, the Joint Administrators propose that their remuneration should be fixed on the basis of time properly spent by them and their staff in attending to matters arising in the Administration. A creditor's committee has not been formed, thus in accordance with the provisions of Rule 2.106(5A), it is proposed that the secured creditors, and if appropriate the preferential creditors, fix the basis of the Administrators' remuneration.

The Administrators have engaged a manager and other staff to work on the cases. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the company's bank accounts and statutory compliance duties. Work carried out by all staff is subject to the overall supervision of the Administrators.

All time spent by staff working directly on case-related matters is charged to a separate time code established for each case. Each member of staff has a specific hourly rate, which is subject to change over time. The average hourly rate for each category of staff over the period is shown in Appendix 2, as are the current hourly rates used. The current hourly rates may be higher than the average rates, if hourly rates have increased over the period covered by this report.

Office Holders' Charging Policy for Disbursements

Statement of Insolvency Practice No. 9 ("SIP 9") published by R3 (The Association of Business Recovery Professionals) divides disbursements into two categories.

Category 1 disbursements comprise payments made by the office holders' firm, which comprise specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. These disbursements can be paid from the insolvent's assets without approval from the Committee. In line with SIP 9, it is our policy to disclose such disbursements drawn but not to seek approval for their payment.

Category 2 disbursements comprise payments made by the office holders' firm which include elements of shared or overhead costs. Such disbursements are subject to approval from the secured creditors as if they were remuneration. It is our policy, in line with SIP 9, to seek approval for this category of disbursement before they are drawn.