

The Insolvency Act 1986

Notice of move from administration to dissolution

Name of Company The Desk Centre Holdings Limited	Company number 05319219
In the High Court of Justice, Chancery Division, Manchester District Registry <small>[full name of court]</small>	Court case number 2279/2009

(a) Insert 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

having been appointed administrator(s) of

(b) Insert name and
address of registered
office of company

(b) The Desk Centre Holdings Limitedc/o Ernst & Young LLP, 100 Barbirolli Square, Manchester, M2 3EY

(c) Insert date of
appointment
(d) Insert name of
applicant / appointor

on (c) 31 July 2009 by (d) the directors of the Company

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

I / we attach a copy of the final progress report

Signed

[Signature]
Joint / Administrator(s)

Dated

28/07/10

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.

Heather Beatty	
Ernst & Young LLP, 100 Barbirolli Square, Manchester, M2 3EY	
	Tel 0161 333 2865
DX Number	DX Exchange

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



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COMPANIES HOUSE

FRIDAY

TO MEMBERS AND ALL KNOWN CREDITORS

28 July 2010

Ref: R/TJ/CB/HB/CG/NWM 0984/D21 1

Please ask for Heather Beatty

Direct line: 0161 333 2865
Direct fax: 0161 333 3008

Dear Sirs

The Desk Centre Holdings Limited

(In Administration) ('the Company' or 'Holdings')

The Desk Centre Holdings Limited: Registered Number 05319219

**The High Court of Justice, Chancery Division, Manchester District Registry,
Number 2279/2009**

Registered office address: 100 Barbirolli Square, Manchester, M2 3EY

I write in accordance with Rule 2.118 of The Insolvency Rules 1986 to provide you with a final report on the progress of the above Administration. It is my intention to apply to the Registrar of Companies to have the Company dissolved. This report covers the period from 31 January 2010 to 28 July 2010 and should be read in conjunction with the Joint Administrators' previous reports, the six monthly progress report dated 23 February 2010 ('the Progress Report') and the Joint Administrators' Statement of Proposals dated 21 September 2009 ('the Proposals').

The Company entered Administration on 31 July 2009 and Simon Allport and I were appointed to act as Joint Administrators. The appointment was made by the Directors of the Company under the provisions of paragraph 22 of Schedule B1 to the Insolvency Act 1986.

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.

Summary of the Administrators' Proposals

Background to the Appointment

Holdings was incorporated on 22 December 2004 and was a non-trading entity. Its only asset was ownership of 100% of the issued share capital of TDC Realisations Limited (formerly The Desk Centre Limited) ('TDC').

TDC was the trading entity within the group and operated as a wholesaler of office and educational furniture supplying desks, chairs, seating, storage and tables to a range of customers in both the public sector and to the corporate and commercial markets. Its principal trading site was from leasehold premises at 1 Hickmans Road, Birkenhead, Wirral, CH41 1JH.

TDC entered Administration on 31 July 2009 under the provisions of paragraph 14 of Schedule B1 to the Insolvency Act 1986 and Simon Allport and I were appointed to act as Joint



Administrators The Administrators of TDC have sought an extension to the Administration for a period of not exceeding six months from 31 July 2010

Purpose and conduct of the Administration

The purpose of an Administration is to achieve one of three objectives

- a To rescue the company as a going concern
- b To achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration)
- c To realise property in order to make a distribution to one or more secured or preferential creditors

Insolvency legislation provides that objective (a) should be pursued unless it is not reasonably practicable to do so or if objective (b) would achieve a better result for the company's creditors as a whole. Objective (c) may only be pursued if it is not reasonably practicable to achieve either objective (a) or (b) and can be pursued without unnecessarily harming the interests of the creditors of the company as a whole

The Joint Administrators concluded that objective (a) could not be pursued for the following principal reasons

- The significant debt due to Royal Bank of Scotland Invoice Finance Limited ('RBSIF') and The Royal Bank of Scotland Plc ('the Bank') and the level of trade supplier liabilities made Holdings and TDC unattractive to potential purchasers on a solvent basis, and following an eight week marketing period an equity investment in TDC or Holdings (together 'the Companies') could not be secured,
- The extent of the Companies liabilities', in particular those in respect of wage and rent arrears, meant there were very limited prospects of trading the business whilst in Administration and generating sufficient profit to meet liabilities,
- TDC was "on stop" with many of its key suppliers and therefore it would have been difficult to obtain supplies during a trading period in Administration without ransom payments having to be made to certain trade creditors

As Holdings and TDC could not be rescued on a going concern basis, the Joint Administrators pursued objective (b). Accordingly, the Joint Administrators concluded that in light of the significant risks and costs associated with trading TDC in Administration, an immediate sale of the business represented a better result for the Companies' creditors as a whole. Furthermore, a sale could preserve the employment of all 38 staff of TDC

Thus shortly after the appointments, a sale of the business and assets of Holdings and TDC (excluding book debts due to TDC) was completed to Desk Centre Limited (formerly Halco 1697 Limited), a subsidiary of Vision Support Services Limited ('the Purchaser')

This transaction included the transfer of all employees of the Companies to the Purchaser, and is fully detailed in the Proposals

Amendments to, or deviations from, the Proposals

There has been no deviation from the Proposals throughout the course of the Administration. No initial meeting of creditors was requested, and no creditors committee formed, and as such there have been no material amendments to the Proposals.

It was previously reported in Appendix A to the Proposals that the appointment of the Joint Administrators of Holdings was made by RBSIF as qualifying floating chargeholder of the Company. However S Allport and I were appointed as Joint Administrators of Holdings by the Directors of the Company under the provisions of paragraph 22 of Schedule B1 of the Insolvency Act 1986.

Summary of progress

Asset realisations

Holdings was a non-trading entity whose sole asset was the 100% owned issued share capital of TDC, which was realised for consideration of £1 as part of the sale of the business and assets (excluding book debts) of Holdings and TDC, as detailed in the Proposals.

At the date of appointment, Holdings had no other assets and consequently no other realisations have been made in respect of Holdings, excluding those assets realised under the sale and purchase agreement with the Purchaser.

The book debts excluded from the sale are with respect to TDC, and no book debts existed in respect of Holdings at the date of our appointment.

Creditors

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

Secured creditors

The Bank held first ranking fixed and floating charges over the assets of Holdings and TDC (excluding book debts). As previously reported, at the date of appointment, TDC's principal indebtedness to the Bank stood at circa £108k in respect of its pre-appointment overdraft facility (after allowing for the above noted transfer between facilities).

Holdings gave a cross-guarantee in respect of the borrowings of TDC. A distribution of £1 has been made to the Bank in respect of the asset realisations in Holdings. We have not been made aware of any other secured creditors in respect of Holdings at the date of our appointment.

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

Preferential creditors

We have not been made aware of any employees at the date of appointment in respect of Holdings. Accordingly, no preferential claims have arisen during the Administration.

Non-preferential creditors

Non-preferential claims have been received during the Administration in respect of Holdings totalling circa £34k, which were largely in respect of professional services provided to Holdings prior to the Administration. Given the Company's nature as a non-trading entity holding only an investment in TDC at the date of our appointment, no material realisations have been made in respect of Holdings. Consequently, a surplus does not exist to permit a distribution to the non-preferential creditors of Holdings.

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 Company were created after 15 September 2003, and consequently section 176A of the Insolvency Act 1986 applies in these Administrations.

After costs of realisations, net property at the conclusion of the Administration of the Company is £nil. As the net property of Holdings is £nil, the Joint Administrators conclude that no Prescribed Part can be set aside pursuant to paragraph 176A(3) of the Insolvency Act 1986.

Receipts and Payments Account

I enclose a receipts and payments account for the period from 31 January 2010 to 28 July 2010 at Appendix 1.

Joint Administrators' Remuneration and Disbursements

The Joint Administrators' remuneration was fixed on a time-cost basis by a resolution of the creditors passed on 15 March 2010 and 29 March 2010. The Joint Administrators have incurred time costs of £13,693 in respect of Holdings, against which no fees will be drawn. An analysis of the time spent is attached as Appendix 2 to this report. At Appendix 3 there is a statement of the Administrators' policy in relation to charging time and disbursements.

No disbursements were incurred in respect of Holdings.

Joint Administrators' discharge from liability

As there were no preferential creditors in Holdings, the Joint Administrators have written to the secured lenders of the Company to seek their discharge from liability under s 98 of Schedule B1 to the Insolvency Act 1986, which has been granted

Exit from Administration

As proposed, the Administration will be terminated in accordance with paragraph 84 of Schedule B1 to the Insolvency Act 1986 with proceedings initiated for dissolution

The Company will be deemed to be dissolved three months after the registration of the appropriate notice

We enclose for your information Form 2 35B Notice of move from Administration to Dissolution which was forwarded to Registrar of Companies on 28 July 2010

Yours faithfully
for the Company



T A Jack
Joint Administrator

Encs Joint Administrators' Receipts and Payments Account
 Summary of Joint Administrators' Time-Costs and Category 2 Disbursements
 Joint Administrators' Policy on Fees and Disbursements

T A Jack and S Allport are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales

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

Appendix 1

The Desk Centre Holdings Limited ('Holdings') (In Administration)

Joint Administrators' Abstract of Receipts and Payments from 31 July 2009 to 28 July 2010

<i>Estimated to Realise per Directors' Statement of Affairs</i>		<i>31-Jul-09 to 30-Jan-10</i>	<i>31-Jan-10 to 28-Jul-10</i>	<i>Total</i>
£		£	£	£
	<u>Receipts</u>			
nil	Monies in respect of the assets of The Desk Centre Holdings Limited	1 00	-	1 00
		<hr/> 1 00	<hr/> -	<hr/> 1 00
	<u>Payments</u>			
	Distribution to the Bank	-	1 00	1 00
		<hr/> -	<hr/> 1 00	<hr/> 1 00
	Balance In Hand	<hr/> 1 00	<hr/> (1 00)	<hr/> -

Notes to Abstracts of Receipts & Payments

- 1 Receipts and payments are shown net of VAT
- 2 Funds were held throughout the Administration on interest bearing accounts

Appendix 2

The Desk Centre Holdings Limited (In Administration)

Summary of Joint Administrators' Time-Costs and Category 2 Disbursements from 31 July 2009 to 28 July 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	495.0
Immediate Tasks	0.5	0.5	4.5	1.0	-	6.5	1,860	286.1
Bank & Statutory Reporting	0.5	0.5	2.5	8.5	6.4	18.4	3,516	191.1
Property	-	-	-	-	0.2	0.2	24	120.0
Other Assets	-	-	-	0.5	-	0.5	100	200.0
Creditors	-	-	-	0.5	0.2	0.7	124	177.1
Investigations & CDDA	-	-	3.0	-	2.0	5.0	985	197.0
Accounting & Administration	-	-	1.4	2.5	10.4	14.3	1,874	117.1
Statutory Duties	-	-	1.0	9.5	8.0	18.5	2,869	155.1
VAT & Taxation	0.5	0.6	1.7	-	2.8	5.6	1,552	277.1
Total Hours	3.5	1.6	14.1	22.5	30.0	71.7		
Time Costs (£)	1,885	788	3,878	4,500	2,643		13,693	
Average Hourly Rate (£)	539	493	275	200	88		191	
Category 1 disbursements (£)	-							
Category 2 disbursements (£)	-							

Current charge out rates	Grade	Current Rate, £ - Effective from	
		1 July 2008	1 July 2010
Restructuring	Partner / Director	405 - 495	425 - 495
	Assistant Director	350	370
	Senior Executive	275	290
	Executive	200	210
	Analyst	80 - 120	85 - 125
Indirect Tax	Partner / Director	800	800
	Assistant Director	530	530
	Senior Executive	360	360
	Executive	270	270
	Analyst	120 - 150	120 - 150

Category 2 Disbursements

No category 2 disbursements have been incurred

The Desk Centre Holdings Limited (In Administration)

Office Holders' Charging Policy for Fees

The secured creditors of the Company determined that the Administrators' remuneration should be fixed on the basis of time properly spent by the Administrators and their staff in attending to matters arising in the Administration

The Administrators engaged a manager and other staff to work on the cases. The work required was delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance was provided by cashiers dealing with the company's bank accounts and statutory compliance diaries, secretaries providing typing and other support services and filing clerks. Work carried out by all staff was subject to the overall supervision of the Administrators.

All time spent by staff working directly on case-related matters was charged to a separate time code established for each case. Each member of staff had a specific hourly rate, which was 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 latest hourly rates used. The latest hourly rates may be higher than the average rates, if hourly rates 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 were subject to approval from the secured creditors of the Company as if they were remuneration. In line with SIP 9, approval was obtained for Category 2 disbursements before they were drawn.