

The Insolvency Act 1986

Administrator's progress report

Name of Company Borderfields Limited	Company number 05598569
In the High Court of Justice Leeds District Registry [full name of court]	Court case number 147 of 2010

We Steven John Currie and Robert Michael Young of Begbies Traynor (Central) LLP, The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, ST3 6HP

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

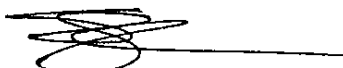
from

to

21 July 2010

20 January 2011

Signed


Joint Administrator

Dated

16 February 2011

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.

Begbies Traynor (Central) LLP	
The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, ST3 6HP	
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Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff



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COMPANIES HOUSE

THURSDAY

Robert Michael Young and Steven John Currie were appointed joint administrators on 21 January 2010

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability

Borderfields Limited (In Administration)

Progress report of the joint administrators pursuant to Rule 2.47 of The Insolvency Rules 1986

Period: 21 July 2010 to 20 January 2011

Important Notice

This progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1 INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Borderfields Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 21 January 2010
"the administrators"	Robert Michael Young of Begbies Traynor (Central) LLP, The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, ST3 6HP and Steven John Currie of Begbies Traynor (Central) LLP, The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, ST3 6HP
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

2. STATUTORY INFORMATION

Name of Company	Borderfields Limited
Date of Incorporation	20 October 2005
Company registered number	05598569
Company registered office	The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, Staffordshire, ST3 6HP

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of administrators	Robert Michael Young, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, ST3 6HP and Steven John Curne, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, ST3 6HP
Date of administrators' appointment	21 January 2010
Court	High Court of Justice Leeds District Registry
Court Case Number	147 of 2010
Person making appointment	The director of the Company
Acts of the administrators	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency Proceedings	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 21 July 2010 to 20 January 2011

Receipts

Factored Book Debts

The Company holds a factoring agreement with Bank of Scotland plc ("BOS"), former employees are working closely with BOS in order to collect the debts due

After completing collections and with a provision for bad debts it is anticipated that there will be a shortfall due to BOS

Financed Plant & Machinery

BOS held a financing agreement for various pieces of plant and machinery that the Company had. It was agreed that the company that purchased other assets of the Company, Hammond Food Oils Limited ("Hammonds") would contact BOS direct and novate the agreement into Hammonds

Pre packaged sale of the business and assets

As previously reported a sale of the business and assets of the Company was agreed to Hammonds, which is a third party company. The agreed consideration for the sale was £35,000 with an initial deposit of £25,000 being required upon completion (21 January 2010) and the balance of £10,000 being due by 22 April 2010. To date £25,000 has been received from Hammonds and the balance of £10,000 remains outstanding. The apportionment of the £25,000 is as follows,

- Goodwill - £3
- Unencumbered Plant and Machinery - £23,000
- Office Furniture - £1,995
- Business IPR - £1
- Encumbered Plant and Equipment - £1

Payments

Office Holders Expenses

£213.44 has been paid in respect of general expenses throughout the administration period

Agents Fees

£3,726.25 has been paid to Charterfields Limited for providing a valuation of the Company's assets and also for providing advice on the sale of the assets

Solicitors Fees

The sum of £11,841 has been paid to Carrick Read solicitors for the work carried out on the appointment of the Joint Administrators and also for the completion of the sale agreement

Statutory Advertising

£69.75 has been paid in relation to the costs incurred in advertising the joint administrators' appointment

Bank Charges

£3.76 has been paid in relation to the bank charges that has been incurred throughout the duration of the administration

5. ESTIMATED OUTCOME FOR CREDITORS

Secured creditor

BOS held a finance agreement with the Company for certain assets that the Company held. Hammonds negotiated direct with BOS and it was agreed that this agreement would be novated across to them.

BOS also hold a factoring agreement with the Company and Hammonds are working with them in order to collect the funds due. It is however anticipated that there will be a shortfall due to the BOS which forms their secured claim within the Administration.

It is not anticipated that BOS will receive a distribution.

Preferential creditors

There are no known preferential claims.

Unsecured creditors

Based upon realisations to date and estimated future realisations there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The floating charge holder may not participate in the distribution of the prescribed part of the Company's net property. The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property,
- ☐ 20% of net property thereafter,
- ☐ Up to a maximum amount to be made available of £600,000

An administrator will not be required to set aside the prescribed part of net property if

- ☐ the net property is less than £10,000 and the administrator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or
- ☐ the administrator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

The administrators have estimated, to the best of their knowledge and belief, the Company's net property, as defined in Section 176A(6) of the Act, to be £34,997 and the prescribed part of the Company's net property to be nil.

There will be no distribution of the prescribed part as the administrators estimate of the prescribed part is less than the minimum prescribed by the Insolvency Act 1986 (Prescribed Part) Order 2003 and the administrators think, in accordance with Section 176A(3) of the Act, that the costs of distributing this amount would be disproportionate to the benefits to the unsecured creditors.

6. ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

As previously reported the administrators' remuneration is fixed by reference to the time properly given by the administrators (as administrators) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the administration and they are authorised to draw disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9), in accordance with their firm's policy, details of which accompanied the *Statement of Proposals of the Joint Administrators for Achieving the Purpose of the Administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986*

The relevant resolutions were approved by the secured creditor on 8 April 2010 pursuant to Rule 2.106 of the Rules

Total remuneration drawn to date in accordance with the approved resolution in respect of remuneration amounts to £8,053.19. Total time spent to 20 January 2011 on this assignment amounts to 144.4 hours at an average composite rate of £206.81 per hour resulting in total time costs to date of £29,863

The following further information as regards time costs and expenses is set out at Appendix 2

- ☐ Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value

7. ASSETS THAT REMAIN TO BE REALISED

Pre packaged sale of the business and assets

As mentioned earlier in this report a balance of £10,000 remains outstanding from Hammonds in relation to the sale of the business and assets

The administrators are currently in correspondence with Hammonds in relation to a few minor issues that require attention and once this has been completed the balance of £10,000 will be released

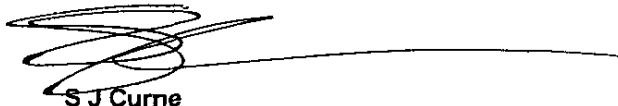
8. OTHER RELEVANT INFORMATION

Report on Directors conduct

As detailed in the administrators' statement of proposals, the administrators have a duty to submit a report to the Department for Business, Innovation and Skills on the conduct of the director. The administrators have complied with their duties in this respect

9. CONCLUSION

We will report again in approximately six months time or at the conclusion of the administration, whichever is the sooner



S J Currie
Joint Administrator

Dated 16 February 2011

ADMINISTRATORS' ACCOUNT OF RECEIPTS AND PAYMENTS

Period 21 July 2010 to 20 January 2011

Borderfields Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 21/07/2010 To 20/01/2011	From 21/01/2010 To 20/01/2011
	SECURED ASSETS		
3 00	Goodwill	NIL	3 00
101,000 00	Factored Book Debts	NIL	NIL
		NIL	3 00
	SECURED CREDITORS		
(85,000 00)	Bank of Scotland	NIL	NIL
		NIL	NIL
	HIRE PURCHASE		
60,000 00	Financed Plant & Machinery	NIL	NIL
(60,000 00)	Bank of Scotland	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
23,000 00	Unencumbered Plant and Machinery	NIL	23,000 00
1,995 00	Office Furniture	NIL	1,995 00
10,000 00	Stock and Work in Progress	NIL	NIL
1 00	Business IPR	NIL	1 00
1 00	Encumbered Plant and Equipment	NIL	1 00
		NIL	24,997 00
	COST OF REALISATIONS		
	Office Holders Fees	2,553 19	8,053 19
	Office Holders Expenses	80 00	213 44
	Agents Fees	NIL	3,726 25
	Solicitors Fees	NIL	11,841 00
	Statutory Advertising	NIL	69 75
	Bank Charges	0 98	3 76
		(2,634 17)	(23,907 39)
	UNSECURED CREDITORS		
(151,797 00)	Trade & Expense Creditors	NIL	NIL
(16,528 00)	HM Revenue & Customs	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(1,573 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(118,898.00)		(2,634.17)	1,092.61
	REPRESENTED BY		
	Vat Receivable		484 17
	Bank 1 Current		608 44
			1,092.61

ADMINISTRATORS' TIME COSTS AND EXPENSES

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred, and
- d Table of time spent and charge-out value

POLICY FOR RE-CHARGING EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Required professional practice¹ states that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at.

DEFINITIONS

Required professional practice classifies expenses into two broad categories

- *Category 1 expenses (approval not required)* – specific expenditure that is directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external supplier's invoice or published tariff of charges,
- *Category 2 expenses (approval required)* – all other items of expenditure
 - Which cannot, or cannot easily, be directly related to a particular insolvency case because there is an element of shared or allocated cost, and/or
 - Where the cost of the expense incurred is an estimated, unitised cost with the estimate based on external costs or opportunity cost

CHARGING POLICY

- *Category 1 expenses (approval not required)* – with the exception of any items referred to below, all such items are re-charged to the case as they are incurred
- *Category 2 expenses (approval required)*
 - (A) The following items of expenditure are re-charged as described
 - Internal meeting room usage for the purpose of statutory meetings of creditors is re-charged at the rate of £100 (London £150) per meeting,
 - Car mileage is re-charged at the rate of 40 pence per mile,
 - Storage of books and records (when not rechargeable as a *Category 1 expense*) is recharged at the rate of £5 per box per quarter,
 - (B) The following items of expenditure will normally be treated as general office overheads not subject to a re-charge
 - Telephone and facsimile
 - Printing and photocopying
 - Stationery

A re-charge may be made, however, where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 expense*

¹ Statement of Insolvency Practice 9 (SIP 9) effective from 1 July 2008

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions.

The rates applying to the Stoke on Trent office as at the date of this report are as follows:

Grade of staff	Charge-out Rate (£ per hour)
Partner 1	395
Partner 2	350
Director	325
Senior Manager	295
Manager	250
Assistant Manager	195
Senior Administrator	160
Administrator	130
Assistant Administrator	100
Cashier	100
Secretarial	100

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units).

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	Borderfields Limited
CASE TYPE	ADMINISTRATION
OFFICE HOLDERS	Robert Michael Young and Steven John Curne
DATE OF APPOINTMENT	21 January 2010

1 CASE OVERVIEW

1 1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

1 2 **Complexity of the case**
The case involved the pre packaged sale of the business and its assets

1 3 **Exceptional responsibilities**
There were no exceptional responsibilities

1 4 **The office holders' effectiveness**
The office holders have been effective as the sale has now been completed and £25,000 has been received, leaving £10,000 outstanding which is currently being pursued by the administrators and will be received shortly

1 5 **Nature and value of property dealt with by the office holders'**
The total amount which has been received in this case to date is as noted in the body of the report

1 6 **Anticipated return to creditors**
Unsecured creditors will not receive a distribution

1 7 **Time costs analysis**
An analysis of time costs incurred between 21 January 2010 and 20 January 2011 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type

Partner, Manager and Senior Administrator level of staff have been predominately used on this case

The time costs analysis provides details of work undertaken by the Administrators and their staff following their appointment only

1 8 The views of the creditors

Creditors have been notified of the appointment of the Joint Administrators and sent a copy of their proposals. Creditor's views were sought at the meeting of creditors held by correspondence on 6 April 2010.

1 9 Approval of fees

The Joint Administrators received approval for their fees at the meeting of creditors held by correspondence on 6 April 2010. These were also approved by the secured creditor on 8 April 2010.

1 10 Approval of Expenses and Disbursements

The Joint Administrators received approval of their expenses and disbursements at the meeting of creditors held by correspondence on 6 April 2010.

1 11 Other professionals employed & their costs

Charterfields Limited were instructed to provide a valuation of the Company's assets and also to provide advice on the acceptance of the offer made for said assets, in total £3,726.25 has been paid to them.

Carrick Read Solicitors had been instructed to assist the administrators with their appointment and also to assist with the completion of the sale contract, in total £11,841 has been paid to them.

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is set out in a separate accompanying note.

2 2 The rates charged by the various grades of staff who may work on a case are also set out in a separate accompanying note.

3. SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

3 1 Since the date of our last report, the following work has been carried out:

- Completed all statutory paperwork and investigations
- Pursued the deferred consideration due

Borderfields Limited
Time costs analysis for the period from 21 01 2010 to 20 01 2011

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