

The Insolvency Act 1986

Joint Administrators' progress report

Name of Company
Conway Stewart Manufacturing (UK) Limited

Company number
07381776

In the County Court Plymouth

Court case number
164 of 2014

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

We (a) Jason Mark Elliott and Craig Johns of Cowgill Holloway Business Recovery LLP, Regency House, 45-51 Chorley New Road, Bolton, BL1 4QR

Joint Administrators of the above Company attach a progress report for the period


from

to

(b) 28 August 2014

(b) 27 February 2015

Signed



(b) Insert dates

Craig Johns - Joint Administrator

Dated

27/3/15

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.

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Joint Administrators' Progress

Report

For the period

28 August 2014 to 27 February 2015

Conway Stewart

Manufacturing (UK) Limited

- In Administration



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THE JOINT ADMINISTRATORS' PROGRESS REPORT

1 Statutory information

- 1 1 I was appointed Joint Administrator of Conway Stewart Manufacturing (UK) Limited ("the Company") on 28 August 2014 along with my colleague Jason Mark Elliott. The appointment of the Joint Administrators was made by the Director of the Company.
- 1 2 This Administration is being handled by Cowgill Holloway Business Recovery LLP at Regency House, 45-53 Chorley New Road, Bolton, BL1 4QR. The Administration is registered in the County Court Plymouth, under reference 164 of 2014.
- 1 3 The trading address of the Company was Unit 2 and 3 Haxter Close, Roborough, Plymouth, Devon, PL6 7DD. The business traded under the name Conway Stewart Manufacturing (UK) Limited and Conway Stewart.
- 1 4 The registered office of the Company is Regency House, 45-51 Chorley New Road, Bolton, BL1 4QR and its registered number is 07381776.
- 1 5 This report should be read in conjunction with the Joint Administrators' Report and Statement of Proposals ("Proposals") which were circulated to all creditors on 20 October 2014.

2 Progress of the Administration

- 2 1 Attached at Appendix A is our Receipts and Payments Account for the Period from 18 October 2014 to 27 February 2015 and a cumulative Receipts and Payments Account for the Period from 28 August 2014 to 27 February 2015.
- 2 2 Included in the Proposals circulated on 15 October 2014, we stated that the Second objective of the Administration was to be achieved, namely, "achieving 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)". By implementing a strategy immediately on appointment where the assets and stock were secured, the Joint Administrators were able to instruct agents to recommend a strategy which enabled realisations in respect to these assets to be far greater than in a forced sale scenario.

Conway Stewart Manufacturing (UK) Limited - In Administration

- 2 3 As a result it is believed that due to the increased physical asset realisations, a dividend will be available to unsecured creditors and therefore the Joint Administrators still believe that the second objective of administration can be achieved

Sale of the Assets

- 2 4 As previously advised in the Proposals, the Joint Administrators instructed Winterhill Largo Plc ("Winterhill") to value the business and assets of the Company and review the work in progress to see if it was beneficial to undertake a short term trading exercise
- 2 5 Winterhill advised that a small proportion of the current work in progress was nearing completion, however, the Company had reduced levels of key stock and had been placed 'on stop' by several key suppliers of the required stock. Winterhill advised that additional materials would need to be purchased to complete this work in progress and taking into account the cost of purchasing stock and labour, it would not be profitable to complete the outstanding work in progress. It was therefore not deemed appropriate to undertake a period of trading during Administration
- 2 6 The Company ceased to trade following the Joint Administrators appointment and the Joint Administrators instructed Winterhill to provide advice in relation to the disposal of the business and assets. Winterhill suggested that an intensive but short term marketing campaign was appropriate with a view to generating interest in the business and assets
- 2 7 The short term marketing campaign resulted in Winterhill issuing 10 Non-Disclosure Agreements to interested parties, however, only one offer was received which was dependent on future funding which was believed to be unrealistic and, as such, this was not progressed
- 2 8 Winterhill advised that the majority of the interest in the Company was withdrawn due to the fact that the 'Conway Stewart' brand was not owned by the Company and the uncertainty this created regarding continued trading. Following the withdrawal of all interest in purchasing the business and assets, Winterhill advised that the physical assets of the Company should be sold via an auction

Conway Stewart Manufacturing (UK) Limited - In Administration

- 2 9 On 18 September 2014, Winterhill completed an online auction of the assets of the Company incorporating the office equipment, stock and plant & machinery. Asset realisations totalled £86,910 which far exceeded the initial estimates of £30-35,000 provided by Winterhill. A breakdown of the auction proceeds is detailed below -

Asset Category	£
Office Equipment	2,132 plus VAT
Stock	28,947 plus VAT
Plant & Machinery	55,831 plus VAT
	86,910 plus VAT

- 2 10 Included in the auction sale was the computer equipment which was subject to a hire purchase agreement with General Asset Management Limited ("GAM"). GAM advised that £3,152 was outstanding on the agreement which had been personally guaranteed by the former Director, Amin Rawji. Mr Rawji has discharged this liability to GAM and following the sale of the computer equipment in the sum of £350 at auction, these funds have been paid to the former Director who has a subrogated claim for the balance of the funds paid to GAM.

Petty Cash

- 2 11 As advised in the Proposals, petty cash in the sum of £55 was collected from the Company's trading premises. No further realisations are anticipated from this source.

Overpayment to Suppliers

- 2 12 As advised in the Proposals, a refund of £2,615 was received representing an overpayment made to a supplier prior to the Joint Administrators appointment. No further realisations are anticipated from this source.

Insurance Refund

- 2 13 As advised in the Proposals, a refund of £47 was received in relation to an insurance refund. No further realisations are anticipated from this source.

Book Debts

- 2 14 As advised in the Proposals, the Joint Administrators retained the services of the Company's in house book keeper, Equal Accounting Limited ("Equal"), to assist with the book debt collection. Equal assisted with the collection of book debts totalling £21,999. Following the assistance from Equal, the Joint Administrators engaged the services of the Company's former accountants Frazer, Waite and Desmier Accountants ("FWD") to assist with the book debt collection. FWD have continued to assist with the book debt collection and to date the Joint Administrators have received total book debt receipts of £33,364.
- 2 15 Further details are contained in Section 3 of this report regarding the outstanding book debts.

Cash at Bank

- 2 16 According to the statement of affairs provided by the director of the Company as at the date of Administration the Company held cash at bank in the sum of £13,712, this included US Dollar and Euro accounts. On 30 October 2014 and 2 December 2014 the Joint Administrators received cash at bank in the sum of £13,840. No further realisations are anticipated from this source.
- 2 17 In accordance with Statement of Insolvency Practice No 13, we should advise you that no assets were sold to a Director of the Company.

3 Assets still to be realised

Book Debts

- 3 1 The Joint Administrators have engaged the services of FWD and Nexus Solicitors Limited ("Nexus") to assist in the collection of the outstanding book debts.
- 3 2 FWD have advised that book debts with a book value of approximately £10,000 remain outstanding, however, it is understood that these amounts may be subject to dispute.

Conway Stewart Manufacturing (UK) Limited - In Administration

3 3 Nexus have been instructed to assist in the collection of one outstanding book debt due as previous attempts to collect the same have been exhausted Nexus initially entered into correspondence with the debtor with a view to settling the matter, however, the debtor has failed to make payment as indicated and has yet to provide reasonable proposals for settlement On 27 February 2015 Nexus issued draft proceedings against this debtor

3 4 The Joint Administrators will provide a further update on book debt collections in their next report

Stock / Work in Progress

3 5 Winterhill have advised that they are holding a small collection of pens and part completed pens Winterhill have attempted to identify the original recipients of these pens and have been assisting FWD with the book debt collection as some debtors have stated that goods ordered have not been supplied

3 6 If the Joint Administrators, in conjunction with Winterhill and FWD, are unable to identify the recipients of the pens then it is the Joint Administrators intention to instruct Winterhill to sell the pens and part pens at auction

3 7 The Joint Administrators will provide a further update in their next report

4 Investigations

4 1 In accordance with the Company Directors Disqualification Act 1986 we have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills ("BIS") As this is a confidential report, we are not able to disclose the contents We can confirm that we have now been discharged of our statutory duties in this regard

4 2 Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate This assessment took into account information provided by creditors as a response to our request to complete an investigation questionnaire Our investigations have not revealed any issues requiring further report

5 Pre-administration Costs

- 5 1 On 7 November 2014, the following amounts in respect of pre-administration costs were approved -

Name of Recipient	Brief description of services provided	Total amount approved £
Cowgill Holloway Business Recovery LLP	Providing advice to the Company, formulating a strategy for the Administration, discussions with agents regarding a marketing strategy	12,715 plus VAT
Winterhill Largo Plc	Review and valuation of the Company's assets and providing advice in relation to a marketing strategy of the business and assets	1,823 plus VAT

- 5 2 The pre appointment costs in respect of Winterhill have been discharged in full, during the course of this reporting period. The pre appointment costs in respect to CHBR will be discharged in due course.

6 Joint Administrators' Remuneration

- 6 1 On 7 November 2014, the Creditors approved that the basis of the Joint Administrators' remuneration be fixed by reference to the time properly spent by the Joint Administrators and their staff in managing the matters arising in the Administration.
- 6 2 Our time costs for the Period from 18 October 2014 to 27 February 2015 are £18,310. This represents 90 hours at an average rate of £210 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by us in managing the Administration.
- 6 3 Also attached as Appendix C is a Cumulative Time Analysis for the Period from the date of our appointment to 27 February 2015 which provides details of our time costs since appointment. Our time costs for this period are £47,079 which represents 219 hours at an average rate of £215 per hour.
- 6 4 A description of the activities of which the majority of time has been spent are as follows -

Conway Stewart Manufacturing (UK) Limited - In Administration

Asset Realisations

- 6 5 Time spent on this category, in the sum of £17,412 representing 84 hours at an average of £208 per hour, relates to, but is not limited to, attendance at the Company's trading premises to meet with Winterhill and formulate the strategy for asset disposal. Corresponding and communicating with interested parties, liaising with Equal Accounting and FWD regarding the book debt collection and corresponding with the Company's bankers to obtain closing bank balances.

Reporting and Returns

- 6 6 Time spent on this category, in the sum of £10,606 representing 44 hours at an average of £243 per hour, relates to, but is not limited to preparing and circulating the Proposals to creditors and preparing and reviewing the Joint Administrators Progress Report prior to circulation.
- 6 7 To date, the Joint Administrators have not drawn a fee on account of these time costs.
- 6 8 A copy of "A Creditors' Guide to Administrators' Fees" is available on request or can be downloaded from <http://www.cowgills.co.uk/services/business-recovery-insolvency.html>
- 6 9 Attached at Appendix E is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade.
- 6 10 The following Category One disbursements in the combined sum of £644 plus VAT have been drawn on account:

Supplier / Service Provider	Nature of expense incurred	Amount incurred to Date £	Paid to Date £	Amount Outstanding £
AUA Insolvency Risk Services Limited	Insurance of assets	175	175	Nil
AUA Insolvency Risk Services Limited	Statutory bordereau	144	144	Nil
Courts Advertising Limited	Statutory advertising	85 plus VAT	85 plus VAT	Nil
Royal Mail Plc	Six month mail re-direction	240 plus VAT	240 plus VAT	Nil

- 6 11 The Joint Administrators confirm that they do not seek to charge Category 2 disbursements.

Conway Stewart Manufacturing (UK) Limited - In Administration

7. Joint Administrators' Expenses

7 1 The following expenses have been incurred since our appointment as Joint Administrators -

Supplier / Service Provider	Nature of expense incurred	Amount incurred to Date £	Paid to Date £	Amount Outstanding £
Ask Computers Limited	IT support in respect to extracting documentation from the Company's computer server to assist with book debt collections	90 plus VAT	90 plus VAT	Nil
Equal Accounting Limited	Book debt collection assistance	£1,034 plus VAT	£1,034 plus VAT	Nil
Fraser Waite and Desmier Accountants	Book debt collection assistance	4,139 plus VAT	Nil	4,139 plus VAT
Nexus Solicitors Limited	Legal advice and assistance in corresponding with Plymouth City Council regarding a voluntary surrender of the Company's leased trading premises	1,295 plus VAT	Nil	1,295 plus VAT
Nexus Solicitors Limited	Legal disbursements	25	Nil	25
Plymouth City Council	Rent of the Company's trading premises	1,179 plus VAT	1,179 plus VAT	Nil
Plymouth City Council	Non-Domestic rates for the Company's trading premises	1,500 (estimate)	Nil	1,500 (estimate)
Winterhill Largo Plc	Agent's fees in relation to the valuation of the Company's assets, advice regarding their disposal Auction fees and fees in relation to securing the Company's leased trading premises	£19,211 plus VAT	£19,211 plus VAT	Nil
Winterhill Largo Plc	Agents disbursements	£9,077 plus VAT	£9,077 plus VAT	Nil

7 2 Please note that the Joint Administrators are liaising with Plymouth Council in relation to the outstanding non-domestic rates liability for the short period of occupation following their appointment

8. Estimated outcome for creditors

8 1 An Estimated Outcome Statement as at 27 February 2015 is attached at Appendix D

Conway Stewart Manufacturing (UK) Limited - In Administration

Secured Creditors

- 8.2 The Company granted Plymouth Pen Company Limited ("PPC") a debenture incorporating a fixed and floating charge over the assets of the Company. The security was created on 3 November 2010 and registered on 9 November 2010. As at 28 August 2014 the liability outstanding to PPC was £307,653 and the Joint Administrators are taking steps to agree the claim for dividend purposes.
- 8.3 Accordingly the Joint Administrators are required to create a fund out of the Company's net floating charge property for the benefit of the unsecured creditors. It is estimated that the Company's net floating charge property will be £42,439 and therefore the prescribed part fund for the benefit of the unsecured creditors is estimated at £11,488. It is estimated that a dividend will be made to PPC shortly.

Preferential Creditors

- 8.4 Employees are entitled to submit claims of a preferential nature in respect to arrears of wages and unpaid holiday pay, which is paid to them by the Redundancy Payments Service and is subject to statutory limits.
- 8.5 A summary of preferential claims is detailed below:

Preferential claim	Agreed Claim £	Statement of Affairs Claim £	Dividend paid 100p in the £
Redundancy Payments Service	6,924	6,140	6,924
Residual Employee Claims	101	Nil	101

- 8.6 A notice of intended dividend was issued to all preferential creditors on 18 December 2014 providing them with a date of 30 January 2015 in which to prove their claims. Following this date, preferential creditors were paid a first and final dividend in the sum of £7,025 at a rate of 100 pence in the pound on 26 February 2015. As such, no further preferential liability is outstanding and claims of this nature are no longer anticipated.

Unsecured Creditors

- 8.7 We have received claims totalling £105,178 from 20 unsecured creditors. We are yet to receive claims from 31 unsecured creditors whose debts total £18,374 as per the Company's statement of affairs.

Conway Stewart Manufacturing (UK) Limited - In Administration

- 8 8 The Company granted security to PPC incorporating a fixed and floating charge over the assets of the Company. The security was created on 3 November 2010 and registered on 9 November 2010. Accordingly, we are required to create a fund out of the Company's net floating charge property for unsecured creditors known as the 'Prescribed Part'.
- 8 9 Based on present information, we estimate the value of the Company's net floating charge property to be £42,439. Arising from this, the value of the unsecured creditors' fund is presently estimated to be £11,488. Please note that this estimate is subject to fluctuation and the final outcome can only be determined once all asset realisations have been made.
- 8 10 Based upon the above, it is estimated that unsecured creditors will receive an unsecured dividend of approximately 9.4 pence in the pound. Please note that this estimate is subject to final asset realisations in the Administration and the costs of the Joint Liquidators in dealing with the claims of the unsecured creditors in declaring the dividend in a subsequent Creditors Voluntary Liquidation ("CVL").

9. Ending the Administration

Creditors' Voluntary Liquidation

- 9 1 Based on present information, the Joint Administrators think a dividend will be paid to the unsecured creditors. In this situation, the Joint Administrators will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into CVL. Following the approval of the Proposals, the Joint Administrators will also become the Joint Liquidators of the CVL.

Dissolution of the Company

- 9 2 If the Joint Administrators think that the Company has no property which might permit a distribution to its creditors, it is proposed that they file a notice together with their final progress report at Court and with the Registrar of Companies for the dissolution of the Company. They will send copies of these documents to the Company and its creditors. The Joint Administrators' appointment will end following the registration of the notice by the Registrar of Companies.

Conway Stewart Manufacturing (UK) Limited - In Administration

- 9 3 The Joint Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect

10 Creditors' rights

- 10 1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this Progress Report
- 10 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this Progress Report make an application to Court on the grounds that, in all the circumstances, the basis fixed for the Joint Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Administrators, as set out in this Progress Report, are excessive

11 Next report

- 11 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 or an application to extend the Administration has been made

For and on behalf of
Conway Stewart Manufacturing (UK) Limited



Craig Johns
Joint Administrator

Appendix A

**Receipts and Payments Account for the Period from 18 October 2014 to 27 February 2015
and a Cumulative Receipts and Payments Account 28 August 2014 to 27 February 2015**

	Statement of Affairs £	From 18 October 2014 to 27 February 2015 £	From 28 August 2014 to 27 February 2015 £
INCOME			
Petty Cash	-	-	55
Office Equipment	500	-	2,132
Stock	Uncertain	-	28,947
Overpayment to Suppliers	2,614	-	2,615
Cash at Bank	13,712	32,859	32,859
Plant & Machinery	25,000	-	55,831
Trade Debtors	53,000	12,087	13,896
Insurance Refund	-	-	47
	<u>94,826</u>	<u>44,946</u>	<u>136,382</u>
EXPENDITURE			
Subrogated Claim - Mr A Rawji		350	350
Rent		1,179	1,179
Pre Appointment Agent's Disbursements		-	323
Pre Appointment Agent's Fees		-	1,500
Debtor Collection Fees		1,034	1,034
Agent's Fees - IT Support		90	90
Agent's Fees - Asset Valuation and Disposal		-	19,211
Agent's Disbursements		-	9,077
Specific Bond		-	144
Re-Direction of Mail		120	240
Statutory Advertising		85	85
Insurance of Assets		175	175
Preferential Dividend - 100 pence in the £		7,025	7,025
		<u>9,708</u>	<u>40,433</u>
Balance			<u><u>95,949</u></u>
MADE UP AS FOLLOWS			
Cash at Bank			88,691
VAT Receivable			<u>7,258</u>
			<u><u>95,949</u></u>

Appendix B

Time Analysis for the Period from 18 October 2014 to 27 February 2015

	Partner	Senior Manager	Senior Administrator	Administrator	Cashier	Total Hours	Total Cost £	Average Cost £
Asset Realisations	1 50	4 90	31 50	-	-	37 90	7,652 50	201 91
Creditor Claims	-	-	11 40	-	-	11 40	2,052 00	180 00
Distribution & Closure	-	-	0 40	-	-	0 40	72 00	180 00
Employee Matters	-	1 70	3 00	-	-	4 70	965 00	205 32
General Administration	-	-	2 50	0 50	4 50	7 50	1,065 00	142 00
Investigations	5 00	-	5 50	-	-	10 50	2,865 00	272 86
Planning & Strategy	-	1 70	4 90	-	-	6 60	1,307 00	198 03
Reporting & Returns	-	2 70	8 70	-	-	11 40	2,241 00	196 58
Steps on Appointment	-	-	0 50	-	-	0 50	90 00	180 00
TOTAL	6 50	11 00	68 40	0 50	4 50	90 90	18,309 50	201 42

Appendix C

Cumulative Time Analysis for the Period from 28 August 2014 to 27 February 2015

	Partner	Senior Manager	Senior Administrator	Administrator	Cashier	Total Hours	Total Cost £	Average Cost £
Asset Realisation / Management	2 50	1 20	80 00	-	-	83 70	17,412 50	208 03
Creditor Claims	-	-	17 20	-	-	17 20	3,096 00	180 00
Distribution & Closure	-	-	0 40	-	-	0 40	72 00	180 00
Employee Matters	-	5 50	8 00	-	-	13 50	2,815 00	208 52
General Administration	-	-	9 20	1 00	6 20	16 40	2,550 00	155 49
Investigations	5 00	-	5 50	-	-	10 50	2,865 00	272 86
Planning & Strategy	9 00	1 70	7 40	-	-	18 10	4,457 00	246 24
Reporting and Returns	13 50	10 90	19 20	-	-	43 60	10,606 00	243 26
Steps on Appointment	-	4 90	11 00	-	-	15 90	3,205 00	201 57
TOTAL	30 00	24 20	157 90	1 00	6 20	219 30	47,078 50	214 68

Conway Stewart Manufacturing (UK) Limited - In Administration

Appendix D

Estimated Outcome Statement as at 27 February 2015

	Notes	Administration £
Assets Subject to Floating Charge		
Cash held at 27 February 2015		88 691
VAT Receivable	1	7 258
Book Debts	2	Uncertain
Assets held by Winterhill	3	Uncertain
		<u>95 949</u>
Less: Costs of Liquidation	4	(53 510)
Estimated funds available for Preferential Creditors		<u>42 439</u>
Less: Estimated Preferential Creditors		N/A
Estimated Surplus / (Deficiency) to floating charge creditor		<u>42 439</u>
Less: Prescribed Part c/d	5	(11,488)
		<u>30 951</u>
Less: Debts Secured by Floating Charge	5	(307 653)
Estimated Deficiency to Floating Charge c/d		<u>(276 702)</u>
Add Back: Estimated prescribed part of net property b/d	5	11 488
Less: Unsecured Creditors		
Mr A Rawji: Subrogated claim	6	(2 802)
Trade & Expense Creditors	7	(107,823)
HM Revenue & Customs	8	(3 733)
Employee Unsecured Claims (Estimate)	9	(9,117)
		<u>(123,475)</u>
Estimate Deficiency as regards Unsecured Creditors		<u>(111,987)</u>
Shortfall in respect of Floating Charge b/d		<u>(276,702)</u>
Estimated Deficiency as regards Creditors		<u>(388 689)</u>
Issued and Called up Share capital		(1)
Estimated (Shortfall) to Creditors		<u><u>(388,690)</u></u>

Notes

- 1 VAT reclaim of £7 258 is to be submitted
- 2 FWD have advised that book debts with a book value of approximately £10 000 remain outstanding however it is understood that these amounts may be subject to dispute
- 3 Winterhill have confirmed they are holding a small collection of pens and part completed pens. The Joint Administrators are waiting on confirmation from FWD that these pens do not relate to outstanding book debts. Any remaining pens will be sold at auction
- 4 Estimate See breakdown below
- 5 The Company granted Plymouth Pen Company Limited (formerly Conway Stewart & Company (UK) Limited) a debenture incorporating a fixed and floating charge over the assets of the Company, which was created on 3 November 2010 and registered on 9 November 2010. As the charge was registered after 15 September 2003 the Joint Administrators are required to set aside a prescribed part for the benefit of the unsecured creditors
- 6 The Company entered into a Hire Purchase agreement with General Asset Management Limited ("GAM") for the purchase of some IT equipment. This agreement was personally guaranteed by the former director Mr A Rawji. GAM pursued Mr Rawji for the outstanding balance in respect to the agreement. Mr Rawji discharged the outstanding balance in full on 23 September 2014. From the sale of the computer equipment £350 was paid to Mr Rawji under his
- 7 Based on figures provided by the director and claims from creditors
- 8 HM Revenue & Customs have submitted a claim in the Administration of £3 733 in respect to PAYE/NIC
- 9 Based upon the claims received from the Redundancy Payments Service and former employees

Costs of Administration	Administration £
Joint Administrators - Pre Appointment Fees	(12,715)
Joint Administrators - Post Appointment Fees	(27,000)
Accountancy Fees - Preparation of the Statement of Affairs	(5 000)
Plymouth City Council - Non-Domestic Rates for the Company's trading premises (estimated)	(1,500)
Legal Fees	(1 295)
Agents Fees	(2 000)
Solicitors - Reviewing validity of Security	(1,000)
Debtor Collection Fees (estimated)	(3,000)
	<u>(53,510)</u>

Appendix E

Additional Information in Relation to Joint Administrators' Fees Pursuant to Statement of Insolvency Practice 9

1 Policy

Detailed below is Cowgill Holloway Business Recovery LLP's policy in relation to

- staff allocation and the use of sub-contractors,
- professional advisors, and
- disbursements

1.1 *Staff Allocation and the use of Sub-contractors*

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We are not proposing to utilise the services of any sub-contractors in this case.

1.2 *Professional Advisors*

On this assignment 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
Ask Computers Limited (IT Assistance)	Fixed fee
Equal Accounting Limited (Debtor collection)	% of Debtor collections
Fraser Waite and Desmier Accountants (Debtor collection)	% of Debtor collections
Nexus Solicitors Limited (Legal advice)	Time costs
Winterhill Largo Plc (valuation and disposal)	Agreed fixed fee plus disbursements

Conway Stewart Manufacturing (UK) Limited - In Administration

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them

1.3 Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Name of Professional Advisor	Basis of Fee Arrangement
AUA Insolvency Risk Services Limited (insurance)	Insurance premium based upon assets insured
Courts Advertising Limited (advertising)	Fixed fee per advertisement
Plymouth City Council (rent)	Pro-rated monthly rent
Royal Mail Plc (mail re-direction)	Fixed fee per redirection

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

We would confirm that this firm does not seek to charge any Category 2 disbursements.

2 Charge-out Rates

As detailed in our Proposals Cowgill Holloway Business Recovery LLP's charge-out rates for this assignment effective from 1 March 2012 were as follows

Staff Grade	Rate per Hour
Partner	£375
Consultant	£300
Director	£300
Manager	£250
Senior Administrator	£180
Administrator	£150
Cashier/Support	£120
Junior Administrator	£100

Please note that this firm records its time in minimum units of 6 minutes