

The Insolvency Act 1986

Joint Administrators' progress report

Name of Company Conway Stewart Manufacturing (UK) Limited
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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

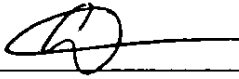
from

to

(b) 28 February 2015

(b) 27 July 2015

Signed


Craig Johns - Joint Administrator

(b) Insert dates

Dated 20 August 2015

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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FRIDAY

**Joint Administrators' Progress
Report**

**For the period
28 February 2015 to 27 July 2015**

**Conway Stewart
Manufacturing (UK) Limited
- In Administration**

COWGILL HOLLOWAY 
BUSINESS RECOVERY

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 and the Joint Administrators' Progress Report which was circulated to all creditors on 27 March 2015.

2 Progress of the Administration

- 2 1 Attached at Appendix A is our Receipts and Payments Account for the Period from 28 February 2015 to 27 July 2015 and a cumulative Receipts and Payments Account for the Period from 28 August 2014 to 27 July 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 also conducted a short term marketing campaign which resulted in the issue of 10 Non-Disclosure Agreements to interested parties, however, only one offer was received which was wholly dependent on future funding which in the circumstances was believed to be unrealistic and, as such, this was not progressed
- 2 6 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
- 2 7 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

Conway Stewart Manufacturing (UK) Limited - In Administration

- 2 8 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.
- 2 9 In accordance with Statement of Insolvency Practice No 13, we should advise you that no assets were sold to a Director of the Company
- 2 10 Further details of the other asset realisations is contained in the Joint Administrators Progress Report dated 27 March 2015

Book Debts

- 2 11 It was understood that the sum of £53,000 was outstanding as per the director's Statement of Affairs As reported in our first Progress Report, book debts in the sum of £32,915 had been collected
- 2 12 During this reporting period, an additional £4,644 has been collected, bringing total collections to date £37,559
- 2 13 FWD accountants are continuing to assist with book debt collections and further detail is included within Section 3 of this report
- 2 14 Based on the current asset realisations and estimated future realisations, the Joint Administrators still believe that the Second statutory objective of Administration 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)" will still be achieved
- 2 15 As detailed later in this report, the Joint Administrators will make a second and final distribution to the Company's secured creditor and will set aside further prescribed part funds for the benefit of the unsecured creditors

3 Assets still to be realised

Book Debts

- 3 1 As advised in the Joint Administrators' First Progress Report, Nexus Solicitors LLP ("Nexus") were instructed to assist in the collection of one outstanding book debt. As previously advised, on 27 February 2015, Nexus issued draft proceedings against this debtor. Following receipt of the draft proceedings the debtor indicated that they were willing to offer reasonable proposals for settlement. On 2 April 2015, an offer of settlement in the sum of £5,000 was received which Nexus advised should be accepted. The offer for settlement included an initial payment of £1,000 followed by four monthly payments of £1,000. To date £4,000 has been received and a further payment of £1,000 is due before the close of business on 10 August 2015.
- 3 2 FWD are continuing to collect the remaining book debts and have advised that the sum of £6,348 remains outstanding from four debtors. FWD have advised that these debtors are subject to dispute and therefore any future realisations are uncertain.
- 3 3 A further update on the debtors will be provided in the Joint Administrators next report.

Stock / Work in Progress

- 3 4 Winterhill have advised that they are holding a small collection of stock consisting 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 the goods ordered have not been supplied.
- 3 5 FWD have advised that the pens do not relate to any of the outstanding debtors and, as such, this stock can be sold. Winterhill are currently in negotiations with an interested party over the purchase of the outstanding stock.
- 3 6 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 (including disbursements)	1,823 plus VAT

5 2 The pre appointment costs in respect of Winterhill and CHBR have been discharged in full

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

Conway Stewart Manufacturing (UK) Limited - In Administration

6 2 Our time costs for the Period from 28 February 2015 to 27 July 2015 are £7,599 This represents 41 hours at an average rate of £184 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 July 2015 which provides details of our time costs since appointment Our time costs for this period are £52,653 which represents 253 hours at an average rate of £209 per hour

6 4 A description of the activities of which the majority of time has been spent are as follows.-

Asset Realisations

6 5 Time spent on this category, in the sum of £18,331 representing 89 hours at an average of £206 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, FWD and Nexus 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 £12,862 representing 56 hours at an average of £228 per hour, relates to, but is not limited to, preparing and circulating the Proposals and the Joint Administrators First Progress Report to creditors and preparing and reviewing the Joint Administrators Extension Progress Report

6 7 To date, the Joint Administrators have drawn a fee in the sum of £27,000 plus VAT on account of their post appointment 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

Conway Stewart Manufacturing (UK) Limited - In Administration

- 6 10 The following Category One disbursements in the combined sum of £1,046 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
CHBR	Travel and accommodation	402 plus VAT	402 plus VAT	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	3,316 plus VAT	Nil	3,316 plus VAT
GLP (Mcr) Limited	Legal advice in relation to the security held by Plymouth Pen Company Limited	750 plus VAT	750 plus VAT	Nil
GLP (Mcr) Limited	Legal disbursements	10	10	Nil
Nexus Solicitors Limited	Legal advice and assistance in corresponding with Plymouth City Council regarding a voluntary surrender of the Company's leased trading premises	1,745 plus VAT	1,745 plus VAT	Nil
Nexus Solicitors Limited	Legal disbursements	25	25	Nil
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	970	970	Nil
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

Conway Stewart Manufacturing (UK) Limited - In Administration

8 Estimated outcome for creditors

8.1 An Estimated Outcome Statement as at 27 July 2015 is attached at Appendix D

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 have now agreed the claim at this amount. Furthermore, the PPC debenture has been validated by solicitors and on 12 June 2015 a first interim distribution in the sum of £20,000 was paid to PPC.

8.3 As advised in the first Progress Report 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. At present £7,000 has been set aside for the benefit of the unsecured creditors.

8.4 It is estimated that the Company's remaining net floating charge property will be £25,964 and therefore the additional prescribed part fund for the benefit of the unsecured creditors is estimated at £5,193. Therefore a further £20,771 will be available for PPC.

Preferential Creditors

8.5 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.

8.6 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

8.7 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. Please note that the appropriate deductions of PAYE/NIC have been paid to HM Revenue & Customs from the sum

Conway Stewart Manufacturing (UK) Limited - In Administration

distributed. As such, no further preferential liability is outstanding and claims of this nature are no longer anticipated.

Unsecured Creditors

- 8.8 We have received claims totalling £108,647 from 22 unsecured creditors. We are yet to receive claims from 30 unsecured creditors whose debts total £18,374 as per the Company's statement of affairs.
- 8.9 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'.
- 8.10 As noted above in Section 8.3 a first interim distribution in the sum of £20,000 was paid to PPC. As such, prescribed part funds in the sum of £7,000 have been set aside for the benefit of the unsecured creditors.
- 8.11 Based on present information, we estimate the value of the Company's remaining net floating charge property to be £25,964. Arising from this, the value of the unsecured creditors' fund is estimated to be £5,193, in addition to the £7,000 noted in section 8.10 of this report. Please note that this estimate is subject to fluctuation and the final outcome can only be determined once all asset realisations have been made.
- 8.12 Based upon the above, it is estimated that unsecured creditors will receive an unsecured dividend of approximately 7.8 pence in the pound. Please note that this estimate is subject to final asset realisations in the Administration.

9. Ending the Administration

- 9 1 In the Joint Administrators' Progress Report it was anticipated that the Administration would be converted to a Creditors Voluntary Liquidation ("CVL") in order that the distribution to the Unsecured Creditors could be made from the prescribed part. In May 2015 Insolvency Legislation was changed to allow Administrators to make a distribution to the unsecured creditors out of prescribed part funds in Administration. As such, CVL is no longer required and, accordingly, the Joint Administrators now request that the secured creditor consents to a 12 month extension of the Administration to collect the outstanding book debts and make final distributions to PPC and the unsecured creditors.

Dissolution of the Company

- 9 2 It is therefore proposed that following the distribution to the unsecured creditors and conclusion of all other matters in the Administration that the Joint Administrators will file a notice together with their final progress report at Court and with the Registrar of Companies for the dissolution of the Company. We 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.
- 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.

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Conway Stewart Manufacturing (UK) Limited - In Administration

- 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

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


Craig Johns
Joint Administrator

Conway Stewart Manufacturing (UK) Limited - In Administration

Appendix A

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

	Statement of Affairs £	From 28 February 2015 to 27 July 2015 £	From 28 August 2014 to 27 July 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	-	13,840
Plant & Machinery	25,000	-	55,831
Trade Debtors	53,000	4,644	37,559
Insurance Refund	-	-	47
	<u>94,826</u>	<u>4,644</u>	<u>141,026</u>
EXPENDITURE			
Subrogated Claim - Mr A Rawji	-	-	350
Rent	-	-	1,179
Debtor Collection Fee	-	-	1,034
Non-Domestic Rates	-	970	970
Agents Fees - IT	-	-	90
Specific Bond	-	-	144
Pre Appointment Fees - Joint Administrators	-	12,715	12,715
Joint Administrators Post Appointment Fees	-	-	27,000
Travel and Accommodation	-	402	402
Pre Appointment Agent's Fees	-	-	1,500
Pre Appointment Agent's Disbursements	-	-	323
Agent's Fees - Asset Valuation and Disposal	-	-	19,211
Agent's Disbursements	-	-	9,077
Legal Fees	-	2,495	2,495
Legal Disbursements	-	35	35
Re-Direction of Mail	-	-	240
Statutory Advertising	-	-	85
Insurance of Assets	-	-	175
Bank Charges	-	12	12
Preferential Dividend - 100 pence in the £	-	-	7,005
HMRC (Employee deductions for PAYE/NIC)	-	-	20
Floating Charge Distribution	-	20,000	20,000
		<u>36,629</u>	<u>104,062</u>
Balance			<u><u>36,964</u></u>
MADE UP AS FOLLOWS			
Cash at Bank			12,596
VAT Receivable			17,380
Client			(12)
Prescribed Part fund - Set aside for the Unsecured Creditors			7,000
			<u>36,964</u>

Appendix B

Time Analysis for the Period from 28 February 2015 to 27 July 2015

	Partner	Senior Administrator	Cashier	Total Hours	Total Cost £	Average Cost £
Asset Realisations	-	5 60	-	5 60	1,008 00	180 00
Creditor Claims	-	3 30	-	3 30	594 00	180 00
Distribution & Closure	-	2 30	0 60	2 90	486 00	167 59
Employee Matters	-	1 40	-	1 40	252 00	180 00
General Administration	-	3 30	5 50	8 80	1,254 00	142 50
Investigations	3 00	3 00	0 10	6 10	1,677 00	274 92
Planning & Strategy	-	0 40	-	0 40	72 00	180 00
Reporting & Returns	-	12 20	0 50	12 70	2,256 00	177 64
TOTAL	3 00	31 50	6 70	41 20	7,599 00	184 44

Appendix C

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

	Partner	Senior Manager	Senior Administrator	Administrator	Cashier	Total Hours	Total Cost £	Average Cost £
Asset Realisation / Management	5 50	18 20	65 10	-	-	88 80	18,330 50	206 42
Creditor Claims	-	-	20 00	-	-	20 00	3,600 00	180 00
Distribution & Closure	-	-	2 70	-	0 60	3 30	558 00	169 09
Employee Matters	-	5 50	8 40	-	-	13 90	2,887 00	207 70
General Administration	-	-	12 50	1 00	11 70	25 20	3,804 00	150 95
Investigations	5 00	-	5 50	-	0 10	10 60	2,877 00	271 42
Planning & Strategy	9 00	1 70	7 80	-	-	18 50	4,529 00	244 81
Reporting and Returns	13 50	10 90	31 40	-	0 50	56 30	12,862 00	228 45
Steps on Appointment	-	4 90	11 00	-	-	15 90	3,205 00	201 57
TOTAL	33 00	41 20	164 40	1 00	12 90	252 50	52,652 50	208 52

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Appendix D

Estimated Outcome Statement as at 27 July 2015

	Notes	Administration £
Assets Subject to Floating Charge		
Cash held at 27 July 2015		12,596
VAT Receivable	1	17,380
Book Debts	2	Uncertain
Assets held by Winterhill	3	Uncertain
		<u>29,976</u>
Less: Costs of Administration	4	(4,012)
Estimated funds available for Preferential Creditors		<u>25,964</u>
Less: Estimated Preferential Creditors		N/A
Estimated Surplus / (Deficiency) to floating charge creditor		<u>25,964</u>
Less: Prescribed Part c/d	5	(5,193)
		<u>20,771</u>
Less: Debts Secured by Floating Charge	5	(287,653)
Estimated Deficiency to Floating Charge c/d		<u>(266,882)</u>
Add Back: Estimated prescribed part of net property b/d	5	5,193
Prescribed part funds already set aside	5	7,000
		<u>12,193</u>
Less: Unsecured Creditors:		
Mr A Rawji Subrogated claim	6	(2,802)
Trade & Expense Creditors	7	(141,171)
Employee Unsecured Claims (Estimate)	8	(9,117)
		<u>(153,090)</u>
Estimate Deficiency as regards Unsecured Creditors		<u>(140,897)</u>
Shortfall in respect of Floating Charge b/d		<u>(266,882)</u>
Estimated Deficiency as regards Creditors		<u>(407,779)</u>

	p/E
Estimated Dividend to Unsecured Creditors	7.97

Notes
1 VAT reclaim of £17,230 has been submitted and a subsequent VAT reclaim of £151 will be submitted shortly
2 A final payment of £1,000 is due from a debtor in relation to the settlement on its debt due to the Company. In addition FWD have advised that £6,348 is due from four debtors however these are disputed and are input as "Uncertain"
3 Winterhill have confirmed they are holding a small collection of pens and part completed pens which will be sold shortly
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 pre-scribed part for the benefit of the unsecured creditors. On 12 June 2015 a first interim distribution in the sum of £20,000 was paid to PPC. £7,000 in respect to the prescribed part was set aside for the benefit of the unsecured creditors. The anticipated additional prescribed part is estimated at £5,193.
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 subrogated claim with the balance being unsecured.
7 Based on figures provided by the director and claims from unsecured creditors
8 Based upon the claims received from the Redundancy Payments Service and former employees

Costs of Administration	Administration £
Debtor Collection Fees (estimated)	(4,000)
Repay Client Account	(12)
	<u>(4,012)</u>

**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

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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
Cowgill Holloway Business Recovery LLP (Joint Administrators' disbursements)	Travel and accommodation
Plymouth City Council (rent)	Pre-rated monthly rent
Royal Mail Plc (mail redirection)	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.

Conway Stewart Manufacturing (UK) Limited - In Administration

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