

Rule 2.47

Form 2.24B

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company (LUPFAW JHB Limited (FORMERLY KNOWN AS J H Birtwistle & Company Limited)	Company number: 0037516
In the: High Court of Justice, Leeds [full name of court]	Court case number: 975 of 2009

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

We (a) Julian Pitts and David Wilson of Begbies Traynor (Central) LLP, Glendevon House, Hawthorn Park, Coal Road, Leeds, LS14 1PQ

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

(b) Insert dates

from / to

1 April 2009 to 30 September 2009

Signed:

Joint Administrators

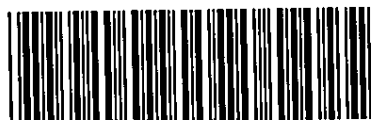
Dated:

6/10/09

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	
Glendevon House, Hawthorn Park, Coal Road, Leeds, LS14 1PQ	
	Tel Number: 0113 2375560
Fax Number: 0113 2375561	DX Number:



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15/10/2009

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COMPANIES HOUSE

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

THURSDAY

Julian Pitts and David Wilson were appointed Joint Administrators on 1 April 2009

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.

LupfawJHB Limited formerly known as J H Birtwistle & Company Limited (In Administration)

Progress report of the Joint Administrators pursuant
to Rule 2.47 of The Insolvency Rules 1986

Period: 1 April 2009 to 30 September 2009

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	LupfawJHB Limited formerly J H Birtwistle & Company Limited (In Administration)
"the Administration"	The appointment of Administrators under Schedule B1 to the Insolvency Act 1986 on 1 April 2009.
"the Joint Administrators"	Julian Pitts of Begbies Traynor (Central) LLP, Glendevon House, Hawthorn Park, Coal Road, Leeds LS14 1PQ and David Wilson of Begbies Traynor (Central) LLP, Glendevon House, Hawthorn Park, Coal Road, Leeds LS14 1PQ
"the Act"	The Insolvency Act 1986
"the Rules"	The Insolvency Rules 1986
"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(a), Insolvency Act 1986)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security 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(b), Insolvency Act 1986)
"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	LupfawJHB Limited
Trading name(s):	Formerly J H Birtwistle & Company Limited
Date of Incorporation:	11/11/1892
Company registered number:	0037516
Company registered office:	Glendevon House, Hawthorn Park, Coal Road, Leeds, LS14 1PQ

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of Joint Administrators:	Julian Pitts, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Glendevon House, Hawthorn Park, Coal Road, Leeds, LS14 1PQ and David Wilson, a Licensed Insolvency Practitioner of Begbies Traynor, (Central) LLP, Glendevon House, Hawthorn Park, Coal Road, Leeds, LS14 1PQ
Date of Administrators' appointment:	1 April 2009
Date of Administrators' resignation:	N/A
Court:	High Court of Justice, Leeds
Court Case Number:	975 of 2009
Person(s) making appointment / application:	Directors of the Company
Acts of the Joint Administrators:	The Joint 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:	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 1 April 2009 to 30 September 2009.

At the time of submitting the Joint Administrators' proposals on 20 May 2009, the Administrators were still continuing to operate the day to day business of the Company whilst continuing negotiations with interested parties for a sale of the Company's assets on a going concern basis.

I am pleased to report that the sale has been completed, the details of which will be covered later in this report.

As regards receipts and payments I would report as follows:-

Sales

The income and expenditure account previously provided recorded sales at £566,110, I am pleased to report that by the time the Administrators' trading period was concluded on 30 June 2009, these had grown to £1,211,945.

Previously book debts were reported as having realised £510,702. Within the proposals report and estimated draft statement of affairs book debts were expected to achieve £675,000 from a sales ledger of £1,681,684. The substantial write down was as a result of the bad debt from the associated company of Stead McAlpin & Company Limited of £780,000.

Notwithstanding the estimated to realise figure of £675,000, book debts to date have achieved £769,586 which represents a collection rate of 85.4% on gross book debts, after discounting the bad debt from Stead McAlpin & Company. There are some pre-appointment debts that remain outstanding and are currently being pursued by debt collectors although future recoveries are not likely to exceed a further £20,000.

Tax Refund

Although there has been a refund of £92,252 since the time of our last report there have been further recoveries now bringing the refund to £95,254.

Plant & Machinery

You will see the income and expenditure account records two categories of plant and machinery both with realisations of £200,000. The estimated statement of affairs recorded plant and machinery as being expected to realise £715,000, however within the sale of assets plant and machinery achieved £600,000.

Although this is below what was originally estimated to be realised, valuation agents advising the Joint Administrators indicated that the size, nature and complexity of the machinery concerned would make the costs of sale prohibitive and it was therefore advised that £600,000 as part of a going concern sale should be accepted.

As recorded £400,000 has been paid to date with the remaining £200,000 being paid in instalments, in accordance with the Asset Sale Agreement.

Stock

The estimated statement of affairs suggested stock would realise £56,600. Within the Asset Sale Agreement stocks were sold for a total of £220,050 representing a substantial uplift on the statement of affair's values.

Expenditure

The majority of expenditure items have been the costs and expenditure required to maintain the business activities of the Company prior to the going concern sale on 30 June 2009.

I enclose at Appendix 2, a summarised trading account for the period of the Administrators' trading, demonstrating a net return of £118,313 after deduction of all trading expenses.

The non trading items are as follows:-

Debenture Holder – Fixed Charge

As some of the machinery held by the Administrators was considered to be intergrated into the fabric of the Company's premises it therefore falls as a fixed charge asset and the proceeds are therefore payable to the debenture holder as a first charge.

Debt Collection

As the purchaser of the Company's assets was to continue in the Company's premises, servicing the same customers, it was agreed that through their continued dealings they would provide a collection service for any invoices outstanding from the Administrators' trading period at an agreed rate of 10% of collections.

To date collections of £461,457 have been confirmed resulting in a debt collection charge of £46,145.

Debenture Holder Floating Charge

To date distributions to the debenture holder from general asset realisations amount to £850,000 bringing total distributions to £1,050,000.

The debenture holder's debt as at the date of appointment was £1,502,000, therefore notwithstanding the further assets yet to realise, it is most unlikely, once preferential creditors have been discharged and those funds that are required to be set aside by the prescribed part rules have been calculated, that the debenture holder will be paid in full.

5. REMUNERATION

As previously reported the Joint Administrators' remuneration is based on hourly costs at scale rates calculated on the time properly spent in the course of the Administration in accordance with the explanatory note on the subject, which accompanied *The Report and Proposals of the Joint Administrators*. The relevant resolutions were approved by a resolution of the secured creditor pursuant to Rule 2.106 of the Insolvency Rules 1986.

Total remuneration drawn to date in accordance with the approved resolution in respect of remuneration amounts to £225,000. Total time spent to date on this assignment amounts to 1561.78 hours at an average composite rate of £231.13 per hour resulting in total time costs to date of £360,970.25. The following further information as regards time costs and expenses is set out at Appendix 3:

- ☐ Begbies Traynor (Central) LLP's policy for re-charging expenses
- ☐ Begbies Traynor (Central) LLP's charge-out rates

Of the 1,561 hours recorded in dealing with this Administration to date you will see that 427.2 of these are in connection with the Joint Administrators' continuation of the Company's trading activities. The

Administrators were required to trade the business for a much longer period than was anticipated due to the protracted negotiations for the sale of the business referred to later in this report. A review of our time recording system reflects that at the time the sale of the business was concluded the Administrators' time for trading activities had accrued to 334.55 hours which represented a time commitment of 25.7 hours for each of the 13 weeks that the Administrators' were responsible for trading activities.

The additional time allocated to the trading activities after 30 June 2009 are in relation to the winding down of trading activities, in reconciling and paying supplier accounts and dealing with other trading issues.

Other note worthy allocations of time are 111 hours allocated to reservation of title which as a result of more than 25 claims of title being notified to the Joint Administrators, some of which have yet to be finally resolved.

A total of 196.65 hours has been allocated to the sale of the business and/or fixed and floating charge assets which relates to marketing the business for sale, dealing with sales enquiries and providing information to potential bidders and thereafter dealing with the drawn out negotiations for the eventual successful bidder.

6. SALE OF THE BUSINESS

The Joint Administrators' proposals reported that despite initial interest in the business there had been no formal offer at the beginning of May at which time the Administrators were considering closing the business down.

However an offer from a connected party was received on 14 May 2009 and after substantial and delayed negotiations a sale was concluded on 30 June 2009.

Part of the reason for the delay in concluding negotiations and the deferred terms of the offer set out below is, as we were advised, difficulties in securing funding for an asset acquisition from an insolvent company, given the well publicised significant reduction in the availability of commercial credit.

The deal finally agreed was that W M Lawrence Limited, a new company incorporated by parties connected to the insolvent company would acquire the Company's plant and machinery for a total of £600,000 payable as a deposit of £200,000, with a further £200,000 after 60 days and then 4 equal instalments of £50,000 from 30 September 2009 to 31 December 2009.

You will see by reference to the income and expenditure account at Appendix 1 that the first instalment of £200,000 has been received as has the second.

The instalment of £50,000 due on 30 September however has not been received. In the days immediately preceding the preparation of this report the purchaser of the business has requested a variation to the instalment terms. Given the costs and delays that would be incurred in enforcing the Joint Administrators' security over the assets and achieving realisations therefrom to satisfy the balance due, the Administrators' are minded to accept the proposed revision albeit it would not be appropriate to provide precise details within this report as these have yet to be formally agreed in writing.

You will see from the receipts and payments account that of the £200,050 agreed for the Company's stocks a total of £146,700 has been received.

The stock was to be paid for in 3 equal instalments of £73,350 at 30, 60 and 90 days from completion. The third instalment is due on 6 October and notwithstanding the comment above we are advised that funding is in place to meet this payment and it will be received on time.

Finally as part of the sale agreement the purchaser required the ability to use 'J H Birtwistle & Company Limited' at some point in the future and accordingly the Company in Administration changed its name to LupfawJHB Limited on 6 July 2009.

7. ASSETS THAT REMAIN TO BE REALISED

You will see from the income and expenditure account that the current balance of £280,335.60 within the Administration is made up in part of trade debtors at £262,999. These debtors are those sales recorded during the course of the Administrators' trading that have yet to be paid in full.

The purchaser of the Company's assets is continuing to collect these debts on our behalf and we have not been made aware at this stage of any reason why we should not expect payment in full.

There is a further £200,000 due in respect of plant and machinery on deferred terms from the purchaser as detailed above.

Finally there is a final instalment of £73,350 due in respect of the Company's stocks which we anticipate within the next few days.

8. OTHER RELEVANT INFORMATION

Creditors may be aware that the Joint Administrators are required under the Company Directors' Disqualification Act 1986 to submit a report to the Department of Trade & Industry upon the conduct of all company officers in the three years preceding insolvency. I confirm that the Joint Administrators have complied in this regard.

9. CONCLUSION

Whilst the Administration has been successful in so far as the assets of the business have been sold on a going concern basis, preserving more than 40 jobs, the level of debt to the secured creditor at £1,502,000 dictates that there will regrettably be no funds available for creditors beyond those to be set aside under the prescribed part rules of Section 176A of the Insolvency Act 1986.

We are not yet in a position to calculate the final prescribed part sum and result in net property but once this is known creditors will be notified accordingly.



J N R Pitts
Joint Administrator

Dated: 2 October 2009

J H Birtwistle & Company Limited
(In Administration)

Income and Expenditure Account
01 April 2009 to 30 September 2009

INCOME	Total (£)
Sales	1,211,945.83
Plant & Machinery	200,000.00
Plant & Machinery	200,000.00
Stock	146,700.00
Book Debts	769,586.21
Tax Refund	95,254.65
Cash at Bank	207,181.42
Bank Interest Gross	9.17
Bank Interest Net of Tax	0.05
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	2,830,677.33
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EXPENDITURE	
Purchases (1)	600,270.70
Sub Contractors	7,960.60
Direct Labour	279,783.89
Consumable Stores	387.19
Rents	30,000.00
Rates	19,204.67
Heat & Light	111,806.28
Telephone	2,069.72
Carriage	12,480.08
Insurance	21,860.48
Professional Fees	4,046.00
Bank Charges	2,428.56
Lease/HP Payments	420.73
Hire of Equipment	5,090.09
Repairs & Maintenance	20,462.30
Sundry Expenses	231.52
Vehicle Running Costs	7,417.11
Stationery	153.79
Postages	334.44
IT maintenance/Internet	1,899.98
Debenture Holder - Fixed Charge	200,000.00
Pre-Admin Set-Off Claim	9,199.02
Specific Bond	1,440.00
Office Holders Fees	225,000.00
Office Holders Expenses	4,006.97
Debt Collection	46,145.76
Agents/Valuers Fees (1)	190.00
Legal Fees (1)	20,526.00
Storage Costs	825.00
Statutory Advertising	162.54
Reservation of Title Settlements	49,679.94
Pension Schemes	13,833.38
Debenture Holder - Floating Charge	850,000.00

**J H Birtwistle & Company Limited
(In Administration)**

**Income and Expenditure Account
01 April 2009 to 30 September 2009**

Banks/Institutions	1,024.99
	<hr/>
	2,550,341.73
	<hr/>
Balance	280,335.60
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MADE UP AS FOLLOWS	
Trade Debtors	262,999.05
Vat Receivable	110,058.79
Bank 2 Current	151,503.96
Bank 2 Deposit	0.05
Trade Creditors	(71,033.32)
Vat Payable	(173,485.77)
Petty Cash	292.84
	<hr/>
	280,335.60
	<hr/>

J H Birtwistle & Company Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs	From 01/04/2009 To 30/06/2009	From 01/04/2009 To 30/06/2009
POST APPOINTMENT SALES		
Sales	1,211,945.83	1,211,945.83
	<u>1,211,945.83</u>	<u>1,211,945.83</u>
PURCHASES		
Purchases (1)	574,938.86	574,938.86
	<u>(574,938.86)</u>	<u>(574,938.86)</u>
OTHER DIRECT COSTS		
Sub Contractors	7,960.60	7,960.60
Direct Labour	279,430.30	279,430.30
Consumable Stores	387.19	387.19
	<u>(287,778.09)</u>	<u>(287,778.09)</u>
TRADING EXPENDITURE		
Rents	30,000.00	30,000.00
Rates	19,204.67	19,204.67
Heat & Light	111,806.28	111,806.28
Telephone	2,069.72	2,069.72
Carriage	11,980.08	11,980.08
Insurance	14,020.48	14,020.48
Professional Fees	4,046.00	4,046.00
Bank Charges	1,777.84	1,777.84
Lease/HP Payments	420.73	420.73
Hire of Equipment	5,090.09	5,090.09
Repairs & Maintenance	20,462.30	20,462.30
Sundry Expenses	231.52	231.52
Vehicle Running Costs	7,417.11	7,417.11
Stationery	153.79	153.79
Postages	334.44	334.44
ITmaintenance/Internet	1,899.98	1,899.98
	<u>(230,915.03)</u>	<u>(230,915.03)</u>
TRADING SURPLUS/(DEFICIT)	<u>118,313.85</u>	<u>118,313.85</u>

82J3935 J H Birtwistle	Partner	Director	Senior Manager	Manager	Senior Case Administrator	Case Administrator	Support And Cashiering	Total Hours	Total Cost	Avg Rate
Pre-appointment activity	11.50	0.00	13.50	0.00	3.00	21.35	1.00	50.35	£11,363.00	£225.68
Planning & Control	21.00	0.00	7.00	0.60	0.00	0.00	0.00	28.60	£9,565.00	£334.44
Admin & Accounting	7.00	81.75	14.50	5.60	18.60	6.75	120.73	254.93	£46,035.25	£180.58
Reporting, S of A, Stat Returns	0.00	0.00	31.00	0.00	0.00	0.00	1.50	32.50	£9,295.00	£286.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Fixed Charge Assets	0.00	0.00	3.50	0.00	0.00	0.00	0.00	3.50	£1,032.50	£295.00
Floating Charge Assets	35.00	0.00	5.25	30.70	0.00	0.00	27.50	98.45	£24,223.75	£246.05
Trading	35.50	0.00	217.50	12.70	0.00	8.75	4.00	278.45	£81,300.00	£291.97
Debt Collection	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Prefs, Un-secured & Members	0.00	0.00	21.50	26.50	0.00	2.50	52.75	103.25	£18,567.50	£179.83
Employees	0.00	0.00	10.50	0.00	0.00	64.45	3.00	77.95	£11,776.00	£151.07
Meetings	0.00	0.00	4.00	0.00	0.00	0.00	5.30	9.30	£1,710.00	£183.87
Reading papers/Prelim review	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Correspondence/telephone	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Meetings/conferences	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Investigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Analysis & reports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Court prep & attendance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Travel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Admin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Administration	0.00	0.00	13.00	3.70	9.75	9.00	84.63	120.08	£15,953.00	£132.85
Appointment Activity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Banking	0.00	0.00	0.00	1.60	0.00	0.00	0.00	1.60	£400.00	£250.00
Bonding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Case Strategy and Planning	0.00	0.00	4.25	0.00	0.00	0.00	0.00	4.25	£1,253.75	£295.00
CDDA Reporting and Follow Ups	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Claims, Proofs and Distributions	0.00	0.00	0.00	0.00	0.00	12.50	1.30	13.80	£1,755.00	£127.17
Closing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Creditors' Committee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Debt Collection	4.00	0.00	33.75	2.50	15.50	0.00	0.00	55.75	£14,461.25	£259.39
Employees	0.00	0.00	0.00	0.00	0.00	39.85	0.00	39.85	£5,180.50	£130.00
Fixed Charge Assets	0.00	0.00	2.00	0.00	0.00	0.00	0.00	2.00	£590.00	£295.00
Floating Charge Assets	4.00	0.00	23.50	0.70	0.00	0.00	0.00	28.20	£8,507.50	£301.68
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Litigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Meetings	0.00	0.00	0.00	0.00	0.00	6.50	0.00	6.50	£845.00	£130.00
Nominee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Pensions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Pre-Appointment Work	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Receipts and Payments and	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Retention of Title (ROT)	0.00	0.00	0.00	2.80	0.00	0.00	0.00	2.80	£700.00	£250.00
Sale of Business/Asset	6.00	0.00	58.50	75.50	0.00	24.00	9.10	111.10	£23,642.50	£212.80
				0.00	0.00	0.00	0.00	64.50	£19,357.50	£300.12

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Secured Creditors	18.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.50	£6,475.00	£350.00
Statutory Reports>Returns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30	0.30	£30.00	£100.00
Third Party Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Trading	29.00	0.00	0.00	115.25	2.50	0.00	2.00	0.00	148.75	£45,033.75	£302.75
Travel	0.00	0.00	0.00	6.50	0.00	0.00	0.00	0.00	6.50	£1,917.50	£295.00
VAT and Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Total Hours	171.50	81.75	587.50	46.85	165.40	197.65	311.11	1,561.76			
Total Cost	£60,275.00	£21,731.25	£173,312.50	£7,496.00	£41,350.00	£25,694.50	£31,111.00		£360,970.25		£231.13

Employee / Disbursements Costs	£3,998.89
Disbursement Fees Drawn	-£3,946.97
Time Fees Drawn to Date	-£225,000.00
Outstanding Costs	£136,022.17