

The Insolvency Act 1986

2.24B**Administrator's progress report**

Name of Company A B F Limited	Company number 00273919
In the High Court of Justice, Chancery Division, Manchester District Registry <small>[full name of court]</small>	Court case number 832 of 2011

We
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Joint Administrators' of the above company attach a progress report for the period

from	to
7 May 2011	6 November 2011

Signed


Joint Administrator

Dated

5 December 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.

Alex Harper KPMG LLP St James' Square Manchester M2 6DS United Kingdom	
DX Number DX 724620 Manchester 42	Tel DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at-

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

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COMPANIES HOUSE



A.B.F. Limited (in
Administration)

Progress Report
for period 7 May 2011 to 6
November 2011 pursuant to
2.47 and Rule 2.110 of the
Insolvency (Amended) Rules
2010

KPMG LLP

30 November 2011

This report contains 23 Pages

Dcw/ac/ah/db



Notice: About this Report

This Report has been prepared by David Costley-Wood, Brian Green and Mark Firmin, the Joint Administrators of A B F Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the Administration, and for no other purpose.

It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context. This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in A B F Limited or other companies in the same group.

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors. Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk.

To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

David Costley-Wood, Brian Green and Mark Firmin are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

The Joint Administrators act as agents for A B F Limited and contract without personal liability.

The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the Administration.



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Glossary

Act	The Insolvency Act 1986
Administration	The Administration Order granted by the High Court of Justice, Chancery Division, Manchester District Registry in respect of A B F Limited on 7 May 2011 Court case number 832 of 2011
ATL	ATL Surveys Limited
CID	Confidential invoice discounting facility provided by Clydesdale
Clydesdale	Clydesdale Bank Plc, a division of National Bank of Australia
Company / ABF	A B F Limited (in Administration)
EBITDA	Earnings before interest, tax, depreciation and amortisation
EC Regulations	Council Regulations (EC) No 1346/2000
Edward Symmons	Edward Symmons LLP
Famco	Famco Holdings Limited
Grace Bay / Financier	Grace Bay II Holdings S a R L
Group	The Silentnight Group of companies, including the Company, Holdings and SNG
HIG	H I G European Capital Partners LLP
HMRC	HM Revenue and Customs
Holdings	SNHL Realisations (2011) Limited (in administration) (formerly Silentnight Holdings Limited)
Joint Administrators / Administrators	David Costley-Wood, Brian Green and Mark Granville Firm of KPMG LLP
KPMG	KPMG LLP
PPF	Pension Protection Fund



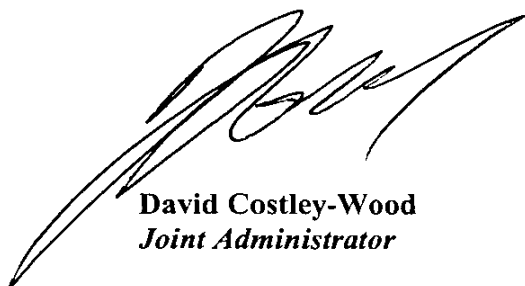
Purchaser	Silentnight Group Limited (formerly H I G Snooze Newco Limited)
RoT	Retention of Title
RRG	Receivables Realisation Group, a division of KPMG LLP
Rules	The Insolvency Rules 1986
SIP	Statement of Insolvency Practice
SNG	SNGL Realisations (2011) Limited (in administration) (formerly Silentnight Group Limited)
Solicitors / SSD	Squire, Sanders & Dempsey (UK) LLP
SPA	Sale and Purchase Agreement relating to the sale of the business and assets of ABF Limited dated 7 May 2011
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006

The references in these Proposals to sections, paragraphs or rules are to the Act, Schedule B1 of the Act and the Rules respectively



1 **Executive summary**

- This progress report covers the period from appointment on 7 May 2011 to 6 November 2011
- The Joint Administrators' Statement of Proposals was approved by a meeting of creditors' held 7 July 2011 and was subject to modification. There have been no subsequent amendments or major deviations from the proposals. A copy of the modified proposals is enclosed at Appendix 5
- Based on the expected level of realisations and the amounts owed to the secured creditors, there will be funds available for distribution to unsecured creditors. Based on current estimates it is expected that there will be a dividend of between £11.6m and £13.7m
- However, since the pension creditor is likely to be £94m, this equates to a dividend of between 10p and 12.2p in the £ available to unsecured creditors
- Full details of the Joint Administrators' progress report are attached together with all the relevant statutory information included by way of Appendices
- As the Joint Administrators' original proposals have now been completed the Company will be placed in Creditors' Voluntary Liquidation on the filing of this report, along with form 2 34B, at Companies House
- This is to enable the dividend to creditors to be paid as quickly as possible. In accordance with these proposals Brian Green, Mark Firmin and I will be appointed Joint Liquidators



David Costley-Wood
Joint Administrator



2 Statement of Proposals

The Joint Administrators' Statement of Proposals was circulated on 16 June 2011

In accordance with Paragraph 51 of Schedule B1 of the Insolvency Act 1986, a meeting of creditors was held at 10 00am on Thursday 7 July 2011 at The Freemasons Hall, 36 Bridge Street, Manchester M3 3BT

The purpose of this meeting was to vote on the Joint Administrators' proposals as outlined in section 13 of our last report and vote on the pre-appointment time costs, as outlined in Appendix 5 of our last report

The Joint Administrators' Statement of Proposals was approved by a meeting of creditors' held on 7 July 2011 and were subject to modification. There have been no subsequent amendments or major deviations from the proposals. A copy of the modified proposals is enclosed at Appendix 5

3 Progress to date

3.1 Sale of business

As detailed in our last report, a sale of the business and certain assets of the Company took place immediately following the appointment of the Joint Administrators. The ultimate owner of the Purchaser is HIG, who is related by common ownership to the Financier.

A breakdown of the estimated total value of assets available for creditors is summarised below

	£	£
Novation of the Grace Bay debt to Purchaser	12,700,000	
Cash paid by the Purchaser	6,540,000	19,240,000
Clydesdale CID debt paid by the Purchaser		2,534,628
Assets excluded from the sale (estimated)		8,250,000
		<hr/>
Total		30,024,628
		<hr/>

Source: KPMG records

The assets excluded from the sale include debtors (net of Clydesdale CID debt which has been repaid), freehold property, cash and other debtors / prepayments. The cash paid by the Purchaser and assets excluded from the sale will be available to unsecured creditors, after costs.



A breakdown of the £19,240,000 is given below

	£
Equipment	3,850,000
Stock and WIP	2,500,000
Goodwill and intellectual property	12,489,997
Other	3
	<hr/>
Total	19,240,000
	<hr/>

Source SPA

The consideration received by the Company is illustrated in the Joint Administrators' receipts and payments account, attached at Appendix 2 to this report

3.2 Leasehold property

Prior to Administration the Company traded from premises in Barnoldswick, Batley, Aspatria and Mallusk and leased the Group showroom in Salterforth. On appointment the Company also formally sublet part of the Mallusk site. As part of the sale of the business and assets a licence to occupy was granted to the Purchaser, from the date of appointment to 20 December 2011, in respect of all five properties to allow for the continued occupation of the properties following the sale.

Following a strategic review of the business the Purchaser vacated the Salterforth site prior to the September rent quarter date and the Mallusk site prior to the November rent quarter date. The Mallusk subtenant also vacated the site prior to this date and so both properties remain unoccupied at the date of this report. Our property team have reviewed both leases and advised that it is unlikely there is any value in either lease, as such the Joint Administrators have now offered to the landlord to surrender both leases and any further rent due will form the landlords' unsecured claim within the Administration.

Licence fees equivalent to the rent, service charge and insurance due for each property have been received from the Purchaser in relation to all five properties, for all relevant periods of occupation to date, and as such rent, service charge and insurance has subsequently been paid to each of the relevant landlords in full as it has fallen due.

With the licence to occupy currently in place due to expire on 20 December 2011, the Purchaser has requested that the licence be extended for Barnoldswick, Batley and Aspatria. These properties continue to be utilised by the Purchaser and the Administrators understand that the Purchaser has commenced discussions with the landlords to seek assignment of the leases. As such, our Solicitors have been instructed to liaise with the Purchaser's solicitors in respect of this matter.



In addition to the above, the Company leases and sublets a property in Dublin. The Joint Administrators have instructed Irish Solicitors to assist with this property, negotiations have begun with the landlord and subtenant in respect of lease surrenders. All rent due under both the lease and sublease during the period has been received from the subtenant and paid over to the landlord.

3.3 Freehold property

The Company owns a piece of land in Barnoldswick with a book value of £200,000 near to the Silentnight Head office. The land is used as a staff car park for the Barnoldswick employees and is excluded from the sale to the Purchaser.

The Administrators instructed Edward Symmons and ATL to conduct valuations of the site. Subsequently the site has been marketed for sale by Edward Symmons. To date the Joint Administrators have received three offers, one of which has been accepted. The Joint Administrators expect to complete a sale of the property in due course.

3.4 Book debts

The main asset remaining in the Company following the sale of the business is its book debts which at appointment totalled £13,531,227. The Administrators have entered into an agency agreement for the Purchaser to collect the book debts on the Administrators' behalf in an effort to maximise collections and minimise costs. KPMG's debt collection team, RRG, is closely monitoring the collection.

The Company operated a confidential invoice discounting facility that was provided by Clydesdale. Since our appointment Clydesdale have been repaid in full in respect of their outstanding indebtedness (£2,534,628) by the Purchaser who took assignment of Clydesdale's security and has in turn been repaid from book debt recoveries. All remaining book debts have been assigned back to the Company and the collection of the outstanding book debts continues.

Collections to 6 November 2011 total £7,827,715. Of this £4,388,496 was paid directly into Company's pre-appointment bank account and £2,534,628 was used to repay Clydesdale. Total book debt realisations are expected to be between £8.7 million and £9.1 million.

3.5 Retention of Title Claims

To date we have received 38 RoT claims. Under the SPA the Purchaser took on responsibility for settling all RoT claims. 31 claims have been subject to a formal settlement agreement between the Purchaser and the creditor, whilst goods have been returned in respect of two claims.

All of the remaining RoT claims received to date have been withdrawn and this matter has now been concluded.

3.6 Prepayments

The Joint Administrators are aware of a number of prepayments which may result in further realisations. The Joint Administrators are in the process of liaising with the Purchaser regarding these prepayments.

3.7 Directors' conduct

In accordance with Rule 4 of the Insolvent Companies (Report on conduct of Directors) Rules 1996 we have submitted a final D Return to the Department for Business, Innovation and Skills.

3.8 Liabilities

3.8.1 Secured creditors

3.8.1.1 Grace Bay

Grace Bay holds a debenture dated 12 February 2011 providing a fixed and floating charge over the Company. Grace Bay also has the benefit of a cross guarantee over the assets of the Company, SNG and Holdings in respect of each others' liabilities to the Financier. SSD has confirmed the validity of the security held by Grace Bay.

At the date of appointment Grace Bay's indebtedness totalled £12,700,000, comprising of a term loan (£3,700,000), a revolving credit facility (£4,000,000) and a termination fee (£5,000,000) triggered by the administration of the Company. The termination fee was agreed when facilities were renewed with Clydesdale in 2006.

Grace Bay were repaid in full in respect of their outstanding indebtedness via the novation of their debt following the completion of the sale of the Company's business and assets to the Purchaser.

3.8.1.2 Clydesdale

Clydesdale provided a confidential invoice discounting facility to the Company. The indebtedness outstanding to Clydesdale on appointment arising from the invoice discounting facility totalled £2,534,628.

Since our appointment Clydesdale have been repaid in full in respect of their outstanding indebtedness. Consequently, all book debts have been reassigned to the Company and the collection of the outstanding book debts continues.

3.8.2 Preferential creditors

Following the transfer of all employees to the Purchaser, the arrears of wages have been paid by the Purchaser and therefore the Administrators are not aware of any preferential claims against the Company.

3.8.3 Unsecured creditors

The Joint Administrators are currently in the process of agreeing creditor claims and will make a distribution to unsecured creditors via liquidation. The exact amount and timing



of any dividend remains uncertain as this is dependent on the quantum of claims agreed. Based on current estimates it is expected that there will be a dividend of between 10p and 12 2p in the £ available to unsecured creditors.

3.9 Expenses for the period

3 9 1 Receipts and payments

Comments on receipts and payments are included at 4 2 below

3 9 2 Office holders' remuneration

The office holders' time costs for the period of this report are also attached (see Appendix 3). This shows that in the period to 6 November 2011 we have incurred time costs of £649,367 representing 2,188 hours at an average hourly rate of £297 and disbursements of £6,356. This includes work undertaken in respect of book debt recoveries of £8m, sale of property, property licences, ROT, dealing with creditor queries, employee queries, pension issues, tax, VAT and health and safety advice from KPMG in-house specialists.

As a result of a modification proposed at the initial meeting of creditors, KPMG's time costs are restricted to £1,000,000 unless consent is sought from creditors in a General Meeting. Approval was also sought, and given, for reimbursement of the Joint Administrators' pre-appointment time costs.

An analysis of the Joint Administrators' time costs in accordance with the provisions of Statement of Standard Insolvency Practice 9 is attached at Appendix 3.

A creditor's guide to fees can be found at

http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP%209%20E&W.pdf

Alternatively, please contact Luke Almond at KPMG on 0161 246 4866.

The total of all expenses for this period (including the above) is £ 2,536,926 including amounts not yet paid (see Appendix 4 for details).

Additional information about the expenses charged for the period is available from the office holder upon request by any secured creditor, and any other creditor or creditors owed 5% or more in value of the unsecured liabilities listed. Full details of the process to obtain more information under Rule 2 48A IR86 and to challenge the Administrators' remuneration and expenses under Rule 2 109 IR86 can be requested from the Joint Administrators' should creditors require this.

The Joint Administrators have drawn an interim fee of £441,293 and expenses of £4,341 to date. £79,893 has been drawn in respect of the Joint Administrators' pre-appointment time costs.

A further fee will be paid to the Joint Administrators out of funds transferred to the Joint Liquidators following the closure of the Administration. The quantum of this fee will be



£237,995 which includes £29,921 of time costs incurred since the period covered by this report. A further analysis of time costs incurred in accordance with the provisions of Statement of Standard Insolvency Practice 9 since the period covered by this report is included at Appendix 6.

3.10 Conclusion on the Administration

The Joint Administrators' proposals have been completed. The Company will be placed into Creditors' Voluntary Liquidation on the filing of this Report along with form 2.34B at Companies House. Any outstanding matters from the Administration will be concluded in the Liquidation.

In accordance with the Joint Administrators' proposals, Brian Green, Mark Firmin and I will be appointed as Joint Liquidators (the "Joint Liquidators").

4 Comments on the Appendices

4.1 Appendix 1: Statutory information

Statutory information associated with the Administration is detailed in Appendix 1.

4.2 Appendix 2: Receipts & payments account for the period 7 May 2011 to 6 November 2011

Please note that all balances will be transferred to the Joint Liquidators on the closure of the Administration.

4.2.1 Receipts

4.2.1.1 Cash at bank

Cash at bank totalled £1,949,666 on appointment.

4.2.1.2 Goodwill, brands and intellectual property

£12,489,997 was realised for goodwill, brands and intellectual property.

4.2.1.3 Stock

£2,500,000 was received for stock and work in progress, as part of the overall sale of the business and assets.

4.2.1.4 Equipment

Equipment, including all plant, machinery, fixtures and fittings, realised £3,850,000 as part of the overall sale of the business and assets.



4 2 1.5 Bank interest

Gross bank interest in the sum of £792 and £7,125 has been received on fixed and floating charge deposits respectively Interest totalling £111 and £908 has been received net of tax on fixed and floating charge deposits respectively

4 2 1 6 Vehicles

£400,000 was realised for the Company's vehicles

4 2 1.7 Customer contracts

As part of the overall sale of the business and assets a nominal amount of £1 was received for customer contracts held by the Company

4 2 1 8 Name

As part of the overall sale of the business and assets a nominal amount of £1 was received for allowing the Purchaser to use the Silentnight name The value of the name and brands has been allocated to goodwill above

4 2.1 9 Seller's Records

As part of the overall sale of the business and assets a nominal amount of £1 was received for the books and records of the Company

4 2.1 10 Post sale receipts

Post sale receipts in the sum of £35,178 have been received and will be allocated as appropriate in due course

4 2.1.11 Rent

Funds of £872,372 have been received in respect of rent This amount was received from the Purchaser to compensate the Company for rental charges incurred (see 4 2 2 3 below) on leasehold premises where the Purchaser is in occupation

4 2 1.12 Book debts

Funds received in respect of book debt collections total £7,827,715 (see 3 4 above for further commentary)

4 2 2 Payments

4.2 2 1 Agents/Valuers

Fees in the sum of £2,350 and disbursements of £150 have been paid to our Agents in respect of valuations carried out on various Company assets

4 2 2 2 Bank charges

Bank charges of £133 and £300 have been incurred on the fixed and floating charge accounts respectively



4 2 2 3 Rent

Rent in the sum of £861,864 has been paid in respect of several leasehold premises. This has been reimbursed by the Purchaser who is currently in occupation (see 4 2 1 11 above)

4 2 2 4 Fixed charge creditor

Distributions totalling £14,824,625 have been made to fixed charge creditors (see 3 8 1 above)

4 2 2 5 Administrators' fees

As detailed at 3 7 2 above, the Joint Administrators' have drawn fees totalling £441,293 to date

4 2 2 6 Administrators' expenses

Expenses of £4,341 have been drawn to date

4 2 2 7 Sundry costs

Sundry expenditure amounting to £1,050 has been paid. This amount relates to various costs incurred as a result of the initial meeting of creditors

4 2 2 8 Legal fees

Fees totalling £222,667 have been paid to our Solicitors. These costs relate to assisting the Administrators in preparing for tPR's investigations, advice in respect of retention of title claims, leasehold properties, debt collection agreement, assistance with creditor queries, preparation for the creditors meeting and various other issues. Of this, £79,893 relates to pre-appointment legal fees. Approval was sought, and given, from creditors at the initial creditors' meeting held on 7 July 2011 for our Solicitor's pre-appointment time costs to be paid as an expense of the Administration

4 2 2 9 Legal expenses

Various legal expenses and disbursements amounting to £1,173 have been paid to our Solicitors. Of this, £739 relates to pre-appointment legal expenses. Approval was sought, and given, from creditors at the initial creditors' meeting held on 7 July 2011 for our Solicitor's pre-appointment expenses and disbursements to be paid as an expense of the Administration

4 2 2 10 Interest costs

Interest costs of £135 were incurred in the period

4 2 2 11 Subcontractors

Amounts paid to a subcontractor total £2,813. This was paid to a former director of the Company

4 2 2 12 Statutory advertising

Charges of £279 were incurred to advertise the Joint Administrators' appointment and initial meeting of creditors

4 2 2 13 Debt collection costs

Debt collection costs incurred to date total £703,687 Realisations in respect of the Company's book debts are detailed at 4 2 1 12 above

4.3 Appendix 3: Analysis of office holders' time costs and disbursements

As can be seen at Appendix 3, significant time costs have been incurred dealing with creditor claims and queries, including retention of title claims, agreement of unsecured claims and general correspondence, incurring time costs of £42,656, £19,208 and £48,186 respectively This is reflective of the profile of the assignment and the large number of claims and queries received by the Joint Administrators in relation to the Administration

As detailed above, a significant asset of the Company at the date of appointment was the debtor book As a result, substantial time costs totalling £247,630 have been incurred in supervising and assisting with book debt realisations

The Company had several leasehold properties at the time of appointment (see 3 1 above) Time costs of £43,527 have been incurred as a result of ongoing negotiations with landlords, sub-tenants and the purchaser

4.4 Appendix 4: Schedule of expenses for the period 7 May 2011 to 6 November 2011

Expenses for this period total £2,536,926 including accrued costs for remuneration, legal costs, agents' costs, insurance and debt collection costs not yet settled

Excluding the Administrators' remuneration and disbursements, accrued costs of £517, £3,450, £19,540 and £6,734 relate to legal, agents, insurance and debt collection costs respectively

Details of the amount accrued for the office holder's remuneration and other amounts that require explanation are discussed above Additional information about expenses charged for the period is available from the office holder upon request by any secured creditor, and any other creditor or creditors owed 5% or more in value of the unsecured liabilities listed Full details of the process to obtain more information under Rule 2 48A of the Insolvency Rules 1986 and to challenge the Joint Administrators' remuneration and expenses under Rule 2 109 of the Insolvency Rules 1986 are explained above



Appendix 1

Statutory Information

Appointment	
For period	7 May 2011 to 6 November 2011
Company name	A B F Limited
Nature of business	Manufacture of beds
Court details	The Administration Order was made on 7 May 2011 in High Court Manchester District Registry number 832 of 2011
Date of appointment	7 May 2011
Extension obtained	N/A
Office holder details	David James Costley-Wood was appointed on 7 May 2011 and is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales Brian Green was appointed on 7 May 2011 and is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales Mark Granville Firmin was appointed on 7 May 2011 and is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales
Registered number	273919
Present registered office	c/o KPMG LLP, St James' Square, Manchester, M2 6DS
Basis of remuneration	Restricted time costs
Fee resolution date	7 July 2011



Appendix 2

Receipts and payments account for the period 7 May 2011 to 6 November 2011

ABSTRACT OF RECEIPTS AND PAYMENTS - 07/05/2011 to 06/11/2011 Appendix to Form 2.24
A B F. Limited Page 1

RECEIPTS		£
Brought forward from previous Abstract (if Any)		0 00
Book debts	2 534,628 12	
Goodwill and IP	12,489 997 00	
Bank interest gross	791 52	
Bank interest, net of tax	110 71	
Customer Contracts	1 00	
Name	1 00	
Equipment	3,850 000 00	
Motor vehicles	400 000 00	
Stock	2 500 000 00	
Book debts	5 293 086 73	
Post sale receipts	35 177 53	
Sellers Records	1 00	
Cash at bank	1 949,665 47	
Rent	872 371 55	
Cash held on appointment	37 395 64	
Bank interest, gross	7 124 51	
Bank interest, net of tax	907 46	
Funds due to SNGL	339,349 47	
Floating ch VAT payable	172 044.31	
Carried forward to		30 482 653 02
* continuation sheet / next abstract		
PAYMENTS		£
Brought forward from previous Abstract (if Any)		0 00
Agents/Valuers' fees	2 350 00	
Agents/Valuers disbursements	150 00	
Bank charges	133 40	
Rent	66 056 66	
Fixed charge creditor	14 824 625 12	
Rent	795 807 33	
Administrators' fees	441,292 50	
Administrators' expenses	4,340 50	
Sundry costs	1 050 00	
Legal fees	142 774 24	
Legal expenses	434 19	
Pre-Administration Legal fees	79,892 75	
Pre-Administration Legal expenses	738 62	
Interest costs	134 63	
Sub contractors	2 813 00	
Statutory advertising	279 12	
Debt collection costs	703 687 00	
Bank charges	300 29	
Floating charge creditor	410,003 00	
Floating ch VAT receivable	445 489 39	
Carried forward to		17,922,351 74
* continuation sheet / next abstract		

* Note: The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the administrator since he was appointed



A B F Limited (in Administration)
Progress Report pursuant to Rule 2 47 of the Insolvency (Amended) Rules 2010
KPMG LLP
30 November 2011

ABSTRACT OF RECEIPTS AND PAYMENTS - 07/05/2011 to 06/11/2011 Appendix to Form 2 24
A B F Limited Page 2

RECEIPTS		£
Brought forward from previous Abstract (if Any)		30,482,653 02
* Delete as appropriate	Carried forward to	30,482,653 02
	* continuation sheet / next abstract	
PAYMENTS		£
Brought forward from previous Abstract (if Any)		17 922,351 74
Fixed charge VAT rec'able		500 00
Debtor receipts held by YB Invoice Finan		4,388,495 75
* Delete as appropriate	Carried forward to	22,311,347 49
	* continuation sheet / next abstract	

Note - The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the administrator since he was appointed.



A B F. Limited (in Administration)
Progress Report pursuant to Rule 2 47 of the Insolvency (Amended) Rules 2010
KPMG LLP
30 November 2011

A B F Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 07/05/2011 To 06/11/2011	From 07/05/2011 To 06/11/2011
FIXED CHARGE ASSETS		
Book debts	2,534,628 12	2,534,628 12
Goodwill and IP	12,489,997 00	12,489,997 00
Bank interest, gross	791 52	791 52
Bank interest, net of tax	110 71	110 71
	<u>15,025,527 35</u>	<u>15,025,527 35</u>
FIXED CHARGE COSTS		
Agents'/Valuers' fees	2,350 00	2,350 00
Agents'/Valuers' disbursements	150 00	150 00
Bank charges	133 40	133 40
	<u>(2,633 40)</u>	<u>(2,633 40)</u>
FIXED CHARGE CREDITORS		
Fixed charge creditor	<u>14,824,625 12</u>	<u>14,824,625 12</u>
	<u>(14,824,625 12)</u>	<u>(14,824,625 12)</u>
ASSET REALISATIONS		
Customer Contracts	1 00	1 00
Name	1 00	1 00
Equipment	3,850,000 00	3,850,000 00
Motor vehicles	400,000 00	400,000 00
Stock	2,500,000 00	2,500,000 00
Book debts	5,293,086 73	5,293,086 73
Post sale receipts	35,177 53	35,177 53
Sellers Records	1 00	1 00
Cash at bank	1,949,665 47	1,949,665 47
Rent	872,371 55	872,371 55
Cash held on appointment	37,395 64	37,395 64
	<u>14,937,699 92</u>	<u>14,937,699 92</u>
OTHER REALISATIONS		
Bank interest, gross	7,124 51	7,124 51
Bank interest, net of tax	907 46	907 46
	<u>8,031 97</u>	<u>8,031 97</u>
COST OF REALISATIONS		
Rent	861,863 99	861,863 99
Administrators' fees	441,292 50	441,292 50
Administrators' expenses	4,340 50	4,340 50
Sundry costs	1,050 00	1,050 00
Legal fees	142,774 24	142,774 24
Legal expenses	434 19	434 19
Pre-Administration Legal fees	79,892 75	79,892 75
Pre-Administration Legal expenses	738 62	738 62
Interest costs	134 63	134 63
Sub contractors	2,813 00	2,813 00
Statutory advertising	279 12	279 12
Debt collection costs	703,687 00	703,687 00
Bank charges	300 29	300 29
	<u>(2,239,600 83)</u>	<u>(2,239,600 83)</u>
FLOATING CHARGE CREDITORS		
Floating charge creditor	410,003 00	410,003 00



A B F Limited (in Administration)
Progress Report pursuant to Rule 2 47 of the Insolvency (Amended) Rules 2010
KPMG LLP
30 November 2011

A.B.F. Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 07/05/2011 To 06/11/2011	From 07/05/2011 To 06/11/2011
	(410,003 00)	(410 003 00)
	<u>12,494,396 89</u>	<u>12,494,396 89</u>
REPRESENTED BY		
Floating ch VAT rec'able		445,489 39
Fixed charge current		197,055 91
Floating charge current		474,249 62
Floating charge mon. mar		7,500,000 00
Fixed charge VAT rec'able		500 00
Funds due to SNGL		(339 349 47)
Floating ch VAT payable		(172 044 31)
Debtor receipts held by YB Invoice Finan		4 388,495 75
		<u>12,494,396 89</u>



A B F Limited (in Administration)
Progress Report pursuant to Rule 2 47 of the Insolvency (Amended) Rules 2010
KPMG LLP
30 November 2011

Appendix 3

Analysis of office holders' time costs and disbursements – 7 May 2011 to 6 November 2011

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Administration & planning							
Banks up/Director/Member							
Notification of appointment			3.70		3.70	£688.00	£240.00
Cashiering							
Fund management			0.90		0.90	£203.00	£225.50
General (Cashiering)			25.30	1.50	26.80	£4,690.00	£175.00
Reconciliations (A/DPS accounting reviews)			1.10		1.10	£225.00	£204.55
General							
Books and records			23.30		23.30	£5,562.00	£240.00
Fees and WIP	2.90			2.10	4.10	£1,301.00	£317.32
Statutory and compliance							
Appointment and related formalities	1.60	7.00	72.75		81.35	£18,642.25	£229.16
Banking and bookkeeping			0.40	0.50	0.90	£125.00	£138.89
Checklist & reviews		18.00	19.20		37.20	£11,575.50	£311.17
Closure and related formalities				0.50	0.50	£55.00	£110.00
Reports to debenture holders	2.80				2.80	£1,070.00	£385.00
Statutory advertising			0.50		0.50	£87.50	£175.00
Statutory documents	3.50	8.50	1.40		11.40	£4,971.00	£436.05
Tax							
Internal reviews CT and VAT	2.50	19.00	20.00		41.50	£12,985.00	£312.89
Post appointment corporation tax	0.50	17.20	17.70		41.40	£13,209.50	£319.07
Post appointment VAT	2.25	12.30			14.55	£5,278.50	£362.18
Creditors							
Committees							
Meetings	1.50				1.50	£602.50	£535.00
Creditors and claims							
Agreement of unsecured claims			105.60		105.60	£19,208.00	£181.89
General correspondence	26.70		153.45	1.70	181.85	£48,185.75	£264.98
Legal claims			11.40		11.40	£2,736.00	£240.00
Notifications of appointment			9.95		9.95	£2,176.75	£218.77
ROT Claims			182.20		182.20	£42,655.00	£234.11
Secured creditors	6.00				6.00	£3,210.00	£535.00
Statutory reports	22.00	3.00	75.40	1.30	101.70	£30,244.00	£297.38
Employees							
Correspondence			1.45		1.45	£348.00	£240.00
Pension funds	10.00	1.50	78.00		89.50	£24,587.50	£274.72
Pensions review	29.00	24.80	38.90	0.40	93.10	£34,848.50	£372.18
Investigations							
Directors							
Correspondence with directors			10.30		10.30	£2,472.00	£240.00
D form drafting and submission		12.00	15.65		27.65	£8,208.25	£296.90
Directors' questionnaire / checklist			20.05		20.05	£4,490.25	£223.95
Statement of affairs			27.40		27.40	£6,576.00	£240.00
Investigations							
Correspondence re investigations		5.00	62.75		67.75	£13,320.75	£196.62
Review of pre-appoint transactions			14.90		14.90	£3,576.00	£240.00
Realisation of assets							
Asset Realisation							
Cash and investments			9.50		9.50	£2,280.00	£240.00
Debtors	27.00	616.50	25.20		668.70	£247,629.50	£370.31
Freehold property			40.50		40.50	£9,720.00	£240.00
Health & safety		0.50			0.50	£172.50	£345.00
Leasehold property	4.00	0.50	163.10		173.60	£43,526.50	£250.73
Other assets			20.40		20.40	£4,896.00	£240.00
Sale of business	18.00		13.20		31.20	£12,708.00	£410.19
Total in period					2,187.90	£648,367.50	£296.80
Fees drawn							
b/t			0		0	£0.00	£0.00
In period			441.293		441.293	£2,187.90	£296.80
c/f			441.293		441.293	£2,187.90	£296.80
Hours / Costs to date							
b/t			0		0	£0.00	£0.00
In period			441.293		441.293	£2,187.90	£296.80
c/f			441.293		441.293	£2,187.90	£296.80



Category 1 expenses

Expense name	Expense value £
Other transport costs	349
Meal costs	159
Room hire	250
Printing	405
ICT costs	101
Sundry expenses	1,280
Telecommunications	42
Mileage	3,770
	<hr/>
	6,356
	<hr/>

Chargeable rates from 7 May 2011

Grade	Rate per hour £
Partner	535
Associate Partner	460
Director	460
Senior Manager	425
Manager	345
Assistant Manager	240
Assistant	175
Support	110



Appendix 4

Schedule of expenses for period 7 May 2011 to 6 November 2011

Section	Account	Accrued	Paid	Undisclosed in prior	Total
Fixed charge costs	Agents'/Valuers' fees		2,350 00		2,350 00
	Agents'/Valuers' disbursements		150 00		150 00
	Bank charges		133 40		133 40
	Total	0.00	2,633.40		2,633.40
Cost of realisations	Rent		861,863 99		861,863 99
	Administrators' fees	208,075 00	441,292 50		649,367 50
	Administrators' expenses	2,015 50	4,340 50		6,356 00
	Pre-Administration Administrators' fees	54,360 00			54,360 00
	Sundry costs		1,050 00		1,050 00
	Agents'/Valuers' fees	3,450 00			3,450 00
	Legal fees	516 60	142,774 24		143,290 84
	Legal expenses		434 19		434 19
	Pre-Administration Legal fees		79,892 75		79,892 75
	Pre-Administration Legal expenses		738 62		738 62
	Insurance	19,540 29			19,540 29
	Interest costs		134 63		134 63
	Sub contractors		2,813 00		2,813 00
	Statutory advertising		279 12		279 12
	Debt collection costs	6,734 40	703,687 00		710,421 40
	Bank charges		300 29		300 29
	Total	294,691.79	2,239,600.83		2,534,292 62
TOTAL		294,691.79	2,242,234.23		2,536,926.02

Appendix 5

Joint Administrators' proposals

The Joint Administrators propose the following

- To continue to do all such things reasonably expedient and generally exercise all their powers as Administrators as they, in their discretion, consider desirable in order to maximise realisations from the assets of the Company in accordance with the objective set out above
- To investigate and, if appropriate, pursue any claims the Company may have
- To seek an extension of the administration period if deemed necessary by the Administrators
- In the event that the Administrators deem that liquidation is not appropriate because the costs of putting the Company in to liquidation outweigh any potential benefit to unsecured creditors, that the Administrators may apply to the Court for the authority to make a distribution to unsecured creditors
- In the event that there are no other outstanding matters that require to be dealt with in the administration, then the Administrators shall file the appropriate notices at Companies House and the Company will subsequently be dissolved pursuant to Paragraph 84 of Schedule B1 to the Act
- Alternatively, if thought fit, the Administrators will move the Company from administration to liquidation. If creditors' voluntary liquidation is deemed appropriate David Costley-Wood, Brian Green and Mark Firmin will be appointed as Joint Liquidators of the Company without any further recourse to creditors. In accordance with paragraph 83 (7) and Rule 2 117(3), creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of the proposals and before the proposals are approved. Any act required or authorised under any enactment to be done by the Joint Liquidators may be done by any of them
- That the Joint Administrators will not be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect
- If one of the criteria set out in Paragraph 79(2) of Schedule B1 to the Insolvency Act 1986 apply to the Company, the Administrators can make an application to Court to end the administration and, if deemed appropriate, to petition the Court for the winding up of the Company. If appropriate, the Administrators will, at the same time, apply to be appointed as Joint Liquidators under Section 140(1) of the Insolvency Act 1986, and the Administrators will seek a resolution from creditors to be discharged from liability 14 days after the cessation of their appointment as Administrators, in



respect of any action of the Administrators pursuant to Paragraph 98(1) of Schedule B1 to the Insolvency Act 1986.

- That the Administrators may seek an extension to the administration period if deemed necessary by the Administrators, firstly by consent from the secured creditors and the requisite majority of unsecured creditors if the Administrators think that there will be a distribution to them, for a six month period and, if further time is required, by an application to court under paragraph 76(2) of Schedule B1 to the Act

In relation to the Joint Administrators' fees

- In the event of no creditors' committee being formed, that the Administrators be authorised to draw fees on account from the assets of the Company from time to time during the period of the administration based on time properly spent at the charge out rates shown in Appendix 3 of our report to creditors dated 16 June 2011. This is subject to the Administrators of the Company not receiving remuneration in excess of £1,000,000 without the consent of creditors in a general meeting. Also, the Administrators be authorised to draw disbursements from time to time to include category 2 disbursements
- That the costs of KPMG LLP in respect of tax, VAT and pension advice provided to the Administrators be based upon time costs and shall be paid out of the assets of the Company
- That the Joint Administrators' outstanding pre-Administration fees and expenses be paid as an expense of the Administration in accordance with the terms set out in Appendix five of the administrators' report to creditors dated 16 June 2011
- That the Squire Sanders Hammonds outstanding pre-Administration fees and expenses be paid as an expense of the Administration in accordance with the terms set out in Appendix five of the administrators' report to creditors dated 16 June 2011



Appendix 6

Joint Administrators' time costs for the period 7 November 2011 to 30 November 2011

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Administration & planning							
Cashiering							
General (Cashiering)			5 30	0 50	5 80	£1 002 00	£172 76
Reconciliations (& IPS accounting reviews)			0 30		0 30	£72 00	£240 00
General							
Fees and WIP				0 50	0 50	£55 00	£110 00
Statutory and compliance							
Checklist & reviews		1 50			1 50	£837 50	£425 00
Statutory receipts and payments accounts			0 30		0 30	£72 00	£240 00
Tax							
Post appointment	1 50	0 10			1 60	£724 50	£452 81
Post appointment VAT		1 00	1 50		2 50	£705 00	£282 00
Creditors							
Creditors and claims							
Agreement of unsecured claims			45 50		45 50	£7 962 50	£175 00
General correspon	0 10		4 05		4 15	£957 25	£230 86
Statutory reports			30 80		30 80	£6 579 50	£213 82
Employees							
Pensions reviews	1 00		1 90		2 90	£991 00	£341 72
Investigation							
Directors							
Correspondence with directors			4 20		4 20	£1 008 00	£240 00
D form drafting and submission			0 25		0 25	£43 75	£175 00
Realisation of assets							
Asset Realisation							
Debiors		19 00			19 00	£6 555 00	£345 00
Freehold property	0 50		4 00		4 50	£1 227 50	£272 78
Leasehold proper	0 50		1 00		1 50	£507 50	£338 33
Other assets			3 20		3 20	£768 00	£240 00
Vehicles	0 10				0 10	£53 50	£535 00
Total in period					128 60	£29,921 50	£232 67
Fees drawn							
b/f		441,293			2 187 90	£649 367 50	£296 80
In period		0			128 60	£29 921 50	£232 67
c/f		<u>441,293</u>			<u>2 316 10</u>	<u>£679 289 00</u>	<u>£293 29</u>
Hours /Costs to date							