

The Insolvency Act 1986

**2.24B****Administrator's progress report**

Name of Company
JC Realisations Limited formerly known as Jaycare Limited

Company number
654833

In the High Court of Justice
[full name of court]

Court case number
389 of 2008

We  
David John Crawshaw  
KPMG LLP  
8 Princes Parade  
Liverpool  
L3 1QH  
United Kingdom

Mark Granville Firmin

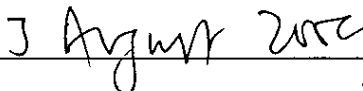
Joint Administrators of the above company attach a progress report for the period

from	to
16 January 2009	15 July 2009

Signed

  
Joint Administrators

Dated

  
3 August 2009**Contact Details:**

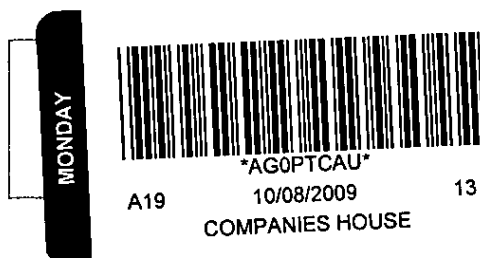
You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

Carolyn Foden KPMG LLP 8 Princes Parade Liverpool L3 1QH United Kingdom DX Number DX 728480 Liverpool 25	Tel 0151 473 5132 DX Exchange
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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





**JC Realisations Limited (formerly  
Jaycare Limited) (in Administration)**

**Progress Report to Creditors  
pursuant to Rule 2.47 of the  
Insolvency (Amendment)  
Rules 2003**

KPMG LLP

7 August 2009

*This report contains 7 pages*

*Appendices contain 6 pages*



*JC Realisations Limited (formerly Jaycare Limited) (in Administration)*  
*Progress Report to Creditors pursuant to Rule 2.47 of the Insolvency (Amendment) Rules*  
*2003*  
*KPMG LLP*  
*7 August 2009*

*Notice about this Report*

*This Report has been prepared by David John Crawshaw and Mark Granville Firmin the Joint Administrators of JC Realisations 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 JC Realisations Limited.*

*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 John Crawshaw and Mark Granville Firmin are authorised to act as insolvency practitioners by the Institute of Accountants of England and Wales. The Joint Administrators act as agents for JC Realisations 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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## 1 Glossary

Joint Administrators	David Crawshaw and Mark Firmin of KPMG LLP
Administration	<p>The Administration Order granted by the High Court of Justice, Chancery Division, in respect of JC Realisations Limited dated 16 January 2008.</p> <p>The extension to the administration was granted by the High Court Justice, as per paragraph 76(2) (b) and 78(2) (a) of Schedule B1 of the Insolvency Act 1986, for the twelve months ending 29 December 2009.</p> <p>Court Administration Order number 389 of 2008.</p>
Company	JC Realisations Limited (formerly Jaycare Limited)
The Banks	Allied Irish Bank Plc and Bank of Scotland Plc
ROT	Retention of Title
TUPE	Transfer of Undertakings (Protection of Employment)
CGT	Capital Gains Tax
The Act	The Insolvency Act 1984



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*2003*

*KPMG LLP*  
*7 August 2009*

## **2 Other information required by Rule 2.47 of the Insolvency (Amendment) Rules 2003**

Date of appointment	16 January 2008
Company registered number	654833
Previous registered office	JC Realisations Ltd New York Way New York Industrial Park Newcastle Upon Tyne NE27 0QF
Current registered office	c/o KPMG LLP Quayside House 110 Quayside Newcastle-upon-Tyne NE1 3DX
Appointor	The directors of the Company

In accordance with Paragraph 100(2) of Schedule B1 Insolvency Act 1986, the functions of the Joint Administrators are being exercised by either, both or all of the Administrators.



### **3 Introduction**

Further to my report of 10 February 2009, I write to provide my report on the progress of the Administration in accordance with Rule 2.47 of the Insolvency (Amendment) Rules 2003.

This report has been prepared solely to comply with my statutory duty to report to creditors under the Insolvency (Amendment) Rules 2003, on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or in any other context.

For your information, a receipts and payments account for the period 16 January 2009 to 15 July 2009 is attached at Appendix 1.

### **4 Progress of the Administration to 15 July 2009**

We have continued to deal with unsecured creditors' claims of which there is a large claim that requires further investigation and another ROT claim is being dealt with through the courts in Belgium. Once these matters have been resolved I will take steps to distribute the prescribed part funds to creditors.

### **5 Receipts**

An analysis of receipts and payments for the period 16 January 2009 to 15 July 2009 is attached at Appendix 1 and details of these receipts and payments are discussed below.

The receipts and payments are shown net of VAT.

#### **5.1 Trading surplus**

The trading surplus has arisen because of the funds received in error and I am currently in the process of returning these amounts.

#### **5.2 Book debts**

Book debts of £12,263 have been received in the period. Work is continuing in relation to one remaining book debt with a value of £57,784 that is being pursued through the courts.

#### **5.3 Bank interest**

The sum of £2,438 was received in respect of interest earned on floating charge funds, and £73 was received on fixed charge funds.



## **6 Payments**

### **6.1 Joint Administrators' remuneration**

Since 16 July 2008, the Joint Administrators have been engaged in:

- Collection of pre appointment book debts
- Dealing with preferential and unsecured creditor claims
- Dealing with statutory reporting and compliance obligations

The statutory provisions relating to remuneration are set out in Rule 2.106 of the Insolvency Rules 1986.

To date the Joint Administrators' time has amounted to 5285 hours at a total cost of £1,117,162 and an average hourly rate of £206. A detailed analysis of these costs, prepared pursuant to Statement of Insolvency Practice 9, is attached to this report as Appendix 3.

No administrators' fees were drawn during the period.

A creditors' guide to fees can be found at:

[http://www.r3.org.uk/uploads/sip/SIP9\\_v5\\_April\\_2007\(1\).pdf](http://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007(1).pdf)

However, if you are unable to access this guide and would like a copy, please contact Carolyn Foden.

### **6.2 VAT**

The company was registered for the purposes of VAT and I will have, therefore, able to recover VAT incurred on certain costs of the administration, where allowed under current legislation.





### 6.3 Legal fees

Legal fees of £28,000 were incurred in relation to the fixed charge costs in dealing with the leasehold properties.

A further £114,177 was incurred during the period, summarised as follows:

- Security review – work relating to correspondence with the Bank along with company searches.
- Assessing the validity of the appointment of the Joint Administrators' and the preparation of appointment documentation.
- Drafting relevant statutory documentation.
- Advising on TUPE, VAT and CGT issues.
- Advising on all property issues, licence to assign and additional leases
- General correspondence and administration
- Correspondence and advice in relation to various retention of title issues.
- Submitting applications for the extension of the administration

### 6.4 Bank charges

The sum of £51 was paid in respect of bank charges incurred.

## 7 Creditors

### 7.1 Secured creditors

As previously reported at the date of appointment, the banks were owed £33.2 million which consisted of:

- Amounts due under cross – guarantee liability re OSHM Holdings Limited of £30.1 million; and
- Overdraft facility of £3.1 million

The banks were secured by way of legal charge, debenture and cross guarantees.

The total amounts distributed from the fixed charge funds to date amount to £2,781,000.

The total amounts distributed from the floating charges to date amount to £2,024,000

### 7.2 Preferential creditors

During the period £4,374 in total was distributed to preferential creditors.

It is anticipated that a further distribution to preferential creditors will be made at a value of £8,299 in respect of outstanding pension contributions.



### 7.3 Unsecured creditors

Unsecured creditor claims continue to be received with to date 271 claims totalling £13,744,511 admitted to rank for dividend. Work remains ongoing in agreeing claims and if you have not yet submitted a claim and wish to do so please forward details as soon as possible.

In addition we are currently reviewing three other claims totalling circa £5,000,000 the majority of which relates to claims from a landlord with regards to future rents. This claim has yet to be agreed and requires further investigation.

The prescribed part which applies to non-preferential, unsecured creditors will apply in this case as the debentures held by the secured creditors were registered after 15 September 2003.

At this stage we anticipate making a small distribution from the prescribed part fund and have obtained an order from the court granting permission to make the distribution during the administration. The administration has, to date, been extended to 31 December 2009 to allow the distribution to be made. A further extension may prove necessary however, in order to resolve matters detailed above.

As this stage the exact amount and timing of the distribution to unsecured creditors remains uncertain. However any creditor who has yet to submit a proof of debt should do as soon as possible.

## 8 Outstanding matters

The Joint Administrators' proposals have yet to be fully completed and as the Administration cannot be concluded at this stage it has been extended by way of a Court Order until 31 December 2009.

Outstanding matters include:

- Dealing with preferential and unsecured creditor claims;
- Payment of additional preferential dividends;
- Distributing the prescribed part to unsecured creditors;
- Submission of final tax and VAT returns;
- Settlement of outstanding costs including Joint Administrators' fees;

Any creditor requiring further information should contact Carolyn Foden on 0151 473 5132.

Yours faithfully

David John Crawshaw  
*Joint Administrator*



**JC Realisations Limited (formerly Jaycare Limited) (in Administration)**  
**Progress Report to Creditors pursuant to Rule 2.47 of the Insolvency (Amendment) Rules**  
**2003**

KPMG LLP  
7 August 2009

## Appendix 1 - Receipts and payments account as at 15 July 2009

**JC Realisations Limited formerly known as Jaycare Limited**  
**(In Administration)**  
**Administrators' Trading Account**

Statement of Affairs	From 16/01/2009 To 15/07/2009	From 16/01/2008 To 15/07/2009
<b>POST-APPOINTMENT SALES</b>		
Sales	NIL	2,641,739.46
Other Income	3,766.43	24,445.43
Contribution From Purchaser	NIL	202,720.74
Miscellaneous income	NIL	33,602.92
	<u>3,766.43</u>	<u>2,902,508.55</u>
<b>PURCHASES</b>		
Polymer	NIL	608,014.38
Paper	NIL	11,351.08
Raw Materials	NIL	72,018.89
Packaging	NIL	121,500.92
Other Purchases	615.89	15,351.27
	<u>(615.89)</u>	<u>(828,236.54)</u>
<b>OTHER DIRECT COSTS</b>		
Direct labour	NIL	857,385.95
Employee Expenses	NIL	2,226.67
Pre Appointment Employee Expenses	(29.84)	1,352.06
Employee insurance policies	NIL	3,674.85
	<u>29.84</u>	<u>(864,639.53)</u>
<b>TRADING EXPENSES</b>		
Indirect labour	NIL	3,736.15
Rent	NIL	151,192.78
Rates	NIL	1,065.44
Water rates	NIL	3,881.91
Heat & light	NIL	158,133.02
Telephone/Telex/Fax	NIL	1,095.48
Carriage	NIL	153,060.35
Insurance	NIL	12,421.57
Retention Of Title	NIL	94,623.37
Bank charges & interest	(25.00)	1,679.11
HP/Leasing payments	408.07	54,605.15
Repairs and maintenance	(105.00)	48,589.33
Sundry expenses	NIL	7,331.42
Forced Majenre Payments	NIL	94,591.70
Vehicle running costs	NIL	500.33
Stationery & postage	NIL	858.90
	<u>(278.07)</u>	<u>(787,366.01)</u>
<b>TRADING SURPLUS/(DEFICIT)</b>	<u><b>2,902.31</b></u>	<u><b>422,266.47</b></u>



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**JC Realisations Limited formerly known as Jaycare Limited**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

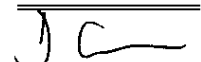
Statement of Affairs	From 16/01/2009 To 15/07/2009	From 16/01/2008 To 15/07/2009
	<b>FIXED CHARGE ASSETS</b>	
2,500,000.00	Leasehold property	2,400,000.00
	Plant & machinery	72,833.33
	Customer list	10,000.00
	Goodwill	389,999.00
	Bank interest, gross	8,365.20
	<u>73.40</u>	<u>2,881,197.53</u>
	<b>FIXED CHARGE COSTS</b>	
	Administrators' fees	55,000.00
	Legal fees	28,000.00
	Agents'/Valuers' fees	6,500.00
	<u>(28,000.00)</u>	<u>(89,500.00)</u>
	<b>FIXED CHARGE CREDITORS</b>	
	Fixed charge creditor	2,781,000.00
	<u>NIL</u>	<u>(2,781,000.00)</u>
	<b>HP/LEASING</b>	
1.00	HP/Leasing asset	NIL
	<u>NIL</u>	<u>NIL</u>
	<b>ASSET REALISATIONS</b>	
2,500,000.00	Plant & machinery	877,171.67
850,426.00	Stock	50,000.00
1,705,345.00	Book debts	1,906,487.34
1.00	Intellectual Property	1.00
	Insurance refund	1,230.50
	Other Funds	14,026.87
	<u>12,262.69</u>	<u>2,848,917.38</u>
	<b>OTHER REALISATIONS</b>	
	Bank interest, gross	76,916.11
	Sundry refunds	233.80
	Trading Surplus/(Deficit)	422,266.47
	<u>2,902.31</u>	<u>499,436.38</u>
	<u>5,340.40</u>	
	<b>COST OF REALISATIONS</b>	
	Debtor legal fees	6,206.33
	Statement of affairs work	4,000.00
	Administrators' fees	500,000.00
	Administrators' expenses	34,863.73
	Agents'/Valuers' fees	12,348.29
	Legal fees	121,177.42
	Company Searches	23.00
	Statutory advertising	2,710.28
	Insurance of assets	4,240.00
	Bank charges	846.43
	<u>51.00</u>	<u>(686,415.48)</u>
	<u>(116,161.17)</u>	
	<b>PREFERENTIAL CREDITORS</b>	
	Subrogated EP(C)A claim	2,945.00
	Employees' wage arrears & holiday pay	1,092.13



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*7 August 2009*

**JC Realisations Limited formerly known as Jaycare Limited**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

Statement of Affairs	From 16/01/2009 To 15/07/2009	From 16/01/2008 To 15/07/2009
Tax & NIC deductions	336.58 (4,373.71)	336.58 (4,373.71)
<b>FLOATING CHARGE CREDITORS</b>		
(22,097,044.00) Floating charge - BOS	NIL	2,024,000.00
(11,048,522.00) Floating charge - Allied Irish	NIL	NIL
	NIL	(2,024,000.00)
<b>UNSECURED CREDITORS</b>		
(3,765,971.00) Trade & expense	NIL	NIL
(425,000.00) Employees	NIL	NIL
(1.00) Connected companies	NIL	NIL
(247,150.00) Corp tax etc/nonpref PAYE	NIL	NIL
(280,000.00) Government Grants	NIL	NIL
	NIL	NIL
<b>DISTRIBUTIONS</b>		
(117,000.00) Ordinary shareholders	NIL	NIL
	NIL	NIL
<b>(30,424,915.00)</b>	<b>(130,858.39)</b>	<b>644,262.10</b>
<b>REPRESENTED BY</b>		
Trade debtors		(1,997.63)
Floating ch. VAT rec'able		231.85
Fixed charge current		1,062.69
Floating charge current		644,368.12
PAYE/NIC		402.94
Floating ch. VAT control		194.13
		<b>644,262.10</b>

  
David John Crawshaw  
Administrator



## Appendix 2 - Joint Administrators' abstract receipts and payments account for the period 16 January 2009 to 15 July 2009

ABSTRACT OF RECEIPTS AND PAYMENTS - 16/01/2009 to 15/07/2009    Appendix to Form 2.24  
 JC Realisations Limited formerly known as Jaycare Limited    Page 1

RECEIPTS		£
Brought forward from previous Abstract (if Any)		9,036,038.79
Other Income		3,766.43
Pre Appointment Employee Expenses		29.84
Bank charges & interest		25.00
Repairs and maintenance		105.00
Bank interest, gross		73.40
Book debts		12,262.69
Bank interest, gross		2,438.09
Trade debtors		8,686.42
Floating ch. VAT rec'able		392.17
Floating ch. VAT control		89,640.30
Fixed charge VAT control		10,367.00
Carried forward to		9,163,825.13
* continuation sheet / next abstract		
PAYMENTS		£
Brought forward from previous Abstract (if Any)		8,361,432.04
Other Purchases		615.89
HP/Leasing payments		408.07
Legal fees		28,000.00
Debtor legal fees		1,933.25
Legal fees		114,176.92
Bank charges		51.00
Subrogated EP(C)A claim		2,945.00
Employees' wage arrears & holiday pay		1,092.13
Tax & NIC deductions		336.58
Carried forward to		8,510,990.88
* continuation sheet / next abstract		

\* Delete as appropriate

\* Delete as appropriate

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.



## Appendix 3 - Joint Administrators' time costs and disbursements to 15 July 2009

JC Realisations Limited (formerly Jaycare Limited)

Reporting period 15 January 2009 to 15 July 2009

SIF 9 Compliant fee worksheet

Consolidated time spent by grade	Partner/Director	Management	Administrators	Support	Total Hours	Total Cost £	Average Rate £
<b>Activity</b>							
<b>Administration &amp; planning</b>							
Strategy documents	0.00	3.00	3.50	0.00	6.50	1978.50	304.38
Checklists and reviews	0.00	3.30	8.10	0.00	11.40	3398.00	298.05
Statutory reports	0.00	1.00	14.80	0.00	25.80	4198.00	162.80
Feas & WIP	0.00	0.00	0.00	0.00	0.00	11.25	225.00
Books and records	0.00	0.00	1.00	0.00	1.00	150.00	150.00
General conferring	0.00	0.00	14.10	0.00	14.10	2317.50	164.36
Reconciliation	0.00	0.00	8.55	0.00	8.55	1540.25	177.79
Post appointment VAT	0.00	0.00	18.45	0.00	18.45	3528.25	191.87
Post appointment CT	1.50	3.05	3.00	0.00	7.55	1354.00	179.63
	1.50	6.15	39.05	0.00	46.70	19703.75	421.91
<b>Realisation of assets</b>							
Leasehold property	0.00	0.40	1.15	0.00	1.55	443.25	285.64
Debtors	0.00	0.00	31.50	0.00	31.50	8612.50	273.82
	0.00	0.40	32.65	0.00	33.05	7055.75	213.84
<b>Trading</b>							
Purchases & costs	0.00		11.20	0.00	11.20	1580.00	141.07
	0.00	0.00	11.20	0.00	11.20	1580.00	141.07
<b>Creditors</b>							
Creditor correspondence	0.00	1.00	11.10	0.00	12.10	3876.50	319.54
Reports to creditors	0.00	1.00	1.50	0.00	2.50	2103.00	841.20
Agree preferential claims	0.00	1.00	10.40	0.00	11.40	2442.50	214.25
Agree unsecured claims	0.00	10.30	30.05	0.00	40.35	18745.25	464.56
Estimation of total claims	0.00	0.00	5.70	0.00	5.70	855.00	150.00
	0.00	12.30	58.05	0.00	70.35	27880.25	396.44
<b>Total hours/cost</b>	1.50	18.45	248.05	0.00	277.00	55,569.75	200.64
					<b>Fees drawn</b>	<b>Hours/Costs to date</b>	
					B.F.	55569.75	211.89
					In the period	0.00	200.64
					<b>G.F.</b>	<b>55569.75</b>	<b>200.64</b>

**Notes:**

All staff who have worked on this assignment, including partners and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in general administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.



## **Appendix 4 - Joint Administrators' charge out rates**

	<b>Restructuring</b>	<b>Tax</b>	<b>VAT</b>	<b>Pensions</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Partner	515	595	865	745
Director	440	535	775	670
Senior Manager	405	375-470	545-680	470-590
Manager	320	255-305	370-435	320-385
Administrator	225	185-220	270-315	235-275
Assistant administrator	160	85-185	120-235	110-235

*Source: KPMG fees at 1 April 2009*