

Rule 2.47

Form 2.24B

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company:
Town & Country Flooring (Norfolk)
Limited

Company number:
01865509

In the:
High Court of Justice
Chancery Division
Birmingham District Registry

Court case number:
9363 of 2008

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

I/ We (a) W John Kelly of Begbies Traynor, Newwater House, 11 Newhall Street, Birmingham, B3 3NY and
John A Lowe of Begbies Traynor, The Crescent, King Street, Leicester, LE1 6RX.

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

from / to

(b) Insert dates

(b) 24 July 2008 to 23 January 2009

Signed:

Joint / Administrator(s)

Dated:

23/2/09

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	
Newwater House, 11 Newhall Street, Birmingham, B3 3NY	
	Tel Number: 0121 200 8150
Fax Number: 0121 200 8160	DX Number:



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27/02/2009

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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

FRIDAY

W John Kelly and John A Lowe appointed joint administrators on 24 July 2008

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents.

Town & Country Flooring (Norfolk) Limited (In Administration)

Interim Report of the joint administrators
pursuant to Rule 2.47 of The Insolvency Rules
1986

Period: 24 July 2008 to 23 January 2009

Contents

- Company and administrators' details
- Progress during the period
- Assets that remain to be realised
- Other relevant information
- Conclusion
- Appendices
 - 1. Joint administrators' account of receipts and payments, incorporating estimated outcome for creditors
 - 2. Joint administrators' time costs and expenses

1. COMPANY AND ADMINISTRATORS' DETAILS

Name of court:	High Court of Justice – Birmingham
Court reference number:	9363 of 2008
Company registered number:	01865509
Registered office: address:	c/o Begbies Traynor, Newwater House, 11 Newhall Street, Birmingham, B3 3NY.
Names of joint administrators:	W John Kelly and John A Lowe
Office addresses of joint administrators:	Begbies Traynor, Newwater House, 11 Newhall Street, Birmingham, B3 3NY and Begbies Traynor, The Crescent, King Street, Leicester, LE1 6RX
Date of administrators' appointment:	24 July 2008
Person(s) making appointment / application:	The Director
Changes in office-holder (if any):	None
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.

This report should be read in conjunction with the report and proposals of the Joint Administrators under provisions of paragraph 49 of Schedule B1 to the Insolvency Act 1986, which were circulated to creditors on 17 September 2008.

2. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 24 July 2008 to 23 January 2009.

Leasehold Property

We have surrendered the Company's interest in the leasehold property without incurring any significant holding costs.

Completed Contracts

Completed contracts had a book value of £656k and to date we have recovered £358k. Our agents are continuing to chase outstanding debtors albeit we are aware of certain disputes and claims of setoff.

Tools, Office Furniture, Motor Vehicles and Stocks

Stock comprised of carpet rolls, off cuts, floor tiles, adhesives and other floor fitting consumables. We received a large number of successful retention of title claims. In addition, stocks held for the MoD contracts, were held on a consignment basis and were duly returned to Bonar. Gross realisations totalled £1.75k.

There was no significant value in the tools and office furniture. The potentially high costs associated to holding, clearing and removing assets were a major constraint in achieving any significant recoveries. Gross realisations totalled £1.5k.

All leased motor vehicles have been returned to the lease companies.

Preferential claims

Preferential claims, which will include employee arrears of wages and outstanding holiday pay, remain estimated at £22k.

Administrators' remuneration

The administrators' remuneration is based on hourly costs at scale rates calculated on the time properly spent in the course of the administration and was approved by a resolution of the secured creditors pursuant to Rule 2.106 of the Insolvency Rules 1986.

Total remuneration drawn to date in accordance with the above approval amounts to £15,000. Total time spent to 24 January 2009 on this assignment amounts to 181.30 hours at an average composite rate of £172.44 per hour resulting in total time costs to date of £31,262. The following further information as regards time costs and expenses is set out at Appendix 2:

- Begbies Traynor policy for re-charging expenses
- Begbies Traynor charge-out rates
- Narrative summary of time costs incurred and summary by staff grade and work activity

3. ASSETS THAT REMAIN TO BE REALISED

Debtors

We are continuing to chase these debtors and further legal advice will be taken if necessary.

4. OTHER RELEVANT INFORMATION

To date the directors have failed to submit a Statement of Affairs. We should confirm that we have considered the conduct of the directors and have discharged our duties in regard to submitting appropriate returns.

5. CONCLUSION

We currently estimate unsecured creditors could receive a small return by virtue of the prescribed part fund pursuant to Section 176A of the Insolvency Act 1986. The joint administrators will shortly seek to implement the provisions of Paragraph 83 of Schedule B1 of the Act and the Company will be placed into Creditors Voluntary Liquidation.

Finally, we are taking the precaution of seeking the consent of the secured creditors to our future discharge as administrators by a resolution passed pursuant to Paragraph 98 of Schedule B1 to the Act. We seek the date of our discharge to coincide with the date on which our appointment as joint administrators ultimately ceases to have effect.

I will report again in approximately six months time or at the conclusion of the administration, whichever is the sooner.



W John Kelly
Joint Administrator

Dated: 23 February 2009

**JOINT ADMINISTRATORS' ACCOUNT OF
RECEIPTS AND PAYMENTS, INCORPORATING
ESTIMATED OUTCOME FOR CREDITORS**

Period: 24 JULY 2008 TO 23 JANUARY 2009

Estimated to realise per
Statement of Affairs £

ASSETS SPECIFICALLY PLEDGED

Not Applicable

Realisation Expenses

Not Applicable

Net Realisations

Fixed Charge Holder - Bank of Scotland

SoA Not Provided
SoA Not Provided
SoA Not Provided
SoA Not Provided

ASSETS NOT SPECIFICALLY PLEDGED

Contract Debtors - Completed

Plant & Tools

Stock

Furniture & Office Equipment

Bank Interest

Unknown

Receipts & Payments to date £	Anticipated Receipts & Payments £	Projected Outcome £
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
358,430	Unknown	358,430
1,000	Nil	1,000
1,750	Nil	1,750
500	Nil	500
825	Unknown	825
362,505	Unknown	362,505
Payments		
Administrator's Fees	(15,000)	(25,000)
Administrator's Disbursements	(662)	(2,000)
Retained Staff - Wages	(3,106)	(3,106)
Retained Staff - PAYE / NIC	(778)	(778)
Retained Staff - Expenses	(94)	(94)
Agent's Fees (Debtors)	(3,645)	(39,488)
Agents Disbursements (Debtors)	Nil	(2,000)
Agents Fees (Plant, Stock etc)	Nil	(1,000)
Agents - Disbursements (Plant, Stock etc)	Nil	(1,000)
Legal Fees	Nil	(500)
Insurance	(1,271)	(2,000)
Rent	(1,721)	(1,721)
Utilities	(30)	(30)
Statutory Advertising	(129)	(129)
Mail redirection	(25)	(25)
ERA Costs	(1,349)	(1,349)
Bordereau (Statutory Bond)	Nil	(50)
Storage	(190)	(390)
Sundry Costs	(200)	(3,200)
334,304	(55,659)	278,645
Available for preferential creditors		
Arrears of wages and holiday pay	-	(22,000)
334,304	(77,659)	256,645
Net property		
Prescribed part of net property set aside for unsecured creditors	-	(54,329)
334,304	Unknown	202,316
Available for floating charge holder		
Floating Charge Holder - Bank of Scotland	(50,000)	(1,931,000)
Floating Charge Holder - Croftdawn Ltd	-	(930,000)
284,304	(2,861,000)	(2,658,684)

Notes:

Summary of balances held:

Fixed charge

Floating charge

Not Applicable

284,304

284,304

Held as:

Interest Bearing Current Account

VAT

281,251

3,053

284,304

Summary of outcome for unsecured creditors:

Prescribed part of net property set aside for unsecured creditors

Less: costs associated with prescribed part

Fixed / Floating Charge Creditor - Bank of Scotland

54,329

(10,000)

(1,728,684)

JOINT ADMINISTRATORS' TIME COSTS AND EXPENSES

- a. Begbies Traynor policy for re-charging expenses;
- b. Begbies Traynor charge-out rates;
- c. Narrative summary of time costs incurred and summary by staff grade and work activity;

POLICY FOR RE-CHARGING EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Standard professional practice¹ requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at.

DEFINITIONS

Required professional practice classifies expenses into two broad categories:

- *Category 1 expenses (approval not required)* – specific expenditure that is directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external supplier's invoice or published tariff of charges;
- *Category 2 expenses (approval required)* – all other items of expenditure:
 - Which cannot, or cannot easily, be directly related to a particular insolvency case because there is an element of shared or allocated cost; and/or
 - Where the cost of the expense incurred is an estimated, unitised cost with the estimate based on external costs or opportunity cost.

CHARGING POLICY

- *Category 1 expenses (approval not required)* – with the exception of any items referred to below, all such items are re-charged to the case as they are incurred.
- *Category 2 expenses (approval required)*
 - (A) The following items of expenditure are re-charged as described:
 - Internal meeting room usage for the purpose of statutory meetings of creditors is re-charged at the rate of £100 (London £150) per meeting;
 - Car mileage is re-charged at the rate of 40 pence per mile;
 - Storage of books and records (when not rechargeable as a *Category 1 expense*) is recharged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates;
 - (B) The following items of expenditure will normally be treated as general office overheads not subject to a re-charge:
 - Telephone and facsimile
 - Printing and photocopying
 - Stationery

A re-charge may be made, however, where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 expense*.

¹ Statement of Insolvency Practice 9 (SIP 9) effective from April 2007

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions.

The rates applying to the Birmingham office as at the date of this report are as follows:

Grade of staff	Charge-out Rate (£ per hour)
Partner	395
Director	325
Senior Manager	295
Manager	250
Assistant Manager	195
Senior Administrator	160
Administrator	130
Trainee Administrator	100
Cashier	100
Secretarial	100

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units).

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME: TOWN & COUNTRY FLOORING (NORFOLK) LIMITED
CASE TYPE: ADMINISTRATION
OFFICE HOLDERS: W JOHN KELLY AND JOHN A LOWE
DATE OF APPOINTMENT: 24 JULY 2008

1 CASE OVERVIEW

1.1 This overview is intended to allow the body responsible for the approval of the office-holder's fees to view the quantum of those fees in the context of the case in question.

1.2 *Complexity of the case*

Our strategy on appointment was to affect a controlled disposal of the Company's assets.

1.3 *The office-holder's effectiveness*

The Administrators have disposed of the Company's chattel assets and debtor recoveries have progressed well.

1.4 *Nature and value of property in question*

The principle assets are the contract book debts, which were valued and are being pursued by our agents, Leslie Keats.

1.5 *Anticipated return to creditors*

We anticipate that there may be a return to unsecured creditors by virtue of prescribed part. Preferential creditors may expect to receive a dividend of 100p per £ and the secured creditor will be repaid in part.

1.6 *Time costs analysis*

An analysis of time costs incurred is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case and giving the average rate charged for each work type.

1.7 *The views of the creditors*

Creditor queries have been dealt with as and when they have arisen. The Notice of appointment of Administrators was circulated to creditors on 29 July 2008.

1.8 *Approval of fees*

A resolution of the secured creditors has been passed such that:

'That the Joint Administrators' remuneration is fixed on the basis of their hourly costs at scale rates calculated on the time properly spent in the course of the administration and that, subject to full disclosure to creditors in accordance with Statement of Insolvency Practice 9 issued by the Joint Insolvency Committee on behalf of the administrators' licensing bodies, they may draw their remuneration on account as and when funds permit.'

‘That the Joint Administrators is authorised to draw disbursements in accordance with the explanatory note on the subject, which accompanied the Report and Proposals of the Joint Administrators.’

1.9 *Other professionals employed & their costs*

Eversheds LLP were instructed to advise on all legal matters and their costs are based on the time spent in dealing with the case. GVA Grimley were instructed to value the chattel assets. We have also instructed Payco to advise on employee related matters. Leslie Keats have been retained to assist with the debtor recovery exercise.

2 EXPLANATION OF OFFICE-HOLDERS’ CHARGING AND DISBURSEMENT RECOVERY POLICIES

- 2.1 Begbies Traynor’s policy for re-charging expenses incurred by insolvency office-holders is set out in a separate accompanying note.
- 2.2 The rates charged by the various grades of staff who may work on a case are also set out in a separate accompanying note.

3 SUMMARY OF WORK CARRIED OUT

- 3.1 The following is a summary of the work carried out since the date of the last report.

- All statutory duties of the administrator including filing statutory returns in respect of the director’s conduct
- Liaise with creditors and employees
- Liaising with our agents in respect of debtor recoveries and chattel asset sales and sales of the freehold properties
- Liaison with our agents & insurance brokers in relation to site security
- Dealing with all routine creditor correspondence, emails and phone calls
- Ongoing maintenance of cash book and accounting systems together with ongoing file maintenance
- Preparation of interim progress report to creditors

TIME COST ANALYSIS as at 23 January 2009

The following table is a summary of time costs incurred by staff grade and work activity from 24 July 2008¹ to 23 January 2009. The joint administrators' internal time recording system was modified on 1 January 2003 to comply with a change in required professional practice² to provide more detailed time-cost information.

	Hours					Time cost £	Average hourly rate
	Partners	Managers	Other senior professionals	Assistants & support staff	Total hours		
Pre Appointment Time	-	-	-	-	-	0	
Fees drawn to date							
Time costs written off						0	
Pre Appointment time costs carried forward						0	
Administration & Accountancy	-	25.55	-	91.25	116.80	17,133	147
Planning & Control	-	2.60	-	1.25	3.85	813	211
Fixed Charge Assets	-	-	-	-	-	0	
Floating Charge Assets	-	11.25	-	-	11.25	2,813	250
Trading	-	-	-	-	-	0	
Debt Collection	-	11.85	-	-	11.85	2,963	250
Preferential, Unsecured & Employee Matters	-	5.25	-	10.65	15.90	2,378	150
Meetings and Statutory duties	-	8.25	-	-	8.25	2,063	250
Reports, SoA & Statutory returns	-	2.75	-	-	2.75	688	250
Investigations	-	3.50	-	1.65	5.15	1,040	202
Total hours	-	5.50	-	-	5.50	1,375	250
Total cost to date	-	76.50	-	104.80	181.30		
		19,125.00		12,137.50		31,263	172
Fees drawn to date						15,000	
Outstanding costs						16,263	
Fees requested							

¹ This date will pre-date the commencement of the administration if pre-appointment work has been carried out

² Statement of Insolvency Practice 9

The Insolvency Act 1986

TOWN & COUNTRY FLOORING (NORFOLK) LIMITED

Company Number: 01865509

W John Kelly and John A Lowe appointed joint administrators on 24 July 2008

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents.

Resolution

To accompany Notice of conduct of business by correspondence (Form 2.25B)

(Pursuant to Paragraph 58 of Schedule B1 to the Insolvency Act 1986 and Rule 2.48 of The Insolvency Rules 1986).

In connection with

Vacation from office: discharge from liability

(Pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986).

1. "That the joint administrators be and they are hereby discharged from liability in respect of any actions of theirs as administrators, pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, with effect from the date their appointment as joint administrators ceases to have effect¹."

¹ The date that the Notice of end of administration (Form 2.32 B) is endorsed with the date of filing by the court, or the date specified on the Notice of automatic end of administration (Form 2.30 B) or the date specified on the Notice of court order ending administration (Form 2.33 B) or the date that the Notice of move from administration to creditors' voluntary liquidation (Form 2.34 B), or Notice of move from administration to dissolution (Form 2.35 B), is registered by The Registrar of Companies.

FRIDAY

A65

27/02/2009
COMPANIES HOUSE

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Rule 2.48

Form 2.25B

Notice of conduct of business by correspondence

Name of Company:
Town & Country Flooring (Norfolk)
Limited

Company number:
01865509

In the:
High Court of Justice
Chancery Division
Birmingham District Registry

Court case number:
9363 of 2008

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

Notice is hereby given by (a) W John Kelly of Begbies Traynor, Newwater House, 11 Newhall Street, Birmingham B3 3NY and John A Lowe of Begbies Traynor, The Crescent, King Street, Leicester, LE1 6RX.

(b) Insert full name and
address of registered office
of the Company

to the creditors of (b) Town & Country Flooring (Norfolk) Limited, c/o Begbies Traynor, Newwater House, 11 Newhall Street, Birmingham B3 3NY

(c) Insert number of
resolutions enclosed

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed is (c) 1 resolution for your consideration. Please indicate below whether you are in favour or against the resolution.

(d) Insert address to which
form is to be delivered

This form must be received at (d) Begbies Traynor, Newwater House, 11 Newhall Street, Birmingham, B3 3NY

(e) Insert closing date

by 12.00 hours on (e) 27 March 2009 in order to be counted. It must be accompanied by details in writing of your claim. Failure to do so will lead to your vote(s) being disregarded.

Repeat as necessary for the
number of resolutions
attached

Resolution (1).....I am *in Favour / Against

*Delete as appropriate

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor: _____

Signature of creditor: _____

(If signing on behalf of creditor, state capacity e.g. director / solicitor)

If you require any further details or clarification prior to returning your votes, please contact me / us at the address above.

Signed: _____

Joint / Administrator(s)

Dated: _____

23/2/09.