

The Insolvency Act 1986

Administrator's progress report

2.24B

Name of Company BALTIMORE LTD	Company number 05422927
In the High Court of Justice, London [full name of court]	Court case number 5083 of 2015

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

I/We (a) A D Cadwallader & N A Bennett of Leonard Curtis, One Great Cumberland Place,
Marble Arch, London W1H 7LW

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

from

to

(b) Insert dates

(b) 31 July 2015

(b) 30 January 2016

Signed

[Signature]
Joint / Administrator(s)

Dated

19 February 2016

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.

Leonard Curtis	
One Great Cumberland Place, Marble Arch, London W1H 7LW	
Ref ARJ/30	Tel 020 7535 7000
DX Number	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



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**BALTIMORE LTD
(IN ADMINISTRATION)**

Registered Number: 05422927

**Joint Administrators' First Progress Report
for the period from 31 July 2015 to 30 January 2016**

19 February 2016

Leonard Curtis
One Great Cumberland Place, Marble Arch,
London W1H 7LW
Tel 020 7535 7000 Fax 020 7723 6059
solutions@leonardcurtis.co.uk
Ref L/30/ARJ/SBAL06/1010

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TO ALL CREDITORS AND THE REGISTRAR OF COMPANIES

1 STATUTORY INFORMATION

- 1.1 I was appointed Joint Administrator of Baltimore Ltd ("the Company") together with N A Bennett on 31 July 2015. N A Bennett is licensed in the UK by the Insolvency Practitioners Association and I am licensed in the UK by the Institute of Chartered Accountants in England and Wales. The appointment of the Joint Administrators ("the Joint Administrators") was made by Fiona Denman ("Mrs Denman"), as sole director.
- 1.2 The Administration proceedings are under the jurisdiction of the High Court of Justice under Court reference number 5083 of 2015.
- 1.3 In accordance with paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 ("the Act"), the function of the Joint Administrators may be exercised by either or both, acting jointly or alone. There have been no changes in office-holder and the initial period of the Joint Administrators' appointment has not been extended.
- 1.4 The Company's main activity is multi-discipline facilities management and property services across the UK. The Company trades within a group of companies owned by Grenfell Capital known as 'Baltimore Group' ("the Group"). The Group offers a range of services to its clients from security and cleaning to building maintenance and IT support.
- 1.5 The Company was incorporated to provide its customers with the opportunity to outsource some or all of their business support services, leaving them to concentrate on their core business activity and improving their efficiency.
- 1.6 In March 2014, the director advises that the Company had a dispute with its main client, Montague Evans ("ME"), regarding some of its larger contracts which led to ME ceasing to trade with Baltimore and allegedly refusing to pay its outstanding debt of £224,054. The director of the Company instructed Birkett Long LLP ("BL"), solicitors, to commence legal proceedings against ME and its client, Liverpool Victoria. This possible bad debt, together with the loss of its main client, caused the Company to suffer a severe working capital shortage.
- 1.7 The Company was forced to concentrate its efforts on gaining new clients. In the period from 1 August 2014 to 30 June 2015, the Company managed to achieve turnover of £729,587, however the Company accrued significant tax arrears during this period leading to a loss of £201,084.
- 1.8 The Company began to receive significant pressure from HM Revenue & Customs ("HMRC") and other trade creditors. The director, Mrs Denman, continued to pursue the Company's debtors through legal action relying upon a significant realisation to ease the cash flow pressure. However this was not forthcoming in the required time. Attempts were also made to agree formal time to pay agreements with the major creditors but were unsuccessful. No further funding was available from the Group or any third parties. In light of the Company's worsening financial position, the director sought to minimise losses being incurred and the Company ceased to trade on 30 June 2015. The director advises that one of the companies within the Group, Baltimore FM Limited ("BFM" or "Baltimore FM"), transferred £56,500 to the Company to fund an appropriate cessation of trade. Certain assets of the Company were also sold to BFM as consideration for this payment.
- 1.9 The Company's registered office was changed from 14 Bentalls Centre, Colchester Road, Heybridge Maldon, Essex CM9 4GD to One Great Cumberland Place, Marble Arch, London W1H 7LW following our appointment. The registered number is 05422927.

- 1 10 On 9 September 2015, the Joint Administrators sent a statement of proposals to all creditors of the Company. A meeting of creditors was held on 25 September 2015 at which these proposals were approved. There have been no major amendments to, or deviations from, those proposals.
- 1 11 The Company's main centre of operations is based in the UK. The EC Regulation on Insolvency Proceedings applies and the proceedings are main proceedings under the Regulation.

2 STEPS TAKEN DURING THE ADMINISTRATION AND PROGRESS TO DATE

- 2 1 This report should be read in conjunction with the Joint Administrators' previous report dated 9 September 2015.
- 2 2 Professional agents, AgentCite Limited ("AgentCite"), were instructed to provide a valuation report on the Company assets including the assets that had transferred within the Group prior to the Administration. AgentCite are no longer trading and the Joint Administrators have now instructed ITC Valuers Limited ("ITC") to assist with the Administration.
- 2 3 BL were instructed to continue with the on-going recovery actions against the Company's largest debtors. Further details regarding the recovery actions are provided at paragraph 2.9.
- 2 4 Jeffrey Green Russell Limited ("JGR"), solicitors, were instructed to prepare the appointment documentation and to advise on all legal matters during the Administration, with the exception of the on-going legal claims being dealt with by BL.
- 2 5 Caris Brook Limited ("Caris Brook"), were instructed by the Joint Administrators to prepare up to date management accounts and to assist with investigating the sale and transfer of assets of the Company to Baltimore FM prior to the Administration.

Company Assets Sold Pre-Appointment

- 2 6 As noted in paragraph 1.8, the business and certain assets were transferred to BFM in June 2015, prior to the Administration. The sale included the computer equipment, office fixtures and fittings, plant and machinery, tools, stock and motor vehicles. Customer contracts were also transferred to BFM together with the staff.
- 2 7 The Joint Administrators, together with Caris Brook, investigated the pre-appointment sale and have confirmed that £56,500 was received from BFM to purchase the business and certain assets. As previously reported, ITC valued the chattel assets on a willing buyer and forced sale basis at £42,100 and £5,170 respectively.
- 2 8 Based on the investigations and recommendation of ITC, an additional settlement of £15,000 has now been agreed with BFM and is expected to be received shortly. The settlement also includes an additional deferred payment linked to any profit made on the projects transferred to BFM in the 12 month period following the Administration.

Trade Debtors

- 2 9 The debts owing to the Company were not included in the transfer of assets within the Group. At the date of Administration, the Company's gross sales ledger was £472,051. The Company had previously instructed BL to take action against the largest remaining debtors, and the Joint Administrators subsequently instructed BL to continue this action. To date, recoveries totalling £229,558 have been made including the settlement of £170,000 from ME previously reported. The remaining debtors will be pursued by the Joint Administrators in the appropriate manner.

Investments

- 2 10 As previously reported, the Company's shareholdings in Baltimore Parking Solutions Limited, Baltimore Maintenance Limited and Baltimore Telecomm Limited were transferred prior to the Administration. The Joint Administrators' investigations have indicated that there was only nominal value in these investments.

Premises

- 2 11 The Company operated from leasehold premises at Unit 15 Upminster Trading Park, Warley Street, Upminster, Essex RM14 3PJ, the landlord of the premises is Grenfell Capital Ltd, the sole shareholder. The Company also operates from leasehold premises at Unit 14, Basepoint Business Centre, Waterberry Drive, Waterlooville, Hampshire PO7 7TH. The leasehold premises in Essex was transferred to BFM prior to Administration and the lease in relation to the Hampshire premises has now expired.

Goodwill, Deposits, Loan Account and Prepayments

- 2 12 The goodwill and intellectual property of the Company is subject to the settlement mentioned in paragraph 2.8. A full reconciliation of the deposit, loan and prepayment accounts is being undertaken by the Joint Administrators in order to identify any further recoveries that may be available to the Company.

Cherished Number Plates

- 2 13 The Joint Administrators' investigations have identified four personalised number plates registered to the Company. ITC have provided the Joint Administrators with a report valuing the number plates at £43,000 on a willing buyer basis and £15,000 on a forced sale basis. ITC are currently marketing the number plates for sale and a further update will be provided to creditors in future reports once they have been realised.

2 14 Secured Creditors

There are no secured creditors.

2 15 Preferential Claims

As mentioned in paragraph 1.8, the Company ceased to trade on 30 June 2015. The business and certain assets, together with all the staff, were transferred to BFM. Therefore, no preferential creditor claims are expected.

2 16 Investigations

- 2 16 1 We have complied with our statutory obligations under the Company Directors Disqualification Act 1986 and a report has been submitted to the appropriate authority.
- 2 16 2 We have carried out enquiries that we considered to be proportionate to the circumstances of the case. After completing these, we were of the opinion that, other than matters already mentioned in this report, there were no matters that might lead to recoveries for the estate and that no further investigation was appropriate.
- 2 17 Attached as Appendix A is a summary of our receipts and payments account for the period from 31 July 2015 to 30 January 2016. This shows what assets of the Company have been realised and for what value and what payments have been made to creditors or others.

- 2 18 It also shows details of expenses incurred and paid during the period of this report. No expense remains unpaid.

3 ACHIEVING THE PURPOSE OF ADMINISTRATION

- 3 1 As advised in our previous report dated 9 September 2015, the Joint Administrators must perform their functions with the purpose of achieving one of the following objectives
- (a) rescuing the Company as a going concern, or (if this cannot be achieved)
 - (b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), or (if (a) and (b) cannot be achieved)
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors
- 3 2 We are obliged to perform our functions in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors, we have a duty not to unnecessarily harm the interests of the creditors as a whole
- 3 3 It was not possible to achieve objective (a) as the Company had ceased trading on 30 June 2015 and its business and assets were sold prior to the Joint Administrators' appointment
- 3 4 It is anticipated that objective (b) will be achieved as, based on the information currently available, sufficient realisations will be made from the on-going legal actions and other realisations to enable a distribution to be made to unsecured creditors. Should the Company have been placed into liquidation, it is unlikely that the Company would have been successful at the mediation with ME mentioned in paragraph 2.9 and the other on-going legal claims
- 3 5 Objective (c) will not be achievable as there are no secured or preferential creditors
- 3 6 The Administration has been, and will continue to be, financed by monies received from asset realisations

4 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

- 4 1 In accordance with the resolution passed at the meeting of creditors held on 25 September 2015, the Joint Administrators' remuneration is fixed and payable by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration
- 4 2 As advised in our previous report dated 9 September 2015, the Joint Administrators' time costs at 7 September 2015 were £16,114. Since that time further costs of £43,009 have been incurred. These total costs are summarised at Appendix B and comprise 185.6 hours at an average rate of £318.55 per hour. Details of our company's charge out rates and policy regarding recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix C. Further guidance may be found in "Guide to Administrators' Fees". This is available from our office free of charge or may be downloaded from www.leonardcurtis.co.uk/resources/creditorsguides. In accordance with the approval given, £53,464 has been paid on account of these costs to date. Costs have been incurred during the Administration in the following main areas of activity,

Assets

A significant amount of time has been incurred investigating the pre-appointment sale of assets and liaising with BL regarding the various recovery actions

Liabilities

A significant amount of time has been incurred dealing with unsecured creditor calls, receiving and recording creditor claims and liaising with HMRC

- 4.3 Creditors also approved the basis upon which the Joint Administrators recharge internal disbursements that include an element of allocated costs or payments to outside parties in which we or our company have an interest. These are known as Category 2 costs and the basis of their recharge is also attached at Appendix C. Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as "category 1 disbursement". Category 1 disbursements will generally comprise items such as identifiable telephone calls, postage, advertising, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and storage.
- 4.4 In this case the following Category 2 costs have been incurred during the period of this report and, where shown, reimbursed to our company

Type	Incurred £	Paid £	Unpaid £
Internal photocopying @ 10p per copy	156.50	156.50	-
Business mileage @ 45p per mile	112.77	112.77	-
Total	269.27	269.27	-

- 4.5 We have used the following professional advisors, including subcontractors

Name of Professional Advisor	Service Provided	Basis of Fees
AgentCite Limited	Asset Valuation	Time Costs
Jeffrey Green Russell Limited	Legal Advice	Time Costs
Birkett Long LLP	Legal Advice	Time Costs
Caris Brook Limited	Accounting Services	Time Costs
ITC Valuers Limited	Asset Valuation	Time Costs

5 PRE-ADMINISTRATION COSTS

On 25 September 2015 the following amounts in respect of pre-administration costs were approved

Charged by	Services provided	Total approved £	Amount paid £	Amount unpaid £
Leonard Curtis	Meeting with the Company and director, assessing that Administration was the appropriate route, instructing agents and solicitors regarding the pre-appointment transfer of the Company's assets and on-going legal claims	22,846	22,846	-
AgentCite Limited	Valuation of the Company's transferred chattel assets	6,850	6,850	-
Jeffrey Green Russell Limited	Preparation of the Administration documentation	675	675	-

6 CREDITORS' RIGHTS

- 6 1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report
- 6 2 Within 14 days of receipt of the request, we must provide all of the information asked for, except so far as we consider that -
- i) the time or cost of preparation of the information would be excessive, or
 - ii) disclosure of the information would be prejudicial to the conduct of the Administration or might reasonably be expected to lead to violence against any person, or
 - iii) we are subject to an obligation of confidentiality in respect of the information

We must also give reasons for not providing all of the information

- 6 3 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to Court on the grounds that the basis fixed for the Joint Administrators' remuneration, the remuneration charged or the expenses incurred by the Joint Administrators as set out in this progress report are excessive

7 EXTENSION OF ADMINISTRATION

- 7 1 The appointment of the Joint Administrators ceases to have effect at the end of the period of one year beginning with the date on which it takes effect
- 7 2 It may be desirable to extend the period of the Administration term of office for a specified period not exceeding twelve months. If this is appropriate we will require the consent of the creditors
- 7 3 In this case we have not yet sought an extension

8 FURTHER ASSETS TO BE REALISED

- 8 1 As detailed in paragraph 2 9, BL continue to progress on-going recovery actions against a few of the Company's trade debtors
- 8 2 As detailed in paragraph 2 8, a settlement of £15,000 has been reached with BFM. These monies are expected to be received shortly
- 8 3 As detailed in paragraph 2 13, ITC are currently marketing 4 personalised number plates registered to the Company

9 OTHER RELEVANT INFORMATION

- 9 1 The automatic deadline for the Administration to end is 30 July 2016
- 9 2 Based on current information, it is anticipated that there will be sufficient realisations to enable a dividend to be paid to unsecured creditors

- 9.3 When we consider it appropriate, we will give notice to the Registrar of Companies to move the Company from Administration into creditors' voluntary liquidation should there be monies to distribute to creditors other than by virtue of the prescribed part. Following registration of this notice, the appointment of the Joint Administrators will cease to have effect and the appointment of a Liquidator will be effective in accordance with the Joint Administrators' proposals approved by creditors. N A Bennett and I will become Joint Liquidators.
- 9.4 In the event that there are insufficient monies available to declare a dividend to ordinary unsecured creditors of the Company or they are distributed during the course of the Administration, we will give notice to Registrar of Companies to move the Company directly from Administration to dissolution.

Creditors requiring further information should contact our office, in writing. Electronic communications should also contain a full postal address.

for and on behalf of
BALTIMORE LTD



A D CADWALLADER
Joint Administrator

Licensed in the UK by the Institute of Chartered Accountants in England and Wales

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

APPENDIX A

**Summary of Joint Administrators' Receipts and Payments
from 31 July 2015 to 30 January 2016**

	Estimated Financial Position	Total
	£	£
RECEIPTS		
Debtors	356 000	229 557 75
	<hr/>	<hr/>
	356 000	229,557 75
	<hr/>	
Sundry Refunds		8 09
Deposit Interest Gross		71 05
		<hr/>
		229,636 89
PAYMENTS		
Joint Administrators' Remuneration		53,464 00
Accountant's Fees and Expenses		2,092 50
Solicitors' Fees		42 769 49
IT Agent's Fees		250 00
Pre-Appointment Costs		30 389 00
Statutory Advertising		78 75
Printing and Postage		264 43
Bordereau Fee		400 00
IT Licence Fee		87 00
Sundry Expenses/Disbursements		140 77
Insurance		1,102 86
Bank Interest and Charges		35 00
		<hr/>
		131,073 80
		<hr/>
BALANCE IN HAND		98,563 09
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REPRESENTED BY		
Current Account - AIB		72 766 50
VAT Control Account		25,796 59
		<hr/>
		98,563 09
		<hr/>

Baltimore Ltd
(In Administration)

Summary of Joint Administrators' Time Costs from 31 July 2015 to 30 January 2016

	Director		Senior Manager		Manager 2		Administrator 2		Administrator 3		Administrator 4		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory & Review	36	1,620 00	36	1,476 00	36	1,152 00	112	2,576 00	-	-	-	-	220	6,824 00	310 18
Receipts & Payments	-	-	4	164 00	24	768 00	28	644 00	-	-	-	-	56	1,576 00	281 43
Insurance	-	-	-	-	9	288 00	-	-	-	-	-	-	9	288 00	320 00
Assets	257	11,565 00	-	-	323	10,336 00	5	115 00	-	-	-	-	585	22,016 00	376 34
Liabilities	120	5,400 00	-	-	16	512 00	195	4,485 00	-	-	22	330 00	353	10,727 00	303 88
General Administration	15	675 00	-	-	33	1,056 00	136	3,128 00	2	42 00	3	45 00	189	4,946 00	261 69
Appointment	15	675 00	-	-	59	1,888 00	-	-	-	-	-	-	74	2,563 00	346 35
Post Appointment Creditor Reporting	15	675 00	6	246 00	55	1,760 00	121	2,783 00	-	-	-	-	197	5,464 00	277 36
Investigations	23	1,035 00	-	-	26	832 00	124	2,852 00	-	-	-	-	173	4,719 00	272 77

Total	481	21,645 00	46	1,886 00	581	18,592 00	721	16,583 00	2	42 00	25	375 00	1,856	59,123 00	
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Average Hourly Rate (£)

450 00	410 00	320 00	230 00	210 00	150 00	318 55
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All Units are 5 minutes

ADDITIONAL INFORMATION IN RELATION TO THE POLICY OF LEONARD CURTIS REGARDING FEES AND DISBURSEMENTS

The following information relating to the policy of Leonard Curtis is considered to be relevant to creditors

Staff Allocation and Support Staff

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case.

Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution of the secured and/or preferential creditors, a creditors' committee or creditors generally, that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters arising in the appointment, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the office holders reserve the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

The following hourly charge out rates apply to all assignments undertaken by Leonard Curtis

	Standard £	Complex £
Director	450	562
Senior Manager	410	512
Manager 1	365	456
Manager 2	320	400
Administrator 1	260	325
Administrator 2	230	287
Administrator 3	210	262
Administrator 4	150	187

Subcontractors

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holders or their staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Disbursements

- a) Category 1 disbursements. These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the office holder or his or her staff.
- b) Category 2 disbursements. These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision.

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£88.75 per box
Room hire	£100
Business mileage	45p per mile