

The Insolvency Act 1986

Administrator's progress report

Name of Company Baltic Conservatories Limited	Company number 02716464
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In the High Court of Justice, Bristol District Registry, Chancery Division [full name of court]	Court case number Case 115AA of 2006
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(a) Insert full name(s) and address(es) of administrator(s)

1/ We (a) Nigel Morrison of Grant Thornton UK LLP, Hartwell House 55-61 Victoria Street, Bristol, BS1 6FT and Trevor Patrick O'Sullivan of Grant Thornton UK LLP, 1 Dorset Street, Southampton, SO15 2DP

joint administrators of the above company attach a progress report for the period

from

to

(b) 4 April 2008

(b) 3 October 2008

(b) Insert dates

Signed

Joint Administrator

Dated

11/2/09

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

Grant Thornton UK LLP

Hartwell House, 55-61 Victoria Street

Bristol BS1 6FT

Tel 0117 305 7600

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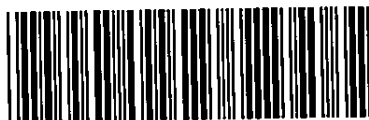
DX Exchange Bristol

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

Companies House, Crown Way, Cardiff, CF14 3UZ

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COMPANIES HOUSE



Our Ref NZM/KWS/HAW/B02423/7

TO THE CREDITORS

Recovery and Reorganisation

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9 February 2009

Dear Sirs

**Baltic Conservatories Limited - In Administration (The Company)
High Court of Justice - Bristol District Registry - Chancery Division
Case 115AA of 2006**

1 Introduction

- 1.1 Following the appointment of Richard Hawes and I as joint administrators of the Company by the directors on 4 October 2006, I now report on the progress of the administration to date and to provide a final progress report in this matter.
- 1.2 Richard Hawes resigned as joint administrator on 6 July 2007. Trevor Patrick O'Sullivan of Grant Thornton UK LLP, 1 Dorset Street, Southampton, SO15 2DP was appointed as replacement joint administrator on 6 July 2007 by order of the Court. The Court granted an extension of the administration until 3 April 2009.
- 1.3 In accordance with paragraph 100 (2) of Schedule B1 to the Insolvency Act 1986 the functions of the administrators are to be exercised by any or all of them.
- 1.4 The administration constitutes "main proceedings" under the EC Regulation on Insolvency Proceedings.
- 1.5 Please find attached the following:

Appendix 1 Receipts and payments account to 4 February 2009, in accordance with Rule 2.47 of the Insolvency Rules 1986.

Chartered Accountants

Member firm within Grant Thornton International Ltd

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales (No OC30774). Registered office: Grant Thornton House, Melton Street, Euston Square, London, NW1 2EP. A list of members is available from our registered office.

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business.

A list of persons permitted by Grant Thornton to accept appointments as insolvency practitioners and other regulated persons may be inspected at the above address.

Appendix II Form 2.34B, in accordance with Rule 2.117 (1) of the Insolvency Rules 1986.

Appendix III Joint Administrators' time costs and disbursements Appendix B

2 Statutory Information

2.1 The Company's statutory details are as follows:

Registered number	02716464
Registered office	Grant Thornton UK LLP 11-13 Penhill Road Cardiff CF11 9UP
Former trading addresses	Unit 8 Bickland Industrial Estate Falmouth Cornwall TR11 4RY Baltic House Long Rock Industrial Estate Penzance Cornwall TR20 8HX

3 SUMMARY OF ADMINISTRATOR'S PROPOSALS

- 3.1 The administrators were to pursue the objective of realising property in order to make a distribution to one or more secured or preferential creditors.
- 3.2 This objective was to be achieved by the administrators selling the Company's assets, with the agreement of the chargeholders or mortgagees of assets subject to fixed charges or mortgages where applicable.
- 3.3 The administrators also proposed to remain in office in order to deal with their statutory duties.
- 3.4 It is was also proposed that the administration would end by the Company going into creditors voluntary liquidation or, if there are no monies available for unsecured creditors, by the dissolution of the company. If the company is placed into creditors voluntary liquidation it was proposed that Nigel Morrison would be appointed liquidator.

4 Progress Report

- 4.1 I set out below my comments in respect of asset realisations since 4 April 2008.

Plant, machinery, office equipment, stock and vehicles

- 4.2 No further assets realisations are due. Total receipts to date for these assets now amounts to £376,604.

Debtors

- 4.3 I have received further debtor payments of £300 since my last report, bringing the total debtor receipts to £56,365. There is a possibility of a few further debts being collected

Insurance Refund and Other Realisations

- 4.4 I have received insurance refunds of £15,806.07 and £1,010, bringing the total to £20,315. I have also received further bank interest £4,319 and £5,811.

5 Outcome for Creditors

Secured creditors

- 5.1 The Bank recovered its debt of £1,798,317 in full following the sale of the Company's freehold properties on 1 March 2007.

Preferential creditors

- 5.2 Preferential claims totalling £308,042 were received from 184 creditors.
- 5.3 These claims were paid in full on 6 January 2009 when a first and final dividend totalling £308,042 was distributed.

Deposit creditors

- 5.4 The claims for deposits have been settled by a third party and a final claim will be lodged in the liquidation.

Unsecured creditors

- 5.5 As the Bank's floating charge pre dated 15 September 2003, there was no prescribed part set aside from the floating charge assets for the benefit of unsecured creditors under section 176A of the Insolvency Act 1986.
- 5.6 The administration process does not allow, without a costly Court application, to make distributions to unsecured creditors, therefore a further insolvency procedure is required.
- 5.7 Funds are now available to make a very small distribution to unsecured creditors, and as detailed in my proposals the administration is therefore ending by moving the company into Creditors' Voluntary Liquidation ("CVL").
- 5.8 Claims have been received from 362 creditors totalling £1,608,531.62. A further 397 potential creditors have not provided details of their claims. The funds available to distribute, before liquidator's cost which will need to be agreed and expenses, is £48,033.

6 Exit Route

- 6.1 As proposed, the administration will end by placing the company into CVL, with the appointment of Nigel Morrison as Joint Liquidator.

6.2 On registration of Form 2.34B, by the Registrar of Companies, the administration will cease to have effect and the company will enter CVL as though a members resolution had been passed on that day.

6.3 In due course the appointment of myself as Liquidator, will be advertised in the London Gazette and the Company's creditors will be written to in order to confirm the appointment and to invite creditors to submit their claims. As Liquidator, I will adjudicate on the unsecured creditors claims in order to distribute the balance of funds, net of costs, to unsecured creditors.

6.4 The Joint Administrators will transfer the surplus funds to the liquidation account and the Liquidator will continue to collect the book debts.

7 Joint Administrators Remuneration and Disbursements

7.1 As previously stated seek my fees were approved by secured creditors and preferential creditors whose debts amount to more than 50% of the preferential debts of the Company.

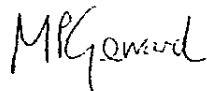
7.2 The Bank and BERR, being the preferential creditor with more than 50% of total preferential debts, approved my request to draw fees on the basis of time properly incurred on the case. It was subsequently agreed that the administrators fees would be restricted to allow a small a small dividend to be paid.


7.3 In accordance with Statement of Insolvency Practice 9 (SIP 9), I attach a summary of my time costs to date by grade of staff and type of work at Appendix IV. This shows total time costs of £404,444, representing 2160 hours at an average of £187 per hour. I have drawn my final remuneration of £245,707. I have also drawn disbursements of £7,134.45. Details of any matters which have had a significant impact on the time costs together with details of any disbursements charged during the period under review are also included in the appendix B.

7.4 A Creditors' Guide to Administrators' Fees, as issued by the Association of Business Recovery Professionals can be provided upon request or can be accessed at <http://www.insolvency-practitioners.org.uk> (navigate via 'technical' to Creditors Guide to fees').

7.5 Please do not hesitate to contact David Holland on 0117 305 7673 if you have any queries concerning the content of this report.

Yours faithfully
for and on behalf of Baltic Conservatories Limited



 Nigel Morrison
Joint Administrator
Enc.

Appendix 1

Baltic Conservatories Limited
(In Administration)Joint Administrators' Abstract Of Receipts And Payments
To 06 February 2009

Statement of Affairs £		From 04/04/08 to 03/10/08 £	From 04/10/08 to 06/02/09 £	Total £
	RECEIPTS			
1,625,000	Freehold Land & Property			1,960,000.00
	Bank Interest			14,049.68
	Admin Fixed Charge Surplus			21,598.83
100,000	Plant & Machinery			244,501.79
20,500	Furniture & Equipment			25,591.81
700,000	Motor Vehicles			84,000.00
40,000	Stock			22,510.00
	WIP			85,050.00
100,000	Book Debts	180.00	120.00	56,364.95
	Book Debt Commission	-767.32		4,384.66
	VAT Refund			210,478.31
	Insurance Refund	15,806.07	1,010.00	20,315.48
	Pension Refund			1,128.95
	Misc Float Receipts			33,088.61
	Bank/ISA InterestGross	4,318.90	5,811.18	19,124.81
	Misc Refunds		12.77	11,174.95
<u>2,585,500</u>		<u>19,537.65</u>	<u>6,953.95</u>	<u>2,813,362.83</u>
	PAYMENTS			
	Direct Expenses			9,370.35
	Heat & Light			11,522.94
	Telephone			154.97
	Security			22,466.60
	Vehicle Expenses			44
	PAYE/NI			29,947.31
	Net Wages			50,557.84
	Other Payroll Deductions			386.85
	Administrators Fees			30,000.00
	Administrators Expenses		393.78	6,861.93
	Legal Fees			10,000.00
	Agents/Valuers Fees			45,695.00
	Other Property Expenses -Security			33,800.46
	Insurance			26,633.57
	Advertising			888
	Bank Charges			406.27
	Chargeholder (1)			1,798,316.88
	On trust for floating charge			21,598.83
	Administrators Fees		30,706.75	215,706.75
	Administrators Expenses			242.52
	Agents/Valuers Fees (1)			62,564.30
	Legal Fees (1)	2,386.80	10,000.00	57,581.34
	Professional Fees			6,975.21
	Corporation Tax	1,851.90		1,840.04
	Telephone Telex & Fax			152.18
	Stationery & Postage	1,187.38		3,665.01
	Storage Costs			4,367.74
	Re-Direction of Mail			279
	Statutory Advertising			129.1
	Insurance of Assets			3,668.92
	Bank Charges	273.97	249.89	1,220.27
	Preferential Creditors (All)		308,041.93	308,041.93
	VAT irrecoverable		244.00	244.00
		<u>5,700.05</u>	<u>349,636.35</u>	<u>2,765,330.11</u>
	Balance	<u>13,837.60</u>	<u>-342,682.40</u>	<u>48,032.72</u>

Standard SIP 9 Classification										Appendix II	
Baltic Conservatories Limited - in Administration											
TO DATE											
4 October 2006 to 3 February 2009											
	Partner		Manager		Senior		Admin/Support		Total		Average hourly rate £
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning (incl statutory reporting)	33.10	12,155	84.05	25,982	175.41	34,552	682.77	99,916	975.33	172,605	177
Investigations and reports on directors	11.50	4,198	14.00	4,445	23.85	5,074	6.05	1,009	55.40	14,726	266
Realisation of Assets: Debtors	0.00	0	12.05	3,140	13.40	2,559	64.20	9,240	89.65	14,939	167
Realisation of Assets: Property plant vehicles etc (incl HP leasing and third party)	9.00	3,287	79.95	20,734	41.70	8,462	62.30	10,475	192.95	42,958	223
Realisation of Assets: Stock and WIP (incl ROT)	0.00	0	56.30	13,311	15.75	2,835	0.50	85	72.55	16,231	224
Realisation of Assets: Other assets	0.00	0	2.00	670	3.40	654	6.70	1,138	12.10	2,462	203
Sale of business	0.00	0	0.50	155	0.10	25	0.00	0	0.60	180	300
Trading	0.50	183	29.20	6,884	4.50	810	1.75	266	35.95	8,143	227
Chargeholders (incl bank reporting)	4.50	1,643	2.00	583	42.05	8,567	6.55	1,147	55.10	11,940	217
Preferential creditors	0.20	96	30.35	9,101	61.05	13,270	138.94	18,767	230.54	41,234	179
Unsecured creditors	0.00	0	18.00	5,519	153.55	30,652	256.48	40,161	428.03	76,332	178
Legal	1.00	365	3.45	1,083	3.50	659	3.50	587	11.45	2,694	235
Grand Total	59.80	21,927	331.85	91,607	538.26	108,119	1,229.74	182,791	2,159.65	404,444	187.00

APPENDIX B

INTRODUCTION

The following information is provided in connection with the administrators' remuneration and disbursements in accordance with SIP 9.

AN OVERVIEW OF THE CASE

Further details on matters undertaken are specified in the attached report.

These have primarily involved dealing with the realisation of assets, complying with statutory reporting requirements, and dealing with creditors queries.

EXPLANATION OF GRANT THORNTON CHARGING AND DISBURSEMENT RECOVERY POLICIES

Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown in the schedule below.

Grade	1-July-07 to 30-June 08 £	1 July 2008 to date
Partner	375 to 460	480.00
Director	350 to 380	400.00
Manager	250 to 350	315.00 to 365.00
Senior Professionals	175 to 250	215.00 to 260.00
Other Junior Professionals	110 to 170	120.00 to 180.00

Details of the hourly charge-out rates are made available to creditors or committees at the time of fixing the basis of our fees. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it.

Disbursements

Out of pocket expenses are charged at cost. Mileage is charged at standard rates which comply with Inland Revenue limits or AA recommended rates.

No disbursements have been drawn during the period of this report.

NARRATIVE DESCRIPTION OF WORK CARRIED OUT

Full details of the work carried out in the period since I was appointed are set out in the attached report.

The grades of staff used have been appropriate to the task carried out; for example dealing with creditors queries and statutory reporting has been done by an administrator, complex asset realisations has involved more senior staff, including the partners as required.

TIME AND CHARGE-OUT SUMMARIES

A table of time spent and charge-out rates used to date is shown above.

CATEGORY 2 DISBURSEMENTS

Disbursements which are not amenable to precise attribution to individual cases, namely land line telephone and fax calls, postage, stationery and photocopying are charged to creditor voluntary liquidation's at £5.58 per creditor, £3.10 per shareholder and £2.79 per debtor. Where a room is booked at a Grant Thornton office for a meeting of creditors or of a creditors' committee, a charge of £65 is made. VAT is added to disbursement charges as necessary.

No Category 2 disbursements have been paid during the period covered by this report.

SUPPORTING DOCUMENTATION

The following documentation is attached as required by SIP 9:

- a receipts and payments account for the period from 4 October 2006 to date, which is at Appendix A;
- a schedule of charge-out rates which have applied during the reporting period (included above).