

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	Court case number Case 115AA of 2006
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[full name of court]

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

I/ We (a) Nigel Morrison of Grant Thornton UK LLP, 43 Queen Square, Bristol, BS1 4QR 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 October 2007

(b) 3 April 2008

(b) Insert dates

Signed

Joint Administrator

Dated

21 April 08

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

43 Queen Square

Bristol BS1 4QR

Tel 0117 926 8901

DX Number 78112

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

DX 33050 Cardiff



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COMPANIES HOUSE

TUESDAY

Baltic Conservatories Limited - In Administration**Receipts and Payments Account**

	From 4/10/07 to 3/4/08	From 4/10/06 to 3/4/08
	£	£
RECEIPTS		
Freehold Land & Property	0	1,960,000
Bank Interest	10,801	28,002
Plant & Machinery	0	244,502
Furniture & Equipment	1,051	25,592
Motor Vehicles	19,100	84,000
Stock	0	22,510
WIP	0	85,050
Book Debts	1,875	56,065
Book Debt Commission	905	5,152
VAT Refund	0	210,478
Insurance Refund	0	3,499
Pension Refund	0	1,129
Misc Float Receipts	0	44,264
	<u>33,732</u>	<u>2,770,243</u>
PAYMENTS		
Direct Expenses	0	9,370
Heat & Light	357	11,523
Telephone	0	307
Insurance	-4,858	30,302
Security	0	52,467
Vehicle Expenses	0	44
PAYE/NI	0	29,947
Net Wages	0	50,558
Other Payroll Deductions	0	387
Administrators Fees	215,000	215,000
Administrators Expenses	6,711	6,711
Agents/Valuers Fees	920	108,259
Other Property Expenses	0	3,800
Advertising	0	888
Bank Charges	219	1,103
Chargeholder	0	1,798,317
Legal Fees	7,327	64,360
Professional Fees	0	6,975
Corporation Tax	0	1
Stationery & Postage	0	1,876
Storage Costs	0	4,368
Re-Direction of Mail	0	279
Statutory Advertising	0	129
	<u>225,676</u>	<u>2,396,971</u>
VAT Receivable		37,861
Balance at Bank		<u><u>335,411</u></u>

Baltic Conservatories Limited - in Administration
Estimated Outcome Statement as at 3 April 2008

	Receipts/ payments to date £000	Estimated future movement £000	Estimated final position £000
Assets subject to fixed charge			
Freehold land & buildings	1,960	-	1,960
Plant and machinery	-	-	-
Vehicles	-	-	-
Interest	14	-	14
Less realisation costs	(175)	-	(175)
Assets available to fixed charge holder	<u>1,799</u>	<u>-</u>	<u>1,799</u>
Less due to LTSB Bank			(1,798)
Surplus/(deficiency) to the Bank under fixed charges			<u>-</u>
Assets subject to floating charge			
Plant and machinery	245	-	245
Vehicles	84	-	84
Office equipment	25	-	25
Stocks	22	-	22
Debtors and work in progress	146	-	146
Miscellaneous refunds	49	-	49
Interest	14	-	14
VAT reclaim - pre appointment	-	-	-
VAT reclaim - deposit refunds	210	-	210
VAT BDR claim	-	-	-
Less costs of realisation	(426)	(37)	(463)
Net floating charge assets	<u>369</u>	<u>(37)</u>	<u>332</u>
Less estimated CGT liability			(45)
Assets available to preferential creditors			287
RPO preferential claim		(250)	
Less crown set off against pre appt VAT reclaim		22	
Employee preferential claim		(60)	
			<u>(288)</u>
Surplus/(deficiency) to preferential creditors			<u>(1)</u>
Assets available to floating charge creditors			-
Less amount due to the Bank			-
Overall surplus/(deficiency) to the Bank			-
Fixed charge surplus			-
Assets available to unsecured creditors			<u>-</u>



Our Ref NZM/KWS/HAW/B02423/7

TO THE CREDITORS

Recovery and Reorganisation

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21 April 2008

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
- 1 2 I confirm my previous progress report dated 10 March 2008 was issued for the purpose of applying to the Court for an extension to the administration. In accordance with Rule 2.47 of the Insolvency Act 1986, I am required to issue a progress report covering the period of six months commencing on the date the Company entered into administration and for every subsequent six month period. Therefore, I report on the progress of the administration to 3 April 2008 and I attach at Appendix 1 Form 2.24B together with an account of my receipts and payments for the period ended 3 April 2008
- 1 3 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
- 1 4 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

Chartered Accountants

Member firm of Grant Thornton International Ltd

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales. No. OC307742. 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 personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address.

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 Progress Report

3.1 I set out below my comments in respect of asset realisations since 4 October 2007

Plant, machinery, office equipment, stock and vehicles

3.2 Since my report dated 1 November 2007 I have received a further £20,151 in realising the above assets

3.3 I received an insurance settlement of £9,900 in respect of a vehicle which was stolen and I received £9,200 in respect of a further stolen vehicle which was recovered and subsequently sold by my agents, Edward Symmons

3.4 I received £1,051 from the sale of several computer software licences which were owned by the Company

3.5 Total receipts to date for these assets now amounts to £376,604

Debtors

3.6 I have received further debtor payments of £1,875 since my last report, bringing the total debtor receipts to £56,065. I anticipate collecting further debtor receipts of circa £1,000

4 Outcome for Creditors

Secured creditors

- 4 1 The Bank has recovered its debt of £1,798,317 in full following the sale of the Company's freehold properties on 1 March 2007

Preferential creditors

- 4 2 The outcome for preferential creditors is dependant on the final level of preferential claims I attach at Appendix 2 an esumated outcome statement
- 4 3 It has not yet been possible for me to agree the claims of preferential creditors as I have not received the final claim from the Department of Business, Enterprise and Regulatory Reform (BERR)
- 4 4 BERR has been delayed in submitting its preferential claim in the administration due to the high level of Employment Tribunal claims made by employees of the Company
- 4 5 The Employment Tribunal has confirmed the last claim received by them from an employee of the Company was heard in January 2008 An award was made and BERR were notified of the final employee claims shortly after the hearing
- 4 6 However, BERR has not yet submitted its final preferential claim to the administration Once BERR's claim is received, I will be able to make a first and final distribuon to preferential creditors on their claims
- 4 7 I have recently received correspondence from BERR which indicates the total of preferential claims in the administration is likely to exceed £300,000

Deposit creditors

- 4 8 To date I have received 444 claims for a refund of deposit totalling £1,499,872 against the deposit trust account
- 4 9 I have agreed 390 valid claims totalling £1,158,216 I anticipate one further claim in the sum of £202,501 being agreed within the next three months so that the total refund to claimants is likely to be £1,360,717
- 4 10 The remainder of claims have been rejected due either to the claimant being unable to provide the required evidence for the claim to be agreed or the claim falling outside of the terms and conditions for a return of deposit under the original contract with the Company

Unsecured creditors

4 11 There will be no prescribed part set aside from the floating charge assets for the benefit of unsecured creditors under section 176A of the Insolvency Act 1986 as the Bank's floating charge pre dates 15 September 2003

4 12 It does not appear that there will be sufficient funds available to pay a dividend to unsecured creditors and it is likely that the administration will end with the dissolution of the Company

4 13 If funds do become available, steps will be taken to place the Company into liquidation and the liquidator will agree the unsecured creditors claims

5 Extension of the Administration

5 1 In accordance with Rule 2 112(2) of the Insolvency Act 1986 I sought and obtained the approval of BERR, being the preferential creditor with more than 50% of total preferential debts, to the administration being extended for a period of six months This was done in order that the Employment Tribunal could hear all claims by employees and BERR could to submit its preferential claim

5 2 The administration was extended until 3 April 2008

5 3 As several Employment Tribunal claims were received following the issue of my report dated 1 November 2007 and the Employment Tribunal has only recently dealt with all claims against the Company, it was necessary for me to seek a further extension to the administration The extension was sought also to provide me with time to finalise the one remaining large claim against the deposit trust account

5 4 In accordance with Rule 2 112(1) of the Insolvency Act 1986 I sought the approval of the Court for a further extension of the administration for a period of twelve months to 3 April 2009 The request for an extension of the administration for this period was sought to allow sufficient time for BERR to submit their final preferential claim in the administration, allow for the agreement of circa 300 employee preferential claims and allow me to complete my other statutory duties as joint administrator and close the administration

5 5 The Court granted an extension of the administration until 3 April 2009

6 Joint Administrators Remuneration and Disbursements

6 1 In accordance with Rule 2 106 of the IA 1986, as I did not anticipate that a dividend would be paid to unsecured creditors in this matter, it was necessary for me to seek approval of my fees from all secured creditors and preferential creditors whose debts amount to more than 50% of the preferential debts of the Company

6 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

6 3 Time costs to date amount to £384,646, representing 2,052 hours at an average of £187 per hour Disbursements to date total £6,711. To date I have drawn fees of £215,000 and disbursements of £6,711

Please do not hesitate to contact Hayley Webb on 0117 926 8901 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 I

Form 2 24B and Receipts and Payments Account for the Company for the period 4 October 2007 to 3 April 2008