

The Insolvency Act 1986
Administrator's progress report

Name of Company
Awen Cyfyngedig

Company number
03833189

In the High Court of Justice, Chancery Division, Cardiff (full name of court)

Court case number
382 of 2010

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

I/We (a)
Alistair Wardell
Grant Thornton UK LLP
11/13 Penhill Road
Cardiff
South Glamorgan
CF11 9UP

Nigel Morrison
Grant Thornton UK LLP
Hartwell House
55-61 Victoria Street
Bristol
BS1 6FT

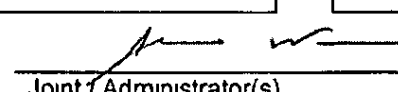
administrator(s) of the above company attach a progress report for the period

(b) Insert date

From
(b) 8 May 2013

To
(b) 10 June 2013

Signed


 Joint Administrator(s)

Dated

10/6/13

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 available to the public

Grant Thornton UK LLP
 11/13 Penhill Road
 Cardiff
 South Glamorgan
 CF11 9UP

DX Number

Tel/Fax
 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

Our Ref AGW/ZLC/ALO/KZP/B00353/
Your Ref

To the creditors

10 June 2013

Dear Sirs

Recovery and Reorganisation

Grant Thornton UK LLP
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**Awen Cyfyngedig - In Administration
High Court of Justice, Chancery Division, Cardiff
No 382 of 2010**

1 Introduction

- 1.1 Following my appointment as joint administrator of the above company with Nigel Morrison by the directors on 14 June 2010, I am now in a position to conclude the administration. This is my final progress report, including

- Appendix A, an account of our receipts and payments for the period ended in accordance with Rule 2.47 of the Insolvency Rules 1986
- Appendix B, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator (Rule 2.48A)
- Appendix C, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration and expenses, if excessive (Rule 2.109)

- 1.2 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

2 Statutory information

- 2.1 The company's statutory details are as follows

Registered number 03833189

Registered office Penhill House, 11-13 Penhill Road, Cardiff,
CF11 9UP

- 2.2 I was appointed as joint administrator of the following companies on 14 June 2010

- Barcud Derwen Cyfyngedig
- Derwen Limited
- Eclipse (Creative) Limited
- Awen Cyfyngedig
- FTT Realisations Limited (formerly 422 Limited)
- Barcud Derwen (Scotland) Limited

- 2.3 Barcud Derwen Cyfyngedig is the sole shareholder of the other companies listed above

Chartered Accountants
Member firm within 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 Conduct Authority

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

Together, the companies are referred to as 'the Group'

- 2 4 I have previously reported to the creditors of all of the companies in the Group in combined progress reports. However, this report is the final progress report for Awen Cyfyngedig only

3 Pre-appointment expenses

- 3 1 Pre administration costs unpaid at the date of the appointment of the administrators may be approved under Rule 2.67A to rank as an expense of the administrations
- 3 2 Actual time costs for the pre appointment work undertaken relating to the Group amounted to £164,344. £20,000 was paid to Grant Thornton UK LLP prior to my appointment leaving a remaining unpaid balance of £144,344
- 3 3 Please refer to Section 6 of this report for details of the agreements reached with regards to my pre appointment time costs

4 Receipts and payments account

- 4 1 I attach our receipts and payments account at Appendix A
- 4 2 Since my previous progress report for the period ended 7 May 2013 the following transactions have been made
- Distribution of 100p in the £ to the preferential creditors totalling £7,066
 - Payment of administrators fees totalling £25,500

5 Report and outcome of administration

Summary of proposals

- 5 1 The administrators have pursued the objective of a better result for creditors as a whole than would be likely if the companies within the Group were wound up. The proposals were submitted on 5 August 2010 and are deemed to have been approved on 17 August 2010
- 5 2 It was proposed that the administrations will end by the administrators filing a notice to dissolve the companies within the Group, or if more time is needed to complete realisations after any extensions of the administration, the administrators may present a petition to wind up the companies within the Group and seek their appointment as liquidators

Realisation of assets

- 5 3 All assets of Awen Cyfyngedig have been realised. Please refer to my previous progress reports for details of the realisation of assets

Secured creditors

- 5 4 The secured creditors of the Awen Cyfyngedig are HSBC Bank Plc (the Bank) and HSBC Invoice Finance Limited (HIF), which hold floating charges over the assets of the Group. Lombard North Central Plc (Lombard) holds chattel mortgages over certain assets of the Group, however those assets were not owned by Awen Cyfyngedig. Please refer to my previous report for details of the security held.

- 5 5 No distribution has been made directly to the Bank in this administration
- 5 6 The company's book debts are subject to a factoring agreement with HIF. The Bank holds a charge over any surplus from book debt proceeds if HIF are repaid in full
- 5 7 The collection of the book debts assigned to HIF has been completed which has not resulted in a surplus for the invoices relating to Awen Cyfyngedig
- 5 8 The total liability to the Bank for the Group is circa £2,656,000. Its recovery is heavily reliant on the realisation of freehold property in other Group companies, but it is expected that it will face a significant shortfall

Preferential creditors

- 5 9 Preferential claims amount to £7,066 in Awen Cyfyngedig. The preferential creditors have been paid in full

Unsecured creditors

- 5 10 There are insufficient funds to pay a dividend to unsecured creditors

Closure of the administration

- 5 11 The administration will now end and the company will be moved to dissolution. Please note that I have sent Form 2 35B to the Registrar of Companies. On registration, my appointment, and that of the joint administrator, shall cease to have effect. The company is deemed to be dissolved three months thereafter unless an order is made extending or suspending that period

Discharge from liability

- 5 12 Discharge from liability will be requested from the secured and preferential creditors of each company when the administration ends in accordance with paragraph 98 of schedule B1 to the Insolvency Act 1986

6 Joint administrators' remuneration and expenses

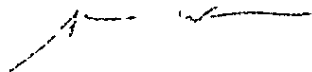
- 6 1 In accordance with Rule 2 106 of the Insolvency Act 1986, as I do not anticipate that a dividend will be paid to unsecured creditors in this matter, I have sought approval of my fees from the secured creditors
- 6 2 Pre administration costs unpaid at the date of the appointment of the administrators may also be approved under Rule 2 67A to rank as an expense of the administration
- 6 3 Actual time costs for the pre appointment work undertaken amounted to £164,344. £20,000 was paid to Grant Thornton UK LLP prior to my appointment leaving a remaining unpaid balance of £144,344
- 6 4 Time costs of the administrations of all companies within the Group amount to £481,738 representing 2,153 hours at an average of £224 per hour

- 6.5 The secured creditors have agreed to my fee proposal to contribute a further £55,000 for my pre appointment time and a base cap of £100,000 of my post appointment time plus an additional uplift fee of 10% of any recoveries above break-up value and 5% of debtor recoveries if HIF are repaid in full. The additional uplift fee amounts to a further £43,000 to date.
- 6.6 Therefore, total fees for the Group amount to £198,000, of which £25,500 has been drawn from Awen Cyfyngedig.
- 6.7 A separate fee of £35,525 has been agreed with Lombard relating to costs associated with realising assets subject to the chattels mortgages across the Group. None of this fee has been drawn from Awen Cyfyngedig.
- 6.8 Background information regarding the fees of administrators can be found at www.insolvency-practitioners.org.uk (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees'). Alternatively, we will supply this information by post on request. Time is charged in 6 minute units.

7 Other expenses incurred by the joint administrators

- 7.1 All expenses of the administration have now been settled. Please refer to Appendix A for an account of my receipts and payments.

Yours faithfully,
for and on behalf of Awen Cyfyngedig



Alistair Wardell
Joint Administrator

The affairs, business and property of Awen Cyfyngedig are being managed by Alistair Wardell and Nigel Morrison, appointed as joint administrators on 14 June 2010.

Lnc

A Abstract of the administrators' receipts and payments

	Statement of affairs	14 Jun 10 - 7 May 13	8 May 13 - 10 Jun 13	Total
	£	£	£	£
Receipts				
Debtors	25,000	-	-	-
Cash in hand	45,007	-	-	-
Plant and machinery	3,000	1,307	-	1,307
Stock	20,000	29,277	-	29,277
Interest	-	52	48	100
VAT payable	-	5,110	-	5,110
	<u>93,007</u>	<u>35,746</u>	<u>48</u>	<u>35,794</u>
Payments				
Administrators fees		-	25,500	25,500
Agents fees		1,529	-	1,529
Insurance of assets		501	-	501
Stationery and postage		288	-	288
Bank charges		227	368	595
Preferential creditors		-	7,066	7,066
VAT receivable		315	-	315
		<u>2,860</u>	<u>32,934</u>	<u>35,794</u>
Balance in hand		<u>32,886</u>	<u>(32,886)</u>	<u>0</u>

B An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator

Rule 2 48A

- (1) If
 - (a) within 21 days of receipt of a progress report under Rule 2 47 -
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)
- (2) The administrator complies with this paragraph by either -
 - (a) providing all of the information asked for, or
 - (b) so far as the administrator considers 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) the administrator is subject to an obligation of confidentiality in respect of the information,
 giving reasons for not providing all of the information
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of -
 - (a) the giving by the administrator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),
 and the court may make such order as it thinks just
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just

C An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses if excessive

Rule 2 109

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that -
 - (a) the remuneration charged by the administrator,
 - (b) the basis fixed for the administrator's remuneration under Rule 2 106, or
 - (c) expenses incurred by the administrator,
 is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders -
 - (a) an order reducing the amount of remuneration which the administrator was entitled to charge
 - (b) an order fixing the basis of remuneration at a reduced rate or amount
 - (c) an order changing the basis of remuneration
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration
 - (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify
 and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration