

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company <i>Car Charcol Limited</i>	Company number <i>3795361</i>
In the <i>High Court of Justice Chancery Division</i> <i>Companies Court</i> [full name of court]	Court case number <i>1538 of 2010</i>

(a) Insert full name(s) and address(es) of administrator(s)
 I/We (a) *Martha Gilbert Ellis and Andrew Lawrence Hosking of 30 Fitzbury Square London EC2P 2YU*

* Delete as applicable
 attach a copy of ~~my~~/our proposals in respect of the administration of the above company
 A copy of these proposals was sent to all known creditors on

(b) Insert date
 (b) *16/4/2010*

Signed *Mark Cill*
 Joint / Administrator(s)
 Dated *16/4/10*

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

DX Number	DX Exchange

TUESDAY



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

A11 72
 COMPANIES HOUSE



Our Ref MGE/BEM/FJT/C91068/PF7

12 April 2010

Recovery and Reorganisation

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

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12 April 2010

COMPANIES HOUSE

Dear Sirs

Charcol Limited & @Charcol Limited - code for Administration (the Companies)
Court ref: 1337 & 1533 of 2010

1 INTRODUCTION

- 1.1 Following the appointment of Andrew Hosking and myself as joint administrators of the Companies on 23 February 2010, I am submitting my proposals pursuant to paragraph 49(1) of Schedule B1 to the Insolvency Act 1986 for achieving the objectives of the administration
- 1.2 This report contains the information required by Rule 2.33 of the Insolvency Rules 1986
- 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

2 BENEFIT OF INCORPORATION

- 2.1 @Charcol Limited is a 100% owned subsidiary of Charcol Limited
- 2.2 The statutory details for the Companies are as follows

	Charcol Limited	@Charcol Limited
Company number	3397767	3795361
Date of incorporation	3 July 1997	24 June 1999
Registered office	30 Finsbury Square London EC2P 2YU	30 Finsbury Square London EC2P 2YU
Authorised share capital	6,002,500 A Ordinary Shares 10,000 Ordinary Shares 250,000 Preference Shares	6,000 Ordinary Shares
Issued share capital	4,502,500 A Ordinary Shares 10,000 Ordinary Shares	6,000 Ordinary Shares

Chartered Accountants

Member firm within Grant Thornton International Ltd

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales. No 00307742. Registered office: Grant Thornton House, Malton Street, Euston Square, London N1W 1EP

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

Directors	Shareholding	Shareholding
Walter Avrih	-	-
John Garfield	-	-
Jane McMahon	-	-
Imogen Coggan	-	n/a
Michael Lawton	-	n/a
Secretary	Shareholding	Shareholding
Imogen Coggan	-	-
Shareholders (non-directors)	Shareholding	Shareholding
John Charcol Group Limited	4,502,500 A Shares	-
Charcol Limited	-	6,000 Ordinary Shares

2 3 The administrations constitute "main proceedings" under the EC Regulation on Insolvency Proceedings

3 BACKGROUND TO ADMINISTRATORS' APPOINTMENT

3 1 Charcol Limited, part of the John Charcol Holdings Group, is a Mortgage Broker which also provides general insurance products. The business was acquired from Bradford & Bingley in 2004 in a buyout led by Mr Garfield and Mr Wishart, with the backing of Mr Moulton. Mr Garfield and Mr Wishart founded the business in the 1970's and disposed of it most recently to Bradford & Bingley in 2000.

3 2 Mr Garfield, Mr Wishart and Mr Avrih were all directors of the Companies. Mr Garfield and Mr Wishart were also, together with Mr Moulton, the second ranking chargeholder for £550,000. Mr Garfield and Mr Wishart had given a personal guarantee to the bank for its loan of £1.2m, and Mr Garfield had given a personal guarantee for £640,000, in respect of the bank's guarantee to the landlord, for rent at the Head Office.

3 3 Since acquiring the business in 2004, consolidated Group trading losses of £11.5m have been recorded. The Group responded to market conditions by downsizing its operation over the past year or so, with annualised savings of c £4m in direct payroll and c £4m in overheads. However there remained net legacy costs of c £1m p.a. which could not be rationalised.

4

4 1 Grant Thornton UK LLP (the Firm) was originally approached by the directors of the Companies in December 2009 to provide the Board with a review of the options available to them in light of the Companies' financial underperformance.

4 2 Management had identified the recession as a key factor in the Companies' inability to achieve the level of turnover required to be profitable in light of the cost base, despite actions taken by the directors to rationalise the cost base. Accordingly, losses were incurred consistently and these were funded by ongoing contributions from the shareholders.

- 4.3 During our engagement we worked with management to progress the restructuring options available. The options considered were:
- i a consensual restructuring
 - ii Company Voluntary Arrangement (CVA)
 - iii a pre-pack administration
 - iv trading administration
- 4.4 The directors' preferred solution was a consensual restructuring so that the business could continue to trade in its current form, with no reputational damage and consequential loss of business. The shareholders were only prepared to support the restructuring with further new monies if a deal could be reached with the Companies' landlord to reduce the burden of the property costs of over £1m for the Head Office property alone. However, the landlord was not prepared to negotiate.
- 4.5 The consensual restructuring was estimated to require additional funding of £2.2m to restore liquidity and ensure that the Capital Adequacy requirements of the Financial Services Authority (FSA) were met, while a CVA was estimated to require £2.3m. Key stakeholder support would have been required to successfully implement a CVA, which presented a considerable downside as legacy costs would still have had to be met due to the lack of support from the Head Office Landlord.
- 4.6 A pre-packaged administration was estimated to generate significant cash savings as the business would not be encumbered with legacy cost or the debt base of capital and interest charges.
- 4.7 A trading administration was swiftly discounted for the reasons discussed in points 5.3 - 5.6 below.

5 BACKGROUND TO THE SALE AGREEMENT

- 5.1 In our Preliminary report to Directors dated 22 January 2010 we concluded that, given the depletion of working capital, the ongoing losses and the inability to meet the FSA's capital adequacy requirements, the on-going liability for legacy property costs compromised the Companies' ability to achieve a turnaround. Accordingly, in the absence of an agreement with the Companies' landlord for a reduction in rent, the directors' only option to save the business was to seek an early sale, which the FSA was prepared to allow only a short time for the directors to pursue.
- 5.2 The directors sought investment through discreet marketing which led to two offers both on the basis of an acquisition of the business and assets. Neither party was prepared to contemplate a share purchase because of the level of funding required to restore liquidity to the business and to meet Capital Adequacy requirements.
- 5.3 The possibility of trading the business following the formal appointment of administrators was considered in order to facilitate a more comprehensive sale process. However, the nature of the business, being a people business with a significant reliance on reputation meant that any alternative course of action that had the potential to cause concern amongst management,

employees or clients (with the potential consequences of employee and/or client loss) would have been detrimental to the prospects for achieving a sale

- 5.4 Professional costs of trading a business such as this in an administration would also be significantly higher than the costs of agreeing a sale on the day of the administrators' appointment. The increase in costs, estimated at between £100,000 to £200,000, would further reduce the return to creditors overall
- 5.5 In all likelihood, we also believe that such a process would have resulted in the loss of a significant number of the 130 jobs at stake and a significantly reduced realisations from the assets
- 5.6 Trading the Companies whilst subject to formal insolvency proceedings was therefore not considered to be a viable option
- 5.7 Consultation with the first ranking chargeholder, Lloyds TSB Bank plc (Lloyds), and Jon Moulton, John Garfield and Charles Wishart, together the second chargeholder, confirmed that there was no further funding available to the Companies. These parties all independently consented to the pre-packaged sale of the Business and Assets
- 5.8 Following protracted negotiations with both parties, the highest bid, an offer of £1.23m from Towergate Financial West Limited ("Towergate") for the Business and Assets of the Companies, was accepted
- 5.9 Any future participation in the equity or quasi-equity by the management team at Charcol is subject to negotiation with Towergate, which I understand would be designed to encourage and drive future profitability, as part of a balanced reward package in line with management's roles and responsibilities
- 5.10 The objective of the Companies' administration is achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up

5

- 6.1 The directors have prepared Statements of Affairs of the Companies which are attached at Appendix I, together with my comments thereon

Assets

- 6.2 The Companies' principal assets were sold for £1.23m as per the SIP 16 report to creditors, replicated in Section 5 above
- 6.3 Cash in hand and at bank is the cumulative balance of funds held in the Companies' bank accounts, which amounted to £710k. This amount is to be set off against the £1.87m owed to the first chargeholder, Lloyds

- 6.4 Debtors with a net book value of £64,974 have been retained, of which £40,000 is estimated to be realisable. To date £38,000 has been realised by the joint administrators and it is uncertain whether there will be any further realisations.
- 6.5 £9,127 was recovered from Premium Credit which was the net amount due after insurance premiums of £9,745 were deducted from the original £18,900 book debt.

Liabilities

- 6.6 Lloyds were owed £1.87m on appointment from their £1.22m facility and a £640k rent guarantee. An interim distribution of £600k was made immediately out of the £1.23m received from the purchaser.
- 6.7 The second chargeholders were owed £550,000 on appointment and it is unlikely that there will be a distribution to the second chargeholders under their security.
- 6.8 As part of the sale of the business to Towergate, employee liabilities were apportioned and a deduction of £184,000 (largely representing preferential claims) was made.
- 6.9 A list of the names and addresses of the unsecured creditors, and the estimated amount of their debts and details of any security held is enclosed as part of the statement of affairs at Appendix I.

Section 176A of the Insolvency Act 1986 - Prescribed Part

- 6.10 In accordance with S176A of the Insolvency Act 1986 certain floating charge funds, which would otherwise be payable to the first chargeholder, will be made available instead to the Companies' unsecured creditors. The sum of money in question, known as the "Prescribed Part", is calculated by applying certain percentages to the Companies' "Net Property", which is calculated in accordance with the formula below:

$$\text{Net Property} = \left(\begin{array}{l} \text{Net proceeds from the} \\ \text{realisation of assets} \\ \text{subject to floating} \\ \text{charges} \end{array} \right) - \left(\begin{array}{l} \text{Debts due to} \\ \text{preferential} \\ \text{creditors} \end{array} \right)$$

- 6.11 The percentages applied to the Companies' Net Property in order to calculate the Prescribed Part are:
- 50% of the first £10,000 of Net Property plus
 - 20% of any further Net Property (£98,000 in this case)
- 6.12 The calculation above generates a potential Prescribed Part of £24,600, which will be distributed to the Companies' unsecured creditors. With total unsecured claims estimated at £8.2m, the distribution to unsecured creditors is estimated to be 0.03% of the debts owed.

- each secured creditor of the Companies, and
- in so far as any exist, the preferential creditors whose debts amount to more than 50% of the preferential debts of the Companies, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval

10.2 It is therefore my intention to seek approval for my remuneration from these creditors

10.3 The administrators will request that their remuneration be calculated according to the time properly given by the administrators and their staff in attending to matters arising in the administration

10.4 Background information regarding the fees of administrators can be found at <http://www.insolvency-practitioners.org.uk> (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees') Alternatively I will supply this information by post on request

10.5 The administrator will charge out of pocket expenses at cost. Mileage is charged at standard rates which comply with HM Revenue and Customs limits or AA recommended rates. VAT is added to disbursement charges as necessary

10.6 Payments of the administrators' remuneration and disbursements are to be met from funds held in the administration in priority to the claims of creditors, and, after approval of the basis, the administrators may draw sums on account

10.7 In accordance with SIP9, I attach at Appendix III a summary of my time costs from 23 February 2010 to 12 April 2010 by grade of staff and type of work. This shows a total time costs of £93,238.50 representing 273.75 hours at an average of £340.60 per hour, against which I have yet to draw any fees

10.8 Category 1 disbursements incurred to date equate to £73.41

11. CONCLUDING REMARKS

11.1 If you have any further queries please contact my colleague, Fred Turner, on 020 7865 2173

Yours faithfully
for and on behalf of Charcol Limited & @Charcol Limited

Martin Ellis
Joint Administrator

The affairs, business and property of Charcol Limited & @Charcol Limited are being managed by Martin Ellis and Andrew Hosking, appointed as joint administrators on 23 February 2010

10	Particulars of any security held the value of the security and the date it was given	
11	Particulars of any reservation of title claimed including details of goods supplied their value and when supplied	
12	Signature of creditor or person authorised to act on his behalf Name in BLOCK LETTERS Position with or relation to creditor	<hr/> <hr/> <hr/>

For official use

Admitted to vote for

£

Date

Administrator

Admitted preferentially for

£

Date

Administrator

Admitted non-preferentially for

£

Date

Administrator

APPENDIX I

Statement of Affairs for Charcol Limited as prepared by Imogen
Coggan

Statement of Affairs for @Charcol Limited as prepared by John
Garfield

2010/2/23

Statement of affairs

Name of Company Charcol Limited

Company number 3397767

In the High Court of Justice, Chancery Division, Companies Court
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Court case number 1537 of 2010

(a) Insert name and address of registered office of the company

Statement as to the affairs of (a) Charcol Limited, 2nd Floor, Chancery House, 53-64 Chancery lane London, WC2A 1QU

(b) Insert date

on the (b) 23 February 2010, the date that the company entered administration

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 23/2/2010 the date that the company entered administration

Full name LUCY FRANCES LYTTLE-VICKERMAN

Signed [Signature]

Dated 23/2/2010

1/4

A - Summary of Assets

Assets

	Book Value £	Estimated to Realise £
Assets subject to fixed charge		
Woodw. 11	-	331,000
Cash at bank (bank set off arrangement)	710,455	710,455
	710,455	1,041,455
* Less amount due to fixed charge creditors		(1,813,033)
Shortfall to fixed charge creditors		323,578

Assets subject to floating charge

Fixed assets	775,193	200,000
Debtors & prepayments	304,189	192,000
Debtors (retained)	64,974	40,000
	1,144,356	432,000
Uncharged assets		

Estimated total assets available for preferential creditors

432,000

Signature [Signature] Date 23/10/00

* Less FSB facility & interest
 1,219,000
 634,033
 (Charges)
 1,813,033

1,219,000
 634,033
 1,813,033

A1 – Summary of Liabilities

	Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)	£ 452,000
Liabilities	
Preferential creditors -	£ 187,432
Estimated deficiency/surplus as regards preferential creditors	£ 264,568
Estimated prescribed part of net property where applicable (to carry forward)	£ 49,514
Estimated total assets available for floating charge holders	£ 192,000
Debts secured by floating charges *	£ 873,518
Estimated deficiency/surplus of assets after floating charges	£ (681,518)
Estimated prescribed part of net property where applicable (brought down)	£ 49,514
Total assets available to unsecured creditors	£ 49,514
Unsecured non-preferential claims (excluding any shortfall to floating charge holders) (Sec 710(2)(a) & (b))	£ 1,519,622
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£ (1,470,108)
Shortfall to floating charge holders (brought down)	£ (681,514)
Estimated deficiency/surplus as regards creditors	£ 13115,000
Issued and called up capital	£ 1452,500
Estimated total deficiency/surplus as regards members	£ 13033,170

Signature

[Handwritten Signature]

Date

23/03/2016

Charcol Limited Unsecured Creditors @ 23/2/2010

Address

Creditors ledger	£217 451 72	See list
Invoices received after lodger closed		
Squirrel Storage	£1 200 02	
Host Talk	£ 054 21	
Pinney Bowes	£823 11	
Competent Advisor	£869 50	
Financial Ombudsman Service	£500 00	
Net Stationers	£839 00	
Lloyds TSB	£104 30	
Companies House	£18 00	
SIPM	£1 400 00	
CBRE	£739 73	
Office Comms	£405 38	
Pinney Bowes	£1 124 71	
Lonsons	£8 775 93	
Accruals for expected invoices		
Liquid Light	£10 043 00	
Fritchard	£1 469 00	
Electricity (Southern & EDF)	£18 119 00	
Host Talk	£6 821 00	
Stationery	£840 00	
CF Asset Finance	£3 006 00	
Squirrel Storage	£864 29	
Proctis Media	£157 20	
Sage/KCS	£340 33	
Competent Advisor	£728 79	
Cleaning	£88 21	
Shrod It	£244 29	
Lonsons	£3 491 00	
Tax & Audit	£11 750 00	
Val diff on service charge	£581 00	
Croner	£1 607 16	
o2	£930 98	
Accully(business centre deposit)	7269 68	
Provider Loans		
L&G	£114 248 69	Expenses Credit Management & Commission Accounting 5th Floor Knox Court 10 Fitzalan Place Cardiff CF24 0TL
Friends Provident	£110 098 67	Pixham End Dorking Surrey RH14 1QA
Aviva	£48 630 55	2 Rougier Street York YO90 1UU
Clawbacks as at Administration		
Bright Gray	3 081	2 Queen Street Edinburgh EH2 1BG
Friends Provident	131	Po Box 1550 Salisbury London SP1 2TQ
DLP	71 486	Direct Life & Pension Services Ltd Metro House Northgate Chichester West Sussex PO19 1BE
L&G	2 237	Agent Remuneration 5th Floor Knox Court 10 Fitzalan Place Cardiff CF24 0TL
BM Solutions	874	Trinity Court 21 27 Newport Road Cardiff CF24 0AA
BM Solutions Buy To Let	923	Trinity Court 21 27 Newport Road Cardiff CF24 0AA
Coventry Building Society (Res)	726	Economic House Po Box 9 Coventry Warwickshire CV1 5DN
Northern Rock	1 100	1 Grayling Court Duxford International Business Park Sunderland County Durham SR3 3XG
Woolwich	3 090	1st Floor The Gemini Centre New London Road Chelmsford Essex CM2 0GH
Woolwich	1 920	1st Floor The Gemini Centre New London Road Chelmsford Essex CM2 0GH
Payaways		
Citibank	48 404	Canada Square Canary Wharf E14 5LB
Butler Sherborn Burford	551	Vine House 2 High Street Burford Oxfordshire OX18 4RR
Castle Estates (Inactive)	364	63 High Street Bristol BS35 2AP
Derek Clements	4 250	1st Floor 350 High Street Orpington Kent BR60NQ
Evergreen Mortgage & Financial Ltd	604	Kinsale Roundabout Airport Road Cork
Kay & Co (Hyde Park)	385	24/25 Albion Street London W2 2AX
Mark Gawor	72	New Crane Wharf New Crane Place London E1W 3TS
Stags Plymouth	442	34 36 North Hill Plymouth Devon PL4 8ET
1UITA PLC (Introducer)	476	21 Ely Place London EC1N 8TD
Chestertons Limited	913	10 Gillingham Street London SW1V 1HU
Curmark Partnership Limited	200	Suite 5 Farleigh House Farleigh Court Old Weston Road Flax Bourton Bristol BS48 1UR
Geoffrey Smith Estate Agent	459	50 High Street Shepton Mallet Bristol BA4 5AQ
JFC Mortgages	919	Boaterstown Hall Boaterstown Co Dublin Ireland
Oakland Financial Management Ltd	656	Millennium House eden Street Kingston Upon Thames Surrey KT1 1BL
Spring & Co Accountants	18	92 Nore Road Portishead Bristol BS20 8DX
Clawbacks informed of after 22nd		
L&G	2 403	Agent Remuneration 5th Floor Knox Court 10 Fitzalan Place Cardiff CF24 0TL
DLP	3 800	Direct Life & Pension Services Ltd Metro House Northgate Chichester West Sussex PO19 1BE
JCA ex member Williams	490 05	11 Heights Close Banstead Surrey SM7 1DR
JCA net creditor	193806	
Intercompany creditors		
Group & Charcol Fixed balance	5 000 000	
Group & Charcol	1 534 112	
Group & Holdings		
Charcol & Holdings	71 380	
Total	£7 519 681 51	

Statement of affairs

Name of Company @Charcol Limited

Company number 3795361

In the High Court of Justice Chancery Division Companies Court
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Court case number 1538 of 2010

(a) Insert name and address of registered office of the company

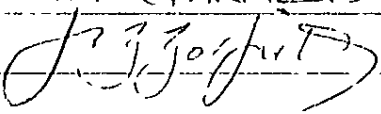
Statement as to the affairs of (a) @Charcol Limited 2nd Floor Chancery House 53-64 Chancery Lane London WC2A 1QU

(b) Insert date

on the (b) 23 February 2010 the date that the company entered administration

Statement of Truth

I believe that the facts stated in this statement of affairs are a full true and complete statement of the affairs of the above named company as at (b) 23/2/2010 the date that the company entered administration

Full name JOHN TRAFFIELD
 Signed 
 Dated _____

A – Summary of Assets

Assets

Assets subject to fixed charge

Book Value £	Estimated to Realise £
-----------------	---------------------------

-

Less amount due to fixed charge creditors

Logis TSB facility + interest

(1,219,000)

Shortfall to fixed charge creditors

(1,219,000)

Assets subject to floating charge

-

Uncharged assets

-

Estimated total assets available for preferential creditors

Signature

[Handwritten Signature]

Date

[Handwritten Date]

A1 – Summary of Liabilities

	Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)	£ -
Liabilities	
Preferential creditors -	£ -
Estimated deficiency/surplus as regards preferential creditors	£ -
Estimated prescribed part of net property where applicable (to carry forward)	£ -
Estimated total assets available for floating charge holders	£ -
Debts secured by floating charges (fixed charge instalment)	£ 12,100
Estimated deficiency/surplus of assets after floating charges	£ -
Estimated prescribed part of net property where applicable (brought down)	£ -
Total assets available to unsecured creditors	£ -
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ 5,413,120
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£ (5,413)
Shortfall to floating charge holders (brought down)	£ (1,271,200)
Estimated deficiency/surplus as regards creditors	£ (6,684)
Issued and called up capital	£ 1,000,000
Estimated total deficiency/surplus as regards members	£ (5,684)

Signature

[Handwritten Signature]

Date

[Handwritten Date]

Notice requiring submission of a statement of affairs

Name of Company @Charcol Limited	Company number 3795361
In the High Court of Justice Chancery Division, Companies Court	Court case number 1538 of 2010

(a) Insert full name of each person required to submit statement The Joint Administrators require a statement of affairs to be prepared and submitted by (a) John Stuart Godwin Garfield, Jane Elizabeth McMahon, Walter Anthony Avrili, Imogen Frances Lytton Coggan

(b) Insert full name of company as to the affairs of (b) @Charcol Limited ('the company')

(c) Insert full name and address of each person sent this notice A notice requiring submission of a statement of affairs has been sent to each of the following persons (c) Walter Anthony Avrili, CARRICK HOUSE, CARRICK LANE, YARLLEY, HAMPSHIRE, GU46 6XN, Jane Elizabeth McMahon, 43 FERRYMAN'S QUAY, LONDON, SW5 2UT, John Stuart Godwin Garfield, 46 PONT STREET MEWS, LONDON, SW1X 0AF, Imogen Frances Lytton Coggan, 72 GRIFFITHS ROAD, LONDON, SW19 1SL,

(d) Insert name of administrator(s) The statement of affairs must be submitted within 11 days of receipt of this notice to (d) Martin Ellis and Andrew Hosking ('the joint administrators')

(e) Insert full address at (e) Grant Thornton, 30 Finsbury Square, London EC2P 2YU

Signed _____
 Joint Administrator

Dated _____

WARNING

It is an offence under paragraph 48(4) of Schedule B1 to the Insolvency Act 1986 if you fail without reasonable excuse to comply with this requirement.

(f) Delete words in brackets if not applicable Section 235 of the Insolvency Act 1986 places a duty on you (f) (as an officer of the company) to provide the administrator with information and attend upon him if required. I have to warn you that failure to submit the statement of affairs as required by this notice, or to co-operate with the administrator under section 235 of the Insolvency Act 1986, may make you liable to a fine and, for continued contravention, to a daily default fine.

Under paragraph 10 of Schedule 1 to the Company Directors Disqualification Act 1986, failure to submit a statement of affairs or to co-operate with the administrator under section 235 of the Insolvency Act 1986 are matters which may be taken into account by the court in determining whether a person is unfit to be an officer of or to be involved in the management of a company. Unfit conduct may result in a disqualification under the Company Directors Disqualification Act 1986.

Note

Forms for the preparation of the statement of affairs are enclosed. Under Rule 2.32, expenses incurred in making the statement of affairs which the administrator considers to be reasonable can be claimed out of the company's assets.

APPENDIX II

Charcol Limited - in administration Estimated outcome

As at 12 April 2010

£'000s	Receipts & payments to date	Estimated future receipts & payments	Estimated outcome	Previous estimate
Fixed charge assets				
Goodwill	839	-	839	839
Cash (bank set off)	707	-	707	710
Less retention	(60)	-	(60)	(60)
Less professional costs	(78)	(41)	(119)	(119)
Less irrecoverable VAT	(14)	(7)	(21)	(21)
Available to fixed chargeholders	<u>1,394</u>	<u>(48)</u>	<u>1,346</u>	<u>1,349</u>
Floating charge assets				
Cash (RBS account)	-	3	3	-
Fixed assets	200	-	200	200
Debtors and Prepayments	192	-	192	192
Debtors (retained)	47	-	47	40
	<u>439</u>	<u>3</u>	<u>442</u>	<u>432</u>
Less salary apportionment	(169)	(15)	(184)	(184)
Less professional costs	-	(119)	(119)	(119)
Less irrecoverable VAT	-	(21)	(21)	(21)
	<u>270</u>	<u>(152)</u>	<u>118</u>	<u>108</u>
Less prescribed part	-	(24)	(24)	(22)
Available to floating chargeholders	<u>270</u>	<u>(176)</u>	<u>94</u>	<u>86</u>
Available to fixed chargeholders (as above)	<u>1,394</u>	<u>(48)</u>	<u>1,346</u>	<u>1,349</u>
Total available to chargeholders	<u>1,664</u>	<u>(224)</u>	<u>1,440</u>	<u>1,435</u>
Paid to Lloyds (set off)	(707)	-	(707)	-
Paid to Lloyds (distribution)	(600)	(133)	(733)	(1,435)
Balance in hand	<u>357</u>	<u>(357)</u>	<u>-</u>	<u>-</u>
Amount due to Lloyds			1,873	1,873
Estimated recovery			(1,440)	(1,435)
Estimated shortfall to Lloyds			<u>433</u>	<u>438</u>

Note subject to the report of which this statement forms a part

APPENDIX III

Standard	Partner			Associate Director			Manager			Executive			Administrator			Total			
	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	
Administration and Planning	10.00	5100.00	510.00	26.50	10745.00	405.47	0.75	247.50	330.00	30.60	6184.00	202.09	7.20	1013.50	140.76	75.05	23290.00	310.33	
Creditors	1.00	510.00	510.00	10.50	4200.00	400.00				28.35	5670.00	200.00				39.85	10380.00	260.48	
Hiatus period																			
Investigations													2.00	260.00	130.00		2.00	260.00	130.00
Realisation of Assets	55.35	28228.50	510.00	84.50	33800.00	400.00				17.00	3400.00	200.00				156.85	65428.50	417.14	
Trading																			
Total	66.35	33838.50	510.00	121.50	48745.00	401.19	0.75	247.50	330.00	75.95	15254.00	200.86	9.20	1273.50	138.42	273.75	99358.50	362.95	

Total fees billed to date (Trme) £ 0