

The Insolvency Act 1986

Notice of move from administration to dissolution

Name of Company @Charcol Limited

Company number 3795361

In the High Court of Justice, Chancery Division, Companies Court [full name of court]

Court case number 1538 of 2010

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

We (a) Martin G Ellis and Andrew Lawrence Hosking, both of Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU

(b) Insert name and address of registered office of company

having been appointed joint administrators of (b) @Charcol Limited ("the Company")

(c) Insert date of appointment

(d) Insert name of applicant / appointor

on (c) 24 February 2010 by (d) the directors

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

I attach a copy of the final progress report

Signed Martin G Ellis
Joint Administrator

Dated 9/2/11

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.

Scott Pearman	
Grant Thornton UK LLP, Hartwell House, 55-61 Victoria Street, Bristol, BS1 6FT	
	Tel 0117 305 7600
DX Number	DX Exchange

SATURDAY



A32 19/02/2011 117
COMPANIES HOUSE

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



Grant Thornton

Our Ref MGE/ALH/DEH/SZP/PMC/C91068 & C91069/PF7

TO THE CREDITORS

Hartwell House
55-61 Victoria Street
Bristol BS1 6FT

T +44 (0)117 305 7600
F +44 (0)117 305 7784
DX 78112 Bristol
www.grant-thornton.co.uk

18 February 2011

Dear Sirs

**Charcol Limited & @Charcol Limited - both In Administration (the Companies)
High Courts of Justice, Chancery Division (1537 & 1538 of 2010)**

1 INTRODUCTION

- 1 1 On 23 February 2010, Andrew Hosking and myself were appointed Joint Administrators of the Companies by the directors of the Companies
- 1 2 Further to our progress report to creditors of 14 September 2010, we now provide an update and final progress report for the period from 23 February 2010 to date
- 1 3 Attached is Form 2 34B, notice to move from Administration to Creditors Voluntary Liquidation, in respect of Charcol Limited, and Form 2 35B, notice to move from Administration to dissolution, in respect of @Charcol Limited
- 1 4 Enclosed, at Appendix I, is an account of our receipts and payments for the entire period of the administration from 23 February 2010 to date
- 1 5 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 6 This report should be read in conjunction with my reports of 26 February 2010, 14 April 2010 and 14 September 2010

2 STATUTORY INFORMATION

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
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 Progress Report

Assets

Asset Realisation

3.1 As disclosed in my report of 26 February 2010 a sale of the Company's assets was completed immediately following our appointment, to Towergate Financial (West) Limited. A full disclosure in accordance with Statement of Insolvency Practice 16 ('SIP16') was supplied in my report of 26 February 2010. A summary of the assets realised is provided below, all of which are in accordance to the Statement of Affairs

Goodwill

3.2 I realised £839,000 in respect of goodwill

Furniture & Equipment

3 3 £200,000 was realised in respect of furniture and equipment

Book Debt Realisations

3 4 I have realised book debts totalling £255,392 No other payments are expected

Other Assets

3 5 I also received £67 in respect of interest on the funds held in the Administration bank account and £3,823 worth of miscellaneous refunds These refunds were received from Bristol City Council £873 and Brighton & Hove City Council £2,950, both relating to business rates refunds

3 6 The balance of £3,415 was received from Charcol Limited's NatWest Account

3 7 I do not anticipate any further realisation in respect of Charcol Limited or @Charcol Limited

4 Liabilities

Secured Creditors

4 1 The first chargeholder, Lloyds TSB Bank plc ('Lloyds') were owed £1 87m on appointment from their £1 22m facility and £640k rent guarantee

4 2 Mr Garfield, Mr Wishart and Mr Moulton were the second chargeholders for £550,000, with Mr Garfield having given a personal guarantee to Lloyds for £640,000 in respect of rent at the Company's Head Office

4 3 Lloyds were paid £600k from the Administration as well as setting off a total of £707k from the Company's bank account Lloyds then called in the personal guarantee (in respect of the rent guarantee), from Mr Garfield, for the balance owed, which was £566k

4 4 As Lloyds had now been paid in full, in part by calling on the rent guarantee of Mr Garfield, he then assumed the Banks' position as first chargeholder

4 5 We made an initial distribution to Mr Garfield of £50k in July 2010 and a second distribution in October 2010 of £72k

4 6 A final distribution of £41,644 was made to Mr Garfield in January 2011

4 7 The payments were subject to dispute between the second chargeholders and the matter of allocation was settled privately

5 Prescribed Part

5 1 The Bank's charge was created after 15 September 2003 Therefore, under the provisions of Section 176A of the Insolvency Act 1986 a prescribed part available for distribution to the unsecured creditors will be made available from the floating charged assets available for the secured creditor

5 2 The prescribed part distribution, before costs, to unsecured creditors is estimated to be in the region of £23k

Trade Creditors

5 3 We are aware of creditors' unsecured claims of approximately £8 2m in Charcol Limited. However, we will call for current claims once the Company is placed into the voluntary liquidation and once received these claims will be formally adjudicated and agreed.

6 Proposed exit route of the Administrations

6 1 The Administrations are scheduled to end on 22 February 2011. As funds are available to unsecured creditors in terms of the prescribed part and Administrators are unable to make distributions to unsecured creditors, a further insolvency procedure is required.

6 2 As detailed in my proposals of 12 April 2010, the Administration of Charcol Limited will be ending by moving the Company into Creditors' Voluntary Liquidation ('CVL'), and @Charcol Limited will be dissolved, as per my progress report of 14 September 2010.

7 ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

7 1 As I had made a declaration under paragraph 52(1)(b) of Schedule B1 of the Insolvency Act 1986, the Joint Administrators' remuneration may be fixed by the approval of

- 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.

7 2 I therefore sought approval for my remuneration from these creditors.

7 3 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.

7 4 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.

7 5 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.

7 6 In accordance with SIP9, I attach at Appendix II a summary of my time costs from 23 February 2010 to date by grade of staff and type of work. This shows a total time cost of £199,034 representing 681 hours at an average of £292 per hour, against which I have drawn fees of £160,000.


7 7 Category 1 disbursements incurred to date equate to £908.

8 CONCLUDING REMARKS

8 1 If you have any further queries please contact my colleague, Scott Pearmain, on 0117 305 7840

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

Charcol Limited
(In Administration)

Joint Administrators' Abstract Of Receipts And Payments
To date

STATEMENT OF AFFAIRS (£)	RECEIPTS	FIXED CHARGE	FLOATING CHARGE	FROM 24 AUGUST 2010 TO 22 FEBRUARY 2011 (£)	Total (£)
200,000 00	Furniture & Equipment		200,000 00		200,000 00
232,000 00	Book Debts		255,391 55	2,636 10	255,391 55
* 710,455 00	Cash at Bank		3,415 09		3,415 09
	Bank Interest		67 32	42 62	67 32
	Misc Refunds		3,822 53		3,822 53
839,000 00	Goodwill	839,000 00			839,000 00
		<u>839,000 00</u>	<u>462,696 49</u>	<u>2,678 72</u>	<u>1,301,696 49</u>
	PAYMENTS				
	Insurance		630 00	420 00	630 00
	Advertising		139 50		139 50
	PAYE/NI		70,426 34		70,426 34
	VAT Irrecoverable (Fixed Charge)	13,089 45			13,089 45
	Other Payroll Deductions		8,109 65		8,109 65
	Administrators Fees	80,000 00	80,000 00	70,000 00	160,000 00
	Administrators Expenses	454 12	454 12		908 24
	Chargeholder (1)	600,000 00		181,000 00	600,000 00
	Chargeholder (2)	87,551 65	76,092 51	113,644 16	163,644 16
	Misc Float Payments		5,584 52		5,584 52
	VAT Irrecoverable (Floating Charge)		35,583 85		35,583 85
	Legal Fees	57,904 78	57,904 77	54,447 78	115,809 55
	Bank Charges		2,276 85	315 20	2,276 85
	Employee Arrears/Hol Pay		98,200 97		98,200 97
		<u>839,000 00</u>	<u>435,403 08</u>	<u>419,827 14</u>	<u>1,274,403 08</u>
	Balance	<u>0 00</u>	<u>27,293 41</u>	<u>-417,148 42</u>	<u>27,293 41</u>
					<u>27,293 41</u>

Note

* Cash at Bank - Bank retained funds against outstanding indebtedness

Appendix Ia

@Charcol Limited
(In Administration)

Joint Administrators' Abstract Of Receipts And Payments
To To date

STATEMENT OF AFFAIRS (£)	RECEIPTS	FROM 24 AUGUST 2010 TO 22 FEBRUARY 2011 (£)	Total (£)
		Nil	Nil
		<u>0 00</u>	<u>0 00</u>
	PAYMENTS		
1,219,000	Fixed Charge Creditor	Nil	Nil
5,473,720	Unsecured Creditors	Nil	Nil
		<u>0 00</u>	<u>0 00</u>
			<u><u>0 00</u></u>

APPENDIX II

INTRODUCTION

The following information is provided in connection with the joint 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	From 23-Feb-10 to 30-Jun 10 £	From 1-Jul-10 date £
Partner	510	535
Director	330 to 420	340 to 440
Senior Staff	230 to 275	240 to 285
Administrators/Support	150 to 190	155 to 195

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 (i.e. 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

NARRATIVE DESCRIPTION OF WORK CARRIED OUT

Full details of the work carried out in the period since we were 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

NARRATIVE DESCRIPTION OF EXPENSES PAID

Travel: I have received £389 10 in respect of travel costs

Printing & Copying: I have received £54 78 in respect of costs incurred in respect of printing and copying

Bonding: I have incurred £ worth of costs due to the Joint Administrators statutory obligation to bond for funds held in the case

Courier: I have paid a courier charge of £8 47 with regard to courier costs

TIME AND CHARGE-OUT SUMMARIES

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

SUPPORTING DOCUMENTATION

The following documentation is attached as required by SIP 9

- receipts and payments accounts for the period from 23 February 2010 to date, which is at Appendix I,

Charcol - C30291068 - SIP 9 TIME COST ANALYSIS

Job(s) Phase 2 Advisory, Administration-CPU, Administration, @Charcol-Administration-CPU

Transaction period All transactions

Standard	Partner			Manager			Executive			Administrator			Total			
	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	
Administration and Planning	69.40	35,515.50	511.75	202.90	78,872.50	388.73	48.70	11,578.30	237.75	206.60	36,399.75	176.18	527.60	162,366.05	307.74	
Creditors				20.40	7,639.50	374.49					61.95	10,140.50	163.69	82.35	17,780.00	215.91
Hiatus period																
Investigations											9.40	1,627.50	173.14		1,627.50	173.14
Realisation of Assets Trading				33.05	12,683.00	383.75					26.95	4,300.25	159.56	60.00	16,983.25	283.05
Total	69.40	35,515.50	511.75	256.35	99,195.00	386.95	48.70	11,578.30	237.75	306.70	52,745.00	171.98	681.15	199,033.80	292.20	

Total fees billed to date (Time) £ 160,000