

The Insolvency Act 1986

Administrator's progress report

| | |
|--|-----------------------------------|
| 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 full name(s) and address(es) of administrator(s)

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

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

from

to

(b)23 February 2010

(b)23 August 2010

(b) Insert dates

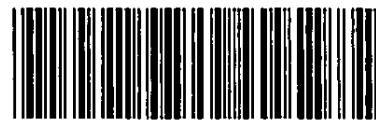
Signed

Joint / Administrator(s)

Dated

15/9/2010

TUESDAY



A10

A7APYNLM

21/09/2010

296

COMPANIES HOUSE



Grant Thornton

Our Ref MGE/BEM/FJT/C91068/PF7

To the Creditors

14 September 2010

Dear Sirs

Charcol Limited & @ Charcol Limited - Both In Administration (the Companies)

Recovery and Reorganisation

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1 INTRODUCTION

- 1 1 Following the appointment of my partner Andrew Hosking and myself as administrators of the above company by the directors of the Companies on 23 February 2010, I now report on the progress of the administration to date
- 1 2 This report is an update to my Statement of Proposals dated 12 April 2010 and as such it does not repeat material covered in that report
- 1 3 I enclose Form 2 24B together with an account of my receipts and payments for the 6 months ended 23 August 2010 in accordance with Rule 2 47 of the Insolvency Rules 1986
- 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

2 STATUTORY INFORMATION

- 2 1 The companies' statutory details are as follows

| | Charcol Limited | @Charcol Limited |
|-------------------|--|--|
| registered number | 3397767 | 3795361 |
| registered office | 30 Finsbury Square London EC2P 2YU | 30 Finsbury Square London EC2P 2YU |

Chartered Accountants

Member firm within Grant Thornton International Ltd
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| former trading address | 2nd Floor, Chancery House 53-64 Chancery Lane London WC2A 1QU | 2nd Floor, Chancery House 53-64 Chancery Lane London WC2A 1QU |
|------------------------|--|--|

3 PROGRESS REPORT

- 3.1 Following on from my statement of proposals, I have realised the remaining book debts and the £3,415 in Charcol Limited's NatWest bank account. The full realisations can be seen in the Estimated Outcome Statement attached as Appendix B.
- 3.2 In accordance with Statement of Insolvency Practice (SIP 9), I attach as Appendix A a summary of my time costs to 23 August 2010 by grade of staff and type of work. This shows total time costs of £141,561.15, representing 437.93 hours at an average of £325.25 per hour, against which I have drawn fees of £90,000 on account. Details of any matters which have had a significant impact on the time costs are included in the appendix, together with details of any disbursements charged during the period under review.
- 3.3 It is not anticipated that there will be any further realisations, and further to my Statement of Proposals, I will end the administrations by Charcol Limited entering into a Creditors Voluntary Liquidation and @Charcol Limited being struck off.
- 3.4 As Joint Liquidator, I will then be able to make a dividend payment to creditors. The comparative Estimated Outcome Statement shows a shortfall to the secured creditors of £438,000, therefore the dividend payable to unsecured creditors will amount to the prescribed part.

Section 176A of the Insolvency Act 1986 - Prescribed Part

- 3.5 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:

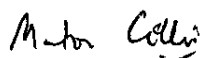
$$\text{Net Property} = \left(\begin{array}{l} \text{Net proceeds from the} \\ \text{realisation of assets} \\ \text{subject to floating} \\ \text{charges} \end{array} \right) - \left(\begin{array}{l} \text{Debts due to} \\ \text{preferential} \\ \text{creditors} \end{array} \right)$$

- 3.6 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 (£122,000 in this case)

- 3.7 The calculation above generates a potential Prescribed Part of £29,000, 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 0.04% of the debts owed.
- 3.8 The exact dividend will be calculated and paid once I have received and verified all unsecured claims, as requested in my statement of proposals.

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



Martin Ellis
Joint Administrator

Appendix A

Charcol Limited - in Administration
 SIP 9 Time Analysis
 Grant Thornton time costs for period to 23 August 2010

| Standard | Partner | | Associate Director | | Manager | | Executive | | Administrator | | Total | |
|-----------------------------|---------|-----------|--------------------|-----------|---------|----------|-----------|-----------|---------------|-----------|--------|------------|
| | Hrs | £ | Hrs | £ | Hrs | £ | Hrs | £ | Hrs | £ | Hrs | £ |
| Administration and Planning | 15 20 | 7,754 50 | 60 50 | 24,455 00 | 2 75 | 957 00 | 37 48 | 7,761 40 | 51 25 | 8,235 50 | 167 28 | 49,163 40 |
| Creditors | 1 00 | 510 00 | 10 50 | 4,200 00 | | | 28 35 | 5,670 00 | 32 25 | 5,465 50 | 72 10 | 15,875 50 |
| Hiatus period | | | | | | | | | | | | |
| Investigations | | | | | 16 95 | 6,356 25 | | | 7 70 | 1,369 50 | 24 65 | 7,725 75 |
| Realisation of Assets | 55 35 | 28,228 50 | 84 50 | 33,800 00 | 0 75 | 247 50 | 17 00 | 3,400 00 | 16 30 | 3,120 50 | 173 90 | 68,796 50 |
| Trading | 71 55 | 36,493 00 | 155 60 | 62,455 00 | 20 45 | 7,560 75 | 82 83 | 16,831 40 | 107 50 | 18,221 00 | 437 93 | 141,561 15 |
| Total | | | | | | | | | | | | |

Total fees billed to date (Time) £ 90,000

APPENDIX B

Charcol Limited - in administration Estimated outcome

| As at 23 August 2010 | Receipts & payments to date | Estimated future receipts & payments | Estimated outcome | Previous estimate |
|---|-----------------------------------|---|----------------------|----------------------|
| £'000s | | | | |
| Fixed charge assets | | | | |
| Goodwill | 839 | | 839 | 839 |
| Cash (bank set off) | 707 | | 707 | 707 |
| Less retention | (60) | | (60) | (60) |
| Less professional costs | (101) | (28) | (129) | (119) |
| Less irrecoverable VAT | (18) | (5) | (23) | (21) |
| Misc costs | (2) | | (2) | - |
| Available to fixed chargeholders | <u>1,365</u> | <u>(33)</u> | <u>1,332</u> | <u>1,346</u> |
| Floating charge assets | | | | |
| Cash (RBS account) | 3 | | 3 | 3 |
| Fixed assets | 200 | | 200 | 200 |
| Debtors and Prepayments | 192 | | 192 | 192 |
| Debtors (retained) | 67 | | 67 | 47 |
| | <u>462</u> | <u>-</u> | <u>462</u> | <u>442</u> |
| Less salary apportionment | (176) | | (176) | (184) |
| Less professional costs | (101) | (28) | (129) | (119) |
| Less irrecoverable VAT | (18) | (5) | (23) | (21) |
| Misc costs | (2) | | (2) | - |
| | <u>165</u> | <u>(33)</u> | <u>132</u> | <u>118</u> |
| Less prescribed part | - | (29) | (29) | (24) |
| Available to floating chargeholders | <u>165</u> | <u>(62)</u> | <u>103</u> | <u>94</u> |
| Available to fixed chargeholders (as above) | <u>1,365</u> | <u>(33)</u> | <u>1,332</u> | <u>1,346</u> |
| Total available to chargeholders | <u>1,530</u> | <u>(95)</u> | <u>1,435</u> | <u>1,440</u> |
| Paid to Lloyds (set off) | (707) | - | (707) | (707) |
| Paid to Lloyds (distribution) | (650) | (78) | (728) | (733) |
| Balance in hand | <u>173</u> | <u>(173)</u> | <u>-</u> | <u>-</u> |
| Amount due to Lloyds | | | 1,873 | 1,873 |
| Estimated recovery | | | <u>(1,435)</u> | <u>(1,440)</u> |
| Estimated shortfall to Lloyds | | | <u>438</u> | <u>433</u> |
| Note subject to the report of which this statement forms a part | | | | |