

The Insolvency Act 1986

Administrator's progress report

Name of Company Cathedral Interiors Limited	Company number 04914634
In the Lincoln County Court <small>[full name of court]</small>	Court case number 38 of 2012

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

~~It~~ We (a) John William Butler and Andrew James Nichols of Redman Nichols Butler, Maclaren House, Skerne Road, Driffield, East Yorkshire, YO25 6PN

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

from

to

(b) Insert dates

(b) 23 February 2012

(b) 22 August 2012

Signed

Joint / Administrator(s)

Dated

20/9/12

SATURDAY



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A18

22/09/2012

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COMPANIES HOUSE

In the Lincoln District Registry

Case No 38 of 2012

Cathedral Interiors Limited - in administration

Administrators' progress report from 23 February 2012 to 22 August 2012 and to date

I, John William Butler and my partner Andrew James Nichols, both of Redman Nichols Butler, Maclaren House, Skerne Road, Driffield, East Yorkshire were appointed joint administrators of Cathedral Interiors Limited ("the company") with effect from 23 February 2012 following an application by the director of the company

The administrators act jointly or alone

No extensions to the initial period of our appointment have been sought to date

The registered office and trading address of the company was Unit 9 Five Mile Business Park, Five Mile Lane, Washingborough, Lincoln, LN4 1AF but has been changed to my Driffield office for the sake of these proceedings

Post appointment-trading

I have already reported to creditors in the proposals that were sent to creditors in April 2012

Receipts and payments account

A summary of our receipts and payments in the six month period to 23 February 2012 to 22 August 2012 and to date is attached to this report. The account also provides details of transactions during the whole period of the administration

Asset realisations

My work in dealing with the realisation of the assets of the company can be summarised as follows -

Asset	Estimated to realise per director's statement of affairs (£)	Actual realisations to date (£)	Comments
Trade debtors	110,810	32,589	Monies received after appointment Upon my appointment, I instructed Impact Outsource Credit Control Limited per its contracted Quantity Surveyor, Richard Brown to assist the administrators in

discharging duties generally and in settling final, accounts and recovering and settling retentions and this process continues Sandersons solicitors are also assisting with recovery of some of the book debts

Work in progress	1,692	nil	Work to be completed at date of administration
Cash in hand	130	80,392	Monies held at or about the date of administration received from book debtors handed over by the directors
Cash at bank	131,546	134,266	Monies received from the company's bankers
Corporation tax refund	66,397	64,777	The administrators worked with the company's accountants to recover this amount

Investigations into the affairs of the company

My investigations in this regard continue. If any creditors have any concerns they should report it unless they have raised these concerns already.

The prescribed part

The provisions of Section 176A of The Insolvency Act 1986 relating to a prescribed part are not relevant in these proceedings as although there are floating charges created after 15 September 2003, there is no indebtedness to either charge holder.

Dividend prospects for preferential unsecured creditors

I intend to pay preferential creditors in full.

Dividend prospects for non-preferential unsecured creditors

There is a good prospect of a distribution to the non-preferential unsecured creditors though it is not the administrator's duty to agree claims. Since there are sufficient funds, the company will proceed into liquidation.

Agreement of creditors' claims

In an administration, the administrator has a statutory duty to agree and admit only preferential creditors' claims and pay dividends on them.

The administrator does not have a duty to agree and admit non-preferential unsecured creditors' claims and pay dividends on them in an administration, unless the court orders otherwise.

Company position following the administration

It is intended that the company will move into liquidation for the reasons stated above

Statement of Insolvency Practice 13 – Acquisition of assets of insolvent companies by directors

Statement of Insolvency Practice 13 provides that I am required to disclose to creditors and members at the first available opportunity after my appointment any transactions with connected parties made after my appointment

In this case, I am not aware of any matters in this category though I am aware that prior to my appointment, the chattel assets and stock of the company were sold to Cathedral Joinery Manufacturing Limited which is a company with directors and shareholders connected to the directors and shareholders of Cathedral Interiors Limited. The assets were valued by Michael Baitson of Gilbert Baitson, auctioneers and valuers. The purchase price was £10,000 plus VAT. At the date of my appointment £9,000 was owed in respect of the sale of assets. These monies have been paid in full.

Company Directors Disqualification Act 1986

I have complied with my duties under the provisions of the Company Directors Disqualification Act 1986. However, I am not able to disclose to creditors the content of my report.

Creditors' Committee

A creditors' committee has not been appointed in this case.

Statement of Insolvency Practice 9 – Remuneration of insolvency office holders

Statement of Insolvency Practice 9 provides that we are required to disclose to creditors our firm's time costs to date, together with an analysis of the types of work that we have undertaken in administering this case.

In addition, we are required to disclose how much has been drawn by our firm from estate funds in respect of remuneration and on what basis these sums were drawn as well as who and when these sums were sanctioned. We are also required to advise creditors what expenses have been recovered from the administration estate. Category 1 expenses are expenses directly attributable to the case and Category 2 expenses are additional overheads that relate to the case but are not directly attributable.

Our firm's current charge out rates

Our firm's current charge out rates are as follows -

Grade	Rate (£) from 1 April 2010	Rate (£) from 1 May 2011
Partner	280	280

Senior Manager	230	250
Manager	205	230
Assistant Manager	175	205
Administrator	155	155
Support staff	90	90

Pre Administration Order costs

Our firm's costs in assisting the directors prior were approved by creditors at a meeting of creditors on 3 May 2012 and I have drawn £2,630. Legal fees for Sandersons of £550 for assisting the directors to put the company in administration have also been paid.

Our firm's time costs to date in administering this case and an estimated analysis of the types of work carried out on it

Our firm's time costs for the period 23 February 2012 to 22 August 2012, based on time costs at our usual rates, total £34,859 and to date, £37,613 in dealing with the proper administration of this case. An estimated analysis by reference to the types of work carried out on this administration can be found on the attached schedule together with a guide to fees and expenses of Redman Nichols Butler.

The description of the types of work involved in each category is detailed below.

- Administration and Planning – Includes dealing with all statutory matters required by legislation and professional guidelines including periodic returns and reports, internal case review and case progression matters including planning, set-up and maintenance of records.
- Realisation of Assets – Includes dealing with agents regarding the realisation of the Company assets as well as obtaining valuations of any assets and the collection of assets.
- Investigation – Review of the Company records and the general investigation required towards the submission of returns pursuant to the Company Directors Disqualification Act 1986.
- Trading – Communication with employees, suppliers and customers and monitoring the ongoing trading position.
- Creditors – General communication, receipt and agreement of claims.

Funds drawn to date on account of remuneration

You are advised that, to date we have drawn £20,000 on account of our firm's remuneration.

Basis of amount of administrators' remuneration, who agreed that basis and when

The administrators' proposals, which were approved on 3 May 2012 by creditors in accordance with Rule 2 106 of the Insolvency Rules, 1986 provide for the administrators' remuneration to be based on our firm's time costs

Creditors' request for further information

Rule 2 48A of the Insolvency Rules 1986 states that, within 21 days of receipt of this progress report -

- 1) a secured creditor, or
- 11) a unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or

with the permission of the court upon an application made within the 21 days any unsecured creditor may make a request in writing to the liquidator for further information about remuneration or expenses set out in the draft report

The administration must, within 14 days of receipt of the request, respond accordingly

Right of challenge

If a creditor believes that the office holders' remuneration is, in all the circumstances excessive, the basis inappropriate, or the expenses incurred by the office holder are, in all the circumstances, excessive he may, provided certain conditions are met, apply to the court

The application to court may be made by

- Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court

The application must, subject to any order of the court, be made no later than 8 weeks, after receipt by the applicant of this progress report

Administrator's/Redman Nichols Butler expenses

To date we have recovered £979 in respect of Category 1 expenses and category 2 expenses and these are detailed on the attached schedule

Professionals engaged to assist the administrators to carry out their duties

<i>Firm</i>	<i>Fees paid to date (£)</i>	<i>Basis of those fees</i>	<i>Brief description of work carried out</i>	<i>Basis of review of reasonableness of fees</i>
Sandersons	590	Time cost basis plus expenses	Collection of book debts	verified

Impact Outsource Credit Control Limited per its contracted Quantity Surveyor, Richard Brown ,	10,179	Time cost	To assist the administrators in discharging duties generally and in settling final accounts and recovering and settling retentions	verified,
Wright Vigar	10,820	Time costs	To assist the administrators with the preparation of financial information, accounts to date, all outstanding returns, liaising with the director in respect of the statement of affairs including obtaining details of the company's assets and details of the Company's liabilities and in respect of corporation tax refund	verified

Conclusion

The administration of the company continues. Creditors will be advised as the proceedings progress. In the meantime should any creditor require any further information regarding this matter they should not hesitate to contact us.



J W Butler
Joint Administrator

21 September 2012

Cathedral Interiors Limited - in administration

Receipts and payments account from 23 February 2012 to 22 August 2012 and to date

	23 February 2012 to 22 August 2012	23 August 2012 to 16 September 2012	Total to date
	£	£	£
Receipts			
Cash in hand	80,592	0	80,592
Cash at bank	0	134,266	134,266
Corporation tax refund	0	64,777	64,777
Sundry refund	0	53	53
Book debt recoveries	0	32,589	32,589
Bank interest	0	85	85
Total receipts	80,592	231,771	312,364
Costs and expenses			
Wages paid	3,139	0	3,139
Accountancy costs	5,000	5,820	10,820
Agent's costs	0	400	400
Quantity Surveyor - Impact OCC per its QS Richard Brown	4,335	5,844	10,179
Payment received in error	0	166	166
D Kavanagh - assistance and expenses	145	206	350
Delivery charges	0	55	55
Office holders' remuneration	0	20,000	20,000
Office holders' expenses	0	979	979
Convening costs - Redman Nichols Butler	0	2,630	2,630
Convening expenses - Redman Nichols Butler	0	4	4
Legal costs - Sandersons	0	1,140	1,140
PAYE & NIC paid	0	2,960	2,960
Total costs and expenses of liquidation	12,618	40,203	52,821
Balance available to date	67,974	191,568	259,543

Redman Nichols

TIME & CHARGEOUT SUMMARIES

Cathedral Interiors Ltd

From 23 Feb 2012 to 16 Sep 2012

HOURS							
Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	18 45	7 25	23 25	4 55	53 50	12,269 27	229 33
Investigations	9 08	4 00	0 00	0 00	13 08	3,463 36	264 71
Realisation of Assets	22 00	17 00	0 00	0 00	39 00	10,070 00	258 21
Trading	2 75	0 00	0 00	0 00	2 75	770 00	280 00
Creditors	7 28	20 33	19 33	2 75	49 70	11,040 57	222 14
Total Fees Claimed £	16,678 68	11,174 16	8,729 61	1,030 75		37,613 20	
Total Hours	59 57	48 58	42 58	7 30	158 03		
Average Rate	280 00	230 00	205 00	141 20			

CATEGORY 1 + 2 DISBURSEMENTS

Type & Purpose	Amount £
05/03/2012 Category 1 - Stationery Notice of administration	12 61
05/03/2012 Category 1 - Postage Notice of administration	50 04
05/03/2012 Category 1 - Stationery Archive storage boxes	20 25
07/03/2012 Category 1 - Travel MN mileage - Feb 12	45 45
14/03/2012 Category 1 - Company Search	6 00
14/03/2012 Category 1 - Advertising Appointment of administrator	60 00
16/04/2012 Category 1 - Bordereau	562 50
18/04/2012 Category 1 - Stationery Proposals to creditors	12 48
18/04/2012 Category 1 - Postage Proposals to creditors	55 80
30/04/2012 Category 1 - Advertising Meeting of creditors	60 00
09/05/2012 Category 1 - Postage Approved proposals	79 00
03/08/2012 Category 1 - Travel MN Travel	8 73
09/05/2012 Category 1 - Stationery Approved proposals	12 72
15/05/2012 Category 1 - Company Search	2 00
04/09/2012 Category 2 - Archive Boxes Archive boxes	35 00
07/09/2012 Category 1 - Company Search	7 00
	1,029 58

Redman Nichols

TIME & CHARGEOUT SUMMARIES

Cathedral Interiors Ltd

From 23 Feb 2012 to 22 Aug 2012

HOURS							
Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	18 45	7 25	22 00	4 17	51 87	11,978 52	230 95
Investigations	5 08	0 00	0 00	0 00	5 08	1,423 36	280 00
Realisation of Assets	22 00	17 00	0 00	0 00	39 00	10,070 00	258 21
Trading	2 75	0 00	0 00	0 00	2 75	770 00	280 00
Creditors	7 28	19 33	18 83	1 75	47 20	10,618 07	224 96
Total Fees Claimed £	15,558 68	10,024 16	8,370 86	906 25		34,859 95	
Total Hours	55 57	43 58	40 83	5 92	145 90		
Average Rate	280 00	230 00	205 00	153 17			

CATEGORY 1 + 2 DISBURSEMENTS

Type & Purpose	Amount £
05/03/2012 Category 1 - Stationery Notice of administration	12 61
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09/05/2012 Category 1 - Stationery Approved proposals	12 72
15/05/2012 Category 1 - Company Search	2 00
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A creditor's guide to the fees and disbursements charged by Redman Nichols Butler

Insolvency Practitioner's Fees

Where it has been agreed by a resolution of creditors or the creditors' committee that the office holders' remuneration will be calculated by reference to the time properly given by the office holder and his staff in attending to matters arising in the administration of the insolvency estate, at the following hourly charge out rates:-

Grade	Rate (£) to 30 April 2011	Rate (£) from 1 May 2011
Partner	280	280
Senior Manager	230	250
Manager	205	230
Assistant Manager	175	205
Administrator	155	155
Support staff	90	90

These rates are our current hourly charge out rates and are exclusive of value added tax. Our charge-out rates are reviewed periodically and creditors will be advised of any alteration thereto. Time is recorded in one minute units.

Disbursements of Redman Nichols Butler

From time to time, we will incur disbursements on behalf of insolvent estates. The reimbursement of these disbursements will be a charge against the insolvent estate to which they relate. These disbursements can be split into two categories, Category 1 and Category 2.

Category 1 disbursements are disbursements which are directly referable to the insolvent estate and relate to a payment to an independent third party. We seek to recover these types of disbursement. Approval is not required to recover these disbursements and these include insolvency bonds, advertising, company searches and post redirection orders.

Category 2 disbursements are directly referable to the insolvent estate in question but the payment is not to an independent third party. They may include shared or allocated costs that can be allocated to the insolvent estate on a proper and reasonable basis, for example, business mileage. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance.

Category 2 disbursements are recharged at the following rates:

Mileage	45 pence per mile
Printing & Photocopying	10 pence per sheet
Postage	Prevailing rates
Archive boxes	£5 per box

The charges above are subject to annual increments and creditors will be advised of these in future circulars.

From time to time we instruct a firm of agents, Ulliyotts, to act for the insolvent estate. Ulliyotts are an associated business. Where Ulliyotts are instructed, their fees will either be charged by reference to time costs properly incurred, calculated in one minute units at an hourly rate of between £150 – £225, plus their disbursements, or on a percentage basis. These costs are typical of agents in this geographical area.