

The Insolvency Act 1986

Administrator's progress report

Name of Company Flex-Ability Limited

Company number 02122310

In the High Court of Justice, Newcastle upon Tyne, District Registry
--

Court case number 1469 of 2010

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

I/We (a)

Joseph P McLean
Grant Thornton UK LLP
Earl Grey House
75-85 Grey Street
Newcastle upon Tyne
NE1 6EF

Leslie Ross
Grant Thornton UK LLP
Earl Grey House
75-85 Grey Street
Newcastle Upon Tyne
NE1 6EF

Joint Administrators of the above company attach a progress report for the period

From

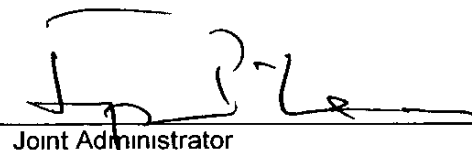
To

(b) Insert date

(b) 21 November 2010

(b) 26 April 2011

Signed



Joint Administrator

Dated

31/5/2011

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

Joseph P McLean
Grant Thornton UK LLP
Earl Grey House
75-85 Grey Street
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NE1 6EF
DX Number

Tel/Fax 0191 261 2631
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

WEDNESDAY



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04/05/2011
COMPANIES HOUSE



Grant Thornton

Our Ref JPM/CJP/SPT//F00153/PF7

To The Creditors

26 April 2011

Recovery and Reorganisation

Grant Thornton UK LLP
75 - 85 Grey Street
Newcastle upon Tyne
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Dear Sirs

Flex-ability Limited - In Administration ('the Company')
The High Court of Justice, Newcastle upon Tyne District Registry
No 1469 Of 2010

1 Introduction

- 1.1 Following the appointment of my partner, Leslie Ross and I, as Joint Administrators of the Company by the Directors on 21 May 2010, I now report on the progress of the Administration to date
- 1.2 I enclose Form 2.24B together with an account of my receipts and payments for the period from 21 November 2010 to 26 April 2011 in accordance with Rule 2.47 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 Joint Administrators are to be exercised by either or both of them

2 Statutory Information

- 2.1 The Company's statutory details are as follows

Registered Number	02122310
Registered office	Earl Grey House 75 - 85 Grey Street Newcastle-Upon-Tyne NE1 6EF
Former trading address	16A Park View Industrial Estate Prospect Way Hartlepool TS25 1UD

3 Progress Report

- 3 1 My proposals were issued to creditors in my report dated 25 June 2010 and were deemed to be approved on 7 July 2010, pursuant to Rule 2 33(5) of the Insolvency Rules 1986
- 3 2 Details of the sale of the Company's business and assets, including the assignment of the leasehold properties were included in my progress report dated 3 December 2010
- 3 3 Background to debt collection work that was undertaken in respect of book debts assigned to Barclays Sales Finance was also provided in my progress report dated 3 December 2010
- 3 4 After collection costs and the termination fee applied by Barclays Sales Finance, the surplus provided to me by Barclays Sales Finance is currently £57,451. I do not anticipate any further book debt recoveries
- 3 5 I understand from the purchaser of the business that some of its customers may have made payments to Barclays Sales Finance in error. The total of these payments is estimated at £1,000 and if that proves to be the case, it will mean that the appropriate element of the surplus funds provided to me by Barclays Sales Finance will have to be returned
- 3 6 There are a number of Employment Tribunal claims that are still in progress, with final hearings due to take place in the coming weeks. The outcome of these claims will determine the final level of preferential and unsecured claims against the Company
- 3 7 I anticipate that there will be sufficient funds to enable a dividend to be paid to preferential creditors, but this will be confirmed in due course, following the final outcome of the remaining Employment Tribunal claims
- 3 8 As previously advised, there will be insufficient funds to enable a dividend to be paid to unsecured creditors. There is no prescribed part of the assets available for unsecured creditors in this case, as the security held by the secured creditor pre-dates 15 September 2003
- 3 9 The Joint Administrators' remuneration is to be calculated by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration. The time costs charged in the period covered by this report are £21,675 (time costs to date total £113,057) and are detailed at Appendix B. No remuneration was paid in the period (remuneration paid to date totals £30,000)
- 3 10 There will be further work to be undertaken to complete the Administration and it is unlikely that there will be sufficient funds for the balance of my firm's time costs to be paid in full. The remaining funds will be used to pay remuneration and I anticipate that total remuneration will be in the region of £60,000 to £90,000

3 11 Details of the Joint Administrators' expenses incurred in the period covered by this report are also provided at Appendix B. No expenses were paid in the period (expenses paid to date total £795)

3 12 I attach at Appendix C, a copy of Rules 2.48A and 2.109 of the Insolvency Rules 1986, concerning the rights of creditors to request further information or to challenge the remuneration or expenses charged

4 Outstanding matters

4 1 The Administration will automatically terminate on 20 May 2011, unless it is extended before that date

4 2 I am awaiting the outcome of a number of Employment Tribunal claims and with final hearings due to take place after the Administration is due to automatically terminate, it is necessary to extend the Administration to allow these claims to be resolved

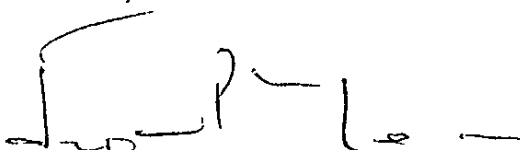
4 3 Following the outcome of the Employment Tribunal claims, I anticipate that there will be sufficient funds to enable a dividend to be paid to the preferential creditors

4 4 My proposals that were issued to creditors in my report dated 25 June 2010 included a statement that was made pursuant to Paragraph 52(1)(b) of Schedule B1 of the Insolvency Act 1986, to the effect that no funds would be available for unsecured creditors and consequently, the consent of the secured creditor and 50% by value of preferential creditors is required to extend the Administration for a period of 6 months

4 5 It is unlikely that it will be necessary to extend the Administration beyond that date. I anticipate therefore, that the Company will move to dissolution on completion of the Administration. I will write to creditors again in due course

4 6 I trust the content of this report is self-explanatory, but should you require any further information, please contact Steve Tuffin on 0191 261 2631 or by email at steve.p.tuffin@uk.gt.com

Yours faithfully
For and on behalf of
Flex-ability Limited



Joseph P. McLean
Joint Administrator

The affairs, business and property of Flex-ability Limited are being managed by Joseph P. McLean and Leslie Ross, appointed as Joint Administrators on 21 May 2010

Flex-ability Limited - In Administration

Joint Administrators' Receipts And Payments
For The Period 21 May 2010 To 26 April 2011

	Directors' Statement of Affairs £	Period From 21 November 2010 To 26 April 2011 £	Total £
RECEIPTS			
Realisation of assets			
Leasehold Property	165,000	-	165,000
Plant & Machinery	95,000	-	139,996
Investment In Subsidiary	1,000	-	-
Goodwill	-	-	4
Stock & Work In Progress	11,500	-	21,189
Cash At Bank	1,329	-	1,446
Bardays Sales Finance Surplus On Book Debts	112,633	37,953	57,451
Insurance Refund	-	135	297
Miscellaneous Refunds	-	-	307
Bank Interest	-	56	107
VAT	-	21,773	-
	386,462	59,917	385,797
PAYMENTS			
Property & Holding Costs			
Rates	-	-	747
Heat, Light & Power	-	-	59
Property Expenses	-	-	650
Wages	-	-	1,109
Insurance	-	-	769
Bank Charges	-	10	59
Administration Costs			
Agents'/Valuers' Fees & Disbursements	-	-	8,859
Joint Administrators' Fees	-	-	30,000
Joint Administrators' Expenses	-	-	795
Legal Fees & Disbursements	-	-	21,252
Distributions			
Chargeholder Bardays Bank PLC	-	-	161,767
Hire Purchase Bardays Asset Finance	-	-	53,434
		10	279,500
Balance In Hand			106,297

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

Please see the attached report to creditors

EXPLANATION OF GRANT THORNTON UK LLP CHARGING AND DISBURSEMENT RECOVERY POLICIES

Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown overleaf. 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 (ie 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 HM Revenue and Customs limits or AA recommended rates.

NARRATIVE DESCRIPTION OF WORK CARRIED OUT

The principal work conducted to date relates to the sale of the tangible assets, dealing with employee claims (including Employment Tribunal claims) and compliance with statutory matters.

CATEGORY 2 DISBURSEMENTS

No Category 2 disbursements have been paid during the period.

SUPPORTING DOCUMENTATION

The following documentation is included as required by SIP 9

- a receipts and payments account for the period from 21 November 2010 to 26 April 2011 (attached at Appendix A)
- a schedule of charge-out rates which have applied during the reporting period

Flex-ability Limited - F30200153 - SIP 9 TIME COST ANALYSIS

Job(s) Administration

Transaction period 21/11/2010 to 26/04/2011

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	Hrs	£ Avg Hrly Rate
Administration and Planning Creditors	2 00	850 00	10 75	3,923 75	2 87	570 40	13 84	2,135 80	29 46	7,479 95		253 90
Realisation of Assets			5 18	2,078 45	4 25	850 00	5 33	867 10	14 76	3,795 55		257 15
Total	2 00	850 00	15 93	6,002 20	59 12	11,820 40	19 17	3,002 90	96 22	21,675 50		225 27

Total fees billed to date (Time) £ 30,000

Expenses charged but not paid £

Brought forward

Insolvency practitioners' bond costs 528 00

In this period

Courier

13 52

541 52

GRANT THORNTON UK LLP CHARGE OUT RATES

The following hourly charge out rates apply to Grant Thornton UK LLP assignments

	Hourly rate from 1 July 2010 £	Hourly rate from 1 July 2009 £
Partner	425	410
Senior Manager	365	355
Manager	285	275
Senior 2	210	205
Senior 1	200	195
Administrator 2	170	165
Administrator 1	140	135
Treasury	150	145
Secretary / Filing clerk	130	125

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

Rule 2.48A

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

- (i) 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
 - (ii) 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

Creditors' rights to challenge the Joint Administrators' fees 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