

The Insolvency (Northern Ireland) Order 1989

Administrator's progress report

2 24B

Name of Company Ernecraft Limited	Company number NI009188
In the High Court of Justice Northern Ireland Chancery Division (Company Insolvency)	Court Number 5032 of 2009

(a) Insert full name(s) and
address(es) of administratorsIAWe (a) John J Cavanagh of Cavanagh Kelly 38 Northland Row Dungannon Tyrone
BT71 6AP

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

From

To

(b) Insert date

(a) 28th March 2010(b) 27th August 2010

Signed



Joint Administrator(s)

Dated

27/08/2010

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 searches of the public record.

Cavanagh Kelly
38 Northland Row
Dungannon
Tyrone
BT71 6AP

Tel 028 87 752990

TUESDAY



JNI JXLBNSF 49
28/09/2010
COMPANIES HOUSE

When you have completed and signed this form please send it to the Registrar of Companies at
Companies House Second Floor The Linenhall 32 38 Linenhall Street Belfast BT2 8BG



**Administrator's Progress Report Pursuant
To Rule 2 048 of the Insolvency Rules (NI) 1991**

Company	Ernecraft Limited – In Administration
Company Number	NI 009188
Appointee	John J Cavanagh 38 Northland Row Dungannon Co Tyrone BT71 6AP
Date of appointment	28 August 2009
Date of report	27 September 2010
Date of creditors meeting	No Creditors meeting held
Appointed by	Ulster Bank Limited (Qualifying Floating Charge Holder)
Court Number	5032 / 2009

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1 Introduction

I write further to my six monthly report issued on 25th March 2010 and interim progress report of 29th July in relation to the extension of the Administration period

The purpose of this report is to detail my actions and dealings together with the conduct of the administration since my last report

2 Background

The Company was incorporated on 12th December 1972 under the Companies (Northern Ireland) Order 1960

The company's registered office is C/O CavanaghKelly 38 Northland Row Dungannon Co Tyrone BT71 6AP

The company's former registered office was Brookeborough Road Lisnaskea Fermanagh BT92 0LD This was also the former trading address

The company's principal activity was boat building and marine engineering The company traded for more than 36 years

The objective of the administration is to achieve a better result for the creditors of the Company as a whole than would be likely if the company were wound up (without first being in administration)

The administrator will at some later stage arrange for the Company to exit from the administration Based on the information presently available it is likely that the Company will be dissolved once the administration is complete

The main cause of failure of the company was significant cashflow difficulties as a result of a combination of factors including

- Significant expenditure on the development and redesign of the ISIS boat Whilst I have been unable to confirm the exact level of expenditure to date on the ISIS project development the Directors have advised me that such costs were in the region of £800 000
- Current market conditions as a result of the recession

3 Asset Realisations

- 3 1** As previously stated an offer had been made for £100 000 for the ISIS project and connected assets to be paid on 31st October 2010. This offer has since been rescinded and I have now accepted an offer of £7 000 for the remaining assets.
- 3 2** As this offer had no bearing on the outcome for unsecured creditors I requested confirmation from the secured charge holder that they were willing to accept this offer. This has now been agreed.

4 Creditors Claims

4 1 Secured Creditors

Ulster Bank Ltd is the only secured creditor of the company. The amount claimed is £582 436 55.

4 2 Preferential Creditors

A preferential claim totalling £741 42 has been received from the Department of Employment and Learning in relation to redundancy payments. This will be paid in full ahead of the floating chargeholder.

4 3 Unsecured Creditors

I continue to receive claims from unsecured creditors.

5 Dividend Prospects

- 5 1** As stated in my proposals I do not believe any distribution will be available for unsecured creditors.

6 Directors Conduct Report

- 6 1** A report on the directors' conduct was filed with the Insolvency Service on 26th February 2010.

7 Cost and Expenses

- 7 1** Appendix I sets out clearly the receipts and payments of the Administration to date. They are in the main self-explanatory. Should you have any queries please do not hesitate to contact Ruairi McGarry on 028 87 721194.

- 7 2** The time costs of Cavanagh Kelly are analysed at Appendix II. To date fees of £34 000 plus outlays totalling £2 490 49 have been drawn. Expenses incurred by the Administrator in addition to the recharged outlays included security costs for the safeguarding of all stock and assets of £10 608. I currently have unbilled time of £2 874 60.

8 Outstanding Matters

In order to progress this case to closure the following matters must be addressed

- HMRC Clearance to be received
- Dividend to be paid to preferential creditor and floating chargeholder
- Dissolution of the company

If you require any further information please do not hesitate to contact Ruairi McGarry on 028 87752990

Yours faithfully



John J Cavanagh
Administrator
For and on behalf of
Ernecraft Limited

Ernecraft Limited
Administrator s Abstract of Receipts & Payments

For the period of commencement on 28 August 2009 to 27 August 2010

	£
RECEIPTS	
Plant & Machinery & Stock	68 120 00
Book Debts	4 380 05
Refunds	32 65
Bank Interest Received	0 83
Cash Balances	5 922 44
Output VAT	4 151 25
VAT Refunds	2 962 26
	<u>85 569 48</u>
PAYMENTS	
Office Holders Fees	34 000 00
Office Holders Expenses	2 490 49
Agents/Valuers Fees (1)	4 163 50
Advertising Costs	4 850 00
Rents Payable	764 66
Professional Fees	10 608 00
Bank Charges	39 87
Input VAT	7 113 60
	<u>64 030 12</u>
CASH IN HAND	<u>21 539 36</u>

TIME & CHARGEOUT SUMMARY

Client Ref 9553 Client Ernecraft Limited In Administration

HOURS							
Classification of Work Function	Partner	Manager	Other Senior People	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate £
Administration Planning	2 25	49 03	23 83	55 37	130 48	9 095 65	69 71
Investigations	4 50	6 80	13 67	18 33	43 30	2 840 11	65 59
Realisation of Assets	6 17	91 57	66 00	75 65	239 38	15 814 29	66 08
Trading							
Creditors	1 75	15 12	21 93	75 73	114 53	6 249 95	54 57
Dividend Review							
Meeting							
Specifications							
Spfc Costs							
Total Fees Claimed £	2 144 17	16 588 09	6 085 46	9 202 28		34 000 00	
Total Hours	14 67	162 51	125 43	225 08	527 70		
Average Rate	125 00	185 00	50 00	36 00	50 00		

DISBURSEMENTS

Type & Purpose

Boxe	Amount £
Travel Expenses	151 56
Company searches	566 48
Advertising	3 00
Mail Re-Drection	457 25
Storage	156 20
Bond	304 00
	852 00
	2,490 49