

The Insolvency Act 1986

Notice of move from administration to creditors' voluntary liquidation

2.34B

Name of Company

Genristo Limited

Company number

00248245

In the High Court
Birmingham District Registry

(full name of court)

Court case number
4021 of 2006

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

I Andrew Appleyard
Haines Watts
Canterbury House
85 Newhall Street
Birmingham
B3 1LH

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

having been appointed administrator of Genristo Limited
c/o Haines Watts, Canterbury House, 85 Newhall Street, Birmingham, B3 1LH

(c) Insert date of
appointment

on 13 January 2006
by the company

(d) insert name of
appointor/applicant
(e) Insert name(s)
and address(es) of
liquidator(s)

hereby give notice that:
the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply, and it is
proposed that
Andrew Appleyard
Haines Watts
5th Floor
Canterbury House
85 Newhall Street
Birmingham
B3 1LH
will be the liquidator of the company (IP No 8749) —) O

I attach a copy of the final progress report

Signed

Dated

Administrator

18 December 2006

Contact Details:

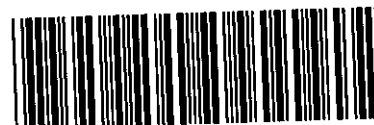
You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form.

The contact information that you give will be visible to searchers of the public record

Andrew Appleyard
Haines Watts
Canterbury House
85 Newhall Street
Birmingham
B3 1LH

DX Number

WEDNESDAY



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20/12/2006

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COMPANIES HOUSE

0121 212 4477
DX Exchange



TO ALL KNOWN CREDITORS

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Canterbury House
85 Newhall Street
Birmingham
B3 1LH

Tel +44 (0) 121 212 4477

Fax +44 (0) 121 212 4459

Email: bri.birmingham@hwca.com
Website: www.hwca.com

Our Ref: GENR01C/24

18 December 2006

Dear Sirs

Genristo Limited – In Administration
Company no: 00248245

Please find enclosed a final Administrator's report covering progress in the Administration to date.

Yours faithfully
For and on behalf of Genristo Limited

Andrew Appleyard
Administrator

Enc:

The Administrator is managing the affairs, business and property of the company. Andrew Appleyard of Haines Watts was appointed Administrator of the company on 13 January 2006. The Administrator contracts as agent of the company and without personal liability.

Andrew Appleyard is an Insolvency Practitioner Licensed by the ACCA

Credere Limited t/a Haines Watts Business Recovery & Insolvency

Registered in England & Wales - Company Registration Number 05719911

Registered Office: Sterling House, Maple Court, Maple Road, Tankersley, S75 3DP

CONTENTS

1. Statutory Information
2. Progress of the Administration
3. Assets still to be Realised
4. Administrator's Remuneration
5. Estimated Outcome for Creditors
6. Ending the Administration

APPENDICES

Receipts and Payments Account for the Period from 13 January 2006 to 18 December 2006

Appendix A

Time Analysis for the Period from 13 January 2006 to 18 December 2006

Appendix B

Additional Information in Relation to Administrator's Fees Pursuant to Statement of Insolvency Practice 9

Appendix C

Progress of the Administration

- 1.1 Attached at Appendix A is my Receipts and Payments Account for the period from 13 January 2006 to 18 December 2006.
- 1.2 As previously advised, immediately prior to the appointment of the Administrator a review was undertaken of the Company's activities with specific regard to the order book and planned Administration trading.
- 1.3 On my appointment as Administrator, Agents were instructed to evaluate the company's asset base and report accordingly. We then continued to market the assets and goodwill of the company with a view to a sale on a going concern basis, whilst the company continued to trade under the supervision of the Administrator and his staff to realise substantial work in progress, which would have had no value if it were not completed.
- 1.4 Regrettably, we were unable to procure a sale of the business on a going concern basis, despite extensive efforts, and believe that the costs of supervision and negotiation were substantially increased by a third party who had no real intent to acquire the business. A buyer was ultimately found for the sale of plant, equipment and stock of the company for the sum of £15,000, plus VAT. As a result, on 17 May 2006 the company ceased trading and the sale was concluded to a previously unconnected party.
- 1.5 The Administration strategy was then to progress matters arising from the debtor ledger and ensure that all book debts were collected. This has involved ongoing management of the debtor ledger and pursuit/ legal recovery where necessary, to conclude this issue in an orderly manner. The recovery exercise has now been completed and has largely been successful, as shown in the enclosed Receipts and Payments Account.

Matters to be resolved

- 1.6 The issue concerning a rent deposit in respect of the company's former trading premises is still to be resolved, but which may be beneficial in terms of an outcome of further monies to the Administration.
- 1.7 Arrangements concerning the company pension scheme are under review with both our Agents and the Pensions Regulator involved, as well as the scheme provider. It is likely that this matter will not be concluded for several months.
- 1.8 Creditors should be advised that the appointment of an Administrator ceases to have effect at the end of a period of one year from the date of Administration. Therefore, I enclose *Notice of a move to creditors' voluntary liquidation in accordance with Paragraph 83 of Schedule B1 of The Insolvency Act 1986*.

Administrator's Remuneration

- 1.9 Creditors approved the Administrator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the Administration.
- 1.10 The Administrator's time costs at 18 December 2006 are £43,930.50. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period. To date the sum of £42,256.50 has been drawn on account.
- 1.11 Attached as Appendix C is additional information in relation to our current charge-out rates by staff grade.

Estimated Outcome for Creditors

- 1.12 Subject to the outcome of matters referred to at paragraph 1.6, above, there may be sufficient funds to enable a nominal dividend to be paid to the unsecured creditors of the Company.

Ending the Administration

- 1.12 As advised above, it has become impractical for the Administrator's activities to be completed within the period of twelve months from the Administrator's appointment and it has therefore been necessary to place the Company into Creditor's Voluntary Liquidation.

For and on behalf of
Genristo Limited



Andrew Appleyard
Administrator
Enc

Genristo Limited
(In Administration)

Income and Expenditure Account
To 18 December 2006

INCOME	Fixed Charge £	Floating Charge £	Total £
Sales		122,297.40	122,297.40
Sale of Tooling		1,500.00	1,500.00
Plant & Machinery		15,000.00	15,000.00
Surplus from HSBC Invoice Finance		5,046.77	5,046.77
Book Debts		18,477.26	18,477.26
VAT Refund		527.86	527.86
Cash received to fund trading		5,000.00	5,000.00
Bank Interest Gross		637.88	637.88
	0.00	168,487.17	168,487.17

EXPENDITURE

Purchases (I)		25,642.83	25,642.83
Direct Labour		73,561.12	73,561.12
Rents		2,175.79	2,175.79
Rates		4,877.97	4,877.97
Heat & Light		1,405.97	1,405.97
Professional Fees		4,033.75	4,033.75
Bank Charges		53.00	53.00
Early Settlement Discount		356.79	356.79
Specific Bond		40.00	40.00
Office Holder's Fees		42,256.50	42,256.50
Storage		40.15	40.15
Agents/Valuers Fees		585.00	585.00
Legal Fees		8,165.40	8,165.40
Stationery & Postage		135.61	135.61
Travel		121.68	121.68
Re-Direction of Mail		22.40	22.40
Statutory Advertising		250.13	250.13
Bank Charges		10.43	10.43
	0.00	163,734.52	163,734.52
Balance	0.00	4,752.65	4,752.65

MADE UP AS FOLLOWS

Trade Debtors	1,654.49
Input VAT	457.19
Bank 1 - Current	4,500.55
Pension Conts Deducted from Pay	(1,859.58)
	4,752.65

Genristo Limited Post Appointment Time Cost Analysis as at 18/12/2006

Work Function	Partner		Associate / Manager 11		Administrator 22		Support Staff 28		Total Hours	Total Time Cost	Average Hourly Rate
	Hours	Time Costs	Hours	Time Costs	Hours	Time Costs	Hours	Time Costs			
Administration and Planning	0.00	0.00	28.50	5,625.00	2.00	180.00	6.25	539.00	36.75	6,344.00	172.63
Case Management and Trading	39.00	9,945.00	99.75	19,950.00	0.00	0.00	0.00	0.00	138.75	29,895.00	215.46
Cashiering	0.00	0.00	0.00	0.00	0.00	0.00	17.50	1,441.50	17.50	1,441.50	0.00
Investigations	0.00	0.00	2.50	500.00	0.00	0.00	0.00	0.00	2.50	500.00	200.00
Statutory Compliance	0.00	0.00	6.00	1,200.00	0.00	0.00	0.00	0.00	6.00	1,200.00	200.00
Realisation of Assets	0.00	0.00	11.25	2,250.00	0.00	0.00	0.00	0.00	11.25	2,250.00	200.00
Secured Creditor	0.00	0.00	1.00	200.00	0.00	0.00	0.00	0.00	1.00	200.00	200.00
Creditors	0.00	0.00	10.50	2,100.00	0.00	0.00	0.00	0.00	10.50	2,100.00	200.00
Total	39.00	9,945.00	159.50	31,825.00	2.00	180.00	23.75	1,980.50	224.25	43,930.50	195.89

A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

ENGLAND AND WALES

1 Introduction

- 1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees and explains the basis on which fees are fixed.

2 The nature of administration

- 2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court in order to achieve one or more of the following statutory purposes:

- the survival of the company and its business in whole or in part;
- the approval of a company voluntary arrangement;
- the sanctioning of a scheme under section 425 of the Companies Act 1985;
- a better realisation of assets than would be possible in a liquidation.

Administration may be followed by a company voluntary arrangement or liquidation.

3 The creditors' committee

- 3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is established at the meeting of creditors which the administrator is required to hold within 3 months of the administration order to consider his proposals. The administrator must call the first meeting of the committee within 3 months of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide such information as it may require.

4 Fixing the administrator's fees

- 4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.47 of the Insolvency Rules 1986, which states that it shall be fixed either:

- as a percentage of the value of the property which the administrator has to deal with, or
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration.

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is fixed as a percentage fix the percentage to be applied. Rule 2.47 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the property which the administrator has to deal with.

- 4.2 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator.

5 What information should be provided by the administrator?

5.1 When seeking fee approval

5.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- the nature of the approval being sought;
- the stage during the administration of the case at which it is being sought; and
- the size and complexity of the case.

5.1.2 Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

5.1.3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes in strategy.
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees.

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

5.1.4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff.

5.2 After fee approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 5.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

Details of the charge out rates of staff employed by Haines Watts are as follows:

STAFF GRADE	CHARGE OUT RATE £ PER HOUR
Partner	220 - 295
Associate	200 - 250
Manager	172 - 230
Administrator	120 - 170
Junior Administrator	60 - 95
Cashiering	90

5.3 Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

6 What if a creditor is dissatisfied?

- 6.1 If a creditor believes that the administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not as an expense of the administration.

7 What if the administrator is dissatisfied?

- 7.1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

8 Other matters relating to fees

- 8.1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.
- 8.2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

HAINES WATTS BRI DISBURSEMENTS RECOVERY POLICY

Category 1 disbursements

Bordereau/ insurance	Charged at cost
Case advertising	As per advertisers/ agents invoice
Courier	Charged at cost
DTI IVA registration fee (in relevant cases)	Charged at cost
Land Registry/ Searches Postage	As per Land Registry, agents or Companies House invoice Based on current postal charges. All outgoing post to be logged and recorded by case
Post re-direction	Charged at cost
Storage	Pro-rata per number of boxes per storage charge invoice. An external records storage provider provides this facility to the firm. Charges are currently £2.90 for each box and £3 per box per annum storage
Subsistence	Charged at cost
Telephone	No charge

Category 2 disbursements

Photocopying	15p per copy – irrespective of size
Fax	£1 per page sent
Room hire	£140 for room hire made available in-house for creditors' meetings, based on the external market rate for the provision of appropriate meeting room hire Charge is only be made when attendance of debtor/ director and/or creditors is likely and a meeting room has been set aside. Where appropriate, external room hire at cost
Travel	Charged at cost for public transport and taxis Car travel charged at 39p per mile for staff and 50p per mile for Partners
Stationery	Initial case set-up fee of: £20 per corporate case; £15 per personal case Annual case/ file maintenance charges of £10 These charges are based on the average costs involved in the purchase of files and associated stationery

Additional Notes

Fax charges: based on the average costs involved in the use of fax machine consumables (toner cartridges, maintenance etc), and line costs

Photocopies: based on average costs of machine consumables, paper etc

Room hire: based on estimates provided by four local external providers for meeting room facilities, the average rate arrived at is less than the amount charged by these providers