

The Insolvency Act 1986

**Administrator's progress report**

Name of Company

ADB (International) Ltd

Company number

2763764

In the  
High Court Of Justice Birmingham

(full name of court)

Court case number  
8508 of 2011(a) Insert full  
name(s) and  
address(es) of  
administrator(s)I (a)  
Kevin J Hellard  
Grant Thornton UK LLP  
30 Finsbury Square  
London  
EC2P 2YU

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

(b) Insert date

From

(b) 2 August 2013

To

(b) 1 February 2014

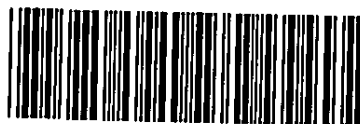
Signed

Administrator

Dated

18/2/14

FRIDAY



A26

\*A326PZBN\*

21/02/2014

#131

COMPANIES HOUSE

Our Ref KJH/TPB/KZE/CES/A00854/  
Your Ref

To the creditors

18 February 2014

Dear Sirs

Recovery and Reorganisation

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**ADB (International) Ltd - In Administration**  
**High Court Of Justice Birmingham**  
**No 8508 of 2011**

**1 Introduction**

I was appointed as joint administrator of the above Company together with Mr Stephen Hunt of Griffins, by an Order of the High Court of Justice on 8 March 2013, in place of Mr Costas Morfakis of Axiom Recovery LLP. Mr Morfakis was originally appointed as administrator by the directors of the Company on 23 December 2011, pursuant to paragraph 22 of Schedule B1 of the Insolvency Act 1986. Mr Morfakis was removed as liquidator by Order of the High Court of Justice on 8 March 2013. Stephen Hunt resigned as joint administrator on 27 November 2013.

1.1 I am now in a position to present a progress report with respect to this matter and attach

- Form 2.24B, together with an account of the administrator's receipts and payments from 2 August 2013 to 1 February 2014, and receipts and payment account from 27 October 2011 to 8 March 2013, which relates to the previous officeholders' tenure, in accordance with Rule 2.47 of the Insolvency Rules 1986,
- a statement of the remuneration charged by the joint administrators in the period and a statement of expenses incurred in the period,
- an analysis of the joint liquidators' time costs to date as required by Statement of Insolvency Practice 9,
- an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator (Rule 2.48A),
- an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses, if excessive (Rule 2.109)

1.2 Please note the receipts and payments account contains figures obtained from Mr Morfakis computerised records which have been summarised but not been verified by the administrator.

## 2 Statutory Information

2.1 The Company's statutory details are as follows

registered number	02763764
registered office	c/o Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU
former registered office	c/o Axiom Recovery LLP, Suite 2 – 1 <sup>st</sup> Floor, Turnpike Gate House, Birmingham Road, Alcester B49 5JG
former trading address	Worle Quarry, Lower Kewtoke Road, Weston Super Mare BS22 9LF

## 3 Progress of the Administration

- 3.1 According to the proposals report prepared by Mr Morfakis the principal objective of the administration was to sell the Company's business and assets and in so doing achieve a better result for the creditors as a whole
- 3.2 Administrations ordinarily last for a period of one year, and consequently the administration was due to come to an end on 23 December 2013. However at a hearing on 9 October 2012, the court extended the period of the administration to 26 October 2013.
- 3.3 Following my application to court to extend the administration, a 2 year extension was granted to 26 October 2015

### Assets realisations

- 3.4 According to the directors estimated statement of truth the Company had assets comprising of the following

Assets	Estimated to Realise £
Goodwill	99,999
IP	1
Equipment	50,000
Motor vehicles	10,000
Contracts and WIP	44,558
Book debts	93,268
<b>Total</b>	<b>297,826</b>

### **Sale of business and assets**

- 3 5 As previously advised, the Company's business and assets were sold to an associated company, ADB Bristol Limited, on 21 December 2011 for £297,826 on the advice provided by MGR Appraisals ("MGR") The sale consideration was to be paid by way of £10,000 on completion, followed by 10 equal monthly instalments of £11,783 and a final payment of £170,000
- 3 6 The supplement letter supporting the sale agreement stated that the purchase price was to be changed to £270,000
- 3 7 The Company's pension schemes' debt of £170,000, mentioned below, was to be used to set off part of the consideration due
- 3 8 As mentioned in my previous progress report the previous administrator received £19,500 on account
- 3 9 Following my review of the previous officeholder's file an email was found from an agent acting on behalf of the previous administrator which explained that the sale of the Company's business and assets was agreed for £250,000. On this basis I have agreed with ADB (Bristol) Limited that the sale purchase price is £250,000 The difference in the sale purchase price has been included in the bond claim, mentioned below
- 3 10 As previously advised, I have instructed my solicitor to advise me on the validity of the debenture Until the advice is received, I reserve my position in respect of the amount due to the pension scheme under their fixed and floating charge
- 3 11 The current liquidator is seeking recovery of the outstanding balance save that the exact position is to be established The sum of £7,200 has been received in the period of this report

### **Investigations and bond claim**

- 3 12 I am currently investigating the manner in which the Company traded pre-administration and the conduct of the previous officeholder
- 3 13 Insolvency practitioners are obliged to obtain two distinct policies when taking insolvency appointments, a bond of specific penalty for each appointment up to the value of the assets within the estate, and a general bond, limited to set amount, which covers all his appointments To date there have been no findings of fraud or dishonesty
- 3 14 A claim has been submitted against the previous administrators' surety insurance in relation to sale of assets at an undervalue and fees drawn without authority

### **Secured creditors**

#### **HSBC Bank plc**

- 3 15 A fixed and floating charge was registered against the Company by HSBC Bank plc on 22 November 1995. However, a statement of satisfaction, signed by the director Mr Adams, was submitted at Companies House which suggests that the charge was satisfied in full. Following communications with HSBC Bank plc in December 2013, it was confirmed that the statement of satisfaction was lodged without their consent.
- 3 16 I am currently seeking my solicitors advice in regards to this matter.

#### **The Trustees of AM Directors Pension Scheme**

- 3 17 A fixed and floating charge has been registered against the Company by The Trustees of AM Directors Pension Scheme on 15 June 2010 for £170,000.
- 3 18 The amount due was to be used as set off against part of the sale consideration as explained above. I am currently making enquiries into the validity of the debenture.

### **Preferential creditors**

- 3 19 The previous administrators proposals shows preferential creditors of £412. A preferential claim in the sum of £143 has been received from the Redundancy Payments Office.

### **Prescribed part and non-preferential creditors**

- 3 20 As the second floating charge debenture is registered after the 15 September 2003, should funds allow, a prescribed part payment for the benefit of unsecured creditors would be made from the net floating charge realisations that are available to the debenture holder.
- 3 21 I have received claims from non-preferential creditors totalling £616,355.
- 3 22 At this stage it would appear unlikely that there will be a distribution to non-preferential creditors however the outcome of the bond claim may alter this view.

### **Administration fees**

- 3 23 Office holders are obliged to provide creditors with information pertaining to fees and expenses drawn from the estate over which they are appointed.
- 3 24 I attach Mr Morfakis' detailed time records to 26 October 2012 in accordance with Statement of Insolvency Practice 9, which shows time costs of £50,531. Mr Morfakis drew remuneration totalling £23,250 in the period.

- 3 25 In accordance with Statement of Insolvency Practice (SIP 9), I attach a summary of my time costs to date, by grade of staff and type of work This shows a total time cost to date of

£ 19,134 represented by 69 42 hours at an average charge out rate of £276 per hour I have not drawn any remuneration on account

- 3 26 The day to day conduct of the administration is under control of partners and staff of Grant Thornton UK LLP The routine administration of the case will be at a level of administrator, who is responsible to a manager who is experienced in insolvency matters and, together with the appointed partner who is licensed to act as an insolvency practitioner will deal with technical or complex matters as they arise The extent to which time will be incurred by managers and partners will depend on issues which arise as our investigations continue Details of the hourly rates are made available to creditors or creditor' committees at the time of fixing the basis of our fees Personnel carrying the Treasury, secretarial and filing functions are charged separately to the professional staff on the case based on the time they work on it
- 3 27 My charge out rates and those of my staff are shown below, together with those of Griffins

**Grant Thornton UK LLP**      **From 1/7/12**    **From 1/7/2013**

<b>Grade</b>	<b>£ p/h</b>	<b>£ p/h</b>
Partner	465-580	480-600
Director	440-480	455-500
Managers	270-440	280-455
Other Senior Professionals	220-285	230-295
Administrators	150-210	155-220
Support Staff	140-165	145-170

<b>Griffins</b>	<b>£ per hour</b>
Partner	495-545
Manager	300-395
Senior Investigator	325-380
Administrator/Investigator	200-300
Junior Administrator/Investigators	145-190
Support Staff	70-180

- 3 28 Griffins have not incurred any time costs in the period of this report , and no remuneration has been paid to the former joint liquidator
- 3 29 Background information regarding Administrators' fees can be found at [http //www insolvency-practitioners org uk](http://www.insolvency-practitioners.org.uk) (navigate via 'Technical' to 'Creditors Guides to Fees') Alternatively, I can supply this information by post on request

### **Expense of the administration**

- 3 30 To date, I have incurred disbursements totalling £35 No disbursements have been paid to the previous joint administrator
- 3 31 Barker Gotelee Solicitors were instructed to prepare an application to extend the administration and to advise on the validity of the debenture The costs incurred in the period totals £7,926

### **Exit Strategy**

- 3 32 As mentioned above the administration is due to come to an end on 26 October 2015
- 3 33 It is my intention that once the above matters have been resolved and the administrator's duties have been completed that the Company will proceed to Compulsory Liquidation or proceed to dissolution should all matters have been resolved
- 3 34 If you have any questions regarding the content of this report please contact Kim Edwards on 0161 953 6490 or email [kim.edwards@uk.gt.com](mailto:kim.edwards@uk.gt.com)

Yours faithfully  
for and on behalf of ADB (International) Limited



PP Kevin J Hellard  
Administrator

The affairs, business and property of ADB (International) Ltd is being managed by Kevin J Hellard, appointed as joint administrators on 8 March 2013

Enc

# A Abstract of the administrators' receipts and payments

ADB (International) Limited				
in administration				
Administrators' receipts and payments account				
Receipts	Statement of Affairs	From 8/3/2013	From 2/8/2013	
	Estimated to Realise	to 1/8/2013	to 1/2/2014	Total
		(£)	(£)	(£)
Goodwill	99,999			
IP	1			-
Equipment	50,000			-
Motor vehicles	10,000			-
Contracts and WIP	44,558			-
Book debts	93,268			-
Sale consideration		-	7,200	7,200
VAT refund		880		880
Unexplained receipts		158		158
Total receipts on last R & P		35,839		35,839
	297,826	36,877	7,200	44,077
<b>Payments</b>				
Total payments on last R & P		35,820	-	35,820
		35,820	-	35,820
Balance				8,257
				44,077



## B Remuneration charged and expenses incurred by the administrators in the period

	Charged/incurred in period 2 August 2014 to 1 February 2014	Cumulative charged/incurred to 1 August 2013	Of which paid to 1 February 2014
	£	£	£
<b>Office holders fees</b>			
Grant Thornton UK LLP administrators' fees	19,134	19,703	NIL
Grant Thornton UK LLP Administrators expenses	5	30	NIL
Griffins fees	NIL	117	NIL
<b>Legal fees</b>			
Barker Gotelee Solicitors fees	7,926	113	NIL
Barker Gotelee Solicitors disbursements	51	NIL	NIL

## C SIP 9 information

### ADB (International) Ltd - In Administration - A30200854 - SIP 9 TIME COST ANALYSIS

Job(s) ADM

Transaction period 08/03/2013 to 01/08/2013

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
Administration and Planning Creditors	10	750	75.00	133	60340	521.35	4.35	1566.50	360.11	12.23	2637.40	232.00	8.27	1285.95	155.50
Hiatus period															
Investigations							20.5	6889.00	342.38	19.30	4478.00	232.07	2.70	1805.00	650.00
Realisation of Assets				05	2900	580.00							05	2900	580.00
Trading															
<b>Total</b>	<b>10</b>	<b>750</b>	<b>75.00</b>	<b>138</b>	<b>72240</b>	<b>523.48</b>	<b>24.50</b>	<b>8485.50</b>	<b>345.53</b>	<b>31.53</b>	<b>7315.40</b>	<b>232.05</b>	<b>20.97</b>	<b>3190.95</b>	<b>152.17</b>

### ADB (International) Ltd - In Administration - A30200854 - SIP 9 TIME COST ANALYSIS

Job(s) ADM

Transaction period 02/08/2013 to 01/02/2014

[Export version - standard](#)[Export version - detail](#)[Detailed Version](#)

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
Administration and Planning Creditors	50	3750	75.00	358	198000	550.56	13.40	4324.00	322.58	28.32	6078.40	230.84	2.84	47180	178.71
Hiatus period							150	480.00	320.00	60	158.00	230.00			
Investigations							5.60	2018.00	347.93	11.80	2849.00	241.44			
Realisation of Assets							20	64.00	320.00	3.10	718.00	230.00			
Trading															
<b>Total</b>	<b>50</b>	<b>3750</b>	<b>75.00</b>	<b>358</b>	<b>198000</b>	<b>550.56</b>	<b>20.90</b>	<b>8688.00</b>	<b>328.47</b>	<b>41.82</b>	<b>8778.40</b>	<b>233.82</b>	<b>2.84</b>	<b>47180</b>	<b>178.71</b>

### Narrative description of work carried out

Activity	Examples of work
Administration and planning	Case reviews and progress reports, administrative set up, dealing with practitioners' bank account Storage, filing, bonding, tax and VAT issues Correspondence with solicitors Dealing with company tax position Treasury statutory work
Investigations	Reviewing previous officeholders records Sending enquiry letters to various parties to establish company's trading position Drafting bond claim
Realisation of assets	Dealing with bank transfers, treasury duties
Creditors	Correspondence with creditors

## D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator

### Rule 2 48A

- (1) 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
    - (ii) 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
    - (iii) 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

## E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses 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

# Time Entry - SIP9 Time & Cost Summary

ADBIN01 - ADB (International) Limited  
Project Code POST  
From 08/03/2013 To 01/08/2013

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.33	0.00	0.33	116.67	350.01
Legal & Litigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisations of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>0.00</b>	<b>0.00</b>	<b>0.33</b>	<b>0.00</b>	<b>0.33</b>	<b>116.67</b>	<b>350.01</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

# Time Entry - SIP9 Time & Cost Summary

ADBIN01 - ADB (International) Limited  
Project Code - POST  
From 02/08/2013 To 27/11/2013

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Legal & Litigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisations of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

**PROOF OF DEBT****ADB (International) Ltd - In Administration****In The 8508 Of 2011****Date of Administration: 27 October 2011**

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into administration [see above]	
4	Details of any documents by reference to which the debt can be substantiated [Note the Administrator may call for any document or evidence to substantiate the claim at his discretion]	
5	If total amount above includes outstanding uncapitalised interest please state the amount	
6	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under Section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category  Amount(s) claimed as preferential £
7	Particulars of how and when debt incurred	
8	Particulars of any security held, the value of the security and the date it was given	
9	Particulars of any reservation of title claimed, including details of goods supplied, their value and when supplied	
10	Signature of creditor or person authorised to act on his behalf  Name in BLOCK LETTERS  Position with or relation to creditor	     

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Admitted to vote for

£

Date

Administrator

---

Admitted preferentially for

£

Date

Administrator

---

Admitted non-preferentially for

£

Date

Administrator

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