

**2.24B**

The Insolvency Act 1986

**Administrator's progress report**

Name of Company
Mitek Corporate Facilities Limited

Company number
02801841

In the High Court of Justice (full name of court)
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Court case number
3280 of 2008

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

I/We (a)  
Jeffrey Mark Brenner  
B & C Associates  
Trafalgar House  
Grenville Place  
Mill Hill  
London NW7 3SA

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

(b) Insert date

From
(b) 3 June 2008

To
(b) 2 December 2008

Signed

Joint / Administrator(s)

Dated

22.12.08

**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

Jeffrey Mark Brenner  
B & C Associates  
Trafalgar House  
Grenville Place  
Mill Hill  
London NW7 3SA

DX Number

020 8906 7730  
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**



IN THE HIGH COURT OF JUSTICE

NO: 3280 OF 2008

**MITEK CORPORATE FACILITIES LIMITED - IN ADMINISTRATION**

**ADMINISTRATOR'S REPORT ON THE  
PROGRESS OF THE ADMINISTRATION FOR THE  
PERIOD FROM 3 JUNE 2008 TO 22 DECEMBER 2008**

Following my appointment as Administrator of the Company I hereby now report on the progress of the Administration in accordance with Rule 2.47 of The Insolvency Act 1986 (as amended). I attach Form 2.24B together with an account of the receipts and payments for the period 3 June 2008 to 22 December 2008.

**1. Details of Appointment of Administrator**

I, Jeffrey Brenner, of B & C Associates, Trafalgar House, Grenville Place, Mill Hill, London NW7 3SA was appointed Administrator on 3 June 2008 on the application of Wincham Investments Limited, one of the Company's creditors, to court. The Company's registered office was previously 3 Rosevale Business Park, Rosevale Road, Newcastle-Under-Lyme, Staffordshire ST5 5UB but has now been changed to our offices at Trafalgar House, Grenville Place, Mill Hill, London NW7 3SA.

The proceedings were brought in the High Court of Justice number 3280 OF 2008.

The Company number is 02801841. Full details of the Company's statutory information were set out in our statement of proposals dated 25 July 2008 and there have been no changes in office-holders since the date of our appointment.

At the date of this report, we should advise you that there have been no extensions to the initial period of our appointment.

The EC Regulations apply and these proceedings are the main proceedings as defined in Article 3 of the EC Regulations.

## MITEK CORPORATE FACILITIES LIMITED - IN ADMINISTRATION

### 2. Purpose of the Administration

My statement of proposals was considered by the creditors at a meeting held on 12 August 2008 and approved without modifications.

The purpose of the Administration is to rescue the Company as a going concern or if that is not possible to achieve a better result for the Company's creditors than would be likely if the Company were to be wound up or if that is not possible then the realisation of property in order to make a distribution to one or more secured or preferential creditors.

In this instance the Company had ceased to trade some time prior to the application for an Administration order and therefore there was no basis for it to be rescued as a going concern. The realisations were deemed to be higher than would be available in a liquidation as a tenancy in respect of Unit 3, Rosevale Business Park, Newcastle-under-Lyme ("the Property") would be available in Administration but not in liquidation. It turned out that such a tenancy was not necessary as a formal offer for the purchase of the Property was immediately forthcoming on my appointment.

Despite a request to the Company's current director, I have not yet received a statement of affairs. A Statement of Affairs was compiled using the Company records and was included in our proposals. I enclose a further copy and I have used this as the basis for comparisons in this report.

The expected future realisations are dealt with in more detail below.

### 3. Administrator's action to date to achieve the purpose of the Administration

At the date of my appointment, it emerged that there was an existing offer of £965,000 from Quorum Estates ("Quorum") for the Company's sole asset i.e. its interest in the freehold property at Unit 3, Rosevale Business Park. In order to gain a true valuation of the Property, Philip Davies & Sons were instructed to obtain valuations from two chartered surveyors. These indicated the value of the Property at £925K and £950K respectively.

On 6 June 2008, I received a revised offer of £905K from Quorum Estates on the basis of certain problems with the Property which were not in dispute. On the basis of advice received from Philip Davies & Sons and the state of the commercial property market and in conjunction with discussions with HM Revenue & Customs, the offer was accepted by the Administrator. Subsequently, my solicitor liaised with HM Revenue and Customs ("HMRC") who had previously obtained a restraining order over the Company's assets and National Westminster Bank plc ("the Bank"), the holder of a fixed charge over the Property in order to obtain consent for the sale to go ahead.

## **MITEK CORPORATE FACILITIES LIMITED - IN ADMINISTRATION**

After it was indicated that there was likely to be a delay in receiving consent from HMRC and the Bank, the Administrator and Quorum elected to enter into a binding agreement to sell the Property on the condition that consent to the sale was obtained.

However on 9 July 2008, Quorum made a second revised offer of £850K on the basis that it had been discovered that the Company had previously utilised its empty buildings business rates relief and that full business rates of £55,000 per annum would be payable. Once again the views of my agent, Philip Davies & Sons were sought as well as the views of the surveyors who carried out the initial valuations. In all cases it was again recommended that the revised offer be accepted as the commercial property market was in the midst of a severe depression. On 15 July 2008, the revised offer was verbally accepted and on 24 July 2008, contracts were exchanged with completion conditional on consent being granted by HMRC and the Bank.

On 25 August 2008, a Variation Order was made by the Court with the consent of HMRC to allow the sale to complete and for both my agent's costs (£6,964.82 inc VAT) and my solicitor's initial costs (£4,700 inc VAT) to be paid out of the Sale Proceeds leaving a net sum of £841,122.72 which is currently held in my solicitor's client account. The sale of the Property was subsequently completed on 1 October 2008 for the agreed sum of £850K with an additional £2,787 interest paid by the purchaser in order to delay the completion date until their next accounting period.

My solicitors have recently met with HMRC with a view to obtaining a variation or a release of the restraining order. The result of the meeting was that although HMRC declined to consent to a release of the order they have agreed to consider a variation of the order whereby the costs of the Administration would be paid together with any agreed creditors' claims (provided there were sufficient sums to meet those claims) and that the remainder of the funds be held subject to the completion of the investigation by HMRC upon which the restraining order is based.

In addition to the Property, I have been informed by the Company's bankers, National Westminster Bank plc, that there is a credit balance on the Company's account of £82,099 which is also subject to the Restraining Order in favour of HMRC.

There have been no receipts and payments in the Administration estate and therefore I have not included my receipts and payments account.

## MITEK CORPORATE FACILITIES LIMITED - IN ADMINISTRATION

### 4. Creditors

I have to date received 6 unsecured creditors' claims totalling £1,240,532, as follows:

Name of Creditor	Claim (£)
Borough of Newcastle-under-Lyme	10,816
HM Revenue and Customs - VAT	6,469
HM Revenue and Customs - Tax	32,046
Nadeem Khan	771,000
Veritatis Consultancy Ltd	196,951
Wincham Investments Ltd	223,250

I will shortly begin the process of investigating and agreeing the above claims so that in the event that the restraining order is varied to allow the payment of the Company's creditors, I will be in a position to do so.

Creditors who have not yet submitted details of their claims to me are requested to do so as soon as possible. I attach a proof of debt form for your use.

### 5. Administrator's Fees

It was resolved at the creditors' meeting held on 12 August 2008 that the Administrator's remuneration is to be based on time costs incurred by myself and my staff in attending to matters arising in the Administration, plus all disbursements, including SIP9 Category 2 Disbursements.

In accordance with the Statements of Insolvency Practice 9 (SIP9) I attach a summary of our time costs to date by grade of staff and type of work. This shows total time costs of £17,829 representing 68.00 hours at an average charge out rate of £262.19 per hour. As stated above, I hope to be able draw my remuneration once the restraining order is lifted or varied to allow me to do so.

### 6. Other matters

In respect of my other duties as Joint Administrators I can confirm that I have complied with my obligations to submit reports to The Department of Trade and Industry on the conduct of the Directors.

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### 7. Termination of The Administration

In accordance with the provisions of The Insolvency Act 1986 (as amended), any Administration should be completed within a period of 12 months (unless leave to extend is obtained from the Court or creditors). At present no extension application has been made. Alternatively, the Administration may be converted into a Creditors Voluntary Liquidation by filing a notice with The Registrar of Companies.

Notwithstanding the above, if during the course of my investigation into the affairs of the company, matters are uncovered which require action to be taken by a liquidator, I shall file a notice with the Registrar of Companies requesting the company to be placed into Creditors Voluntary Liquidation. However, to date no such circumstances have become apparent.

An Administrator has no powers to make a distribution to pay a Company's unsecured creditors. As there is clearly surplus monies (subject to HMRC's restraining order) to make such a distribution, I would expect the Company to be placed into Creditors' Voluntary Liquidation in which the appointed liquidator has the power to make such a distribution. Alternatively, it may be more economic to ask the Court to grant the Administrator power to make a distribution to the unsecured creditors in the event that this is the only outstanding matter. I will seek advice from my solicitors in this matter as to the best method of exiting the Administration as and when the matter regarding the Restraining Order in favour of HMRC is resolved.

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### 8. Summary of outstanding matters

As discussed above, I am awaiting a decision by HMRC as to whether they are willing for the restraining order to be varied to allow for payment of the administration expenses and a distribution to the Company's creditors. I hope to receive a decision on this matter in the new year.

An estimated outcome statement is attached. It is envisaged that after payment of the costs and expenses of the administration, the unsecured creditors will be paid in full and the unsecured creditors will receive a dividend of approximately 68p in the £. However this is based on claims received. Please note that more creditors' claims may be received and existing claims may be agreed for higher or lower sums than shown in the estimated outcome statement.

As Administrator I shall continue to manage the affairs of the company.

Dated this 22 December 2008

A handwritten signature in black ink, appearing to read 'J M Brenner', followed by a horizontal line.

**J M BRENNER**  
**ADMINISTRATOR**

Enc.

**MITEK CORPORATE FACILITIES LIMITED**  
**ESTIMATED OUTCOME**  
**AS AT 22 DECEMBER 2008**

	Notes	SoA £	Realised to Date	To be Realised	TOTAL
<b>ASSETS</b>					
Property: Unit 3, Rosevale Industrial Estate		850,000.00	-	852,787.54	852,787.54
Cash at Bank		82,099.00	-	82,099.00	82,099.00
				<u>934,886.54</u>	<u>934,886.54</u>
			<b>Per R&amp;P</b>	<b>Estimated for Future</b>	<b>TOTAL</b>
<b>ESTIMATED COSTS OF ADMINISTRATION</b>					
Specific bond			-	(200.00)	(200.00)
Administrators' Fees and Expenses			-	(45,000.00)	(45,000.00)
Administrators' Pre-Administration time costs			-	(4,347.50)	(4,347.50)
Agents Fees			-	(8,000.00)	(8,000.00)
Legal Fees			-	(30,000.00)	(30,000.00)
Statutory Advertising			-	(117.10)	(117.10)
			-	<u>(87,664.60)</u>	<u>(87,664.60)</u>
			<u>0.00</u>		<u>847,221.94</u>
<b>PREFERENTIAL CREDITORS</b>					
AVAILABLE FOR DISTRIBUTION TO FLOATING CHARGE HOLDER			<u>0.00</u>		<u>847,221.94</u>
<b>FLOATING CHARGEHOLDER HOLDER</b>					
			-		-
<b>SURPLUS FOR DISTRIBUTION TO UNSECURED CREDITORS</b>					
			<u>0.00</u>		<u>847,221.94</u>
<b>UNSECURED CREDITORS</b>					
Trade Creditors		(431,017.03)			
HM Revenue & Customs - Tax		(38,515.37)			
Mr Nadeem Khan	1	<u>(771,000.00)</u>			
	2		(1,240,532.40)		<u>(1,240,532.40)</u>
<b>ESTIMATED DIVIDEND TO UNSECURED CREDITORS (p in the pound)</b>					<b>68.30</b>

**Note**

1 This claim is in respect of a repayment of the Company's bank loan. It has yet to be verified.

2 Creditors should note that the ability of creditors to receive a distribution may be affected should HM Customs and Revenue ("HMRC") seek to make a claim on the Company in respect of their restraint order. I have been informed that HMRC's investigations are still ongoing.



**SIP 9 - Time & Cost Summary**

Period: 03/06/08..19/12/08

## Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	12.50	23.60	9.30	0.00	45.40	11,881.00	261.70
Investigations	0.00	5.50	0.00	0.00	5.50	1,402.50	255.00
Realisations of assets	1.60	11.30	0.00	0.00	12.90	3,441.50	266.78
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	1.20	2.40	0.00	0.60	4.20	1,104.00	262.86
Case specific matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	15.30	42.80	9.30	0.60	68.00	17,829.00	262.19
Total Fees Claimed						0.00	