

The Insolvency Act 1986

**Administrator's progress report**

Name of Company  
Abacus Care (Home Care and Nursing  
Services) Limited

Company number  
02926436

In the  
High Court of Justice, Chancery Division,  
Leeds District Registry

[full name of court]

Court case number  
492 of 2014

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

I / We (a) John Russell of Begbies Traynor (SY) LLP, Kendal House, 41 Scotland Street, Sheffield S3 7BS  
and Gareth David Rusling of Begbies Traynor (SY) LLP, Kendal House, 41 Scotland Street, Sheffield S3  
7BS, [Sheffield North@Begbies-Traynor.com](mailto:Sheffield North@Begbies-Traynor.com)

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

(b) Insert dates

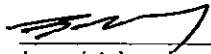
from

to

(b) 26 August 2015

(b) 25 February 2016

Signed

  
Joint / Administrator(s)

Dated

7 March 2016

**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.

Begbies Traynor (SY) LLP

Kendal House, 41 Scotland Street, Sheffield S3 7BS [Sheffield North@Begbies-Traynor.com](mailto:Sheffield North@Begbies-Traynor.com)

Tel Number 0114 2755033

Fax Number 0114 2768556

DX Number

WEDNESDAY



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23/03/2016

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COMPANIES HOUSE

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

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability

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## **Abacus Care (Home Care and Nursing Services) Limited (In Administration)**

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Progress report pursuant to Rule 2.47 of the  
Insolvency Rules 1986

Period: 26 August 2015 to 25 February 2016

### **Important Notice**

This progress report has been produced to comply with our statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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## 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Abacus Care (Home Care and Nursing Services) Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 24 April 2014
"the administrators" "we" "our" and "us"	John Russell of Begbies Traynor (SY) LLP, Kendal House, 41 Scotland Street, Sheffield S3 7BS, <a href="mailto:SheffieldNorth@Begbies-Traynor.com">SheffieldNorth@Begbies-Traynor.com</a> and Gareth David Rusling of Begbies Traynor (SY) LLP, Kendal House, 41 Scotland Street, Sheffield S3 7BS, <a href="mailto:SheffieldNorth@Begbies-Traynor.com">SheffieldNorth@Begbies-Traynor.com</a>
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

## 2. COMPANY INFORMATION

Trading name(s)	None
Date of Incorporation	6 May 1994
Company registered number	02926436
Company registered office	Kendal House, 41 Scotland Street, Sheffield S3 7BS

## 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of administrators' appointment	24 April 2014 – John Russell 24 April 2014 – Christopher Michael White 14 August 2014 – Gareth David Rusling
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Date of administrators' resignation	14 August 2014 – Christopher Michael White
Court	High Court of Justice, Chancery Division, Leeds District Registry
Court Case Number	492 of 2014
Person(s) making appointment / application	The directors' of the Company as follows -  Mrs Jill Pamela Fielding C/o 71-73 New Court Way, Ormskirk, Lancashire L39 2YT  Mrs Kay Suzanne Fielding-Link C/o 71-73 New Court Way, Ormskirk, Lancashire L39 2YT
Acts of the administrators	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency Proceedings	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.

## 4 PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 26 August 2015 to 25 February 2016.

The only transactions that have occurred during the period stated above is bank interest in the sum of £1.39 being realised and disbursements totalling £340.38 being discharged. A detailed breakdown of the disbursements are included within Appendix 2 attached to this report. Other than these transactions, no further receipts or payments have occurred.

As detailed within our previous report, we had written to one of the Company's former directors and were in the process of writing to the remaining two directors, with regard to their availability to a meeting to discuss the issues surrounding the preference payments, the purchase of the plane and boat by way of unlawful dividends, the diversion of Company monies and the directors' overdrawn loan accounts.

Despite arranging convenient dates with one of the directors, these were subsequently cancelled however, a meeting date was finally agreed to be held on 13 January 2016 at the offices of our solicitors, hlw Keeble Hawson LLP ("hlw").

At the meeting, various discussions were held and possible resolutions discussed. The meeting was left whereby the director would come back to the joint administrators with answers within 28 days of the date of the meeting.

Various pieces of information have been received together with a full and final settlement offer from the director to potentially conclude this particular matter. We are currently reviewing the information received, prior to a decision being made.

With regard to the remaining two directors', we have subsequently been made aware that one director has entered bankruptcy. Therefore, the joint administrators have submitted their claim within the bankruptcy proceedings and we are currently awaiting details of the potential dividend prospects.

We have however written to the remaining director requesting a convenient time to hold a meeting. To date, we have not received a suitable date however, we have received a settlement offer. Both the joint administrators and h/w are currently reviewing the offer received and will revert under separate cover in due course as to whether this is acceptable.

As advised previously, we are no longer pursuing the misplaced iPhone and computer separately as these are incorporated within the letter before action claim.

As the ownership of the TEAC recording machine continues to be disputed, we have requested that our agents, Charterfields Limited Independent International Asset Consultants ("Charterfields"), chase this matter. We have however been advised that the realisation value of this particular asset is nominal.

With regard to the tyros keyboards, ownership has now been determined and vests with the Company. On this basis, no funds will be transferred to the associated Company, Abacus Care Home Care & Nursing Services (Ormskirk) Limited – In Administration.

As we reported previously, collections in respect of the Company's outstanding book debts have been exhausted with no further realisations anticipated from this source.

## 5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our progress report for the period 21 August 2015 to 25 August 2015.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

### **Secured creditors**

The Company does not have any charges registered against it at Companies House.

### **Preferential creditors**

The Company's preferential creditors have been repaid in full in this matter.

### **Prescribed Part for unsecured creditors pursuant to Section 176A of the Act**

Details of how the prescribed part for unsecured creditors is calculated were provided in our statement of proposals and in previous progress reports.

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

### **Unsecured creditors**

Based upon realisations to date and estimated future realisations, it is unlikely that there will be sufficient funds available to enable a dividend to be paid to the unsecured creditors.

### Effect of administration on limitation periods under the Limitation Act 1980

As we have previously confirmed, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

## 6 REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed at the initial meeting of creditors held on 9 June 2014, and by the preferential creditors on 21 October 2014 in accordance with Rule 2.106(5A) of the Rules, by reference to the time properly given by us (as administrators) and the various grades of our staff calculated at the prevailing hourly charge out rates in attending to matters arising in the administration. We are also authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9), in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Our time costs for the period from 26 August 2015 to 25 February 2016 amount to £24,441.90 which represents 93.70 hours at an average rate of £260.85 per hour.

The following further information in relation to our time costs and disbursements is set out at Appendix 2:

- ☐ Begbies Traynor (SY) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (SY) LLP's charge-out rates
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 26 August 2015 to 25 February 2016
- ☐ Cumulative table of time spent and charge-out value for the period 24 April 2014 to 25 February 2016

To 25 February 2016, we have drawn the total sum of £10,000.00 on account of our remuneration, against total time costs of £131,426.10 incurred since the date of our appointment. In addition to the time costs information disclosed at Appendix 2 for the period of this report, our previous progress reports contained details of the time costs we had incurred as at the date of each report.

To 25 February 2016, we have also drawn disbursements in the sum of £1,499.42.

Details of the Category 2 disbursements that have been drawn during the period of this report in accordance with the approval obtained in the total sum of £340.38 are provided in the narrative summary of time costs incurred which is at Appendix 2.

In addition to the table of time spent by us and our staff in attending to matters arising in the administration for the period covered by this progress report, a cumulative table of time spent and charge out value for the period from 24 April 2014 to 25 February 2016 is also attached at Appendix 2.

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2011' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides). Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

## 7 ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. A cumulative statement of expenses also appears at Appendix 3 which details the expenses incurred since the date of our appointment.

## 8 ASSETS THAT REMAIN TO BE REALISED

The assets that remain to be realised are all detailed in section 4 of this report however, these are summarised below -

### **Preference Payments**

Our solicitors, h/w, are currently in the process of compiling letters to the parties who received the preference payments from the Company, in an attempt to secure the payments totalling £24,095.00 which were made previously. However, since identifying these payments, it has come to light that additional payments totalling £19,729.00 have also been made to the same party. Therefore, these will also be pursued.

### **TEAC Recording Machine**

We have yet to determine ownership however, due to the estimated realisation value, we have been advised by our agents that this would be nominal.

### **Directors' Overdrawn Loan Account**

We continue to pursue two of the outstanding directors' loan accounts as one of the directors have entered bankruptcy. On this basis, we have submitted our claim within the bankruptcy proceedings which includes the loan account amount.

As advised in section 4 of this report, we have received full and final settlement offers which incorporate the directors' overdrawn loan account balances. At present, we are currently reviewing these offers and hope to be in a position to report on the outcome of this within our next report to creditors.

### **Funds with Former Accountants**

We advised previously that our solicitors were writing to this particular party in an attempt to recover additional funds. However, upon reviewing this, we have been advised that it is not cost beneficial to pursue this matter further. Therefore, no further funds will be forthcoming from this source.

## 9. OTHER RELEVANT INFORMATION

### **Report on Directors conduct**

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Innovation and Skills on the conduct of the directors'. We have complied with our duties in this respect.

### **Investigations completed and action taken**

As explained in our previous report, we have undertaken an initial assessment of the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect.



Such investigations identified various matters which required investigation which included preference payments, concealment of assets, unlawful dividends to purchase assets, diversion of Company monies and outstanding directors' loan accounts

These matters were included within letters before action issued to the parties these matters related to To date, we have held a meeting with one of the parties in an attempt to resolve some of the issues which has resulted in a full and final settlement being received With regard to the remaining two parties, we have been advised that one has entered bankruptcy proceedings and the remaining party we have received a full and final settlement offer also We are currently in the process of reviewing the two full and final settlements

We are hopeful that monies will be realised from this source however, we are unaware of the quantum at this point in time Notwithstanding this, potential court action has not yet been dismissed in this matter

#### **Extension of administration**

The administration has been extended for a period of six months with the consent of creditors and an additional twelve month period by order of the court

#### **Proposed exit route from administration**

Once the outstanding matters as detailed in Section 8 and 9 of this report have been either resolved or concluded, we will arrange for outstanding professional fees and statutory expenses to be discharged In addition, we will review whether there are sufficient realisations following conclusion of the outstanding matters, to establish if a dividend to the unsecured creditors will be available however, we anticipate this will be unlikely

Once the above has been resolved, all statutory requirements will be adhered with and the Company will proceed to dissolution

## **10. CREDITORS' RIGHTS**

#### **Right to request further information**

Pursuant to Rule 2.48A of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been detailed in this progress report

#### **Right to make an application to court**

Pursuant to Rule 2.109 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate

## **11. CONCLUSION**

It is proposed that the Company will proceed to dissolution once all outstanding matters have been resolved and professional fees and statutory expenses have been discharged together with any potential dividend that may become available to the unsecured creditors

We will report again in approximately six months time or at the conclusion of the administration, whichever is the sooner

A handwritten signature in black ink, appearing to be 'JR' or similar, written over the printed name.

**John Russell**  
Joint Administrator

Dated 7 March 2016

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# ACCOUNT OF RECEIPTS AND PAYMENTS

Period 26 August 2015 to 25 February 2016

**Abacus Care (Home Care and Nursing Services) Limited**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 26/08/2015 To 25/02/2016	From 24/04/2014 To 25/02/2016
<b>ASSET REALISATIONS</b>			
Uncertain	Intellectual Property	NIL	NIL
350 00	Server, Software & Telephone System	NIL	350 00
	Furniture & Equipment	NIL	710 00
2,400 00	Motor Vehicle - Suzuki Swift	NIL	2,520 00
5,000 00	Motor Vehicle - Van - JIL 4351	NIL	5,000 00
Uncertain	Book Debts	NIL	13,500 00
	Contribution to Costs	NIL	5,000 00
27,163 00	Cash at Bank - Co-op	NIL	27,162 52
	Bank Interest Gross	1 39	7 47
	Utilities Refunds	NIL	16 56
17,414 00	Directors Loan a/c Mrs J Fielding	NIL	NIL
8,685 00	Directors Loan a/c Mrs K Fielding-Link	NIL	NIL
43,111 00	Directors Loan a/c Mr N Fielding	NIL	NIL
		<u>1 39</u>	<u>54,266 55</u>
<b>COST OF REALISATIONS</b>			
	Specific Bond	NIL	264 00
	Office Holders Fees		
	Pre Appointment Fees	NIL	10,578 00
	Post Appointment Fees	NIL	10,000 00
	Disbursements		
	Money Laundering Searches	NIL	5 94
	Mileage	NIL	121 09
	Postage	47 88	179 89
	Storage	292 50	1,192 50
	Agents Costs		
	Pre Appointment Fees	NIL	150 00
	Pre Appointment Disbs	NIL	250 00
	Post Appointment Fees	NIL	2,100 00
	Post Appointment Disbs	NIL	586 75
	Legal Costs		
	Pre Appointment Fees	NIL	1,832 00
	Pre Appointment Disbs	NIL	125 00
	Post Appointment Fees	NIL	16,461 50
	Post Appointment Disbs	NIL	2 50
	Statutory Advertising	NIL	151 64
	PR Fees	NIL	150 00
	Insurance of Assets	NIL	238 50
		<u>(340 38)</u>	<u>(44,389 31)</u>
<b>PREFERENTIAL CREDITORS</b>			
(821 00)	BIS RPO - National Insurance Fund	NIL	1,332 47
	Employees - Preferential Creditors	NIL	749 64
		<u>NIL</u>	<u>(2,082 11)</u>
<b>UNSECURED CREDITORS</b>			
(109,407 00)	Trade & Expense Creditors	NIL	NIL
(800 00)	Employees - Unsecured Creditors	NIL	NIL
(256 00)	HM Revenue & Customs - PAYE/NIC	NIL	NIL
(24,068 00)	HM Revenue & Customs - Corporation	NIL	NIL
(125,000 00)	Legal Fees	NIL	NIL
		<u>NIL</u>	<u>NIL</u>

**Abacus Care (Home Care and Nursing Services) Limited**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 26/08/2015 To 25/02/2016	From 24/04/2014 To 25/02/2016
	DISTRIBUTIONS		
(60 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(156,289 00)		(338 99)	7,795 13
	REPRESENTED BY		
	Bank Balance		6,051 67
	VAT Control Account		1,743 46
			7,795 13

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## TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (SY) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (SY) LLP's charge-out rates,
- c Narrative summary of time costs incurred,
- d Table of time spent and charge-out value for the period from 26 August 2015 to 25 February 2016, and
- e Cumulative table of time spent and charge-out value for the period from 24 April 2014 to 25 February 2016

## BEGBIES TRAYNOR CHARGING POLICY

### INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance<sup>2</sup> indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

### EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- The recharge for Company searches and electronic identification procedures for all new clients depends on the documentation requested,
- Car mileage is charged at the appropriate rate published by the "AA" for the type of vehicle and engine size used,
- All circulars are sent by first class post and the actual postage costs are charged as an expense of the administration,
- Storage of books and records is at the Insolvency Practitioners' own storage facility. The books and records will be stored in banker's boxes and a storage fee will be charged at the rate of £7.50 per box per month. This charge covers the transportation of the records, their storage, retrieval for administration purposes and their destruction.

<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

<sup>2</sup> *Ibid* 1

## BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Sheffield office as at the date of this report are as follows

Grade of staff	Charge-out rate (£ per hour)
	1 February 2015 – until further notice
Directors/Office Holders	365
Senior Managers	325
Managers	305
Senior Administrators	230
Administrators	191
Junior Administrators	80
Support	40

Prior to 1 February 2015, the following rates applied

Grade of staff	Charge-out rate (£ per hour)
	1 March 2014
Partners/Associate/Partners /Directors	335/450
Senior Manager & Managers	230-305
Administrators	191-230
Assistants	40-191

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units



## Abacus Care (Home Care and Nursing Services) Limited

### SUMMARY OF TIME COSTS AND EXPENSES

This summary, which should be read in conjunction with the Time Costs Analysis for the period of the report attached, is intended to provide sufficient information to enable the body responsible for the approval of our fees to consider the level of our fees and expenses in the context of the case

**What work has been done in the period of the report, why was that work necessary and what has been the financial benefit (if any) to creditors?**

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only. Our previous reports contain the costs of the work undertaken since our appointment.

#### General case administration and planning

The joint administrators have completed works required to maintain the administration, including banking duties, periodically reviewing the case to ascertain which works remain outstanding and ensuring case progression is being achieved. This has also been overseen by maintaining the standard administrators' diaries.

This has included the review of the Company's books and records held to obtain information to assist with various outstanding issues within the case particularly in collating the information and preparing the required documents for the meetings which were proposed with one of the Company's directors which did not take place in the first instance.

There will be no financial benefit to creditors from our work in this area. However, we have a duty to undertake this work and therefore these costs cannot be avoided.

#### Compliance with the Insolvency Act, Rules and best practice

The joint administrators have prepared and submitted to all relevant parties the statutory administrators reports and receipts and payments accounts pursuant to The Insolvency Act 1986 and have dealt with all statutory requirements pursuant to The Insolvency Act and Rules, including reporting to shareholders and creditors. This has included the joint administrators statutory progress reports and also the extension progress report in order to extend the period of the administration. The joint administrators have also conducted periodic reviews to ensure that the administration is adequately bonded.

Also, general banking duties have been carried out including the raising and posting of income and expenditure onto the system when required and ensuring all cash functions are carried out periodically.

Again, there will be no financial benefit to the creditors from the work carried out in this area. However, we have a duty to undertake this work and therefore, these costs cannot be avoided.

### Investigations

The joint administrators have carried out investigations into various matters which have come to light during the administration. During the period of this report, we have investigated matters surrounding the various matters within the letter before action which includes preference payments, unlawful dividends, diversion of Company monies and the directors' overdrawn loan accounts.

This has included the review of Company records to obtain information and investigate any explanations that have been provided in respect of the above matters. We have also attempted to arrange meetings with the parties in question and managed to secure one meeting to discuss these matters.

The above work could potentially have a benefit to the Company's creditors if of course the joint administrators conclude that there are potential realisations due from this source.

### Realisation of assets

Following receipt of confirmation that one of the Company's director's had entered bankruptcy, we reviewed the paperwork received from the trustee and obtained advice from our solicitors with regard to the completion of the claim forms to be submitted for dividend purposes.

The above work may result in a benefit to the Company's creditors however, this is dependent upon the quantum of the dividend available from the bankruptcy proceedings.

### Dealing with all creditors' claims (including employees), correspondence and distributions

The joint administrators have entered into correspondence with the Company's creditors with regard to their claims within the administration and any queries which they may have raised. This has included employee queries being answered.

No financial benefit to the Company's creditors has arisen from the above work being carried out.

### Other matters which includes meetings, tax, litigation, pensions and travel

As a result of the decision to extend the administration period, witness statements and an application to court required drafting and reviewing.

In addition communications have taken place with the directors appointed solicitors with regard to the outstanding issues which remain and were detailed within the letter before action and also stated earlier on within the time cost summary.

The joint administrators have arranged for statutory VAT returns and the appropriate corporation tax returns to be submitted during the course of the administration to date.

It is believed that the work carried out in relation to the outstanding matters detailed above could potentially benefit the Company's creditors however, at present, we are unsure as to the anticipated realisations in this matter.

With regard to the VAT and corporation tax, this will not benefit the Company's creditors financially however, is a statutory duty that is to be fulfilled by the administrators.

### Time Costs Analysis

An analysis of time costs for the period of the report is attached showing the time spent by each grade of staff on the different types of work involved in the case, and giving the total costs and average hourly rate charged for each work type. An additional analysis is also attached which details the time costs for the entire period for which we have administered the matter.

Please note that each analysis provides details of the work undertaken by us and our staff following our appointment only.

In addition to the post appointment time costs detailed in the time costs analysis, we consider that the sum of £10,577.60 plus VAT is also properly recoverable in relation to work undertaken prior to our appointment consisting of determining whether it was reasonably likely that the purpose of administration would be achieved and completing the required statements of the proposed administrators. The sum is calculated as follows:

	Partners/ Associate Partners/ Directors	Senior Manager & Managers	Administrators	Assistances	Total Hours	Time Cost	Average Hourly Rate
Hourly Rate	£335-450	£230-305	£191-230	£40-191			
Pre- appointment Time	£5,728.50	£512.50	£4,316.60	£20.00	42.20	£10,577.60	250.65

### Category 2 Disbursements

In accordance with the resolution obtained in relation to disbursements, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case since our last report to creditors:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Postage	47.88
Document Storage	292.50
TOTAL	340.38

In addition to the above, disbursements totalling £292.50 which have been incurred during the period covered by this report remain outstanding.

### Why have subcontractors been used?

The choice of advisors and agents was based on the joint administrators' knowledge of the professional advisers' experience and known ability to perform the type of work to be undertaken and also taking into account the complexity and nature of the assignment and the basis of their fee arrangements.

**What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?**

*General case administration and planning*

The joint administrators will continue to progress the case, including performing periodic reviews to ensure that deadlines are met and that the case is passed for closure when possible. The case will also require ongoing banking duties to be completed.

Again, there will be no financial benefit to creditors from our work in this area. However, we have a duty to undertake this work and therefore these costs cannot be avoided.

*Compliance with the Insolvency Act, Rules and best practice*

The joint administrators will continue to progress the case and close as and when all remaining matters have been concluded within the administration. This will include the preparation of all statutory progress reports together with the final report and all relevant paperwork to enable the Company's preferred exit route to be complied with. This will include the filing of information with the Registrar for Companies and dealing with matters relating to the bond, as required by the Insolvency Act and Rules.

There will be no financial benefit to creditors from our work in this area. However, we have a duty to undertake this work and therefore these costs cannot be avoided.

*Investigations*

The joint administrators will continue to investigate the matters detailed below and any further matters that are brought to light during the remaining period of the administration.

In the event realisations are achieved from any such investigations, the above works will be for the benefit of the Company's creditors in this particular matter.

*Realisation of assets*

There still remains a number of assets to pursue which include diversion of Company monies in respect of outstanding debtor balances, preference payments, TEAC recording machine, unlawful dividends and overdrawn directors' loan accounts.

The above matters are currently being pursued in conjunction with the joint administrators' solicitors. We continue to be in correspondence with the former director/directors of the Company with regard to the above issues.

We are hopeful that funds will be received from this source which, may have a financial benefit to the Company's unsecured creditors, should realisations be achieved from this source.

*Dealing with all creditors' claims (including employees), correspondence and distributions*

Following the conclusion and realisation of the outstanding matters/assets, the joint administrators will review the quantum of realisations to establish if there are sufficient to enable a distribution to the unsecured creditors.

In the event there are insufficient realisations to enable a distribution to be issued to the unsecured creditors, the joint administrators will continue to answer any queries which may arise from this class of creditor during the administration period.

Again, this course of action is necessary to enable any potential dividend to be circulated to the unsecured creditors therefore, the costs associated with this are in the benefit of the creditors.

Other matters which includes meetings, tax, litigation, pensions and travel

The joint administrators will complete VAT returns and Corporation Tax returns as required to enable the progression and closure of the administration. We may incur future litigation costs in the event the remaining assets/matters are not resolved as detailed earlier on within the time cost summary.

There will be no financial benefit to the creditors from this work being carried out although this is necessary to ensure the case is progressed satisfactorily.

**How much will this further work cost?**

Whilst the joint administrators were not required to provide a fee estimate in this matter due to their date of appointment, we estimate that the above works will cost approximately £8,500.00 to complete.

Please however note that the above assumes that the realisation of assets detailed above are straightforward and not subject to any legal proceedings; however, should this be the case, costs may exceed the £8,500.00 estimate.

**Expenses**

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as follows:

Legal fees & disbursements	-	Approximately between (£10,000.00 and £15,000.00)
Corporation Tax	-	unknown

Please note that the above detailed legal fees are dependent upon the requirement and complexity of any future advice/works which are to be carried out and may be higher than detailed above.

In addition to these, we anticipate that future category 2 disbursements will be incurred in respect of the following -

Postage	-	£48.90
Storage	-	£877.50

Staff Grade	Partner	Director	Srct Mngt	Mngt	Asst Mngt	Srct Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average Hourly rate £
General Case Administration and Planning												
Administration	0.7					3.5				4.2	1,044.50	248.69
Total for General Case Administration and Planning	0.7					4.9				4.9	1,132.80	231.18
Compliance with the Insolvency Act, Rules and best practice						8.4				9.1	2,177.30	239.26
Appointment												0.00
Banking and Bonding				0.6		0.6			0.3	1.5	288.00	192.00
Case Closure												0.00
Statutory reporting and statement of affairs						6.2			0.2	6.4	1,430.10	223.45
Total for Compliance with the Insolvency Act, Rules and best practice				0.6		6.8			0.5	7.9	1,718.10	217.48
Investigations												
CDDA and investigations	1.0			38.6		25.5			1.0	64.1	17,433.00	271.97
Total for investigations	1.0			38.6		25.5			1.0	64.1	17,433.00	271.97
Debt collection				0.9		3.1				4.0	987.50	246.88
Property business and asset sales												0.00
Retention of Title/third party assets												0.00
Total for Realisation of assets				0.9		3.1				4.0	987.50	246.88
Trading												0.00
Total for Trading												0.00
Dealing with all creditors claims (including employees), correspondence and distributions									0.1	0.1	4.00	40.00
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions									0.1	0.1	4.00	40.00
Other matters which includes meetings, tax, litigation, pensions and travel												
Meetings	1.0			2.0						3.0	975.00	325.00
Other												0.00
Tax				0.4					0.6	1.2	154.00	128.33
Litigation	0.2					4.1				4.3	983.00	230.93
Total for Other matters	1.2			2.4		4.1			0.6	8.5	2,122.00	249.65
Total hours by staff grade	2.9			40.5		47.9			2.4	93.7		
Total time cost by staff grade	1,042.50			12,352.50		10,950.90			56.00		24,441.90	
Average hourly rate £	359.48	0.00	0.00	305.00	0.00	228.62	0.00	0.00	40.00			260.85
Total fees drawn to date £											0.00	

Staff Grade	Partner	Director	Sr Mngr	Mngr	Asst Mngr	Sr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average Hourly rate £
General Case Administration and Planning	Case planning	12.6		0.2		18.9				32.7	7,833.20	239.55
	Administration	2.9		1.9		62.3				67.1	13,068.70	194.76
	Total for General Case Administration and Planning	15.5		2.1		82.2				99.8	20,901.90	209.44
Compliance with the Insolvency Act, Rules and best practice	Appointment											0.00
	Banking and Bonding			4.2		15.8			0.9	20.9	4,304.60	205.96
	Case Closure											0.00
	Statutory reporting and statement of affairs	4.1				49.4			6.1	59.6	11,498.20	192.89
	Total for Compliance with the Insolvency Act, Rules and best practice	4.1		4.2		65.2			7.0	80.5	16,800.80	196.28
Investigations	CDDA and investigations	9.6		134.7		68.6			1.0	213.9	58,450.00	273.26
	Total for investigations	9.6		134.7		68.6			1.0	213.9	58,450.00	273.26
Realisation of assets	Debt collection	3.6		0.9		51.8				56.3	10,879.90	193.25
	Property business and asset sales	2.5				12.0				14.5	3,129.50	215.83
	Retention of Title/Third party assets											0.00
	Total for Realisation of assets	6.1		0.9		63.8				70.8	14,009.40	197.87
Trading	Trading											0.00
	Total for Trading											0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured											0.00
	Others	7.9		1.5		30.5			1.6	41.5	9,621.50	231.84
	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions	7.9		1.5		30.5			1.6	41.5	9,621.50	231.84
Other matters which includes meetings, tax, litigation, pensions and travel	Meetings	1.0		2.0						3.0	975.00	325.00
	Other											0.00
	Tax			1.8		5.0			0.8	7.6	1,536.00	202.11
	Litigation	0.2				51.8				52.0	10,131.50	194.84
	Total for Other matters	1.2		3.8		66.8			0.8	62.6	12,642.60	201.98
	Total hours by staff grade	44.4		147.2		367.1			10.4	569.1		
	Total time cost by staff grade	14,908.00		44,896.00		71,208.10			416.00		131,426.10	
	Average hourly rate £	336.77	0.00	305.00	0.00	193.97	0.00	0.00	40.00			230.94
	Total fees drawn to date £										10,000.00	

## STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Legal Fees – Post appointment	Hlw Keeble Hawson LLP	6,150 00	0 00	6,150 00

During the period covered by this report, the joint administrators have incurred disbursements totalling £632 80 of which £340 38 have yet to be discharged and are detailed within the attached summary of time costs and expenses schedule. In addition, the joint administrators have incurred legal fees as detailed above, none of which have been discharged during the period of this report.

## CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Specific Bond	Willis Limited	264 00
Agents Fees – Pre appointment	Charterfields Limited	150 00
Agents Disbursements – Pre appointment	Charterfields Limited	250 00
Agents Fees – Post appointment	Charterfields Limited	2,100 00
Agents Disbursements – Pre appointment	Charterfields Limited	586 75
Legal Fees – Pre appointment	hlw Keeble Hawson LLP	1,832 00
Legal Disbursements – Pre appointment	hlw Keeble Hawson LLP	125 00
Legal Fees – Post appointment	hlw Keeble Hawson LLP	16,461 50
Legal Disbursements – Post appointment	hlw Keeble Hawson LLP	2 50
Statutory Advertising	TMP (UK) Limited	151 64
PR Fees	Northern Lights PR	150 00
Insurance of Assets	Peter Hoare & Co (IB) Ltd	238 50
BIS RPO – National Insurance Fund	National Insurance Fund	1,332 47
Employees – Preferential Creditors	Various employees'	749 64