

The Insolvency Act 1986

Administrators' progress report

Name of Company
Atlantis Health Care Limited

Company number
03731391

In the
High Court of Justice, Chancery Division
[full name of court]

Court case number
5970 of 2011

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

~~I/~~ We (a) Kirstie Jane Provan and Mark Robert Fry of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT

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

from


to

(b) Insert dates

(b) 1 May 2013

(b) 31 October 2013

Signed


Joint / Administrator(s)

Dated

12 NOVEMBER 2013

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 (Central) LLP

32 Cornhill, London, EC3V 3BT,

Tel Number 020 7398 3800

Fax Number 020 7398 3799 (Fax)

DX Number

Companies House

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COMPANIES HOUSE

If you have filled in and signed this form please send it to the Registrar of Companies at
Companies House, 20 Rown 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

Atlantis Health Care Limited (In Administration)

Progress report pursuant to Rule 2.47 of the
Insolvency Rules 1986

Period: 1 May 2013 to 31 October 2013

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"	Atlantis Health Care Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 11 July 2011
"the administrators" "we" "our" and "us"	Kirstie Jane Provan and Mark Robert Fry of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT
"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"	<ul style="list-style-type: none">(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
"CJB"	CJB Investments Limited, owner of the properties from which the Company traded
"Receivership"	Law of Property Act Receiverships in respect of the properties from which the Company traded
"Receivers"	Kirstie Jane Provan and Mark Robert Fry, appointed Receivers over the properties from which the Company traded
"the Bank"	Barclays Bank Plc

2. COMPANY INFORMATION

Name of Company	Atlantis Health Care Limited
Trading name(s)	Valentine House, Broadway, Silver End, Nr Witham, Essex, CM8 3RF ("Valentine") Ramping Cat House, White Hill, Burford, Oxfordshire, OX18 4EX ("Ramping Cat") Broomfield, Yardley Road, Olney, Buckinghamshire, MK46 5DX ("Broomfield")
Date of Incorporation	11 March 1999
Company registered number	03731391
Company registered office	32 Cornhill, London, EC3V 3BT

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of administrators' appointment	11 July 2011
Date of administrators' resignation	N/A
Court	High Court of Justice, Chancery Division
Court Case Number	5970 of 2011
Person(s) making appointment / application	Chetan Borkhatna (director), Valleyfield, Mount Park Road, Harrow on the Hill, HA1 3JU
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 1 May 2013 to 31 October 2013

RECEIPTS

Deferred consideration

As creditors may recall, deferred consideration of £60,000 in relation to a transaction that took place prior to the Company entering into administration, was due to be received on 2 March 2013. The funds were not received on the relevant date and therefore the Administrators instructed TLT LLP ("TLT"), solicitors, to pursue the debt.

After some chasing £30,000 was received, followed by three further monthly instalments of £10,000. Therefore, during the reporting period the full amount due of £60,000 was received.

Bank interest

Gross interest received on funds held in the administration account during the reporting period amounts to £18

PAYMENTS

Administrators' fees and disbursements

Please see Section 6 for details

Legal fees

£2,805 has been paid to TLT LLP in respect of pursuing payment of the deferred consideration detailed above.

Irrecoverable VAT

Total irrecoverable VAT for the period amounts to £5,584

Distributions

Please see Section 5 for details

Inter account transfers

As previously reported, during the course of the administration, various transfers/loans were made from both the fixed charge and Receivership accounts to the trading and floating charge accounts in order to fund certain floating charge expenses and the trading losses that were being made. The total transfers/loans made in this respect amounted to £146,995.

Substantial floating charge realisations were subsequently made and therefore a proportion of the above loans have now been repaid. Total loan repayments to date amount to £41,304 of which £30,000 were made during the reporting period. The Administrators anticipate that further loan repayments of approximately £50,000 will be made prior to the administration being finalised.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided the Administrators' statement of proposals

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 creditor

As detailed in the Administrators' previous reports, the properties from which the Company operated were owned by CJB and were subject to fixed charges with the Bank. Therefore, realisations made in respect of the properties were paid to the Receivers, who made a distribution to the Bank under their fixed charges

The Administrators previously estimated that there would be insufficient fixed charge realisations in the administration to enable a distribution to the Bank under their fixed charge. However, the sale consideration in respect of goodwill for both Broomfield and Valentine was substantially higher than initially anticipated, enabling distributions totalling £393,000 to be made to the Bank under their fixed charge. £25,696 of this was distributed during the reporting period.

The Administrators have since made a further distribution of £48,500 and will make a final distribution of at least £5,000 in due course, provided that no unforeseen circumstances arise which have a material effect on the estimated net funds available to the Bank under their fixed charge.

The above outcome for the Bank is higher than previously reported, due to deferred consideration of £60,000 being realised which, for prudence, the Administrators had not previously included in their estimated outcome statement due to the uncertainty of its recoverability.

The above outcome is more favourable than the director had estimated in his statement of affairs due to the director not attributing any value to goodwill.

Preferential creditors

As previously reported, the Joint Administrators are only aware of one preferential claim in respect of holiday entitlement for one of the employees made redundant upon appointment. This has been paid by the Redundancy Payments Office ("RPO"). The Administrators consider that there will be insufficient realisations to enable a preferential distribution to be made.

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.

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in Section 176A(6) of the Act, to be Nil and therefore no funds will be available to the unsecured creditors under the prescribed part.

Unsecured creditors

Based upon realisations to date and estimated future realisations there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

Creditors should note that they might be eligible to obtain VAT bad debt relief on their debt six months after the date of supply or payment date if later, providing they have written the debt off in their accounts. The procedure does not involve the Joint Administrators and claims should be made directly to HM Revenue & Customs.

6. REMUNERATION & DISBURSEMENTS

The Joint Administrators' remuneration has been fixed by reference to the time properly given by them (as administrators) and the various grades of their staff calculated at the prevailing Barclays Bank Plc panel rates in attending to matters arising in the administration and they are authorised to draw disbursements, including disbursements for services provided by their firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with their 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

The Joint Administrators' time costs for the period from 1 May 2013 to 31 October 2013 amount to £14,657 50 which represents 71 5 hours at an average rate of £205 per hour

The Joint Administrators' time costs for the duration of the administration to date amount to £186,959 which represents 927 hours at an average rate of £201 68 per hour

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

- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 1 May 2013 to 31 October 2013
- ☐ Cumulative table of time spent and charge-out value for the period from 11 July 2011 to 31 October 2013

To date, we have drawn the total sum of £140,088 plus disbursements of £1,886 on account

A copy of 'A Creditors' Guide to Administrators' Fees (E&W) 2010' 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. 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

8. ASSETS THAT REMAIN TO BE REALISED

Trade debt

A cheque for £1,105 was received during the reporting period in respect of the outstanding debt of £1,386 that remained due to the Company, the Administrators agreed to write off the balance of £281. However, the above payment did not clear into the administration account due to reasons beyond the control of the debtor and therefore the debt still remains outstanding

The Joint Administrators remain in regular contact with the debtor and anticipate that the payment will be received in the very near future

Aside from the above there are no further assets to be realised

9. OTHER RELEVANT INFORMATION

Submission in respect of the Director's conduct

As detailed in our statement of proposals, the Joint Administrators have a duty to make a submission to the Department for Business, Innovation and Skills on the conduct of the director. The Joint Administrators have complied with their duties in this respect.

Extension of administration

The administration was extended for a period of 6 months with the consent of creditors and the Joint Administrators applied to Court for a further extension of 18 months to 10 July 2014 which the Court granted.

Proposed exit route from administration

Whilst almost all of the Company's assets have now been realised, the Joint Administrators are currently dealing with a claim which relates to the trading of the Company during the period of the Administrators' appointment, and therefore the case cannot yet be progressed towards closure. However, the Joint Administrators still consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors. Consequently, as soon as they are satisfied that they have fully discharged their duties as Joint Administrators and that the purpose of the administration has been fully achieved, they propose to implement the provisions of Paragraph 84 of Schedule B1 to the Act. Under these provisions, on the registration of a notice sent by them to the Registrar of Companies, their appointment as Joint Administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

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

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



Kirstie Jane Provan
Joint Administrator

Dated 12 NOVEMBER 2013

RECEIPTS AND PAYMENTS ACCOUNT FOR THE REPORTING PERIOD INCORPORATING AN ESTIMATED OUTCOME STATEMENT

	Notes	SofA / NBV	Receipts & Payments 1 May 2013 to 31 October 2013	Receipts & Payments 11 July 2011 to 31 October 2013	Estimated future receipts / payments	Total
			£	£	£	£
Assets subject to fixed charge						
Business Intellectual Property			-	297	-	297
Goodwill			-	613,798	-	613,798
Partial re-payment of loan to floating charge account			30,000	41,304	51,864	93,168
Bank Interest			7	66	-	66
			<u>30,007</u>	<u>655,465</u>	<u>51,864</u>	<u>707,328</u>
Less						
Agents' sales fees			-	-	-	-
Administrators' fees			(25,000)	(120,088)	-	(120,088)
Administrators' expenses			-	-	-	-
Legal fees			-	(8,723)	-	(8,723)
Bank charges			-	(15)	-	(15)
Irrecoverable VAT			(5,000)	(25,762)	-	(25,762)
Transfers to cover trading deficit			-	(107,876)	-	(107,876)
			<u>7</u>	<u>393,001</u>	<u>51,864</u>	<u>444,864.44</u>
Available to Bank under Fixed Charge						
Due to the Fixed Charge Holder - Barclays Bank Plc			(6,668,581)	(6,668,581)	(6,668,581)	(6,668,581)
Distributions to the Fixed Charge Holder			25,696	393,000	51,864	444,864.44
			<u>(6,642,885)</u>	<u>(6,275,581)</u>	<u>(6,616,717)</u>	<u>(6,223,717)</u>
Deficiency c/d						
Assets subject to floating charge						
Cash at Bank			-	300	-	300
Furniture and equipment	18,557		-	98,999	-	98,999
Stock			-	1,198	-	1,198
Contracts			-	2	-	2
Customer list			-	2	-	2
Information technology			-	2	-	2
Work in progress			-	2	-	2
Bank interest			11	24	-	24
Utilities refund			-	347	-	347
Sundry receipt			-	-	-	-
Insurance contribution re flood damage			-	1,330	-	1,330
Deferred consideration			60,000	60,000	-	60,000
Trf of funds from Ramping Cat LPA re Administrators' fees			-	18,000	-	18,000
Trf from LPA Receiverships and fixed charge to cover trading deficit			-	128,995	-	128,995
Trading deficit	1		-	(170,280)	1,105	(169,175)
			<u>60,011</u>	<u>138,921</u>	<u>1,105</u>	<u>140,026</u>
Less						
Administrators' fees			-	(20,000)	-	(20,000)
Administrators' disbursements			(117)	(1,886)	(2,364)	(4,250)
Legal fees			(2,805)	(9,250)	-	(9,250)
Agents fees			-	-	-	-
Statutory advertising			-	(77)	-	(77)
Bank charges			-	-	-	-
Insurance			-	-	-	-
Insurance pay out re flood damage			-	(1,580)	-	(1,580)
Contingency			-	-	(5,000)	(5,000)
Irrecoverable VAT	2		(584)	(6,229)	(473)	(6,701)
Part re-payment of loans from fxd realisations			(30,000)	(41,304)	(51,864)	(93,168)
			<u>26,505</u>	<u>58,595</u>	<u>(58,595)</u>	<u>-</u>
Available for preferential creditors						
Preferential creditors			-	-	-	-
			<u>26,505</u>	<u>58,595</u>	<u>(58,595)</u>	<u>NIL</u>
Net property						
Less Prescribed Part of net property for unsecured creditors			-	-	-	NIL
			<u>26,505</u>	<u>58,595</u>	<u>(58,595)</u>	<u>NIL</u>
Available to floating charge holder						
Represented by						
Administration Trading Account						1,746
Administration Floating Charge Account						56,849
Administration Fixed Charge Account						1
						<u>58,596</u>

Notes

- 1 The future receipt relates to one debtor who is paying their outstanding fees in instalments
- 2 This figure does not include irrecoverable VAT from trading transactions

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) 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 1 May 2013 to 31 October 2013, and
- e Cumulative table of time spent and charge-out value for the period from 11 July 2011 to 31 October 2013

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 guidance¹ 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 and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance² requires 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 usually 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 incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

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

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £150 per meeting.
- Car mileage is charged at the rate of 45 pence per mile.
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.

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

² Ibid 1

- in addition to the 2 categories referred to above, best practice guidance indicates that where payments are made to outside parties in which the office holder or his firm or any associate has an interest these should be treated as Category 2 disbursements

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

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 London office for this assignment as at the date of this report are as follows

Grade of staff	£ per hour
Partner 1	205
Partner 2	205
Director	205
Senior Manager	205
Manager	205
Assistant Manager	205
Senior Administrator	205
Administrator	205
Junior Administrator	205
Support	205

Prior to 1 September 2011 the following rates applied

Grade of staff	£ per hour
Partner 1	195
Partner 2	195
Director	195
Senior Manager	195
Manager	195
Assistant Manager	195
Senior Administrator	195
Administrator	195
Junior Administrator	195
Support	195

The following rates are the standard rates applying to the London office as at the date of this report. However, the secured lender Barclays Bank Plc has negotiated a flat rate that will apply as long as the secured lender has a deficit on the sums due to it. In the event that the secured lender is paid in full, the rates charged will revert to our standard rates.

Grade of staff	£ per hour
Partner	495
Director	395
Senior Manager	365
Manager	315
Assistant Manager	270
Senior Administrator	235
Administrator	185
Trainee Administrator	160
Support	160

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in 6 minute units.

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME Atlantis Health Care Limited
CASE TYPE ADMINISTRATION
OFFICE HOLDERS Kirstie Jane Provan and Mark Robert Fry
DATE OF APPOINTMENT 11 July 2011

1 CASE OVERVIEW

1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

1.2 Complexity of the case

As the sale of the final care home completed prior to this reporting period, the Administrators have not dealt with any complex matters, such as monitoring the trading at the homes, during the last six months

1.3 Exceptional responsibilities

As above

1.4 The office holders' effectiveness

The Administrators have completed the sale of all three of the care homes and are now very close to moving the Company towards dissolution

1.5 Nature and value of property dealt with by the office holders

The Company traded from

Ramping Cat House, White Hill, Burford, Oxfordshire, OX18 4EX
Broomfield, Yardley Road, Olney, Buckinghamshire, MK46 5DX
Valentine House, Broadway, Silver End, Nr Witham, Essex, CM8 3RF

As previously reported, all of the above properties belong to CJB and are subject to Receiverships

The sale of Ramping Cat to Mr and Mrs Nayar completed on 16 January 2012 for £410,000
Details of the sale proceeds paid upon completion, excluding any amounts received in respect of the property are as follows

Description	Value (£)
Business Intellectual Property	99
Contracts	1
Customer list	1
Equipment	12,999
Goodwill	999
Information Technology	1
Stock	199
Work in Progress	1
Total.	14,300

The sale of Broomfield to Cawood Investments Limited and Eminence Care Service (Broomfield) Limited completed on 15 June 2012 for £1,250,000. Details of the sale proceeds paid upon completion, excluding any amounts received in respect of the property are as follows:

Description	Value (£)
Business Intellectual Property	98
Contracts	1
Customer list	1
Equipment	36,000
Goodwill	363,399
Information Technology	1
Stock	499
Work in Progress	1
Total.	400,000

The sale of Valentine to Black Swan International Limited completed on 21 December 2012, a sale of the only remaining care home, Valentine House, completed for £1,100,000. Details of the sale proceeds paid upon completion, excluding any amounts received in respect of the property are as follows:

Description	Value (£)
Goodwill	249,400
Furniture and equipment	50,000
Stock	500
Intellectual property	100
Total:	300,000

16 Anticipated return to creditors

Details of the sums owed to each class of the Company's creditors were provided in the Administrators' statement of proposals.

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 creditor

As detailed in the Administrators' previous reports, the properties from which the Company operated were owned by CJB and were subject to fixed charges with the Bank. Therefore, realisations made in respect of the properties were paid to the Receivers, who made a distribution to the Bank under their fixed charges.

The Administrators previously estimated that there would be insufficient fixed charge realisations in the administration to enable a distribution to the Bank under their fixed charge. However, the sale consideration in respect of goodwill for both Broomfield and Valentine was substantially higher than initially anticipated, enabling distributions totalling £393,000 to be made to the Bank under their fixed charge to date. £25,696 of this was distributed during the reporting period.

The Administrators have since made a further distribution of £48,500 and will make a final distribution of at least £5,000 in due course, provided that no unforeseen circumstances arise which have a material effect on the estimated net funds available to the Bank under their fixed charge.

The above outcome for the Bank is higher than previously reported, due to deferred consideration of £60,000 being realised which, for prudence, the Administrators had not previously included in their estimated outcome statement due to the uncertainty of its recoverability

The above outcome is more favourable than the director had estimated in his statement of affairs due to the director not attributing any value to goodwill

Preferential creditors

As previously reported, the Joint Administrators are only aware of one preferential claim in respect of holiday entitlement for one of the employees made redundant upon appointment. This has been paid by the Redundancy Payments Office ("RPO"). The Administrators consider that there will be insufficient realisations to enable a preferential distribution to be made.

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.

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in Section 176A(6) of the Act, to be Nil and therefore no funds will be available to the unsecured creditors under the prescribed part.

Unsecured creditors

Based upon realisations to date and estimated future realisations there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

Creditors should note that they might be eligible to obtain VAT bad debt relief on their debt six months after the date of supply or payment date if later, providing they have written the debt off in their accounts. The procedure does not involve the Joint Administrators and claims should be made directly to HM Revenue & Customs.

1 7 Time costs analysis

An analysis of time costs incurred between 1 May 2013 to 31 October 2013 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type.

The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment only.

1 8 The views of the creditors

The Administrators have since their appointment written to creditors formally advising them of their appointment and circulated progress reports in accordance with statutory requirements. The Administrators have also responded to any queries received from creditors.

1 9 Approval of fees

The Administrators obtained approval from the secured creditor for their remuneration to be fixed by reference to the time properly given by them (as Administrators) and the various grades of their staff calculated at the prevailing Barclays Bank Plc panel rates in attending to matters arising in the administration and they are authorised to draw disbursements, including disbursements for services provided by their firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with their firm's policy, details of which accompany this report at Appendix 2.

The secured creditor approved the above remuneration on 31 August 2011.

1 10 Approval of expenses and disbursements

Similarly, the Administrators with approval of the secured creditor are authorised to draw disbursements, including disbursements for services provided by their firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with their firm's policy

1 11 Other professionals employed & their costs

During the reporting TLT LLP, solicitors, have acted on behalf of the Administrators in respect of the realisation of the deferred consideration

TLT LLP's fees in this respect amounted to £2,805

1 12 Staffing and management

Appropriately experienced staff continue to undertake the various tasks that arise during the course of the administrations to ensure matters are properly dealt with at the least cost to the estates. It is the policy of Begbies Traynor that all grades of staff charge time which solely relates to the case. The analysis later in the report seeks to give some indication of the various tasks undertaken by the Administrators and their staff but is not intended to be, nor should be viewed as, an exhaustive list

2 SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

Since the date of our last report, the following work has been carried out

- Ensuring compliance with professional standards,
- Ensuring compliance with all statutory duties,
- The handling of receipts and payments,
- Preparing statutory reports,
- Liaising with HM Revenue & Customs in respect of the Company's Corporation Tax position,
- Dealing with creditors' queries, and
- The day-to-day running of the administration

Staff Grade	Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time cost £	Average hourly rate £
Administration and Planning	0.6	0.6				3.9	1.2			6.30	1,291.50	205.00
	0.3	9.7				2.1	3.0	0.3	4.1	19.50	3,997.50	205.00
	1.5	2.0					2.4	2.2		8.10	1,660.50	205.00
Investigations												
Realisation of assets												
		1.2				3.9	2.1			7.20	1,476.00	205.00
Trading												
Creditors	0.3	0.8				0.4	0.1			0.50	102.50	205.00
						1.3	2.3			4.70	963.50	205.00
				11.5		0.1	0.4			12.00	2,460.00	205.00
Other matters												
Other matters								0.2		0.20	41.00	205.00
				4.0						4.00	820.00	205.00
		0.2				2.8	1.0	0.3		4.30	881.50	205.00
	0.5					4.2				4.70	963.50	205.00
Total hours by staff grade	3.2	14.5		15.5		18.7	12.5	3.0	4.1	71.5		
Total time cost by staff grade £	656.00	2,972.50		3,177.50		3,833.50	2,562.50	615.00	840.50		14,657.50	
Average hourly rate £	205.00	205.00		205.00		205.00	205.00	205.00	205.00			205.00

Staff Grade	Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time cost £	Average hourly rate £
Administration and Planning		86	46			161	39	219		55 10	11,021 50	200 03
		51	169	15		06	329	370	421	300 30	60 774 50	202 38
	Statutory reporting and statement of affairs	63	64	2		59		456	30	69 20	13,960 00	201 73
Investigations		52	16			37	05	196		30 60	6,243 00	204 02
Realisation of assets			13				39	76		12 80	2 620 00	204 69
	Property, business and asset sales	60	104	10		72	13	58		31 70	6,412 50	202 29
	Retention of Title/Third party assets							02		0 20	39 00	195 00
Trading	353	89	70			779	201	1356	08	285 60	57,381 00	200 91
Creditors	Secured	93	98	2		118	20	180		52 90	10,763 50	203 47
	Others	28			115	175	92	187	10	60 70	12,064 50	198 76
	Creditors committee								23	2 30	458 50	199 35
Other matters	Meetings					18			02	2 00	403 00	201 50
	Other			40				02		4 20	859 00	204 52
	Tax		05			15	33	87	07	14 70	2,995 50	203 78
	Litigation	05					42			4 70	963 50	205 00
Total hours by staff grade												927 0
Total time cost by staff grade £												186,959 00
Average hourly rate £												201 68
Total fees drawn to date £												140 087 50

STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Legal fees	TLT LLP	2,805	2,805	NIL
Postage	Royal Mail	85	85	NIL
Storage of Company records	Archive Solutions	6	5	1
TOTAL:		2,896	2,895	1