

**2.24B**

The Insolvency Act 1986

**Administrator's progress report**

Name of Company
AAC Enterprises Ltd

Company number
04582219

In the High Court of Justice
(full name of court)

Court case number
14141 of 2009

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

IAAe (a)  
Kikis Kallis FCCA FABRP  
Kallis & Co  
Mountview Court  
1148 High Road  
Whetstone  
London, N20 0RA

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

(b) Insert date

From
(b) 28 November 2009

To
(b) 27 May 2010

Signed

  
 Joint Administrator(s)

Dated

25 June 2010

**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



Kikis Kallis FCCA FABRP  
Kallis & Co  
Mountview Court  
1148 High Road  
Whetstone  
London, N20 0RA

DX Number

020 8446 6699  
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

SATURDAY

**AAC ENTERPRISES LTD (IN ADMINISTRATION)**

**High Court of Justice, Chancery Division, Thomas Moore Buildings, The Strand,  
London WC2H 2LL**

**High Court Number 14141 of 2009**

**Progress report to Creditors in accordance with Rule 2.47 of the Insolvency  
Rules 1986, as amended**

I refer to my appointment as Administrator of the above company on 28 May 2009, in accordance with an application filed by the company at the High Court of Justice, Chancery Division, High Court number 14141 of 2009

I hereby provide my progress report to creditors for the period from 28 November 2009 to 27 May 2010 in accordance with Rules 2.47 of the Insolvency Rules 1986, as amended ('IR')  
This report should be read in conjunction with my earlier reports to creditors

**Standard Information:**

Administrator	Kikis Kallis of Kallis & Company, Mountview Court, 1148 High Road, Whetstone, London N20 0RA, appointed by the Directors of the company on 28 May 2009
Registered Number	04582219
Date of Incorporation	5 November 2002
Registered Office <i>(Previously 1146 High Road London N20 0RA)</i>	Mountview Court 1148 High Road Whetstone, London N20 0RA
Trading Address	212 Regents Park Road London N3 3HP
Authorised Share Capital	100,000 Ordinary shares of £1 each
Issued Share Capital	1 Ordinary share of £1
Shareholders	1 – Dr Aristophanes Christodoulou
Company Director	Dr Aristophanes Christodoulou
Company Secretary	Ms Nataliya Babynets
Company Banker	Bank of Cyprus UK

**Progress Report:**

- You will recall that I, Kikis Kallis, was appointed Administrator in this matter on 28 May 2009 for the purpose of achieving a better result in respect of the sale of the company assets than would have been achieved if the company had been wound up without being placed into administration
- As stated in my proposals to creditors issued on 21 July 2009, the company continued to trade in order to collect rental income from residential premises that the company either owns or is managing, and from serviced and virtual offices that the company owns

Details of trading receipts and payments are included in the attached receipts and payments account from 28 May 2009 to 27 May 2010

The management agreement in place between the company and the freeholders of the properties was rescinded and as a result the company is no longer receiving rents for properties which it was previously managing. A review of monies received revealed that the new managing agents MIL (UK) Ltd ("MIL"), a connected party by virtue of Dr Christodoulou's common directorship, was due £24,931.34 for rents collected by the company in respect of these properties. To date £15,524.91 has been paid to MIL in this regard.

MIL has paid various company expenses and collected a number of company rents to meet these expenses. The result of these transactions (including rents collected by the company in respect of MIL managed properties, as stated above) is that MIL remains a creditor of the company in the amount of £18,426 as at 27 May 2010. This amount has not been paid to date.

- The company owns the leaseholds of an office suite and 4 residential apartments which I had advised were collectively valued at £1,590,000. The most recent valuations conducted state that the properties have a collective value of £1,435,000.

Three of the four residential apartments have now been sold and gross realisations in this regard were £850,000. An offer has been received and accepted for the final apartment from the Company Secretary in the amount of £300,000. It is expected that this sale will be concluded shortly after the issuance of this report. All property sales have been verified and are at market value. The office suite, which has an estimated realisable value of £285,000, remains to be sold.

It is anticipated that once all properties are sold, sufficient realisations will have been made to enable the first charge holder, Bank of Cyprus UK, to be repaid in full and a distribution made to the second charge holder, Dr A Christodoulou.

As there are no floating charge holders, S176A of the Insolvency Act 1986 will not apply in this instance. It is anticipated that there will not be sufficient realisations to enable a distribution to unsecured, non-preferential creditors.

- You will be aware that an extension to the Administration period of 6 months until 28 November 2010 was granted with the consent of the company's creditors following the meeting of creditors held on 6 August 2009.
- For your information I attach a copy of my receipts and payments account from 28 May 2009 to 27 May 2010.
- Once I have made all the realisations and finalised matters in the administration I shall file the appropriate notices with the Registrar of Companies and to the Court, at

which time my appointment as Administrator will cease to have effect. My original proposals envisaged that the company would be dissolved or enter Creditors Voluntary Liquidation upon conclusion of the Administration. However it has transpired that it may be possible to return the company to the control of its director thus rescuing the company as a going concern. Matters in this regard are currently being reviewed and a final report to creditors will be issued in due course detailing the exit route chosen.

- At the meeting of creditors held on 6 August 2009, I received creditor approval that my remuneration be drawn by reference to time properly given in attending to matters in the Administration.

In this regard I would advise that for the period since my appointment on 28 May 2009 to 27 May 2010 the time spent by my staff and I on this matter totals 203.07 hours amounting to a cost of £32,733.10 (plus VAT) at an average hourly rate of £161.19. To date I have drawn £10,000 (plus VAT) on account of this outstanding work in progress.

Set out below is a breakdown of my time since my appointment on 28 May 2009 to 27 May 2010.

<b>Analysis of Administrator's time costs for the period 28 May 2009 to 27 May 2010</b>					
<b>Classification of Administration</b>	<b>Partner Hours</b>	<b>Senior Hours</b>	<b>Support Hours</b>	<b>Total Hours</b>	<b>Total Cost £</b>
Statutory Matters	15.13	24.25	2.81	42.18	7,694.83
Banking	1.25	4.00	14.15	19.40	1,923.39
Assets	5.69	44.25	-	49.94	7,310.88
General matters	11.13	57.75	0.25	69.13	10,643.13
Creditors	13.56	8.50	0.38	22.43	5,160.87
<b>Total Hours</b>	<b>46.75</b>	<b>138.75</b>	<b>17.58</b>	<b>203.07</b>	
<b>Total Fees (£)</b>	<b>13,679.90</b>	<b>17,722.50</b>	<b>1,330.70</b>		<b>32,733.10</b>
<b>Average hourly rate (£)</b>	<b>292.65</b>	<b>127.73</b>	<b>75.71</b>		<b>161.19</b>

Detailed explanatory notes about how the administrator's remuneration is fixed may be obtained on request by writing to me or telephoning my office. In addition the information can be viewed online at [www.r3.org.uk](http://www.r3.org.uk) under Statements of Insolvency Practice Number 9. I would however inform you that I and my staff are currently charged out at the following rates -

Partners	£275 - £300
Managers	£170 - £275
Senior Administrators	£90 - £175
Support Staff	£60 - £85

Signed   
**Kikis Kallis FCCA FABRP**  
**Administrator**

Dated 25 June 2010

The Administrator manages the affairs, business and property of the company as agent and without personal liability.

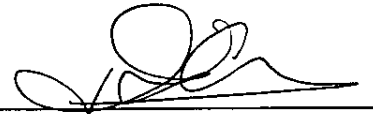
**AAC Enterprises Ltd  
(In Administration)  
Administrator's Trading Account**

<b>Statement of Affairs</b>	<b>From 28/11/2009 To 27/05/2010</b>	<b>From 28/05/2009 To 27/05/2010</b>
POST APPOINTMENT SALES		
Rents	13,825 00	40,423 06
Miscellaneous Income	NIL	174 97
	<u>13,825 00</u>	<u>40,598 03</u>
TRADING EXPENDITURE		
Heat , Light & Water	604 05	1,805 19
Telephone & Internet	1,071 61	1,601 11
Insurance	NIL	50 50
Professional Fees	1,006 00	4,121 23
Repairs & Maintenance	NIL	10,171 15
Sundry Expenses	NIL	424 53
Office holder's costs	NIL	2,950 00
	<u>(2,681 66)</u>	<u>(21,123 71)</u>
<b>TRADING SURPLUS/(DEFICIT)</b>	<u><b>11,143 34</b></u>	<u><b>19,474 32</b></u>

**AAC Enterprises Ltd**  
**(In Administration)**  
**Administrator's Abstract of Receipts & Payments**

Statement of Affairs		From 28/11/2009 To 27/05/2010	From 28/05/2009 To 27/05/2010
1,590,000 00	SECURED ASSETS		
	Leasehold Property	850,000 00	850,000 00
		850,000 00	850,000 00
	COSTS OF REALISATION		
	Legal Fees	4,026 00	5,114 00
	Agents/Valuers Fees	528 75	1,028 75
		(4,554 75)	(6,142 75)
(1,086,387 50)	SECURED CREDITORS		
(1,277,486 73)	Bank of Cyprus UK	860,943 41	885,478 66
	Director	NIL	NIL
		(860,943 41)	(885,478 66)
Uncertain	ASSET REALISATIONS		
NIL	Rental income	NIL	NIL
	Furniture & equipment	NIL	NIL
	Rates refund	NIL	958 33
	Services Refund	NIL	83 28
	VAT Refund	2,354 07	13,428 03
	Council Tax Refund	NIL	389 13
	Refund of legal fees	53 20	53 20
	Trading Surplus/(Deficit)	11,143 34	19,474 32
		13,550 61	34,386 29
	COST OF REALISATIONS		
	Specific Bond	NIL	180 00
	Office Holders Fees	NIL	7,050 00
	Accounting fees	NIL	2,500 00
	Legal Fees (1)	NIL	1,009 00
	Statutory Advertising	NIL	62 50
	Bank Charges	292 44	310 50
		(292 44)	(11,112 00)
(11,005 70)	UNSECURED CREDITORS		
(6,850 00)	Trade & Expense Creditors	NIL	NIL
Uncertain	Connected Parties	NIL	NIL
	Joint contractors	NIL	NIL
	MIL (UK) Ltd	(873 73)	18,426 09
		(873 73)	18,426 09
(1 00)	DISTRIBUTIONS		
	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(791,730.93)</b>		<b>(3,113 72)</b>	<b>78.97</b>
	REPRESENTED BY		
	VAT Receivable		1,146 15
	Bank 1 Current		185 50
	VAT Payable		(1,252 68)

**78 97**

A handwritten signature in black ink, consisting of a large, stylized 'K' followed by a series of loops and a long horizontal stroke.

Kikis Kallis FCCA FABRP  
Administrator