

**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)
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Court case number 14141 of 2009
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(a) Insert full name(s) and address(es) of administrator(s)

IAWe (a)  
Kikis Kallis FCCA FABRP  
Kallis & Company  
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 May 2010
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To (b) 27 November 2010
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Signed



Joint Administrator(s)

Dated

15 December 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 will be visible to searchers of the public record

Kikis Kallis FCCA FABRP  
Kallis & Company  
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



A61 16/12/2010  
COMPANIES HOUSE

THURSDAY

**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 Rules 2.47 & 2.112 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 May 2010 to 27 November 2010 in accordance with Rules 2.47 & 2.112 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 November 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 A 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 was a creditor of the company. The amount due has been discharged through the collection of rents due to the Company and the sale of the company's motor vehicle.

- 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.

All four residential apartments have now been sold and gross realisations in this regard were £1,150,000. An offer has been received and accepted for the office suite from the director and secured creditor, Dr A Christodoulou in the amount of £250,000. 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.

Completion is due as soon as the Bank of Cyprus UK have formalised the removal of their charge over the property. The position with regard to the Bank of Cyprus UK debt is that they are unlikely to be repaid in full, as there is an outstanding guarantee for a debt owed by another company, however the bank's security is being replaced by a different property which will release the office suite to be disposed of at a market value.

- An offer was accepted from Dr A Christodoulou for the company's furniture and equipment in the amount of £5,538. The sale of the assets will be dealt with in conjunction with the sale of the company's office suite detailed above. These assets had a book value of £5,688 according to the Statement of Affairs as at 28 May 2009.
- The company owned a motor vehicle which had a realisable value of £24,500. The vehicle was sold to Dr A Christodoulou on 9 November 2010.

## **EXTENSION OF ADMINISTRATION PERIOD**

- 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
- In order that the sale of the remaining assets may be completed as detailed above, I applied to Court in order to extend the Administration by a further period of 6 months. The Administration period has been extended by order of the Court until 27 May 2011

## **OUTCOME FOR CREDITORS**

### ***Secured Creditors***

- Bank of Cyprus UK has been repaid in full for amounts directly advanced to the company. As stated above, Bank of Cyprus UK holds a guarantee for a debt owed by another company. This security is to be replaced by a different property which will release the last remaining charge over the office suite. Upon the sale of this final property, a distribution will be made to the second charge holder, Dr A Christodoulou, in partial repayment of his debt.

### ***Unsecured Creditors***

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

## **RECEIPTS & PAYMENTS ACCOUNT**

- For your information I attach a copy of my receipts and payments account from 28 May 2010 to 27 November 2010 which are in the main self-explanatory.
- It should be noted that during this period £35,478.66 relating to loan interest payments which had been incorrectly allocated as having been distributed to Bank of Cyprus UK was reallocated as a trading expense. A further £1,030.58 relating to loan interest was paid to Bank of Cyprus UK during the period.

## **EXIT ROUTE FROM ADMINISTRATION**

- My original proposals envisaged that the company would be dissolved or enter Creditors Voluntary Liquidation upon conclusion of the Administration.
- I had previously advised that it may be possible to return the company to the control of its director thus rescuing the company as a going concern. Having reviewed this possibility I have concluded that this exit route is not appropriate in this instance.
- The creditor's voluntary liquidation is not appropriate as there will be no funds with which to provide a distribution to unsecured creditors.
- Once I am satisfied and that I have fully discharged my duties and the purpose of the administration has been achieved I will implement the provisions of Paragraph 84 of Schedule B1 to the Insolvency Act 1986.

Under these provisions, on the registration of a notice sent by the Administrator to the Registrar of Companies, my appointment as administrator will cease to have effect, and at the end of three months the Company will automatically be dissolved

# **ADMINISTRATOR'S REMUNERATION**

- 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 14 December 2010 the time spent by my staff and I on this matter totals 286 86 hours amounting to a cost of £45,020 97 (plus VAT) at an average hourly rate of £156 94 To date I have drawn £27,050 (plus VAT) on account of this outstanding work in progress I would advise that I have subsequently agreed with the secured chargeholder Dr A Christodoulou that my fees be fixed at £27,050 I will therefore not draw any additional fees in respect of my outstanding work in progress

Set out below is a breakdown of my time since my appointment on 28 May 2009 to 14 December 2010

Analysis of Administrator's time costs for the period 28 May 2009 to 14 December 2010						
Classification of Administration	Partner Hours	Manager Hours	Senior Hours	Support Hours	Total Hours	Total Cost £
Statutory Matters	15 88	-	41 00	13 62	70.50	11,273 68
Banking	1 75	-	17 13	17 29	36.17	4,149 28
Assets	6 69	0 50	58 33	-	65.52	9,792 13
General matters	13 88	0 50	76 50	-	90.88	14,425 63
Creditors	13 69	-	10 13	-	23.81	5,380 25
<b>Total Hours</b>	<b>51.87</b>	<b>1.00</b>	<b>203.08</b>	<b>30.91</b>	<b>286.86</b>	
<b>Total Fees (£)</b>	<b>15,166 78</b>	<b>220 00</b>	<b>27,315 62</b>	<b>2,318 57</b>		<b>45,020.97</b>
<b>Average hourly rate (£)</b>	<b>292 40</b>	<b>220 00</b>	<b>134 51</b>	<b>75 00</b>		<b>156 94</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 - £320
Managers	£170 - £275
Senior Administrators	£90 - £175
Support Staff	£60 - £85

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

Dated 15 December 2010

The Administrator manages the affairs, business and property of the Company as agent and without personal liability Kikis Kallis is licensed to act as an Insolvency Practitioner by the Association of Chartered Certified Accountants

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

<b>Statement of Affairs</b>	<b>From 28/05/2010 To 27/11/2010</b>	<b>From 28/05/2009 To 27/11/2010</b>
<b>POST APPOINTMENT SALES</b>		
Rents	12,900 00	53,323 06
Miscellaneous Income	<u>NIL</u>	<u>174 97</u>
	12,900 00	53,498 03
<b>TRADING EXPENDITURE</b>		
Heat , Light & Water	NIL	1,805 19
Telephone & Internet	NIL	1,601 11
Insurance	NIL	50 50
Professional Fees	NIL	4,121 23
Bank Charges	36,509 24	36,509 24
Repairs & Maintenance	NIL	10,171 15
Sundry Expenses	NIL	424 53
Office holder's costs	<u>NIL</u>	<u>2,950 00</u>
	(36,509 24)	(57,632 95)
<b>TRADING SURPLUS/(DEFICIT)</b>	<u><u>(23,609.24)</u></u>	<u><u>(4,134 92)</u></u>

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

Statement of Affairs		From 28/05/2010 To 27/11/2010	From 28/05/2009 To 27/11/2010
	<b>SECURED ASSETS</b>		
1,590,000 00	Leasehold Property	300,000 00	1,150,000 00
		300,000 00	1,150,000 00
	<b>COSTS OF REALISATION</b>		
	Legal Fees	1,088 00	6,202 00
	Agents/Valuers Fees	NIL	1,028 75
		(1,088 00)	(7,230 75)
	<b>SECURED CREDITORS</b>		
(1,086,387 50)	Bank of Cyprus UK	233,554 82	1,119,033 48
(1,277,486 73)	Director	18,363 68	18,363 68
		(251,918 50)	(1,137,397 16)
	<b>ASSET REALISATIONS</b>		
Uncertain	Rental income	NIL	NIL
NIL	Furniture & equipment	NIL	NIL
	Motor Vehicles	24,500 00	24,500 00
	Rates refund	NIL	958 33
	Services Refund	NIL	83 28
	VAT Refund	NIL	13,428 03
	Council Tax Refund	NIL	389 13
	Refund of legal fees	NIL	53 20
	Trading Surplus/(Deficit)	(23,609 24)	(4,134 92)
		890 76	35,277 05
	<b>COST OF REALISATIONS</b>		
	Specific Bond	NIL	180 00
	Office Holders Fees	20,000 00	27,050 00
	Accounting fees	NIL	2,500 00
	Legal Fees (1)	NIL	1,009 00
	VAT	821 55	821 55
	Statutory Advertising	NIL	62 50
	Insurance of Assets	683 60	683 60
	Bank Charges	68 58	379 08
	Sundry Expenses	823 60	823 60
		(22,397 33)	(33,509 33)
	<b>UNSECURED CREDITORS</b>		
(11,005 70)	Trade & Expense Creditors	NIL	NIL
(6,850 00)	Connected Parties	NIL	NIL
Uncertain	Joint contractors	NIL	NIL
	MIL (UK) Ltd	(18,426 09)	NIL
		(18,426 09)	NIL
	<b>DISTRIBUTIONS</b>		
(1 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(791,730 93)</b>		<b>7,060.84</b>	<b>7,139.81</b>

REPRESENTED BY

Bank 1 Current  
VAT Payable

7,516.06  
(376.25)

**7,139.81**



Kikis Kallis FCCA FABRP  
Administrator