

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company A&T Active Recruitment Limited	Company number 5187587
In the High Court of Justice, Chancery Division, Birmingham District Registry (full name of court)	Court case number 8199 of 2012

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

I/We (a)
Steven Martin Stokes
FRP Advisory LLP
104/106 Colmore Row
Birmingham
B3 3AG

Gerald Clifford Smith
FRP Advisory LLP
104/106 Colmore Row
Birmingham
B3 3AG

*Delete as applicable

attach a copy of ~~my~~/our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) 14 May 2012

Signed



Joint / Administrator(s)

Dated

14 May 2012

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 researchers of the public record

Steven Martin Stokes
FRP Advisory LLP
104/106 Colmore Row
Birmingham
B3 3AG

DX Number

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

THURSDAY



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17/05/2012

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COMPANIES HOUSE



FRP Advisory LLP
104-106 Colmore Row
Birmingham B3 3AG
Tel +44 (0)121 710 1680
Fax +44 (0)121 710 1699
www.frpadvisory.com

TO ALL MEMBERS AND ALL KNOWN CREDITORS

your ref

our ref: A1219BIR/AO047

date: 14 May 2012

Please ask for Bharat Makvana

Dear Sirs

A&T ACTIVE RECRUITMENT LIMITED IN ADMINISTRATION ("THE COMPANY")

I write to inform you that a meeting of creditors of the Company has been convened pursuant to Paragraph 51 of Schedule B1 of the Insolvency Act 1986

In this regard, please find enclosed the following documents:

1. The Joint Administrators' report incorporating their proposals;
2. Notice of the meeting of creditors,
3. A proxy form;
4. A proof of debt; and
5. A schedule of my firms' charge out rates

The purpose of this meeting is for the creditors to vote on the proposals, which can be accepted, modified and then accepted, or rejected. The meeting also allows creditors the opportunity to form a creditors' committee. Your attendance at the meeting is not mandatory and non attendance will not impair your rights against the Company in any way.

I would draw your attention to the requirements regarding your entitlement to vote, as specified in the notice

Yours faithfully
for and on behalf of
A&T Active Recruitment Limited

Steven Martin Stokes

Joint Administrator

Licensed in the United Kingdom by the Insolvency Practitioners Association

The Joint Administrators act as agents of the Company and without personal liability

The affairs, business and property of the Company are being managed by Steven Martin Stokes and Gerald Clifford Smith who were appointed Joint Administrators on 27 April 2012



FRP Advisory LLP
104-106 Colmore Row
Birmingham B3 3AG
Tel +44 (0)121 710 1680
Fax +44 (0)121 710 1699
www.frpadvisory.com

TO ALL MEMBERS AND ALL KNOWN CREDITORS

your ref
our ref **A1219BIR/AO051**
date **14 May 2012**
please ask for **Bharat Makvana**

Dear Sir/Madam

A&T ACTIVE RECRUITMENT LIMITED IN ADMINISTRATION ("THE COMPANY")

1. Introduction

1.1 I write, further to my appointment as Joint Administrator of the Company, to inform creditors of the conduct of the Administration to date and to ask the creditors to consider the Joint Administrators' proposals under Paragraph 49 of Schedule B1 to the Insolvency Act 1986

1.2 The following information is attached:

- Appendix A Statutory information about the Company and the Joint Administrators
- Appendix B Receipts and payments account for the period 27 April 2012 to 14 May 2012
- Appendix C The Joint Administrators' proposals
- Appendix D Schedule of the Joint Administrators' charge out rates
- Appendix E Schedule of the Joint Administrators' time costs to date
- Appendix F Statement of pre-appointment Administrators' costs
- Appendix G Estimated outcome statement including a list of creditors names and addresses
- Appendix H Notice of the meeting of creditors
- Appendix I Proxy form
- Appendix J Claim form

2. The Administration

2.1 The appointment of the Joint Administrators took place on 27 April 2012. The appointment was by the Company.

2.2 Both of the Joint Administrators are licensed Insolvency Practitioners, Steven Martin Stokes is licensed by the Insolvency Practitioners Association and Gerald Clifford Smith is licensed by the Institute of Chartered Accountants in England and Wales.

2.3 The Administration is registered in the High Court of Justice, Chancery Division, Birmingham District Registry, under reference number 8199 of 2012.

2.4 The Company's main centre of operation is based in the United Kingdom. The EC Regulations on Insolvency Proceedings 2000 apply to the Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation.

2.5 The Joint Administrators act jointly and severally, so that all functions may be exercised by either Administrator.

3. Company History

- 3.1 The Company was established in 2002 and traded as a local recruitment firm in the East Midlands from three leased properties in Nottingham, Sutton in Ashfield and Alfreton
- 3.2 The Company specialised in the recruitment of both temporary and permanent staffing solutions, mainly providing temporary staff to the blue collar sector, employing eight staff across the three offices with circa 300 agency staff on its books.
- 3.3 The Company historically had a turnover of more than £5.5m, however, this reduced to approximately £4m due to two former directors leaving the Company in 2011 and taking key customers with them under a compromise agreement.
- 3.4 The Company discovered that it had a large VAT liability in January 2012, in the sum of circa £200k. This resulted in the Company having to agree to a payment plan with HM Revenue & Customs ("HMRC"), £100k was paid immediately, with a further £100k to be paid in instalments based on projected sales. Unfortunately sales did not materialise at the level necessary to repay the debt.
- 3.5 Due to the difficulties in repaying the HMRC debt and following a meeting with the Company directors, during which the potential insolvency of the Company was discussed, the Company's lenders Close Invoice Finance Limited ("Close") placed their invoice discounting facility drawdowns onto "critical payments only". In early April 2012 the Company fell behind on the payment plan agreed with HMRC, as well as the current quarters VAT falling due.
- 3.6 To preserve value in the business and its major asset, the debtors ledger, it was considered that an accelerated sales process followed by a pre-packaged Administration sale would be the best option and the Company engaged FRP Advisory LLP ("FRP") to provide assistance with the accelerated sale.
- 3.7 The directors resolved to file a Notice of Intention to Appoint Administrators on 16 April 2012 in order to receive an Interim Moratorium to protect the Company whilst the accelerated sales process was undertaken.

4. Engagement

- 4.1 The Company was introduced to FRP by Close. Following the initial contact on 5 April 2012, FRP were engaged by the Company on 13 April 2012 to provide assistance with an accelerated sales process.
- 4.2 Prior to this introduction neither FRP nor the Joint Administrators, had any previous involvement with the Company, or the Company's directors
- 4.3 Please be advised that a significant proportion of the information provided below in relation to the accelerated sale process (Sections 5-9) was circulated to creditors on 30 April 2012 as part of my SIP 16 requirements.

5. Pre-Pack Strategy

- 5.1 It was considered that if a sale of the Company was not feasible, a pre-packaged sale of the business and assets would generate a greater return for creditors than liquidation, or from trading the business in Administration and attempting to find a buyer post appointment, for the following reasons,
 - a. Trading risks – Any disruption to the business would have led to the potential loss of large customers due to the uncertainty surrounding the continuity of supply of staff during what is some of their key customers busiest periods

- b. Employees – All employees would transfer to a Newco in a pre-packaged sale thereby safe guarding employment and reducing preferential and unsecured creditor claims.
- c. Funding – There was insufficient funds to enable the business to be traded in Administration. Any issues with continuity of agency staff supply would cause damage to the realisation of book debts and in turn reduce the value of the business and assets.
- d. If it was not possible to trade the business and it ceased to trade, realisations would be materially lower in a shutdown scenario due to the impact on the collectability of the debtors ledger.

5.2 In order to preserve the asset value of the Company, FRP carried out an accelerated marketing exercise which is detailed in Section 7 below.

6. Valuations of the Business and Assets

6.1 MGR Appraisals Limited ("MGR") were instructed by FRP soon after engagement to undertake an asset valuation report for the Company. On 25 April 2012 MGR valued the Company's office equipment and furniture at market value in-situ of £4,000 and ex-situ of £1,400

7. Extent of Pre-Appointment Work and Marketing

7.1 Following engagement on 13 April 2012 and after reviewing of the Company's information, FRP commenced an accelerated sales process with a view to achieving a sale of the trade, goodwill and other assets of the business as a going concern.

7.2 A targeted marketing campaign was undertaken with circa 30 parties being contacted, with a one page "sales flyer" forwarded to them. In addition the "sales flyer" was circulated to FRP Birmingham's interested party database on 19 April 2012. The aim was to conclude a sale by 27 April 2012, the date when the moratorium would cease to be in effect.

7.3 Interest was expressed by several parties including the management of the Company and three Information Memorandums were issued after receiving signed Non-Disclosure Agreements from the relevant parties.

7.4 Although four parties expressed an initial interest in the business and assets, only two offers were received, with the other two parties deciding not to proceed with their interest. One of the offers was from the management and one by an external party. Both were for the business and assets of the Company (excluding the book debts which were to subject to an invoice discounting facility with Close)

7.5 As part of the managements offer, they agreed to honour accrued holiday pay due to the circa 300 agency staff of the Company. This was believed to equate to circa £105k, which considerably reduces potential preferential or unsecured creditor claims, depending on how they would have been classed by the Redundancy Payments Office. This in turn significantly increases any potential return to unsecured creditors.

8. Efforts to Consult with Major Creditors

8.1 Close and HMRC were substantially the largest two creditors of the Company. Close were owed approximately £330k in relation to the Company's invoice discounting facility. In addition, as mentioned in 3.4, the Company had a large VAT liability which resulted in them having to agree to a payment plan with HMRC. FRP originally contacted HMRC VAT Department on 18 April 2012 to inform them of their involvement in the accelerated sale process.

- 8.2 FRP again contacted HMRC VAT department on 23 April 2012 providing them with an update on the sales process and again wrote to HMRC VAT department and the PAYE/NI department on 25 April 2012 confirming the offers that had been received to date. Close were also kept fully informed at all stages of the sale process both by telephone and in writing.
- 8.3 After receipt of the offers Close indicated a preference to accept managements offer on the basis that this would provide better continuity for customers, which in turn would increase the likelihood of collecting a significant proportion of the debtors ledger.
- 8.4 After reviewing the estimated outcomes of the two offers it was apparent that management's offer would provide a significantly better return to all creditors.

9. Appointment of the Administrators and Details of the Transaction

- 9.1 Gerald Smith and I were duly appointed Joint Administrators on 27 April 2012 by the Company in accordance with paragraph 22 of Schedule B1 to the Insolvency Act 1986.
- 9.2 Immediately following the appointment of Joint Administrators, a sale of the business and certain assets of the Company was completed to Active Recruitment (Midlands) Limited (Registered Number 07997189), whose registered office is 470 Hucknall Road, Nottingham, NG5 1FX ("the Purchaser").
- 9.3 The total consideration of the sale was £20,000 and is apportioned as follows;

	Total Consideration(£)
Commercial Records and the Customer Lists	1
the benefit (subject to the burden) of the Customer Contracts	1
the benefit (subject to the burden) of the Agency Contracts	1
Goodwill	12,494
Equipment	7,500
Intellectual Property	1
Stock	1
Work in Progress	1
Total	20,000

- 9.4 The Purchaser agreed to pay £5,000 within 12 days of the sale and three deferred consideration payments of £5,000 on 1 June 2012, 1 July 2012 and 1 August 2012.
- 9.5 A total of eight employees transferred to the Purchaser under TUPE legislation.
- 9.6 As part of the transaction and on agreement with Close, it was agreed that all agency staff time accrued but not yet invoiced, would be an asset of the Administration if the Joint Administrators authorised a drawdown from Close's facility to cover the agency staffs pay for that period. This would ensure the Administration would benefit from the profit made during the week commencing 23 April 2012 and the customers and debtors ledger would be fully supported.
- 9.7 A three month license to occupy the main leased property and short term licenses for the other two properties were granted to the Purchaser for an interim period during which a transfer of the leases can be arranged by the Purchaser. The Purchaser paid on completion a premium of £1,400 for rent due for the first month.
- 9.8 The transaction is not part of any wider transaction and there are no options or buy back conditions.

9.9 Active Recruitment (Midlands) Limited has two directors, Thomas Valance and Glynn Arnold, who are connected to the Company.

9.10 I believe that the former directors provided personal guarantees to Close

10. The Conduct of the Administration

10.1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives

- a. To rescue the Company as a going concern, failing which
- b. To achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), failing which
- c. To realise property in order to make a distribution to one or more secured or preferential creditors.

10.2 The Joint Administrators confirms that objective a) cannot be achieved due to the level of the Company's liabilities, in particular the sums due to HMRC.

10.3 It is expected that objective b) will be achieved and subsequently that a dividend will be available to the unsecured creditors.

10.4 The pre-packaged sale of the business was in the best interests of creditors as a whole, as it provided protection to the business and the book debt ledger, which was the largest asset of the Company, the collectability of which would have been significantly impacted if the business ceased to trade or any customers supply of staff had been disrupted by the Administration

10.5 I believe the alternative of trading in Administration or closure of the business would have resulted in significantly lower realisations and a higher level of creditor claims. With the Purchaser agreeing to pay the agency staffs accrued holiday pay, coupled with the transfer of the employees to the Purchaser under TUPE legislation, resulting in full mitigation of preferential claims, a greater return for creditors should be generated.

10.6 A copy of the Joint Administrators' receipts and payment account to date is attached as Appendix B.

11. Administrators' Proposals

11.1 The Administrators' proposals in accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 to achieve the purpose of the Administration, namely to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), are attached as Appendix C.

12. Creditors' Meeting

12.1 A creditors' meeting has been called under Paragraph 51 of Schedule B1 of the Insolvency Act 1986 for 11am on 8 June 2012 at FRP Advisory LLP, Castle Acres, Narborough, Leicester, LE19 1BY to enable creditors to consider the Administrators' proposals, make modifications and vote as appropriate. A proxy form is enclosed for your use if you intend to be present or represented at the meeting. Please attach details of your claim to the returned proxy form and give information about any security that you hold. Completed proxy forms should be returned to this office

13. Administrators' Remuneration

13.1 The Administrators' remuneration after the date of appointment will be drawn from the Company assets and it is proposed that it will be charged on a time cost basis. Please be advised that should the Company subsequently be placed into Liquidation and the Joint Administrators appointed as

Liquidators, the basis agreed for the drawing of the Administrators' remuneration will also be that utilised in determining the Liquidators' remuneration, without further recourse to creditors.

- 13.2 The Administrators remuneration is based on computerised records of all time spent on the Administration of the estate. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and the experience required. Time is charged to the case in maximum chargeable units of six minutes. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters. Charge out rates are reviewed at least annually, details of FRP Advisory LLP charge out rates are included at Appendix D.
- 13.3 The Joint Administrators' disbursements are a recharge of actual costs incurred by the Joint Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP Advisory at the HMRC approved mileage rate. It is proposed mileage is recharged and drawn at the HMRC approved mileage rate prevailing at the time the mileage was incurred.
- 13.4 Creditors have a right to request further information from the Administrators under Rule 2.48A of the Insolvency Rules 1986 and further have a right to challenge the Administrators' remuneration and other expenses under Rule 2.109 of the Insolvency Rules 1986 following receipt of a progress report. Further details of these rights can be found in the Creditors' Guide to Fees which you can access by using the following link www.frpadvisor.com/fees-guide.html and select the one for administrations. Alternatively a hard copy of the relevant guide will be sent to you on request.
- 13.5 Details of the time charged to this case to date, analysed between the different types of work undertaken, are enclosed at Appendix E. The basis of the Administrators' remuneration has not yet been approved by creditors, and the Administrators have accordingly not drawn any remuneration in this case.

14. Pre-Administration Costs Charged or Incurred by the Administrators

- 14.1 Attached at Appendix F is a statement of pre-Administration costs charged or incurred by the Joint Administrators totalling £10,251.50 in relation to FRP's engagement to assist with the accelerated sales process. Included in the statement of pre-Administration costs are unpaid pre-Administration disbursements of £84.00 which had not been paid when the Company entered Administration. I am seeking to obtain approval from creditors for the payment of this amount and a stand-alone separate resolution is included in my statement of proposals.

15. The Directors' Statement of Affairs

- 15.1 Shortly after the appointment, the directors of the Company were asked to submit a statement of affairs under paragraph 47 of Schedule B1 of the Insolvency Act 1986.
- 15.2 No statement of affairs has yet been received, but an estimated outcome statement ("EOS") as at the latest practical date, prepared from information available to the Joint Administrators and including a list of creditors' names and addresses is enclosed as Appendix G to this report.
- 15.3 Please note that the figures in the EOS are only estimated at this stage and the EOS does not include any costs of the Administration.

16. Prescribed Part

- 16.1 The Joint Administrators have considered the possibility of a prescribed part for unsecured creditors under S176A of the Insolvency Act 1986.

- 16.2 Where debentures post-date the introduction of the Enterprise Act 2002 on 15 September 2003 there is a requirement for the Administrators to set aside a Prescribed Part for unsecured creditors fund from floating charge realisations. The Prescribed Part comprises set percentages of the floating charge realisations (after costs) up to a maximum of £600,000.
- 16.3 The Company granted a floating charge to Close and therefore the Joint Administrators are required to create a fund out of the Company's net floating charge property for unsecured creditors.
- 16.4 The EOS at Appendix G indicates that, a dividend under the prescribed part is unlikely to be necessary as it is anticipated that Close will be repaid in full from the collection of the debtors ledger and in turn a dividend should be distributable to unsecured creditors from the debtors ledger surplus and floating charge realisations. The ultimate outcome will be dictated by the level of future realisations and the costs of Administration.

17. Outcome for Secured Creditor

- 17.1 The Company had granted the following securities:

Charge Holder	Security Held	Date Created
Close Invoice Finance Limited	Debenture	30/09/04

- 17.2 Close's indebtedness will in the first instance be repaid from the debtors ledger. Any subsequent outstanding deficit would be repaid from the proceeds of the sale and any further asset realisations.

18. Outcome for Preferential Creditors

- 18.1 All eight employees transferred to the Purchaser under TUPE legislation, resulting in all preferential liabilities being assumed by the Purchaser and therefore there are no preferential creditors in the Administration.

19. Outcome for Unsecured Creditors

- 19.1 As a result of the sale of the business and certain assets of the Company to the Purchaser and with the Purchaser agreeing to honour accrued holiday pay due to the circa 300 agency staff, preferential and unsecured creditor claims have been reduced.
- 19.2 It is therefore anticipated that there will be a dividend to unsecured creditors, which will be paid in a subsequent liquidation.
- 19.3 The quantum of any dividend will be dependent upon the realisation of the remaining assets, mainly the book debt recoveries, the final costs of the Administration and any subsequent Liquidation, and the quantum of claims received and agreed.

20. Matters requiring investigation


- 20.1 It is a part of the Joint Administrators duties to establish what assets the Company owns and to consider the way in which the Company's business has been conducted, and am required under the provisions of the Company Directors Disqualification Act 1986 to report to the Secretary of State for Business Innovation and Skills on the conduct of the directors. If you have any information or concerns regarding the way in which the Company's business has been conducted, or have information regarding potential recoveries for the estate please contact the Joint Administrators as soon as possible.

21. Next report

21.1 The Joint Administrators are required to provide a progress report within one month of the end of the first six months of the Administration.

If you have any queries please contact Bharat Makvana of this office.

Yours faithfully
For and on behalf of
A&T Active Recruitment Limited



Steven Stokes
Joint Administrator
Licensed in the United Kingdom by the Insolvency Practitioners Association

The Joint Administrators act as agents of the Company and without personal liability

The affairs, business and property of the Company are being managed by Steven Martin Stokes and Gerald Clifford Smith who were appointed Joint Administrators on 27 April 2012

Statutory Information

Appendix A

ADMINISTRATION DETAILS:

Date of notice of intention to appoint Administrators presented to Court.

16 April 2012

Consent to the notice to appoint an Administrator provided by the qualifying charge holder as follows:

Holder of Qualifying Floating Charge

Close Invoice Finance Limited

Date of consent

16 April 2012

Names of Joint Administrators:

Steven Martin Stokes and Gerald Clifford Smith

Address of Joint Administrators:

FRP Advisory 104/106 Colmore Row Birmingham B3 3AG

The appointment of the Joint Administrators included a declaration that they are acting jointly or severally as Administrators of the Company.

Date of appointment of Administrators:

27 April 2012

Court in which administration proceedings were brought:

High Court of Justice, Chancery Division, Birmingham District Registry

Court reference number:

8199 of 2012

Application for administration order made by:

The Company

The EC Regulation on Insolvency Proceedings will apply in this matter and accordingly the Administration will constitute main proceedings

Statutory Information**Appendix A****COMPANY DETAILS:**

Date of incorporation:	22 July 2004
Company number.	5187587
Registered office:	104 – 106 Colmore Row Birmingham B3 3AG
Previous registered office:	470 Hucknall Road Nottingham NG5 1FX
Business address:	Fourth Floor Queens Chambers King Street Nottingham NG1 2BH
Directors:	Thomas Edward Vallance Glynn Colin Arnold

The directors and Company secretary have the following shareholdings in the Company:

Name	Shares	Type	Percentage shareholding
Glynn Colin Arnold	1	Ordinary share	50%
Thomas Edward Vallance	1	Ordinary share	50%

Extracts from the financial statements available are summarised below:

Period Ended	Turnover (£'000)	Gross Profit (£'000)	Net Profit/ (Loss) (£'000)	Dividend Paid (£'000)	P & L a/c c/fwd (£'000)
31/08/2010	5,281	546	117	112	(13)
31/08/2009	5,653	758	200	164	(18)

Receipts and Payments Account
For the period 27 April 2012 to 14 May 2012

Appendix B

	Total (£)
RECEIPTS	<u>0.00</u>
PAYMENTS	<u>0 00</u>
BALANCE IN HAND	<u>0.00</u>

THE INSOLVENCY ACT 1986

**STATEMENT OF THE PROPOSALS OF THE JOINT ADMINISTRATORS
OF A&T ACTIVE RECRUITMENT LIMITED (IN ADMINISTRATION)**

**PURSUANT TO PARAGRAPH 49(1) OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986 (The Act)
AND RULE 2.33 OF THE INSOLVENCY RULES 1986 (The Rules)**

1. The Joint Administrators think that objective (a) of the Administration, as detailed in Paragraph 3(1) of Schedule B1 to the Insolvency Act 1986, will not be achieved as the Company would not survive as a going concern. As such, it is envisaged that objective (b) will be achieved, a better result for the Company's creditors as a whole than would be likely if the Company had been wound-up (without first being in Administration).
2. The Joint Administrators make the following proposals for achieving the objective set out above:
 - a) They continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that they:
 - i. Continue to realise the assets of the Company in particular assisting with the collection of the debtors ledger and the remainder of the deferred sales consideration
 - ii. Dispose of the Company's ownership of such assets at such time(s) on such terms as they consider expedient
 - iii. In addition, seeking to recover any overdrawn directors loan account balances.
 - iv. Investigate and, if appropriate, pursue any claims that the Company may have against any person, firms or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company.
 - v. In addition, they do all such things and generally exercise all their powers as Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals.
 - b) The Administration shall continue (subject to the statutory provisions relating to automatic termination) until the realisable assets of the Company have been realised and all liabilities incurred during the Administration have been discharged or until such a time as deemed appropriate by the Administrators. At this stage the Company shall be dissolved or placed into Liquidation as outlined below.
 - c) The Administration may be extended by six months prior to the one year anniversary pursuant to paragraph 76 of Schedule B1 to the Act, however, on current information this appears unlikely.

- d) If they think the Company has no property which might permit a distribution to its unsecured creditors, or if they also consider that an exit from the Administration into Liquidation is not appropriate they will send a notice to the Registrar of Companies in accordance with Paragraph 84 of Schedule B1 to the Insolvency Act 1986 and three months after the filing of the notice the Company will be deemed to be dissolved
- e) If they are of the view that it is appropriate for the Company to move from Administration into Liquidation, whether compulsory or voluntary, the Joint Administrators be authorised to take steps to place the Company into whichever Liquidation process they, at their discretion, deem appropriate. Pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986, should the creditors not nominate a Liquidator; the proposed Liquidators are to be Steven Martin Stokes and Gerald Clifford Smith. Any act to be done by the Joint Liquidators may be done by all or any one of them. Pursuant to Para 83(7)(a) and Rule 2.117A(2)(b) of the Insolvency Rules 1986, creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of these proposals and before these proposals are approved.

If, at the meeting of creditors convened under paragraph 51 of Schedule B1 of the Act, a creditors committee is appointed, the following sections of the Administrators' proposals, (f, g, h and i) will require the determination of the creditors committee. If a creditors committee is not appointed the resolutions will be put to the meeting of creditors.

- f) The Joint Administrators' fees plus VAT should be approved on a time cost basis charged at the charge out rates prevailing at the time the work is undertaken; to be drawn when the Joint Administrators see fit. A schedule of current charge out rates are set out in Appendix D.
- g) Mileage can be recharged and drawn at the HMRC approved mileage rate prevailing at the time the mileage was incurred
- h) The Joint Administrators' discharge from liability shall take effect in accordance with Paragraph 98 of Schedule B1 to the Act 30 days following either the Company entering into liquidation or filing the notice of moving from administration to dissolution.
- i) **This resolution is subject to approval under the Insolvency Rules 1986 Rule 2.67A and is not part of the proposals subject to approval under Paragraph 53 of the Insolvency Act 1986**

That the unpaid pre-Administration costs as set out in Appendix F be approved and that the Joint Administrators be authorised to draw such sums from any funds in hand as an expense of the Administration to be drawn when the Joint Administrators see fit.

Dated this **14 May 2012**



Steven Martin Stokes
Joint Administrator

Insolvency Practitioner Licensed in the United Kingdom by the Insolvency Practitioners Association

The Joint Administrators act as agents of the Company and without personal liability.

The affairs, business and property of the Company are being managed by Steven Martin Stokes and Gerald Clifford Smith who were appointed Joint Administrators on Joint Administrator

Additional Information in Relation to Administrators' Fees Pursuant to Statement of Insolvency Practice 9

1 Policy

Detailed below is FRP Advisory LLP policy in relation to:

- disbursements;
- staff allocation and the use of sub-contractors;
- professional advisors;

1.1 Disbursements

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 make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Standard professional practice¹ requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at.

There are two types of disbursements; direct disbursements (known as Category 1) and indirect disbursements (known as Category 2).

Category 1

These are disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case and will be charged to the estate at cost, with no up-lift. These include, but are not limited to such items, as case advertising, storage, bonding, Secretary of State fees and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case. Category 1 disbursements do not require approval by creditors.

The following Category 1 disbursements will be reimbursed to FRP Advisory LLP at cost:-

- Specific Penalty bond,
- Statutory advertising;
- Secretary of State fees;
- Stationery and related costs;
- Company searches;
- Storage (Collection of books and records/storage);
- Any other costs incurred

¹ Statement of Insolvency Practice 9 (SIP 9) effective from April 2010

Category 2

- Mileage can be recharged and drawn at the HMRC approved rate prevailing at the time the mileage was incurred.

1.2 Staff Allocation and the use of Sub-contractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, a Manager, an Assistant Manager and an Administrator. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment

With regard to support staff, we would advise that time spent by cashiers in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, e.g. report compilation and distribution, do we seek to charge and recover our time in this regard.

We have not utilised the services of any sub-contractors in this case.

1.3 Professional Advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Cobbetts Solicitors	Time costs and disbursements
MGR Appraisals	Fixed fee

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

Charge-out Rates

A schedule of FRP Advisory LLP charge-out rates for this assignment from 1 March 2011 is detailed below.

	(Per hour) £
Partner:	
Partner	400
Director:	
Director	370
Manager:	
Manager	275
Assistant Manager	225
Administrators:	
Senior	200
Administrator	175
Trainee Administrator	125
Support Staff:	
Case Accountant	100
Support	125

Schedule of the Joint Administrators' Time Costs to Date

Appendix E

Time charged for the period 27 April 2012 to 14 May 2012

	Partner	Manager	Other Professional	Support	Total Hours	Total Cost £	Average Hrly Rate £
⊖ Administration and Planning		0 30	6 55	0 50	7 35	1,203 75	163 78
Case Accounting - General			1 00		1 00	100 00	100 00
General Administration		0 30	5 55	0 50	6 35	1,103 75	173 82
⊖ Asset Realisation	6 20		2 40		8 60	2,671 50	310.64
Debt Collection			1 60		1 60	237 50	148 44
Sale of Business	4 30		0 80		5 10	1,731 00	339 41
Stock/ WIP	1 90				1 90	703 00	370 00
⊖ Creditors	2 00		2.60		4 60	1,162.50	252 72
Unsecured Creditors			1 90		1 90	282 50	148 68
Secured Creditors	2 00				2 00	740 00	370 00
Unsecured Creditors - TAX/VAT			0 70		0 70	140 00	200 00
⊖ Statutory Compliance	3.40	0.30	24.40		28 10	5,758 00	204 91
Post Appt TAX/VAT			0 90		0 90	157 50	175 00
Statutory Compliance - Gene	1 20		9 90		11 10	2,091 50	188 42
Statutory Reporting/ Meeting	2 20	0 30	8 40		10 90	2,576 50	236 38
Appointment Formalities			5 20		5 20	932 50	179 33
Total Hours	11.60	0.60	35 95	0 50	48 65	10,795.75	221.91

No disbursement expenses have been incurred for the period 27 April 2012 to 14 May 2012

Statement of Pre-Appointment Administrators' Costs**APPENDIX F****A&T ACTIVE RECRUITMENT LIMITED****STATEMENT OF PRE-ADMINISTRATION COSTS**

	Note	Fees Charged £	Expenses Incurred £
Pre-Administration costs:	1 & 2		
FRP Advisory LLP		10,251.50	84.00
Cobbetts Solicitors		8,300.00	70.00
MGR Appraisals		-	-
Amounts paid	3	Nil	Nil
Unpaid pre-Administration costs	4	<u>18,551.50</u>	<u>154.00</u>
Pre-Administration costs for which approval is being sought (see Statement of Proposals)		<u>18,551.50</u>	<u>154.00</u>

Notes:

1. Following initial contact on 5 April 2012, FRP were engaged by the Company on 13 April 2012 to provide assistance with an accelerated sales process. It was agreed with the Company's Directors that the costs of carrying out this work would be £6,500 plus VAT and disbursements, however, due to increased work in negotiating and concluding the transaction, final costs were slightly higher than originally anticipated.

Pre-Administration costs incurred by FRP of £10,251.50 plus VAT relates to time costs in:

- a) providing assistance on accelerated sale of the Company
- b) preparing the strategy for the Administration prior to the appointment of the Joint Administrators
- c) discussions with the major creditors HMRC and Close

Pre-Administration costs incurred by Cobbetts Solicitors of £8,300.00 plus VAT relates to time costs in:

- a) drafting and filing appropriate appointment notices and assisting with legal matters
- b) drafting the sale and purchase agreement and licenses to occupy

As mentioned in Section 5, our strategy was focussed on preserving the value of the business and assets. Therefore it was considered that a pre-packed sale of the business and assets was vital to protect the business and the book debt ledger, which was the largest asset of the Company. Also, with the Purchaser agreeing to pay the agency staffs accrued holiday pay, coupled with the transfer of the employees to the Purchaser under TUPE legislation, resulting in full mitigation of preferential claims, a greater return for creditors should be generated

2. No Payment has been made in respect of pre Administration costs.
3. The payment of the unpaid pre-Administration costs set out above is subject to approval in accordance with the Insolvency Rules 1986, Rule 2.67A and is not part of the proposals subject to approval under the Insolvency Act 1986, Schedule B1, Paragraph 53.

**Estimated Outcome Statement
Including a List of Creditors Names and Addresses**

Appendix G

Estimated Outcome Statement as at 27 April 2012	Book Value £	Estimated to Realise £
Assets subject to fixed charge		
Book debts	643,160	578,844
Goodwill	Nil	12,500
<i>Less Funds due to Close Invoice Finance</i>		(483,863)
Surplus as regards fixed charge assets		107,481
Assets subject to floating charge		
Equipment	7,500	7,500
Directors loan accounts	100,000	Uncertain
Surplus as regards floating charge assets		7,500
Surplus as regards fixed charge assets		107,481
Estimated total assets available to preferential creditors		114,981
Preferential creditors		
Holiday / arrears of pay		Nil
Net value of assets available to floating charge(s)		114,981
Floating charge holders - Close Invoice Finance		Nil
Estimated surplus/(deficiency) of assets after floating charges		114,981
Unsecured creditors		
Trade creditors		(17,669)
H M Revenue & Customs - VAT		(280,995)
H M Revenue & Customs - PAYE		(81,867)
Shortfall as regards to unsecured creditors		(265,550)
Issued and called up capital		(4)
Shortfall as regards to members		(265,554)

Notes

- Please note that no estimated professional costs have been included in the above statement
- Estimated book debt realisations have been written down by a general provision of 10%
- An estimated realisable value for the directors loan accounts has not been included in the statement so as to not prejudice negotiations for their repayment
- HM Revenue & Customs creditor claims are currently based on assessments and estimates

List of Creditors Names and Addresses

Company Name	Address	Balance £
A&A Digital Copiers (Service) Ltd	2 Northside Business Park	90
Alfreton Computers	5-7 rogers Lane, Alfreton, Derbyshire, DE55 7FF	79
Alfreton Computers	5-7 rogers Lane, Alfreton, Derbyshire, DE55 7FF	49
Ashfield district Council	Urban Road, Kirkby in Ashfield, Nottingham, NG17 8DA	433
BT	81 Newgate Street, London, EC1A 7AJ	948
Copydoc	105-107 Carlton Hill, Carlton, Nottingham NG4 1FP	102
e on	Westwood Way, Westwood Business Park, Coventry, CV4 8LG	548
HMRC - VAT	Central Insolvency Sift Team, 3NW Queens Dock, Liverpool, L74 4AA	280,995
HMRC - PAYE	Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4SE	81,867
Lambert Smith Hampton	17/21 Hounds Gate, Nottingham, NG1 7DR	8,087
Loach IT solutions	13 Keswick Court, Bond Street, Nottingham, NG2 4PZ	740
O2	260 Bath Road, Slough, Berkshire, SL1 4DX	633
QBE	Plantation Place, 30 Fenchurch Street, London, EC3M 3BD	5,883
Severn Trent Water	Severn Trent Water Ltd, PO Box 5310 Coventry CV3 9FJ	42
Solicitors - The Thomas Higgins Partnership	Capitol Buildings, 10 Seaview Road, Wallasey, CH45 4TH	35
Total		380,531

Form 2.20B

Rule 2.35

Notice of a meeting of Creditors

Name of Company

A&T Active Recruitment Limited

Company number

5187587

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

(full name of court)

Court case number
8199 of 2012

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

Notice is hereby given by (a)
Steven Martin Stokes
FRP Advisory LLP
104/106 Colmore Row
Birmingham
B3 3AG

Gerald Clifford Smith
FRP Advisory LLP
104/106 Colmore Row
Birmingham
B3 3AG

(b) Insert full name and
address of registered
office of the company

that a meeting of creditors of (b)

A&T Active Recruitment Limited
104 - 106 Colmore Row
Birmingham

(c) Insert details of place
of meeting

is to be held at (c)
(c)

at FRP Advisory LLP, Castle Acres,
Narborough, Leicester, LE19 1BY

(d) Insert date and time
of meeting

on (d) 8 June 2012 at 11am

The meeting is:


*Delete as applicable

~~*(1) an initial creditors' meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986 ('the schedule')~~
~~*(2) an initial creditors' meeting requested under paragraph 52(2) of the Schedule~~
~~*(3) to consider revisions to my proposals under paragraph 54(2) of the Schedule~~
~~*(4) a further creditors' meeting under paragraph 56 of the Schedule~~
~~*(5) a creditors' meeting under paragraph 62 of the Schedule.~~
*(6) To consider a resolution that the Administrators' pre-appointment fees and expenses be paid as an expense of the administration

I invite you to attend the above meeting.

A proxy form is enclosed which should be completed and returned to me by the date of the meeting if you cannot attend and wish to be represented.

In order to be entitled to vote under Rule 2.38 at the meeting you must give to me, not later than 12.00 hours on the business day before the day fixed for the meeting, details in writing of your claim.

Signed 

Joint / Administrator(s)

Dated

14/5/12

*Delete as applicable

A copy of the *proposals/ revised proposals is attached

Proxy (Administration)**A&T Active Recruitment Limited**

Name of Creditor _____

Contact No. _____

Address _____

Please insert name of person (who must be 18 or over) or the Chairman. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well

Name of Proxy Holder

1. _____

2. _____

3. _____

Please delete words in brackets if the proxy-holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/my creditor's proxy-holder at the meeting of creditors to be held on 8 June 2012, or at any adjournment of that meeting. The proxy-holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

*Please delete as appropriate

Voting Instructions for Resolutions

1. For the *acceptance/rejection of the Joint Administrators' proposals as circulated (*with the following modifications)

2. For the *acceptance/rejection of the resolution that the Administrators' pre-appointment fees and expenses be paid as an expense of the administration

3. For the appointment of _____

of _____

representing _____
as a member of the creditors' committee.

This form must be signed

Signature _____ Date _____

Name in CAPITAL LETTERS _____

Only to be completed if the creditor has not signed in person

Position with creditor or relationship to creditor or other authority for signature

Please note that if you nominate the chairman of the meeting to be your proxy-holder he will either be the Joint Administrator or an experienced member of his staff

Rule 2.72

**Proof of Debt – General Form
A&T ACTIVE RECRUITMENT LIMITED
(IN ADMINISTRATION)**

Date of Administration: 27 April 2012

1	Name of creditor Co Registration No (if applicable)	
2.	Contact No Address of creditor	
3	Total amount of claim, including any value added tax and outstanding uncapitalised interest as at the date of the Company went into administration	£
4.	Details of any documents by reference to which the debt can be substantiated (Note: any document or evidence to substantiate the claim may be called for)	
5	If the total amount shown above includes value added tax, please show: a) amount of value added tax b) amount of claim NET of value added tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7.	If you have filled in both box 3 and 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under Section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and date it was given	
11	Signature of creditor or person authorised to act on his behalf Name in BLOCK LETTERS Position with or relation to creditor	

Admitted to vote for £

Admitted preferentially for £

Date

Admitted non preferentially for £

Administrator

Date
Administrator