

The Insolvency Act 1986

# **Notice of move from administration to creditors' voluntary liquidation**

# 2.34B

Name of Company  
Active Recruitment (Midlands) Limited  
(Formerly 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

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

having been appointed administrator(s) of (b) Active Recruitment (Midlands) Limited  
(Formerly A&T Active Recruitment Limited), 104 – 106 Colmore Row , Birmingham, B3 3AG

(c) Insert date of  
appointment

on (c) 27 April, 2012

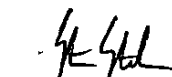
(d) insert name of  
applicant/  
appointer

by (d) Directors  
hereby give notice that

(e) Insert name(s)  
and address(es) of  
liquidator(s)

the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply, and it is  
proposed that (e)  
will be the liquidator(s) of the company (IP No(s) )

Signed



Joint / Administrator(s)

Dated

4/9/12

## 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

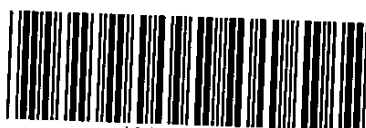
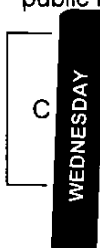
The contact information that you give will be visible to searchers of the public record

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**



A01 12/09/2012 #219  
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/AO081/J

date: 4 September 2012

Please ask for: Bharat Makvana

Dear Sirs

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

**In the High Court of Justice, Chancery Division, Birmingham District Registry No. 8199 of 2012**

Further to my appointment as Joint Administrator of the Company on 27 April 2012, I provide my first and final progress report on this Administration for the period 27 April 2012 to 4 September 2012 ("the Period") in accordance with Rules 2.47 and 2.110 of the Insolvency Rules 1986. This report should be read in conjunction with my Joint Administrators Proposals report dated 14 May 2012 and my letter to creditors in accordance with SIP 16 requirements dated 30 April 2012.

I attach:

- Appendix A - Statutory Information about the Company and the Joint Administrators
- Appendix B - Form 2.24B, Formal Notice of the Progress Report
- Appendix C - The Joint Administrators Proposals
- Appendix D - Receipts and Payments Account
- Appendix E - Details of my Firms' Time Costs and Disbursements Incurred in the Period
- Appendix F - Statement of Expenses Incurred in the Period

**1. The Administrators' Proposals**

As previously reported, 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.

As stated in the previous report the Joint Administrators confirms that objective a) could not be achieved due to the level of the Company's liabilities, in particular the sums due to HM Revenue & Customs ("HMRC").

The strategy was therefore undertaken to meet objective 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), by focusing on protecting the value of the Company's assets and in particular the book debt ledger.

It is expected that objective b) will be achieved and subsequently a dividend will be available to the unsecured creditors after the secured creditors' indebtedness was repaid in full from the collection of the debtor book. Further details are provided in section 2.

The Joint Administrators' proposals were sent to all creditors on 14 May 2012. In accordance with Paragraph 51 of Schedule B1 of the Insolvency Act 1986, an initial meeting of creditors was convened and held on 8 June 2012, at which the proposals were approved with the following modifications;

- a) Pre-appointment fees and expenses unpaid at the commencement of Administration may only be paid to the extent permitted by R2.33 IA 1986. The Administrator will provide (if not already provided) creditors with a detailed account of such expense paid from Administration funds in accordance with R2.33 (2B) IA 1986. Pre-appointment fees and expenses not payable with R2.33 IA 1986 shall rank as an unsecured claim alongside other ordinary creditors.
- b) The Company will move from Administration to Liquidation immediately following the meeting of creditors/within 3 months. Liquidation may be CVL in accordance with S83 Schedule B1 or compulsory under R4.7 (7) as the Administrator deems appropriate.
- c) Security if not already obtained, must be obtained over the purchasing company and directors' assets in respect of the deferred consideration.

A copy of the Joint Administrators' proposals is attached at Appendix C.

## **2. Progress of the Administration**

I attach at Appendix D a receipts and payments account ("R&P") detailing transactions since my appointment as Joint Administrator.

### **Sale of the Business and Certain Assets**

As previously reported, immediately following the appointment of Joint Administrators, a sale of the business and certain assets of the Company was completed to A&T Active Recruitment Limited (Formerly Active Recruitment (Midlands) Limited) (Registered Number 07997189) ("the Purchaser").

The total consideration of the sale was £20k with the Purchaser agreeing to pay £5k within 12 days of the sale with a further three deferred consideration payments of £5k on 1 June 2012, 1 July 2012 and 1 August 2012. You will note from the R&P that the total consideration of £20k has been received by the Joint Administrators.

It was also agreed as part of the sale that the Purchaser would honour accrued holiday pay due to the circa 300 agency staff, which resulted in contingent preferential and unsecured creditor claims being reduced.

### **Book Debts**

Close Invoice Finance Limited ("Close") provided an invoice discounting facility to the Company in relation to its book debts.

The Company's indebtedness to Close on the date of appointment and after applying termination charges was circa £484k against a book debt ledger of £643k on appointment.

Since appointment the former directors of the Company have worked in conjunction with Close to realise the debtors ledger. It was agreed that in exchange for this assistance a sum of £6.5k would be paid to each of the two former directors if over £610k of the debtors were collected.

Since my appointment Close have been repaid in full and they have transferred surplus realisations totalling £138k into the Administration bank account, which are shown on the R&P.

Close have advised that the remaining ledger amounts to £21k of which circa £20k is deemed to be collectable. The remaining book debt surplus will be collected once the Company is placed into Liquidation, which is reported in further detail in section 7 below.

### **Director Loan Accounts**

It came to my attention from the Company's financial accounts, that as at the date of my appointment some of the directors had overdrawn director loan accounts.

The Company's former accountants Newtons Accountants Limited ("Newtons") are currently assisting in finalising the Company's Statement of Affairs as at the date of appointment and will subsequently be able to confirm how much is owed by each of the directors to the Company in respect of the director loan accounts

The directors are aware of the loan accounts and are waiting for the finalised figures from Newtons, after which they will put forward their proposals to repay the loan accounts. The loan accounts will therefore be realised during the Liquidation.

### **3. Investigations**

Part of my duties include carrying out proportionate investigations into what assets the Company has, including any potential claims against directors or other parties, and what recoveries could be made. I have reviewed the Company's books and records and accounting information, requested further information from the directors and Newtons, as well as inviting creditors to provide information on any concerns they had concerning the way in which the Company's business was conducted. Having considered the information no further investigations or actions were required

### **4. Estimated Outcome**

#### **Secured Creditors**

The Company had granted the following securities:

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

As reported in section 2 Close's indebtedness has been satisfied in full.

#### **Preferential Creditors**

There are no preferential creditors in the Administration as all employees were transferred to the Purchaser under TUPE legislation, resulting in all preferential liabilities being assumed by the Purchaser.

#### **Unsecured Creditors**

As mentioned earlier in the report the Purchaser of the business and certain assets agreed to honour accrued holiday pay due to the circa 300 agency staff, which resulted in contingent preferential and unsecured creditor claims being reduced.

It is anticipated that there will be a dividend to unsecured creditors, however, as the Joint Administrators are not empowered to agree unsecured creditor claims in the Administration the Company will be placed into Creditors' Voluntary Liquidation.

The quantum of the dividend will be dependent upon the realisation of the remaining book debt recoveries, the final costs of the Administration and the subsequent Liquidation and the quantum of claims received and agreed.

## **5. Joint Administrators' Pre-Appointment Costs**

At the creditors meeting held on 8 June 2012 a resolution was approved for the payment of pre-Administration costs totalling £10,252 in relation to FRP's engagement to assist with the accelerated sales process. The drawing of these fees was compliant with the modifications mentioned in section 1. Included in the pre-Administration costs were disbursements of £84. These pre-Administration costs have been drawn as shown on the R&P.

## **6. Joint Administrators' Remuneration, Disbursements and Expenses**

With reference to the Joint Administrators costs in this matter, our remuneration as Joint Administrators is based on computerised records of all time spent on the administration of this case. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and experience required. Time is charged to the case in minimum of six minute units. 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. A breakdown of our time costs incurred since appointment, in accordance with Statement of Insolvency Practice 9 is set out at Appendix E.

At the creditors meeting held on 8 June 2012 creditors passed a resolution that the Joint Administrators remuneration should be calculated on a time cost basis. I have drawn fees of to date of £35,018 exclusive of VAT.

The Administrators' disbursements are a recharge of actual costs incurred by the 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 prevailing at the time the mileage was incurred. Details of disbursement incurred during the period of this report are set out in Appendix E.

I attach at Appendix F a statement of expenses that have been incurred during the period covered by this report including a cumulative summary of expenses incurred to date.

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, which are first disclosed in this report, under Rule 2.109 of the Insolvency Rules 1986. Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link <http://www.frpadvisory.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. Please note there is a time limit for requesting information being 21 days following the receipt of this progress report. There is a time limit of eight weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive.

## **7. Ending the Administration**

As mentioned in section 4, a distribution will be made to unsecured creditors of the Company and to enable such distribution, the Company will be placed into Creditors' Voluntary Liquidation in accordance with the Joint Administrators proposals and pursuant to Paragraph 83 of Schedule B1 of the Insolvency Act 1986.

I have therefore filed Form 2.34B, Notice of move from Administration to Creditors' Voluntary Liquidation, together with this first and final progress report with the Registrar of Companies, at Court, all members and creditors. The appointment of the Joint Liquidators will take effect on the registration of the Notice by the Registrar of Companies.

If you have any queries about this report or the progress of the Administration, please do not hesitate to contact Bharat Makvana at this office.

Yours faithfully  
For and on behalf of  
Active Recruitment (Midlands) Limited

A handwritten signature in black ink, appearing to read 'S. Stokes'.

**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

Court in which Administration proceedings were brought:	High Court of Justice, Chancery Division, Birmingham District Registry
Court reference number:	8199 of 2012
Other trading names:	A&T Active Recruitment Limited
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
Administrators' names and addresses:	Steven Martin Stokes and Gerald Clifford Smith FRP Advisory 104 - 106 Colmore Row Birmingham B3 3AG
Date of appointment:	27 April 2012
Appointor details:	The Directors of the Company

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

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**Form 2.24B, Formal Notice of the Progress Report**

**Appendix B**

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The Insolvency Act 1986

**Administrator's progress report**

Name of Company

Active Recruitment (Midlands) Limited  
(Formerly 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 3AGGerald Clifford Smith  
FRP Advisory LLP  
104-106 Colmore Row  
Birmingham  
B3 3AG

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

From


(b) 27 April 2012

To

(b) 4 September 2012

(b) Insert date

Signed

  
Joint / Administrator(s)

Dated

4 September 2012

**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)**

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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.

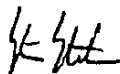
- d) If they think the Company has no property which might permit a distribution to its unsecured creditors, or if they also consider that an exit from the Administration into Liquidation is not appropriate they will send a notice to the Registrar of Companies in accordance with Paragraph 84 of Schedule 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

The modifications made to the proposals are as follows:-

- 1) Pre-appointment fees and expenses unpaid at the commencement of Administration may only be paid to the extent permitted by R2.33 IA 1986. The Administrator will provide (if not already provided) creditors with a detailed account of such expense paid from Administration funds in accordance with R2.33 (2B) IA 1986. Pre-appointment fees and expenses not payable with R2.33 IA 1986 shall rank as an unsecured claim alongside other ordinary creditors.
- 2) The company will move from Administration to Liquidation immediately following the meeting of creditors/within 3 months. Liquidation may be CVL in accordance with S83 Schedule B1 or compulsory under R4.7 (7) as the Administrator deems appropriate.
- 3) Security if not already obtained, must be obtained over the purchasing company and directors assets in respect of the deferred consideration.

**Receipts and Payments Account  
For the Period 27 April 2012 to 4 September 2012**

**Appendix D**

<b>RECEIPTS</b>	<b>Total (£)</b>
Book Debts Surplus	137,210.97
Sale of Business and Assets	20,000.00
Cash at Bank	2,109.15
Bank Interest Gross	2.61
Rates refund	95.79

**159,418.52**

**PAYMENTS**

Bordereau	210.00
Preparation of Statement of Affairs	2,000.00
Pre-appointment Remuneration	10,251.50
Pre-appointment Disbursements	84.00
Joint Administrators' Remuneration	35,018.25
Joint Administrators' Disbursements	124.39
Agents/Valuers Fees	250.00
Legal Fees	10,599.60
Statutory Advertising	153.00

**58,690.74**

**Balance**

**100,727.78**

**MADE UP AS FOLLOWS**

VAT Control Account *	11,729.15
Bank Account	88,998.63

**100,727.78**

\* Awaiting VAT reclaim which will be banked into the Liquidation bank account

**Details of my Firms' Time Costs and Disbursements  
Incurred in the Period 27 April 2012 to 4 September 2012**

**Appendix E**

	Partner	Manager	Other Professionals	Support	Total Hours	Total Cost £	Average Hourly Rate £
- Administration and Planning	0 20	3 35	23 30	7 50	34.35	6,395 00	188.17
Case Control and Review			1 90		1 90	380 00	200 00
Case Accounting - General	0 20	3 05	1 00	7 00	11 25	1,990 00	176 89
General Administration		0 30	20 10	0 50	20 90	3,965 00	189 71
Strategy			0 30		0 30	60 00	200 00
- Asset Realisation	16 80		7 65		24 55	7,889 50	325 44
Asset Realisation			4 75		4 75	950 00	200 00
Chattel Assets	7 90				7 90	3,148 00	398 48
Debt Collection	2 80		1 80		4 60	1,397 50	303 80
Sale of Business	4 30		1 10		5 40	1,791 00	331 67
Stock/ WIP	1 90				1 90	703 00	370 00
- Creditors	3 90		16 25		20 15	4,533.25	224 98
Unsecured Creditors			10 30		10 30	1,881 25	180 70
Secured Creditors	2 30		0 55		2 85	961 00	337 19
Unsecured Creditors - TAX/VAT	1 60		3 40		5 00	1,311 00	262 20
Landlord			2 00		2 00	400 00	200 00
- Investigation	2 50		7 80		10 30	2,560 00	248 54
Investigatory work - Other			0 50		0 50	100 00	200 00
CDDA Enquiries	2 50		7 30		9 80	2,460 00	251 02
- Statutory Compliance	9 80	0 30	51 90		62 00	13,540 50	218.40
Post Appt TAX/VAT			5 15		5 15	1,007 50	195 63
Statutory Compliance - General	1 60		12 30		13 90	2,719 50	195.65
Statutory Reporting/ Meetings	7 60	0 30	22 60		30 50	7,329 00	240 30
Appointment Formalities			5 20		5 20	932 50	179 33
Statement of Affairs	0 60		6 25		6 85	1,472 00	214 89
Bonding/ Statutory Advertising			0 40		0 40	80 00	200 00
<b>Total Hours</b>	<b>33 30</b>	<b>3 65</b>	<b>106 80</b>	<b>7 60</b>	<b>161 35</b>	<b>36,018 26</b>	<b>231 37</b>

**FRP Charge out rates**

Grade	At 1 <sup>st</sup> November 2011	1 <sup>st</sup> July 2012
Partner	300-500	275-495
Manager	150-350	200-362
Other Professional	85-250	85-250
Support	60-250	70-320

**Disbursements for the period  
27 April 2012 to 4 September 2012**

	Value £
Car/Mileage Recharge	66 75
Company Search	11 00
Postage	46 64
<b>Grand Total</b>	<b>124.39</b>

Mileage is charged at the HMRC rate  
prevailing at the time the cost was incurred

**Statement of Expenses**  
**Incurred in the Period 27 April 2012 to 4 September 2012**

**Appendix F**

Expenses	Total paid to date of progress report period as per R&P £	Costs committed not yet paid at reporting date £	Total Expenses for the period 27 April 2012 to 4 September 2012 £
Bordereau	210.00	0.00	210.00
Preparation of Statement of Affairs	2,000.00	0.00	2,000.00
Pre-appointment Remuneration	10,251.50	0.00	10,251.50
Pre-appointment Disbursements	84.00	0.00	84.00
Joint Administrators' Remunerations	35,018.25	0.00	35,018.25
Joint Administrators' Disbursements	124.39	0.00	124.39
Agents/valuers' fees	250.00	0.00	250.00
Legal fees	10,599.60	0.00	10,599.60
Statutory Advertising	153.00	0.00	153.00
	58,690.74	0.00	58,690.74