

Rule 2.47

Form 2.24B

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company:
Corrupad UK Limited

Company number:
5802393

In the:
High Court of Justice, Cardiff District
Registry

[full name of court]

Court case number:
85 of 2009

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

I / We (a) David Hill of Begbies Traynor, 5th Floor, Riverside House, 31 Cathedral Road Cardiff CF11 9HE
and James P N Martin of Begbies Traynor, 4th Floor, Newwater House, 11 Newhall Street Birmingham B2
3NY

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

(b) Insert dates

from / to

(b) 3 August 2009 to 1 September 2009

Signed:

Joint / Administrator(s)

Dated:

1. 9. 09

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

Begbies Traynor

5th Floor, Riverside House, 31 Cathedral Road, Cardiff CF11 9HB

Tel Number: 029 2022 5022

Fax Number: 029 2022 4523

DX Number:

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



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COMPANIES HOUSE

SATURDAY

David Hill and James P N Martin appointed joint administrators on 03 February 2009

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents.

Comupad UK Limited (In Administration)

Final Report of the joint administrators pursuant to Rules 2.47 and 2.110 of The Insolvency Rules 1986

Period: 3 February 2009 to 1 September 2009

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1. COMPANY AND ADMINISTRATORS' DETAILS

Court:	High Court of Justice, Cardiff District Registry
Court reference number:	85 of 2009
Company registered number:	5802393
Registered office address:	5th Floor, Riverside House, 31 Cathedral Road, Cardiff, CF11 9HB
Names of joint administrators:	David Hill of Begbies Traynor, 5th Floor, Riverside House, 31 Cathedral Road, Cardiff, CF11 9HB and James P N Martin of Begbies Traynor, 4th Floor, Newwater House, 11 Newhall Street, Birmingham B3 3NY
Date of administrators' appointment:	03 February 2009
Person(s) making appointment/application:	Close Invoice Finance Limited
Changes in office holder (if any):	
Acts of the joint administrators:	The joint administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
Extensions to initial period of appointment (if any):	

2. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 3 February 2009 to 1 September 2009.

As previously advised in our report and proposals dated 30 March 2009, we reviewed the level of business being achieved and the corresponding resources that were required to allow the business to continue.

We took the decision to continue the trade of the company. We retained the workforce of 25 employees whilst the business was marketed as a going concern sale.

We achieved a sale of the business and assets on a going concern basis to Willowmart Limited, a company in which the existing director has an interest, on 27 February 2009.

The administrators' remuneration is based on hourly costs at scale rates calculated on the time properly spent in the course of the administration and was approved at the initial meeting of creditors held by means of postal resolution on 14 April 2009.

Total remuneration drawn in accordance with the above approval amounts to £37,000. Total time spent on this assignment amounts to 159.10 hours at an average composite rate of £277.41 per hour resulting in total time costs to date of £44,131.00. The following further information as regards time costs and expenses is set out at Appendix 3:

- ☐ Begbies Traynor policy for re-charging expenses
- ☐ Begbies Traynor charge-out rates
- ☐ Narrative summary of time costs incurred and summary by staff grade and work activity

3. ADMINISTRATORS' PROPOSALS

Attached at Appendix 2 is a summary of the joint administrators' proposals as presented at the initial meeting of creditors held on 14 April 2009.


4. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

We traded the business with a view to achieving a going concern sale. We achieved such a sale on 27 February 2009. We have since dealt with the collection of all post-appointment receipts and the settlement of post appointment liabilities. The secured creditor has notified us that all debt due under its charge has been repaid.

5. OUTCOME

Once registered by Companies House (which we anticipate shortly), our appointment as joint administrators will cease to have effect and the Company will be deemed to be subject to creditors' voluntary liquidation (with the former joint administrators acting in the capacity as joint liquidators) (Form 2.34 B)

Name:



Joint Administrator

Date:

1 September 2009

APPENDIX 1

JOINT ADMINISTRATORS' ACCOUNT OF RECEIPTS AND PAYMENTS, INCORPORATING ESTIMATED OUTCOME FOR CREDITORS

Period 3 February 2009 to 1 September 2009

Estimated to realise per Statement of Affairs £		Receipts & Payments to date £	Anticipated Receipts & Payments £	Projected Outcome £
	ASSETS SPECIFICALLY PLEDGED			
144,987	Book debts	146,250	0	146,250
-151,416	Close Invoice Finance Limited	(146,250)	-	(146,250)
<u>-6,429</u>		<u>-</u>	<u>-</u>	<u>-</u>
	ASSETS NOT SPECIFICALLY PLEDGED			
32,770	Plant & machinery (net of HP)	75,270	-	75,270
2,000	Stock	-	20,000	20,000
500	Office equipment	500	-	500
<u>35,270</u>		<u>75,770</u>	<u>20,000</u>	<u>95,770</u>
	ADMINISTRATORS' TRADING ACCOUNT			
	Sales	51,099	-	51,099
	Less: purchases	(24,583)	-	(24,583)
	wages & salaries	(36,594)	-	(36,594)
	utilities & rates	(6,426)	-	(6,426)
	other costs	(2,243)	-	(2,243)
	Surplus arising on trading	(18,747)	-	(18,747)
	Less: supervision and trading costs	(15,000)	-	(15,000)
	Surplus after supervision costs	(33,747)	-	(33,747)
	Payments			
	Administrator's disbursements	(636)	-	(636)
	Administrator's fees	(22,000)	(7,000)	(29,000)
	Agent's fees & expenses	(2,150)	-	(2,150)
	Bank charges & Sundry	(370)	-	(370)
	Bordereau (statutory bond)	(260)	-	(260)
	Insurance	(752)	-	(752)
	Rent	(8,750)	-	(8,750)
	Statutory advertising	(276)	-	(276)
	Available for preferential creditors	6,829	13,000	19,829
	Arrears of wages and holiday pay	(3,585)	-	(3,585)
	Pension scheme contributions	-	(1,000)	(1,000)
	Net property	3,244	12,000	15,244
	Prescribed part of net property set aside for unsecured creditors	-	-	(8,049)
	Available for floating charge holder	3,244	12,000	7,195
	Floating charge holder - Close Invoice Finance Limited	-	-	-
		<u>3,244</u>	<u>12,000</u>	<u>7,195</u>
	Summary of balances held:			
	Fixed charge	-		
	Floating charge	3,244		
		<u>3,244</u>		
	Summary of outcome for creditors:			
	Secured creditor			
	Fixed charge			146,250
	Floating charge			-
				<u>146,250</u>
	Preferential creditors			<u>4,585</u>
	Unsecured creditors			
	Prescribed part of net property set aside for unsecured creditors			8,049
	Balance available after floating charge holder			7,195
				<u>15,244</u>
	Total creditor recoveries			<u>166,079</u>

SUMMARY OF ADMINISTRATORS' PROPOSALS

Proposals presented at the initial creditors' meeting

The proposals provided that the Administration should pursue the objective specified in subparagraph 3(1)(b) of the Act, namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in administration).

To this end it was proposed that the Administrator should remain in office to

- conclude the realisation of the Company's property.
- Settle liabilities incurred during the trading period;
- Realise the debtors created during the administration period.

The proposals further provided that, once this process was completed, the Administrator should implement the provisions of Paragraph 83 of Schedule B1 to the Act and serve notice on the Registrar of Companies of a move from administration to a creditors voluntary liquidation with the Administrator being appointed as liquidator.

JOINT ADMINISTRATORS' TIME COSTS AND EXPENSES

- a. Begbies Traynor policy for re-charging expenses;
- b. Begbies Traynor charge-out rates;
- c. Narrative summary of time costs incurred and summary by staff grade and work activity.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear in Appendix 3.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed in Appendix 3.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 expenses (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 expenses (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

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

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100
- Car mileage is charged at the rate of 40 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 expense*) is charged on the basis that the number of standard archive boxes held in storage

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)

² Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)

for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates;

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

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Cardiff office as at the date of this report are as follows:

Grade of staff	Charge-out Rate (£ per hour)
Partner	350
Director	325
Senior Manager	295
Manager	250
Assistant Manager	195
Senior Administrator	160
Administrator	130
Junior Administrator/Cashier/Secretarial	100

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

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units).

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME: Corupad UK Limited
CASE TYPE: Administration
OFFICE HOLDERS: David Hill and James P N Martin
DATE OF APPOINTMENT: 3 February 2009

1 CASE OVERVIEW

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

1.2 Complexity of the case

The case involves dealing with customers, suppliers, employees and other stakeholders in the business to ensure that the business remains viable whilst seeking as buyer as a going concern.

1.3 Exceptional responsibilities

None

1.4 The office holders' effectiveness

The administration was necessary to ensure maximum realisations were achieved for the company's business and assets. The sale of the business and assets reflects the greatest realisations achievable.

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

Asset values on a winding up have been estimated at approximately £35,000. The disposal as a going concern has generated returns of £95,000.

1.6 Anticipated return to creditors

We estimate that approximately £15,000 will become available in a subsequent liquidation, where unsecured creditors are currently estimated at £428,000. This will generate a dividend of 4p in the pound to unsecured creditors, before the costs of the liquidation are accounted for.

1.7 Time costs analysis

An analysis of time costs incurred between 3 February 2009 and 1 September 2009 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type.

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

1.8 The views of the creditors

Creditors were advised of our appointment immediately following our appointment. The level of support of key creditors was material to the ability of the company continuing to trade during administration.

1.9 Approval of fees

The administrators' proposals included a proposal that the administrators be remunerated on the basis of their hourly costs at scale rates calculated on the time properly spent in the course of the administration.

1.10 Other professionals employed & their costs

Agents were appointed to assist in the valuation of the company's chattel assets. The appointed agents have experience in dealing with insolvency matters and are accustomed to the urgency usually associated with such situations. Fees are calculated with reference to the complexity and nature of the assets, together with the time spent in dealing with their disposal.

We have appointed solicitors to handle the contractual matters arising from the sale of the business and any other matter arising during the course of the administration. Their costs will be in line with the time spent on such instructions.

3. SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

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

- Collecting the remaining outstanding debtor balances
- Preparing statutory reports to creditors and other bodies

Corripad UK Limited

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