

Herschel House
58 Herschel St
Slough SL1 1PG
T +44 (0)1753 551111
F +44 (0)1753 550544
contact@ouryclark.com
www.ouryclark.com

Correspondence address
PO BOX 150
Slough SL1 1HD
DX42254 Slough West

London office
10 John St
London WC1N 2EB

TUESDAY



A15 01/04/2014 #71
COMPANIES HOUSE



28 March, 2014

Our Ref EG953/EHG/AD/GF/ds/MG/GD

**TO ALL CREDITORS AND MEMBERS
OF APPLICADO FS CONSULTANCY LIMITED - IN LIQUIDATION**

Dear Sirs

APPLICADO FS CONSULTANCY LIMITED (IN LIQUIDATION) ("THE COMPANY")
Manchester District Registry 3193 OF 2012
Company Number: 06392327
Registered Office: Herschel House, 58 Herschel Street, Slough, SL1 1PG
Trading Address: Leonard Curtis, DTE House, Bury, Lancashire, BL9 8DG

I refer to my appointment as Liquidator of the Company taking over the administration from the Official Receiver with effect from 15 February 2013 and write in order to provide a progress report pursuant to rule 4 49B of the Insolvency Rules 1986

This Progress Report covers the period 15 February 2013 to 14 February 2014 ("the Period")

Progress

Please see the attached Receipts & Payments Account for the Period

The Official Receiver's Report dated 18 January 2013 and the information received from the Official Receiver following my appointment indicated the following assets in which the Company held an interest,

	Value (£)	Estimated to Realise (£)
Director's Loan Account (Andrew Pickering)	101,637 15	0 00
Director's Loan Account (Adrian Blakeley)	115,951 58	0 00
Applicado Cheer Limited	19,894 00	19,894 00
Applicado REC Limited	49,210 00	49,210 00
Computer Equipment	-	1,000 00

SPECIALISTS IN FORENSIC INSOLVENCY AND ASSOCIATED LITIGATION

Partners

Richard Oury FCA FCCA
Derrick Smith FCA
Ian Friend ACA CTA
James Oury LLB FCA
David Taylor Rea FCA
Ian Phipps ACA CTA
Emma Crowley BEng ACA CTA
Elliot Green FCA FABRP

Aiden Williamson MA
Andrew Oury BEng FCA CTA
Sarah Harris BA ACA CTA AIT
Rachel Lockwood BSc ACA CTA
Huw Williams BA ACA
Andrew Thomas BSc (Hons) DipPFS
Consultant
David Chinn CeMAP CeRER DipFA

Authorised and regulated by the Financial Conduct Authority for investment business

Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details of our audit registration can be viewed at www.auditregister.org.uk under reference number C006946978. Derrick Smith and Elliot Green are licensed as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales.

I sought to retrieve all of the Company's books and records from the directors and accountants in order to review the same to investigate the Company's affairs. Further, I sought all files to which the Company appeared to be entitled to enable me to complete a thorough review of the Company's affairs leading up to liquidation.

Director's Loan Account (Andrew Pickering)

I initially entered into correspondence with solicitors who were instructed by the director in order to investigate and recover the loan account which appeared to be due to the Company. However, after extensive correspondence with the solicitors I was informed that they were no longer instructed by the director.

I subsequently received a proposal for an individual voluntary arrangement ("IVA") with respect to Mr Pickering. Mr Pickering was seeking to enter into an agreement with his creditors offering an estimated dividend of 18 pence in the pound.

The IVA required 75% of creditor's approval for the same to be accepted. The majority of creditors in this instance were parties apparently connected to the Director's Employee Financed Retirement Benefit Schemes ("the Schemes"). The Schemes were set up by the Company with the apparent intention that the directors would receive benefits via an unregistered pension scheme. The Schemes were funded by the Company and appear to have had the ability to make loans available to the directors of the Company. This resulted in the Schemes being significant creditors of the directors.

I entered into correspondence with the Insolvency Practitioner dealing with the proposed IVA in order to submit a claim on behalf of the Company. I considered that the IVA was not desirable for the Company given the anticipated dividend in the IVA of 18 pence in the pound. The IVA was subsequently approved by creditors on 23 April 2013.

Given that the Company appears to have funded the Schemes, I considered that investigation would be required to consider whether any of the transactions with the Schemes may lead to routes of recovery.

I therefore entered into correspondence with OneE Tax Ltd whom I understand were the advisers to the Company in relation to the Schemes in order to obtain information. Further, I had carried out a detailed review of the Company's accounting records and all correspondence in relation to the Schemes.

As a result of my investigations into this matter, I considered that notwithstanding the approval of the Mr Pickering's IVA that there should be consideration as to whether a bankruptcy petition should be presented or an application should be made pursuant to section 262 of the Insolvency Act 1986. This application is made where it is considered that a meeting to consider a debtor's IVA might unfairly prejudice the interest of a creditor or if there is some material irregularity in relation to such a meeting.

I therefore sought advice from a solicitor on a time costs basis in relation to this matter and with respect to the case generally. In the absence of any funds in the case with which to pursue any legal proceedings, I sought an indemnity from a creditor which was provided in relation to adverse costs and fees. The sum of £20,000.00 was received to fund the litigation and in respect of any adverse costs.

I was advised that the best course of action would be to issue a bankruptcy petition and this was done. However, information came to light which led to my legal advisors advising that the petition should be withdrawn.

HMRC has commenced a formal enquiry into the Schemes as contributions made to the scheme may be subject to tax liabilities. In the event HMRC find the Schemes to be ineffective from a tax perspective for the Company, HMRC's claim in the liquidation may increase further.

Director's Loan Account (Adrian Blakeley)

As set out in the Official Receiver's Report to Creditors, it was apparent that Adrian Blakeley appeared to owe the sum of £115,951 88 to the Company

I issued a statutory demand against Mr Blakeley and no application was made to set the demand aside. Accordingly, I issued a petition for Mr Blakeley's bankruptcy and a hearing was arranged for 3 September 2013. However, since that date I have been attempting to arrange personal service of the petition on Mr Blakeley. To date, my agents have been unable to locate him.

Appicado Cheer Limited ("ACL")

I entered into correspondence with solicitors who were also initially instructed on behalf of ACL in order to recover a sum of money that appeared to be due to the Company.

I was informed by the solicitors for ACL that there were no outstanding funds due to the Company. After extensive correspondence with respect to the same, it is not believed that ACL would be able to make repayment of the debt. Thus no realisations have been made.

Appicado REC Limited ("REC")

I entered into correspondence with solicitors who were also initially instructed on behalf of REC in order to recover a sum of money that appeared to be due to the Company. The Company appeared to receive no consideration in relation to this debt.

I issued and served a statutory demand upon the debtor in order to recover the sum due to the Company. However REC does not appear to be able to make repayment and thus no realisations are expected to be made with respect to the same.

Computer Equipment

Upon review of Company records, I noted that the Company held assets comprising of two laptops and two iPad's. These were delivered up to me in order for me to ensure that data in relation to the Company could be retrieved.

Further Investigations

In relation to the Schemes, I have been informed by HMRC that contributions made to the scheme may be subject to tax liabilities and the Company is now the subject of a tax enquiry and review. Investigations are ongoing in this matter and I have been in correspondence with HMRC with respect to the same.

I can advise that my investigations are continuing into the Company's affairs.

Unrealised Assets

As set out above, the Official Receiver's report to creditors dated 18 January 2013 listed the Company as having an interest in two director's loan accounts, book debts and computer equipment with a total estimated realisable value of £23,894 00.

It is not yet known whether any realisations will be made with respect to the above.

My investigations are however continuing as set out in the progress section above.

Remuneration

At a meeting of creditors convened on 17 April 2013 the Company's creditors approved my remuneration on a time costs basis.

I would advise that with effect from 1 July 2013, charge out rates for staff were increased and the bandings for charge out rates have been amended accordingly. The table below sets out the applicable rates,

	Prior to 1 July 2013 £ Per Hour	From 1 July 2013 £ Per Hour
Partner	250 to 395	300 to 450
Manager	210 to 250	200 to 300
Senior Administrator	120 to 150	150 to 200
Administrator	96 to 136	112 to 160
Secretarial Staff	64 to 88	72 to 104

Enclosed with this Progress Report is a breakdown of time costs incurred by my staff and I in attending to the administration of the Company's estate during the Period. These time costs total £66,821.60 in respect of 261.40 hours at an average hourly rate of £255.63.

There have been insufficient realisations for me to draw any remuneration to date.

I attach to this report a detailed breakdown of my time costs to date by category of work undertaken. The following table illustrates how the time shown on this detailed breakdown is categorised.

Category	Category Code
Administration and Planning	100-199
Investigations	200-299
Realisation of Assets	300-399
Creditors	500-599

A summary of the work carried out in each category is provided below.

Administration & Planning

This category would include such tasks as general correspondence, correspondence with solicitors where instructed, the preparation of the Company's corporation tax returns and cashing matters as well as statutory requirements that I am obliged to undertake pursuant to the Insolvency Act 1986 and associated legislation.

This category included the day-to-day administration of the liquidation estate, the performance of bank reconciliations and compliance reviews, the banking of cheques and maintenance of accurate financial records for the estate.

"Emails" will involve a wide number of matters across many work categories including but not limited to correspondence with agents, solicitors, directors, accountants and banks as well as internal correspondence relating to the planning of the case and delegation of tasks.

Investigations

This category will include the review of any Company records, correspondence with banks, accountants and other third parties in relation to their dealings with the Company and the review of such files or information. It may also involve correspondence with the Company's directors and their solicitors.

This category included the review of the Company's records to investigate the transactions with the EFBS schemes, a review of bank records for payments made to or on behalf of any connected entities, including directors, correspondence with solicitors as to the findings and likely success of any

litigation arising from the same and correspondence with the directors in relation to their dealings with the Company

As creditors will appreciate there has been substantial correspondence with the directors and solicitors in relation to the various potential claims in this matter and for advice regarding the case generally

Realisations of Assets

This category would include correspondence with agents and solicitors under my instruction, in addition to the preparation and review of witness statements and court applications

This category included entering into correspondence with solicitors and directors in relation to the overdrawn loan accounts to establish whether the same can be realised

Creditors

This category would include preparing statutory progress reports, taking telephone calls from creditors, dealing with incoming correspondence from creditors, and holding any creditor meetings

A copy of the guide for creditors can be requested from my office and includes details on office holder remuneration. Alternatively this guide may also be accessed along with the latest version of Statement of Insolvency Practice Number 9 (England and Wales) at the following website

<http://www.r3.org.uk/index.cfm?page=1591>

Disbursements

I have incurred the following disbursements on account in the Period, these have not been drawn from estate funds

Land Registry	£18 00
Statutory Advertising	£75 00
Bond	£400 00
Solicitors Fees	£170 00

Narrative Overview

The sections above which break down work completed into the various categories of tasks undertaken are designed to provide creditors with information regarding the complexity of the case, any exceptional responsibility falling on the office holder, the office holder's effectiveness and the value and nature of the property in question in this case

If any creditor has any queries in relation to that which is set out above or would like any further information relating to these matters, please contact my offices and I will endeavour to deal with the same

In addition to the above, the following information is supplied to give creditors an overview of the case in accordance with Statement of Insolvency Practice 9 (England and Wales)

Nature of the Assignment

The main aspects of this case relates to the investigation of the Company's affairs leading up to the liquidation. This revolved mainly around the apparent debts due from the directors of the Company and the transactions with the EFBS Schemes

Initial Views

It was apparent that investigations should be undertaken into the affairs of the Company leading up to liquidation to establish the reasoning behind the Company's failure and also to identify any potential claims that may exist, including the two directors' loan accounts mentioned in the Official Receiver's Report. In addition, the report indicated book debts owed relating to companies connected by way of common directors.

It was therefore clear that a thorough investigation would need to be undertaken in relation to these matters.

Significant Aspects of Case

As set out above, there has been a significant amount of time spent on investigating the Company's affairs and potential claims that were identified. This included detailed analysis of the Company's accounting records and information in relation to the EFBRs schemes, as well as meetings with the directors of the Company.

In addition, a large amount of time was spent in correspondence with solicitors and the directors in relation to the directors' loan accounts. Further time was spent in correspondence with HMRC in relation to the Schemes. Due to the complexity of these issues, a large amount of time was spent by more senior staff who attract a higher charge out rate.

Views of Creditors

There are currently no funds available for creditors and therefore the carrying out of investigations and the potential legal proceedings will not have any impact on distributions to creditors.

As set out above, one creditor has provided me with an indemnity in relation to the bankruptcy petition issued against one of the directors and was therefore clearly supportive of such action.

Remuneration

As set out above, creditors agreed my remuneration on a time costs basis at a meeting of creditors held on 17 April 2013.

Agents, Subcontractors and Professionals

This report sets out details of agents and solicitors instructed by me to assist with my administration of the liquidation. These individuals will have been chosen as a result of their anticipated effectiveness to carry out the various roles, whilst considering the cost of the services provided.

The various bases of their remuneration have been set out in the progress section above. The invoices of the various parties are reviewed by me upon receipt.

Management of the Assignment

The various aspects of the case are overseen by me as Liquidator, however work is generally delegated to more junior members of staff where it is considered appropriate and reasonable.

The strategy with respect to the case will have been considered by me on a continual basis throughout.

Other Matters

Creditors are entitled under Rule 4.49E of the Insolvency Rules 1986 to request further information from me regarding my remuneration and expenses.

Pursuant to Rule 4.131 of the Insolvency Rules 1986 creditors have a right to challenge my

remuneration and expenses

Should any Creditor reasonably require further particulars in relation to any aspect of the conduct of my administration then please submit such requests in writing to this office. The same will be considered and if appropriate further information may be furnished such that you may reasonably require the same.

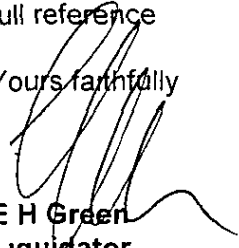
Enclosures

The following are enclosed for your attention

- 1) Breakdown of time costs from appointment to 14 February 2013
- 2) Breakdown of time costs for the Period
- 3) Breakdown of time costs to 14 February 2013 by category of work undertaken
- 4) Breakdown of time costs for the Period by category of work undertaken
- 5) Receipts & Payments Account for period

Any queries with regard to this Progress Report must be submitted in writing to this office quoting my full reference

Yours faithfully



E H Green
Liquidator

Licensed by the Institute of Chartered Accountants in England & Wales

APPLICADO FS CONSULTANCY LIMITED
(In Liquidation)

Liquidator's Abstract Of Receipts And Payments

Statement of affairs £	From 15/02/2013 To 14/02/2014 £	From 15/02/2013 To 14/02/2014 £
------------------------------	---------------------------------------	---------------------------------------

RECEIPTS

Creditor Funding Legal Costs	2,484 00	2,484 00
	<u>2,484 00</u>	<u>2,484 00</u>

PAYMENTS

Agents/Valuers Fees(1)	170 00	170 00
Legal Costs	1,900 00	1,900 00
Official Receiver's Fee	1,070 00	1,070 00
Secretary of State Fee	88 00	88 00
	<u>3,228 00</u>	<u>3,228 00</u>
BALANCE - 14 February 2014	<u><u>(744.00)</u></u>	<u><u>(744.00)</u></u>

MADE UP AS FOLLOWS

VAT Debtor	414 00	414 00
ISA	(1,158 00)	(1,158 00)
	<u>(744 00)</u>	<u>(744 00)</u>



Elliot Harry Green
Liquidator

SIP 9 - Time & Cost Summary

Period 15/02/13 14/02/14

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	17 50	3 30	2 30	54 60	77 70	15,057 20	193 79
Investigations	83 20	15 40	1 00	59 80	159 40	44,399 50	278 54
Realisations of assets	2 10	0 50	0 00	3 90	6 50	1,452 50	223 46
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	13 00	0 40	0 20	4 20	17 80	5,912 40	332 16
Case specific matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	115 80	19 60	3 50	122 50	261 40	66,821 60	255 63
Total Fees Claimed						0 00	

Sub Analysis in Period

100	Admin & Planning	3 70	502 20
101	Reviwing Incoming Correspondence	1 70	225 00
102	Telephone Calls	9 60	1,855 30
103	Bank Reconciliations	0 30	45 00
104	Reviews	1 90	297 00
105	Statutory Receipts And Payments	0 10	39 50
106	General Correspondence	6 60	1,514 50
107	Case Opening	10 90	1,208 00
110	IPS Diary Update	0 40	60 00
111	Other	4 30	634 80
112	Incoming correspondence	0 80	185 00
113	Our solicitors correspondence	3 00	631 00
117	Internal Memo	3 60	1,456 40
118	Cashbook / Cashier / Cheque Matters	2 20	377 50
120	Emails	14 90	4,091 00
121	Filing	10 70	1,422 60
124	Internal discussion	1 40	232 40
125	Corporation Tax Return	0 50	75 00
128	Review of case administrators work	1 10	205 00
200	Investigations	5 60	761 60
201	Correspondence With Banks	2 80	774 00
202	Correspondence With Solicitors	12 50	3,582 10
203	Correspondence With Accountants	14 40	4,298 10
204	Review Solicitors Files	0 90	321 50
205	Review Accountants Files	0 50	145 70
206	Review Company Records	22 70	4,297 50
209	Interview Company Directors	17 50	3,067 70
211	Review Of Case Law/Legislation	0 80	108 80
213	Other	11 30	3,379 60
214	Incoming correspondence	1 90	432 50
215	Our solicitors correspondence	36 80	14,056 90
216	Instruction to agents / valuers	1 40	190 40
218	Official Receiver correspondence	0 70	276 50
220	Correspondence with Debtor / Director	18 80	5,472 20
221	Telephone Calls	7 50	2,471 30
226	Internal Discussion -	0 50	112 50
227	Review of case administrators work	0 60	130 00
228	Internal Emails	0 10	13 60
229	General Correspondence	2 10	507 00
301	Correspondence With Agents	3 20	982 30
303	Draft Witness Statements	2 00	274 80
310	Our solicitors correspondence	0 50	125 00
319	Book Debt recovery	0 80	70 40
501	Proofs Of Debt	1 10	152 80
502	Proxies	0 10	11 00
503	Creditors Reports	0 10	15 00
504	Telephone Calls With Creditors	8 90	3,559 50
505	Creditors Enquires/Response	0 50	112 50
506	Creditors Meetings	0 70	147 00
509	Incoming correspondence	0 10	22 50
512	Correspondence with creditors	6 30	1,892 10
		261 40	66,821 60

APPLICADO FS CONSULTANCY LIMITED – IN LIQUIDATION

**MINUTES OF CREDITORS MEETING HELD AT 10:00 AM ON 17 APRIL 2013 AT
OURY CLARK, 58 HERSCHEL STREET, SLOUGH, SL1 1PG**

Present: E H Green – (Liquidator) (Chairman)

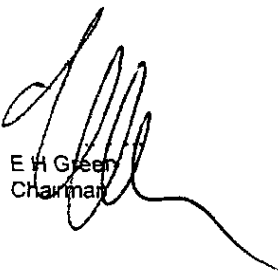
The meeting was called for the purpose of approving the following resolutions

- I The Liquidator is authorised to draw fees in respect of time properly incurred by him or his staff in relation to the Liquidation
- II The Liquidator's legal costs / disbursements are sanctioned from estate recoveries
- III The Liquidator is authorised to draw category 2 disbursements on account at the rates detailed in his Disbursement Recovery Policy dated 20 February, 2013

Voting on resolution by proxy	FOR	AGAINST	INVALID	PROOF OF DEBT
Xperion Business Solutions Limited	X			£197,917.42
TOTAL	£197,917.42	£0.00	£0.00	£197,917.42

On the basis of the information stated above, the above resolutions were passed

There being no further business, the meeting concluded


E H Green
Chairman