

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company
LOBOS GRIS LIMITED

Company number
06398313

In the
**THE HIGH COURT OF JUSTICE, CHANCERY DIVISION,
COMPANIES COURT**

[full name of court]

Court case number
2672 of 2010

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

I / We (a) Paul Appleton and Stephen Katz of David Rubin & Partners LLP, 26-28 Bedford Row, London
WC1R 4HE

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

(b) Insert dates

from

(b) 26 March 2010

to

(b) 25 September 2010

Signed

Joint Administrator(s)

Dated

5/10/10

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.

	Tel
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

FRIDAY



A08

08/10/2010

207

COMPANIES HOUSE

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

Case No: 2672 of 2010

LOBOS GRIS LIMITED – IN ADMINISTRATION

PROGRESS REPORT TO CREDITORS

FOR THE SIX MONTH PERIOD TO 25 SEPTEMBER 2010

1 INTRODUCTION

This report is addressed to the creditors of Lobo Gris Limited – In Administration (“the Company”) pursuant to Rule 2 47 of the Insolvency Rules 1986

2 COMPANY INFORMATION

Company Name	Lobos Gris Limited
Company Number	06398313
Registered Office	26-28 Bedford Row London WC1R 4HE
Nature of Business	Production Company

3 JOINT ADMINISTRATORS’ APPOINTMENT

I, Paul Robert Appleton, together with Stephen Katz, of David Rubin & Partners LLP, 26-28 Bedford Row, London, WC1R 4HE, was appointed Joint Administrator of the Company on 26 March 2010 by the Company’s Director

In accordance with Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (“the Act”), the functions of the Joint Administrators are being exercised by either of the Administrators

The purpose of the Administration was to achieve purpose (b) set out in Paragraph 3 of Schedule B1 of the Act, ‘*achieving a better result for creditors as a whole than if the Company was wound up*’

I would advise that the Administration has achieved the foregoing purpose

The period of the Administration is twelve months and no extension to this period has been sought, to date

4 RECEIPTS & PAYMENTS

Attached, as Appendix 1, is a summary of Receipts and Payments of the Estate for the six month period to 25 September 2010

4.1 RECEIPTS

4.1.1 Sale of Business and Assets

Following the appointment of the Joint Administrators, an offer was submitted by Spitfire Recovery Limited ("SRL") for the Company's business and assets was duly accepted. Based on the specialist valuation received from Messrs Hazlems Fenton, Chartered Accountants, the business was sold on 31 March 2010

Specifically, the assets subject to the transaction and the amounts received in respect of the same, were as follows

Asset	Sale Consideration £
Goodwill	1
Unencumbered IPR belonging to the Company	49,499
Chattel Assets	500
Total	50,000

Further, and as previously advised, a clause was incorporated in the sale contract providing for further sums to be paid to the Administration Estate, up to the level of proved claims received by the Administrators, if certain sale targets are achieved by SRL. This clause is crystallised if SRL is successful in producing a film substantially based on the material previously generated by the Company, within the period of the Administration, or within 12 months from the date of the Administrators appointment

I am in dialogue with SRL, but, at this point in time, no funds are payable to the Company in respect of the uplift clause

4.2 PAYMENTS

4.2.1 Joint Administrators' Remuneration

The Joint Administrators' have drawn the sum of £15,000 plus VAT on account of their time costs to date. The basis of these fees were ratified at a meeting of creditors held on 25 May 2010 and are discussed in further detail below in 8 Joint Administrators' Time Costs

4.2.2 Agents Fees

Messrs Hazlems Fenton were paid the sum of £3,000 plus VAT for services provided in connection with the valuation of the Company's business and assets and the subsequent sale of the same

4.2 PAYMENTS (Continued)

4.2.3 Legal Fees

The sum of £3,000 plus VAT was paid to Solicitors, Messrs Judge Sykes Frixou, for services provided in connection with placing the Company into Administration, and the preparation of the contract in respect of the sale of the Company's assets

4.2.4 Statutory Advertising

This represents the costs associated with publishing the statutory advertisements in connection with the Administrators' appointment

5 ASSETS TO BE REALISED

As previously advised, following the appointment of the Joint Administrators, the Company's Bankers, Barclays Bank plc ("The Bank"), were requested to remit any credit balances to the Administration estate. I would advise that I have not been provided with the relevant bank statements to determine if any realisations will be effected from this source and I am presently awaiting a response from the Bank in that regard.

As advised above, there has been an uplift clause incorporated into the sale contract subject to certain sale targets being achieved by SRL. Any additional consideration is likely to be realised within the next six months.

6 PREFERENTIAL CREDITORS

I confirm that the nature of the Company's trading operations were such that it did not have any requirements to employ any members of staff. As such, I do not anticipate any claims being received from creditors with preferential status.

7 UNSECURED CREDITORS

It is uncertain at this stage of proceedings whether there will be sufficient realisations, after the costs of the Administration, to enable a distribution to be made to Unsecured Creditors. I would advise that any such distribution will be largely dependent upon the quantum of deferred consideration as prescribed in the sale contract.

8 INVESTIGATIONS

I have reviewed the financial position of the Company in the period leading up to the commencement of the Administration in the context of the Directors' statutory obligations and duties pursuant to the Companies Act 2006 and the Insolvency Act 1986. I have also submitted a report to the Department of Business, Enterprise and Regulatory Reform on the Director's conduct in accordance with the Company Directors Disqualification Act 1986.

9 JOINT ADMINISTRATORS' TIME COSTS

The time spent by the Joint Administrators and their staff to 25 September 2010 totalled £40,024 for 190 hours and 18 minutes, which equates to an average cost of £210.32 per hour. Attached, at Appendix 2, is a breakdown of how the time was spent during that period, together with a summary of our firm's charge out rates applicable in this matter.

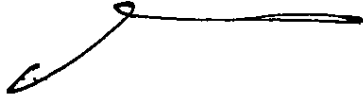
The work undertaken to date by the Joint Administrators and staff of this office includes, *inter alia*, the following:

- a) reporting to the Court, Companies House, creditors and shareholders following the appointment of the Joint Administrators,
- b) opening a designated bank account and dealing with the movement of funds,
- c) advertising the appointment of the Joint Administrators in the prescribed manner,
- d) applying for the Joint Administrators' bonds, as required by the Insolvency Practitioners Regulations 2005,
- e) correspondence and telephone conversations with creditors, solicitors and agents in respect of the proposed sale of undertaking;
- f) advising the creditors of the sale of the undertaking in written correspondence,
- g) correspondence with HM Revenue & Customs, both with regard to PAYE and VAT, and acknowledging creditors' claims,
- h) Preparation and circulation of the Joint Administrators' Proposals and Report pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986 and this six month Progress Report to creditors,
- i) correspondence with the Company's bankers in respect of the closure of the bank account,
- j) preparation and conduct of meeting of creditors.
- k) extensive investigations into the Company's affairs and preparation and submission of the report detailing the conduct of the Directors pursuant to the provisions of the Company Directors Disqualification Act 1986, and
- l) sundry statutory and administrative duties

In accordance with the guidelines issued by the Association of Business Recovery Professionals, a creditor's guide to Administrators' fees is available for your inspection at [http://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007\(1\).pdf](http://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007(1).pdf), should you wish to peruse the same.

10 OTHER MATTERS

Should you have any queries regarding the content of this report or the Administration generally, please do not hesitate to contact my Manager, Andrew Langshaw

A handwritten signature in black ink, consisting of a stylized 'P' followed by a horizontal line and a small flourish at the end.

PAUL APPLETON – JOINT ADMINISTRATOR

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

Paul Appleton and Stephen Katz were appointed Joint Administrators of Lobos Gris Limited on 26 March 2010 and are managing the affairs business and property of the Company

Paul Appleton and Stephen Katz are licensed to act as Insolvency Practitioners by the ICAEW

Appendix 1

LOBOS GRIS LIMITED - IN ADMINISTRATION
ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT
FROM 26 MARCH 2010 TO 25 SEPTEMBER 2010

	<u>Y/E</u> <u>date</u> £
<u>Receipts</u>	
Goodwill, Work In Progress	1 00
Business & Intellectual Property	49,499 00
Chattel Assets & Information Technology	500 00
	<hr/>
	50,000 00
<u>Payments</u>	
Joint Administrators' Fees	15,000 00
Legal Fees	3,000 00
Agents Fees	3,000 00
Statutory Advertising	151 20
Legal Disbursements	30 00
	<hr/>
	21,181 20
	<hr/>
Receipts less Payments	<u>28,818 80</u>
Represented by.-	
Balance at Bank	25,117 34
VAT Receivable	3,701 46
	<hr/>
	<u>28,818 80</u>

APPENDIX II

LOBOS GRIS LIMITED - IN ADMINISTRATION ADMINISTRATORS' TIME COSTS FOR IHF PERIOD 26 MARCH 2010 TO 25 SEPTEMBER 2010 SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Managers / Senior Managers	Administrators/ Senior Administrators	Cashiers	Total hours		
Statutory compliance admin and planning	08 00	21 30	56 30	01 18	87 18	17 232 50	197 39
Investigations	06 18	09 18	37 00	00 00	52 36	10 010 50	190 31
Realisations of assets	08 00	05 30	00 00	00 00	13 30	4 495 00	332 96
Creditors	08 18	08 36	20 00	00 00	36 54	8 286 00	224 55
Total hours and costs	30 36	44 54	113 30	01 18	190 18	40 024 00	210 32

The above headings include *inter alia*

Administration and Planning

case planning
appointment notification
maintenance of records
statutory reporting and compliance
tax and VAT

Realisation of Assets

identifying and securing assets
debt collection
property, business and asset sales

Investigations

SIP2 review
reports pursuant to Company Directors Disqualification Act 1986
investigating antecedent transactions

Creditors

communications with creditors
creditors claims (including secured creditors, employees and preferential creditors)

Chargeout rates

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the current hourly chargeout rates applicable to this appointment, exclusive of VAT, are as follows

	£
Partners/Office Holders	300-395
Managers/Senior Managers	220-260
Administrators/Senior Administrators	110-140
Cashiers	100

Chargeout rates are normally reviewed annually in November, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance

Direct expenses ("Category 1 disbursements")

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

Indirect expenses ("Category 2 disbursements")

It is normal practice to also charge the following indirect disbursements ("Category 2 disbursements" as defined by SIP 9) to the case, where appropriate

Postage and stationery circulars to creditors

Headed paper	25p per sheet	Envelopes	25p each
Photocopying	6p per sheet	Postage	Actual cost

Meeting Costs Use of Meeting Room is charged at £150 per session

Storage and Archiving

We use a commercial archiving company for storage facilities for company's records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £30 per hour.

Mileage incurred as a result of any necessary travelling is charged to the estate at the HM Revenue & Customs approved rate currently 40p per mile.