

# 2.17B

The Insolvency Act 1986

## Statement of administrator's proposals

Name of Company

365 HR Limited

Company number

06664336

In the  
High Court of Justice

(full name of court)

Court case number  
9246 of 2010(a) Insert full  
name(s) and  
address(es) of  
administrator(s)

I/We (a)

Martin C Armstrong FCCA FABRP MIPA  
Turpin Barker Armstrong  
Allen House  
1 Westmead Road  
Sutton  
Surrey  
SM1 4LA

James E Patchett FCCA MABRP  
Turpin Barker Armstrong  
Allen House  
1 Westmead Road  
Sutton  
Surrey  
SM1 4LA

\*Delete as  
applicable

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

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

(b) 25<sup>th</sup> November 2010

Signed

  
 Joint Administrators

Dated

25 November 2010

### 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

Martin C Armstrong FCCA FABRP MIPA MBA  
Turpin Barker Armstrong  
Allen House  
1 Westmead Road  
Sutton  
Surrey  
SM1 4LA

DX Number

020 8661 7878  
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

SATURDAY



\*A9LJ1PGT\*

A14

27/11/2010

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COMPANIES HOUSE

**Joint Administrators' Proposals relating to  
365 HR Limited ("the Company") – In Administration**

**Issued on: 25<sup>th</sup> November 2010**



I, Martin Charles Armstrong and my partner, James Patchett, of Turpin Barker Armstrong, Allen House, 1 Westmead Road, Sutton, Surrey, SM1 4LA, are the Joint Administrators of the Company and these are my statutory proposals relating to the Company. They also include the information required by Statement of Insolvency Practice 16 ("SIP 16") because the company's assets have been sold immediately after my appointment in what has become known as a "pre-pack" sale.

## **1. Statutory Information**

Statutory information relating to the Company is attached at Appendix 1

## **2. Circumstances leading to the appointment of the Joint Administrators**

### Company history

The company had been formed on 5<sup>th</sup> August 2008 and had started trading in December 2008. The company's business was that of an employment agency. Nicola King is the sole director and the company has never had a company secretary. The company had issued and fully paid twenty £1 ordinary shares, which were held by Nicola King. Ken Parish had originally been a director and 50% shareholder but had left the business on 28<sup>th</sup> October 2009 and transferred his shares to Mrs King.

The company traded from serviced offices at Crown House, Home Gardens, Dartford, Kent DA1 5DZ. The service fee payable was £800 per month and the company paid a further £150 per month for services. The company had four full-time staff including the director.

The majority of the company's work was temporary placements based on weekly timesheets. This accounted for 95% of the company's turnover with the remainder being for permanent placements. The company provided staff to the transport industry, industrial organisations, catering and event management companies and electrical and wholesale companies. Clients included Hornby Hobbies, DPD (UK), Brett Aggregates, Langdons, ParkerSteel, Eat to the Beat, City Electrical Factors and Mobile Bar. The clients were subject to standard Recruitment & Employment Confederation ("REC") terms and conditions, with clients being invoiced weekly and allowed credit of either 30 days from date of invoice or 30 days from the end of the month. The company usually had circa 80 staff on temporary assignment.

Temporary staff were engaged on contracts for services and were paid a week in arrears. Staff were required to submit their timesheets by Monday lunchtime and were then paid on Friday for the previous week's work. The company operated on a 15% gross profit margin.

In 2009, the business suffered as a consequence of Nicola King having to take compassionate leave following family bereavements. Ken Parish (who was a director at the time) also took time away from the business due to personal reasons, which eventually led to his departure from the company on 28<sup>th</sup> October 2009. During this period Nicola King's brother provided consultancy services to the company to cover for her absence and the absence of Ken Parish.

The company suffered further because some members of staff left to join other agencies, taking clients with them. The company's turnover decreased from circa £20,000 per week to circa £5,000 and as a consequence the company fell into arrears with both PAYE/NIC and VAT. During 2010 Nicola King endeavoured to enter into "time to pay" arrangements with HM Revenue & Customs ("HMRC") and indeed had done so. However, HMRC required higher levels of payment than the company could reasonably afford from its cash flow (being current payments to be made on time plus £5,500 per month in respect of VAT arrears and £1,500 per week in respect of PAYE/NIC arrears). The company was simply unable to meet obligations of £12,000 per month in respect of arrears of HMRC debts.

As a result of the above, the director sought advice from my firm in September 2010 on how to deal with the affairs of the company.

A summary of the Company's recent trading performance is shown below

	Statutory Accounts P/E 31/12/2009
	£
Turnover	868,961
Cost of Sales	(698,956)
Gross Profit	170,005
Gross Profit %	20
Overheads	(125,611)
Dividends	(30,000)
Net Profit after tax	35,856

Background to the administration and sale of the company's assets

The director, Mrs Nicola King, was advised by the company's accountants, Spurling Cannon Limited, to seek advice regarding the company's financial position from a licensed Insolvency Practitioner. Mrs King first contacted me regarding the company's financial position during September 2010 and I met with Mrs King on 14<sup>th</sup> September 2010 to discuss the company's affairs and the appropriate route forward. I have provided insolvency advice to the director since this time. This advice included the options available and when it was apparent that an administration was the appropriate way forward, we have assisted the director with placing the company into administration and made arrangements for the pre-pack sale of the company's assets.

It was evident that the company was struggling to continue to trade as the cashflow position was such that the company was unable to discharge the monthly obligations to HMRC. As a result, HMRC had intimated that should the agreed payments not be met, they would proceed to present a Winding Up Petition against the company.

We considered the options available to the company and prepared an estimated outcome statement of the alternatives including administration and both types of liquidation. Based upon the estimated outcome statement it was noted that the administration route would result in a better outcome to creditors than in a winding up. This would achieve the second purpose of the administration.

The director was reluctant to fund the company in the meantime if a Company Voluntary Arrangement ("CVA") was being proposed as there was uncertainty over whether a CVA would be approved. In addition, HMRC were the majority creditor and would therefore have the ultimate decision on whether the CVA was approved.

The director also expressed an interest in acquiring the business and assets (paying full in situ value), which would result in enhanced realisations compared to a winding up where much of the value would be dissipated.

It was apparent that to retain any value in the assets any sale would need to be completed in the very near future and it was considered that a "pre-pack" administration would be the appropriate procedure to follow.

I instructed James Owen & Co, a firm of professional and independent valuers, as agents to value the business and its assets. The agents have considerable experience in dealing with

assets of this nature and knowledge of the industry and were therefore considered to be suitable for assisting in this matter. The assets were valued both on the basis of an "in situ" sale with a view to trading on the same site and on an "ex situ" break-up basis. Details of the value attributed to each category of asset and the value expected to be realised for is given in the sale proceeds comparison table below.

In addition, I instructed the agent to discretely market the business, which he did by circulating details to potential interested parties, however, no offers were received. Mrs Nicola King, the director of the company, expressed an interest in purchasing the business and assets. Mrs Nicola King advised that she was willing to pay full value on a willing buyer/willing seller, in situ basis through a dormant company, Direct 2 Trade Recruitment Limited ("D2T"), of which she is a director and shareholder. Our agents were therefore instructed to value the company's tangible and intangible assets including goodwill and advised that the offer from D2T should be accepted on the basis that they had not received any offers and would not anticipate any other party to pay full market value.

The following table shows the agreed sale value being paid by D2T together with the valuations attributed by James Owen & Co.

<b>Asset category</b>	<b>Ex situ basis</b>	<b>In situ willing buyer/seller basis</b>	<b>Sale price</b>
Office furniture and IT equipment	£500	£500	£500
Client Database	£3,500	£5,000	£5,000
Temp Database	£1,000	£2,000	£2,000
Goodwill	-	£15,000	£15,000
<b>Total</b>	<b>£5,000</b>	<b>£22,500</b>	<b>£22,500</b>

In addition, the sale will result in employees transferring to D2T so that liabilities in the administration are minimised. This will result in decreasing any preferential and unsecured claims from employees for wage arrears and holiday pay and extinguishing claims from employees for redundancy pay and pay in lieu of notice.

Liquidation would likely result in breach of contracts reducing the amount of collectible debts, whereas the director's new company would assist in the collection of book debts which would result in increased realisations.

I also considered whether the company could propose a Company Voluntary Arrangement ("CVA"), but there was no funding available for continued trading so I did not believe that it could be proposed. In addition, HMRC are a significant creditor and were close to issuing a Winding Up Petition against the company. I considered whether an informal solution might be possible, but the company had already entered into a time to pay arrangement with HMRC, which it could not adhere to. With HMRC intimating that they would proceed to wind up the company, a CVA or informal solution would not be viable.

I have also been engaged on behalf of the firm in the production of documents in order to place the company into administration, considering how best to achieve the statutory purpose and taking appropriate action, using solicitors and agents where necessary.

Under the circumstances, proceeding with a "pre-packed" sale to D2T appeared the most appropriate way for the company to avoid liquidation, preserve jobs and minimise the loss to creditors. I therefore contacted the shareholder and HMRC, who were a significant creditor, to make them aware of the position and discuss the proposed course of action. HMRC agreed to withhold from issuing a Winding Up Petition against the company and allow the administration to proceed. Based upon the information available it was clear that an administration would be the most appropriate route forward.

### Details of the "pre-pack" sale

As explained above, the company could not trade to allow further marketing due to cashflow difficulties and the lack of funding going forward. In addition, the company was under threat of a Winding Up Petition from HMRC. Mrs King considered other options for funding, however, none materialised and she did not have the personal funds to fund the business. I therefore recommended that the assets of the company be sold shortly following our appointment in what is known as a "pre-pack" sale. This means that all of the work in valuing the company and negotiating the sale is done before our appointment and the sale becomes effective very shortly after our appointment. The sale was therefore completed on 15<sup>th</sup> November 2010. The assets sold and the values to be realised for them are listed in the comparison table above. The consideration of £22,500 will be paid under a deferred payment plan. The first payment of £3,750 has been received from the purchaser. The sale agreement also incorporates a personal guarantee from Mrs King should the purchaser be unable to pay the consideration in full.

The contract for sale, which contains no options, buy back or similar clauses, has been produced by solicitors, Charles Russell LLP. No assets have been excluded from the sale. The company's book debts will also be collected out in the administration. The company's book debt ledger is subject to an invoice finance facility with Close Invoice Finance Limited. Therefore the ledger will only be assigned to the Joint Administrators once the indebtedness to Close Invoice Finance Limited has been paid in full. I anticipate much better book debt realisations in the administration. This is a direct result of the continuity of existing contracts by D2T resulting in improved payments and less claims for breaches of contracts.

On 15<sup>th</sup> November 2010, I was appointed by Nicola King as Joint Administrator of the Company. The appointment permitted the Joint Administrators to take any actions required either jointly or alone, and I have been the Joint Administrator primarily involved in dealing with the Company's affairs.

### **3. Objectives of the Administration of the Company and the Joint Administrators' strategy for achieving them**

The purpose of an Administration is to achieve one of the three objectives set out in the insolvency legislation, which are to -

- (a) rescue the company as a going concern, or
- (b) 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), or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors

Objective (a) could not be achieved as no purchaser could be found for the shares of the Company and the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement was not appropriate.

As a result, I am seeking to achieve objective (b) for the Company, and I have already largely achieved this by selling the main assets. Some further benefit is expected to accrue from improved book debt realisations.

The insolvency legislation has set a 12 month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. If I am unable to complete the Administration of the Company within 12 months then I will either apply to the Court, or hold a meeting of creditors, in order to seek approval to extending the duration of the Administration.

#### **4. Actions of the Joint Administrators following appointment**

I decided that it was not appropriate to continue the business of the Company and that an immediate sale of the Company's business and assets was the best way to achieve the objective of the Administration. As a result, on 15<sup>th</sup> November 2010, I sold the Company's business and assets to D2T.

With that concluded the consideration due from the sale of the business and assets will be paid under a deferred payment plan. I will also pursue any book debts reassigned to me by Close Invoice Finance. I am obliged to report to creditors every 6 months and on closure of the administration complete other statutory duties as well as dealing with creditor enquiries, investigating the director's conduct and keeping records of the administration.

#### **5. Financial Position of the Company**

A summary of the Company's estimated financial position as at 15<sup>th</sup> November 2010, which is known as a Statement of Affairs, is attached at Appendix 2.

##### **Comments on the Statement of Affairs**

##### **5.1. Book Debts**

The Company's book debts are subject to an invoice finance facility with Close Invoice Finance Limited. Close Invoice Finance Limited are collecting the book debts. Due to certainty of service, all book debts are considered collectible, however, for the purposes of the Statement of Affairs, a 10% provision has been applied for any potential bad debts. It is therefore anticipated that there will be a surplus of £9,582 after Close Invoice Finance Limited's debt has been paid.

##### **5.2. Office Furniture & IT Equipment**

The company had a small amount of office furniture and IT equipment. This was valued by Messrs James Owen & Co and will realise the sum of £500 in accordance with the "Pre Pack" sale agreement.

##### **5.3. Client/Temp Databases**

In accordance with the independent professional valuation provided by James Owen & Co the company's client and temp databases will realise £5,000 and £2,000 respectively.

##### **5.4. Goodwill**

The company's goodwill will realise the sum of £15,000 in accordance with the independent professional valuation and the terms of the sale agreement.

##### **5.5. Preferential creditors**

It is understood that there are no preferential creditors.

##### **5.6. Prescribed Part**

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property." A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An Administrator has to set aside

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000.



The Company gave a fixed and floating charge to Close Invoice Finance Limited on 5<sup>th</sup> November 2010. The money due to Close Invoice Finance Limited will be fully repaid from the fixed charge they hold over book debts. As a result, I will not have to pay them any money under their floating charge, and the prescribed part provisions will not apply.

#### **6. Joint Administrators' Receipts and Payments Account**

I attach a summary of my receipts and payments relating to the company for the period from when it entered administration, 15<sup>th</sup> November 2010, to the date of these proposals, at Appendix 2.

It should be noted that the consideration for the business and assets will be paid will be paid under a deferred payment plan. The first instalment of £3,750 has been received and is shown as a receipt into the administration account.

Because of the short period since the administration commenced, the appended statement of affairs provides further detail of the expected realisations. The realisations are explained above.

#### **7. Proposed Future Actions of the Joint Administrators to Achieve the Objective of the Administration**

In order to achieve the objective of the administration of the company I propose to collect the company's book debt surplus (dependent upon the indebtedness to Close Invoice Finance Limited being discharged) and continue to collect the deferred consideration in accordance with the sale agreement.

#### **8. Joint Administrators' Remuneration and Expenses**

I propose that my fees will be charged by reference to the time properly spent by me and my staff in dealing with matters relating to the administration of the company. This time will be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken. Information about current charge out rates is set out in Appendix 5.

The approval of the basis of my remuneration forms part of these proposals for which approval is being sought that are set out at Section 12 below, but if a creditors' committee is appointed at the forthcoming meeting of creditors then I will seek approval from that committee instead.

My time costs to 21<sup>st</sup> November 2010 amount to £4,221, representing 18.20 hours work, at an average charge out rate of £231.92. Appendix 4 contains information about remuneration and expenses, including the total time spent on the affairs of the company for the period from when it entered administration. This is included because it is a regulatory requirement but because of the short time elapsed contains little information.

A copy of 'A Creditors Guide to Administrators' Fees' published by the Association of Business Recovery Professionals and 'A Statement of Insolvency Practice 9 (Revised)' which shows Turpin Barker Armstrong's fee policy are available at the link [http://www.turpinba.co.uk/about/insol\\_fees.html](http://www.turpinba.co.uk/about/insol_fees.html). Alternatively a copy is available free of charge upon request to my office.

#### **9. Pre-appointment Fees and Expenses**

The board of the company instructed me to assist them in placing the company in administration on 10<sup>th</sup> November 2010. They agreed that I should be paid my pre-appointment fees and expenses. I attach at Appendix 4 a detailed time cost table showing the pre-appointment time costs incurred by category and staff grade at my firm. In addition to my own time costs, the following agents or professional advisors have been utilised in this matter:



Agent/Professional Advisor	Nature of Work	Fee Arrangement
James Owen & Co Charles Russell LLP	Valuer/Auctioneer Solicitors	Percentage of realisations Time costs

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

A majority of this time was accrued due to significant time being spent finalising the terms of the sale and preparing the appointment documentation in order to commence the administration. My firm's pre-appointment time costs amount to £8,759 and I therefore propose to seek approval of all these fees at the meeting of creditors.

It was evident that objective (a) could not be achieved but in order to achieve objective (b) certain costs would need to be incurred in order to achieve a pre-pack sale.

#### Valuation agents

Messrs James Owen & Co provided an independent professional valuation of the business and assets. In addition, they discretely marketed the business in order to gauge potential interest and provided advice on the offer from D2T. This work was carried out pre-appointment as the company could not continue to trade and therefore realisations were maximised and dissipation of intangible assets avoided.

#### Legal fees

Charles Russell LLP were instructed to prepare the relevant documents in order to place the company into administration in addition to the agreement for the pre-pack sale. The work carried out by Charles Russell LLP allowed the process to be completed quickly, thus minimising costs.

#### Time costs

The time costs of myself and my staff relate to assisting the director with placing the company into administration and liaising with the agents and purchaser regarding the sale of the assets. In addition, I have had numerous discussions with the chargeholder regarding the administration and their consent to proceed.

The following statement sets out my pre-appointment fees and estimated expenses incurred. The statement also shows those fees and expenses that were paid prior to the administration and those where approval is being sought to pay them from administration funds.

Description	Paid pre-appointment £	To be paid £
Administrator's remuneration	-	8,759
Valuation agents	-	2,400
Legal fees	-	4,000
Other expenses	-	-
Total	-	15,159

If a committee is appointed at the meeting of creditors, I will initially seek approval from the committee for payment of the pre-appointment fees and expenses that have not yet been paid. If the committee does not approve those fees, or it approves the fees at a level that I (or the other insolvency practitioner) feel is insufficient, I may seek approval from a further meeting of creditors or failing that, from the court.

If a committee is not appointed, then since the pre-appointment fees and expenses that have not yet been paid cannot be approved within these proposals, I will be seeking a separate resolution to approve them at the meeting

#### **10. Joint Administrators' Investigations**

I have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. I should be pleased to receive from you any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure.

#### **11. EC Regulation on Insolvency Proceedings**

I consider that the EC Regulation on Insolvency Proceedings apply to the Administration of the Company. I also consider that they are "main" proceedings since the Company's registered office and its trading address is in the United Kingdom.

#### **12. Joint Administrators' Proposals**

In order to achieve the objective set out at Section 3 above, as Joint Administrator of the company I formally propose to creditors that

- (a) I continue to manage the business, affairs and property of the company in order to achieve the purpose of the administration. In particular that I
  - (i) collect the company's book debts and deferred consideration,
  - (ii) investigate and, if appropriate, pursue any claims that the company may have against any person, firm 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, and
  - (iii) do all such things and generally exercise all my powers as administrator as I in my 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) If there are insufficient funds to enable a distribution to unsecured creditors, the Administration of the Company will end by filing notice of dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the Registrar of Companies 3 months after the notice is registered.
- (c) If there are sufficient funds to enable a distribution to unsecured creditors, the administration will end by placing the company into Creditors Voluntary Liquidation, and propose that I, Martin Armstrong, and my partner, James Patchett, are appointed the Joint Liquidators of the company. Creditors may nominate a different person as the proposed liquidator, but you must make the nomination at any time after you receive these proposals, but before they are approved. Information about the approval of the proposals is set out at section 13.
- (d) the Administration will end by the presentation of a winding up petition to the Court for the Compulsory Liquidation of the Company.
- (e) the Administration of the Company will end by making an application to Court for an order that the Administration ceases.

- (f) I am remunerated by reference to time properly spent by me and my staff in dealing with matters relating to the administration of the company, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken. Details of the current charge out rates for myself and my staff are outlined in Appendix 5 of these proposals

### **13. Approval of Proposals**

I am holding a meeting of creditors to enable creditors to consider and vote on my formal proposals to achieve the objective of the administration of the company. The meeting will be held on 16<sup>th</sup> December 2010 at 10 00am at Allen House, 1 Westmead Road, Sutton, Surrey, SM1 4LA and a formal notice about the meeting is enclosed with these proposals

I also enclose a proxy form and a proof of debt form for your use at the meeting of creditors. As a creditor you can only vote if you complete and send these forms to us and your claim is admitted. I must receive your completed forms by no later than noon on the business day before the day of the meeting. You are not required to attend the meeting, and non-attendance will not affect your rights against the company. Creditors whose claims are wholly secured are not entitled to vote, but can attend or be represented at the meeting.

The meeting of creditors will be given the opportunity to appoint a creditors' committee. A committee is made up of between three and five representatives of creditors who will then meet me on a regular basis to discuss the administration of the company. If a committee is appointed then it will be for them to approve my remuneration. If a committee is not appointed then approval of my remuneration will be considered as part of these formal proposals.

### **14. Further Information**

Should you require any further information relating to these proposals or the Administration of the Company please do not hesitate to contact Ryan Russell on the telephone number shown in the covering letter enclosing these proposals.



**Martin C Armstrong FCCA FABRP MIPA MBA**  
**Joint Administrator**

*Licensed to act as an Insolvency Practitioner by the Association of Chartered Certified Accountants*

The Joint Administrator is an agent of the company and acts without personal liability

**APPENDIX 1**  
**FORM 2.17B – NOTICE OF PROPOSALS**  
**SUMMARY OF COMPANY'S FILED ACCOUNTS**  
**AND**  
**STATUTORY INFORMATION**

Tel 020 8661 7878  
Ref RAR/MCA/XT118

Turpin Barker Armstrong  
Allen House  
1 Westmead Road  
Sutton  
Surrey SM1 4LA

**2.17B**

The Insolvency Act 1986

**Statement of administrator's proposals**

Name of Company
365 HR Limited

Company number
06664336

In the High Court of Justice
(full name of court)

Court case number
9246 of 2010

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

I/We (a)  
Martin C Armstrong FCCA FABRP MIPA  
Turpin Barker Armstrong  
Allen House  
1 Westmead Road  
Sutton  
Surrey  
SM1 4LA

James E Patchett FCCA MABRP  
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\*Delete as  
applicable

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

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

(b) 25<sup>th</sup> November 2010

Signed

  
Joint Administrators

Dated

25 November 2010

**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

Martin C Armstrong FCCA FABRP MIPA MBA  
Turpin Barker Armstrong  
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1 Westmead Road  
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SM1 4LA

DX Number

020 8661 7878  
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**

Companies House receipt date barcode

**365 HR LIMITED**  
**ABSTRACT FROM ACCOUNTS**

**ABBREVIATED PROFIT & LOSS ACCOUNT**

TYPE OF ACCOUNTS	P/E 31/12/09 UNAUDITED
Turnover	868,961
Cost Of Sales	<u>(698,956)</u>
<b>Gross Profit</b>	170,005
Administration Expenses	<u>(125,611)</u>
<b>Operating Profit On Ordinary Activities before Taxation</b>	44,394
Tax on Profit on Ordinary Activities	<u>(8,538)</u>
<b>Profit for the Financial Period after Taxation</b>	35,856
Dividends	<u>(30,000)</u>
<b>Retained Profit/(Loss) for the Year</b>	5,856
Accumulated Profit/(Loss) Brought Forward	<u>-</u>
<b>Retained Profit Carried Forward</b>	<u>5,856</u>

**ABBREVIATED BALANCE SHEET**

	P/E 31/12/09
<b>Fixed Assets</b>	
Tangible Assets	<u>5,059</u> 5,059
<b>Current Assets:</b>	
Debtors	270,556
Cash at Bank and in Hand	<u>1,645</u> 272,201
<b>Creditors: amounts falling due within one year</b>	(271,384)
<b>Net Current Assets</b>	<u>817</u>
<b>Total Assets Less Current Liabilities</b>	<u>5,876</u>
<b>Net Assets</b>	<u>5876</u>
<b>Capital and Reserves</b>	
Called Up Share Capital	20
Profit and Loss Account	<u>5,856</u>
<b>Shareholders' Funds</b>	<u>5,876</u>
Date of Approval	27/05/2010
Date of Filing	26/05/2010

## Statutory Information

### Company Information

Company Name	365 HR Limited
Previous Name	N/A
Company Number	06664336
Date of Incorporation	5 <sup>th</sup> August 2008
Trading Address	Crown House, Home Gardens, Dartford, Kent DA1 5DZ
Current Registered Office	Allen House, 1 Westmead Road, Sutton, Surrey, SM1 4LA
Former Registered Office	424 Margate Road, Westwood, Ramsgate, Kent CT12 6SR
Principal Trading Activity	Employment agency

### Appointment details

Date of Appointment	15 <sup>th</sup> November 2010		
Appointment made by	Director		
Court Name and Reference	High Court of Justice No 9246 of 2010		
Administrators Appointed	Martin Armstrong	IP Number	6212
	James Patchett	IP Number	9345

### Officers of the company

Director	Mrs Nicola King	
Company Secretary	N/A	
Shareholding	Mrs Nicola King	20

### Share Capital

Authorised	Allotted, called up and fully paid
1,000 ordinary shares £1 each	20 ordinary shares of £1 each

### Charges

Person entitled	Description	Created	Registered	Status
RBS Invoice Finance Limited	Debenture	13/01/2009	17/01/2009	Satisfied
Close Invoice Finance Limited	Charge by way of debenture	05/11/2010	09/11/2010	Outstanding

**APPENDIX 2**  
**STATEMENT OF AFFAIRS AS AT 15<sup>TH</sup> NOVEMBER 2010**  
**&**  
**RECEIPTS AND PAYMENTS ACCOUNT TO 25<sup>TH</sup> NOVEMBER 2010**

Tel 020 8661 7878  
Ref RAR/MCA/XT118

Turpin Barker Armstrong  
Allen House  
1 Westmead Road  
Sutton  
Surrey SM1 4LA



Rule 2.29

Form 2.14B

**STATEMENT OF AFFAIRS**

Name of Company 365 HR Limited	Company Number 06664336
In the High Court of Justice	Court case number 9246 / 2010

Statement as to the affairs of

365 HR Limited  
Allen House  
1 Westmead Road  
Sutton  
Surrey

on the 15 November 2010, the date that the company entered administration.

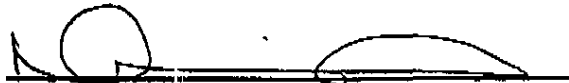
**Statement of Truth**

I believe the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 15 November 2010 the date that the company entered administration.

Full Name

NICOLA JANE KING

Signed



Dated

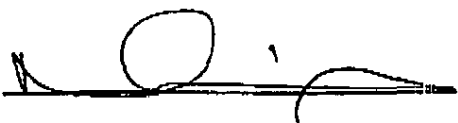
24TH NOVEMBER 2010

365 HR Limited  
Statement Of Affairs as at 15 November 2010

**A - Summary of Assets**

Assets	Book Value £	Estimated to Realise £
<b>Assets subject to fixed charge:</b>		
Book Debts	77,930 00	70,137 00
Close Invoice Finance Limited		(60,555 00)
Surplus c/d		<u>9,582.00</u>
<b>Assets subject to floating charge:</b>		
<b>Uncharged assets:</b>		
Office Furniture & IT Equipment	5,059 00	500 00
Client Database	NIL	5,000.00
Temp Database	NIL	2,000.00
Goodwill	NIL	15,000.00
<b>Estimated total assets available for preferential creditors</b>		<u>22,500.00</u>

Signature



Date

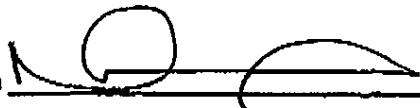
28/11/2010

**365 HR Limited**  
**Statement Of Affairs as at 15 November 2010**

**A1 - Summary of Liabilities**

	Estimated to Realise £
<b>Estimated total assets available for preferential creditors (Carried from Page A)</b>	<b>22,500.00</b>
<b>Liabilities</b>	
<b>Preferential Creditors.-</b>	
<b>Estimated deficiency/surplus as regards preferential creditors</b>	<u>NIL</u> <b>22,500.00</b>
Debts secured by floating charge pre 15 September 2003	
Other Pre 15 September 2003 Floating Charge Creditors	<u>NIL</u> <b>22,500.00</b>
Estimated prescribed part of net property where applicable (to carry forward) Based on floating charge assets of Nil	<b>NIL</b>
<b>Estimated total assets available for floating charge holders</b>	<u><b>22,500.00</b></u>
Debts secured by floating charges post 15 September 2003	
<b>Estimated deficiency/surplus of assets after floating charges</b>	<u>NIL</u> <b>22,500.00</b>
Estimated prescribed part of net property where applicable (brought down)	<b>NIL</b>
<b>Total assets available to unsecured creditors</b>	<u><b>22,500.00</b></u>
<b>SURPLUS B/D</b>	<b>9,582.00</b>
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
Trade & Expense Creditors	3,751.00
HM Revenue & Customs - PAYE/NI	152,285.00
HM Revenue & Customs - CT	7,764.00
HM Revenue & Customs - VAT	92,036.00
	<u><b>256,835.00</b></u>
<b>Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)</b>	<u><b>(223,753.00)</b></u>
<b>Estimated deficiency/surplus as regards creditors</b>	<u><b>(223,753.00)</b></u>
Issued and called up capital	
Ordinary Shareholders	20.00
	<u><b>20.00</b></u>
<b>Estimated total deficiency/surplus as regards members</b>	<u><u><b>(223,773.00)</b></u></u>

Signature



Date

24/11/10

**Turpin Barker Armstrong**  
**365 HR Limited**  
**B - Company Creditors**

Key	Name	Address	£
CB01	British Telecom	Providence Row, Dufham, DH188 1BT	3,140.87
CC00	Cicose Invoice Finance Limited	Ridgeland House, 165 Dyke Road, Hove, East Sussex, BN3 1UY	80,565.45
		Security Given Fixed & Floating Charge Data Given. 05/11/2010	
CH00	HM Revenue & Customs	Specialist Investigations, London South Office 9th Floor, Southern House, Wellesley Grove, Croydon, CR9 1TR	0.00
CH03	HM Revenue & Customs - CT	Castle Street, Merthyr Tydfil, CF47 8AA	7,783.70
CH02	HM Revenue & Customs - PAYE/NIC	Southern House, Wellesley Grove, Croydon, CR9 1TR	152,285.00
CH01	HM Revenue & Customs - VAT	Alexander House, 21 Victoria Avenue, Southend on Sea, SS89 1AA	92,035.00
CB00	Staffing Made Simple (Kent) Ltd	12 Romney Place, Maidstone, Kent, ME15 8LE	609.83
<b>7 Entries Totalling</b>			<b>316,388.75</b>

**365 HR Limited  
C - Shareholders**

Key	Name	Address	Pref	Ord	Other	Total
HK00	Mrs Nicola King	123 Daine Road, Margate, Kent, CT9 2AF	0	20	0	20
1 Entries Totalling						20

**365 HR Limited  
(In Administration)  
Joint Administrator's Abstract of Receipts & Payments  
To 25/11/2010**


S of A £		£	£
	<b>FIXED CHARGE ASSETS</b>		
70,137 00	Book Debts	NIL	
	Goodwill	3,750 00	3,750 00
	<b>FIXED CHARGE CREDITORS</b>		
(60,555 00)	Close Invoice Finance Limited	NIL	NIL
	<b>ASSET REALISATIONS</b>		
500 00	Office Furniture & IT Equipment	NIL	
5,000 00	Client Database	NIL	
2,000 00	Temp Database	NIL	
15,000 00	Goodwill	NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(3,751 00)	Trade & Expense Creditors	NIL	
(152,285 00)	HM Revenue & Customs - PAYE/NI	NIL	
(7,764 00)	HM Revenue & Customs - CT	NIL	
(92,035 00)	HM Revenue & Customs - VAT	NIL	NIL
	<b>DISTRIBUTIONS</b>		
(20 00)	Ordinary Shareholders	NIL	NIL
<b>(223,773.00)</b>			<b>3,750.00</b>

**REPRESENTED BY**

Bank - Current a/c

3,750 00

**3,750.00**

  
 Martin C Armstrong FCCA/FABRP MIPA  
 Joint Administrator

**APPENDIX 3**  
**LIST OF CREDITORS**

Tel 020 8661 7878  
Ref RAR/MCA/XT118

Turpin Barker Armstrong  
Allen House  
1 Westmead Road  
Sutton  
Surrey SM1 4LA

**Turpin Barker Armstrong**  
**365 HR Limited**  
**Company Creditors**

Key	Name	Address	£
CB01	British Telecom	Providence Row, Durham, DH98 1BT	3,140 67
CC00	Close Invoice Finance Limited	Ridgeland House, 165 Dyke Road, Hove, East Sussex, BN3 1UY Security Given Fixed & Floating Charge Date Given 05/11/2010	60,555 45
CH00	HM Revenue & Customs	Specialist Investigations, London South Office 9th Floor, Southern House, Wellesley Grove, Croydon, CR9 1TR	0 00
CH03	HM Revenue & Customs - CT	Castle Street, Merthyr Tydfil, CF47 8AA	7,763 70
CH02	HM Revenue & Customs - PAYE/NIC	Southern House, Wellesley Grove, Croydon, CR9 1TR	152,285 00
CH01	HM Revenue & Customs - VAT	Alexander House, 21 Victoria Avenue, Southend on Sea, SS99 1AA	92,035 00
CB00	Staffing Made Simple (Kent) Ltd	12 Romney Place, Maidstone, Kent, ME15 6LE	609 93
<b>7 Entries Totalling</b>			<b>316,389.75</b>



**APPENDIX 4**  
**SUMMARY OF ADMINSTRATOR'S TIME COSTS**

Tel 020 8661 7878  
Ref RAR/MCA/XT118

Turpin Barker Armstrong  
Allen House  
1 Westmead Road  
Sutton  
Surrey SM1 4LA

**TURPIN BARKER ARMSTRONG  
365 HR LIMITED  
SUMMARY OF TIME/COSTS INCURRED TO 15/11/2010**

TIME & CHARGE OUT SUMMARY									
	Admin	Cash	Cred	Inv	Real	Trading	Other	Total Cost	Avg p/hr
Senior Partner	-	-	-	-	-	-	9 40	£3,995 00	£425 00
Partner	-	-	-	-	-	-	-	£0 00	£0 00
Manager	-	-	-	-	-	-	-	£0 00	£0 00
Assistant Manager	-	-	-	-	-	-	7 40	£1,776 00	£240 00
Senior Administrators	-	-	-	-	-	-	-	£0 00	£0 00
Administrator	-	-	-	-	-	-	16 60	£2,988 00	£180 00
Assistant Administrator	-	-	-	-	-	-	-	£0 00	£0 00
Junior Administrator	-	-	-	-	-	-	-	£0 00	£0 00
Total Hours	-	-	-	-	-	-	33 40	33 40	
Cost	£0 00	£0.00	£0 00	£0 00	£0 00	£0 00	£8,759 00	£8,759 00	
Total to Date:					£8,759 00				
Less Amounts Drawn:					£0 00				
Time/Costs Outstanding					£8,759 00				

**TURPIN BARKER ARMSTRONG  
365 HR LIMITED  
SUMMARY OF TIME/COSTS INCURRED TO 21/11/2010**

TIME & CHARGE OUT SUMMARY									
	Admin	Cash	Cred	Inv	Real	Trading	Other	Total Cost	Avg p/hr
Senior Partner	2 40	-	-	-	0 60	-	-	£1,275 00	£425 00
Partner	-	-	-	-	-	-	-	£0 00	£0 00
Manager	-	-	-	-	-	-	-	£0 00	£0 00
Assistant Manager	3 50	-	-	-	-	-	-	£840 00	£240 00
Senior Administrators	-	-	-	-	-	-	-	£0 00	£0 00
Administrator	11 30	0 20	-	-	0 20	-	-	£2,106 00	£180 00
Assistant Administrator	-	-	-	-	-	-	-	£0 00	£0 00
Junior Administrator	-	-	-	-	-	-	-	£0 00	£0 00
Total Hours	17.20	0 20	-	-	0 80	-	-	18 20	
Cost	£3,894 00	£36 00	£0 00	£0 00	£291 00	£0 00	£0 00	£4,221 00	
Total to Date:					£4,221 00				
Less Amounts Drawn:					£0 00				
Time/Costs Outstanding					£4,221 00				

**APPENDIX 5**  
**ADMINISTRATOR'S CHARGE OUT RATES AND DISBURSEMENTS**

Tel 020 8661 7878  
Ref RAR/MCA/XT118

Turpin Barker Armstrong  
Allen House  
1 Westmead Road  
Sutton  
Surrey SM1 4LA

**ADDENDUM TO CREDITORS' GUIDE TO FEES  
TURPIN BARKER ARMSTRONG – FEES AND DISBURSEMENTS**

**Chargeout Rates**

Grade		Charge-out rate (£ per hour)
Senior Partner– appointment taker		£425
Partner– appointment taker		£325
Manager		£275
Assistant Manager		£240
Senior Administrator		£220
Administrator		£180
Assistant Administrator		£80
Junior Administrator		£40

Time costs are calculated using 6 minute units

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

**Note that this information is provided for information only. Any potential voluntary arrangement fees would be on a [state basis] basis and not on time costs.**

**Agent's Costs**

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

**Disbursements**

In accordance with Statement of Insolvency Practice 9 (SIP9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2

Category 1 expenses are directly referable to an invoice from a third party. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are post, external meeting room hire, mileage charged at 40p a mile or less and specific bond insurance

Category 2 expenses are incurred by the firm and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement allocation being approved by creditors in advance

Category 2 disbursements are NOT proposed to be recovered. Full details of the manner in which Turpin Barker Armstrong deal with disbursements will be provided to creditors within the Administration documentation

**APPENDIX 6**  
**PROOF OF DEBT FORM**

**Tel: 020 8661 7878**  
**Ref RAR/MCA/XT118**

**Turpin Barker Armstrong**  
**Allen House**  
**1 Westmead Road**  
**Sutton**  
**Surrey SM1 4LA**

**PROOF OF DEBT - GENERAL FORM**

<b>365 HR Limited – In Administration</b>		
Date of meetings of creditors 16 <sup>th</sup> December 2010		
1	Name of Creditor (If a company please also give company registration number)	
2	Address of Creditor for correspondence	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest	
4	Details of any documents by reference to which the debt can be substantiated [Note there is no need to attach them now but the supervisor may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting]	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7	Particulars of any security held, the value of the security, and the date it was given	
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or in relation to creditor	
	Address of person signing (if different from 2 above)	
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Administrator		Administrator

**APPENDIX 7**  
**PROXY FORM**

Tel 020 8661 7878  
Ref RAR/MCA/XT118

Turpin Barker Armstrong  
Allen House  
1 Westmead Road  
Sutton  
Surrey SM1 4LA



Rule 8.1

365 HR Limited – In Administration

Name of Creditor  
Address

Please insert name of person (who must be 18 or over) or the Chairman of the Meeting. 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/the creditor's proxy holder at the meeting of creditors to be held on 16<sup>th</sup> December 2010, 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)

Voting Instructions for resolutions

\*Please delete as appropriate

Any other resolutions which the proxy-holder is to propose or vote in favour of or against should be set out in numbered paragraphs in the space provided below Paragraph 1. If more room is required please use the other side of this form

- 1 For the acceptance/rejection\* of the administrator's proposals as set out in their report dated 25<sup>th</sup> November 2010  
\_\_\_\_\_
- 2 For the acceptance/rejection\* of the Joint Administrators' fees calculated by reference to their time costs already incurred up to 21<sup>st</sup> November 2010 and thereafter and that they have sanction to draw the remuneration on a time costs basis from the estate as and when funds permit. Their disbursements may also be drawn in accordance with Turpin Barker Armstrong's standard procedures as appended to the report dated 25<sup>th</sup> November 2010
- 3 For the acceptance/rejection\* of the Joint Administrators' pre-appointment fees and expenses incurred up to 15<sup>th</sup> November 2010 as detailed in Section 9 of the attached proposals and sanction for these fees and expenses to be drawn from the estate
- 4 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/member has not signed in person

Position with creditor/member or relationship to creditor/member or other authority for signature  
\_\_\_\_\_

Remember: there may be resolutions on the other side of this form

**APPENDIX 8**  
**FORM 2.20B – NOTICE OF MEETING OF CREDITORS**

Tel 020 8661 7878  
Ref RAR/MCA/XT118

Turpin Barker Armstrong  
Allen House  
1 Westmead Road  
Sutton  
Surrey SM1 4LA

## Rule 2.35

## Notice of a meeting of Creditors

Name of Company 365 HR Limited	Company number 06664336
In the High Court of Justice (full name of court)	Court case number 9246 of 2010

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

Notice is hereby given by (a)  
Martin C Armstrong FCCA FABRP MIPA  
Turpin Barker Armstrong  
Allen House  
1 Westmead Road  
Sutton  
Surrey  
SM1 4LA

James Patchett FCCA MABRP  
Turpin Barker Armstrong  
Allen House  
1 Westmead Road  
Sutton  
Surrey  
SM1 4LA

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

that a meeting of creditors of (b)

365 HR Limited  
Allen House  
1 Westmead Road  
Sutton  
Surrey

(c) Insert details of place  
of meeting

is to be held at (c)

Allen House, 1 Westmead Road, Sutton, Surrey, SM1 4LA

(d) Insert date and time  
of meeting

on (d) 16<sup>th</sup> December 2010

at 10 00am

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~~

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 Administrators

Dated

\*Delete as applicable

A copy of the ~~\*proposals/ revised proposals~~ is attached

### 365 HR Limited – In Administration

The Joint Administrators' formal proposals are

- (a) I continue to manage the business, affairs and property of the company in order to achieve the purpose of the administration. In particular that I
  - (i) collect the company's book debts and deferred consideration,
  - (ii) investigate and, if appropriate, pursue any claims that the company may have against any person, firm 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, and
  - (iii) do all such things and generally exercise all my powers as administrator as I in my 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) If there are insufficient funds to enable a distribution to unsecured creditors, the Administration of the Company will end by filing notice of dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the Registrar of Companies 3 months after the notice is registered.
- (c) If there are sufficient funds to enable a distribution to unsecured creditors, the administration will end by placing the company into Creditors Voluntary Liquidation, and propose that I, Martin Armstrong, and my partner, James Patchett, are appointed the Joint Liquidators of the company. Creditors may nominate a different person as the proposed liquidator, but you must make the nomination at any time after you receive these proposals, but before they are approved. Information about the approval of the proposals is set out at section 13.
- (d) the Administration will end by the presentation of a winding up petition to the Court for the Compulsory Liquidation of the Company.
- (e) the Administration of the Company will end by making an application to Court for an order that the Administration ceases.
- (f) I am remunerated by reference to time properly spent by me and my staff in dealing with matters relating to the administration of the company, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken. Details of the current charge out rates for myself and my staff are outlined in Appendix 5 of these proposals.