

The Insolvency Act 1986

Administrator's progress report

Name of Company

Project Viva Limited

Company number

07815809

In the
Birmingham District Registry

(full name of court)

Court case number
8059 of 2016(a) Insert full
name(s) and
address(es) of
administrator(s)

I (a)
Timothy Heaselgrave
The Timothy James Partnership Ltd
59 Worcester Road
Bromsgrove
Worcestershire
B61 7DN

administrator of the above company attach a progress report for the period

From

To

(b) Insert date

(b) 29 August 2016

(b) 28 February 2017

Signed


 Administrator

Dated

25 April 2017

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.

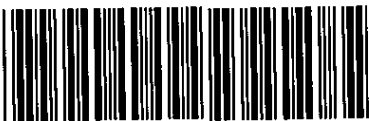
The contact information that you give will be visible to searchers of the public record

Timothy Heaselgrave
The Timothy James Partnership Ltd
59 Worcester Road
Bromsgrove
Worcestershire
B61 7DN

DX Number

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DX Exchange

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Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff



THE TIMOTHY JAMES PARTNERSHIP

PROJECT VIVA LIMITED (IN ADMINISTRATION)

Registered Number: 07815809

Court reference: 8059 of 2016

In the High Court of Justice

Chancery Division

Birmingham District Registry

Registered Office: c/o The Timothy James Partnership Limited, 59 Worcester Road, Bromsgrove,
Worcestershire, B61 7DN

Administrator's second progress report in accordance with Rule 2.47 of the Insolvency Rules 1986

Report period

29 August 2016 to 28 February 2017

25 April 2017

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1. Background

1.1 Introduction

This progress report is prepared pursuant to Rule 2.47 of the Insolvency Rules 1986 to provide creditors with an up date on the progress of the administration of Project Viva Limited ("the Company") for the period 29 August 2016 to 28 February 2017.

As advised in my Statement of Proposals dated 11 March 2016, at a board meeting of the Company on 24 February 2016, the Directors of the Company decided that the Company should enter into administration and that Timothy James Heaselgrave of the Timothy James Partnership Limited, 59 Worcester Road, Bromsgrove, Worcestershire, B61 7DN be appointed as Administrator.

I was appointed Administrator of Project Viva Ltd on 29 February 2016 by the Company's Directors. Notice of the appointment was filed and endorsed at the High Court of Justice, Chancery Division, Birmingham District Registry on 29 February 2016 under reference 8059 of 2016.

At a meeting of creditors held on 8 April 2016 the Administrator's general and fee proposals were accepted without modification.

The Company's main centre of operations is based in the UK. The EC Regulations on Insolvency Proceedings applies and the Proceedings are main Proceedings under the Regulations.

1.2 Statutory Information

Full name:	Project Viva Ltd
Previous names	N/A
Registered office:	59 Worcester Road, Bromsgrove, Worcestershire, B61 7DN
Trading address:	The Outlook, 6 Sansome Walk, Worcester, WR1 1LH
Registered number:	07815809
Incorporation date:	19 October 2011
Directors:	Mr S J Dorrell and Mr P S Meier
Company secretary:	Mrs P A W Dorrell
Shareholders:	Mr P S Meier (30%), Mrs K Rogers (35%) and Mrs P W Dorrell (35%)

2. Post appointment matters

2.1 Purpose of the Administration

Paragraph 3(1) of Schedule B1 to the Insolvency Act 1986 states that the Administrator of a Company must perform his functions with the objective of:

- (a) Rescuing the Company as a going concern, or
- (b) Achieving 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) Realising property in order to make a distribution to one or more secured or preferential creditors.

The Administrator has been unable to fulfil objective (a) rescuing the Company as a going concern as the Company could not continue due to lack of immediate funding. It is therefore the Administrator's view in this instance that the purpose of the administration order is objective (b) to achieve a better result for creditors than would be obtained through immediate liquidation of the Company as set out in Schedule B1 3(1) (b). The objective was completed by agreeing a pre-packaged sale of the business and assets of the Company to Dorson Transform Limited.

3. Progress of the Administration

3.1 Receipts & Payments Account

There is attached a copy of my Receipts & Payments account for the period 29 August 2016 to 28 February 2017.

As at 28 February 2017 a total of £6,702.70 is held in the administration bank account. All funds realised are held in a bank account at Handelsbanken and I can confirm that it has been reconciled to bank statements.

3.2 Assets

As advised in my First Progress Report dated 27 September 2016, the realisation of a number of assets remained to be resolved.

Trading Results

As will be recalled, the sale of the business and assets of the company to Dorson Transform Limited comprised of an initial consideration of £25,000, which has been paid, plus 50% of the net profits of the purchaser in the 12 months immediately following the date of the sales agreement.

I am presently awaiting confirmation from the purchaser as to the trading results for the twelve-month period ended 28 February 2017. Under the terms of the sales agreement the purchaser has until 23 May 2017 to provide those accounts and where a net profit is confirmed then it shall pay the agreed 50% share interest therein to the Administrator no later than 1 June 2017.

I have been advised by the purchaser that a profit was not made for the period and I shall therefore confirm the outcome in my next report to creditors.

Book Debts

As advised in my last report, whilst debt collection process was an ongoing process much of the outstanding balances were understood to represent disputed accounts where recovery was not expected and further significant recoveries were not expected.

I can confirm that no further sums have been recovered and the balance upon the ledger is considered irrecoverable and not commercial to pursue by way of legal action.

In reconciling the sums received an account due to the purchaser company (Dorson Transform Limited) was paid in error to the Administrator's bank account. The account in the sum of £420.00 has been refunded to Dorson Transform Limited.

As previously advised, under the Sale Agreement, the book debts of the Company were assigned to Mr P S Meier up to £23,224.54. This was effected to take account of the sums paid to the factoring company in order to settle their security shortly before my appointment. The sum of £23,224.54 paid to the factoring company rendered their security redundant. It was agreed therefore that the book debts of the Company be assigned to Mr Meier, who is entitled to the first £23,224.54 collected. I can confirm that the sum of £23,224.54 has now been paid to Mr Meier in payment of the sum due under the assignment.

Sale or Return Agreements

I can confirm that the final sale or return account has been closed and I have received the closing balance of £1,709.58.

No further sums are due to the company.

Downloads/subscriptions for publications

No further sums have been received or are due to the company.

Motor Vehicle

The company owned a Ford Puma which it used for marketing purposes.

My agents advised that the book value of the vehicle pointed towards a value in excess of the offer of £500 made by the purchaser company and therefore uplifted the vehicle for auction realising £500.

Other Assets

All other asset realisations are as confirmed per my earlier reports and by reference to the enclosed Receipts and Payments account.

4. Creditors and Prescribed Part

4.1 Secured Creditors

There are no secured creditors.

4.2 Preferential Claims

The estimated Statement of Affairs shows that there are no preferential creditors for employee's claims for wages and holiday pay. All employees were transferred as part of the sale to Dorson Transform Limited and as such all of their entitlements were transferred to the purchaser.

A preferential claim has, however, been received from the Insolvency Service (Redundancy Payments) in the sum of £3,497.36 in respect of monies paid in lieu of arrears of pay and/or holiday pay due to two former employees of the company whose employment with the company was terminated pre-administration and who were not subject to the transfer of employees to Dorson Transform Limited.

It is understood that the two former employees are pursuing additional sums claimed as due to them from their employment with the company through an Employment Tribunal which is due to be heard on 15 May 2017. The outcome of the proceedings may result in there being further sums ordered as due to them and which they may be entitled to claim via the Insolvency Service (Redundancy Payments). I will confirm what if any additional claim is received and what if any part is claimed preferentially in my next report.

Based upon the information available to me there are insufficient funds available with which to settle the costs and expenses of the administration in full and consequently I do not expect to pay a dividend to preferential creditors.

4.3 Prescribed Part

Where there is a floating charge created after 15 September 2003, a percentage of the assets realised subject to the charge is ring fenced for unsecured creditors. This is called the prescribed part of the company's net property available for the satisfaction of unsecured debts. There is no floating charge creditor and therefore no prescribed part.

4.4 Unsecured Claims

The estimated Statement of Affairs states that there are unsecured creditors of £1,094,947.14.

I have to date received seven creditors' claims totalling £1,111,396.61. Claims have not as yet been formally examined nor admitted for future dividend purposes.

Based upon the information available to me there are insufficient funds available with which to settle the costs and expenses of the administration in full and consequently I do not expect to pay a dividend to unsecured creditors.

5. Administrator's fees and expenses

5.1 Fees

The following resolutions were passed at the meeting of creditors held on 8 April 2016: -

1. For acceptance of the Administrator's General Proposals as circulated; and
2. For acceptance of the Administrator's Fee Proposals as circulated.

Under resolution 1 above, the General Proposals include the following: -

"That The Timothy James Partnership Limited be authorised to draw fees of £4,914.50 plus VAT in respect of time costs incurred in assisting in placing the Company into Administration in accordance with The Insolvency (Amendment) Rules 2010".

The agreed fee in respect of my pre-appointment costs has been paid from the funds held.

Under resolution 2 above, the Fee Proposals include the following: -

"That the Administrator may draw fees, on the basis of the normal time cost rates of his firm, as estimated per the Administrator's Statement of Proposals dated 11 March 2016 and to a limit of £31,214.33 without further authority from creditors, and these may be drawn from realisations from time to time"; and

"That the Administrator may draw Category 2 disbursements on the basis of the rates disclosed per the Administrator's Statement of Proposals dated 11 March 2016 and these may be drawn from realisations from time to time".

In my report dated 27 September 2016 I drew creditors attention to the fact that my initial fee estimate for dealing with the administration had been exceeded as a result of which I requested creditors consider and vote on a resolution increasing my fees. Creditors duly approved the following resolution by way of a postal resolution dated 18 October 2016: -

"That the Administrator's fees be increased from £31,214.33 to £52,250.00 without further authority from creditors and these may be drawn from realisations from time to time".

In accordance with Rule 2.47(1) (d)(b) of the Insolvency Rules 1986, and following guidelines set out in Statement of Insolvency Practice 9, I am required to provide details of the amount of remuneration charged under the resolution agreed by creditors during the period 29 August 2016 to 28 February 2017.

There is attached Time and Cost Summary confirming the Administrator's costs for the period 29 August 2016 to 28 February 2017, which stand at £11,748.00 representing 47.65 hours at an average hourly rate of £246.55.

I also attach a Time and Cost Summary confirming the Administrator's overall costs for the period 29 February 2016 to 28 February 2017, which stand at £48,902.00 representing 180.85 hours at an average hourly rate of £270.40.

I have to date drawn the sum of £30,832.00 on account of my costs to date. Any future fee drawn on account of the balance of my outstanding costs will be limited to the available funds.

All staff who have worked on this assignment, including cashiers and secretarial staff have charged time directly to this assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged to this assignment. The work has been categorised into the following task headings and sub-categories.

- **Administration and Planning:** includes case planning and set-up, appointment notification, statutory reporting, compliance, cashiering, accounting and administrative functions.
- **Investigations:** includes reporting on the Directors' conduct, investigating antecedent transactions and other investigations that may be deemed appropriate.
- **Realisation of Assets:** includes identifying and securing assets, sale of business, property issues, activities in relation to other fixed assets, stock, debtors, investments and related legal issues.
- **Trading:** includes planning, strategy, preparing and monitoring cashflow and trading forecasts, management of operations, corresponding with suppliers and customers, landlord issues and employee matters including payroll and accounting for trading.
- **Creditors:** includes creditor set up, communications and meetings, reviewing and agreeing preferential and unsecured claims, retention of title issues and recording and progressing employee related claims.

The range of charge out rates for the separate categories of staff are based on our normal charge out rates. These rates are summarised below:

Grade	Rate £ per hour
Partner	£250-£345
Manager	£180- £260
Administrators	£75-£130
Employment Rights Act Department	£130
Cashier	£130
Secretarial	£65-80

As you will note from the enclosed Receipts and Payments account, I have not drawn any fees to date.

The "Creditor's Guide to Administrators' Fees" is available at <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees>; alternatively, a hard copy can be provided upon request.

Creditors' rights to request information pursuant to Rule 2.47(1) (fa) of the Insolvency Rules 1986 and the rights to challenge the administrator's remuneration and expenses pursuant to Rule 2.48A and Rule 2.109, are available upon request.

5.2 Expenses

I have during the period 29 August 2016 to 28 February 2017, incurred and paid the following expenses from funds held: -

Category 1 Disbursement - general	Nature of Work	Amount £	Fee Basis
Statutory advertising	Statutory	£67.00	Fixed cost
Agents			
Kumar & Company	Agent	£130.00	Fixed fee
Total		£197.00	

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.

Costs incurred but remaining unpaid

Set out below are costs incurred to date, but which as yet remain unpaid:

Category 1 Disbursement	Nature of Work	Amount £	Fee Basis
Dorson Transform Limited	Debt Collection	£656.77 plus VAT	10% of realisations

5.3 Comparison of estimates

The Administrator's time costs incurred to date are compared with the original fees estimate as follows:

Work category	Original fees estimate			Actual time costs incurred during the Review Period			Actual time costs incurred to date		
	Number of hours	Blended hourly rate £ per hour	Total fees £	Number of hours	Average hourly rate £ per hour	Total time costs £	Number of hours	Average hourly rate £ per hour	Total time costs £
Administration (including statutory reporting)	39.0	286.37	11,168.43	17.50	227.11	3,974.50	61.20	238.59	14,602.00
Realisation of assets	16.0	286.37	4,581.92	2.80	250.00	700.00	24.00	306.60	7,358.50
Creditors (claims and distribution)	30.0	286.37	8,591.11	24.65	259.57	6,398.50	74.55	289.74	21,600.00
Investigations	9.0	286.37	2,577.33	0.0	0.0	0.0	3.80	250.00	950.00
Trading	15.0	286.37	4,295.55	0.0	0.0	0.0	1.40	297.50	416.50
Case specific	-	-	-	2.70	250.00	675.00	15.90	250.00	3,975.00
Totals	109.0	286.37	31,214.34	47.65	246.55	11,748.00	180.85	270.40	48,902.00

The expenses incurred to date are compared with the original expenses estimate as follows:

Expenses	Original expenses estimate £	Actual expenses incurred in the Review Period £	Actual expenses incurred to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Legal costs	TBC	0.00	2,746.42	
Agents and valuers' costs	TBC	130.00	5,630.00	
Debt collection agency	TBC	0.00	656.77	
ERA specialists	-	-	-	
Accounting fees	-	-	-	
Advertising	201.00	67.00	201.00	
Insurance	-	-	-	
Bonding	288.00	0.00	432.00	
Document storage	TBC	-	-	
Other Category 1 expenses	-	-	-	
Category 2 expenses	237.50	-	-	
Trading expenses	-	-	-	
TOTAL	726.50	197.00	9,666.19	

As can be seen above:

- The fees estimate as increased by way of postal resolution dated 18 October 2016 has not been exceeded; and
- the original expenses estimate has been exceeded.

6. Extension to the Administration

In accordance with the Enterprise Act 2003, all administrations automatically come to an end after one year, unless an extension is granted by the Court or with the consent of the creditors.

Otherwise and unless it is proposed that a company in administration should be placed into Creditors' Voluntary Liquidation the appointment of the Administrator ceases on the following:

- Filing a notice in Court and with the Registrar of Companies confirming that the purpose of the Administration has been sufficiently achieved; or
- In the event that the company has no property the Administrator may notify the Register of Companies to that effect at which time the appointment of the Administrator ceases and three months following that date the company is deemed to be dissolved.

Creditors agreed to an extension of the Administration by 6 months to 28 August 2017 by way of a postal resolution dated 18 October 2016.

7. Other matters

An Administrator has a statutory duty under the Company Director's Disqualification Act 1986 and the Insolvent Companies (Report on Conduct of Directors) Rules 1996 to submit confidential reports or returns to Insolvency Service on the conduct of those persons who have acted as directors of the Company. I can confirm that this has been complied with.

My investigation into the company's affairs has not identified any undisclosed assets or areas of potential recoveries.

Please also be advised that I am bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

8. Next Report

Unless there are any developments to draw to creditors' attention in the meantime, I am required to provide a progress report within one month of the end of the following six months of the Administration for the period ending 28 August 2017.

Yours faithfully
For and on behalf of
Project Viva Limited



T J Heaselgrave
Administrator

Project Viva Limited
(In Administration)
Administrator's Summary of Receipts & Payments

Statement of Affairs £		From 29/08/2016 To 28/02/2017 £	From 29/02/2016 To 28/02/2017 £
	ASSET REALISATIONS		
5,000.00	Office Furniture & IT Equipment	NIL	5,000.00
15,000.00	Magazines, IPR, Customer Contracts	NIL	15,000.00
	Motor Vehicles	500.00	500.00
2,960.01	Sale or return magazines	1,709.58	16,629.12
4,000.00	Goodwill	NIL	4,000.00
Uncertain	Book Debts	(420.00)	29,372.30
1,000.00	Shares - Viva Healthcare Publishing Lt	NIL	1,000.00
	Cash at Bank	NIL	5,787.13
	Refunds	NIL	480.00
	Subscription/Download payments	NIL	4,103.31
		<u>1,789.58</u>	<u>81,871.86</u>
	COST OF REALISATIONS		
	Specific Bond	NIL	432.00
	Pre Appointment Fees as Agreed	4,914.50	4,914.50
	Adminstrator's Fees	30,832.00	30,832.00
	Agents/Valuers Fees	130.00	5,630.00
	Legal Fees & Disbursements	NIL	2,746.42
	Statutory Advertising	67.00	201.00
	Monies due under assignment - P S M	16,834.96	23,224.54
		<u>(52,778.46)</u>	<u>(67,980.46)</u>
	UNSECURED CREDITORS		
(29,942.34)	Trade & Expense Creditors	NIL	NIL
Uncertain	Ex-Employee claims	NIL	NIL
(1,057,149.90)	Mr P Meier	NIL	NIL
(6,092.48)	HMRC - PAYE/NI	NIL	NIL
(1,762.42)	HMRC - VAT	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(1,000.00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		<u>NIL</u>	<u>NIL</u>
(1,067,987.13)		<u>(50,988.88)</u>	<u>13,891.40</u>
	REPRESENTED BY		
	Vat Receivable		7,188.70
	Bank 1 Current		6,702.70
			<u>13,891.40</u>


Timothy Heaselgrave
Administrator

Time Entry - Detailed SIP9 Time & Cost Summary

153/2016 - Project Viva Limited
 From: 29/08/2016 To: 28/02/2017
 All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
700 - Formalities	0.10	9.20	8.20	0.00	17.50	3,974.50	227.11
Admin & Planning	0.10	9.20	8.20	0.00	17.50	3,974.50	227.11
600 - Case Specific	0.00	2.70	0.00	0.00	2.70	675.00	250.00
Case Specific Matters	0.00	2.70	0.00	0.00	2.70	675.00	250.00
500 Preferential Creditors	0.30	0.00	0.00	0.00	0.30	103.50	345.00
501 - Unsecured Creditors	0.00	1.70	0.00	0.00	1.70	425.00	250.00
502 - Employee Matters	0.00	1.50	0.00	0.00	1.50	375.00	250.00
504 - Statutory Reporting to Creditors	3.50	15.15	2.50	0.00	21.15	5,495.00	259.81
Creditors	3.80	18.35	2.50	0.00	24.65	6,398.50	259.57
303 Book Debts	0.00	2.10	0.00	0.00	2.10	525.00	250.00
304 Plant & Machinery / Motor Vehicles	0.00	0.10	0.00	0.00	0.10	25.00	250.00
306 - Other Assets	0.00	0.60	0.00	0.00	0.60	150.00	250.00
Realisation of Assets	0.00	2.80	0.00	0.00	2.80	700.00	250.00
Total Hours	3.90	33.05	10.70	0.00	47.65	11,748.00	246.55
Total Fees Claimed						0.00	

Time Entry - Detailed SIP9 Time & Cost Summary

15/3/2016 - Project Viva Limited
From: 29/02/2016 To: 28/02/2017
All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
700 : Formalities	6.60	26.90	26.50	0.00	60.00	14,302.00	238.37
801 : Shareholders - Communication	0.00	1.20	0.00	0.00	1.20	300.00	250.00
Admin & Planning	6.60	28.10	26.50	0.00	61.20	14,602.00	238.59
600 Case Specific	0.00	15.90	0.00	0.00	15.90	3,975.00	250.00
Case Specific Matters	0.00	15.90	0.00	0.00	15.90	3,975.00	250.00
500 : Preferential Creditors	0.30	0.10	0.00	0.00	0.40	126.50	321.25
501 : Unsecured Creditors	2.90	5.20	0.00	0.00	8.10	2,300.50	284.01
502 : Employee Matters	11.00	11.50	0.00	0.00	22.50	6,670.00	296.44
504 : Statutory Reporting to Creditors	18.30	22.75	2.50	0.00	43.55	12,501.00	287.05
Creditors	32.50	38.55	2.50	0.00	74.55	21,600.00	288.74
201 : CDDA Reports	0.00	3.80	0.00	0.00	3.80	950.00	250.00
Investigations	0.00	3.80	0.00	0.00	3.80	950.00	250.00
303 : Book Debts	5.20	6.50	0.00	0.00	11.70	3,419.00	292.22
304 : Plant & Machinery / Motor Vehicles	2.10	0.60	0.00	0.00	2.70	874.50	323.89
305 : Other Assets	7.00	2.60	0.00	0.00	9.60	3,065.00	319.27
Realisation of Assets	14.30	9.70	0.00	0.00	24.00	7,358.50	306.60
400 : Trading	0.00	0.70	0.00	0.00	0.70	175.00	250.00
403 : Ongoing Employee Issues	0.70	0.00	0.00	0.00	0.70	241.50	345.00
Trading	0.70	0.70	0.00	0.00	1.40	416.50	297.50
Total Hours	54.10	97.75	28.00	0.00	180.85	48,502.00	270.40
Total Fees Claimed						0.00	