

# AM22

## Notice of move from administration to creditors' voluntary liquidation



Companies House

THURSDAY



A22 \*A89I228A\*  
11/07/2019 #290  
COMPANIES HOUSE

<b>1 Company details</b>	
Company number	0 8 1 0 1 8 0 1
Company name in full	ASSET MAPPING LIMITED

→ Filing in this form  
Please complete in typescript or in  
bold black capitals.

<b>2 Court details</b>	
Court name	HIGH COURT OF JUSTICE, BUSINESS AND PROPERTY COURT OF ENGLAND & WALES, INSOLVENCY AND COMPANIES LIST
Court case number	2 0 1 9 - C R - 0 0 2 7 3 8

<b>3 Administrator's name</b>	
Full forename(s)	EDWIN DAVID STANLEY
Surname	KIRKER

<b>4 Administrator's address</b>	
Building name/number	KIRKER & CO
Street	CENTRE 645 2 OLD BROMPTON ROAD
Post town	SOUTH KENSINGTON
County/Region	LONDON
Postcode	S W 7 3 D Q
Country	UNITED KINGDOM

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Notice of move from administration to creditors' voluntary liquidation

**5 Administrator's name ①**

Full forename(s)		<b>① Other administrator</b> Use this section to tell us about another administrator.
Surname	KIRKER	

**6 Administrator's address ②**

Building name/number		<b>② Other administrator</b> Use this section to tell us about another administrator.
Street		
Post town		
County/Region		
Postcode		
Country		

**7 Appointor/applicant's name**

Give the name of the person who made the appointment or the administration application.		
Full forename(s)	THE DIRECTORS	
Surname		

**8 Proposed liquidator's name**

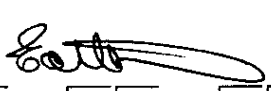
Full forename(s)	EDWIN DAVID STANLEY	
Surname	KIRKER	
Insolvency practitioner number	8 2 2 7	

**9 Proposed liquidator's address**

Building name/number	KIRKER & CO	
Street	CENTRE 645	
	2 OLD BROMPTON ROAD	
Post town	SOUTH KENSINGTON	
County/Region	LONDON	
Postcode	S W 7 3 D Q	
Country	UNITED KINGDOM	

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<b>10</b>		<b>Proposed liquidator's name<sup>1</sup></b>		
Full forename(s)			<b>Other liquidator</b> Use this section to tell us about another liquidator.	
Surname				
Insolvency practitioner number				
<b>11</b>		<b>Proposed liquidator's address<sup>2</sup></b>		
Building name/number			<b>Other liquidator</b> Use this section to tell us about another liquidator.	
Street				
Post town				
County/Region				
Postcode				
Country				
<b>12</b>		<b>Period of progress report</b>		
From date	d 1 8	m 0 4	y 2 0 y 1 9	
To date	d 1 2	m 0 6	y 2 0 y 1 9	
<b>13</b>		<b>Final progress report</b>		
<input checked="" type="checkbox"/> I have attached a copy of the final progress report.				
<b>14</b>		<b>Sign and date</b>		
Administrator's signature	Signature <div style="text-align: center;">  </div>			
Signature date	d 1 2	m 0 6		y 2 0 y 1 9

**ASSET MAPPING LIMITED  
(IN ADMINISTRATION)**

**ADMINISTRATOR'S FINAL PROGRESS REPORT  
FOR THE PERIOD ENDED 15 JUNE 2019**

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## 1. INTRODUCTION

- 1.1 I refer to my appointment as Administrator of Asset Mapping Limited ("The Company") on 18 April 2019 and, in accordance with Rule 3.60 of The Insolvency (England and Wales) Rules 2016 ("The Rules"), I present my Final Report on the progress of the Administration.
- 1.2 This report should be read in conjunction with the Administrator's Proposals dated 21 May 2019.

## 2. BACKGROUND

- 2.1 Asset Mapping Limited ("The Company") was incorporated in 2012 and was run part time for the first three years. It then won an innovate project and started to develop the first platform. This development continued with a small team, but in late 2015 / early 2016 the Company picked up a contract with its first big customer. This helped the team grow and enabled development to increase. In early 2016 the Company also won another innovate project, CityVerve, which helped further the development of the business. This project was a two-year project in Manchester that was predicted to generate just over £400,000 of revenue
- 2.2 In late 2016 the first customer tried an aggressive takeover of the business after being informed by the then CEO that they were the Company's only real paying customer. At this point in time the directors were seeking other funding and were introduced to London Power Corporation Limited ("LPC"), through a family connection of the then CEO. LPC agreed to fund the Company and assist in grow the development to increase sales and marketing.
- 2.3 Revenues continued to grow between 2015 and 2017, however costs always outweighed revenues. Small POC's started to be won and some significant customers started to come onboard, however, developing these customers proved harder than expected without sufficient working capital being made available. The year closed out at £231,000 in revenues.
- 2.4 Extracts from the statutory accounts show the following results:

Year End	Year Ended 31/03/2019	Period 01/07/2017 to 31/03/2018	Year Ended 31/07/2017
	£	£	£
Sales	257,049	231,068	427,373
Cost of Sales	12,006	448,872	6,224
Gross Margin	245,044	(217,804)	443,597
Overheads	1,710,620	654,120	345,384
Operating Profit / (Loss)	(1,465,576)	(871,904)	98,221

- 2.5 In June 2018 the smart city project finished with revenue for the financial year being £257,000. However, sales did not grow as fast as expected and senior management became disunited. The CEO was removed from the business in July 2018 and a new CEO was brought in, with a new direction for the business in terms of its sales and marketing approach.
- 2.6 By Spring 2019, the Company became the victim of the forced closure of London Capital & Finance plc ("LC&F") which had lent monies the London Group LLP ("LG") who in turn had lent it on to LPC, who in turn had invested funds into other members of its group of associated

companies, and ultimately to Intelligent Technology Investments Limited ("ITI") the parent company to Asset Mapping Limited.

- 2.7 The Board met on 11 March 2019 when it became apparent that without additional funding into LPC and the other companies within that group, there was no longer financial support for the subject Company and that without adequate working capital, the directors became aware that the Company would be forced out of business and the value in its IPR would be lost. Consequently, the directors sought an investor into the business.
- 2.8 Eight parties responded to the enquiries but only two proceeded towards an offer. Stanley Security, a long-term partner of the Company expressed that it would seek an asset purchase including IPR, TUPE of key staff, and existing inventory, for £200,000 which took into consideration their estimate of £500,000 of operating costs with little revenue stream.
- 2.9 The other offer was from two ex-financial services professionals working in property development and other entrepreneurial ventures. They offered £100,000 plus an earn out of £100,000 per £1,000,000 of new turnover for a period of three years, payable on the anniversaries of the sale completion. Again, it was to be an asset sale, with no exposure to the Company's creditors other than the inherent TUPE liabilities. The directors believed that the earn out could achieve additional consideration of £1,000,000 over that three-year period.
- 2.10 The directors were aware that working capital would not last beyond the end of April and that if a sale was not achieved in the short term, the key staff would most likely leave, and this would have a detrimental effect upon the business. Consequently, the Board accepted the offer from the two ex-financial services professionals on the basis that they were of the opinion that it was the best option to repay creditors, maintain jobs and provide a suitable upside to repay a portion of the Company's debt to ITI (and ultimately back to LC&F).
- 2.11 Before this could be achieved, the Company became aware of a threat from the Administrators of one of the LPC associated companies – London Oil & Gas Limited ("LOG") – which had lent money to ITI to demand repayment of the loan to the Company. Whilst the directors believe that they are correct in their assertions that LOG has no direct contractual relationship with the Company, they were concerned that the threat of such action might prejudice a sale of the business.
- 2.12 Consequently, the directors sought advice, which culminated in the Board agreeing to appoint an out of court Administrator to afford the Company a moratorium to enable an Administrator to conclude a sale of the business. On 18 April 2019 the directors filed a Notice of Appointment of an Administrator in the High Court of Justice.
- 2.13 Notice of my appointment was filed in The High Court of Justice, Business and Property Court of England & Wales, and provided to the Company, directors and shareholders on 25 April 2019. I notified all creditors of my appointment and the appointment was advertised in The London Gazette on 29 April 2019. I had previously been appointed Administrator of LPC on 4 April 2019, but on the basis that there is no direct contractual relationship between LPC and the Company other than one invoice raised for the subletting of premises at Arthur Street, that there is no conflict of interest.
- 2.14 The purpose of the Administration was to achieve a better result for the Company creditors as a whole than would be likely if the Company were wound up (without first being in Administration), and I believe that this purpose has been achieved and that the Company should now move from

Administration to Creditors' Voluntary Liquidation for the purpose of enabling a distribution to the unsecured creditors.

### **3. ADMINISTRATOR'S PROPOSALS**

- 3.1 The Meeting of Creditors to approve the Administrator's Proposals was physically held on 7 June 2019 and the Proposals were approved, without modification.
- 3.2 A copy of the Proposals appears in Appendix 3.
- 3.3 There have been no material amendments to, or deviations from, these Proposals.

### **4. ASSET REALISATIONS AND COSTS**

- 4.1 A Receipts & Payments Account appears at Appendix 4. My comments on the receipts and payments appear below.

#### **4.2 Tangible Assets**

- 4.2.1 The Company's tangible assets comprised office equipment and computers with a net book value of £20,213. £9,950 was realised by my agents, Lambert Smith Hampton.

#### **4.3 Source Code, IPR and Trademarks**

- 4.3.1 Lambert Smith Hampton were appointed to value the intangible assets and the sum of £140,050 has been realised.
- 4.3.2 In addition, the sale of the business to Metrikus Limited on 7 May 2019 was £150,000 on completion, which has been received, plus an earn out of 12.5% on sales of software licences to third parties over three years capped at £4,000,000.
- 4.3.3 Statement of Insolvency Practice 13 (Disposal of Assets to Connected Parties in an Insolvency Process) recognises that connected party transactions may be in the best interests of creditors but that there may be concerns that such disposals may give rise to concerns that assets may have been disposed of at less than market value and/or on more favourable terms than would have been available to a third party. Transparency in all dealings is of primary importance through adequate disclosure. Michael Grant was a director of the Company from 1 November 2017 until 5 March 2019. He is a director and minority shareholder in Metrikus Limited.

#### **4.4 Debtors**

- 4.4.1 There are two small debtors with a book value of £3,404 which are expected to be collectable.

#### **4.5 Cash at Bank**

- 4.5.1 The cash at bank is with Lloyds Bank. The bank has been instructed to close the accounts and transfer the monies to the Administrator's account.

#### **4.6 Administration Costs**

- 4.7.1 My costs as Administrator are set out in Appendix 5 and referred to in more detail in Section 7 below.



- 4.7.2 The costs of the Administration have, in the absence of approval, been firstly borne by the Administrator. However now that such approval has been obtained, they will be drawn soon. These are set out in Paragraph 5 of Appendix No 5. I believe they are self-explanatory.

## **5. OUTCOME FOR CREDITORS**

- 5.1 I am pleased to advise that upon receipt of the balance of the proceeds from the sale of the business, there will be funds available for a dividend to the unsecured creditors.
- 5.2 It is not within the powers of the Administrator to pay the dividend, and therefore the Company must move from Administration to Creditors' Voluntary Liquidation for the dividend to be paid.
- 5.3 There are no secured creditors and thus no Prescribed Part.
- 5.4 Preferential creditors amounting to £2,552 will be paid in full.
- 5.5 The non-preferential creditors were estimated at £3,323,225 in the Company's Statement of Affairs and providing the earn out is successful, the creditors could expect a substantial dividend over the three-year period.
- 5.6 The dividend will be paid through the liquidation process that will follow this Administration. It is not possible to provide a timescale for a distribution since this will be dependent upon the ability to recover monies under the earn out. However, any creditor who has not yet claimed VAT Bad Debt Relief should do so, as this effectively recovers 20p in the £ immediately.

## **6. INVESTIGATIONS**

- 6.1 A submission to the Secretary of State under the Company Directors Disqualification Act 1986 will be issued soon. The content of such a submission is not on public record and I shall not elucidate further other than to confirm that the directors have co-operated fully with the Administrator.

## **7. ADMINISTRATOR'S FEES AND DISBURSEMENTS**

### **7.1 Pre- Administration Costs**

- 7.1.1 The costs incurred prior to my appointment relate to the following activities:

- Advice to the directors on insolvency and the options available to the Board and the Company;
- The overall review of the business and its on-going viability;
- The preparation of the documentation that allowed for the Company to be placed into Administration; and
- Investigations into the potential assets of the Company.

These costs were as follows:

<b>Grade</b>	<b>Hours</b>	<b>Cost (£)</b>
Partner	7.55	3,737.25
Manager	6.00	1,770.00
Assistant	0.35	61.25
	<b>13.90</b>	<b>5,568.50</b>
<b>Average Hourly Rate</b>		<b>400.61</b>

7.1.2 In addition, the services of SBP Law, Solicitors, were used to make the applications to court on behalf of the director, and those costs amounted to £3,150 plus VAT with court fees of £61 and Lambert Smith Hampton submitted a fee for a valuation of £2,000 plus VAT and disbursements of £10.

7.1.3 All of these Pre-Appointment costs have been paid. These costs were agreed with the Board. The costs have also been approved under Rule 3.52(3) of the Rules by the creditors.

## **7.2 Post Appointment Costs**

7.2.1 The Administrator's time costs for the period under review (18 April 2019 to 15 June 2019) total £70,572 plus VAT for 161.2 hours at an average rate of £437.79 per hour. A breakdown of these time costs and my disbursements appears at Appendix 5. These are in line with my fee estimate in the Proposals. The majority of my time and that of my staff has been spent on dealing with the Company's assets, employee claims, investigating the Company's trading activities, liaising with the valuers, dealing with the creditors' enquiries, investigating the conduct of the directors, and statutory compliance.

7.2.2 Approval of the basis for post-appointment fees has now been obtained and £54,386.25 has been drawn on account.

7.2.3 My solicitors' post appointment costs are £36,080 plus VAT in respect of dealing with the prospective purchaser and advising on claims from third parties in respect of the IPR and Source Code.

7.2.4 The fee of Lambert Smith Hampton for the valuation and for concluding the sale to Metrikus is £17,010 plus VAT, being 10% of the consideration paid on completion. There will be no further fee due to them from any of the future earn out income. This has been discharged.

7.2.5 Assuming there are no significant problems in finalising the Administration, I expect to incur further time costs of approximately £3,000 in dealing with all of the statutory and legal matters and moving the Company from Administration to Liquidation. There will be further costs in the liquidation process.

7.2.6 For the formal purposes of the Administration, it was proposed in accordance with Rule 18.18 Rules, that my remuneration as Administrator should be fixed by reference to the time properly given by me and my staff in attending to matters arising in the Administration. The creditors approved this basis. The fee to be drawn will not exceed the original estimate without further approval of the creditors.

- 7.2.7 The best practice guidelines relating to the approval of Administrators' remuneration are set out in Statement of Insolvency Practice 9, which is available on request.

## **8. END OF THE ADMINISTRATION**

- 8.1 As advised above, it is proposed that the Company will move from Administration to liquidation so that a dividend can be paid.
- 8.2 Form AM22 "Notice of Move from Administration to Creditors' Voluntary Liquidation" has been filed at Court and with the Registrar of Companies. As a result, the Administration will end, and the Liquidation will commence on the date Form AM22 is registered at Companies House.
- 8.3 In accordance with the resolution passed by the creditors at the initial meeting held pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986, the Administrator's release from liability will take effect 14 days following the Company entering into Liquidation.

## **9. FURTHER INFORMATION**

- 9.1 Should any creditor have any information concerning the Company's affairs which they would like to bring to my attention, please do so in writing to me at Kirker & Co, Centre 645, 2 Old Brompton Road, South Kensington, London, SW7 3DQ or by email to [edwin@kirker.co.uk](mailto:edwin@kirker.co.uk).

Yours faithfully  
For and on behalf of  
Asset Mapping Limited  
(In Administration)



Edwin Kirker  
Administrator

**APPENDIX 1**

**APPOINTMENT DETAILS**

Name of Administrator:	Edwin D S Kirker
Address of Administrator:	Kirker & Co Centre 645 2 Old Brompton Road South Kensington London SW7 3DQ
Date of Administration:	18 April 2019
Date of Report:	15 June 2019
Court Reference:	High Court of Justice No: 2019 - CR - 002738
Appointor:	The Directors under Paragraph 22 of Schedule B1 to the Insolvency Act 1986

Under Article 3 of the EC Regulation these proceedings are Main proceedings.

**APPENDIX 2**

**STATUTORY INFORMATION**

Name of Company: Asset Mapping Limited

Former Name: Secure Earth Ltd  
(Change of Name 9 May 2013)

Company Number: 08101801

Date of Incorporation: 12 June 2012

Principal Activity: Specialised Design Activities

Registered Office: c/o Kirker & Co  
Centre 645  
2 Old Brompton Road  
South Kensington  
London  
SW7 3DQ

Former Registered Office and Trading Address: 10 Arthur Street  
London  
EC4R 9AY

Directors:

Name	Appointed	Resigned
Elten Herbert Barker	20/07/2018	
Peter Jones	01/11/2017	
Francis William Michael Starkie	01/11/2017	
Paul Bonnet	12/06/2013	22/10/2013
Benjamin William Clee	12/06/2012	13/08/2018
Michael Richard Grant	01/11/2017	05/03/2019
Mark Ingham	01/11/2017	20/07/2018
Peter Trevenen Jaco	05/11/2014	11/08/2016
Andrew Muilholland	05/11/2014	20/11/2017
Lorraine Denise Stewart	12/06/2012	13/06/2013
Anadi James Tay,or	12/06/2012	28/05/2014

Company Secretaries:

Name	Appointed	Resigned
Michael Rose	01/06/2016	22/11/2017
Michael Richard Rose	01/06/2016	28/02/2019
Robert Mannering Sedgwick	22/11/2017	18/07/2018
Robert Mannering Sedgwick	13/08/2018	

Issued & Paid Up Share Capital: 198 Ordinary Shares of £1 each

**APPENDIX 3**

## **ADMINISTRATOR'S PROPOSALS**

### **Statement of Administrator's Proposals pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986**

In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986 (the Act) and The Insolvency Rules 1986 (the Rules), I Edwin Kirker, the Administrator of Asset Mapping Limited (the Company), makes the following Proposals for achieving the purpose of the Administration.

These Proposals and the attached report to creditors together set out the information required by and discharge the Administrator's duty pursuant to Paragraph 49 of Schedule B1 of the Act and Rule 2.33 of the Rules.

#### **Proposals**

The Administrator proposes that:

- (a) He continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration such that:
  - (i) he disposes of the Company's ownership of such assets at such time(s) on such terms as he considers expedient
  - (ii) he investigates and, if appropriate, pursues 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) in addition, he does all such things and generally exercise all his powers as Administrator as in his discretion he considers 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) In the event that the Administrator is of the view that it is appropriate for the Company to move from Administration into CVA, the Administrator be authorised to take steps to issue proposals for a CVA under Part 1 of the Insolvency Act 1986, as he deems appropriate.
- (c) In the event that the Administrator is of the view that it is appropriate for the Company to move from Administration into Liquidation, whether compulsory or voluntary, the Administrator be authorised to take steps to place the Company into whichever process he deems appropriate. In either circumstance, it is proposed that the Administrator takes the appointment as Liquidator of the Company. In relation to moving into Creditors' Voluntary Liquidation, and in accordance with Paragraph 83(7) and Rule 2.117 (3), creditors may nominate a different person as the proposed Supervisor or Liquidator, provided that the nomination is made after the receipt of the Proposals and before 12 noon on Thursday 6 June 2019.
- (d) If the Administrator considers that there will be no distribution to unsecured creditors (apart from the Prescribed Part, if any), and if he also considers that an exit from the Administration into Compulsory Liquidation is not appropriate, then the Administrator be authorised to take the necessary procedural steps to bring about the end of the Administration and move the Company into dissolution pursuant to Paragraph 84 of Schedule B1 to the Act.

- (e) The Administration shall continue (subject to the statutory provisions relating to automatic termination) until the realisable assets of the Company have been realised and all liabilities incurred during the Administration have been discharged or until such a time as deemed appropriate by the Administrator. At this stage the Company shall be dissolved or placed into Liquidation as outlined above. If necessary, the Administrator will propose to seek an extension of his appointment as Administrator from the creditors and/or the Court pursuant to Paragraph 76 of Schedule B1 to the Act.
- (f) Upon the Company either proceeding into Creditors Voluntary Liquidation or dissolution as set out above, the Administrator's discharge from liability, pursuant to Paragraph 98 of Schedule B1 shall take effect 14 days following either the Company entering into Liquidation or filing the notice of moving from Administration to dissolution.
- (g) The Administrator be at liberty to incur and pay such costs and expenses, including professional fees, as considered to be incidental to the achievement of the purpose of the Administration or for the purposes set out herein or to the Administrator's statutory duties. The Administrator proposes to be remunerated by reference to time properly spent both for his services as Administrator and also for his staff in attending to the matters arising in the Administration of the Company, charged at the charge out rates prevailing at the time the work is undertaken. The Administrators' remuneration will be agreed by the Creditors' Committee or in the event that no Committee is formed by creditors, by a meeting of creditors.
- (h) Kirker & Co.'s costs and expenses relating to planning and acceptance of the appointment be treated as an expense of the Administration (albeit incurred prior to the date of appointment) and calculated by reference to the charge out rates prevailing at the time the work is undertaken.
- (i) Kirker & Co.'s costs and expenses relating to any matters undertaken prior to the appointment of the Administrator that would normally be incurred by the Administrator following his appointment including but not limited to negotiations with interested parties be treated as an expense of the Administration and calculated by reference to the charge out rates prevailing at the time the work is undertaken.
- (j) The Administrator be at liberty to recharge disbursements as detailed in the circulated Creditor's Guide to Administrators' Fees. Costs are to be charged as follows:
  - Mileage 45p per mile
  - Administrator's Bond At cost
  - Statutory Advertising At cost
  - Postage At cost
  - Storage At cost
- (k) The Administrator be at liberty to pay costs and remuneration in relation to Proposals (f), (g), (h) and (i) above as and when funds become available.
- (l) The Administrator consult with the creditors' committee, if formed, at appropriate intervals concerning the conduct of the Administration and the implementation and development of these Proposals and where they consider it expedient obtain the sanction of that committee on behalf of the creditors of the Company (and without further reference to them) to any proposed action on the part of the Administrator.

**APPENDIX 4**

**ADMINISTRATOR'S RECEIPTS AND PAYMENTS ACCOUNT AS AT 15 JUNE 2019**

RECEIPTS	Per Statement of Affairs £	Realised £
	<u>          </u>	<u>          </u>
Tangible Assets	9,950	9,950.00
Source Code, IPR and Trade Marks	140,050	140,050.00
Earn Out	0	0.00
Debtors	3,404	0.00
Cash at Bank	<u>10,155</u>	0.00
	<u>163,559</u>	
		<u>150,000.00</u>
 <b>PAYMENTS</b>		
Pre- Appointment Fees	8,718.50	
Court Fees	61.00	
Statutory Advertising	81.00	
Bond	2,588.00	
Agent's Fees	17,010.00	
Postage	49.40	
Mileage and Tavel	22.70	
Storage	2.60	
Administrator's Fees	54,386.25	
Legal Fees	<u>36,080.00</u>	
		<u>118,999.45</u>
 <b>BALANCE IN HAND</b>		<u>31,000.55</u>
		<u>          </u>
 Represented by		
Bank		7,212.86
VAT Control		<u>23,787.69</u>
		<u>31,000.55</u>



**APPENDIX 5**

**ADMINISTRATOR'S TIME COSTS SUMMARY**

**1 Overview of Case**

**1.1 Appointment**

The Board of Directors appointed the Administrator on 18 April 2019 following an application.

**1.2 Strategy**

Please see main body of the report.

**1.3 Staffing**

All staff had been dismissed prior to Administration.

**1.4 Existing Fee Arrangements**

The creditors approved the basis of the Administrator's remuneration on 7 June 2019.

**1.5 Anticipated Return to Creditors**

It is anticipated that there will be a dividend for non-preferential creditors.

**2 Explanation of Office-Holder's Charging and Disbursement Recovery Policies**

**2.1 Time Recording**

*Time properly incurred on cases is charged to the assignment at the hourly rate prevailing at the time. The current hourly charge out rates, covering the whole period, appear below:*

<b>Grade</b>	<b>£</b>
Partner	495
Manager	295
Assistant	175

**2.2 Disbursements Recovery**

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as external printing, postage and bonding (at cost). General overheads such as office printing and stationery (Category 2 disbursements) are included in the charge-out rates and are not recharged with the exception of travelling (45p/mile).

**3 Description of Work Carried Out**

Section 4 of this appendix outlines the time costs to date in relation to activities undertaken during this matter. These activities can be summarised as follows:

**3.1 Pre-Appointment**

Time spent in this category comprises the activities required to place the Company into Administration.

### 3.2 Administration and Planning

The following activities have been undertaken:

- Statutory duties associated with the appointment including the filing of relevant notices
- Notification of the appointment to creditors, members, employees and other interested parties
- Setting up case files
- Reviewing available information to determine appropriate strategy, and
- Setting up and maintaining bank accounts.

### 3.3 Realisation of Assets

Please see the main body of the report for details on the assets realised.

### 3.4 Creditors

The time spent includes the following matters:

- Correspondence with creditors
- Recording and maintaining the list of creditors
- Dealing with employee related matters
- Recording creditor claims
- Dealing with creditor queries, and
- Reviewing and evaluating creditor claims.

## 4 Time and Charge-Out Summary

For the period under review, a total of 161.2 hours has been spent at a cost of £70,572, which equates to an average charge out rate of £437.79 per hour:

Task	Partner		Manager		Assistant		Total	
	Time Hrs	Cost £	Time Hrs	Cost £	Time Hrs	Cost £	Time Hrs	Cost £
Compliance/Administration	23.60	11,682.00	21.40	6,313.00	1.10	192.50	46.10	18,187.50
Assets	89.30	44,203.50	1.55	457.25	0.00	0.00	90.85	44,660.75
Creditors	4.75	2,351.25	4.30	1,268.50	7.25	1,268.75	16.30	4,888.50
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigation	2.45	1,212.75	5.50	1,622.50	0.00	0.00	7.95	2,835.25
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>120.10</b>	<b>59,449.50</b>	<b>32.75</b>	<b>9,661.25</b>	<b>8.35</b>	<b>1,461.25</b>	<b>161.20</b>	<b>70,572.00</b>

Average Rate Per Hour	495.00	295.00	175.00	437.79
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The above costs exclude VAT.

## 5 Disbursements

Direct expenses to date are as follows:

<b>Disbursement</b>	<b>Rate</b>	<b>Amount Charged £</b>	<b>Amount Drawn £</b>	<b>Amount Outstanding £</b>
Specific Penalty Bond	Risk Based Premium	2,588.00	0.00	2,588.00
Statutory Advertising	Rack Rate	81.00	0.00	81.00
UK Postage	Standard Rate	122.22	0.00	122.22
Mileage	45p per mile	3.60	0.00	3.60
Travel Costs	Second Class	19.10	0.00	19.10
Record Storage	£1.30 per box per month	3.90	0.00	3.90
		<b>2,817.82</b>	<b>0.00</b>	<b>2,817.82</b>

We do not recharge Category 2 disbursements other than mileage.

## **6 Supporting Documentation**

Supporting documentation appears at Appendices 1 to 5 of this Progress Report and includes the information listed in the Contents on page 2.

## **7. Creditors' Right to Request Information**

7.1 Any secured creditor, or unsecured creditor with the support of at least 5% in value of the unsecured creditors (including himself) or, with permission of the Court, may request the Administrator to provide additional information regarding remuneration or expenses in addition to that already supplied within this report. Such requests must be made in writing within 21 days of receipt of this report as required by Rule 18.9 of the Rules.

7.2 Within 14 days of receipt of the request, the Administrator must provide all of the information asked for, except so far as he considers that

- The time or cost of preparation of the information would be excessive, or
- Disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
- The liquidator is subject to an obligation of confidentiality in respect of the information.

7.3 The Administrator is also required to give reasons for not providing all of the requested information.

## **8. Creditors' Right to Challenge Remuneration and/or Expenses**

8.1 Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors, or with permission of the Court, may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), reducing the amount or the basis of remuneration which the Liquidator is entitled to charge or otherwise challenging some or all of the expenses incurred.

8.2 Such applications must be made within eight weeks of receipt by the applicant(s) of this Progress Report detailing the remuneration and/or expenses being complained of, in accordance with Rules 18.3 or 18.4 of the Rules.

- 8.3 Challenges may not disturb remuneration or expenses approved or deemed to be approved under prior Progress Reports.