

The Insolvency Act 1986

Administrator's progress report**R2.38**

Pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986

Name of Company

Abcom Solutions Limited

Company number

SC284854

(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a)
Alexander Iain Fraser
RSM Tenon Recovery
Suite 2B, Johnstone House
52-54 Rose Street
Aberdeen AB10 1UDThomas Campbell MacLennan
RSM Tenon Recovery
160 Dundee Street
Edinburgh
EH11 1DQ

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

from

to

(b) Insert date(s)

(b) 23 August 2011

(b) 16 February 2012

Signed


Joint / Administrator(s)

Dated

17/2/12

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

Alexander Iain Fraser
RSM Tenon Recovery
Suite 2B, Johnstone House 52-54 Rose Street Aberdeen AB10 1UD

DX Number

+44 (0) 1224 562280
DX Exchange

SATURDAY



S12XB04R

SCT

18/02/2012

#502

COMPANIES HOUSE

When you have completed and signed this form, please send it to the Registrar of Companies at:-

Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge,
Edinburgh, EH3 9FF
DXED235 Edinburgh 1 / LP- 4 Edinburgh 2

**Joint Administrators' Final Progress Report
for the period from 23 August 2011 to 16 February 2012
relating to**

Abcom Solutions Limited ("the Company") – In Administration

Issued on: 16 February 2012

Alexander Iain Fraser and Thomas Campbell MacLennan of RSM Tenon are the Joint Administrators of the Company and this is their report on the progress of the Administration of the Company for the period from 23 August 2011 to 16 February 2012

On 31 May 2011 the Secured and Preferential the creditors extended the Administration of the Company for a period of six months, such that the Administration will now end on 22 February 2012.

1. Statutory Information

Statutory information relating to the Company is attached at Appendix I.

2. Action taken by the Joint Administrators since their last progress report

As advised in my report to creditors dated 3 October 2011 the book debt collection process was taken under control of the Join Administrators following a low recovery of the debts by the purchaser of the business.

Further recoveries have been poor and have involved write offs of some of the larger debts. The collection process has been exhausted and it is no longer cost effective to pursue the debts.

3. Joint Administrators' receipts and payment account

I attach a summary of my receipts and payments relating to the Company for the period from 23 August 2011 to 16 February 2012 at Appendix II.

4. Joint Administrators' Remuneration and Expenses

The secured creditors and preferential creditors have approved my fees on the basis of the 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.

To the date this report is prepared, my time costs amount to £41,471.75, representing 187.55 hours work, at an average charge out rate of £221.13. Fees of £29,643.00, plus VAT and disbursements of £508.00 have been approved to date and I have drawn remuneration of £29,540.01. Appendix III contains more information about my remuneration and expenses, including an analysis of the hours worked.

Please go to www.rsmtenton.com and click on "Creditors' Guides" if you require further information relating to Administrator's Remuneration. Alternatively a copy is available free of charge upon request from this office.

5. Outcome of the Administration

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.

I was seeking to achieve objective B in respect of the Administration of the Company, and to do this by concluding a pre-pack sale of the business and assets of the company. I also anticipated that book debt recoveries would be enhanced with the assistance of the purchaser. In order to achieve this objective the following proposals were agreed by the creditors:

- (a) they continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that they:
 - (i) monitor the payments from ICR Solutions (EPOS) Limited in respect of the business transfer agreement and monitor the debtor recovery process;
 - (ii) sell the Company's assets at such time(s) on such terms as they consider appropriate;
 - (iii) 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
 - (iv) do all such things and generally exercise all their powers as Administrators as they in their 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) 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.

I have been unable to achieve the objective of the Administration of the Company as the total asset realisations have been insufficient to all a return to any class of creditor.

In accordance with the proposals, I am ending the Administration of the Company by arranging for the Company to be dissolved. To do this I have filed a formal notice with the Registrar of Companies. The Company will be deemed dissolved three months after the registration of that notice.

A I Fraser

Joint Administrator

*Licensed in the United Kingdom to act as an insolvency practitioner by the Insolvency Practitioners Association
The affairs, business and property of the Company are being managed by the Administrators*

Enclosures:

Appendix I

Statutory Information

Appendix I

Company Information

Company Name: Abcom Solutions Limited

Previous Name: N/A

Company Number: SC284854

Date of Incorporation: 16 May 2005

Trading Address: 33 Henderson Drive, Inverness, IV1 1TR

Current Registered Office: c/o RSM Tenon, Johnstone House, 52-54 Rose Street, Aberdeen, AB10 1UD

Former Registered Office: 33 Henderson Drive, Inverness, IV1 1TR

Principal Trading Activity: EPOS Systems

Appointment details

Date of Appointment: 23 August 2010

Appointment made by: the Directors

Court Name: Inverness Sheriff Court

Administrators Appointed: Alexander Iain Fraser IP Number: 9218
Thomas Campbell MacLennan IP Number: 8209

Officers of the company

Directors: Colin J Harrison
Appointed 16 May 2005

John Innes
Appointed 21 June 2005

Company Secretary: Colin J Harrison

Share Capital

Authorised	Allotted, called up and fully paid
100,000,000 ordinary shares £0.01 each	10,000 ordinary shares of £0.01 each being 8,001 ordinary A shares and 1,999 ordinary B shares

Shareholders

Colin J Harrison	2,667 ordinary A shares 250 ordinary B shares
John Innes	2,667 ordinary A shares 250 ordinary B shares
Alan Savage	2,667 ordinary A shares 249 ordinary B shares

Appendix I

Company Information

Shareholders, continued

Alan Murphy	500 ordinary B shares
Brian McGhee	500 ordinary B shares
Ross MacLean	250 ordinary B shares

Charges

Floating Charge dated 18 October 2005 in favour of Bank of Scotland.

Appendix II

Joint Administrators' Abstract of Receipts and Payments

Abcom Solutions Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 23/08/2011 To 16/02/2012	From 23/08/2010 To 16/02/2012
	ASSET REALISATIONS		
15,000.00	Goodwill	NIL	10,000.00
15,000.00	Stock, Furniture & Equipment	NIL	20,000.00
40,000.00	Book Debts	956.33	6,663.65
	Insurance Refund	NIL	125.00
	Bank Interest Gross	4.93	14.32
	Bank Interest Net of Tax	NIL	0.72
		<u>961.26</u>	<u>36,803.69</u>
	COST OF REALISATIONS		
	Agents/Valuers Fees(1)	NIL	695.00
	Legal Fees	NIL	6,122.50
	Book Debt Collection Commission	NIL	273.18
		<u>NIL</u>	<u>(7,090.68)</u>
	COST OF ADMINISTRATION		
	Specific Bond	NIL	158.00
	Registers of Scotland	NIL	15.00
	Administrators Fees	9,540.01	29,540.01
		<u>(9,540.01)</u>	<u>(29,713.01)</u>
	PREFERENTIAL CREDITORS		
(4,635.00)	Department of Employment	NIL	NIL
(885.00)	Employees Wage Arrears	NIL	NIL
(219.00)	Employees Holiday Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	FLOATING CHARGE CREDITORS		
(72,500.00)	Floating Charge Creditor	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(98,273.00)	Trade & Expense Creditors	NIL	NIL
(6,995.00)	Employees	NIL	NIL
(40,868.00)	Department of Employment	NIL	NIL
(81,271.00)	HM Revenue & Customs (PAYE)	NIL	NIL
(61,849.00)	HM Revenue & Customs (VAT)	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(297,495.00)</u>		<u>(8,578.75)</u>	<u>0.00</u>

REPRESENTED BY

NIL



Alexander Iain Fraser
Joint Administrator

Appendix III

Information relating to Joint Administrators' Remuneration and Expenses

Office Holder Remuneration

Case Name	Abcom Solutions Limited
Court	Inverness Sheriff Court
Office Holders	Alexander Iain Fraser IP Number: 9218 Thomas Campbell MacLennan IP Number: 8209
Firm	RSM Tenon
Address	Suite 2B, Johnstone House 52-54 Rose Street Aberdeen AB10 1UD
Type of Appointment	Administration
Date of Appointment	23 August 2010

1. Overview of Case

1.1. Appointment

We were appointed Joint Administrators on 23 August 2010 following an application by the Directors.

1.2. Strategy

A pre-pack sale of the business was concluded on 24 August 2010.

1.3. Anticipated return to creditors

Having regard to the low level of debtor recoveries there will be no return to any class of creditor.

2. Explanation of office-holders charging and disbursement recovery policies

2.1. Time recording

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge out rates are:

	Rate to 30/09/2011 £	Rate since 01/10/2011 £
Director and licensed Insolvency Practitioner	300	375
Associate Director	260	300
Senior Manager	240	270
Manager	220	230
Senior Administrator	190	205
Secretarial	50	85
Cashier	120	120

Secretarial and support staff are not charged to the cases concerned, being accounted as an overhead of RSM Tenon.

2.2. Disbursement recovery

Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the Company or RSM Tenon; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the Company. These disbursements are recoverable in full from the Company without the prior approval of creditors either by a direct payment from the Company or, where RSM Tenon has made payment on behalf of the Company, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and company search fees.

Category 2 expenses are incurred by RSM Tenon 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 Company, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, and internal storage.

It is proposed that the following Category 2 disbursements are recovered by RSM Tenon:

- Room hire
- Paper (photocopies per sheet)
- Postage
- Internal Storage

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.

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 matters can be summarised as follows:

3.1 Pre-appointment

Time spent in this category comprises the activities required to obtain an Administration Order.

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;
- > Setting up and maintaining bank accounts;

Staff of different levels were involved in the above activities depending upon the experience required.

3.3 Investigations

The time spent comprises:

- > Corresponding with the former directors and management;
- > Review of questionnaires and comments provided by interested parties;
- > Review of company documentation;

Due to the complex nature and importance of the investigations, the staff utilised to conduct such work involved experienced members of staff.

3.4 Realisation of assets

(i) Sale of business to include goodwill and moveable assets

The sale of the business and assets was concluded via a pre-pack sale and therefore the staff utilised involved experienced members of staff.

(ii) Book debts

The book debts will be collected by the purchaser of the business and a monthly reconciliation will be agreed with the case manager.

3.5 Creditors

The time spent includes the following matters

- > Recording and maintaining the list of creditors;
- > Dealing with employee related matters;
- > Dealing with reservation of title claims;
- > Recording creditor claims
- > Reporting to creditors;
- > Dealing with creditor queries;
- > Reviewing and evaluating creditor claims;

4 Time and chargeout summary

To the date this report is prepared, my time costs amount to £41,475.75, representing 187.55 hours work at an average charge out rate of £221.13.

A summary table is attached.

On the basis that any return to the unsecured creditors will be by way of a distribution of the prescribed part, my fees will be approved by the preferential and secured creditors. Fees of £29,643, plus VAT, together with disbursements of £508.00 has been approved to date. Fees of £29,540.01 have been drawn to date.

Disbursements

4.1 Category 1

Category 1 disbursements incurred are outlined below:

	Incurred £	Paid £
Mileage/travel	238.60	95.40
Specific penalty bond		
External storage		
Statutory advertising	62.50	62.50
Insurance		
Total	<u>301.10</u>	<u>157.90</u>

The above costs exclude VAT.

4.2 Category 2 disbursements

Category 2 disbursements incurred are outlined below:

	Incurred £	Paid £
Postage/paper	523.10	343.10
Filing fee	7.00	7.00
Total	<u>530.10</u>	<u>350.10</u>

The above costs exclude VAT.

SIP9 Summary

RSM Tenon

5510302 Abcom Solutions Ltd Administration

23/08/2010 to 16/02/2012

	8.40	59.80	0.00	9.25	77.45	17,015.25	219.69
Administration and planning							
Creditors	3.10	26.00	0.00	6.70	35.80	7,337.00	204.94
Investigations	2.00	8.50	0.00	0.00	10.50	2,390.00	227.62
Realisation of assets	2.60	60.60	0.00	0.70	63.90	14,729.50	230.51
Trading	0.00	0.00	0.00	0.00	0.00	0.00	NaN
Hours	16.10	154.90	0.00	16.65	187.65		
Charge	4,920.00	34,619.50	0.00	1,932.25		41,471.75	