

The Insolvency Act 1986

R2.25

Statement of administrator's proposals

Pursuant to paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.25 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 1UD

Thomas Campbell MacLennan
RSM Tenon Recovery
160 Dundee Street
Edinburgh
EH11 1DQ


attach a copy of our proposals in respect of the administration of the above company.

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

(b) Insert date

(b) 15 October 2010

Signed


Joint / Administrator(s)

Dated

18 OCT 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 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



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20/10/2010
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' Proposals relating to
Abcom Solutions Limited ("the Company") – In
Administration**

Issued on: 15 October 2010

Alexander Iain Fraser and Thomas Campbell MacLennan of RSM Tenon are the Joint Administrators of the Company and these are the Joint Administrators' statutory proposals relating to the Company.

1. Statutory Information

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

2. Circumstances leading to the appointment of the Joint Administrators

The Company was incorporated in May 2005 and in June 2007 acquired Inverness Cash Registers together with the EPOS division of Norcom (Northern Communications Group Limited). The Company traded as ICR Solutions and immediately became one of the largest providers of supported epos services in Scotland.

The Company's first year of trade was successful however with an increased restriction of leased funding and the general financial downturn this impacted significantly the volume and value of sales.

Staff redundancies followed as sales continued to decline in 2009. In June 2009 and January 2010 further capital was introduced by the Directors. In August 2010 with no further capital or funding available the cash position became critical and following pressure from creditors, the Directors had no alternative other than to appoint Joint Administrators of the Company.

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

	Mgmt Accts Year to 30 June 2010 £'000	Statutory Accts Year to 30 June 2009 £'000	Statutory Accts Year to 30 June 2008 £'000
Turnover	513	716	1,122
Cost of Sales	(214)	(309)	(545)
Gross Profit	299	407	577
Gross Profit %	61%	57%	51%
Overheads	(400)	(521)	(577)
Net Profit/(Loss) after tax	(101)	(114)	0
	==	==	==

It should be noted that the management accounts have not been verified for accuracy and therefore may not reflect the Company's true trading position.

I first met the Directors of the Company on 6 August 2010 and reviewed the financial position of the Company. In view of the level of liabilities and pressure from creditors it was clear that the Company could not continue to trade

Negotiations were entered into with two employees of the Company who indicated that they would be interested in acquiring the business and assets of the Company.

On 23 August 2010, Thomas Campbell MacLennan and I of RSM Tenon were appointed by the Directors as Joint Administrators of the Company. The appointment was subsequently lodged in Inverness Sheriff Court on 23 August 2010. The appointment permitted the Joint Administrators to take any actions required either jointly or alone, and I have been the Administrator primarily involved in dealing with the Company's affairs.

A sale of the business and assets was concluded on 24 August 2010.

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 have done this by concluding a pre-pack sale of the business and assets of the company with immediate effect to a third party Company who will continue to provide support to the existing customers of Abcom Solutions Limited. The sale has allowed for value to be obtained for the goodwill of the business and a higher value for the moveable assets than would be obtained under forced sale conditions. Full details of this were sent to creditors on 24 August 2010.

With the purchaser providing ongoing support to customers this will enhance the recovery of book debts.

Five employees of the Company have been transferred to the purchaser under TUPE regulations therefore reducing the potential preferential creditor liability.

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 24 August 2010, I sold the Company's business and assets to ICR Solutions (EPOS) Limited.

A summary of the business transfer agreement was included in my previous letter but the headline terms are note below:

- > The consideration for the transaction totalled £30,000 and all moveable assets of the company were transferred as well as the goodwill of the business.

- > The payments terms which were agreed for the consideration are an initial payment of £10,000 followed by a further £5,000 over three months and the balance of £15,000 over the following seven months.
- > ICR Solutions (EPOS) Limited are to ingather the book debts on behalf of the Administrators in return for a 5% collection charge.
- > Alan Murphy a former B shareholder of the company is a director and shareholder of ICR Solutions (EPOS) Limited.

5. Financial Position of the Company

The Directors of the Company have prepared a Statement of Affairs which does not differ materially from the Estimated Statement of Affairs prepared by the Joint Administrators which is attached at Appendix II.

Comments on the Joint Administrator's estimate of the financial position of the company

5.1. Goodwill

The goodwill of the business was valued by Metis Partners on 16 August 2010 advising that in the current financial climate, the Company would be unable to obtain more than £15,000 for the goodwill of the business.

5.2. Book Debts

The estimated realisable value of book debts taking account of known bad debts amounts to £40,000.

5.3. Stock, Office Equipment and Furniture

The Company's stock and office equipment was valued by Thainstone Specialist Auctions on 16 August 2010. A going concern value of £17,285 was provided with a forced sale value of £3,285. The sum of £15,000 has been attributed to plant and machinery.

5.4. Preferential creditors

The only known preferential creditors are former employees of the Company for unpaid wages and holiday pay. Their claims are subject to a maximum limit set by the insolvency legislation.

The level of preferential creditors has been reduced by approximately £5,000 following the sale to ICR Solutions (EPOS) Limited as 5 of the 10 employees have been retained under TUPE Regulations.

5.5. Prescribed Part

There are provisions of the insolvency legislation that requires 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 floating charge to Bank of Scotland on 18 October 2005 and the prescribed part provisions will apply. The Joint Administrators' estimate of the financial position of the Company shows that the net property of the Company is £64,261, and I estimate that the prescribed part of the net property for unsecured creditors is £17,852. However, these estimates do not take into account the costs of the Administration which will reduce the amount of the Company's net property.

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, 23 August 2010, to the date of these proposals, at Appendix IV.

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 monitor the payments being made by ICR Solutions (EPOS) Limited in respect of the sale of business. Monthly payments are anticipated until June 2011.

On the basis that ICR Solutions (EPOS) Limited are providing ongoing support to the former customers of the Company an agreement has been entered into with ICR Solutions (EPOS) Limited whereby they continue to collect all funds. A monthly reconciliation will take place and the appropriate funds remitted to the Joint Administrators minus a 5% collection fee. The Joint Administrators will continue to monitor the position until all realisable book debts have been collected.

The assistance of ICR Solutions (EPOS) Limited in collecting the book debts and the provision of further support will maximise the potential recovery of all debts which are small in value. A successful collection process will enable a dividend to be paid to all classes of creditor which in terms of unsecured creditors will be restricted to a distribution of the prescribed part of the net property.

8. Joint Administrators' Remuneration and Expenses

I propose that our fees will be charged by reference to the time properly spent by us and our staff in dealing with the 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 III. I also propose that we are permitted to charge what are known as category 2 expenses. Information about category 2 expenses is also set out in Appendix III.

I am not convening a meeting of creditors as the Company's financial position means there are insufficient assets to pay a dividend to unsecured creditors except from the prescribed part. As a result, it will be for the chargeholders and preferential creditors to approve my remuneration.

To the date this report is prepared, my time costs amount to £14,041.50, representing 63.05 hours work, at an average charge out rate of £222.70. Appendix III 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, 23 August 2010, to the date of these proposals, and the cost of that time based on the charge out rates of the staff undertaking the work.

On the basis that a pre-pack sale of the business was agreed, a proportion of my times costs relate to a time period before my appointment, 23 August 2010. These time costs were in

connection with agreeing the business transfer agreement which has greatly reduced the time spent on asset realisations post appointment which would otherwise have been charged.

Please go to www.tenonrecovery.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 the address below.

9. 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.

10. 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.

11. Joint Administrators' Proposals

In order to achieve the objective set out at Section 3 above, Alexander Iain Fraser and Thomas Campbell MacLennan of RSM Tenon Recovery, the Joint Administrators formally propose to creditors that:

- (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.

- (c) the Administration will end by placing the Company into Creditors Voluntary Liquidation, and they propose that Alexander Iain Fraser and Thomas Campbell MacLennan are appointed the Joint Liquidators of the Company, and that they will act jointly and severally in their duties. Creditors may nominate a different person(s) as the proposed liquidator(s), but you must make the nomination(s) 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 12
- (d) the Administration of the Company will end by making an application to Court for an order that the Administration ceases.
- (e) the Administration of the Company will end by giving notice to the Court, creditors and Registrar of Companies that the objective of the Administration has been achieved.
- (f) if the Administration ends by the Company moving into liquidation or being dissolved, the Joint Administrators shall be discharged from liability 14 days following either the Company entering into liquidation or filing the notice of moving from administration to dissolution.

12. Approval of Proposals

Since the Company's financial position means it has insufficient assets to pay a dividend to unsecured creditors other than by way of distribution of the prescribed part, I am not required to hold a meeting of creditors. Accordingly, I do not intend to do so.

However, creditors whose debts amount to at least 10% of the total debts of the Company can require me to convene a meeting. Such a request must be made to me within 12 days of the date of these proposals. If creditors do not require me to convene a meeting of creditors within that time period, then my proposals will be deemed to have been approved.

13. Further Information

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

A I Fraser

Joint Administrator

Licensed in the United Kingdom to act as an insolvency practitioner by the Insolvency Practitioners Association

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' estimate of the Financial Position of the Company as at 23 August 2010

ABCOM SOLUTIONS LIMITED – IN ADMINISTRATION

**ESTIMATED STATEMENT OF AFFAIRS
AT 23 AUGUST 2010**

Prepared by Alexander Iain Fraser and Thomas Campbell MacLennan

	Notes	Book Value £	Estimated to Realise £
Assets not specifically secured			
Goodwill	3	188,475	15,000
Stock & Office Equipment/Furniture	4	46,546	15,000
Debtors		55,576	
Less provision for bad debts		(15,576)	
Estimated to realise			40,000
Total Assets			70,000
Liabilities			
Preferential Creditors			
Employees claims			(5,739)
			64,261
Prescribed Part	5		(17,852)
Available to floating charge creditor			46,409
Floating Charge Creditor			
Bank of Scotland			(72,500)
Shortfall to floating charge creditor			(26,091)
Add back prescribed part			17,852
Ordinary Creditors			
Trade Creditors (per attached schedule)		(137,421)	
Employee Claims		(47,863)	
Directors' Loans		(145,847)	
HM Revenue & Customs (PAYE)		(81,271)	
HM Revenue & Customs (VAT)		(61,849)	
			(474,251)
Total Estimated Deficiency			(456,399)

ABCOM SOLUTIONS LIMITED – IN ADMINISTRATION

NOTES TO THE JOINT ADMINISTRATORS' ESTIMATE OF THE FINANCIAL POSITION OF THE COMPANY AS AT 23 AUGUST 2010

1. The Statement of Affairs does not take into account the costs of the Administration.
 2. The figures contained in the Statement of Affairs reflect information obtained from the Company's records and claims received from creditors to date.
 3. Metis Partners carried out a valuation of the goodwill of the company on 16 August 2010.
 4. Thainstone Specialist Auctions carried out a valuation of the moveable assets of the company on 16 August 2010 ranging from £3,285 to £17,285. As part of the sale £15,000 was agreed with the purchaser.
 5. The floating charge to Bank of Scotland was created after 15 September 2003 and therefore a prescribed part of the assets must be calculated in terms of Section 176A of The Insolvency Act 1986.
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RSM Tenon Recovery
Abcom Solutions Limited
Creditors with Statement of Affairs Figures

Key	Name	SofA 1	SofA2	SofA Total
CA00	AJG	878.91	0.00	878.91
CA01	Aures Technologies Limited	2,815.63	0.00	2,815.63
CA02	AWI Limited	4.68	0.00	4.68
CB01	Banctec	1,176.80	0.00	1,176.80
CB02	Box Technologies	2,730.10	0.00	2,730.10
CB03	Brigend Stores (Supplier)	2,145.82	0.00	2,145.82
CB04	British Telecom	305.69	0.00	305.69
CB05	Brora FC	225.00	0.00	225.00
CB06	Buyerzone	416.00	0.00	416.00
CC00	Caledonian Hotels	110.00	0.00	110.00
CC01	Craigvack Hotel	52.00	0.00	52.00
CC02	The County Hotel	211.05	0.00	211.05
CD00	Danwood Highland	91.01	0.00	91.01
CD01	The Danwood Group Limited	2,380.01	0.00	2,380.01
CD02	Datasharp	485.28	0.00	485.28
CD03	Datasym	2,656.49	0.00	2,656.49
CD04	Demon Internet	757.34	0.00	757.34
CD05	Digby Chicks (Supplier)	100.00	0.00	100.00
GD06	Dynam Graphics	2,120.87	0.00	2,120.87
CE00	EZ CCTV	95.76	0.00	95.76
CF00	FFEC Limited	405.15	0.00	405.15
CF01	Fidelity	1,175.87	0.00	1,175.87
CG00	Glenmoriston (Supplier)	170.00	0.00	170.00
CG01	Globus Technical	493.59	0.00	493.59
CH03	Henderson Partnership	14,583.31	0.00	14,583.31
CH04	Highland Airways	55.00	0.00	55.00
CH05	Highland Locksmiths	64.30	0.00	64.30
CH06	Highland Network	163.33	0.00	163.33
CH07	Highland News	91.99	0.00	91.99
CH09	Highland Council	188.00	0.00	188.00
CI00	Intelligent Business Systems	862.50	0.00	862.50
CI01	Intuit	124.18	0.00	124.18
CI02	Inverness Courier	1,003.28	0.00	1,003.28
CJ00	James Dow Office	28.29	0.00	28.29
CL00	Langleys	223.10	0.00	223.10
CL01	Loch Ness Lodge	253.50	0.00	253.50
CM00	MacLeans Highland	1,150.00	0.00	1,150.00
CM01	Merit Technology (Europe) Limited	42,964.75	0.00	42,964.75
CM02	Moray Licence Trade	85.00	0.00	85.00
CM03	Munro (Highland) Limited	117.47	0.00	117.47
CN00	National Hotel (Supplier)	180.06	0.00	180.06
CN01	Netalogue	182.77	0.00	182.77
CN02	Norcom	69.00	0.00	69.00
CO00	O2	350.41	0.00	350.41
CO01	One Stop Print Limited	116.33	0.00	116.33
CP00	PC POS	324.07	0.00	324.07
CP01	Peebles Media Group (SLTN)	2,085.63	0.00	2,085.63
CP02	Poolewe Hotel	64.50	0.00	64.50
CP03	Powergen	512.17	0.00	512.17
CP04	Powersupplies Online	334.45	0.00	334.45
CR00	Radiant Systems	5,159.70	0.00	5,159.70
CR01	Ralph Crook	67.62	0.00	67.62
CS00	Sato	31.28	0.00	31.28

RSM Tenon Recovery
Abcom Solutions Limited
Creditors with Statement of Affairs Figures

Key	Name	SofA 1	SofA2	SofA Total
CS01	SCI (Smart card)	219.67	0.00	219.67
CS02	Scottish Water	1.88	0.00	1.88
CS03	Shire Leasing	7,520.00	0.00	7,520.00
CS04	South East Licensed Trade	180.00	0.00	180.00
CS05	Stornoway Car Hire	103.50	0.00	103.50
CS06	Sumburgh Hotel	340.00	0.00	340.00
CT00	Taits	286.42	0.00	286.42
CT01	Tayroll	612.77	0.00	612.77
CT02	Thornton Darts Promotion	525.00	0.00	525.00
CT03	TNT	263.50	0.00	263.50
CT04	Toshiba TEC	9,917.59	0.00	9,917.59
CU00	Uist Parcel Services	52.88	0.00	52.88
CW00	Wetcover	43.01	0.00	43.01
CZ00	Zonal Rental Data Systems	23,915.43	0.00	23,915.43
67 Entries Totalling		137,420.69	0.00	137,420.69

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

It is anticipated that preferential creditors will be paid in full with a dividend paid to the floating charge creditor.

Any dividend payable to the ordinary creditors will be by way of the prescribed part calculated in terms of Section 176A of The Insolvency Act 1986.

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 £
Director and licensed Insolvency Practitioner	300
Associate Director	260
Senior Manager	240
Manager	210
Senior Administrator	190
Administrator	50
Cashier	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

[consider splitting out pre-appointment time in table if significant between costs in obtaining the order and other costs such as pre-packs etc. Provide detailed information about these costs below]

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

Provide details of why grades of staff used.

(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 date a total of 63.05 hours have been spent at an average charge out rate of £222.70 bringing the total cost to date to £14,041.50.

A summary table is attached.

Disbursements

4.1. Category 1

Category 1 disbursements incurred are outlined below:

	Incurred £	Paid £
Mileage/travel	48.20	
Specific penalty bond		
External storage		
Statutory advertising		
Insurance		
Total	<u>48.20</u>	<u></u>

The above costs exclude VAT.

4.2. Category 2 disbursements

Category 2 disbursements incurred are outlined below:

	Incurred £	Paid £
Postage/paper	72.50	
Total	<u>72.50</u>	<u></u>

The above costs exclude VAT.

Case Name		Abcom Solutions Limited - In Administration							
Period		23 August 2010 to 15 October 2010							
Classification of Work Function	Hours							Time Cost £	Average Hourly Rate £
	Director	Associate Director	Senior Manager	Manager	Other Senior Staff	Assistants & Support Staff	Total Hours		
Administration and Planning	0.50	5.20		8.60		3.25	17.55	3,548.50	202.19
Investigations				1.30			1.30	273.00	210.00
Realisation of Assets	2.20	13.30		16.80			32.30	7,646.00	236.72
Trading							-	-	-
Employee Matters		1.50		4.20			5.70	1,272.00	223.16
Retention of Title				3.50			3.50	735.00	210.00
Creditors				2.70			2.70	567.00	210.00
Total	2.70	20.00	-	37.10	-	3.25	63.05	14,041.50	222.70

Appendix IV

Joint Administrators' Receipts and Payments Account from 23 August 2010 to 15 October 2010

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

Statement of Affairs		From 23/08/2010 To 15/10/2010	From 23/08/2010 To 15/10/2010
	ASSET REALISATIONS		
15,000.00	Goodwill	10,000.00	10,000.00
15,000.00	Stock, Furniture & Equipment	NIL	NIL
40,000.00	Book Debts	2,643.96	2,643.96
	Bank Interest Gross	0.17	0.17
	Bank Interest Net of Tax	0.72	0.72
		<u>12,644.85</u>	<u>12,644.85</u>
	COST OF REALISATIONS		
	Agents/Valuers Fees(1)	695.00	695.00
	Legal Fees	6,122.50	6,122.50
		<u>(6,817.50)</u>	<u>(6,817.50)</u>
	COST OF ADMINISTRATION		
	Registers of Scotland	15.00	15.00
		<u>(15.00)</u>	<u>(15.00)</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>
(297,495.00)		<u>5,812.35</u>	<u>5,812.35</u>
	REPRESENTED BY		
	VAT Receivable		1,171.63
	Bank 1 - Current		4,640.72
			<u>5,812.35</u>

Alexander Iain Fraser
Joint Administrator