

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 1UD

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

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

	from	to
(b) Insert date(s)	(b) 23 August 2010	(b) 22 February 2011

Signed

Joint / Administrator(s)

Dated

5 APR 2011

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

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' Progress Report
for the period from 23 August 2010 to 22 February 2011
relating to**

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

Issued on: 5 April 2011

Alexander Iain Fraser and Thomas Campbell MacLennan of RSM Tenon Recovery 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 2010 to 22 February 2011

1. Statutory Information

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

2. Action taken by the Joint Administrators since their appointment

You will be aware from the Joint Administrator's proposals issued on 15 October 2010 and from the first letter to creditors issued on 24 August 2010 that a sale of the Company's business and assets was concluded on 24 August 2010.

Following the sale of the business and assets I have liaised with the purchaser to ensure that the purchase price instalments have been received as per the sale agreement.

The purchaser has been collecting book debts on behalf of the Joint Administrators however receipts to date have been poor.

The Joint Administrators have carried out all statutory duties to date.

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 2010 to 22 February 2011 at Appendix II.

I would comment about this account as follows:

The purchase price is being paid in instalments with the final payment due to be received in June 2011. The February 2011 instalment was received in March 2011.

Book debt collections have not been as successful as anticipated. The collection process is ongoing and legal action will be raised where appropriate. However there are a high number of individual debtors being due relatively low levels of debt and action will only be raised if it is cost effective to do so.

4. Future Actions of the Joint Administrators

The Joint Administrator's will monitor the collection of future installations in respect of the sale of assets and liaise with the purchaser for the best course of action in order to maximise the collection of book debts. The Joint Administrator's reserve the right to take such action as and when we deem appropriate and this is now being considered.

As previously advised, the Company's financial position means it has insufficient assets to pay a dividend to unsecured creditors, although I do anticipate being able to make a distribution of the prescribed part of the net property however this is dependent on successful collection of book debts.

It is anticipated that the purchase price in respect of the asset sale will be received in full by July 2011 and that the book debt collection process will conclude soon after to allow the Administration to conclude before the automatic end of the Administration on 23 August 2011.

If it is appropriate the Joint Administrators can apply for the Administration to be extended for a period of six months with creditor consent or for a specified period following an application to Court. The Joint Administrator's will monitor the progress of asset realisations and, if required, make an application to the creditors or Court as appropriate.

On the basis that any return to the unsecured creditors will be by way of a distribution of the prescribed part, the consent of the preferential and secured creditors only is required.

5. Joint Administrators' Remuneration and Expenses

To the date this report is prepared, my time costs amount to £29,643.00, representing 133.85 hours work at an average charge out rate of £221.46. Appendix III contains more information about my remuneration and expenses, including an analysis of the hours worked.

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. An application for approval of my time costs to date will be sent to these creditors and reported to you under separate cover.

Please go to www.rsmtenton.com/creditorguides if you require further information relating to Administrator's Remuneration. Alternatively a copy is available free of charge upon request from the address below.

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 23/08/2010 To 22/02/2011	From 23/08/2010 To 22/02/2011
	ASSET REALISATIONS		
15,000.00	Goodwill	10,000.00	10,000.00
15,000.00	Stock, Furniture & Equipment	9,286.00	9,286.00
40,000.00	Book Debts	5,463.50	5,463.50
	Bank Interest Gross	3.03	3.03
	Bank Interest Net of Tax	0.72	0.72
		<u>24,753.25</u>	<u>24,753.25</u>
	COST OF REALISATIONS		
	Agents/Valuers Fees(1)	695.00	695.00
	Legal Fees	6,122.50	6,122.50
	Book Debt Collection Commission	273.18	273.18
		<u>(7,090.68)</u>	<u>(7,090.68)</u>
	COST OF ADMINISTRATION		
	Specific Bond	158.00	158.00
	Registers of Scotland	15.00	15.00
		<u>(173.00)</u>	<u>(173.00)</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>
<u>(297,495.00)</u>		<u>17,489.57</u>	<u>17,489.57</u>
	REPRESENTED BY		
	VAT Receivable		1,199.28
	Bank 1 - Current		13,833.56
	Office		(185.65)
	Suspense Account		2,642.38
			<u>17,489.57</u>



Alexander Iain Fraser
Joint Administrator
01 April 2011 09:48

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	220
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 the date this report is prepared, my time costs amount to £29,643.00, representing 133.85 hours work at an average charge out rate of £221.46.

A summary table is attached.

Disbursements

4.1. Category 1

Category 1 disbursements incurred are outlined below:

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

The above costs exclude VAT.

4.2. Category 2 disbursements

Category 2 disbursements incurred are outlined below:

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

The above costs exclude VAT.

SIP9 Summary

RSM Tenon

5510302 Abcom Solutions Ltd Administration

23/08/2010 to 22/02/2011

Project Name	Transferable to other	Manager	Other Staff Resource	Assigned Staff Support Staff	Total Staff	Charge	Avg Rate
Administration and planning	8.20	50.60	0.00	4.85	63.65	14,339.50	225.29
Creditors	1.30	21.00	0.00	5.90	28.20	5,430.50	192.57
Investigations	2.00	8.00	0.00	0.00	10.00	2,280.00	228.00
Realisation of assets	2.50	29.50	0.00	0.00	32.00	7,593.00	237.28
Trading	0.00	0.00	0.00	0.00	0.00	0.00	NaN
Hours	14.00	109.10	0.00	10.75	133.85		
Charge	4,200.00	24,328.50	0.00	1,114.50		29,643.00	