

23 June 2014

**TO ALL KNOWN CREDITORS**

Our ref

BB/CP/EC/IDA0017/4

When calling please ask for **Emma Corser**  
Email address [ecorser@kingstonsmith.co.uk](mailto:ecorser@kingstonsmith.co.uk)

Dear Sirs

**05753845 LIMITED FORMERLY KNOWN AS ADAPTIVE DESIGNS LIMITED - IN LIQUIDATION ("the Company")**

Ian Mark Defty was appointed as Liquidator of the above named Company on 6 September 2011

Mr Defty has retired from Practice and following an application to the High Court dated 28 March 2014, Mr Defty ceased to act as Liquidator in this matter on 4 April 2014. I was appointed in his place from the same date. A copy of the Order can be found on our website at [www.kspllp.co.uk](http://www.kspllp.co.uk). Simply enter the Creditor Zone and logon using the following details:

Username    defty  
Password    courto


Should you require a hard copy of the attachments, please contact this office and they will be provided free of charge.

This Report provides a summary of the progress of the case, from 6 September 2013 to the date of transfer, 4 April 2014.

For your information, my appointment date is 4 April 2014 and I am licensed to act as an Insolvency Practitioner in the UK by the ICAEW.

If you have any queries regarding this Report, please contact Angela Jarvis on 0207 566 4020.

Yours faithfully



**BRIAN BAKER**  
Liquidator

Encs

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Also at: Reckitt, St Albans, Heathrow, Romford, West End (London)

A list of partners is available for inspection at the above address.  
All insolvency practitioners are licensed in the United Kingdom by the Institute of Chartered Accountants in England and Wales.  
Partners acting as administrative receivers, administrators or supervisors of voluntary arrangements act as agents for the debtor and without personal liability.

Registered in England and Wales as a Limited Liability Partnership: No OC304165  
Registered office: Devonshire House, 60 Goswell Road, London EC1M 7AD



# **Liquidator's Annual Progress Report to Creditors**

**05753845 Limited**

**- In Compulsory Liquidation**

**4 April 2014**

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- C Cumulative Time Analysis for the Period from 6 September 2011 to 4 April 2014
- D Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9

## **1 Introduction and Statutory Information**

- 1 1 Ian Defty of Kingston Smith & Partners LLP, 105 St Peters Street, St Albans, Herts AL1 3EJ, was appointed as Liquidator of 05753845 Limited ("the Company") formerly known as Adaptive Designs Limited on 6 September 2011 following the presentation of a petition for the compulsory winding up of the Company made on 20 May 2011 in the Newcastle-upon-Tyne County Court under Court reference number 729 of 2011
- 1 2 Following an application to the High Court dated 28 March 2014, from 4 April 2014 Ian Mark Defty ceased to act as Liquidator in this matter and I was appointed as Liquidator in his place
- 1 3 This Report provides a summary of the progress of the case, from 6 September 2013 to the date of transfer, 4 April 2014
- 1 4 The trading address of the Company was 80 South View, East Denton, Newcastle-upon-Tyne NE5 2BQ
- 1 5 The registered office of the Company has been changed to 105 St Peter's Street, St Albans, Herts AL1 3EJ and its registered number is 05753845

## **2 Realisation of Assets**

- 2 1 There are no known assets in the Liquidation

## **3 Investigations**

- 3 1 Further to my Annual Report to Creditors dated 4 October 2013 I have been informed that the Company directors have taken steps to emigrate from the United Kingdom. As a result I instructed solicitors to apply for a freezing injunction against the directors assets in order to protect my position
- 3 2 An interim charging order was approved by the Court in December 2013 following which a hearing for a final charging order was set for March 2014
- 3 3 In January 2014, I was informed that Barclays Bank had appointed a Receiver over one of the director's properties. The value of the secured charges is estimated to be in excess of the value of the property and as such it is not known whether there will be any equity available to the bankruptcy estate. My enquiries in respect of this matter are continuing
- 3 4 In March 2014, the Court approved my application for a final charging order against the director's assets
- 3 5 I have since been advised that Bank of Scotland have commenced possession proceedings regarding the second of the directors properties. I am aware of a potential buyer and anticipate that there will be equity available to the Liquidation estate following satisfaction of their secured charge
- 3 6 I am currently in correspondence with my solicitors in respect of an application for an order for sale in order to realise my interest

## **4 Creditors**

### ***Secured Creditors***

- 4 1 There are no secured creditors in the Liquidation

### ***Preferential Creditors***

4 2 There are no preferential creditors in the Liquidation

### ***Unsecured Creditors***

4 3 I have received claims totalling £400,964 80 from 2 creditors I am not aware of any additional creditors

4 4 At present it is unknown whether a distribution will be made to unsecured creditors

### **5 Liquidator's Remuneration**

5 1 The Creditors approved that the basis of the Liquidator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the Liquidation

5 2 My time costs for the period from 6 September 2013 to 4 April 2014 are £16,986 This represents 38 42 hours at an average rate of £442 11 per hour Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the Liquidation

5 3 As you will see from Appendix B the majority of time incurred in this period is recorded in the administration and planning section This represents time spent in liaising with my solicitors in respect of on-going litigation together with statutory filing and general administration

5 4 Considerable time has also been spent in the investigations section This includes time spent in the review of litigation documentation relating to Court action undertaken by me together with various information requests in relation to additional information received in the course of my investigations

5 5 The remaining time has been split between creditors and asset realisation depending on the task completed

5 6 Also attached as Appendix C is a cumulative Time Analysis for the period from 6 September 2011 to 4 April 2014 which provides details of my time costs since appointment Total costs to date amount to £78,606 76 representing 245 92 at an average rate of £319 64 per hour

5 7 To date, no fees have been drawn

5 8 Attached as Appendix D is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade

5 9 Since 6 September 2011 no Category 2 disbursements have been drawn

## 6 Liquidator's Expenses

6.1 The following expenses have been incurred but remain unpaid since my appointment

Supplier / Service Provider	Nature of expense incurred	Amount incurred to date	Paid to date	Amount outstanding
Marsh	Specific Bond	10 00	0	10 00
Companies House	Company searches	13 00	0	13 00
HM Land Registry	Land Searches	80 00	0	80 00
Rowlands	Postage of accounts records	9 05	0	9 05
Kingston Smith & Partners LLP	Photocopies	22 20	0	22 20
Royal Mail	Postage	8 69	0	8 69
TMP Reynell	Statutory Advertising	65 87	0	65 87
1 <sup>st</sup> Class	Transcription costs	90 85	0	90 85
Various	Travel	350 66	0	350 66
Housemans Solicitors	Legal costs	22,757 00	245 00	22,512 00
Housemans Solicitors	Disbursements	560 00	0	560 00
Housemans Solicitors	ATE Policy	12,000 00	0	12,000 00
Counsel's Fee	Legal Costs	42,375 00	0	42,375 00

## 7 Creditors' rights

- 7.1 Within 21 days of the receipt of this Report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this Progress Report
- 7.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this Progress Report make an application to Court on the grounds that, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this Progress Report, are excessive





**8 Next Report**

- 8 1 I am required to provide a further report on the progress of the Liquidation within two months of the end of the next anniversary of the Liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my Final Progress Report ahead of convening the final meeting of creditors

Yours faithfully



**BRIAN BAKER**  
Liquidator

Encs

## **Appendix A**

**Receipts and Payments Account from 6 September 2013 to 4 April 2014 and cumulative Receipts and Payments Account for the period from 6 September 2011 to 4 April 2014**



**05753845 Limited - Formerly Known As Adaptive Designs  
(In Liquidation)**

**Summary of Receipts & Payments**

<b>RECEIPTS</b>	<b>Statement of Affairs (£)</b>	<b>From 06/09/2011 To 05/09/2013 (£)</b>	<b>From 06/09/2013 To 04/04/2014 (£)</b>	<b>Total (£)</b>
Petitioners Deposit		1,000 00	0 00	1,000 00
		<b>1,000.00</b>	<b>0.00</b>	<b>1,000 00</b>
<b>PAYMENTS</b>				
O R Remuneration		2,235 00	0 00	2,235 00
Bank Charges		160 00	66 00	226 00
Judgement Debts (2)	(72,431 00)	0 00	0 00	0 00
Ordinary Shareholders	(2 00)	0 00	0 00	0 00
		<b>2,395.00</b>	<b>66 00</b>	<b>2,461 00</b>
<b>Net Receipts/(Payments)</b>		<b>(1,395.00)</b>	<b>(66.00)</b>	<b>(1,461 00)</b>
<b>MADE UP AS FOLLOWS</b>				
ISA IB		(1,395 00)	(66 00)	(1,461 00)
		<b>(1,395 00)</b>	<b>(66 00)</b>	<b>(1,461.00)</b>



Brian Baker  
Liquidator



05753845 Limited

## Summary of Fees and Expenses

From 06/09/2013 to 04/04/2014

## Time Costs

The following is a summary of the time costs incurred by the Office Holder and his staff in the administration of this matter. It should be read in conjunction with the Office Holder's Report for the period referred to above.

Work Activity	Partner Hrs	Manager / Supervisor Hrs	Administrator Hrs	Other Hrs	Total Hrs	Time Costs (£)	Average Costs (£)
Administration & Planning	9 58	1 92	5 33	0 50	17 33	9,074 00	523 50
Case Planning/Information	9 50		1 00		10 50	6,862 50	653 57
Strategy reviews/Checklists/Diary	0 08	1 33	2 50		3 92	1,383 58	353 25
General Admin/Billing/Filing		0 42	1 83		2 25	692 09	307 60
Post Appointment VAT & CTax		0 17		0 50	0 67	135 83	203 75
Investigations	0 17	8 92	9 50		18 58	7,189 17	386 86
Strategy, planning, meetings and	0 17	1 25	2 50		3 92	1,424 17	363 62
Information capture/initial		5 42	0 67		6 08	2,856 67	469 59
Litigation - document review		2 25	5 58		7 83	2,705 00	345 32
Retrieval, review & analysis of debtors			0 75		0 75	203 33	271 11
Creditors		0 33	1 92		2 25	663 33	294 81
Correspondence/Preparation of		0 33	1 92		2 25	663 33	294 81
Realisation of Assets			0 25		0 25	59 50	238 00
Freehold & Leasehold			0 25		0 25	59 50	238 00
<b>Grand Total</b>	<b>9 75</b>	<b>11 17</b>	<b>17 00</b>	<b>0.50</b>	<b>38 42</b>	<b>16,986 00</b>	

## Notes

1 All costs are shown excluding VAT and include an element of undrawn work in progress. It should also be noted that the office holder's fees and other expenses included in his Abstract Receipts and Payments, will include irrecoverable VAT, where the insolvent was not formerly registered for VAT.

2 The time accounting system utilised by Kingston Smith & Partners LLP does not allow for analysis of time, by task, prior to 30 November 2002.

## Disbursements

## Category 1 Disbursements

257 40

These are out of pocket expenses which are directly attributable to the case. These are charged to the case and billed as funds allow.

## Category 2 Disbursements

These are costs which are allocated to the case, where no direct costs are applicable. In this case, category 2 disbursements have been charged to the case as follows:







05753845 Limited

## Summary of Fees and Expenses

From 06/09/2011 to 04/04/2014

## Time Costs

The following is a summary of the time costs incurred by the Office Holder and his staff in the administration of this matter. It should be read in conjunction with the Office Holder's Report for the period referred to above.

Work Activity	Partner Hrs	Manager / Supervisor Hrs	Administrator Hrs	Other Hrs	Total Hrs	Time Costs (£)	Average Costs (£)
Administration & Planning	28 08	5 00	26 75	1 50	61 33	26,584 35	433 44
Case Planning/Information	24 75		9 67		34 42	18,201 76	528 86
General Admin/Billing/Filing	1 25	1 25	8 67	0 50	11 67	3,368 39	288 72
Post Appointment VAT & CTax	0 08	0 17	0 08	1 00	1 33	298 92	224 19
Set-up Administration/IPS/Initial	0 33	0 75	3 50		4 58	930 08	202 93
Statutory filing with Court, Companies	0 08		0 17		0 25	61 51	246 04
Strategy reviews/Checklists/Diary	1 58	2 83	4 58		9 00	3,710 27	412 25
Dealing with company/Debtor re			0 08		0 08	13 42	161 04
Investigations	2 42	49 50	126 25		178 17	50,255 56	282 07
Information capture/initial	0 17	15 00	12 33		27 50	10,107 45	367 54
Strategy, planning, meetings and	2 25	16 42	25 33		44 00	14,062 02	319 59
Litigation - document review		15 08	44 50		59 58	19,175 84	321 83
Retrieval, review & analysis of debtors		3 00	44 08		47 08	6,910 25	146 77
Realisation of Assets		0 08	0 33		0 42	106 34	255 22
Identification, securing, insuring &		0 08	0 08		0 17	46 84	281 04
Freehold & Leasehold			0 25		0 25	59 50	238 00
Creditors		1 33	4 67		6 00	1,660 51	276 75
Correspondence/Preparation of		1 33	4 50		5 83	1,633 67	280 06
Claims/Proofs			0 17		0 17	26 84	161 04
<b>Grand Total</b>	<b>30 50</b>	<b>55 92</b>	<b>158 00</b>	<b>1 50</b>	<b>245 92</b>	<b>78,606 76</b>	

## Notes

1 All costs are shown excluding VAT and include an element of undrawn work in progress. It should also be noted that the office holder's fees and other expenses included in his Abstract Receipts and Payments, will include irrecoverable VAT, where the insolvent was not formerly registered for VAT.

2 The time accounting system utilised by Kingston Smith & Partners LLP does not allow for analysis of time, by task, prior to 30 November 2002.

## Disbursements

## Category 1 Disbursements

871 93

These are out of pocket expenses which are directly attributable to the case. These are charged to the case and billed as funds allow.

## Category 2 Disbursements

These are costs which are allocated to the case, where no direct costs are applicable. In this case, category 2 disbursements have been charged to the case as follows:

Photocopies	22 20
Postage	8 69
	<u>30.89</u>

## Appendix D

### ADDITIONAL INFORMATION IN RELATION TO LIQUIDATOR'S FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)

#### 1 Policy

Detailed below is Kingston Smith & Partners LLP's policy in relation to

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

##### 1.1 *Staff allocation and the use of subcontractors*

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Partner, Manager, Administrator and/or an Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

We are not proposing to utilise the services of any sub-contractors in this case.

##### 1.2 *Professional advisors*

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Housemans Solicitors (legal advice)	CFA basis
Marsh (insurance)	Scale rate

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

##### 1.3 *Disbursements*

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the

appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage

On this case the following Category 2 disbursements have been incurred since appointment

Type and purpose	£
Photocopies	8 69
Postage	22 20

## 2 Charge-out rates

A schedule of Kingston Smith & Partners LLP charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved. Below are details of this firm's charge out rates which have been applied with effect from 1 November 2013

	Per Hour £
<b>Partner</b>	433 to 695
<b>Senior Manager</b>	314 to 550
<b>Assistant Manager/Manager</b>	275 to 495
<b>Other Senior Professionals</b>	
Supervisor	238 to 285
Senior Administrator	222 to 230
Administrator	167
Junior Administrator	140
<b>Support Staff</b>	
Experienced Cashier	238
Cashier	167
Support	105

Please note that this firm records its time in minimum units of 5 minutes