



**Administrator's  
Final Progress Report  
For the period  
9 October 2012 to Date**

**Client Connection Limited  
- In Administration**

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## THE ADMINISTRATOR'S FINAL PROGRESS REPORT

### 1 Statutory information

1 1 I was appointed Administrator of the Company on 9 October 2012. The application for the appointment of an Administrator was made by the Company on 9 October 2012.

This Administration is being handled by Sharma & Co, 257 Hagley Road, Birmingham, B16 9NA.

1 2 Details of the Administration are at the High Court, Birmingham District Registry, Reference Number 8475 of 2012.

1 3 The trading address of the Company was 2<sup>nd</sup> Floor, Princess House, Princess Way, Swansea, SA1 1SD. The business traded under the names Lifestyle Claims and/or Money Claiming Experts.

1 4 The registered office of the Company is C/o Sharma & Co, 257 Hagley Road, Birmingham, B16 9NA and its registered number is 06637623.

1 5 In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the function of the Administrators may be exercised by either or both, acting jointly or alone.

### 2 Administrator's Proposals

2 1 As previously advised, the Administrator must perform her functions with the purpose of achieving one of the following objectives:

- Rescuing the Company as a going concern, or
- Achieving 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
- Realising property in order to make a distribution to one or more secured or preferential creditors.

2 2 The second objective was considered achievable by way of a pre-packaged sale of the business and assets of the Company, namely the on-going Claims Book and Goodwill.

2 3 There have been no major amendments to or deviations from the above strategy.

**3 Progress of the Administration**

3 1 Attached at Appendix A is my Receipts and Payments Account for the period from 9 April 2013 to date Attached at Appendix B is my Cumulative Receipts and Payments Account for the period from 9 October 2012 to date

3 2 As previously reported a sale of the Company's business and assets was concluded on 9 October 2012 immediately following my appointment

3 3 As part of that sale the purchaser was to pay 10% of the Claim Monies received, such sums to be calculated and paid at the beginning of each calendar month commencing on 1 December 2012 I have received these payments in line with the agreement and these are reflected in the attached receipts and payments accounts

3 4 The amounts received have been reducing on a monthly basis as expected due to the completion of claims I have been made aware by the purchasers Redhawk Legal Ltd ("Redhawk") that although there are a number of claims still outstanding the likelihood of a return is uncertain

3 5 On this basis I consider that it would not be beneficial to creditors to keep the Company in Administration on the foundation of an uncertain minimal return I have therefore negotiated a one off settlement payment from Redhawk for the outstanding claims

3 6 The sum of £1,000 was agreed and was received on 23 September 2013 and is reflected in the attached receipts and payments account

3 7 The receipts and payments also reflects £2,817 05 in respect of Cash at bank, £0 62 in respect of book debt receipts and £9 76 in respect of Bank Interest

3 8 The sale was also to include 10% of all sums that are recovered by the Office Holder and paid to the buyer from monies held in merchant accounts as a result of previous activity undertaken by the Company

3 9 As previously reported a large number of numbers had failed claims and therefore have completed a chargeback with regards to the upfront fees they paid to the Company This has led to a deficit in the funds held and a negative net position in the merchant accounts

3 10 No further realisations are anticipated in the Administration in respect of the sale

3 11 As previously reported that transaction was completed by way of a pre-packed sale to an unconnected party The appropriate SIP 16 disclosures have been made in my previous reports

#### 4 Administrator's Remuneration

4 1 The Creditors approved that the basis of the Administrator's remuneration be fixed by reference to the time properly spent by her and her staff in managing the Administration

4 2 The following time has been spent in administration of the company's affairs -

Classification of work function	Partner	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost £
Administration And planning		22.90	11.50	34.40	6,582.50
Investigations		3.60		3.60	990.00
Asset Realisations		27.80		27.80	7,237.50
Creditors	37.00	481.40	120.10	638.50	125,985.00
Case Specific (Postage)			2.00	2.00	250.00
Total Time Costs	37.00	535.70	133.60	706.30	
					141,045.00
Fees Drawn on Account					58,795.11
Balance Outstanding					82,249.89

4 3 The Administrator's time costs to date are £141,045 00 This represents 706 30 hours at an average rate of £199 70 per hour

4 4 The above categories cover the following activities -

Administration and Planning	Case Planning Administrative set-up Appointment notification Maintenance of records Statutory reporting
Investigations	SIP 2 review CDDA reports Investigating antecedent transactions
Realisation of Assets	Identifying, securing, insuring assets Retention of title Debt collection Property, business and asset sales
Creditors	Communication with creditors Creditors' claims (including employees' and other preferential creditors') Correspondence and telephone calls with customers Dealing with high volume of unsecured creditors

A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from <http://www.insolvency-practitioners.org.uk/page.aspx?pageID=104> Details of Sharma & Co's charge out policy and rates are attached at Appendix D

4 5 The disbursements charged to the estate comprise of external supplies of incidental services specifically identifiable to the case, such as insurances, case advertising, invoiced travel, external room-hire and document storage

4 6 To date, the following external disbursements (Category 1) have been paid -

	£
Specific Bond	400 00
Statutory Advertising	237 60
Court Fees	35 00
Companies House Fees	5 00
Agents Valuation	5,000 00
Legal Fees	6,492 50
	<hr/>
	<b>12,170.10</b>

4 7 Attached at Appendix C are details of the Administrators time costs from 9 April 2013 to date

4 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 Professional Advisers

5 1 On this assignment I have used the following professional advisers -

- o Clement Keys – Accountants/Valuers
- o HCB Solicitors Limited – Solicitors

5 2 My choice of adviser was based on my perception of their experience and ability to perform this type of work, the complexity and nature of this assignment and the basis of the fee arrangement

## 6 Outcome for creditors

### 6 1 *Secured Creditors*

6 1 1 The Company has no registered charges and therefore no secured creditors

6 1 2 Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors, which only applied to charges created after 15 September 2003

### 6 2 *Preferential Creditors*

6 2 1 By virtue of the Pre-Packaged sale, the Company has no preferential creditors

### 6 3 *Unsecured Creditors*

6 3 1 I received claims totalling £3,196,867 64 from 2,683 creditors

6 3 2 I can confirm that the realisations are insufficient to declare a dividend to the unsecured creditors

## 7 Ending the Administration

7 1 The sale has been completed as per the Administrators Proposals and no further realisations are anticipated



- 72 As there are insufficient realisations to make a distribution to unsecured creditors I enclose Form 2 35B, Notice of Move from Administration to Dissolution
- 73 The Administrator will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon her appointment as Administrator ceasing to have effect

Yours faithfully,  
For & On Behalf of  
Client Connection Limited



**Mrs GD Sharma**  
**Administrator**  
*Licensed to practise as an Insolvency Practitioner  
in the UK by the Insolvency Practitioners Association*

*Enc*

*Mrs G D Sharma was appointed Administrator of Client Connection Limited on 9 October 2012 The affairs, business and property of the Company are being managed by the Administrator Please note the Administrator acts without Personal Liability*

**Client Connection Limited  
(In Administration)  
Administrator's Summary of Receipts & Payments**

	Statement of Affairs (£)	From 9/04/2013 To Date (£)	Total  (£)
<b>RECEIPTS</b>			
Book Debts			
Cash at Bank	220,835 88		
Sale of Business	50,000 00	24,594 64	24,594 64
Bank Interest Gross		8 89	8 89
		<u>24,603.53</u>	<u>24,603.53</u>
<b>PAYMENTS</b>			
Specific Bond		100 00	100 00
Administrators Fees		31,295 11	31,295 11
Court Fees			
Agents/Valuers Fees			
Legal Fees		2,500 00	2,500 00
Companies House Fees		5 00	5 00
Statutory Advertising			
		<u>33,900.11</u>	<u>33,900.11</u>
<b>Net Receipts/(Payments)</b>		<u><u>(9,296.58)</u></u>	<u><u>(9,296.58)</u></u>
<b>MADE UP AS FOLLOWS</b>			
Balance b/f		7,329 10	
Bank 1 Current		(9,296 58)	
Bank Interest		6 15	
VAT Control Account		1,961 33	
		<u>0.00</u>	

**Client Connection Limited  
(In Administration)  
Administrator's Summary of Receipts & Payments**

	Statement of Affairs (£)	From 9/10/2012 To 8/04/2013 (£)	From 9/04/2013 To Date (£)	Total (£)
<b>RECEIPTS</b>				
Book Debts		0 62		0 62
Cash at Bank	220,835 88	2,817 05		2,817 05
Sale of Business	50,000 00	43,453 26	24,594 64	68,047 90
Bank Interest Gross		6 15	8 89	15 04
		<u>46,277 08</u>	<u>24,603 53</u>	<u>70,880 61</u>
<b>PAYMENTS</b>				
Specific Bond		300 00	100 00	400 00
Administrators Fees		27,500 00	31,295 11	58,795 11
Court Fees		35 00		35 00
Agents/Valuers Fees		5,000 00		5,000 00
Legal Fees		3,992 50	2,500 00	6,492 50
Companies House Fees			5 00	5 00
Statutory Advertising		153 00		153 00
		<u>36,980 50</u>	<u>33,900.11</u>	<u>70,880.61</u>
<b>Net Receipts/(Payments)</b>		<u>9,296 58</u>	<u>(9,296 58)</u>	<u>0 00</u>

**Client Connection Limited  
(In Administration)**

Liquidators Time Costs from 9 April 2013 to date

The following time has been spent in administration of the company's affairs -

<b>Classification Of work function</b>	<b>Office Holder</b>	<b>Senior Professionals</b>	<b>Assistants &amp; Support Staff</b>	<b>Total Hours</b>	<b>£</b>
Administration And planning		3.20	6.50	9.70	1,672.50
Investigations					
Realisation of assets					
Creditors		92.00	44.00	136.00	23,372.50
<b>Total Time Costs</b>					<b>25,045.00</b>

My time costs for the period from 9 April 2013 to date are as detailed above £25,045.00 This represents 145.70 hours at an average rate of £171.89 per hour

## **SHARMA & CO**

### **CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT**

#### **Charging Policy**

- Directors, managers, administrators, cashiers and support staff are allocated an hourly charge out rate which is reviewed from time to time
- Work undertaken by cashiers and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by directors, managers and administrators
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate
- Time is recorded in actual minute units
- Time billed is subject to Value Added Tax (VAT) at the applicable rate

#### **Expenses and disbursements policy**

- Only expenses and disbursements properly incurred in relation to an insolvency estate are recharged to the insolvency estate
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to creditors, but do not require creditors' approval prior to being drawn from the insolvency estate. These are known as "Category 1" disbursements
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) require the approval of creditors prior to being drawn from the insolvency estate. These are known as "Category 2" disbursements
- General office overheads are not recharged to the insolvency estate as a disbursement
- Any payments to outside parties in which the office holder or her firm or any associate has an interest will only be made with the approval of creditors
- Where applicable, expenses and disbursements recharged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate

#### **Disbursements**

In accordance with Statement of Insolvency Practice 9 (SIP9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either category 1, being expenses directly referable to a third party, e.g. statutory advertising, external meeting room hire, specific bond insurance and courier costs, external archive, storage and subsequent destruction and Company Search fees, or Category 2, being expenses incurred by the firm and recharged to the estate, which may include a profit element, e.g. postage, stationary and storage

Category 1 disbursements are recoverable in full from the estate without prior approval from creditors

Category 2 disbursements are not charged by this firm

#### **Agent's Costs**

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes

- Solicitors/Legal Advisors

- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

### **Charge-out Rates**

It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it

<b>Grade</b>	<b>Charge-out rate (£ per hour)</b>
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Partner	370
Manager	275
Other Senior Professionals	150-175
Assistant & Support Staff	100-125

Sharma & Co's charge out rates are reviewed periodically