

The Insolvency Act 1986

# Administrator's progress report

|  |                                   |
|--|-----------------------------------|
| Name of Company<br>Client Connection Limited   | Company number<br>06637623        |
| In the High Court of Justice,<br>Chancery Division, Birmingham District Registry<br>[full name of court] | Court case number<br>8475 of 2012 |

(1) Insert full name(s) and address(es) of administrator(s)

I / We (a) Gagen Dulari Sharma, Sharma & Co, 257 Hagley Road, Birmingham, B16 9NA

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

(b) Insert dates

from (b) 9 October 2012 to (b) 8 April 2013

Signed *G D Sharma*  
Joint/ Administrator(s)

Dated 1 May 2013

### 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 members of the company.

|  |             |
|--|-------------|
| Gagen Sharma, 257 Hagley Road, Birmingham, B16 9NA |             |
|  |             |
| Tel 0121 454 2700                                  |             |
| DX Number  | DX Exchange |

you have completed and signed this form please send it to the Registrar of Companies at Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff

WE SATURDAY



\*A293C9TD\*  
A02 25/05/2013 #303  
COMPANIES HOUSE  
\*A2/Y99HL\*  
A22 08/05/2013 #258  
COMPANIES HOUSE

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NOT FOR PUBLICATION**

**CLIENT CONNECTION LIMITED**

**ADMINISTRATOR'S PROGRESS REPORT  
FOR THE PERIOD 9 OCTOBER 2012 TO 8 APRIL 2013**

Our ref: GDS/TL/C775/X

1 May 2013

TO: THE REGISTRAR OF COMPANIES,  
COURT & ALL KNOWN CREDITORS

**Sharma & Co**  
CORPORATE RECOVERY AND INSOLVENCY

Dear Sirs

**Client Connection Limited t/a Lifestyle Claims and Money Claiming Experts  
– In Administration  
In The High Court Of Justice Chancery Division  
Birmingham District Registry No 8475 of 2012**

**Registered Office:-**

**Was: 2<sup>nd</sup> Floor Princess House, Princess Way, Swansea, SA1 1SD**

**Now: 257 Hagley Road, Birmingham, B16 9NA**

**Co. Reg. No: 06637623**

**VAT No: 989 8004 61**

In accordance with Rule 2 47 of the Insolvency Rules 1986, I now present my report on my progress in the above matter, together with my receipts and payments account for the period

Creditors will recall that I was appointed Administrator of the Company by Order of the High Court of Justice, Birmingham District Registry, Chancery Division on 9 October 2012 This application was made by the Company

### **1. Progress of the Administration**

1 1 Attached at Appendix A is my Receipts and Payments Account for the period from 9 October 2012 to 8 April 2013

1 2 As per my initial report dated 15 October 2012 and my proposals dated 27 November 2012 a sale of the Company's business and assets was concluded on 9 October 2012 immediately following my appointment

1 3 As part of that sale the purchaser was to pay 10% of the Claim Monies, such sums to be calculated and paid at the beginning of each calendar month commencing on 1 December 2012 I have received the first four months payments which are reflected in the attached Receipts and Payments account The next payment is now due and I am awaiting receipt

1 4 Due to the sale the Company did not continue to trade and the realisations to date have been made in line with that sale agreement as detailed above

1 5 There have been no changes to the strategy outlined in the proposal report

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Birmingham  
B16 9NA

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www.sharmaandco.com



## **2. Assets still to be realised**

- 2.1 As detailed in the Administrators Proposals the Company's bank accounts were held by a Barclays Bank plc I have been in correspondence with Barclays regarding any balance in the bank accounts
- 2.2 As per the sale 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, forms part of the consideration
- 2.3 I am aware that a large number of customers had failed claims and therefore have completed a chargeback with regards to the upfront fees they paid to the Company Barclays were attempting to claim set off in respect of the chargebacks, however this matter is still being investigated

## **3. Estimated outcome for creditors**

### **3.1 Secured Creditors**

- 3.1.1 The Company has no registered charges and therefore no secured creditors Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors, which only applies to charges created after 15 September 2003

### **3.2 Preferential Creditors**

- 3.2.1 There were no preferential creditors in respect of this Company

### **3.3 Unsecured Creditors**

- 3.3.1 I have received claims totalling £2,671,885.81 from 2,013 creditors I have yet to receive claims from 594 I am still being contacted by customers whose claims have failed and are therefore unsecured creditors of the Company I therefore expect this number to increase
- 3.3.2 Due to the level of costs and high volume of creditors in this matter I do not anticipate there being sufficient funds to distribute to unsecured creditors

## **4. Investigation Work**

- 4.1 Investigations have been completed into the failure of the Company as required by Statement of Insolvency Practice 2
- 4.2 The Company Directors Disqualification Act 1986 requires that the Administrator submit a return to the Department for Business Innovation & Skills (BIS) in respect of the Directors conduct in all cases
- 4.3 Such return has now been submitted As this is a confidential report, I am not able to disclose the contents

## 5. Administrator's Remuneration and Disbursements

5.1 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, at a meeting held by correspondence on 14 December 2012

5.2 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     |              | 19.70                      |                            | 19.70         | 4,285.00                |
| Investigations                  |              | 3.60                       |                            | 3.60          | 990.00                  |
| Asset Realisations              |              | 27.80                      |                            | 27.80         | 7,237.50                |
| Creditors                       | 37.00        | 388.80                     |                            | 425.80        | 92,995.00               |
| <b>Total Time Costs</b>         | <b>37.00</b> | <b>439.90</b>              |                            | <b>476.90</b> | <b>105,507.50</b>       |
| <b>Fees Drawn on Account</b>    |              |                            |                            |               | <b>27,500.00</b>        |
| <b>Balance Outstanding</b>      |              |                            |                            |               | <b><u>78,007.50</u></b> |

5.3 The Administrator's time costs at 8 April 2013 are £105,507.50. This represents 476.90 hours at an average rate of £221.24 per hour.

The above categories cover the following activities -

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

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](http://practitioners.org.uk/page.aspx?pageID=104) Details of Sharma & Co's charge out policy and rates are attached

5.4 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

**To date, the following external disbursements (Category 1) have been paid:-**

|                       | £        |
|-----------------------|----------|
| Specific Bond         | 300 00   |
| Statutory Advertising | 153 00   |
| Court Fees            | 35 00    |
| Agents Valuation      | 5,000 00 |
| Legal Fees            | 3,992 50 |
|                       | <hr/>    |
|                       | 9,480 50 |

5.5 Attached as Appendix B 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

## **6. Professional Advisers**

6.1 On this assignment I have used the following professional advisers -

- o Clement Keys - Accountants
- o HCB Solicitors Limited - Solicitors

6.2 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

## **7. Ending the Administration**

### **7.1 Creditors Voluntary Liquidation**

7.1.1 If the Administrator thinks a dividend will be paid to the unsecured creditors. In this situation, the Administrator will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation (CVL). As per the proposals agreed at a meeting of creditors held by correspondence on 14 December 2012 the Administrator will also become the Liquidator of the CVL.

### **7.2 Dissolution of the Company**

7.2.1 If the Administrator thinks that the Company has no property which might permit a distribution to its creditors, it is proposed that she file a notice together with her final progress report at Court and with the Registrar of Companies for the dissolution of the Company. She will send copies of these documents to the Company and its creditors. The Administrator's appointment will end following the registration of the notice by the Registrar of Companies.

7.2.2 The Administrator will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon his appointment as Administrator ceasing to have effect



## 8. Creditors' Rights

8.1 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 Administrator provide further information about his remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report

8.2 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 the basis fixed for the Administrator's remuneration, the remuneration charged or the expenses incurred by the Administrator as set out in this progress report are excessive

## 9. Next Report

9.1 The Administrator is required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised or he wishes to extend it

If you require any further information, please do not hesitate to contact my colleague Teresa Lee

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 Liquidation)  
Administrator's Summary of Receipts & Payments**

|                                | Statement<br>of Affairs<br>(£) | From 09/10/2012<br>To 08/04/2013<br>(£) | Total<br>(£)     |
|--------------------------------|--------------------------------|---|------------------|
| <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                               | 43,453 26        |
|                                |                                | <u>46,270.93</u>                        | <u>46,270.93</u> |
| <b>PAYMENTS</b>                |                                |   |                  |
| Specific Bond                  |                                | 300 00                                  | 300 00           |
| Administrators Fees            |                                | 27,500 00                               | 27,500 00        |
| Court Fees                     |                                | 35 00                                   | 35 00            |
| Agents/Valuers Fees            |                                | 5,000 00                                | 5,000 00         |
| Legal Fees                     |                                | 3,992 50                                | 3,992 50         |
| Statutory Advertising          |                                | 153 00                                  | 153 00           |
|                                |                                | <u>36,980.50</u>                        | <u>36,980.50</u> |
| <b>Net Receipts/(Payments)</b> |                                | <u>9,290 43</u>                         | <u>9,290.43</u>  |
| <b>MADE UP AS FOLLOWS</b>      |                                |   |                  |
| Vat Receivable                 |                                | 7329 10                                 |                  |
| Bank 1 Current                 |                                | 1,961 33                                |                  |
|                                |                                | <u>9,290.43</u>                         |                  |



# 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> |
|----------------------------|-------------------------------------|
| Partner                    | 350                                 |
| Manager                    | 275                                 |
| Other Senior Professionals | 150-175                             |
| Assistant & Support Staff  | 100-125                             |

Sharma & Co's charge out rates are reviewed periodically