

### The Insolvency Act 1986 Administrator's progress report

Name of Company Advanced Training and Recruitment Limited
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Company number 06873063
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In the High Court of Justice, Chancery Division, Manchester District Registry <small>(full name of court)</small>
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Court case number 3353 of 2014
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(a) Insert full name(s) and address(es) of administrator(s)

I/We (a)  
 Lisa Marie Moxon  
 Dow Schofield Watts Business Recovery LLP  
 7700 Daresbury Park  
 Daresbury  
 Cheshire  
 WA4 4BS

Christopher Benjamin Barrett  
 Dow Schofield Watts Business Recovery LLP  
 7700 Daresbury Park  
 Daresbury  
 Cheshire  
 WA4 4BS

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

(b) Insert date

From (b) 2 December 2014
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To (b) 14 May 2015
-----------------------

Signed

  
 Joint Administrator(s)

Dated

21/5/15

#### 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

Lisa Marie Moxon Dow Schofield Watts Business Recovery LLP 7700 Daresbury Park Daresbury Cheshire WA4 4BS	0844 7762740 DX Exchange
DX Number	



When 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

FRIDAY

**Advanced Training and Recruitment Limited (“the Company”) –  
In Liquidation**

**Joint Administrators’ Final Progress Report  
for the period from 2 December 2014 to 14 May 2015**

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## **1. Introduction**

On 2 December 2014, Christopher Benjamin Barrett and Lisa Marie Moxon of Dow Schofield Watts Business Recovery LLP were appointed as Joint Administrators of the Company by its directors. Statutory information concerning the Company and the Joint Administrators is set out at **Appendix A**.

This is the Joint Administrators' final progress report and should be read in conjunction with the Joint Administrators' proposals.

The Joint Administrators' proposals were issued to creditors on 22 January 2015. A further copy of the proposals is attached at **Appendix D**. A meeting of creditors was held on 9 February 2015 at which the Joint Administrators' proposals were approved by the creditors with a modification as follows:

"the Company will move from Administration to Liquidation within 3 months following the meeting of creditors. Liquidation may be CVL in accordance with S83 Sch B1 or compulsory under Rule 4.7(7) Insolvency Rules 2010 as the administrator deems appropriate"

I consider that the EC Regulation on Insolvency Proceedings applies and that these are "main proceedings" as defined in Article 3 of the EC Regulation as the centre of main interests of the Company is in the United Kingdom.

## **2. Joint Administrators' receipts and payments account**

The Joint Administrators' receipts and payments account for the period from 2 December 2014 to 14 May 2015 is attached at **Appendix B**.

My comments on the receipts and payments account are detailed below.

## **3. Action Taken Since Appointment**

The purpose of an administration is to achieve one of the three hierarchical 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 financial circumstances of the Company meant that a Company Voluntary Arrangement was not appropriate.

As a result, we are seeking to achieve Objective (b) for the Company, and the strategy to do so involved a pre-pack sale of the business and assets of the Company.

### 3.1 Sale of Business

The Joint Administrators 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, following a period of marketing prior to our appointment as Joint Administrators on 2 December 2014, the Company's business and certain assets were sold to Target Placements Limited ("Target") Full details of this transaction were circulated to all known creditors in my initial Notification of Appointment dated 8 December 2014

The assets included in the transaction were as follows -

	£
Office Equipment	5,000
Stock	1
Intellectual Property	1
Goodwill	40,000
Contracts / WIP	14,998
<b>Total</b>	<b><u>60,000</u></b>

Consideration of £10,000 was received on the day of completion with the remaining £50,000 consideration deferred and payable weekly as follows

	£		£
16/01/15	1,300	01/05/15	1,900
23/01/15	1,300	08/05/15	1,900
30/01/15	1,300	15/05/15	1,900
06/02/15	1,300	22/05/15	1,900
13/02/15	1,300	29/05/15	1,900
20/02/15	1,300	05/06/15	1,900
27/02/15	1,300	12/06/15	1,900
06/03/15	1,550	19/06/15	1,900
13/03/15	1,550	26/06/15	1,900
20/03/15	1,550	03/07/15	2,000
27/03/15	1,550	10/07/15	2,000
03/04/15	1,900	17/07/15	2,000

10/04/15	1,900	24/07/15	2,000
17/04/15	1,900	31/07/15	2,000
24/04/15	1,900		

During the Administration period, we have collected deferred consideration of £26,700. The remaining consideration totalling £23,300 will be collected by the Joint Liquidators in accordance with the terms of the Sale and Purchase Agreement.

The going concern sale resulted in the 11 employees of the Company transferring to Target under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"), therefore avoiding redundancies and the associated preferential and non-preferential claims against the Company.

### **3.2 Book Debts**

The Company's book debts were assigned to the secured creditor, Bibby Financial Leicester Limited ("Bibby"). At the date of Administration the Company's book debts totalled £742,731 and Bibby was owed £671,038 (prior to the application of termination or collection charges).

For statement of affairs purposes a specific bad debt provision (to take account of disapprovals) of £29,419 was applied to the ledger, along with a general bad debt provision of 5% totalling £35,665. After the provisions have been applied the estimated to realise value of the assigned book debts totalled £677,647.

We have provided assistance to Bibby in the recovery of the book debt ledger. During the Administration period, Bibby have recovered sufficient book debts to discharge their core liability of £671,038 in full, in addition, to termination charges of £16,024 plus VAT.

The remaining sales ledger of £43,493 was reassigned to the Company on 13 May 2015 and a surplus of £3,205 transferred to the Administration estate. The Joint Liquidators will pursue the remaining debtor ledger.

### **3.3 Goodwill**

The goodwill of the Company had a nil book value at the date of appointment. The goodwill included the business name and business rights of the Company and was included in the sale to Target for £40,000. A total of £16,700 has been received from Target in respect of the goodwill during the Administration. As detailed above, the Joint Liquidators will collect in the remaining £23,300 during the Liquidation.

The goodwill is subject to the fixed charge dated 2 October 2009 in favour of Bibby and the fixed charge dated 19 January 2012 in favour of Lloyds TSB Bank Plc ("Lloyds").

### **3.4 Intellectual Property**

At the date of Administration, the Company's Intellectual Property had a nil book value.

The Intellectual Property was sold to Target for the sum of £1. The consideration has been received.

### **3.5 Encumbered Motor Vehicles**

The Company had purchased motor vehicles subject to a Hire Purchase agreement with Liberty Leasing Plc ("Liberty") As reported previously, the motor vehicles were thought to have a book value of £15,098 and an estimated to realise-value of £15,000 as per the valuation provided-by JPS Chartered Surveyors ("JPS")

The liability owing to Liberty at the date of appointment was £13,794 It is anticipated that the agreement will be novated to Target

### **3.6 Contracts / Work in Progress ("WIP")**

At the date of Administration the Company had WIP and contracts with a book value of £87,000

After consideration of the costs that would need to be incurred to complete the WIP and the profit margin, the Joint Administrators sold the contracts and WIP to Target for the sum of £14,998 The consideration has been received in full during the Administration period

### **3.7 Office Furniture & Equipment**

As previously reported, at the date of appointment the Company owned furniture and equipment with a book value of £37,665 An estimated to realise value of £550 on a forced sale basis and £1,500 on an in-situ basis was placed on the furniture and equipment by JPS

The furniture and equipment was sold to Target for the sum of £5,000 The consideration has been received in full

### **3.8 Stock**

At the date of Administration, the Company held minimal stationery stock

The stock was sold to Target for the sum of £1 The consideration has been received in full

### **3.9 Directors Loan Account**

The draft management accounts to 31 August 2014, show that there was an overdrawn director's loan account due to the Company in the sum of £145,814 from Mr Davies

On 6 May 2015 Mr Davies signed a Statement of Affairs which stated that the overdrawn director's loan account totalled £34,911 48 The loan account will be reviewed and reconciled by the Joint Liquidators and the appropriate demands for payment issued

### **3.10 Lala Spa Limited**

I previously reported that the sum of £97,000 was outstanding to the Company from Lala Spa Limited ("Lala Spa") Lala Spa is a connected company by virtue of the association of the director of Lala Spa, Madeline Sowerby, with the Company's director Barry Davies

This loan account is also currently being reconciled from the Company's books and records The financial position of Lala Spa and its ability to pay this debt has not yet been investigated,

however there are no known disputes therefore it is anticipated that the Joint Liquidators will recover this debt in full

### **3.11 Investment in Subsidiary**

The Company purchased the share capital of Sirius Personnel Limited ("Sirius") in July 2010. The book value of the investment in the draft statutory accounts for the year ended 30 April 2014 is £90,000. Sirius is a connected company by virtue of a common shareholder, Barry Davies.

On 22 December 2014, Lisa Marie Moxon and Christopher Benjamin Barrett were appointed Joint Administrators of Sirius. As a result, no future realisations are anticipated in respect of the investment.

### **3.12 Bank interest**

The administration estate funds are held in an interest bearing account in the name of the Company and operated by the Joint Administrators. During the Administration, a total of £3 80 has been received in respect of gross bank interest.

## **4. Investigations**

The Joint Administrators 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. We are 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.

Appropriate investigations have been carried out and various lines of enquiry remain outstanding. The position with regards to the director's loan account and the Lala Spa loan will be finalised and pursued by the Joint Liquidators.

The confidential report or return on the conduct of the director of the Company has been submitted to the Insolvency Service.

## **5. Creditors and Distributions**

### **5.1 Secured Creditors**

#### **Secured Creditor - Bibby Financial Leicester Limited**

Bibby, in addition to an assignment of the Company's book debts, has fixed and floating charges created on 2 October 2009 over the assets of the Company. Bibby was owed £671,038 at the date of administration, before the application of termination and collect-out charges. Sufficient funds have been realised from the assigned book debts to discharge Bibby's core liability plus termination charges in full.

#### **Secured Creditor – Lloyds TSB Bank Plc**

Lloyds has fixed and floating charges created on 19 January 2012 over the assets of the Company. Lloyds was owed £13,366 at the date of administration. It is anticipated that there will be sufficient realisations from fixed charge assets to discharge the liability due to Lloyds in full.

## **5.2 Preferential Creditors**

As a result of the business sale, all employees transferred to Target in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006. Consequently there are no known preferential creditors.

## **5.3 Prescribed Part**

In cases where a company gave a floating charge over its assets to a creditor on or after 15 September 2003, the prescribed part provisions in the Insolvency Legislation set aside a proportion (the "prescribed part") of the funds that would otherwise have been available for distribution to floating charge creditors (the "net property") so that the prescribed part can be distributed to unsecured creditors.

Bibby have been repaid in full from the assigned book debts and have not relied on its floating charge therefore, the prescribed part provisions do not apply in respect of Bibby's floating charge.

Lloyds is expected to be repaid in full from fixed charge realisations and will not be relying on its floating charge therefore the prescribed part provisions do not apply.

## **5.4 Unsecured Creditors**

The Company's unsecured creditors are estimated to total £423,649.78, as detailed in the Joint Administrators draft Statement of Affairs.

It is anticipated that sufficient funds will be available to enable a distribution to be paid to the unsecured creditors. Therefore, it is intended that the Company moves into Liquidation and for the appointed Liquidators to make a distribution to the unsecured creditors.

The quantum and timing of any dividend will be determined by the level of future realisation, the extent of claims lodged by creditors, the amounts at which the claims are agreed by the appointed liquidators and the costs of the process. Further information will be provided by the Joint Liquidators, in due course.

## **6. Expenses of the Administration**

### **6.1 Administrators' remuneration and disbursements**

At the meeting of creditors held on 9 February 2015 it was resolved that the Joint Administrators be authorised to draw their remuneration by reference to time properly spent by them and their staff in dealing with matters relating to the administration of the Company.

It was also resolved that the Joint Administrators be authorised to draw category 2 disbursements at the rates set out in **Appendix C** of this report.

The Joint Administrators' time costs and disbursements incurred and drawn during the period from 2 December 2014 to 14 May 2015 are as follows -



	Incurred £	Paid £
Joint Administrators' time costs	24,337 00	10,500 00
Category 1 disbursements	275 88	275 88
Category 2 disbursements	77 40	77 40

**Appendix C** includes further details of these time costs and disbursements in accordance with Statement of Insolvency Practice 9. This includes details of hourly charge out rates, a breakdown of the time costs incurred by work type and staff grade and an analysis of the disbursements incurred and paid.

Further information relating to Administrators' Remuneration can be found in 'A Creditor's Guide to Administrators' Fees' which can be accessed at the website of the Insolvency Practitioners' Association ([www.insolvency-practitioners.org.uk](http://www.insolvency-practitioners.org.uk) > Regulation and Guidance" > Creditors Guides to Fees), or the Institute of Chartered Accountants in England & Wales ([www.icaew.com](http://www.icaew.com) > Technical Resources > Insolvency > Creditors' Guides). The guide includes details of creditors' right to request information under Rule 2.48A and their right to challenge Administrator's remuneration and expenses under Rule 2.109. A summary of these rights is also set out in Appendix C. A copy of the guide will be provided free of charge upon request to Dow Schofield Watts Business Recovery LLP.

## 6.2 Other expenses

The following professional advisors have been instructed to assist the Joint Administrators in this matter:

<b>Professional Advisor</b>	<b>Nature of Work</b>	<b>Fee Arrangement</b>
JPS Chartered Surveyors	Valuation of equipment and stock, advice on sale strategy, advice on offers received	Time Costs / Commission
Hill Dickinson LLP	Assisting with appointment formalities, preparation of the sale and purchase agreement and general advice to the Joint Administrators. Advice on validity of security	Time Costs

The choice of professionals and the Joint Administrators' fee arrangement with them was based on our assessment of the nature and complexity of the work required and their experience and ability to perform that work.

Details of the administration expenses incurred and paid during the period from 2 December 2014 to 14 May 2015 are set out at **Appendix C**.

### 6.3 Pre-Administration costs

At the meeting of creditors held on 9 February 2015 it was resolved that Joint Administrators be authorised to draw pre-administration costs of £11,908 60 plus VAT. The costs incurred and amounts paid are as follows -

	<b>Incurred</b>	<b>Paid</b>
	<b>£</b>	<b>£</b>
Dow Schofield Watts Business Recovery LLP fees	7,688 50	7,688 50
Legal Fees Hill Dickinson LLP	2,550 00	2,550 00
Agents' fees and disbursements JPS Chartered Surveyors	1,500 00	1,500 00
Category 2 disbursements	170 10	170 10
<b>Total</b>	<b>11,908 60</b>	<b>11,908.60</b>

### 7. End of Administration

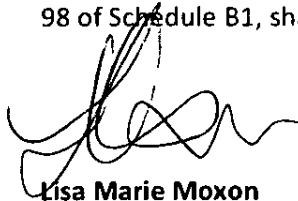
The objective of the Administration, to achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), has been achieved.

Christopher Benjamin Barrett and Lisa Marie Moxon were appointed Joint Liquidators of the Company on 14 May 2015, following the submission of form 2 34B Notice of move from administration to creditors' voluntary liquidation to the Registrar of Companies by the Joint Administrators.

The assets that remain to be dealt with in the liquidation are -

- Balance of funds from the administration estate account
- VAT recoverable in respect of the administration period
- Deferred sales consideration, due to be collected in full by 31 July 2015
- Collection of the reassigned sales ledger
- Recovery of overdrawn director's loan account
- Recovery of Lala Spa loan

It was also resolved at the meeting of creditors that upon the Company proceeding into creditors' voluntary liquidation, the Joint Administrators' discharge from liability, pursuant to paragraph 98 of Schedule B1, shall take effect 14 days following the Company entering into liquidation.



**Lisa Marie Moxon**  
**Joint Liquidator**

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

# **Appendix A**

## **Statutory Information**

**Company Information**

Company Name	Advanced Training and Recruitment Limited
Previous Name	Aaliyah-Training & Recruitment Limited-(changed on 21 May 2013)
Trading Name	ATR
Company Number	06873063
Date of Incorporation	26 June 2003
Trading Address	Brunswick House 499 Etruria Rd Stoke-On-Trent Staffordshire ST4 6JR
Current Registered Office	7700 Daresbury Park Daresbury Warrington WA4 4BS
Former Registered Office	Hewitt House Winstanley Road Orrell Wigan Lancashire WN5 7XA
Principal Trading Activity	Temporary Employment Agency

**Appointment details**

Date of Appointment	2 December 2014
Appointment made by	Director
Court Name and Reference	High Court of Justice, Chancery Division, Manchester District Registry No 3353 of 2014
Administrators Appointed	Lisa Marie Moxon (IP Number 16370) Dow Schofield Watts Business Recovery LLP 7700 Daresbury Park Daresbury, Warrington WA4 4BS

Christopher Benjamin Barrett (IP Number 9437)  
Dow Schofield Watts Business Recovery LLP  
7700 Daresbury Park  
Daresbury, Warrington  
WA4 4BS

Pursuant to Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, any function required or authorised to be done by the Joint Administrators may be done jointly by both of them or by any one of them.

**Officers of the Company**

**Directors:**

Barry John Davies

**Shareholding:**

100%

**Company Secretary:**

Barry John Davies

**Share Capital**

60 ordinary shares of £1 each, allotted, called up and fully paid

**Charges**

Debenture in favour of Bibby Financial Services Limited dated 2 October 2009

Debenture in favour of Lloyds TSB Bank Plc dated 19 January 2012

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## **Appendix B**

### **Receipts and Payments account**

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**Advanced Training and Recruitment Limited**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**  
**To 14/05/2015**

S of A £		£	£
	<b>SECURED ASSETS</b>		
40,000 00	Goodwill	16,700 00	
1 00	Intellectual Property	1 00	
677,647 00	Book Debts	690,266 37	
			706,967 37
	<b>SECURED CREDITORS</b>		
(671,038 00)	Bibby Factors Leicester Ltd	671,038 00	
(13,366 00)	Lloyds TSB Bank Plc	NIL	
	Bibby Factors Leicester Ltd-Charges	16,023 64	
			(687,061.64)
	<b>HIRE PURCHASE</b>		
13,794 14	Motor Vehicle	NIL	
(13,794 14)	Liberty Leasing Plc	NIL	
			NIL
	<b>ASSET REALISATIONS</b>		
5,000 00	Office Equipment	5,000 00	
1 00	Stock	1 00	
14,998 00	Contracts / WIP	14,998 00	
	Business Rates Refund	119 94	
Uncertain	Directors Loan Account - Barry Davies	NIL	
	Bank Interest Gross	3 80	
NIL	Investment in Subsidiary	NIL	
100,000 00	Lala Spa Limited	NIL	
			20,122 74
	<b>COST OF REALISATIONS</b>		
	Pre-appointment Fees	7,688 50	
	Pre-appointment Disbursements	170 10	
	Office Holders Fees	10,500 00	
	Office Holders Expenses	353 28	
	Agents Fees (1)	3,500 00	
	Legal Fees (1)	3,500 00	
	Legal Disbursements	60 00	
	Statutory Advertising	144 00	
			(25,915 88)
	<b>UNSECURED CREDITORS</b>		
(49,293 94)	Trade & Expense Creditors	NIL	
(130,929 49)	H M Revenue & Customs - VAT	NIL	
(109,761 69)	H M Revenue & Customs - PAYE	NIL	
(27,657 00)	H M Revenue & Customs - Corporatio	NIL	
(130,000 00)	Plantilla Limited	NIL	
			NIL
	<b>DISTRIBUTIONS</b>		
(60 00)	Ordinary Shareholders	NIL	
			NIL
<b>(294,459 12)</b>			<b>14,112.59</b>

**Advanced Training and Recruitment Limited  
(In Administration)  
Joint Administrators' Abstract of Receipts & Payments  
To 14/05/2015**

<b>S of A £</b>	<b>£</b>	<b>£</b>
<hr/>		
REPRESENTED BY		
Vat Receivable		3,204 73
Bank 1 Current		5,734 68
Vat Control Account		5,173 18
		<hr/>
		<b>14,112.59</b>
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## **Appendix C**

### **Information relating to the Joint Administrators' Fees and Expenses**

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## Information relating to the Joint Administrators' Fees and Expenses

### 1 Fees and disbursement recovery

#### Time recording policy

It is our policy to seek fee approval on a time costs basis. Work undertaken on insolvency appointments is recorded in 6 minute units on an electronic time recording system. Time properly incurred on cases is charged at the hourly charge-out rate of the grade of staff undertaking the work.

The current hourly charge-out rates are as follows -

Staff grade	Hourly rate (£) from 6 May 2014
Partner and Insolvency Practitioner	300
Manager	250
Assistant Manager	225
Senior Case Administrator	175
Case Administrator	105-130
Trainee Case Administrator	70
Cashier	125

#### Disbursements policy

Office holders' disbursements fall under two categories

Category 1 disbursements consist of external supplies of goods or services specifically relating to the case. Where such costs are paid by Dow Schofield Watts Business Recovery LLP, creditor approval is not required for those costs to be recharged to the insolvency estate. Category 1 disbursements will typically include costs such as statutory advertising, specific bond insurance, company search fees, storage, postage, external room hire and travel expenses (excluding business mileage).

Category 2 disbursements are costs that are directly referable to the case but not to a payment to an independent third party. They include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. Such disbursements can only be charged to the insolvency estate with the approval of creditors. It is our policy to seek creditor approval for the payment of the following Category 2 disbursements -

Disbursement type	Rate
Mileage	45p per mile

### 2. Existing Fee Arrangements

At the meeting of creditors held on 9 February 2015 it was resolved that the Joint Administrators be remunerated on a time cost basis and they were authorised to draw category 2 disbursements at the rates set out above.

### 3. Time and Charge out summary

From the commencement of the administration to 14 May 2015, a total of 161 hours have been spent at an average charge out rate of £151.16 bringing the time costs for this period to £24,337. A summary table is shown overleaf.

The fees drawn to date total £10,500, plus VAT, leaving unbilled time costs of £13,837 These will be paid during the liquidation

# Time Entry - SIP9 Time & Cost Summary + Cumulative

A003 - Advanced Training and Recruitment Limited  
 Project Code POST  
 From 02/12/2014 To 14/05/2015

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)	Total Hours Cum (POST Only)	Total Time Costs Cum (POST Only)
Admin & Planning	1.50	3.80	51.80	12.20	69.30	9,466.00	136.59	69.30	9,466.00
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	5.00	7.90	31.80	1.20	45.90	7,783.00	169.56	45.90	7,783.00
Investigations	1.00	8.20	16.40	11.70	37.30	5,305.50	142.24	37.30	5,305.50
Realisation of Assets	0.50	4.30	3.70	0.00	8.50	1,782.50	209.71	8.50	1,782.50
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours / Costs</b>	<b>8.00</b>	<b>24.20</b>	<b>103.70</b>	<b>25.10</b>	<b>161.00</b>	<b>24,337.00</b>	<b>151.16</b>	<b>161.00</b>	<b>24,337.00</b>
<b>Total Fees Claimed</b>						<b>10,500.00</b>			
<b>Total Disbursements Claimed</b>						<b>353.28</b>			

#### **4. Description of work carried out**

Section 3 of this appendix outlines the time costs to date in relation to activities undertaken during this matter. Staff of different levels were involved in the activities below depending on the experience required.

These matters can be summarised as follows:

##### **4.1 Administration and planning**

- 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,
- Case reviews

##### **4.2 Investigations**

- Corresponding with the former directors and management,
- Collection of relevant books and records of the Company for the purposes of the investigations,
- Review of the Company books and records,
- Completion of statutory report or return to the Insolvency Service,
- Review of director's loan account and La la Spa Loan,
- Review of questionnaires and information provided by creditors

##### **4.3 Realisation of Assets**

- Liaising with agents in relation to the valuation and offer for the business and assets,
- Liaising with solicitors with regards to the Sale and Purchase Agreement,
- Correspondence and meetings with interested parties,
- Agreement of Sale contract,
- Recovery of business rates refund,
- Assistance with debt collection

##### **4.4 Creditors**

- Liaising with secured creditors,
- Recording and maintaining the list of creditors,
- Dealing with employee related matters,
- Recording creditor claims,
- Reporting to creditors and members,
- Dealing with creditor queries,
- Corresponding with Hire Purchase Creditors

## 5 Disbursements

The following disbursements have been incurred since the commencement of the administration -

	Administration period	
	Incurred (£)	Paid (£)
<b>Category 1 disbursements</b>		
Company search fees	2	2
Bond	189 60	189 60
Postage	86 28	86 28
<b>Category 2 disbursements</b>		
Mileage	77 40	77 40
<b>Total</b>	<b>355.28</b>	<b>355.28</b>

The above costs exclude VAT

## 6. Professional advisors and expenses

The Joint Administrators have incurred administration expenses in connection with the instruction of the following parties -

Name	Administration period	
	Incurred (£)	Paid (£)
JPS Chartered Surveyors	2,000 00	2,000 00
Hill Dickinson LLP	1,010 00	1,010 00
<b>Total</b>	<b>3,010.00</b>	<b>3,010.00</b>

The above costs exclude VAT

## 7. Creditors' rights

Within 21 days of receipt of a progress report a creditor may request the administrators to provide further information about the remuneration and expenses set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

If a creditor believes that the Joint Administrators' remuneration is too high, the basis is inappropriate, or the expenses incurred by the Joint Administrators are in all the circumstances excessive he may, provided certain conditions are met, apply to the court.

Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the Joint Administrators' progress report in which the charging of the remuneration or incurring of the expenses in question is first reported.

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## **Appendix D**

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### **Joint Administrators' Proposals**

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## 1. Joint Administrators' Proposals

In order to achieve the objective of the Administration, Christopher Benjamin Barrett and Lisa Marie Moxon of Dow Schofield Watts Business Recovery LLP, 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) assist in realising the outstanding book debts and recover the outstanding deferred consideration, investigate and recover any overdrawn director's loan account and recover the Lala Spa debt,
  - (ii) deal with any creditor queries, monitor creditor claims received and update their records accordingly,
  - (iii) sell the Company's assets at such time(s) and on such terms as they consider appropriate,
  - (iv) 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
  - (v) do all such things and generally exercise all their powers as Joint Administrators as they 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 shall end where any of the following shall occur
  - (i) If the Joint Administrators think that there are funds available to be distributed to the unsecured creditors, the Company may exit the administration by way of a Creditors Voluntary Liquidation, and that Christopher Benjamin Barrett and Lisa Marie Moxon be appointed the Joint Liquidators of the Company, without any further recourse to creditors. In accordance with Paragraph 83(7) to schedule B1 to the Insolvency Act 1986 and with Rule 2.117A of the Insolvency Rules 1986, creditors may nominate a different person(s) as the proposed liquidator(s), but must make the nomination(s) at any time after receipt of these proposals, but before they are approved
  - (ii) If the Joint Administrators think that there are no funds available for distribution to the unsecured creditors, the Company may exit administration by way of dissolution

- (iii) on the making of a Winding up Order against the Company by the court (or thereafter as the court otherwise directs) the Joint Administrators be permitted to propose that Christopher Benjamin Barrett and Lisa Marie Moxon be appointed the Joint Liquidators of the Company by the court
- c) they shall be authorised to draw their remuneration by reference to time properly spent by them and their staff in dealing with matters relating to the administration of the Company, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken

Such remuneration to be paid out of the assets of the Company and drawn on account as and when funds permit without any further recourse to creditors

- d) they be authorised to draw category 2 expenses as outlined in the proposals