

# AM10

## Notice of administrator's progress report



Companies House

THURSDAY



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18/01/2018

#444

COMPANIES HOUSE

### 1 Company details

Company number 0 4 4 8 0 0 9 7

Company name in full Gen-X IT Ltd

→ Filling in this form  
Please complete in typescript or in bold black capitals.

### 2 Administrator's name

Full forename(s) Julien

Surname Irving

### 3 Administrator's address

Building name/number Leonard Curtis

Street Tower 12, 18/22 Bridge Street

Spinningfields

Post town Manchester

County/Region

Postcode M 3 3 B Z

Country

### 4 Administrator's name <sup>1</sup>

Full forename(s) Andrew

Surname Poxon

<sup>1</sup> Other administrator  
Use this section to tell us about another administrator.

### 5 Administrator's address <sup>2</sup>

Building name/number Leonard Curtis

Street Tower 12, 18/22 Bridge Street

Spinningfields

Post town Manchester

County/Region

Postcode M 3 3 B Z

Country

<sup>2</sup> Other administrator  
Use this section to tell us about another administrator.

AM10

Notice of administrator's progress report


**6** Period of progress report

From date	d 1 3	m 0 6	y 2 0 1 7	
To date	d 1 2	m 1 2	y 2 0 1 7	

**7** Progress report

<input checked="" type="checkbox"/> I attach a copy of the progress report	
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**8** Sign and date

Administrator's signature	Signature X  X			
Signature date	d 1 6	m 0 1	y 2 0 1 8	

# AM10

## Notice of administrator's progress report

### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Rachel Cooke**

Company name **Leonard Curtis**

Address **Tower 12, 18/22 Bridge Street**

**Spinningfields**

**Manchester**

Post town

County/Region

Postcode **M 3 3 B Z**

Country

DX

Telephone **0161 831 9999**

### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- The company name and number match the information held on the public Register.
- You have attached the required documents.
- You have signed the form.

### Important information

All information on this form will appear on the public record.

### Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)



**LEONARD CURTIS**  
BUSINESS RESCUE & RECOVERY

**GEN-X IT LTD**  
**(IN ADMINISTRATION)**

Registered Number: 04480097  
Court Ref: 2030 of 2016  
Manchester District Registry of the High Court

**Joint Administrators' fourth progress report in accordance  
with Rule 18.3 of the Insolvency (England and Wales) Rules 2016**

**Report period**  
**13 June 2017 to 12 December 2017**

**16 January 2018**

Leonard Curtis  
Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ  
Tel: 0161 831 9999 Fax: 0161 831 9090  
General email: [recovery@leonardcurtis.co.uk](mailto:recovery@leonardcurtis.co.uk)  
Ref: M/38/RLC/NG829K/1010

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**STRICTLY PRIVATE AND CONFIDENTIAL  
NOT FOR PUBLICATION**

**TO: COURT**

**1 INTRODUCTION**

- 1.1 This report has been produced in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016 (“the Rules”) to provide creditors with an update on the progress of the Administration of Gen-X IT Ltd (“the Company”) for the period from 13 June 2017 to 12 December 2017. This is the Joint Administrators’ fourth progress report to creditors.
- 1.2 Much of the information contained in this report encompasses the whole period of the Administration. Please be aware, however, that where reference is made to “the period of this report”, this specifically means 13 June 2017 to 12 December 2017, being the period since the end of the period covered by the last progress report.

**2 STATUTORY INFORMATION**

- 2.1 K G Murphy and A Poxon were appointed as Joint Administrators of the Company in the jurisdiction of the High Court of Justice, Chancery Division, Manchester District Registry under Court number 2030 of 2016 on 20 January 2016. The Administration appointment was made by the Directors of the Company, Alan Gould and Kelley Stewart.
- 2.2 K G Murphy left Leonard Curtis on 31 December 2016 and agreed to transfer the management of his insolvency caseload to another appropriate insolvency practitioner within Leonard Curtis. In accordance with Rules 7.10A-D of the Insolvency Rules 1986 (as amended) an application was made to Court for an Order to remove K G Murphy as Insolvency Practitioner on each of his cases and replace him with another insolvency practitioner of Leonard Curtis. The Order was granted by the Court on 31 January 2017. Accordingly, K G Murphy ceased to act as Joint Administrator of this case on 31 January 2017, and J R Irving was appointed in his place. J R Irving and A Poxon are licensed in the United Kingdom by the Institute of Chartered Accountants in England and Wales.
- 2.3 The Administration is being handled by the Manchester office of Leonard Curtis, which is situated at Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ.
- 2.4 The principal trading address of the Company was Sol House, 24 Dark Lane, Ardwick Green, Manchester M12 6FA. The business traded under its registered name.
- 2.5 The registered office address of the Company at the date of the appointment of the Joint Administrators was Sol House, 24 Dark Lane, Ardwick Green, Manchester M12 6FA. Following the appointment, this was changed to Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ. The registered number of the Company is 04480097.
- 2.6 For the purposes of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 (as amended), it should be noted that during the period in which the Administration Order is in force, any act or function required or authorised under any enactment to be done by the Joint Administrators may be exercised by all or any of the persons holding that office.
- 2.7 The Company’s main centre of operations is based in the UK. The EC Regulation on Insolvency Proceedings applies and the proceedings are main proceedings under the Regulation.

### 3 JOINT ADMINISTRATORS' PROPOSALS

- 3.1 Attached at Appendix A is a summary of the Joint Administrators' approved proposals for achieving one of the three statutory purposes of Administration.
- 3.2 The Proposals were approved by the general body of creditors on 30 March 2016.
- 3.3 There have been no major amendments to, or deviations from, the proposals during the course of the Administration to date.
- 3.4 The objective of the administration is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in administration).
- 3.5 In the opinion of the Joint Administrators, this objective is likely to be achieved as there is a reasonable prospect of a dividend being available to unsecured creditors, which would not have been the case if the Company had been wound up without first being in administration. Any distribution to unsecured creditors is dependent upon the final level of realisations in the administration. Details of the assets that have been and remain to be realised by the Joint Administrators are detailed at sections 4 and 5 below.
- 3.6 In the event that the objective above cannot be achieved, the third objective is to realise property in order to make a distribution to the secured or preferential creditors.
- 3.7 This objective has been achieved as a distribution has been made during the Administration to the secured creditor, RBS Invoice Finance Limited ("RBSIF"). The distribution to RBSIF has been made from book debt realisations subject to its fixed charge security. A dividend will also be paid to the preferential creditors in due course.

### 4 PROGRESS OF THE ADMINISTRATION

- 4.1 Attached at Appendix B is the Joint Administrators' receipts and payments account for the period from 13 June 2017 to 12 December 2017.

#### 4.2 Directors' Loan Accounts

As at the date of administration, each of the Company's directors had an outstanding loan account with the Company. Following investigations by the Joint Administrators, the outstanding amounts were reconciled, and due to the Directors' financial positions, a settlement agreement for each Director to pay £10,000 was reached. As at 13 June 2017, Ms Stewart had paid the amount in full, but Mr Gould still had £4,000 outstanding. For full details, please see our previous report dated 12 July 2017.

During this reporting period, we have been in correspondence with Mr Gould regarding the outstanding balance, which has now been received in full.

#### 4.3 Debts subject to Invoice Discounting Facility

RBSIF holds security by way of a fixed and floating charge over the Company's assets created on 22 December 2004. RBSIF provided an invoice finance facility to the Company. The Company's indebtedness to RBSIF on our appointment was £157,534. Further interest and charges have since been applied to the ledgers pursuant to the terms of the agreement.

The Company held debtor ledgers in three currencies: Great British Pounds, Euros and American Dollars. Please note that all figures stated in this section of the report are subject to currency conversion. Upon confirmation from

Cerberus Receivables Management (“CRM”) that collections from the ledger have been exhausted we will confirm the overall sterling position.

Throughout the administration the Joint Administrators have been assisted in the debt collection exercise by CRM. To date collections total approximately £159,448.10. There have been no further realisations during this reporting period.

These funds have been used to discharge the majority of the Company’s indebtedness to RBSIF. Please note that the payments to RBSIF have been made in accordance with its fixed charge security relating to book debts. There is currently an approximate shortfall in the facility to RBSIF totalling £2,855.77, which relates to charges applied under the terms of the agreement.

It was initially anticipated that the Company’s indebtedness to RBSIF would be repaid in full and that a surplus may be available for the benefit of the administration estate. CRM has subsequently advised however that the prospect of a surplus from the financed ledger is unlikely. This is due to the majority of the remaining financed ledger being disputed and a bad debt which is irrecoverable. No significant further recoveries are expected.

#### **4.4 Stock**

As previously reported, the Company predominantly traded in Cisco Technology, Inc. (“Cisco”) products. On 13 November 2015, the Company and its directors received notification of a claim from Cisco for trade mark infringement and use of counterfeit goods. Despite the Directors disputing the claim, the Company was unable to fund litigation to defend the claims whilst ensuring the continuity of trade. The Company subsequently entered into Administration.

Whilst some stock has been sold in previous reporting periods, a quantum of stock which is alleged to be counterfeit and/or alleged parallel import has been retained. This stock is currently in the possession of CISCO and is likely to be used as evidence in CISCO’s litigation. Following investigations, the Joint Administrators do not believe there is any realisable value in this remaining stock for the benefit of the estate.

### **5 ASSETS STILL TO BE REALISED**

#### **5.1 Corporation Tax Refund**

Following a review of the Company’s financial records, it was apparent that the Company had paid tax on its profits in the three years preceding the administration. In light of its current position, the Joint Administrators are entitled to apply for relief on corporation tax paid by the Company in this period. However, any relief the Company may be entitled to may be set off against the level of its tax arrears at the date of administration. HMRC has submitted an interim claim in the administration totalling £38,130.83. The amount of corporation tax paid was somewhat higher than this, so we anticipate that a refund will be due.

The Joint Administrators have instructed the Company’s accountant, Wrigley Partington Chartered Accountants (“WPCA”) to apply to HMRC for relief in this matter by preparing the required returns.

#### **5.2 Antecedent Transactions**

During this reporting period, the Joint Administrators have continued their investigations regarding some transactions that took place shortly prior to the Company’s administration. This has included reviewing the Company’s financial records and electronic records. Meetings have also been held with the major unsecured creditor to discuss information obtained by them in the course of litigation proceedings being brought against the directors. We have also met with the Company’s majority shareholder to discuss the Company’s affairs.

On the advice of our in-house lawyer, we will now look to bring claims against certain parties with regards to monies received by them in the relevant period. Should the actions brought by the Joint Administrators be



successful, this should result in a substantial amount of realisations for the benefit of the creditors. Further information cannot be provided at this time, as it may prejudice the Joint Administrators' position.

## 6 INVESTIGATIONS

- 6.1 Following their appointment, the Joint Administrators considered the information acquired in the course of appraising and realising the business and assets of the Company, together with information provided by the Company's directors and its creditors, to identify any further possible realisations for the estate and what further investigations, if any, might be appropriate.
- 6.2 That assessment identified that further realisations may be possible and additional investigations were required. As detailed at 5.3 above, various claims will now be brought.

## 7 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

### Pre-Administration Costs

- 7.1 On 30 March 2016, the general body of creditors consented to the following pre-administration costs and expenses being paid as an expense of the Administration:

Charged by	Services provided	Total amount charged £	Amount paid £	Amount unpaid £
Leonard Curtis	Advice to the Company and secured creditors and considering whether an administration purpose could be achieved	20,340	20,340	-
Cerberus Asset Management ("CAM")	Stock take and valuation of physical assets	1,500	1,500	-
CRM	Assessment of debtor ledger	2,500	2,500	-
Turner Parkinson LLP	Dealing with appointment papers	3,048	3,048	-
	<b>TOTAL</b>	<b>27,388</b>	<b>27,388</b>	<b>-</b>

These costs have now been now been paid and are detailed in the receipts and payments account attached at Appendix B.

### Joint Administrators' Remuneration

- 7.2 On 30 March 2016, the general body of creditors agreed that the basis of the Joint Administrators' remuneration be fixed by reference to time properly spent by them and their staff in attending to matters arising from the Administration for an amount not exceeding £179,452, as set out in a Fees Estimate.
- 7.3 The Joint Administrators' Third Progress report circulated to creditors on 12 July 2017 incorporated a request to increase the Joint Administrators' Fees Estimate from £179,452 to £246,183. Following a decision by correspondence by the unsecured creditors, on the 26 July 2017 the Revised Fees Estimate for an amount not exceeding £246,183 was approved.
- 7.4 The time charged by the Joint Administrators for the period of 13 June 2017 to 12 December 2017 amounts to £75,266.50. This represents 249.9 hours at an average rate of £301.19 per hour. A summary of time costs incurred in the period is attached at Appendix C. A summary of all time costs incurred to 12 December 2017, incorporating a comparison with time costs as set out in the Joint Administrators original Fees Estimate, is attached at Appendix D.

- 7.5 In addition, also provided at Appendix C is a detailed description of work undertaken for the period of 13 June 2017 to 12 December 2017, attributable to each category of time costs and an explanation of why it was necessary for that work to be performed.
- 7.6 You will note that time costs incurred during the administration to 12 December 2017 exceed the time costs as set out in the Revised Fees Estimate. As demonstrated at Appendix D, costs attributable to each category of time generally fall within those anticipated. The areas where significant variance has occurred relate to Receipts & Payments, Assets, Liabilities, General Administration, Investigations and Legal Services.
- 7.7 Greater time than initially envisioned has been recorded to Receipts & Payments. Work in this regard has mainly been in relation to the Company's tax position. Regular VAT returns ensure that there are maximum funds available for the benefit of the estate. As detailed above, we are also completing work with regards to a potential corporation tax refund, which would be of significant benefit to the estate.
- 7.8 A significant amount of time has been spent realising assets for the benefit of the creditors. The work completed in this category is of direct benefit to the creditors, as it ensures maximum possible realisations, and increases the prospect of a dividend to the unsecured creditors. Over £460,000 has been realised by the Joint Administrators for the benefit of the estate to date. The revised fees estimate has been exceeded as further potential categories of realisations have been uncovered during the course of the Joint Administrators' investigations, which will now be pursued.
- 7.9 Time charged to liabilities generally relates to correspondence with the creditors. Some of the time recorded is in relation to contacting the general body of creditors by way of statutory reports. More reports than initially envisioned have proved necessary during the administration. A large proportion of the time recorded has been in relation to contact with CISCO, the largest creditor and the applicant in the ongoing litigation against the directors and other connected parties.
- 7.10 Time recorded to General Administration has also exceeded the revised fees estimate. The majority of the time spent has been in relation to the Company's books and records. Due to the ongoing litigation and the Administrators investigations, it is extremely important that all possible records of the Company are gathered, listed and reviewed. It has also been necessary to provide access to various parties due to the ongoing litigation. We are also continuing efforts to obtain further electronic records of the Company. Time recorded in this category has been completed by junior members of staff where possible in order to keep costs to a minimum.
- 7.11 Time posted to Investigations has exceeded the revised fees estimate by £7,711.5. We have undertaken an extensive investigation into the Company's trading activities and potential antecedent transactions. It is likely that significant future costs will be recorded to this category in this respect, as this may result in possible significant realisation of assets for the benefit of the creditors.
- 7.12 Time posted to Legal Services has exceeded the revised fees estimate by £8,853. This is primarily due to the Joint Administrators seeking legal advice from Leonard Curtis' in-house legal team following the receipt of information from one of the Company's creditors and the outcome of our investigations. Use of Leonard Curtis' in-house legal team is considered to be substantially more cost effective than seeking external legal advice. Due to the complexity of the matter and the high level of potential realisations, the majority of work completed by the legal team has been completed by the Legal Director.
- 7.13 The Administration is not yet complete and it is therefore anticipated that further time costs will be incurred in dealing with this matter. Given that the Revised Fees Estimate has already been exceeded, it is likely the Joint Administrators will be required to revert to the general body of creditors for further approval in due course. The information provided above is therefore for information purposes only.
- 7.14 Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which may be downloaded from:  
<https://www.r3.org.uk/what-we-do/publications/professional/fees>
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7.15 If you would prefer this to be sent to you in hard copy please contact Rachel Cooke of this office on 0161 831 9999.

7.16 The remuneration drawn by the Joint Administrators totals £213,452 plus VAT.

## 8 JOINT ADMINISTRATORS' EXPENSES

8.1 Creditors will recall that the Joint Administrators have previously circulated a 'Statement of Likely Expenses' in this matter.

Expenses are separated into the following categories:

- (i) Standard Expenses: this category includes expenses payable by virtue of the nature of the Administration process and / or payable in order to comply with legal or regulatory requirements.
- (ii) Case Specific Expenses: this category includes expenses likely to be payable by the Joint Administrators in carrying out their duties in dealing with issues arising in a particular case. Also included within this category are costs that are directly referable to the Administration but are not paid to an independent third party (and which may include an element of allocated costs).

These are known as "Category 2 disbursements" and are subject to the approval of the secured creditors. On 30 March 2016, the general body of creditors also approved that category 2 disbursements could be drawn by the Joint Administrators, as detailed at Appendix G.

8.2 A copy of the Joint Administrators' statement of likely expenses, together with comparative details of expenses incurred during the current reporting period and confirmation as to whether those amounts are paid or unpaid is set out at Appendix E.

8.3 You will note that, in general, the nature and value of expenses incurred to date fall within those anticipated within the original statement of expenses.

8.4 The storage costs of the Company's books and records have exceeded the amounts initially anticipated. Due to the investigations ongoing with regards to trade mark infringement, it has been necessary to securely store the Company's extensive books and records and provide easy access to these. There were initially approximately 100 boxes of records in storage. Some of these boxes have subsequently been split into two boxes in order to provide parties connected to the litigation with access to some records and not to others. It is anticipated that further costs will be incurred in this category.

8.5 Attached at Appendix G is additional information in relation to the firm's policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade.

8.6 Under Rule 18.9 of the Rules, within 21 days of receipt of this report, a secured creditor, or an unsecured creditor with either the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or with the permission of the court, may make a written request to the Joint Administrators for further information about remuneration or expenses set out in this report.

8.7 Under Rule 18.34 of the Rules, any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court, on the grounds that the basis fixed for the Joint Administrators' remuneration is inappropriate, or the remuneration or expenses charged by the Joint Administrators are, in all the circumstances, excessive.

8.8 The application must be made no later than eight weeks after receipt of the progress report that first reports the fee basis, the charging of the remuneration or the incurring of the expenses in question.

8.9 Unless the court orders otherwise, the costs of the application shall be paid by the applicant and are not payable as an expense of the Administration.

## **9 ESTIMATED OUTCOME FOR CREDITORS**

9.1 From April 2017, the Joint Administrators have had the discretion to admit claims from creditors with claims under £1,000 without receiving a proof of debt. The Joint Administrators confirm that, to date, no claims have been admitted under the small claims provisions.

### **9.2 Secured Creditors**

#### **RBSIF**

RBSIF holds security by way of a fixed and floating charge over the Company's assets created on 22 December 2004. RBSIF provided an invoice finance facility to the Company. The Company held debtor ledgers in three currencies: Great British Pounds, Euros and American Dollars. The Company's indebtedness to RBSIF on our appointment was £157,534.

Throughout the administration the Joint Administrators have been assisted in the debt collection exercise by CRM. To date collections total approximately £159,448.10.

These funds have been used to discharge part of the Company's indebtedness to RBSIF. Please note that the payments to RBSIF have been made in accordance with its fixed charge security relating to book debts. There is currently a shortfall to RBSIF totalling £2,855.77.

It was initially anticipated that the Company's indebtedness to RBSIF would be repaid in full and that a surplus may be available for the benefit of the administration estate. CRM has subsequently advised however that the prospect of a surplus from the financed ledger is unlikely. This is due to the majority of the remaining financed ledger being disputed and a bad debt which is irrecoverable. In addition, it understood that the Company has also been the victim of an alleged fraud in the Netherlands which resulted in the supply of a significant quantity of goods to a fictitious company. CRM do not anticipate that future collections will be sufficient to discharge the shortfall to RBSIF.

Subject to future asset realisations, RBSIF could be repaid from floating charge realisations in the administration after setting aside a prescribed part.

#### **Royal Bank of Scotland ("RBS")**

RBS holds security by way of a debenture incorporating a fixed and floating charge over the Company's assets created on 26 August 2005. The Company's bank accounts were in credit on our appointment. As such, no claim was anticipated to be received from RBS during the administration, and no claim has been received to date.

### **9.3 Preferential Claims**

The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay. On our appointment, the majority of the Company's 26 employees were made redundant. The Joint Administrators retained the employment of the Company's Financial Controller for a period of two months to facilitate book debt collections. The Financial Controller was subsequently made redundant by the Joint Administrators. The employees had claims for outstanding wages and holiday pay.

A preferential claim has been received from the Redundancy Payments Service totalling £8,789.61. The Joint Administrators instructed EK Employment Consultants to review this claim and to advise upon any residual preferential amounts owed to employees, which amount to £3,415. It is anticipated that preferential creditors will be repaid in full shortly.

**9.4 Prescribed Part**

The Insolvency Act 1986 provides that, where a company has created a floating charge after 15 September 2003, the administrator must make a prescribed part of the company's net property available to the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims.

The prospect of a prescribed part distribution to unsecured creditors is dependent on the level of future realisations.

**9.5 Unsecured Non-Preferential Claims**

The Statement of Affairs estimated that the total of unsecured creditors was £623,962.40. This did not include an estimate for CISCO's claim as the amount was unknown at the time.

To date, we have received claims totalling over £35.5 million, of which CISCO's claim is approximately £35.1 million. CISCO's claim is subject to ongoing litigation being brought against the Directors, and the final amount will be quantified in due course following the outcome of the proceedings. Until such time, CISCO would prefer the Company to remain in administration.

A distribution to unsecured creditors, in addition to any prescribed part distribution that is made available, will be dependent on the outcome of the Joint Administrators investigations in this matter and future realisations.

If you have not already done so, please submit details of your claim to my office. A proof of debt form is attached at Appendix H for your ease of use.

**10 MATTERS STILL TO BE DEALT WITH**

10.1 Matters still to be dealt with before conclusion of the Administration include but are not limited to the following:

- Claims will be brought against certain parties as detailed at 5.3;
- Ongoing investigations regarding potential antecedent transactions;
- Realisation of the Corporation Tax refund;
- Payment of preferential creditors;
- The unpaid expenses will need to be defrayed;
- Completing the administration, and either moving the company into dissolution or to creditors' voluntary liquidation, as appropriate.

**11 EXTENSIONS TO THE ADMINISTRATION**

11.1 The appointment of administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.

11.2 In certain circumstances it may be necessary to extend the administrators' term of office.

11.3 In the circumstances of this case, consent to a twelve-month extension of the administration has previously been obtained from the unsecured creditors.

11.4 A further extension was required from the Court in accordance with Paragraph 107 of Schedule B1 to the Insolvency Act 1986. As no certainty can yet be placed on the level of realisations from the claims to be brought or the corporation tax refund being pursued, the Joint Administrators cannot guarantee that an unsecured

## GEN-X IT LTD – IN ADMINISTRATION

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dividend will be paid if we converted the administration to a creditors' voluntary liquidation. It was therefore appropriate to extend the administration to allow the position to be further explored and crystallised.

- 11.5 After this reporting period, on 5 January 2018, His Honour Judge Pelling QC granted an extension to the administration. The revised date at which the administration will come to an end is now 20 January 2019. A Notice of Extension of Period of Administration can be found at Appendix I.
- 11.6 The exit route from Administration will either be by way of creditors' voluntary liquidation if there are sufficient funds to enable a distribution to unsecured creditors, or by way of dissolution if this appears unable to be achieved.
- 11.7 The Joint Administrators will be discharged from liability immediately upon their appointment as Administrators ceasing to have effect.

## 12 NEXT REPORT

- 12.1 The Joint Administrators are required to provide a progress report which must be delivered within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised.

If you wish to discuss the issues raised in this report or require any additional information, please contact this office.

Yours faithfully  
for and on behalf of  
**GEN-X IT LTD**



**ANDREW POXON**  
**JOINT ADMINISTRATOR**

Julien Irving and Andrew Poxon are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 13092 and 8620, respectively

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

SUMMARY OF JOINT ADMINISTRATORS' APPROVED PROPOSALS

It is proposed that:

1. The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration.
2. If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company.
3. If appropriate, the Joint Administrators 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. It is further proposed that K G Murphy and/or A Poxon be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved.
4. Alternatively, if appropriate, the Joint Administrators apply to Court under Para 65 (3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration.
5. In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved.
6. The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.
7. The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that K G Murphy and/or A Poxon be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.
8. The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.

**Please note:** As per paragraph 2.2 of the above report, K G Murphy has subsequently left Leonard Curtis, and J Irving has replaced him as Joint Administrator.

**SUMMARY OF RBSIF'S RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM  
13 JUNE 2017 TO 12 DECEMBER 2017, AND CUMULATIVE FROM 20 JANUARY 2016 TO 12 DECEMBER 2017**

	Statement of Affairs	Amounts previously reported	Amounts from 13 June 2017 to 12 December 2017	Cumulative
	£	£	£	£
<b>RECEIPTS</b>				
<b>Assets Specifically Pledged</b>				
Factored Book Debts	157,534.00	159,454.10	-	159,454.10
Less: RBSIF	(157,534.00)	(159,454.10)	-	(159,454.10)
<b>Surplus / (Deficit) as regards RBSIF</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM  
13 JUNE 2017 TO 12 DECEMBER 2017, AND CUMULATIVE FROM 20 JANUARY 2016 TO 12 DECEMBER 2017**

	Statement of Affairs	Amounts previously reported	Amounts from 13 June 2017 to 12 December 2017	Cumulative
	£	£	£	£
<b>RECEIPTS</b>				
<b>Assets Not Specifically Pledged</b>				
Surplus as regards RBSIF	-	-	-	-
Cash at Bank and in Hand	234,387.00	242,060.29	-	242,060.29
Stock	38,000.00	39,000.00	-	39,000.00
Office & IT Equipment	2,500.00	2,500.00	-	2,500.00
Corporation Tax Refund	Uncertain	-	-	-
Antecedent Transactions	Uncertain	-	-	-
Directors' Loan Accounts	Uncertain	16,000.00	4,000.00	20,000.00
Insurance Claim	126.00	125.76	-	125.76
Refund of prepayments	-	34.20	-	34.20
Bank Interest	-	84.29	-	84.29
	<u>275,013.00</u>	<u>299,804.54</u>	<u>4,000.00</u>	<u>303,804.54</u>
<b>PAYMENTS</b>				
<b>Agreed Pre-appointment Costs</b>				
Leonard Curtis		(20,340.00)	-	(20,340.00)
Turner Parkinson		(3,048.00)	-	(3,048.00)
CAM		(1,500.00)	-	(1,500.00)
CRM		(2,500.00)	-	(2,500.00)
		<u>(27,388.00)</u>	<u>-</u>	<u>(27,388.00)</u>



## GEN-X IT LTD – IN ADMINISTRATION

### Disbursements

Category 1 disbursements	(2,046.17)	(584.47)	(2,630.64)
Category 2 disbursements	(9.23)	(2.25)	(11.48)
	<u>(2,055.40)</u>	<u>(586.72)</u>	<u>(2,642.12)</u>

### Post Appointment Costs

Joint Administrators' remuneration	(179,452.00)	(34,000.00)	(213,452.00)
CAM	(11,000.00)	-	(11,000.00)
Wages & Salaries	(6,082.74)	-	(6,082.74)
CRM	(5,000.00)	-	(5,000.00)
WPCA	(1,775.00)	-	(1,775.00)
EK Employment Law	(1,056.00)	-	(1,056.00)
Addleshaw Goddard	(1,000.00)	-	(1,000.00)
Turner Parkinson	(662.50)	-	(662.50)
Internet Services	(106.50)	-	(106.50)
Bank Charges	(22.50)	-	(22.50)
	<u>(206,157.24)</u>	<u>(34,000.00)</u>	<u>(240,157.24)</u>

### DISTRIBUTIONS BY CLASS OF CREDITOR

Secured Creditor - RBSIF	(159,454.10)	-	(159,454.10)
Preferential Creditors	-	-	-
Unsecured Creditors	-	-	-
	<u>(159,454.10)</u>	<u>-</u>	<u>(159,454.10)</u>

### BALANCE IN HAND

	<u>64,203.90</u>	<u>(30,586.72)</u>	<u>33,617.18</u>
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SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD FROM 13 JUNE 2017 TO 12 DECEMBER 2017

	Director		Senior Manager		Manager 1		Manager 2		Administrator 1		Administrator 2		Administrator 3		Administrator 4		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory & Review	61	2,745.00	-	-	27	985.50	-	-	-	-	2	46.00	13	273.00	-	-	103	4,049.50	393.16
Receipts & Payments	-	-	-	-	77	2,810.50	3	96.00	-	-	-	-	130	2,730.00	6	90.00	216	5,726.50	265.12
Assets	-	-	-	-	144	5,256.00	-	-	-	-	4	92.00	90	1,890.00	-	-	238	7,238.00	304.12
Liabilities	50	2,250.00	-	-	192	7,008.00	59	1,868.00	10	260.00	17	391.00	254	5,334.00	-	-	582	17,131.00	294.35
Debiture Holder	-	-	-	-	3	109.50	-	-	-	-	4	92.00	-	-	-	-	7	201.50	287.86
General Administration	-	-	-	-	132	4,818.00	-	-	-	-	2	46.00	70	1,470.00	2	30.00	206	6,364.00	308.93
Planning & Strategy	25	1,125.00	-	-	20	730.00	-	-	-	-	-	-	-	-	-	-	45	1,855.00	412.22
Post Appointment Credits Mtngs	-	-	-	-	5	182.50	-	-	-	-	2	46.00	165	3,465.00	-	-	172	3,693.50	214.74
Investigations	76	3,420.00	-	-	151	5,511.50	-	-	-	-	-	-	468	9,828.00	-	-	695	18,759.50	269.92
Legal Services - Preparation	100	4,500.00	56	2,296.00	-	-	-	-	5	130.00	-	-	-	-	-	-	161	6,926.00	430.19
Legal Services - Attendance	58	2,610.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	58	2,610.00	450.00
Legal Services - Tel Call	12	540.00	2	82.00	-	-	-	-	-	-	-	-	-	-	-	-	14	622.00	444.29
Legal Services - Email Out	2	90.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	90.00	450.00
<b>Total</b>	<b>384</b>	<b>17,280.00</b>	<b>58</b>	<b>2,378.00</b>	<b>751</b>	<b>27,411.50</b>	<b>62</b>	<b>1,984.00</b>	<b>15</b>	<b>390.00</b>	<b>31</b>	<b>713.00</b>	<b>1,190</b>	<b>24,990.00</b>	<b>8</b>	<b>120.00</b>	<b>2,499</b>	<b>75,266.50</b>	
<b>Average Hourly Rate (£)</b>	<b>450.00</b>		<b>410.00</b>		<b>365.00</b>		<b>320.00</b>		<b>260.00</b>		<b>230.00</b>		<b>210.00</b>		<b>150.00</b>			<b>301.19</b>	

All Units are 6 minutes

## DESCRIPTION OF TIME SPENT BY CATEGORY

### Statutory and Review

This category of activity encompasses work undertaken for both statutory and case management purposes. Whilst this work will not directly result in any monetary value for creditors, it ensures that the case is managed efficiently and resourced appropriately, which will be of benefit to all creditors.

Regular case management reviews have taken place, which have included file reviews and team meetings. This ensures effective case progression, which will ultimately benefit the creditors.

Time has also been spent by our compliance department ensuring that all statutory duties have been adhered to, particularly with regards to the Joint Administrators' request to increase their fees estimate.

### Receipts and Payments

This category of work will not result in a direct financial benefit for creditors. However, close monitoring of case bank accounts is essential to ensure that bank interest is maximised where possible, estate expenses are properly managed and kept to a minimum and amounts payable to creditors are identified and distributed promptly. Time recorded to this category has included:

- Dealing with the internal billing of the matter;
- Liaising with WPCA with regards to the potential corporation tax reclaim;
- Preparing Company VAT returns, and subsequent correspondence with HMRC;
- Payment of estate expenses; and
- Preparations for the preferential dividend.

### Assets

Time has been spent in correspondence with the Director, Alan Gould, regarding his overdrawn director's loan account. The Director indicated that he was unable to make payment due to his financial circumstances. A repayment plan was negotiated and agreed between the parties. As detailed at 4.4 of this report, our efforts resulted in payment in full by the Director.

Time has also been spent with regards to the potential corporation tax reclaim. As detailed at paragraph 4.3, the Joint Administrators have engaged WPCA to assist with this claim, the result of which is anticipated to make a net gain for the benefit of the Company's estate. Time has been spent in correspondence with WPCA, reviewing the possible benefit to the estate and agreeing fees accordingly, and providing requested information to assist with their tax work.

The Joint Administrators believe that there may potentially be various antecedent transactions that may have taken place in the period prior to the administration. Time has therefore been spent reconciling the Company's accounts and bank statements, and meeting with our legal team to discuss further action with regards to bringing claims for the funds dispersed.

We have also been in correspondence with CRM with regards to debtor collections.

### Liabilities

We have spent time in correspondence with our agents, EK Employment, with regards to the preferential dividend. Time has been spent reviewing the preferential calculations, and making arrangements for the dividend. Time has also been spent ensuring that the preferential dividend is calculated with tax due to HMRC as appropriate.

Time has been recorded with regards to the preparation of statutory reports to the general body of creditors, including progress reports and a fee extension request.

We have spent a large amount of time in correspondence with the Company's majority creditor, CISCO. As detailed in the body of this report, CISCO have commenced litigation both against the Directors and the Company. Following CISCO's extensive investigations, they have made various disclosures to the Joint Administrators in order to assist us with our own investigations into the Company. Correspondence with CISCO and their legal representatives has been by way of telephone, email, physical meetings and teleconferences.

There has also been correspondence with various creditors who have contacted the Joint Administrators directly.

### **Debenture Holder**

Time has been spent in correspondence with the debenture holder regarding their floating charge.

### **General Administration**

Whilst the physical records of the Company have been obtained by the Joint Administrators, we are still trying to obtain access to some electronic data. Time has been spent making arrangements for the copying of all accessible data that could be recovered from the Company's computers. We instructed CAM to assist us in this regard. Time has also been spent in correspondence with the Company's host email provider attempting to obtain copies of the Company's email traffic.

Small amounts of time have also been spent regarding the following:

- Preparing file notes following meetings with various parties;
- Reviewing the Company's physical records and updating the inventory;
- Reviewing returned post; and
- Making meeting arrangements.

### **Post Appointment Creditors' Meetings**

Time recorded to this category is in regards to the preparation and circulation of the progress report to creditors, incorporating the request for a fees increase to be considered by correspondence. Time has been spent in correspondence with our compliance department to ensure that all statutory requirements have been met. Time has also been spent by more senior members of the team reviewing the report, and updating where appropriate. Following the creditors decision, minutes of the meeting were also prepared.

### **Investigations**

The majority of the Joint Administrator's ongoing work is with regards to investigations resulting in possible claims to be brought for the benefit of the creditors. By completing thorough investigations, the Joint Administrators are ensuring that all possible avenues of asset realisation are uncovered and are properly scrutinised. However, we are limited in the amount of detail we can provide to creditors at this stage without prejudicing our investigations.

At present we are investigating some possible antecedent transactions that may have taken place shortly prior to the Company's administration. This has involved reviewing the Company's records, including the accounts and bank statements, and correspondence with various connected parties. The Joint Administrators are currently reviewing the position and contemplating their next steps.

As detailed above, CISCO have made a number of disclosures to the Joint Administrators. Time has been spent reviewing CISCO's concerns, and considering if there is sufficient evidence for action against various parties.

The Court proceedings between CISCO, the Directors and the Company has progressed to the disclosures stage. In order for this to take place, it has been necessary to allow the various parties access to the Company's books and records that are located at our storage agents. Investigations have therefore been completed to ensure that all parties are only viewing documents of which they are entitled to, and time has also been spent arranging access to the same.

Meetings have taken place between the case administrators, our legal team and various connected parties, such as the shareholder, CISCO and the purchaser of the Company's computer equipment to assist in our investigations.

### **Legal Services**

Use of Leonard Curtis' in-house legal team is considered to be substantially more cost effective than seeking external legal advice.

Time has been recorded by the legal team with regards to the following:

- Attending various meetings, both physical and via teleconference, alongside the case administrators, including CISCO, CISCO's legal team and the Shareholder;
- The review of information disclosed by CISCO;
- Meetings with the case administrators to provide advice regarding the outcome of their investigations; and
- Meetings with the case administrators to review the case progression and to advise on the next steps for the Joint Administrators to take with regards to bringing claims.

SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FROM 20 JANUARY 2016 TO 12 DECEMBER 2017  
INCORPORATING A COMPARISON OF THE JOINT ADMINISTRATORS' REVISED FEE ESTIMATE

	FEES ESTIMATE				INCURRED TO 12 DECEMBER 2017				VARIANCE	
	Total		Total		Total		Total			
	Units	Cost	Average hourly rate	Units	Cost	Average hourly rate	Cost	Cost	£	£
Statutory & Review	406	13,087.50	322.35	425	12,437.50	292.65	12,437.50	(650.00)		
Receipts & Payments	192	5,153.50	268.41	432	10,022.00	231.99	10,022.00	4,868.50		
Insurance	44	1,385.50	314.89	24	743.00	309.58	743.00	(642.50)		
Assets	1,580	54,405.00	344.34	1,555	58,469.00	376.01	58,469.00	4,064.00		
Liabilities	1,484	47,783.00	321.99	1,841	60,160.00	326.78	60,160.00	12,377.00		
Landlords	48	1,656.00	345.00	16	381.00	238.13	381.00	(1,275.00)		
Debenture Holder	83	3,229.50	389.10	60	2,412.50	402.08	2,412.50	(817.00)		
General Administration	958	20,414.50	213.09	1,018	23,099.00	226.91	23,099.00	2,684.50		
Appointment	114	3,297.00	289.21	79	2,467.00	312.28	2,467.00	(830.00)		
Planning & Strategy	48	1,876.00	390.83	83	3,323.00	400.36	3,323.00	1,447.00		
Post Appointment Credits Mtngs	872	30,440.50	349.09	982	30,842.50	314.08	30,842.50	402.00		
Investigations	1,231	45,354.00	368.43	1,584	53,065.50	335.01	53,065.50	7,711.50		
Review	4	146.00	365.00	4	146.00	365.00	146.00	-		
Legal Services - Preparation	360	12,900.00	358.33	490	18,431.00	376.14	18,431.00	5,531.00		
Legal Services - Attendance	77	3,465.00	450.00	101	4,545.00	450.00	4,545.00	1,080.00		
Legal Services - Research	24	660.00	275.00	24	660.00	275.00	660.00	-		
Legal Services - Drafting docs	54	810.00	150.00	34	510.00	150.00	510.00	(300.00)		
Legal Services - Travel	8	120.00	150.00	8	120.00	150.00	120.00	-		
Legal Services - Letter Out	-	-	-	2	90.00	450.00	90.00	90.00		
Legal Services - Tel Call	-	-	-	50	1,762.00	352.40	1,762.00	1,762.00		
Legal Services - Email Out	-	-	-	18	690.00	383.33	690.00	690.00		
	7,587	246,183.00	324.48	8,830	284,376.00	322.06	284,376.00	38,193.00		

SUMMARY OF JOINT ADMINISTRATORS' EXPENSES FROM 20 JANUARY 2016 TO 12 DECEMBER 2017,  
INCORPORATING A COMPARISON OF THE JOINT ADMINISTRATORS' STATEMENT OF LIKELY EXPENSES

Standard Expenses

Type	Charged by	Description	Estimated Amount £	Total Amount Incurred to 12 December 2017 £	Amount Incurred in This Period £	Amount Paid £	Amount Unpaid £
Client Identification Checks	Business Tax Centre	Electronic client verification	10.00	10.00	-	10.00	-
Bond Fee	AUA Insolvency Risk Services	Insurance bond	400.00	427.00	-	427.00	-
Companies House searches	Companies House	Extraction of company information from Companies House	10.00	3.00	-	3.00	-
Document Hosting	Pelstar Computing	Hosting of documents for creditors	42.00	60.20	18.20	60.20	-
Software Licence Fee	Pelstar Computing	Case management system licence fee	87.00	87.00	-	87.00	-
Statutory Advertising	Courts Advertising	Advertising	157.50	169.78	-	169.78	-
Storage Costs	CAM	Storage of books and records	550.00	1,841.46	277.26	1,749.04	92.42
Internet Services	Zen Internet	Cost of internet access	-	106.50	-	106.50	-
Bank charges	AIB	Costs in relation to Administrator's bank account	-	22.50	-	22.50	-
Post Redirection	Post Office	Redirection of Post	160.00	-	-	-	-
		<b>Total standard expenses</b>	<b>1,416.50</b>	<b>2,727.44</b>	<b>295.46</b>	<b>2,635.02</b>	<b>92.42</b>

Case Specific Expenses

GEN-X IT LTD – IN ADMINISTRATION

Type	Charged by	Description	Estimated Amount £	Total Amount Incurred to 12 December 2017 £	Amount Incurred in This Period £	Amount Paid £	Amount Unpaid £
Wages and Salaries	Former Financial Controller	Salary of former staff member, who was retained for 2 months to deal with debt collection	-	6,082.74	-	6,082.74	-
Land Registry searches	Land Registry	Extraction of information from the Land Registry	-	3.00	-	3.00	-
Court Fees	Manchester District Registry of the High Court	Transfer of matter from K G Murphy to J R Irving	-	2.39	-	2.39	-
Legal Fees	Leonard Curtis Legal	Transfer of matter from K G Murphy to J R Irving	-	87.13	-	87.13	-
Agents' Fees	CAM	Stock take, collection of assets and books & records, transportation and storage	12,500.00	11,000.00	-	11,000.00	-
Agents Fees	CAM	Backup of electronic records	-	2,120.00	2,120.00	-	2,120.00
Debt Collection Fees	CRM	Costs of collection of debts	7,500.00	5,000.00	-	5,000.00	-
Legal Fees	Turner Parkinson	Professional services	10,000.00	662.50	-	662.50	-
	Addleshaw Goddard	Costs of appointed solicitors		1,000.00	-	1,000.00	-
Other professional fees	EK Employment	Calculation of residual employee claims	6,000.00	1,056.00	-	1,056.00	-
	Wrigley Partington Accountants	Accountancy advice		4,775.00	3,000.00	1,775.00	3,000.00
Staff Mileage	Leonard Curtis	Category 2 disbursement requiring specific creditor / committee approval	100.00	13.28	1.80	11.48	1.80
Administrators Staff	Leonard Curtis	Costs of travel and sundry expenses	10.60	18.10	-	18.10	-
		<b>Total case specific expenses</b>	<b>36,110.60</b>	<b>31,820.14</b>	<b>5,121.80</b>	<b>26,698.34</b>	<b>5,121.80</b>



ESTIMATED OUTCOME STATEMENT

	Secured - Fixed £'000	Preferential £'000	Secured - Floating £'000	Unsecured £'000
Amount available to class of creditor	159	12	N/K	N/K
Amount due to creditor per Estimated Financial Position	(162)	(12)	(3)	(35,562)
Estimated dividend rate (as a %)	98%	100%	N/K	N/K

**LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS**

The following Leonard Curtis policy information is considered to be relevant to creditors:

**Staff Allocation and Charge Out Rates**

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below.

With effect from 6 January 2014 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

6 Jan 2014 onwards	Standard £
Director	450
Senior Manager	410
Manager 1	365
Manager 2	320
Administrator 1	260
Administrator 2	230
Administrator 3	210
Administrator 4	150
Support	0

Office holders' remuneration may include costs incurred by the firm's in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment.

**Subcontractors**

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

**Professional Advisors**

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

**Expenses**

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

## GEN-X IT LTD – IN ADMINISTRATION

Type	Description	Amount																								
AML checks	Electronic client verification in compliance with the Money Laundering Regulations 2007	£5.00 plus VAT per individual																								
Bond / Bordereau fee	Insurance bond to protect the insolvent entity against and losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case																								
Company searches	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting	Hosting of documents for creditors/shareholders	<table border="1"> <thead> <tr> <th>Type</th> <th>First 100</th> <th>Every addtl 10</th> </tr> </thead> <tbody> <tr> <td>ADM</td> <td>£14.00</td> <td>£1.40</td> </tr> <tr> <td>CVL</td> <td>£7.00</td> <td>£0.70</td> </tr> <tr> <td>MVL</td> <td>£7.00</td> <td>£0.70</td> </tr> <tr> <td>CPL</td> <td>£7.00</td> <td>£0.70</td> </tr> <tr> <td>CVA</td> <td>£10.00</td> <td>£1.00</td> </tr> <tr> <td>BKY</td> <td>£10.00</td> <td>£1.00</td> </tr> <tr> <td>IVA</td> <td colspan="2">£10 p.a. or £25 for life of case</td> </tr> </tbody> </table>	Type	First 100	Every addtl 10	ADM	£14.00	£1.40	CVL	£7.00	£0.70	MVL	£7.00	£0.70	CPL	£7.00	£0.70	CVA	£10.00	£1.00	BKY	£10.00	£1.00	IVA	£10 p.a. or £25 for life of case	
		Type	First 100	Every addtl 10																						
		ADM	£14.00	£1.40																						
		CVL	£7.00	£0.70																						
		MVL	£7.00	£0.70																						
		CPL	£7.00	£0.70																						
		CVA	£10.00	£1.00																						
BKY	£10.00	£1.00																								
IVA	£10 p.a. or £25 for life of case																									
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £185.00 3-6 months £275.00 6-12 months £445.00																								
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case																								
Statutory advertising	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£83.02 plus VAT per advert Dependent upon advert and publication																								
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges																								

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See <b>disbursements</b> section below	See <b>disbursements</b> section below

### Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements.

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£81.25 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

**Proof of Debt – General Form**  
**Relevant date: 20 January 2016**

Name of Company in Administration:

Gen-X IT Ltd

Company registered number:

04480097

1. Name of creditor (if a company, provide registration number)

2. Correspondence address of creditor (including email address)

3. Total amount of claim (£) at relevant date (include any Value Added Tax)

4. If amount in 3 above includes outstanding uncapitalised interest, state amount (£)

5. Details of how and when the debt was incurred (if you need more space attach a continuation sheet to this form)

6. Details of any security held, the value of the security and the date it was given

7. Details of any reservation of title claimed in respect of goods supplied to which the debt relates

8. Details of any document by reference to which the debt relates

9. Signature of creditor (or person authorised to act on the creditor's behalf)

10. Date of signing:

11. Address of person signing (if different from 2 above)

12. Name in BLOCK LETTERS

13. Position with, or relation to, creditor

Notes:

1. There is no need to attach them now but the office-holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office-holder. If completing on behalf of the company, please state your relationship to the company.

Notice of Extension of Period of Administration – Form AM19

# AM19

## Notice of extension of period of administration



Companies House

### 1 Company details

Company number	0	4	4	8	0	0	9	7
Company name in full	Gen-X IT Ltd							

→ Filing in this form  
Please complete in typescript or in bold black capitals.

### 2 Court details

Court name	Manchester District Registry of the High Court													
Court number	2	0	3	0		o	f	2	0	1	6			

### 3 Administrator's name

Full forename(s)	Julien							
Surname	Irving							

### 4 Administrator's address

Building name/number	Leonard Curtis							
Street	Tower 12, 18/22 Bridge Street							
	Spinningfields							
Post town	Manchester							
County/Region								
Postcode	M	3		3	B	Z		
Country								

AM19

Notice of extension of period of administration

**5 Administrator's name**

Full forename(s) Andrew  
Surname Poxon

**Other administrator**  
Use this section to tell us about another administrator.

**6 Administrator's address**

Building name/number Leonard Curtis  
Street Tower 12, 18/22 Bridge Street  
Spinningfields  
Post town Manchester  
County/Region  
Postcode M 3 3 B Z  
Country

**Other administrator**  
Use this section to tell us about another administrator.

**7 Administration extended until**

Date 

d	2	d	0	m	0	m	1	y	2	y	0	y	1	y	9
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

**8 Extension of period of administration**

The period of administration was extended:

- By order of the court  
 With the consent of the company's creditors

**9 Sign and date**

Signature 

Signature	X  X
-----------	---

Signature date 

d	1	d	6	m	0	m	1	y	2	y	0	y	1	y	8
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---



AM19

Notice of extension of period of administration

 **Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Rachel Cooke**

Company name **Leonard Curtis**

Address **Tower 12, 18/22 Bridge Street**

**Spinningfields**

**Manchester**

Post town

County/Region

Postcode **M 3 3 B Z**

Country

DX

Telephone **0161 831 9999**

 **Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- The company name and number match the information held on the public Register.
- You have signed and dated the form.

 **Important information**

**All information on this form will appear on the public record.**

 **Where to send**

**You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

 **Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**