

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company Just Core-It UK Limited	Company number 05057969
In the High Court of Justice, Chancery Division, Manchester District Registry [full name of court]	Court case number 2385 of 2008

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

I / We (a) Alan Howard Tomlinson of Tomlinsons, St Johns Court, 72 Gartside Street, Manchester, M3 3EL

attach a copy of *my / ~~our~~ proposals in respect of the administration of the above company

* Delete as applicable

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 29 May 2008

Signed [Signature]
Joint / Administrator(s)

Dated 29/5/08

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.

Tel	
DX Number	DX Exchange

FRIDAY



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



TOMLINSONS

BUSINESS RECOVERY & INSOLVENCY

TO ALL CREDITORS

Please reply to

29 May 2008

Our Ref

Dear Sirs

JUST CORE-IT UK LIMITED “(THE COMPANY)” (IN ADMINISTRATION)

I wrote to all creditors on 14 April 2008 to explain that I was appointed Administrator to the Company on 4 April 2008

As Administrator I am required to call an initial meeting of creditors at which my Statement of Proposals will be presented, setting out the way in which I propose to achieve the purpose of the Administration

This meeting has now been scheduled to take place on 13 June 2008 at 11 00am at The Freemasons Hall, 36 Bridge Street, Manchester, M3 3BT

At this meeting creditors will be asked to consider

- The Administrator's Proposals
- Whether or not to establish a creditors' committee
- The approval of the basis of the Administrator's remuneration
- Approving the automatic discharge from liability of the Administrator following completion of the Administration

Enclosed with this letter are the following documents

- Formal notice of the meeting of creditors (Form 2 20B)
- Report and Statement of Proposals of the Administrator
- A Proxy form which must be completed and returned to me as soon as possible and in any event, no later than 12 noon on 12 June 2008, to enable you or your representative to vote at the meeting of creditors'
- Statement of Claim form In order to vote at the meeting you must supply written details of your debt as at the date of the Administrator's appointment
- A copy of rule 233 insolvency (amendment) rules 2003 (entitlement to vote)

Yours faithfully


A H Tomlinson
ADMINISTRATOR

Enc

The affairs, business and property of the company are being managed by the Administrator.
The Administrator contracts only as agent of the company and without personal liability.

TEL (0161) 834 9797 FAX (0161) 839 4499

OFFICES ALSO AT BLACKBURN, LIVERPOOL AND LONDON

ALAN H TOMLINSON FCA FABRP CATHERINE MATTHEWS
ASSOCIATES JASON ELLIOTT MIPA MABRP ALAN FALLOWS ACCA MIPA MABRP
Alan Tomlinson is Licensed by the Institute of Chartered Accountants in England & Wales

www.tomlinsons.co.uk advice@tomlinsons.co.uk

Name of Company **Just Core-It UK Limited**
Company Number **05057969**

**ADMINISTRATOR'S
REPORT AND
STATEMENT OF PROPOSALS
23 May 2008**

CONTENTS

- 1 Statutory Information
- 2 Background to the Administration
- 3 Administration Strategy
- 4 Administrator's Receipts and Payments from 4 April 2008 to 23 May 2008
- 5 Financial position of the Company
- 6 Proposals
- 7 Administrator's Remuneration
- 8 Estimated Outcome
- 9 Next Report
- 10 Meeting of Creditors

APPENDICES

- A Receipts and Payments Account from 4 April 2008 to 29 May 2008
- B Summary of the Estimated Financial Position of the Company as at 29 May 2008
- C Time Analysis for the period 4 April 2008 to 29 May 2008
- D Additional Information in relation to Administrator's fees pursuant to Statement of Insolvency Practice No 9
- E Form 2 20B
- F Form of Proxy

THE ADMINISTRATOR'S REPORT AND STATEMENT OF PROPOSALS

1 Statutory information

- 1.1 The Company's registered number is 05057969
- 1.2 The trading address of the Company is Core-It House, Bradshaw Street, Atherton, Manchester, M46 9EU The business trades under the Just Core-It UK Limited
- 1.3 The registered office of the company has been changed from Core-It House, Bradshaw Street, Atherton, Manchester, M46 9EU to Tomlinsons, St John's Court, 72 Gartside Street, Manchester M3 3EL
- 1.4 Details of the Company's Directors and Secretary are as follows

Director	Date appointed	Date resigned	Shares held
Andrew Hupton	13 4 04	-	43
Ian Davies	6 4 04	3 9 04	
Kenneth Watton	10 2 05		37
Secretary	Date appointed	Date resigned	Shares held
Kenneth Watton	10 2 05	-	-

2 Background to the Administration

- 2.1 The Company fell into financial difficulty due to a shareholders dispute As a result of non payment of a debt totalling £7,332, an application for an Administration Order was filed at Court on 12 March 2008 by a trade creditor

Messrs Tomlinsons were approached by the applicant to act as Administrator The Director of the Company Mr Hupton attended this meeting and was advised that the Company was indeed insolvent

- 2.2 After considering the position of the Company it was believed that one of the objectives contained in Paragraph 3(1) of Schedule B1 to The Insolvency Act 1986 could be achieved and Alan H Tomlinson consented to act as Administrator

The application was heard at Manchester District Registry on 4 April 2008 at which time, Alan Tomlinson, a licensed insolvency practitioner of Tomlinsons, 72 Gartside Street, Manchester, M3 3EL, was appointed Administrator of the Company

- 2.3 The Administrator is licensed by the Institute of Chartered Accountants in England and Wales
- 2.4 The Court reference number is 2385 of 2008

Just Core-It UK Limited

05057969

2.5 The Company's main centre of operations is based in the United Kingdom. The EC Regulation on Insolvency Proceedings 2000 apply to the Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation.

2.6 The Administrator must perform his functions with the purpose of achieving one of the following objectives:

- Rescuing the Company as a going concern, or
- Achieving a better result for the company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or
- Realising property in order to make a distribution to one or more secured or preferential creditors.

Further information on the pursuance of the above objectives is detailed in the next section.

3 Administration strategy

Following initial investigations it was found that the company was insolvent on a balance sheet basis. Furthermore, it had fallen into arrears with several of its trade creditors as well as the crown in respect of VAT and PAYE/NIC.

Due to the ongoing dispute between the shareholders there was no prospect of Mr Hupton investing any further monies into the business. The second Director/Shareholder Mr Watton had not been on site since November 2007 and as such had played no active part in the business since that time.

It is understood that Mr Hupton had attempted to purchase the shareholding of Mr Watton but had been unsuccessful.

Finally, there were no known outside investors.

Following a review of the running of the company it was apparent that Mr Hupton had significant knowledge of the industry and was responsible for the running of the contracts and bringing in of new work whilst Mr Watton, acted as bookkeeper. This was confirmed by the petitioning creditor who has dealt with Mr Hupton for a number of years.

It was evident that any Administrator would have no working capital with which to trade the business in the short term with a view to achieving a sale of the business.

After reviewing the agents report Mr Hupton approached Tomlinsons with an offer of £30,000 for the business. This offer was conditional that it did not prejudice the goodwill and the sale was to be completed immediately upon the granting of the Administration Order.

The offer also incorporated a transfer of the 14 employees in order to preserve employment and would therefore reduce preferential creditors in the Administration.

It was believed that by accepting this offer the Administration would achieve the objective specified in Paragraph 3(1)(b) of Schedule B1 of The Insolvency Act 1986 being a better result for company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration)

As such the sale was completed to Mr Hupton on 4 April 2008 with the full sale consideration being received on the same date

4 Administrator's receipts and payments

4.1 A summary of receipts and payments for the Administration period from the date of my appointment to 29 May 2008 is attached as Appendix A

5 Financial position of the Company

5.1 A Statement of the Company's Affairs has not yet been received. As a result I attach as Appendix B a summary of the Estimated Financial Position of the Company as at 29 May 2008, together with a list of creditors and details of security held by them

6 Proposals

6.1 It is proposed that the Administrator continues to manage the affairs of the Company in order to achieve the purpose of the Administration. In the circumstances it is proposed that -

6.2 The Administrator continues to manage the business, affairs and property of the Company in such a manner as he considers expedient with a view to achieving the purposes for which the administration order was made

6.3 If the Administrator considers it appropriate, he will apply to the Court for an Order that his term of office be extended

6.4 Given that the Administrator believes there will be sufficient funds to pay secured and preferential creditors in full, a dividend is anticipated to the unsecured creditors. In this situation, the Administrator will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation (CVL). It is proposed that the Administrator will also become the Liquidator

Under Paragraph 83(7) of Schedule B1 to the Insolvency Act 1986, creditors have the right to nominate an alternative liquidator of their choice. To do this, creditors must make their nomination in writing to the Administrator prior to these proposals being approved. Where this occurs, the Administrator will advise creditors and provide the opportunity to vote. In the absence of a nomination, the Administrator will automatically become the Liquidator

Just Core-It UK Limited

05057969

- 6.5 If there are no funds available to enable a distribution to be made to the unsecured creditors, it is proposed that a notice and final progress report be filed at Court and with the Registrar of Companies for the dissolution of the Company pursuant to paragraph 81 of schedule B1. Copies of these documents will be sent to the Company and its creditors. The Administration will end following the registration of the notice by the Registrar of Companies.
- 6.6 Where the administrator forms the view that there is some other reason why it would be appropriate to do so, then he be authorised to petition for the compulsory winding up of the Company.
- 6.7 The Administrator shall investigate and, if appropriate pursue any claims that he 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.
- 6.8 Consideration shall be given by creditors to the establishment of a creditors' committee pursuant to Rule 2.50 of the Insolvency (Amendment) Rules 2003. Where no creditors' committee is appointed, the remuneration of the Administrator shall be fixed by reference to time properly spent by him and his staff in managing the Administration. The Administrator is authorised to draw remuneration as and when funds are available on account of his time costs.
- 6.9 The Administrator will incur and be authorised to pay such costs and expenses, including professional fees, as he considers incidental to the achievement of the proposals outlined above or his statutory duties, as and when funds allow.
- 6.10 The Administrator will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon his appointment as Administrator ceasing to have effect.
- 6.11 In order that the Administrator may achieve the purpose of the Administration, being to rescue the Company as a going concern, the most appropriate exit route from Administration will be achieved through a Company Voluntary Arrangement (CVA).
- 7 Administrator's remuneration**
- 7.1 The Administrator's time costs at 29 May 2008 are £4,375. This represents a total of 35 hours at an average rate of £125 per hour. Attached as Appendix C is a Time Analysis in accordance with the provisions of SIP9, which provides details of the activity costs incurred by staff grade to the above date. I propose drawing fees in accordance with the proposals outlined above.
- 7.2 Attached as Appendix D is additional information in relation to the Administrator's policy on staffing, the use of subcontractors, disbursements and details of current charge-out rates by staff grade.
- 7.3 Please note, A Creditors Guide to Administrator's Fees is available on request from this office or can be downloaded from Tomlinsons website www.tomlinsons.co.uk and click on "Technical".

Just Core-It UK Limited

05057969

8 Estimated outcome

8.1 An estimate of the outcome of the Administration as at 5 March 2008 is attached as Appendix E

8.2 Based on the Administrator's Estimated Outcome Statement attached to this report there are no preferential creditors as the employees have been transferred to the new Company. Unsecured creditors have been estimated at £10,000. Current indications are that there will be a distribution to unsecured creditors.

There is a mortgage debenture incorporating a fixed and floating charge over the assets of the company in favour of RBS Invoice Finance which was created on 4 July 2006 and registered on 5 July 2006. The amount due as at the date of my appointment was £13,000, however this has yet to be confirmed.

The Royal Bank of Scotland also have a fixed and floating charge over the assets of the Company to secure the overdraft created on 4 February 2005 which was registered on 10 February 2005. The amount owing to the debenture holder as at the date of my appointment was estimated at £6,200 however I have yet to receive a claim in this regard.

The fixed charge in favour of The Royal Bank of Scotland is over Property owned by the Director personally and does not include any Company assets. As such for the purposes of the Estimated Outcome Statement, this has been categorised as floating.

8.3 As the debenture is dated after 15 September 2003, the Administrator is required to set aside a proportion of the Company's assets ("The Prescribed Part") for the benefit of unsecured creditors. To the best of my knowledge and belief the value of the company's net property is £80,000 and the value of the Prescribed Part is £19,000.

9 Next report

9.1 The Administrator is required to provide a progress report within one month of the end of the first six months of the Administration.

10 Meeting of creditors

10.1 An initial meeting of the Company's creditors is being convened to approve the Administrators' proposals. The meeting will be held on 13 June 2008 at 11.00am at The Freemasons Hall, Bridge Street, Manchester.

Yours faithfully



A H Tomlinson
ADMINISTRATOR

The affairs, business and property of the company are being managed by the Administrator. The Administrator acts as agent of the company and without personal liability.

**Just Core-It UK Limited
(In Administration)**

**Administrator's Abstract Of Receipts And Payments
To 29 May 2008**

RECEIPTS	Total (£)
Book Debts	6,242 97
Plant & Machinery	10,000 00
Furniture & Equipment	1,000 00
Motor Vehicles	16,000 00
Stock	1,000 00
Book Debts	11,274 14
Goodwill / IPR	2,000 00
Sundry Interest Received from Solicitors	78 39
	<hr/> 47,595 50 <hr/>
 PAYMENTS	
Agents/Valuers Fees (1)	5,500 00
Legal Fees (1)	11,160 64
Vat Receivable	2,915 61
	<hr/> 19,576 25
Balances in Hand	28,019 25
	<hr/> 47,595 50 <hr/>

JUST CORE-IT UK LIMITED

ESTIMATED OUTCOME STATEMENT AS AT 29 MAY 2008

	Book Value £	Estimated to Realise in Administration £ £
Assets Specifically Pledged		
Book Debts	84,000	63,000
Less		
RBS Invoice Finance	<u>(24,113)</u>	<u>(13,000)</u>
Surplus C/D		50,000
Assets Not Specifically Pledged		
Motor Vehicles		16,000
Furniture & Equipment		1,000
Plant & Machinery		10,000
Stock		1,000
Goodwill/ IPR		2,000
		<u>30,000</u>
Total Assets available to Preferential Creditors		80,000
Preferential Creditors		
		Nil
Estimated Prescribed Part of Net Property c/d		<u>19,000</u>
		61,000
Floating Charge Creditor		
Royal Bank of Scotland		<u>6,200</u>
Surplus available to Non Preferential Creditors		54,800
Estimated Prescribed part of Net Property b/d		<u>19,000</u>
		73,800
Non Preferential Creditors		
Trade & Expense		(10,000)
HM Revenue & Customs (Corporation Tax) - Provision		(20,000)
HM Revenue & Customs (PAYE/NIC) - Provision		(40,000)
HM Revenue & Customs (VAT) - Provision		<u>(40,000)</u>
		<u>(110,000)</u>
Total Shortfall to Unsecured Creditors		(36,200)
Total Shortfall to Floating Charge Creditor		Nil
Issued and called up Ordinary Shareholders		<u>(80)</u>
Total Shortfall		<u>(36,280)</u>

Appendix C

JUST CORE IT UK LIMITED – IN ADMINISTRATION

SIP 9 Analysis for the period 4 April 2008 to 29 May 2008

	<u>Partner</u>	<u>Manager</u>	<u>Administrator</u>	<u>Cashiers</u>	<u>Total Hours</u>	<u>Time Cost</u> £	<u>Average Rate</u> £
Statutory Compliance		2 25	10 90		3 25	560 00	172 31
Administration and Planning	2 20	1 50	10 30		12 60	1,809 00	143 57
Realisation of Assets			2 10		2 10	231 00	110 00
Investigations							
Creditors			0 10				
Cashiers				5 5	5 00	417 50	417 50
Total Hours	2 20	3 75	23 40	5 50	34 85		
Total Cost	594 00	750 00	2,574 00	457 50		4,375 50	
Average Rate	270 00	200 00	110 00	83 18			125 55

ADDITIONAL INFORMATION IN RELATION TO ADMINISTRATORS' FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9

1 Policy

Detailed below is Tomlinsons policy in relation to

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

1.1 Staff allocation and the use of subcontractors

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

The constitution of the case team will usually consist of a Partner, Manager, Senior and Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several Seniors/Assistants may be allocated to meet the demands of the case

With regard to support staff, time spent by cashiers in relation to specific tasks on an assignment is charged

I have not utilised the services of any subcontractors in this case

1.2 Professional advisors

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

Name of Professional Advisor	Basis of Fee Arrangement
Halliwells Solicitors (legal advice)	Hourly rate & disbursements
Robson Kay & Co (valuation and disposal advice)	Hourly rate & disbursements

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

Just Core-It UK Limited

05057969

1.3 Disbursements

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

I do not propose to charge any "category 2" disbursements. These disbursements include elements of shared or allocated costs.

1.4 Chargeout Rates

Hourly Charge out rates as at 1 June 2007 -

	<u>£</u>
Senior Partner	270
Partner	220-240
Senior Manager	200
Manager	160
Senior Administrator	140
Administrators & Cashiers	90-125

Notice of a meeting of creditors

Name of Company Just Core-It Uk Limited	Company number 05057969
In the High Court of Justice, Chancery Division, Manchester District Registry [full name of court]	Court case number 2385 of 2008

(a) Insert full name(s) and address(es) of the administrator(s)

Notice is hereby given by (a) Alan Howard Tomlinson of Tomlinsons, St Johns Court, 72 Gartside Street, Manchester, M3 3EL

(b) Insert full name and address of registered office of the company

that a meeting of the creditors of (b) Just Core-It Uk Limited c/o Tomlinsons, St Johns Court, 72 Gartside Street, Manchester, M3 3EL

(c) Insert details of place of meeting

is to be held at (c) The Freemasons Hall, 36 Bridge Street, Manchester, M3 3BT

(d) Insert date and time of meeting

on (d) 13 June 2008 at 11 00hrs

The meeting is

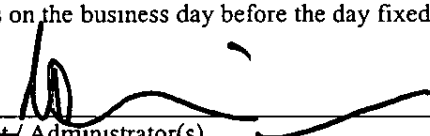
*Delete as applicable

- * (1) an initial creditors' meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986 ("the Schedule"),
- * (2) ~~an initial creditors' meeting requested under paragraph 52(2) of the Schedule,~~
- * (3) ~~to consider revisions to my proposals under paragraph 54(2) of the Schedule,~~
- * (4) ~~a further creditors' meeting under paragraph 56 of the Schedule,~~
- * (5) ~~a creditors' meeting under paragraph 62 of the Schedule.~~

I invite you to attend the above meeting

A proxy form is enclosed which should be completed and returned to me by the date of the meeting if you cannot attend and wish to be represented

In order to be entitled to vote under Rule 2 38 at the meeting you must give to me, not later than 12 00 hours on the business day before the day fixed for the meeting, details in writing of your claim

Signed 
 ~~Joint~~ / Administrator(s)

Dated 28/5/08

* Delete as applicable

A copy of the *proposals / ~~revised proposals~~ is attached

Insolvency Act 1986

Proxy (Administration)

Just Core-It UK Limited – In Administration

Name of Creditor _____

Address _____

Please insert name of person (who must be 18 or over) or the Chairman of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well.

Name of Proxy Holder

1 _____

2 _____

3 _____

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the creditor's proxy holder at the meeting of creditors to be held on 13 June 2008 or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion)

Voting Instructions for resolutions

*Please delete as appropriate

1 That the Administrator's proposals be approved **For/Against***

2 Under Rule 2.106 of the Insolvency (Amendment) Rules 2003 and in the absence of a Creditors' Committee, the remuneration of the Administrator be fixed by reference to time properly spent by him and his staff in attending to matters arising from the Administration **For/Against***

3 In accordance with Statement of Insolvency Practice No 9, issued by the Association of Business Recovery Professionals, the Administrator be authorised to draw remuneration as and when funds are available on account of his time costs **For/Against***

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

5 For the appointment of _____

of _____

representing _____

as a member of the creditors' committee

This form must be signed

Signature _____ Date ____/____/____

Name in CAPITAL LETTERS _____

Only to be completed if the creditor has not signed in person

Position with creditor or relationship to creditor or other authority for signature
