

The Insolvency Act 1986

## Statement of administrator's proposals

Name of Company Cyclone Courier Company Limited	Company number 01882632
In the Royal Courts of Justice [full name of court]	Court case number 2457 of 2012

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

I/ We, (a) Jamie Taylor and Lloyd Biscoe, both of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea SS1 2EG

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) 15 May 2012

Signed

Joint / Administrator(s)

Dated

15/05/12

### 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.

Begbies Traynor (Central) LLP	
The Old Exchange, 234 Southchurch Road, Southend on Sea SS1 2EG	
	Tel 01702 467255
Fax Number 01702 467201	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



A07      22/05/2012      #191  
 COMPANIES HOUSE

TUESDAY

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability

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## Cyclone Courier Company Limited (In Administration)

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Statement of proposals for achieving the purpose of the administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986

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### Important Notice

This statement of proposals has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever. Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

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# 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Cyclone Couner Company Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Act on 22 March 2012
"the administrators", "we", "our", "us"	Jamie Taylor and Lloyd Biscoe of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and  (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

## 2. STATUTORY INFORMATION

Name of Company	Cyclone Couner Company Limited	
Trading name(s)	N/A	
Date of Incorporation	4 February 1985	
Company registered number	01882632	
Company registered office	The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG	
Former registered office	Cyclone House, 27-29 Whitfield Street, London, W1T 2SE	
Trading address(es) <i>(or attach a separate sheet if more than one)</i>	Cyclone House, 27-29 Whitfield Street, London, W1P 5RB	
Principal business activities	Business Services - Other	
Directors and details of shares held in the Company (if any)	<b>Name</b> Michael Harris Gregory Odd	<b>Shareholding</b> <i>0 shares</i> <i>59,999 ordinary shares of £1 each</i>
Company Secretary and details of the shares held in Company (if any)	<b>Name</b> Michael Harris	<b>Shareholding</b> <i>0 shares</i>
Auditors	Baker Tilly, 25 Farringdon Street, London, EC4A 4AB	
Share capital	60,000	
Shareholders	Gregory Odd – 59,999 ordinary shares of £1 each Una Odd - 1 ordinary share of £1 each	

## 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of appointment	22 March 2012
Date of resignation	N/A
Court	Royal Courts of Justice
Court Case Number	2457 of 2012

Person(s) making appointment / application

Gregory Odd, a director

Acts of the administrators

The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time

EC Regulation on Insolvency Proceedings

The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation

## STATUTORY PURPOSE OF ADMINISTRATION

Paragraph 3 of Schedule B1 to the Act provides as follows

- "3 (1) The administrator of a company must perform his functions with the objective of-
- (a) rescuing the company as a going concern, or
  - (b) 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
  - (c) realising property in order to make a distribution to one or more secured or preferential creditors
- (2) Subject to sub-paragraph (4), the administrator of a company must perform his functions in the interests of the company's creditors as a whole
- (3) The administrator must perform his functions with the objective specified in sub-paragraph (1)(a) unless he thinks either-
- (a) that it is not reasonably practicable to achieve that objective, or
  - (b) that the objective specified in sub-paragraph (1)(b) would achieve a better result for the company's creditors as a whole
- (4) The administrator may perform his functions with the objective specified in sub-paragraph (1)(c) only if-
- (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1)(a) and (b), and
  - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole "

## 4 CIRCUMSTANCES GIVING RISE TO OUR APPOINTMENT

The Company was formed in 1985 by Gregory Odd and Angus Carruthers and provided courier and messenger services and passenger cars in the London area. The company did not hold any contracts as its services were used on an ad hoc basis by its clients

The Company traded from leased premises at Cyclone House, 27-29 Whitfield Street, London, W1P 5RB  
The Company's shares were partly owned by the directors, with a third party also owning shares

Mr Michael Harris, a current director of the Company, is also a director of a number of other entities Mr Harris became aware of the Company when it provided services to a firm in which he had an interest Through this working relationship, Mr Harris became familiar with the directors of the Company

In 1998 Mr Harris became a director of the Company By this point Mr Carruthers had resigned his directorship and Mr Odd intended to move to Ireland to live and commute to London periodically on Company business Mr Odd became the majority shareholder in the business

The Company performed reasonably until the onset of the economic downturn in 2008 The Company operated in an industry in which there are alternative methods available to achieve the service provided by the Company Therefore, clients utilised the Company's services less as they made efforts to reduce costs The impact of the recession meant that customers were spending approximately 20% less with the Company The Company also found the industry becoming ever more competitive, reducing profit margins

In 2009, the Company entered into a time to pay arrangement with HM Revenue & Customs, making its first repayment on 18 September 2009 Although this arrangement was later extended, it was completed with repayment in full in September 2011

Over the last three years, the Company has received loans to assist with cashflow An associated company, Reel to Reel Finance Limited has loaned the Company £125,000 over this period Mr Greg Odd also loaned the Company significant personal funds over this period

By the end of 2011, the Company was struggling to meet its HMRC liabilities as and when they fell due On 3 February 2012 a meeting was held with the Company's auditors for the purpose of reviewing the Company's financial position and investigating the possibilities of raising further finance

No further finance was secured and on 23 February 2012, HMRC distrained over the physical assets at the Company's trading premises

The directors took advice about the propriety of continued trading in the circumstances and investigated a potential sale of the business The proposed administrators were contacted by Michael Harris, in February 2012 Prior to their appointment the proposed administrators advised the Company and not the directors on their personal position, the directors were encouraged to take independent advice Begbies Traynor (Central) LLP proceeded to carry out a review of the Company's business, however were not formally instructed by the Company until 15 March 2012 Further information in this regard is contained in section 6 below

Assistance was provided to the directors to place the company in Administration via the provisions of Paragraph 22 of Schedule B1 of the Insolvency Act 1986

## 5. STATEMENT OF AFFAIRS

The director has prepared a statement of affairs of the Company as at 22 March 2012 which is attached at Appendix 2 It makes no provision for the costs of the administration or any subsequent liquidation or voluntary arrangement

The administrators' comments on the statement of affairs are as follows

### **Book Debts**

At the date of Administration the Company had an outstanding book debt ledger in the sum of £448,378 The director is confident of the collection of the vast majority of these debts and has therefore estimated that the sum of £438,000 will be realised

The book debts are factored with Bibby Factors Leicester Limited, who at the date of Administration were owed the sum of £333,486. Bibbys have advised that collections have been progressing well and that it is likely that a surplus will become available to the Administration. At present, the quantum and timing of any potential surplus is uncertain as it will depend on the success of the remaining collections.

#### **Cash in Hand**

The sum of £75,000 was held in hand following the sale of the Company's business and assets just prior to our appointment as Joint Administrators. For further information in this regard, please see section 6 of this report.

Of the items sold, the Company's office equipment was subject to distraint issued by HM Revenue & Customs. Therefore, the sale proceeds in respect of these assets were passed to HM Revenue & Customs in settlement of their distraint.

#### **Cash at Bank**

The sum of £1,673 was held in the Company's bank account at the date of Administration. The director estimates that the sum of £1,052 will be realised. The Administrators have written to the bank to request these funds.

#### **Trade Creditors**

The company's ordinary trade creditors total £112,497.

#### **HMRC – PAYE/CIS/VAT**

Claims in respect of unpaid PAYE and VAT total a combined sum of £333,365.

#### **Gregory Odd**

The director's Statement of Affairs states that Mr Gregory Odd, also a director, is owed the sum of £131,360 in respect of loans made to the Company which remain unpaid.

#### **Michael Harris Consulting**

Michael Harris Consulting is an associated company and is owed the sum of £9,600 in respect of consultancy services.

#### **Reel to Reel Finance Limited**

Reel to Reel Finance Limited is an associated company by way of common directors. It is owed the sum of £125,000 in respect of a loan made to the Company.

## **6. THE ADMINISTRATION PERIOD**

To date, we have reviewed debtor position with Bibby Factors Leicester Limited and it is intended that they continue collecting the Company's outstanding debtors following their repayment in full.

We have met with and interviewed Michael Harris as part of our ongoing investigations. We are unable to divulge further details of these at this time.

We have collected in the proceeds relating to the sale from the agents, Messrs ITC (South East) Limited.



### **Receipts and Payments**

Attached at Appendix 1 is our account of receipts and payments from the commencement of administration, 22 March 2012 to 15 May 2012

As discussed above, Bibby Factors Leicester Limited are in the process of collecting the book debts of the Company, in respect of which there is likely to be a surplus to the Administration. It is intended that Bibby Factors Leicester Limited will also assist with the remaining book debt ledger following their repayment.

The cash in hand in respect of the sale of the Company's business and assets, as detailed below, was remitted from the agents who assisted the company with the sale.

The sum of £12,046.67 plus VAT was paid to independent agents, Messrs ITC (South East) Limited for the valuation and assistance with the sale of the assets of the Company immediately prior to the commencement of the administration.

The sum of £5,035 plus VAT was paid to SGH Martineau for their legal advice and assistance in placing the Company into Administration.

Creditors of the Company have already been provided with information on the sale of the Company's assets by letter dated 26 March 2012.

The information previously provided to creditors is as follows:

### **INFORMATION ABOUT THE COMPANY AND THE SALE OF THE COMPANY'S ASSETS AND UNDERTAKING ON 22 MARCH 2012**

#### **Background Information**

The Administrators' statement of proposals for achieving the purpose of the administration which will be sent to creditors in due course will provide detailed information in relation to the Company. However, to assist creditors who may have a limited understanding of the Company and its affairs to better understand the reasons for the sale, we have provided certain background information at this stage.

The Company provided courier and messenger services and passenger cars in the London area. The company did not hold any contracts as its services were used on an ad hoc basis by its clients.

The Company was incorporated on 4 February 1985. The Company employed 25 full time staff and traded from premises at 27-29 Whitfield Street, London, W1T 2SE. Turnover of approximately £3.8 million was achieved in the year ending 30 June 2011.

#### **The reasons for the Company's insolvency**

The Company experienced a downturn in trade as a consequence of the economic recession in the UK in 2008. The impact of the recession meant that customers were spending approximately 20% less with the Company as clients attempted to cut costs. The Company also found the industry becoming ever more competitive, reducing profit margins. In 2009, the Company entered into a time to pay arrangement with HM Revenue & Customs, making its first repayment on 18 September 2009. Although this arrangement was later extended, it was completed with repayment in full in September 2011.

However, Crown arrears accruing in the quarter up to September 2011 were not paid on their due dates. The Company made redundancies in an effort to reduce costs, the last two of which occurred in January and February 2012. The Company was unable to pay its debts.

as and when they fell due On 23 February 2012 HM Revenue & Customs issued a distraint notice over the office furniture held at the trading premises in respect of outstanding VAT arrears

The primary reason for the Company's insolvency was the downturn in trade experienced over the last few years of trade

**The reasons for the sale**

The sale was considered as the best option for the company as it has preserved the jobs of the company's 25 employee's, ensures continuity of supply to the company's customers and increases the value of the company's debtor ledger and ultimately the collectability of same

Owing to the company's trading losses, trading within a formal insolvency procedure was not a viable option The likely shutdown scenario was compared with the sale scenario and was anticipated to result in a considerably lower return to the company's creditors This is due to the higher value achievable in respect of goodwill and the physical assets sold on a willing buyer basis, the higher debtor realisations anticipated as a result of the company being able to invoice up until the date of administration, the lower costs of debt collection as the purchaser will assist in collecting the Company's debts free of charge and the avoidance of employee claims

**FURTHER INFORMATION IN RELATION TO THE PRE-PACKAGED SALE**

**Who was the source of Begbies Traynor (Central) LLP's initial introduction to the Company?**

Begbies Traynor (Central) LLP were introduced to the Company by Baker Tilly LLP

**What was the extent of Jamie Taylor and Lloyd Biscoe, and Begbies Traynor (Central) LLP's involvement with the Company before appointment?**

The proposed administrators were contacted by Michael Harris, who is a director of the Company, in February 2012 Prior to their appointment the proposed administrators advised the Company and not the directors on their personal position, the directors were encouraged to take independent advice Begbies Traynor (Central) LLP proceeded to carry out a review of the Company's business, however were not formally instructed by the Company until 15 March 2012

Please note that negotiations with the Purchaser and another interested party in relation to the pre-packaged sale were conducted by the directors initially Once it became apparent that there were two interested parties in the business, ITC (South East) Limited conducted negotiations ending in a 'sealed bid' process Emails and correspondence received by Jamie Taylor were passed to ITC (South East) Limited

**What marketing of the Company's undertaking and assets was undertaken by the Company?**

The two offers to purchase the company's business were considered in depth, taking into account the suitability of the purchaser in relation to the continuity of employment of the company's existing employees in addition to the potential assistance in the ongoing collection of book debts and the sum being offered in respect of the Company's physical assets and goodwill

An offer from Whitfield Acquisitions Limited was finalised on 21 March 2012. This offer included

- a letter of support for the sale from the Company's employees
- confirmation that no redundancies would be made
- the guaranteeing of the Company's debts to Bibby Factors (Leicester) Limited and assistance in the collection of the Company's debtor book free of charge
- payment of £75,000 in respect of the Company's assets, further details of which are provided later in this appendix

Another offer was received. This offer was not considered to be as beneficial to the Company as the offer from Whitfield Acquisitions Limited as it did not have any assurances with regards to the Company's employees or have the support of the secured creditor. Assistance was not offered in respect of the collection of the outstanding debtor ledger and the monetary value of the offer was less than that put forward by Whitfield Acquisitions Limited.

Both interested parties making offers had prior knowledge of the Company. An immediate sale was considered suitable to avoid the dissipation of the Company's goodwill and the loss of staff. Rumours of the Company's problems had become known among staff and customers. The Company was also advised that staff had been approached by third parties to copy and pass on client lists.

**What marketing of the Company's undertaking and assets was undertaken by Jamie Taylor and Lloyd Biscoe?**

For the reasons set out herein, a seamless transfer of the business and certain assets of the business to Whitfield Acquisitions Limited was considered to be the most advantageous for creditors. As this occurred prior to their appointment, no marketing was undertaken after the Joint Administrators' appointment.

**What valuations of the Company's undertaking and assets were obtained?**

The company's physical assets were valued by independent agents, ITC (South East) Limited. Details of the valuations on a willing buyer basis and forced sale basis are set out below.

<u>Categories of Assets</u>	<u>Valuation £ (willing buyer basis)</u>	<u>Valuation £ (forced sale basis)</u>
Office Furniture	4,687	1,875
Unencumbered Office Equipment	4,050	1,620
Encumbered Office Equipment]	Nil	Nil
Company Vehicle	2,700	1,850

The goodwill of the Company was not formally valued, however the offers received were considered by ITC (South East) Limited in this regard.

**What alternative courses of action were considered by Jamie Taylor and Lloyd Biscoe?**

As previously explained, trading the company within an insolvency procedure was not considered viable and a shut down scenario was expected to significantly dilute realisations. Due to the issues in relation to the Company in the prior weeks, no alternative course of action was viable.

**Why was it not appropriate to trade the business during the administration in order to offer it for sale as a going concern?**

Trading the business was not considered viable owing to the continued trading losses and a lack of working capital which would have been required for example, in payment of salaries. The professional costs involved in trading the business would far outweigh those payable in the pre-pack scenario.

**What requests were made to potential funders to fund working capital requirements during the administration?**

For the reasons set out above, no requests were made in this regard as trading was not considered a viable option.

**What consultations were made with major creditors?**

Bibby Factors Leicester Limited, the Company's factors were approached and confirmed their consent to an Administration procedure and following an update in relation to offers, were supportive of the sale to Whitfield Acquisitions Limited.

**What was the date of the transaction?**

22 March 2012

**What were the assets sold and what was the nature of the transaction?**

The sum of £75,000 was paid for the company's assets. The consideration can be broken down as follows:

Goodwill (inc trading style, co name, telephone numbers, web page, domain names etc)	£63,563
Motor Vehicles	£2,700
Unencumbered Office Furniture	£4,687
Unencumbered Office Equipment	<u>£4,050</u>
	£75,000

**What was the consideration for the sale, including payment terms, and other conditions of the contract that could materially affect the consideration?**

The consideration can be compared with the independent valuations as follows:

<u>Categories of Assets</u>	<u>Valuation (willing buyer basis) £</u>	<u>Valuation (Forced Sale basis) £</u>	<u>Sum realised £</u>
Goodwill	N/A	N/A	63,563
Motor Vehicles	2,700	1,850	49,998
Office Furniture	4,687	1,875	4,687
Unencumbered Office Equipment	4,050	1,620	4,050

**Is the sale part of a wider transaction? If so a description of the other aspects of the transaction**

No

**Who was the purchaser?**

Whitfield Acquisitions Limited

**Is there a connection between the purchaser and the directors, shareholders or secured creditors of the Company?**

The joint administrators are not aware of any present legal association between the purchaser and the directors or shareholders of the Company. The secured creditor, Bibby Factors Leicester Limited, is the secured creditor in respect of both the Company and the purchaser. Further details in this regard are contained below.

The joint administrators have been made aware that it is considered likely that Mr Michael Harris will shortly be made a shareholder of the purchaser.

**Are any directors, or former directors, of the Company involved in the management or ownership of the purchaser, or of any other entity into which any of the assets have been transferred? If so, who are they?**

From the information provided by the directors, the joint administrators understand that Mr Michael Harris, a former director of the Company, is acting as a consultant to the purchaser with regard to the orderly handover of the business following the sale to Whitfield Acquisitions Limited.

**Had any directors of the Company given guarantees for amounts due from the Company to a prior financier? Is that financier financing the new business?**

Mr Michael Harris has informed the joint administrators that a personal guarantee has been given to a former financier of the Company, Bibby Factors Leicester Limited and that that financier is financing the new business. In addition, a cross guarantee was agreed by the Company and the purchaser prior to the Administration in respect of monies owed to Bibby Factors Leicester Limited.

**What options, buy-back arrangements or similar conditions are attached to the contract of sale?**

None

## 7. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the director's statement of affairs) are as follows:

**Secured creditor**

Bibbys Financial Services Limited hold fixed and floating charges over the Company granted on 16 March 2012. As explained above, Bibbys hold a fixed charge over the book debts of the Company. At the date of the Administration they were owed £333,486 and are anticipated to be repaid in full.

**Preferential creditors**

As a result of the sale of the business and assets and the employees of the Company transferring to the purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006, there are no known preferential claims

#### **Prescribed Part for unsecured creditors pursuant to Section 176A of the Act**

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a *prescribed part* of the Company's *net property* available for 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 debts. *Net property* means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The floating charge holder may not participate in the distribution of the prescribed part of the Company's net property. The *prescribed part of the Company's net property* is calculated by reference to a sliding scale as follows

- 50% of the first £10,000 of *net property*,
- 20% of *net property* thereafter,
- Up to a maximum amount to be made available of £600,000

An administrator will not be required to set aside the *prescribed part of net property* if

- the *net property* is less than £10,000 and the administrator thinks that the cost of distributing the *prescribed part* would be disproportionate to the benefit, (Section 176A(3)) or
- the administrator applies to the court for an order on the grounds that the cost of distributing the *prescribed part* would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in section 176A(6) of the Act, to be £125,879 and the prescribed part of the Company's net property to be £28,175 80

On present information we do not intend to make an application to court under Section 176A(5) of the Act for an order not to distribute the prescribed part of net property to the unsecured creditors. However, we reserve our position generally in this regard should circumstances materially change.

It should be noted that as the secured creditor is anticipated to be paid in full from fixed charge debtor realisations, the prescribed part will have no application in this instance.

#### **Unsecured creditors**

Unsecured creditors were estimated at £711,822. Further details in this regard are contained in section 5 above.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditor as follows:

#### **Secured creditor**

It is anticipated that the secured creditor will be repaid in full from the fixed charge book debts, as advised in section 6.

#### **Unsecured creditors**

It is anticipated that there will be sufficient funds to enable a modest distribution to unsecured creditors. The timing and quantum of any such dividend will depend on the progress of the collection of the outstanding book debts.

## 8. OUR PROPOSALS FOR ACHIEVING THE PURPOSE OF THE ADMINISTRATION

### *Purpose of the Administration*

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above

For the reasons set out in this report, we presently consider that it is not reasonably practicable to achieve the objective specified in sub-paragraph 3(1)(a), and consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely 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)

As previously explained in this report, it was not considered viable to rescue the company as a going concern as this would have involved trading the business. This was not considered viable owing to the continued trading losses and the working capital which would have been required

We consider that the objective specified in sub-paragraph 3(1)(b) has already largely been achieved. Placing the company into administration has allowed for a sale of the business to occur and in this case, preventing the completion of distraint on equipment critical to the business. An administration allows for an immediate appointment of Insolvency Practitioners as opposed to a Liquidation where statutory notice of meetings of shareholders and creditors must be given, which delays such an appointment. The appointment of administrators has preserved the goodwill of the company, avoided significant employee claims which would have occurred in a Liquidation scenario and maximised the value of assets realised

As the objective specified in sub-paragraph 3(1)(b) has already largely been achieved, the Joint Administrators propose that the company be placed into creditors voluntary liquidation, as discussed below, shortly after the approval of the proposals, taking into account the wishes of the secured creditor

### *Exit from Administration*

We confirm that we are of the opinion that the total amount which each secured creditor of the Company is likely to receive will be paid or set aside and that a distribution will be made to the unsecured creditors of the Company<sup>1</sup>

We do not have a general power to make a distribution to unsecured creditors and may only do so if the court gives permission. It is considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate. Additionally, there may be matters for enquiry concerning a company's affairs which are not within the scope of an administrator's powers and which can only be properly dealt with by a liquidator

Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to implement the provisions of Paragraph 83 of Schedule B1 to the Act whereby on the registration of a notice sent to the Registrar of Companies, our appointment as administrators shall cease to have effect and the Company will automatically be placed into creditors' voluntary liquidation. Paragraph 83(7) provides

The liquidators for the purpose of the winding up shall be-

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<sup>1</sup> Insolvency Act 1986, Sch B1, para 83(1)

- (a) a person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or
- (b) if no person is nominated under paragraph (a), the administrators

We confirm that as part of our proposals we propose that we act as joint liquidators in the subsequent winding up of the Company. Creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the proposals and before the proposals are approved. The appointment of a person nominated as liquidator takes effect by the creditors approval, with or without modification, of our proposals.

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office.

## 9. REMUNERATION AND DISBURSEMENTS

### *Pre-administration costs*

In the period before the Company entered administration, we carried out work consisting of liaising with the directors to review the company's financial position and subsequently reporting to the secured creditor setting out the various options available to the company and secured creditor and our recommendations, assisting with the formalities of placing of the company into administration and providing advice and undertaking preparatory work in respect of the sale of the assets. No formal agreement was entered into with any party with regard to the payment of these costs as an expense of the Administration.

The Work was carried out before the Company entered administration because the purpose of the assignment was to establish the most financially beneficial way of dealing with the insolvency, a crucial aspect of this being to identify the most appropriate insolvency process. In this instance it was identified that a sale of the business would be the most beneficial for the company's creditors as it would preserve the goodwill of the business, maximise realisations and eliminate employee claims. This process required the administrators to carry out the Work prior to their appointment in order for the pre-packaged sale to be possible. For these reasons we consider that the Work has furthered the achievement of the objective of administration being pursued, namely 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).

The Pre-administration costs are as follows:

Our fees are in the total sum of £10,388 plus VAT. No expenses have been incurred.

The Pre-administration costs detailed above are unpaid. We are seeking that the costs be paid as an expense of the administration. Pursuant to Rule 2.67A of the Insolvency Rules 1986, approval to pay such costs as an expense is required from the creditors' committee, or in the absence of a committee, or if the committee does not make a determination, by way of a resolution of creditors. Payment of the unpaid Pre-administration costs requires separate approval and is not part of the administrators' proposals subject to approval pursuant to Paragraph 53 of Schedule B1 to the Act.

In order to provide sufficient information to enable approval of our fees, a Pre-administration Time Costs Summary appears at Appendix 3. This shows the number of hours spent by each grade of staff involved in the case and gives the average hourly rate charged for the Pre-administration costs.

### *Remuneration*



We propose that the basis of our remuneration be fixed under Rule 2.106 of the Rules by reference to the time properly given by us (as administrators) and the various grades of our staff calculated at the prevailing hourly rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration

Since the date of our appointment, our staff and we have spent a total of 43.80 hours on this case incurring total time costs of £13,123. This provides an average charge out rate of £299.61 per hour

Appendix 3 sets out our firm's hourly charge out rates and the time that we and our staff have spent in attending to matters arising in the administration since 22 March 2012

#### **Disbursements**

We propose that disbursements, including disbursements for services provided by our firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9) be charged in accordance with our firm's policy, details of which are set out at Appendix 3. These disbursements will be identified by us and subject to the approval of those responsible for determining the basis of our remuneration

In particular, creditors should note that the company's books and records are intended to be stored at Archive Facilities (Southend) Ltd, which is associated to partners of Begbies Traynor (Central) LLP. Their charges are set out in Appendix 3

Expenses incurred since the date of appointment to date are as follows

Description of Expense	£
Postage	99.75
Bond	205.00
Photocopying and Faxes	319.20
Statutory Advertising	63.50
	687.45

These costs remain outstanding

## **10. OTHER INFORMATION TO ASSIST CREDITORS**

#### **Report on the conduct of directors**

We have a statutory duty to investigate the conduct of the directors and any person we consider to be or have been a shadow or de facto director during the period of three years before the date of our appointment, in relation to their management of the affairs of the Company and the causes of its failure. We are obliged to submit confidential reports to the Department for Business, Innovation and Skills

As administrators of the Company we are required by best practice guidance to make enquires of creditors as to whether they wish to raise any concerns regarding the way in which the Company's business was conducted prior to the commencement of the administration, or wish to bring to our attention any potential recoveries for the estate. If you would like to bring any such issues to our attention please do so in writing to the address detailed at Section 3 of this report. This request for information is standard practice and does not imply any criticism or cause of action against any person concerned in the management of the Company's affairs

#### **Investigations carried out to date**

We have undertaken an initial assessment of possible actions in relation to the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect

## 11. CONCLUSION

Pursuant to paragraph 58 of Schedule B1 to the Act, our proposals will be considered at an initial meeting of the Company's creditors conducted by means of a postal resolution in accordance with the Notice of conduct of business by correspondence (Form 2.25B) accompanying this document. Rule 2.48(7) provides that a creditor or creditors of the Company whose debts amount to at least 10% of the total debts of the Company, may requisition a meeting of creditors, rather than the meeting being conducted by correspondence. Any such requisition must be in the prescribed manner in accordance with Rule 2.37 and be made within 5 business days of the date on which our statement of proposals is sent out.

Subject to the approval of our proposals at the initial creditors' meeting we will report on progress again approximately six months after the commencement of the administration, or at the conclusion of the administration, whichever is the sooner.

  
Jennie Taylor  
Joint Administrator

Date 15 May 2012

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**ACCOUNT OF RECEIPTS AND PAYMENTS**

**22 March 2012 to 15 May 2012**

**Cyclone Courier Company Limited  
(In Administration)  
Joint Administrators' Abstract of Receipts & Payments  
To 15/05/2012**

S of A £		£	£
	<b>SECURED ASSETS</b>		
438,000 00	Book Debts	NIL	
	Pre-Administration Sale of Assets	75,000 00	75,000 00
	<b>SECURED CREDITORS</b>		
(333,486 00)	HM Revenue & Customs	4,687 00	
	Bibby Factors Leicester Limited	NIL	(4,687 00)
	<b>ASSETS SUBJECT TO DISTRRAINT</b>		
75,000 00	Cash in Hand	NIL	NIL
	<b>DISTRRAINT CREDITOR</b>		
(4,687 00)	HM Revenue & Customs	NIL	NIL
	<b>ASSET REALISATIONS</b>		
1,052 00	Cash at Bank	NIL	NIL
	<b>COST OF REALISATIONS</b>		
	Agents/Valuers Fees (1)	12,046 67	
	Legal Fees (1)	5,035 00	(17,081 67)
	<b>UNSECURED CREDITORS</b>		
(112,497 00)	Trade Creditors	NIL	
(131,360 00)	Gregory Odd	NIL	
(87,065 00)	HMRC (non VAT)	NIL	
(246,300 00)	HMRC (VAT)	NIL	
(9,600 00)	Michael Harris Consulting Limited	NIL	
(125,000 00)	Reel to Reel Finance Limited	NIL	NIL
	<b>DISTRIBUTIONS</b>		
(60,000 00)	Ordinary Shareholders	NIL	NIL
(595,943.00)			53,231 33
	<b>REPRESENTED BY</b>		
	Vat Receivable		3,409 33
	Bank 1 Current		49,822 00
			53,231.33

Jamie Taylor  
Joint Administrator

Insolvency Act 1986

Cyclone Courier Company Limited  
Estimated Statement Of Affairs as at 22 March 2012

	Book Value £	Estimated to Realise £	
<b>ASSETS</b>			
Book Debts	448,378 00	438,000 00	
Bibby Factors Leicester Limited	(333,486 00)	(333,486 00)	
Cash in Hand	75,000 00	75,000 00	
HM Revenue & Customs	(4,687 00)	(4,687 00)	
		<u>174,827 00</u>	174,827 00
Cash at Bank	1,673 00		<u>1,052 00</u>
			<u>175,879 00</u>
<b>LIABILITIES</b>			
<b>PREFERENTIAL CREDITORS -</b>			
			<u>NIL</u>
			175,879 00
<b>DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003</b>			
<b>OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS</b>			
			<u>NIL</u>
			175,879 00
Estimated prescribed part of net property where applicable (to carry forward)			
			<u>NIL</u>
			175,879 00
<b>DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003</b>			
			<u>NIL</u>
			175,879 00
Estimated prescribed part of net property where applicable (brought down)			
			<u>NIL</u>
			175,879 00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade Creditors		112,497 00	
Gregory Odd		131,360 00	
HMRC (non VAT)		87,065 00	
HMRC (VAT)		246,300 00	
Michael Harris Consulting Limited		9,600 00	
Reel to Reel Finance Limited		125,000 00	
			<u>711,822 00</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F C's post 14 September 2003)			
			<u>(535,943 00)</u>
			(535,943 00)
Issued and called up capital			
Ordinary Shareholders		60,000 00	
			<u>60,000 00</u>
<b>TOTAL SURPLUS/(DEFICIENCY)</b>			<u><u>(595,943 00)</u></u>

**Cyclone Courier Company Limited**  
**B - Company Creditors**

Key	Name	Address	£
C300	360 Solutions (UK) Limited	360 House, Lancaster Park, Newborough Road, Needwood, DE13 9PD	1,131 68
CA00	Mr F Apanari	22 Whamcliffe Rd, London, SE25 6SJ	226 57
CA01	Mr S Adebayo	83 Wisteria Gardens, Swanley, BR8 7TY	397 65
CA02	Mr Y Ali Hassan 110	48 Norfolk Avenue, Slough, Middlesex, SL1 3AD	164 58
CA03	Alonso Juan Antonio	50 Hermitage Way, Stanmore, HA7 2AY	573 47
CA04	Mohammed Kowsar Ali	Flat 40 Devitt House, Wades Place, London, E14 ODD	307 55
CA05	Mr N Ahmed 351	226 Barking Road, East Ham, London, E6 3BB	292 77
CA06	Mohammed Abdul Khalam Ali	58 Brion Place, London, E14 OSR	112 12
CA07	Air Menzies International Limited	5 The Enterprise Centre, Kelvin Lane, Crawley, West Sussex, RH10 9PT, ***Email Reports***	105 20
CA08	Aramex	ARAMEX HOUSE, OLD BATH ROAD, COLNBROOK, BERKS, SL3 0NS	985 74
CB00	Mr A Bhaloo	105 Brent Terrace, London, NW2 1BY	100 00
CB01	Mr D Bluring	***Addressee gone away***	804 96
CB02	Mr J Beeden	179 Queensway, West Wickham, Kent, BR4 9DU	784 88
CB03	Mr J Brissett	132 Gospatrick Rd, London, N17 7JE	560 89
CB04	MR J BAILEY	49 REGENCY COURT, BRENTWOOD, ESSEX, CM14 4LU	93 56
CB05	Mr N Budal 22	72 Causton House, Bethwin Road, London, SE5 0YF	254 88
CB06	Mr G Bury 173	16a Calthorpe Street, London, WC1X 0JS	361 69
CB07	Big Yellow Self Storage Limited	UNIT 1, 1000 NORTH CIRCULAR ROAD, LONDON, NW2 7JP	29 86
CB08	Baker Tilly	25 Farringdon Street, London, EC4A 4AB	5,810 77
CB09	Barclays Asset & Sales Finance	Unit 4, Horizon Trade Park, Ring Way, Bounds Green, London, N11 2NW	0 00
CB0A	British Gas	Millstream, Maidenhead Road, Windsor, Berkshire, SL4 5GD	0 00
CC00	Mr P Clarke 49	23 Sulina Road, Brixton, London, SW2 4EJ	122 81
CC01	Mr S Chowdhury 119	Flat 25 / Denys Building, Bourne Estate, Portpool Lane, London, EC1N 7SR	286 23
CC02	Mr M Crudgington 320	7 Marlow, Batavia Road, New Cross, London, SE14 6BB	389 64
CC03	Mr T Christie 178	2 Ryston Close, Naylor Estate, London, N7 9DL	295 24
CC04	Mr N Chapanery	48 Regal Way, Harrow, HA3 ORX	79 91
CC05	Capital Office Supplies Limited	UNIT 10 LIBERTY CENTRE, MOUNT PLEASANT, WEMBLEY, MIDDLESEX, HA0 1 1,216 42	100 00
CC06	Close Invoice Finance (Mint)	Mint Coaches Limited, Central Processing, PO Box 5115, Hove, BN52 9EH	307 80
CC07	Corporate I & C Technology Ltd	31 Kings Exchange, Tileyard Road, London, N7 9AH	1,957 50
CC08	Clockhouse Radio Cars Limited	151-153 Beckenham Road, Beckenham, Kent, BR3 4PT	

CC09	Catalina Software Limited	Maitings Studio, 34 Bridge Street, Downham Market, Norfolk, PE38 9DH, ***Email Reports***	3,411 60
CD00	Mr R De Souza 347	45B The Broadway, Mill Hill, London, NW7 3DA	445 27
CD01	Mr C De Oliveira 474	3 Braid Avenue, Acton, London, W3 7TU, ***Addressee gone away***	420 60
CD02	Mr N Dwardkadas 205	34a Cleveland Road, Uxbridge, Middlesex, UB8 2DR	627 92
CD03	Mr J Dennis 32	Flat 6, 75 Farleigh Road, Stoke Newington, London, N16 7TD	97 91
CD04	DE & J Levy	32 DUKE STREET, ST JAMES'S, LONDON, SW1Y 6DF	7,800 00
CE00	Easynet Limited	CHANCELLOR HOUSE, 19 THOMAS MORE STREET, LONDON, E1W 1YY	955 20
CF00	Mr E Folarrin	29 Kenya Road, London, SE7 7Bj	909 00
CF01	Mr M Fnine	13 Dimmock Drive, Greenford, Middlesex, UB6 OSJ	353 11
CF02	Mr W Ford	18 Defence Close, London, SE28 ONU	504 66
CF03	Ms S Fleury 005	Flat 4 / Block N, Peabody Buildings, Chequer Street, London, EC1Y 8PN	70 00
CF04	Federal Express Europe Ltd	***Addressee gone away***	237 83
CF05	Fleet & Distribution Management Ltd	STANTON HARCOURT ROAD, OAKFIELD IND> EST, EYNHAM, OXON, OX29 4T 1,399 14	500 00
CF06	Finchley Rugby Football Club	10 HENRY ROAD, NEW BARNET, HERTS, EN4 8BD	311 29
CG00	Mr S Grebos 463	33 Springrove Road, Hounslow, Middlesex, TW3 4BF	409 58
CG01	Mr P Groxdev 113	23 The Mile End, Walthamstow, London, E17 5QE	100 90
CG02	Greater London Hire Limited	GLH House, 12-18 High Road, London, N2 9PJ	653 66
CH00	Mr A Hasan	17 Corringham Hse, Pitsea Street, London, E1 OJJ	225 28
CH01	Mr C Hawkins 227	22 Chilton Grove, Surrey Quays, London, SE8 5DY	172 25
CH02	Mr P Hammel 430	20 Low Mail Lane, Walthamstow, London, E17 8BT	202 82
CH03	Mr S Hussyn 128	24 Orleston Mews, Highbury, London, N7 8LL	0 02
CH04	Hiremech Limited	Unit 1, Triumph Trading Estate, Tariff Road, Tottenham, London, N17 0EB	16 50
CH05	MR P HURLEY	27 WHITFIELD STREET, W1	246,299 98
CH06	HM Revenue & Customs - VAT	Insolvency Operations, Queens Dock, Queens Wharf, Liverpool, L74 4AF	87,065 10
CH07	HM Revenue & Customs - PAYE	Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4SE	0 00
CH08	HM Revenue & Customs	3rd Floor, Euston Tower, 286 Euston Road, London, NW1 3UQ	258 05
CI00	In Time Wholesale Express Limited	1 David Road, Poyle Industrial Estate, Colnbrook, Berks, SL3 0DB	704 07
CK00	Mr K Kyriakon	190 Empire Ave, London, N18 1AQ	338 55
CK01	Mr M KANA	9A MOUNT PARK ROAD, LONDON, W5 2RP	111 01
CK02	Mr S Kendall 242	25 Thorpedale Road, Finsbury Park, London, N4 3BH	1,772 02
CK03	Kangaroo International Express	NUMBER ONE, 1 DAVID ROAD, COLNBROOK, BERKSHIRE, SL3 0DB	178 97
CK04	Brian Karet, Elsie Moss & Greta Tibber	c/o William Sturges & Co, Burwood House, 14/16 Caxton Street, London, SW1H 0QY 0.00	365 01
CL00	Mr F Ley 39	Top Floor, 52 Albert Street, London, NW1 7NR	377 33
CL01	Colin London	59 Flat 8, Layton Road, Brentford, N15 6JR, ***Addressee gone away***	
CL02	Lewis Milk Supplies Limited	EMMA STREET, BETHNAL GREEN, LONDON, E2 9AL	

CL03	Leyland	BENTLEY HOUSE, 2/26 BENTLEY ROAD, HACKNEY, LONDON, N1 4BY	587 62
CL04	London Borough of Camden	TOWN HALL, ARGYLE STREET, LONDON, WC1H 8EQ	268 71
CM00	Mr A MOTIN	57 St Peters Street, London, N1 8JR	531 51
CM01	Mr B Miah	67C Warren Street, London, W1T 5NZ	765 34
CM02	Mr B Mihal	6 Coles Rd, London, NW2 7ER	428 96
CM03	Mr D Mitchell	7 Drapers Way, London, SE16 3UA	526 32
CM04	Mr H Miah	***Addressee gone away***	246 57
CM05	Mr M Marek	116 Clarks Drive, Uxbridge, UB8 3UN	100 00
CM06	Mr T Munteanu	208 Ramsay Road, London, E7 9ET	568 75
CM07	Mr M Malagoli 365	141A Lewisham Way, London, SE14 6QP	547 45
CM08	Mr S McConnell 249	17 Alderney House, Arran Walk off Essex Road, Corner Ashby Grove/Arran Walk, London, N1 2TN	712 13
CM09	Basilio Baeza Mora	Flat 51, Bancroft Court, Allen Edwards Drive, London, SW8 2BL	709 58
CM0A	Michael Harris Consulting Limited	Bay Tree House, South Weirs, Brockenhurst, Hampshire, SO42 7VQ	9,600 00
CM0B	Momote Limited	8 The Parks, Haydock, Newton-Le-Willows, WA12 0JQ	540 00
CM0C	Motorcade City Limited	68 Nile Street, London, N1 7SR	14,584 86
CM0D	Michael Page International Ltd	3rd Floor, Wellington House, 20 Queensmere, Slough, Berkshire, SL1 1DB	8,640 00
CN00	Mr R Nixon	10 Irving Court, Eidon Road, London, N22 5DY	523 22
CN01	Norsk European Wholesale Limited	2 WILLOW ROAD, COLNBROOK, BERKSHIRE, SL3 0BS, ***Email Reports***	8,162 13
CN02	Netscalibur T/A Claranet	21 SOUTHAMPTON ROW, LONDON, WC1B 5HA	130 80
CN03	Northgate	R e Northgate Vehicle Hire (South) Ltd, Insolvency Department, Norflex House, 20 Allington Way, Darlington, Co Durham, DL1 4DY	1,351 24
CN04	Nu-Swift International Limited	WISTONS LANE, ELLAND, WEST YORKSHIRE, HX5 9DT	261 08
CN05	Neopost Finance Limited	Neopost House, South Street, Romford, Essex, RM1 2AR	1,400 00
CN06	National Westminster Bank plc	45 Tottenham Court Road, London, W1T 2EA	0 00
CN07	N2 Check Limited	Marlow International, Parkway, Marlow, Buckinghamshire, SL7 1AJ	360 00
CN08	Norsk European Wholesale Limited	2 Willow Road, Colnbrook, Berkshire, SL3 0BS	0 00
CO00	Mr O Osigbesan	8A Newland Street, London, E16 2DU	73 53
CO01	MR A Oyelade	1 Angela Carter Close, London, SW9 7NB	176 67
CO02	O2 (UK) Limited	260 Bath Road, Slough, Berkshire, SL1 4DX	223 62
CO03	Gregory Odd	Kilclare, Durrow, Tuillamore, Co Offaly, EIRE	131,359 77
CO04	One Stop Couriers Limited	Unit 2 Poyle Tech Centre, Williw Road, Colnbrook, Berkshire, England, SL3 0DP	0.00
CP00	Mr P Poko	Flat 29 Wharfdale Court, 189 Rushmore Road, London, E5 OHP	50 00
CP01	Mr L Parker 24	111 Glenville Grove, Deptford, London, SE8 4BJ	162 91
CP02	Mr A Pavlov 144	56 Turner Road, Walthamstow, London, E17 3JQ	362 55
CP03	PAC3000 Limited	Lawrence House, Magdalen Street, Eye, Suffolk, IP23 7AJ	366 00



CP04	PHS Group	Western Industrial Estate, Caerphilly, CF83 1XH	316 44
CP05	PAC 3000 Ltd	Lawrence House, Magdalen Street, Eye, Suffolk, IP23 7AJ	366 00
CP06	Point to Point	Unit 11 Mitre Bridge Industrial Park, Mitre Way, London, W10 6AU	0 00
CR00	Mr M Rahman	Flat 4 Windmill, New north Street, London, WC1N 3PG	549 43
CR01	Mr J Rahim	1 Links Court, 8 Parkview Rd, London, SE9 3QP	20 00
CR02	Mr M Rahman	Flat 29 Bramber, Cromer Street, London, WC1H 8JS	397 73
CR03	Mr J Reid 213	8 Sherrards Way, Barnet, Middlesex, EN5 2BJ	589 27
CR04	Mr R Refualu 252	2 Mandalay House, Clissild Crescent, London, N16 9AA	282 40
CR05	Mr R Rumball 45	43 Purdy Street, Bow, Muswell Hill, London, E3 3PD	176 74
CR06	Royale International Couriers Limited	670 Spur Road, North Feltham Trading Estate, Feltham, Middlesex, TW14 0SL	98 51
CR07	Reel to Reel Finance Limited	PO Box 318, Lymington, SO42 7ZR	125,000 00
CR08	ROCS Computer Services	Unit 32 Battersea Business Centre, 99-109 Lavender Hill, London, SW11 5QL	4,430 40
CR09	Royal Mail Group Limited	FREEPOST NAT15921, Payment Processing Centre, Papyrus Road, Werrington, Peterborough, PE4 5BR	86 66
CS00	Mr P Skvarla	85 Cobbold Road, London, NW10 9SU	776 05
CS01	Mr I Saadane	14 Janson Close, Wyborne Way, London, NW10 0EB	495 91
CS02	Mr A Suhad	22 Ajax House, Old Bethnal Grn Rd, London, E2 6QY	532 43
CS03	Mr M Stone 59	146 Gleneagle Road, Streatham, London, SW16 6BA	132 23
CS04	Andrew Sagajlo	39 Diamedes Avenue, Stanwell, Staines, TW19 7JE	107 85
CS05	Streamline	Gateshead Card Centre, PO Box 27, Victory House, Fifth Avenue, Gateshead, NE8 1143 65	
CT00	Mr T Tulsidas	244 Charlton Road, kenton, Harrow, HA3 9HJ	350 35
CT01	Mr L Tarling 14	244 Queenstown Road, London, SW8 4LP	192 92
CT02	Mr J Tomlin 65	137 Riversdale Road, London, N5 2SU	135 08
CT03	Mr A Trip De Gainé 77	Sheila Stead House, Bushell Way, Chislehurst, BR7 7SF	300 50
CT04	Mr A Tanna 100	73 Saint Josephs Close, Bevington Road, London, W10 5GN	367 55
CT05	Mr M Tara 94	Basement Flat, Flat 4, Fairfield Road, London, N8 9HG	98 36
CT06	Mr B Tanna 245	43 Meadowbank Road, Kingsbury, London, NW9 8LJ	10 00
CT07	Mr M Tuncer 63	66b Albion Drive, Shubland Drive, London, E8 4LX	142 69
CT08	Thomas Higgins & Co	CAPITOL BUILDINGS, 10 SEAVIEW ROAD, WALLASEY, WIRRAL, CH45 4TH	7 20
CT09	The American Carwash Co Limited	68 YORK WAY, LONDON, N1 9AG	599 76
CT0A	TNT UK Limited	PO Box 99, Railway Street, Ramsbottom, Bury, Lancashire, BL8 9BF	2,043 37
CT0B	Thames Water Utilities Limited	PO Box 234, Swindon, SN38 3TW	900 90
CT0C	Tyco Fire & Integrated Solutions	Tyco Park, Grimshaw Lane, Newton Heath, Manchester, M40 2WL	85 56
CT0D	Talk Talk	PO Box 136, Birchwood, Warrington, WA3 7WU	81 00
CT0E	The AP Partnership Limited	West Wing, Greenhill House, Thorpe Road, Peterborough, PE3 6RU	3,024 00
CT0F	Titan Parking Limited	Executive Office, Empire Cinema, 5/6 Leicester Square, London, WC2H 7NA	1,600 00

CT0G	Tyco Fire & Integrated Solutions	Tyco Park, Grimshaw Lane, Newton Heath, Manchester, M40 2WL	0.00
CV00	Vladimir Lubenov Vladimir	36d Devonport Road, London, w12 8nx	147.43
CV01	Vodafone	Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN	0.00
CW00	MR M WILLIAMSON	3 FAIRVIEW AVENUE, WEMBLEY, MIDDLESEX, HAO 4UQ	600.53
CW01	WENDEX VEHICLE RENTAL LIMITED	43 BARNHAM STREET, LONDON, SE1 2UU, ***Email Reports***	6,060.77
CW02	WINDOWFLOWERS LIMITED	GROVE ROAD, BURNHAM, SLOUGH, SL1 8DT	729.60
CX00	Mr K S Xavier 449	13A Peckham High Street, Peckham, London, SE15 5EB	372.51
	<b>141 Entries Totalling</b>		<b>711,822.10</b>

## TIME COSTS AND EXPENSES

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Remuneration drawn will be notified to any creditors' committee appointed under paragraph 57 of Schedule B1 to the Act. In the absence of a creditors' committee, details of time incurred and disbursements drawn will be reported to creditors in accordance with *Statement of Insolvency Practice 9* issued by the Joint Insolvency Committee on behalf of our licensing bodies.

Total time spent to 15 May 2012 on this assignment amounts to 43.80 hours at an average composite rate of £299.61 per hour resulting in total time costs to 15 May 2012 of £13,123.

To assist creditors in determining this matter, the following further information on time costs and expenses are set out:

- Begbies Traynor (Central) LLP's policy for re-charging expenses
- Begbies Traynor (Central) LLP's charge-out rates
- Pre-administration Table of time spent and charge-out value
- Table of time spent and charge-out value

In addition, a copy of *A Creditors' Guide to Administrators' Fees* is available on request. Alternatively, the guide can be downloaded from our website [www.begbies-traynor.com](http://www.begbies-traynor.com) via the "Corporate Recovery and Insolvency" link in the "Quick Links" box on the left hand side of the homepage. From there please follow the "Creditor" link which will take you to the appropriate page where the Guide (2010 version) can be found at the end.

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## **BEGBIES TRAYNOR CHARGING POLICY**

### **INTRODUCTION**

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance<sup>2</sup> requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### **OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

### **EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

Best practice guidance classifies expenses into two broad categories.

- *Category 1 expenses (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 expenses (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval)

- Internal meeting room usage for the purpose of statutory meetings of creditors may be charged by some offices and is charged at the rate of £100 (London £150) per meeting. External meeting room usage is charged at cost.
- Car mileage is charged at the rate of 45 pence per mile.

*Expenses which should be treated as Category 2 expenses (approval required)* – in addition to the 2 categories referred to above, best practice guidance indicates that where payments are made to outside parties in which the office holder or his firm or any associate has an interest these should be treated as Category 2 expenses. The following items of expenditure which relate to services provided by an entity within the Begbies Traynor Group are to be charged to the case (subject to approval)

<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)

<sup>2</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)

- Storage of books and records (when not rechargeable as a *Category 1 expense*) is charged by Archive Facilities (Southend) Limited, an associated company. The rates applying as at the date of this report are

Minimum charge of £33 per quarter for up to three boxes. Four to Two Hundred Boxes charged at £9.90 per box per quarter. Over two hundred boxes are charged at half the aforementioned price, presently £4.95 per box per quarter. Mileage for collection of books and records is charged at 55p per mile. Provision of cardboard box charged at £2.75 per box. Where Archive Facilities (Southend) Limited is required to physically pack the books and records, there is a minimum charge of 2 hours at £15 per hour per person required, and at £15 per hour for each hour thereafter. All figures stated are net.

- BTG Asset Consulting may be engaged to undertake valuations and/or disposal of the assets in this case. BTG Asset Consulting is a part of Begbies Traynor Group plc and therefore an associated company. Their charges are based on 15% of realisations or time costs at a Partner rate of £125 per hour and Manager rate of £100 per hour. A separate charge will be levied for any valuations to be provided at a fixed fee of £500 + VAT. Disbursements are charged at cost and mileage is recovered at 40p per mile. All figures stated are net of VAT.

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 expense*

- Telephone and facsimile
- Printing and photocopying
- Stationery

#### BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Southend-on-Sea office as at the date of this report are as follows

Grade of staff	Charge-out Rate (£ per hour)
Partner 1	495
Director	395
Senior Manager	365
Manager	315
Assistant Manager	270
Senior Administrator	235
Administrator	185
Junior Administrator	160
Support	160

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units)

Time and Expenses Report - Summary

03CY003.PRE | PRE - Cyclone Courier Company Limited AD | From 01/01/2000 To 22/03/2012

Action Code	Partner	Director	Senior Manager	Manager	Senior Case Administrator	Case Administrator	Support & Gathering	Other	Total Hours	Total Cost	Avg Rate
1PLAN	3 0000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00	1,350.00	450.00
1MEET	1 0000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	450.00	450.00
1PRE	0 0000	7.00	0.00	15.90	0.00	0.00	0.00	0.00	22.90	7,058.00	308.21
1SALE	3 4000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.40	1,530.00	450.00
Total Hours	7.40	7.00	0.00	15.90	0.00	0.00	0.00	0.00	30.30		
Total Cost	3,330.00	2,765.00	0.00	4,293.00	0.00	0.00	0.00	0.00		10,388.00	
<b>Employee Dist Costs</b>											0.00
<b>Dist Fees Drawn</b>											0.00
<b>Time Fees Drawn</b>											0.00
<b>Outstanding Costs</b>											10,388.00

Time and Expenses Report - Summary

03CY003.ADM | ADM - Cyclone Courier Company Limited | From 22/03/2012 To 15/05/2012

Action Code	Partner	Director	Senior Manager	Manager	Senior Case Administrator	Case Administrator	Support & Cashiering	Other	Total Hours	Total Cost	Avg Rate
Travel	2 0000	0 00	0 00	0 00	0 00	0 00	0 00	0 00	2 00	900 00	450 00
COA reporting and follow up	1 8000	0 00	0 00	0 00	0 00	0 00	0 00	0 00	1 80	810 00	450 00
Case strategy and planning	1 0000	0 00	0 00	0 40	0 00	0 00	0 00	0 00	1 40	558 00	398 57
Appointment activity	0 0000	0 00	0 00	3 50	0 00	0 00	0 00	0 00	3 50	945 00	270 00
Claims proofs and disbursements	0 0000	0 50	0 00	2 30	0 00	0 00	2 30	0 00	5 10	1 186 50	232 65
Banking	0 7000	0 00	0 00	0 00	0 00	1 60	0 50	0 00	2 80	691 00	246 78
Administration	1 0000	0 00	0 00	9 70	0 00	0 00	4 20	0 00	14 90	3 719 00	249 60
Debt collection	1 0000	0 00	0 00	0 00	0 00	0 00	0 00	0 00	1 00	450 00	450 00
Statutory reports and returns	0 0000	6 50	0 00	4 80	0 00	0 00	0 00	0 00	11 30	3 863 50	341 80
Total hours	7 50	7 00	0 00	20 70	0 00	1 60	7 00	0 00	43 80		
Total cost	3 353 00	2 765 00	0 00	5 569 00	0 00	296 00	1 120 00	0 00		13 123 00	

Employee Disb Costs	687 45
Dist Fees Drawn	0 00
Time Fees Drawn	0 00
Outstanding costs	13 810 45