

The Insolvency Act 1986

Administrator's progress report

Name of Company
Peerless Camera Company Limited

Company number
01294280

In the High Court of Justice, Chancery Division

[full name of court]

Court case number
948 of 2015

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

We (a) Trevor John Binyon and Timothy John Edward Dolder both of Opus Restructuring LLP,
One Euston Square, 40 Melton Street, London, NW1 2FD

Administrator(s) of the above Company attach a progress report for the period

from

to

(b) 17 February 2015

(b) 16 August 2015

(b) Insert dates

Signed

Joint Administrators

Dated

14/09/2015

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.

Opus Restructuring LLP, One Euston Square, 40 Melton Street, London, NW1 2FD

Tel 020 7268 3333

DX Number

DX Exchange

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



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COMPANIES HOUSE

TUESDAY

**PEERLESS CAMERA COMPANY LIMITED
(IN ADMINISTRATION)**

SIX MONTH PROGRESS REPORT TO CREDITORS

A) COURT DETAILS

High Court of Justice 948 of 2015

B) REGISTERED NAME, ADDRESS AND NUMBER

Company name	Peerless Camera Company Limited - in Administration, ('the Company' or Peerless')
Previous name	None
Other trading names	None
Current registered office	One Euston Square, 40 Melton Street, London, NW1 2FD
Former registered office	32 Bedfordbury, London, WC2N 4DU
Registered Number	01294280
Date of incorporation	14 January 1977
Principal trading activity	Motion picture film effects and facilities

C) ADMINISTRATION APPOINTMENT DETAILS

Trevor John Binyon and Timothy John Edward Dolder were appointed Joint Administrators of Peerless Camera Company Limited on the 17 February 2015 by the director of the Company

The functions of the Joint Administrators are being exercised by both of the administrators acting jointly or alone

D) DETAILS OF ANY EXTENSIONS

Not applicable

E) DETAILS OF PROGRESS OF THE ADMINISTRATION

This report details our acts and dealings together with the conduct of the administration for the first six months of appointment. You will however have been advised periodically of progress through the circulation of my letters to creditors dated 23 February 2015 and 08 April 2015.

Receipts and Payments Account

Attached at **Appendix 1** is a copy of our receipts and payments account for the period to 16 August 2015 from which you will note that total receipts for the period are £92,321 and total payments of £65,563 resulting in a balance in hand of £26,758.

Details of a pre-packaged sale of the Company's business and some assets were circulated to all known creditors on 23 February 2015. It was reported that the sale and purchase agreement ('SPA') was completed on 18 February 2015. A summary of the sale is provided below -

Assets	Market Value In-Situ (£)
Digital VFX Post Production Equipment	53,400
Office Furniture and Equipment	2,600
Website and Domain Name	7,000
Continued use of Permanent Software Licenses	7,000
Goodwill	1
Seller's Records	1
Customer Contracts	1
Business Intellectual Property Rights	1
Total	70,004

Creditors' will recall that the purchaser was Peerless Digital Imaging Limited ('PDI'), a connected company by way of common directorship through Mr Kent Houston and represents a connected party transaction. The sale was completed upon the recommendation of independent valuing agent Wyles Hardy and Co

I also confirm the following in respect of the sale

- The business or business assets of the Company had not been acquired from an Insolvency Practitioner within the previous 24 months
- The sale is not part of a wider transaction and there are no options, buy back arrangements or other conditions attached to the sale
- As part of Opus' internal protocol, all pre-pack sales are independently reviewed by a non-appointment taking partner, who is a licensed insolvency practitioner. This process was undertaken in respect of this sale and was approved

The consideration for the sale is to be received by way of deferred consideration and is payable as follows -

Amount (£)	Description	Due Date	Status
17,501 00	Asset Purchase	23/02/2015	Received
7,261 24	Rent Apportionment	23/02/2015	Received
17,501 00	Asset Purchase	17/03/2015	Received
17,501 00	Asset Purchase	17/04/2015	Received
17,501 00	Asset Purchase	15/05/2015	Received
Uncertain	Final EBITDA Payout (25%)	17/02/2016	Not Due

Rent Apportionment

PDI has paid the Company £7,261 24 for occupation of the premises at 32 Bedfordbury, London, under bare license until 31 March 2015. This was done to allow agreements to be reached between PDI and the landlord regarding the assignment of the lease. It is understood that terms have been agreed between PDI and the landlord and PDI remains at the premises.

Book debts

As you are aware the estimated to realise figure in this respect had been discounted to reflect a bad debt of c£137k due from The Hot Potato Limited ('Hot Potato'). Hot Potato entered into creditors' voluntary liquidation on 10 May 2012 and, based on the Liquidator's annual progress report circulated to all known creditors' on 27 May 2015, dividend prospects are unlikely. However, we have put the Liquidator on notice of our interest for dividend purposes.

The remaining book debts of c£7 5k and will be collected by PDI on behalf of Peerless. To date, the total sum of £3,151 has been collected. The remaining balance is expected to be realised in full.

Cash at Bank

Statements were requested in respect of the Company bank accounts. However, no credit balances were available and all accounts had been closed upon our appointment as Joint Administrators.

Unbilled Work in Progress

The Company entered into an agreement with a third party in respect of the production of a motion picture entitled Judas Ghost. An agreement between Falling Shadows Productions Limited and the Company dated 27 January 2012 detailed an initial 10% payment of £32,776.50 following execution and delivery. The final 90% payment terms are detailed in the deferment agreement also dated 27 January 2015 of which the terms are currently being discussed.

Leasehold Apartment - Flat 7, Mercer Street, London ('the Property')

On 12 March 2015 the Joint Administrators instructed CBRE Limited ('CBRE'), specialist property valuing agents, to conduct a market appraisal of the leasehold apartment. There is currently 97 years remaining on the 125 year lease and the property is in satisfactory condition. However, CBRE have advised that the property would benefit from a full refurbishment.

Based on the Property's current condition CBRE have recommended to market the property at £1,050,000 and that the Property would demand a rental income of £625.00 per week.

Rent Apportionment - ('the Property')

The Property is currently occupied by Mr Kent Houston. Rental payments have been received based on the valuation received from CBRE. The Administrators have received £11,875 to 30 June 2015. A further request for payment is to be issued bringing the rental payment up to date. In addition, steps are being taken further consider whether a holding strategy is more viable given the current demand for property in this area of London.

CREDITORS CLAIMS

Secured Creditors

The Company granted fixed and floating charges to Barclays Bank Plc on 30 January 2012. These charges were registered on 16 February 2012. It is understood that as at the date of my appointment no amount was owed in respect of these charges.

Preferential Creditors

Preferential creditors are former employees of the Company in respect of unpaid wages and holiday pay (subject to various caps). The Company's employees were transferred to PDI upon completion of the sale and purchase agreement. Under the terms of the sale and purchase agreement and in accordance with the Transfer of Undertakings (Protection of Employment) regulations, the liabilities of employees were transferred to PDI and therefore there are considered to be no preferential creditors in this case. However, should creditors consider that they are entitled to claim as preferential creditors, it will be necessary to contact the Joint Administrators.

Unsecured Creditors

The figure for unsecured creditors detailed in the estimated financial statement as at 2 July 2015 is £2,795,393. However, this is based on information available from the Company records and should be used for indicative purposes only. Please be advised that we are still receiving proof of debts and therefore are unable to agree the total value of unsecured claims at present. This will be completed shortly after the sale of Flat 7, Mercer Street, London. If you have not already done so, please complete the attached documents in order to submit your claim.

DIVIDEND PROSPECTS

The Joint Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. The prescribed part only applies where the Company has granted a floating charge to a creditor after 15 September 2003. Where a floating charge over the Company's assets has been given a prescribed amount of the Company's net property after paying the preferential creditors and cost and expenses of the Administration, but before paying the lender who holds a floating charge. An Administrator has to set aside

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000

The Company granted a fixed and floating charge to Barclays Bank PLC ('Barclays') on 30 January 2012. Barclays held a small credit balance on appointment. As a result the prescribed part provisions will not apply in this instance.

COSTS AND EXPENSES

Pre Administration Costs

The pre administration costs were approved on the 27 April 2015 and the following costs have been paid -

Description (Pre-Appointment)	Time Costs (£) (ex VAT)	Disbursements (£) (ex VAT)
Opus Restructuring LLP	22,210 00	-
DMH Stallard Solicitors	12,950 00	27 00
Wyles Hardy & Co	7,578 75	163 88

Joint Administrators' Remuneration

A resolution was passed at a meeting by correspondence on 27 April 2015 that the Joint Administrators' remuneration plus VAT be based on the time properly incurred by them and their staff in dealing with matters relating to the administration of the Company, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken. If the creditors agree the basis of the Administrators' remuneration, it is further agreed that the Joint Administrators be empowered to draw such remuneration in respect of these costs as funds permit.

The Joint Administrators total time costs for the period from 17 February 2015 to 16 August 2015 are £35,790 00 and this amounts to 160 60 hours and an average charge-out rate of £222 85. A total of £10,000 00 has been drawn in respect of this period which represents post-appointment Administrators' remuneration.

Joint Administrators' Disbursements

The Joint Administrators' category 1 and category 2 disbursements for the period are £155 40 and £2,002 00 respectively.

The time costs, category 1 and category 2 disbursements are summarised at **Appendix 2**

Category 1 & 2 Disbursements	Total Incurred (£)	Total Recovered (£)
Statutory Advertising	169 20	169 20
Insolv Fee	185 00	185 00
Bonding	1,000 00	1,000 00
Company Search fee	6 00	6 00
Land Registry Search	6 00	6 00
Travel	9 20	4 60
DocuSoft Fee	45 00	45 00
Photocopying	155 40	154 20
Legal Fees	485 00	485 00
Postage	96 60	94 50
Total	2,157 40	2,149 50

Agent's Fees

As previously advised agents, CBRE, have been instructed to appraise and offer strategic advice in respect of the Property. Formal instruction in respect of a sale has yet to be given and at this point it is too early to predict the likely costs to the Company.

Management Company Charges - Flat 7, Mercer Street, London

The total sum of £10,019.31 was paid to Haus Block Management in respect of quarterly service charges and external works required under the lease. This is broken down as follows -

Description	Paid (£)
Quarterly Service Charge	607.71
Quarterly Service Charge	607.71
External Works	8,196.18
Quarterly Service Charge	607.71
Total	10,019.31

Electricity Supply - Flat 7, Mercer Street, London

The sum of £119.34 to EDF Energy for the period 23 April 2015 to 30 June 2015 in respect of electricity supply to the Property. Further costs will be incurred until the sale of the Property.

Storage Costs

The sum of £130.40 has been paid in storage costs in respect of the Company records.

FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the administrator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the administrator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

F) ANY OTHER RELEVANT INFORMATION

Completion of the Administration

It was agreed that the Company will move from administration to liquidation only. Liquidation may be creditors' voluntary liquidation in accordance with paragraph 83 of Schedule B1 to the Insolvency Act 1986 (as amended).

Creditors Committee

No creditor committee was formed.

Investigations

An initial investigation into the company's affairs has been undertaken to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.

There were no matters that justified further investigation in the circumstances of this appointment.

A report/return on the conduct of any individuals, who have been directors of the Company in the three years prior to the insolvency, is required to be submitted to the Secretary of State within six months of our appointment. We would confirm that our report/return has been submitted.

Should you require any further information or wish to discuss the report please do not hesitate to contact Richard Shaw at this office.



Trevor John Binyon
Joint Administrator

Authorised to act as an Insolvency Practitioner in the UK by the Association of Chartered Certified Accountants

Dated 09 September 2015

Peerless Camera Company Limited - In Administration
Joint Administrators' Abstract of Receipts & Payments

From 17 February 2015 to 16 August 2015

	£
RECEIPTS	
Goodwill	1 00
Intellectual Property Rights	1 00
Intellectual Property - Seller's Records	1 00
Intellectual Property - Customer Contracts	1 00
Plant & Machinery	70,000 00
Book Debts	3,151 20
Bank Interest Gross	29 76
Rent Apportionment - 32 Bedfordbury	7,261 24
Rental Income - Flat 7, 19 Mercer Street	11,875 00
	<u>92,321 20</u>
PAYMENTS	
Joint Administrators' Remuneration (pre)	22,210 00
Joint Administrators' Disbursements	2,149 50
Pre-Appointment Legal Disbursements - DMH Stallard	27 00
Pre-Appointment Agents Fees - Wyles Hardy & Co	7,578 75
Storage Costs	130 40
Insurance of Assets	212 00
Management Company Charges - 19 Mercer Street, London	10,019 31
Pre-Appointment Legal Fees - DMH Stallard	12,950 00
Pre-Appointment Agents Disbursements - Wyles Hardy & Co	163 88
Electricity Supply - Flat 7	119 34
Joint Administrators' Remuneration (post)	10,000 00
Vat Receivable	2 98
	<u>65,563 16</u>
CASH IN HAND	<u>26,758 04</u>

Joint Administrators' Remuneration Schedule
Peerless Camera Company Limited
Between 17 February 2015 and 16 August 2015

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning							
Appointment Notification	0.00	0.00	24.50	0.00	24.50	3,675.00	150.00
Case Planning	0.00	4.20	8.10	0.00	12.30	2,265.00	184.15
Case Reviews including MR1s/MR2s	0.00	1.40	0.00	0.00	1.40	350.00	250.00
Cashiering	0.00	0.00	0.00	6.10	6.10	712.50	116.80
Internal Documentation and IT	0.00	0.00	0.00	7.10	7.10	710.00	100.00
Maintenance of Records	0.00	1.50	0.00	0.00	1.50	375.00	250.00
Meeting/Correspondence/Telephone with Debtor	0.00	2.90	0.00	0.00	2.90	725.00	250.00
Other post appointment tax matters	0.00	0.70	0.00	0.00	0.70	175.00	250.00
Post appointment VAT	0.00	0.00	2.60	0.00	2.60	390.00	150.00
Statutory forms	0.00	2.50	0.00	0.00	2.50	625.00	250.00
Statutory Reporting and Compliance	0.00	6.00	13.10	0.00	19.10	3,465.00	181.41
	0.00	19.20	48.30	13.20	80.70	13,467.50	166.88
Case Specific Matters							
Administration & Planning	0.00	0.00	0.00	0.20	0.20	20.00	100.00
	0.00	0.00	0.00	0.20	0.20	20.00	100.00
Creditors							
Communication with creditors	4.50	2.50	4.20	0.70	11.90	2,787.50	234.24
Litigation	0.00	0.00	0.50	0.00	0.50	75.00	150.00
Pre appointment P35s, P45s etc	0.00	0.40	0.00	0.00	0.40	100.00	250.00
	4.50	2.90	4.70	0.70	12.80	2,962.50	231.45
Investigations							
CDDA Reports	0.00	0.00	1.40	0.00	1.40	210.00	150.00
D Reports	0.00	0.00	5.90	0.00	5.90	885.00	150.00
Other Investigations	0.00	0.00	2.30	0.00	2.30	345.00	150.00
	0.00	0.00	9.60	0.00	9.60	1,440.00	150.00

Pre Appointment		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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Realisation of Assets									
Contributions		0.00	1.00	0.00	0.00	0.00	1.00	250.00	250.00
Debt Collection		0.00	3.20	0.00	0.00	0.00	3.20	800.00	250.00
Insurance		0.00	0.40	0.00	0.00	0.00	0.40	100.00	250.00
Other assets		0.00	1.50	0.00	0.00	0.00	1.50	375.00	250.00
Property, business and asset sales - general		25.00	2.00	0.00	0.00	0.00	27.00	8,600.00	318.52
Property, business and asset sales - secured		16.00	0.00	0.00	0.00	0.00	16.00	5,200.00	325.00
Sale of Assets		7.00	1.20	0.00	0.00	0.00	8.20	2,575.00	314.02
		48.00	9.30	0.00	0.00	0.00	57.30	17,900.00	312.39

Trading									
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total hours		52.50	31.40	62.60	14.10	160.60			
Time costs		17,062.50	7,825.00	9,390.00	1,512.50	35,790.00			
Average hourly rate		325.00	249.20	150.00	107.27	222.85			

Summary of Fees		Hours	
Time spent in administering the Assignment		£	160.60
Total value of time spent to 16 August 2015		£	35,790.00
Total Joint Administrators' fees charged to 16 August 2015		£	10,000.00

Disbursements			Total Incurred £	Total Recovered £
Description				
CAT 1 Advertising		169.20		169.20
CAT 1 INSOLV fee		185.00		185.00
CAT 1 Bonding		1,000.00		1,000.00
CAT 1 Land Registry		6.00		6.00
CAT 1 Company House Fee		6.00		6.00
CAT 1 Travel		9.20		4.60
CAT 1 DocuSoft fee		45.00		45.00
CAT 2 Photocopying		155.40		154.20
CAT 1 Legal Fees		485.00		485.00
CAT 1 Postage		96.60		94.50
Totals		2,157.40		2,149.50

Proof of Debt – General Form

Peerless Camera Company Limited - In Administration

Date of administration 17 February 2015

1	Name of creditor (If a company please also give company registration number)	
2	Address of creditor for correspondence	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into administration	
4	Details of any documents by reference to which the debt can be substantiated (Note There is no need to attach them now but the administrator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting)	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7	Particulars of any security held, the value of the security, and the date it was given	
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or in relation to creditor	
	Address of person signing (if different from 2 above)	
For Administrators' Use only		
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Administrator		Administrator