

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company

LSM Professional Limited

Company number

02610143

In the
High Courts of Justice

(full name of court)

Court case number
19943 of 2009(a) Insert full
name(s) and
address(es) of
administrator(s)

I/We (a)
Ian Yerrill
Gerald Edelman Business Recovery
Gateway House
Highpoint Business Village
Henwood, Ashford
Kent TN24 8DH

Bernard Hoffman
Gerald Edelman Business Recovery
Gateway House
Highpoint Business Village
Henwood, Ashford
Kent TN24 8DH

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

From

To

(b) Insert date

(b) 5th November 2009(b) 4th May 2010

Signed

Joint / Administrator(s)

Dated

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

Ian Yerrill
Gerald Edelman Business Recovery
Gateway House
Highpoint Business Village
Henwood, Ashford
Kent TN24 8DH

DX Number

01233 666280
DX Exchange


THURSDAY



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



Gerald Edelman

 **Business Recovery**

Strictly Private and Confidential

Our Ref ADM100L/JD/3/0
Your Ref

TO ALL KNOWN CREDITORS

5th May 2010

Dear Sirs

LSM PROFESSIONAL LIMITED

In Administration

High Courts of Justice – No: 19943 of 2009

We refer to our appointment as Joint Administrators of the above named Company.

Progress Report

In accordance with rule 2 47 (1) of the Insolvency Rules 1986 (as amended), we set out below a brief Progress Report for your attention, together with a copy of form 2 24B.

Statutory Information

<i>Court where proceedings are</i>	High Courts of Justice
<i>Relevant reference number</i>	No 19943 of 2009
<i>Company's registered office</i>	Gateway House Highpoint Business Village Henwood Ashford Kent TN24 8DH
<i>Company's registration number</i>	02610143
<i>Joint Administrators' names</i>	Ian Douglas Yerrill & Bernard Hoffman
<i>Joint Administrators' address</i>	Gateway House Highpoint Business Village Henwood Ashford Kent TN24 8DH
<i>Date of Appointment</i>	5 th November 2009
<i>Statement made for the purposes of paragraph 100(2)</i>	That all functions of the Joint Administrators may be exercised by either or both of the Joint Administrators



Partners
B Hoffman FCCA FABRP
I D Yerrill FIPA FABRP
D Murphy

M Harris FCA
C R Burns FCA CTA
R H Kleiner FCA
N Summer FCA
H J Wallis FCA
D A Convisser FCA
D B Atkinson FCA
D S Patel FCCA
S H Rosenberg ACA
S P Coleman ACA
A C Shah FCCA
G W Thomas Cert PFS

Consultant
L F Crowther

Gateway House
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Other offices at:
Whetstone, London
T +44 (0)20 8492 5600

Braintree, Essex
T +44 (0)1376 569 333

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<i>Appointor</i>	The Director
<i>Appointer's Address</i>	201 Whitehall Road, Hitchin, Hertfordshire, SG4 9HY
<i>Extensions to the initial period of appointment</i>	None

Receipts and Payments Account

We attach hereto a copy of our up to date Account of Receipts and Payments, from which you will see that we are holding the amount of £918 96 on the estate account in respect of cash at bank together with an amount of £4,010 69 which has been received from City of Westminster Council in relation to a National Non-Domestic Rates refund relating to the Company's former trading premises

We would advise that the first instalment in the sum of £2,500 has been received and is currently being held by our solicitors in their client account with further instalments to follow shortly

We would advise that the monthly instalments continue to be closely monitored in this regard

A detailed analysis of the income and expenditure follows

Asset Realisations

Sale of Chattel Assets and Goodwill

As previously mentioned in the Joint Administrators' Proposals, agents were instructed to prepare a valuation of the Company's assets and assist with the sale of same

Consideration was given to closing the business and selling the chattel assets. It was clear however that this would result in the loss of any potential goodwill and, due to the recession and current amount of liquidated chattels on the market would have produced a poor return in the form of realisations

The Joint Administrators were unable to fund the business going forward, due in part to the necessary payroll costs, and in part to the difficulty in securing potential finance for such a speculative venture

The proposal of a company voluntary arrangement had been considered by the Directors prior to Administration, but dismissed due to the level of debt, the limited margins of profit, and the poor potential return to creditors

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By agreement with, and on the recommendation of, the appointed agent a license was granted to ask-re The Property People LLP, a limited liability partnership under the control of the former Directors of the Company. It was believed that this would enable the business to continue in the short-term and preserve any element of goodwill, without the funding issues that would necessarily arise if the Joint Administrators were to trade on the Company.

During the license period the agents considered the best method of maximising realisations for the business. Whilst the Administration was a matter of public record no interest was expressed in the business. In the opinion of the agents, targeted marketing of the business would not have been effective and was unlikely to generate a realistic interest in potential acquisition.

Ultimately after a period of protracted negotiation with ask re-The Property People LLP, a sale was agreed with that party.

The terms of the sale agreed provide for a consideration of £15,000, made up of six consecutive equal monthly instalments of £2,500. The purchase price relates to £12,500 in respect of chattel assets and £2,500 for goodwill. In addition, a further payment in respect of goodwill in the sum of £7,500 is to be paid by way of three equal instalments of £2,500 commencing on or before 5th November 2010 with the subsequent amounts falling due on 5th November 2011 and 5th November 2012. The agent recommended this sale as it represented a greater net realisation than any other method of disposal.

We would advise that the first instalment in the sum of £2,500 has been received and is currently being held by our solicitors in their client account with further instalments to follow shortly.

Security for the sale has been obtained in the form of a personal guarantee granted by Andrew Smith, the Director of the Company as well as a Debenture over the assets of ask-re The Property People LLP.

Cash at Bank

We can confirm that an amount of £918 96 has been realised in respect of cash at bank.

Rates Refund

A refund in the sum £4,010 69 has been received from City of Westminster Council in respect of a National Non-Domestic Rates refund relating to the Company's former trading premises.

Expenses of Administration

Advertising Costs

Advertising costs totalling £380 43 plus VAT have been paid to Courts Advertising Limited in respect of the advertisements placed in the London Gazette and the West End Extra giving details of the appointment of Joint Administrators' and convening the initial Meeting of Creditors

Solicitors Fees

Solicitor's fees totalling £3,250 00 plus VAT have been paid to Jeffery Green Russell Solicitors in connection with the preparation and drafting of the Sale Agreement with regard to the sale of the business

Administrators' Remuneration

We received sanction at the Meeting of Creditors held on 14th January 2010 to our remuneration being fixed by reference to the time properly expended by us and our staff in relation to the conduct of the Administration and that we shall draw such remuneration as, when and if funds are available We have not drawn any remuneration in this matter however we attach a breakdown of our time costs to date

Moving from administration

We would inform you that in the event the level of further realisations allows for a distribution to be made to unsecured creditors, it is anticipated that the above Company will move from Administration to Liquidation Alternatively, in the event that it is unlikely that a distribution will be made, it is anticipated that the Company will move to Dissolution

Notice of Conduct of Business by Correspondence

We enclose herewith form 2 25B, Notice of conduct of business by correspondence in which a Resolution is proposed that we be released from any liability during our period as Administrators which will take effect from 14 days after our final progress report is filed at Companies House We should be grateful if you would kindly complete and return the form indicating whether you are in favour of or against the Resolution

Dividend Prospects & Creditors Claims

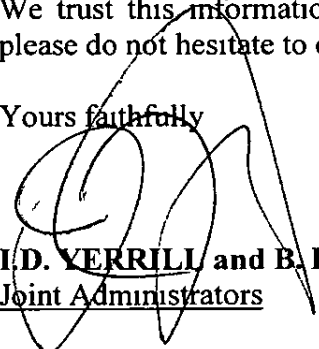
On present information, it is not possible to pass comment on the extent or timing of any distribution to creditors, or indeed on the likelihood of such distribution becoming payable as any such distribution will be dependant upon the level of further realisations together with the extent of further expenses

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In order to note the claims of creditors, we enclose herewith a Proof of Debt form for your completion. For those creditors who have not already submitted claims against the Company, the Proof of Debt Form should be completed and returned with full supporting documentation to this office. Creditors who have previously submitted details of their claims need only complete and return the Proof of Debt Form.

We trust this information assists; however, should you require any additional information, please do not hesitate to contact us.

Yours faithfully



I.D. YERRILL and B. HOFFMAN
Joint Administrators

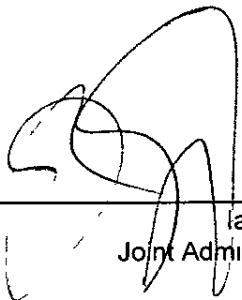
Licensed to act as Insolvency Practitioners by the Insolvency Practitioners Association and the Association of Chartered Certified Accountants respectively

**LSM Professional Limited
(In Administration)**

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 05/11/2009 To 04/05/2010 £	From 05/11/2009 To 04/05/2010 £
RECEIPTS			
Fixtures, Fittings & Equipment	5,000 00	0 00	0 00
Cash at Bank	919 00	918 96	918 96
Rates Refund		4,010 69	4,010 69
Bank Interest Gross		0 28	0 28
		<u>4,929 93</u>	<u>4,929 93</u>
PAYMENTS			
Solicitors Fees		3,250 00	3,250 00
VAT Non Recoverable		635 33	635 33
Statutory Advertising		380 43	380 43
		<u>4,265 76</u>	<u>4,265 76</u>
BALANCE - 04 May 2010			<u><u>664.17</u></u>

Note



Ian Yerrill
Joint Administrator

Time Entry - SIP9 Time & Cost Summary

ADM100L -

From 05/11/2009 To 15/04/2010

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	1 70	4 00	4 40	4 60	14 70	2 307 50	156 97
Case Specific Matters	0 60	0 00	0 00	0 00	0 60	210 00	350 00
Cashiering	0 00	0 00	0 00	1 00	1 00	125 00	125 00
Creditors	2 46	6 70	1 10	2 50	12 76	2 558 50	200 51
General Correspondence	1 45	18 80	0 80	0 90	21 95	4 386 25	199 83
Investigations	0 60	0 00	0 00	0 00	0 60	210 00	350 00
Realisation of Assets	9 00	7 70	0 00	6 20	22 90	4 935 00	215 50
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	15 81	37 20	6 30	15 20	74 51	14,732.25	228 26
Total Fees Claimed						0 00	

Notice of conduct of business by correspondence

Name of Company LSM PROFESSIONAL LIMITED	Company number 02610143
In the HIGH COURTS OF JUSTICE [full name of Court]	Court case number 19943 of 2009

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

Notice is hereby given by (a) **BERNARD HOFFMAN and IAN DOUGLAS YERRILL of Gateway House, Highpoint Business Village, Henwood, Ashford, Kent TN24 8DH**

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

of (b) **LSM PROFESSIONAL LIMITED, Gateway House, Highpoint Business Village, Henwood, Ashford, Kent TN24 8DH**

(c) Insert number of resolutions enclosed

Resolution (1)

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed is (c) **1** resolution for your consideration. Please indicate below whether you are in favour or against the resolution

(d) Insert address to which form is to be delivered

to be received at (d) **Gateway House, Highpoint Business Village, Henwood, Ashford, Kent TN24 8DH**

(e) Insert closing date

by 12 00 hours on (e) **Wednesday 26th May 2010** in order to be counted. It must be accompanied by details in writing of your claim. Failure to do so will lead to your vote(s) being disregarded.

Repeat as necessary for the number of resolutions attached

Resolution (1) **"That the Joint Administrators be released from their liability in accordance with Paragraph 98 of Schedule B1 of the Insolvency Act 1986 with effect from 14 days after the final progress Report is sent to Companies House"**

I am *in Favour / Against

If you require any further details or clarification prior to returning your votes, please contact me / us at the address above

Signed

Joint / Administrator(s)

Dated **5th May 2010**

PROOF OF DEBT - GENERAL FORM

**In the matter of LSM Professional Limited
In Administration
and in the matter of The Insolvency Act 1986**

Date of Administration Order 5th November 2009

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

PROOF OF DEBT - GENERAL FORM (CONTD)

Admitted to Vote for

£

Date

Liquidator

Admitted preferentially for

£

Date

Liquidator

Admitted non-preferentially for

£

Date

Liquidator

NOTE: A company goes into liquidation if it passes a resolution for voluntary winding up or an order for its winding up is made by the court at a time when it has not already gone into liquidation by passing such a resolution