

Rule 2 47

Form 2 24B

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company IVQ Limited formerly Implants (International) Limited	Company number 03037740
In the High Court Leeds District Registry [full name of court]	Court case number 702 of 2005

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

I (a) Michael Edward George Saville of Begbies Traynor, 9th Floor, Bond Court, Leeds LS1 2JZ
administrator of the above company attach a progress report for the period

(b) Insert dates

from / to (b) 6 January 2008 to 5 July 2008
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Signed

Administrator

Dated

26/6/08

Contact Details:

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

Begbies Traynor	
9th Floor, Bond Court, Leeds, LS1 2JZ	
	Tel Number 0113 2440044
Fax Number 0113 2445820	DX Number

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



Neil Andrew Brackenbury and Michael Edward George Saville
appointed joint administrators on 6 July 2005

Neil Andrew Brackenbury was removed from office by an order of
the court on 5 January 2007

The affairs, business and property of the Company are being
managed by the joint administrators, who act as the Company's
agents

MQ Limited formerly Implants (International) Limited (In Administration)

Interim Report of the joint administrators
pursuant to Rule 2.47 of The Insolvency Rules
1986

Period: 6 January 2008 to 5 July 2008

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1. COMPANY AND ADMINISTRATOR'S DETAILS

Name of court	HC Leeds District Registry
Court reference number	702 of 2005
Company registered number	03037740
Registered office address	c/o Begbies Traynor, 9 th Floor, Bond Court, Leeds, LS1 2JZ
Names of administrator	Michael Edward George Saville
Date of administrator's appointment	6 July 2005
Person(s) making appointment / application	The directors of the Company
Changes in office-holder (if any)	Neil Andrew Brackenbury was removed from office by an order of the court on 5 January 2007
Acts of the joint administrators	The administrator acts as an officer of the court and as agent 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

2. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is my abstract of receipts and payments for the period from 6 July 2005 to 5 July 2008

My comments on items appearing in the receipts and payments account since my last report are as follows

Receipts

There have been no receipts since my last report

Payments

I have made a payment of £50 in respect of corporation tax that has accrued during the period

Administrator's remuneration

The administrator's remuneration is based on hourly costs at scale rates calculated on the time properly spent in the course of the administration and was approved at the initial meeting of creditors held on 13 October 2005

Total remuneration drawn to date in accordance with the above approval amounts to £35,000. Total time spent to 4 July 2008 on this assignment amounts to 495.15 hours at an average composite rate of £206 per hour resulting in total time costs to date of £101,879. The following further information as regards time costs and expenses is set out at Appendix 2

- ☐ Begbies Traynor policy for re-charging expenses
- ☐ Begbies Traynor charge-out rates
- ☐ Narrative summary of time costs incurred and summary by staff grade and work activity

It is anticipated that I shall draw further fees of £30,000 in respect of my outstanding time costs

Solicitors remuneration

To date I have paid my solicitors £18,593. Their total time to date for work done in accordance with time properly spent on the administration amounts to £44,900. This is for work done post appointment. I have made no payment to them in this period in respect of these costs.

3. ASSETS THAT REMAIN TO BE REALISED

No assets remain to be realised, the final installment in relation to the deferred consideration has been received.

There are no further matters to be dealt with and I am now in a position to conclude my administration. However, shortly prior to the issue of this report I was approached by the DTI concerning an investigation into certain conduct of the Company's business by its directors. These investigations concern the directors' treatment of a creditor of the Company and have direct relevance to the insolvency of the Company. The DTI has requested that, while it conducts its initial investigations, the Company should not be dissolved. I have agreed therefore to make one further application to court to extend the period of administration.

4. OTHER RELEVANT INFORMATION

Mr Neil Andrew Brackenbury has left this firm. In order to ensure the continuing diligent administration of the cases upon which he held an appointment, an application was made to Court on 21 December 2006, which was subsequently granted on 5 January 2007, whereby the court ordered his removal where a joint appointment was held, leaving me as sole appointee.

You may be aware that an administrator has a duty to investigate generally the affairs of an insolvent company to determine its property and liabilities and to identify any actions, which could lead to the recovery of funds.

Concerns regarding the conduct of the administration have been raised by a firm of solicitors acting for a party who may be a creditor but have not demonstrated this to our satisfaction at this point.

In addition, an administrator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department of Trade and Industry. I confirm that I have discharged my duty in this respect.

5. CONCLUSION

Paragraph 76 of Schedule B1 to the Insolvency Act 1986 provides that the appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, the administrator's term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding six months.

The period of the administration has already been extended 6 months with the consent of creditors and twice by court order. However, in order to assist the DTI it is necessary to apply to extend the period of the administration for a further period. Accordingly I have applied to Court to extend the administration for a further six months until 6 January 2009.

The hearing for the administrator's application has been listed for hearing in the Leeds District Registry of the High Court on 2 July 2008 at 10.30am.

As soon as I am satisfied that the DTI's investigations will not be prejudiced by the dissolution of the Company it will be necessary to apply to court to have the Administration Order discharged.



MICHAEL E G SAVILLE
Administrator

Dated 26 June 2008

ADMINISTRATOR'S ACCOUNT OF RECEIPTS AND PAYMENTS, INCORPORATING ESTIMATED OUTCOME FOR CREDITORS

Period 6 July 2005 to 5 July 2008

	Receipts & Payments to date £	Anticipated Receipts & Payments £	Projected Outcome £
ASSETS NOT SPECIFICALLY PLEDGED			
Freehold Land & Property	1	-	1
Book debts	73,995	-	73,995
Goodwill	1	-	1
Plant & Machinery	55,000	-	55,000
Stock & Work In Progress	50,001	-	50,001
Fixtures & Fittings	1,000	-	1,000
Intellectual Property	1	-	1
Petition deposit	400	-	400
Surplus from fixed charge holder	1,708	-	1,708
Contracts	1	-	1
Bank interest	271	600	871
	<u>182,379</u>	<u>600</u>	<u>182,979</u>
Payments			
Administrator's disbursements	(43)	(957)	(1,000)
Administrator's fees	(30,000)	(30,000)	(60,000)
Administrator's pre-appointment fee	(5,000)	-	(5,000)
Agent's fees & expenses	(6,063)	-	(6,063)
Bordereau (statutory bond)	(250)	-	(250)
Legal fees	(18,593)	-	(18,593)
Surplus from fixed charge holder	(1,707)	-	-
Legal fees (pre-administration)	(6,000)	-	(6,000)
Corporation tax	(5)	-	(5)
Meeting costs	-	(326)	(326)
Statutory advertising	(423)	(200)	(623)
Available for preferential creditors	<u>114,295</u>	<u>(30,883)</u>	<u>85,120</u>
Arrears of wages and holiday pay	-	-	-
Net property	<u>114,295</u>	<u>(30,883)</u>	<u>85,120</u>
Prescribed part of net property set aside for unsecured creditors	-	-	-
Available for floating charge holder	<u>114,295</u>	<u>(30,883)</u>	<u>85,120</u>
The Co-operative Bank plc	(72,405)	-	(72,405)
	<u>41,890</u>	<u>(30,883)</u>	<u>12,715</u>
Summary of balances held			
Fixed charge	-	-	-
Floating charge	<u>41,890</u>	-	-
	<u>41,890</u>	-	-
Held as			
The Royal Bank of Scotland	<u>41,890</u>	-	-
	<u>41,890</u>	-	-
Summary of outcome for unsecured creditors			
Fixed charge	-	-	-
Prescribed part of net property set aside for unsecured creditors	-	-	-
Less costs associated with prescribed part	-	-	-
Floating charge	-	-	<u>12,715</u>
	-	-	<u>12,715</u>

ADMINISTRATOR'S TIME COSTS AND EXPENSES

- a Begbies Traynor policy for re-charging expenses,
- b Begbies Traynor charge-out rates,
- c Narrative summary of time costs incurred and summary by staff grade and work activity,

POLICY FOR RE-CHARGING EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

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 make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance¹ requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at.

DEFINITIONS

Best practice guidance classifies expenses into two broad categories

- *Category 1 expenses (approval not required)* – specific expenditure that is directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external supplier's invoice or published tariff of charges,
- *Category 2 expenses (approval required)* – all other items of expenditure
 - Which cannot, or cannot easily, be directly related to a particular insolvency case because there is an element of shared or allocated cost, and/or
 - Where the cost of the expense incurred is an estimated, unitised cost with the estimate based on external costs or opportunity cost

CHARGING POLICY

- *Category 1 expenses (approval not required)* – with the exception of any items referred to below, all such items are re-charged to the case as they are incurred
- *Category 2 expenses (approval required)*
 - (A) The following items of expenditure are re-charged as described
 - Internal meeting room usage for the purpose of statutory meetings of creditors is re-charged at the rate of £100 (London £150) per meeting,
 - Car mileage is re-charged at the rate of 40 pence per mile,
 - Storage of books and records (when not rechargeable as a *Category 1 expense*) is recharged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,
 - (B) The following items of expenditure will normally be treated as general office overheads not subject to a re-charge
 - Telephone and facsimile
 - Printing and photocopying
 - Stationery

A re-charge may be made, however, where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 expense*

¹ Statement of Insolvency Practice 9 (SIP 9) effective from 31 December 2002

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 office as at the date of this report are as follows:

Grade of staff	Charge-out Rate (£ per hour)
Partner	305
Director	270
Manager	180
Senior Administrator	115
Administrator/Cashier	100
Support staff	100

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).

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	IVQ Limited, formerly Implants (International) Limited
CASE TYPE	ADMINISTRATION
OFFICE HOLDERS	Mike Saville
DATE OF APPOINTMENT	6 July 2005

1 CASE OVERVIEW

- 1 1 This overview is intended to allow the body responsible for the approval of the office-holder's fees to view the quantum of those fees in the context of the case in question
- 1 2 *Complexity of the case*
The purpose of the administration was to achieve a better result for the Company's creditors than would be likely if the Company were wound up
- 1 3 *Exceptional responsibilities*
None
- 1 4 *The office-holder's effectiveness*
An immediate sale was imperative to preserve the value in the Company's assets. Such a sale was concluded on 22 July 2005
- 1 5 *Anticipated return to creditors*
The fixed charge-holder has been paid in full. There appears to be a balance available for distribution to unsecured creditors, which may become payable if the Company exits into liquidation in accordance with the proposals
- 1 6 *Time costs analysis*
An analysis of time costs incurred is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average rate charged for each work type
- 1 7 *Approval of fees*
The joint administrators' remuneration is based on hourly costs at scale rates calculated on the time properly spent in the course of the administration and was approved at the meeting of creditors on 13 October 2005 pursuant to Rule 2.106 of the Insolvency Rules 1986.
- 1 8 *Other professionals employed & their costs*
The solicitors, agents and accountants employed in this matter were chosen based on a record of proficient work carried out in the past on other matters. Their fees were based on time properly spent in attending to my instructions

2 EXPLANATION OF OFFICE-HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

- 2 1 Begbies Traynor's policy for re-charging expenses incurred by insolvency office-holders is set out in a separate accompanying note
- 2 2 The rates charged by the various grades of staff who may work on a case are also set out in a separate accompanying note

3 SUMMARY OF WORK CARRIED OUT

3.1 The following is a summary of the work carried out since the date of the last report

- Dealing with extension to administration
- Dealing with creditor claims and queries

The following table is a summary of time costs incurred by staff grade and work activity from 6 July 2005 to 4 July 2008

	Hours						
	Partners	Managers	Administrators	Assistants & support staff	Total hours	Time cost £	Average hourly rate
Administration and Accountancy	17.85	37.00	37.90	2.20	94.95	15804.50	166.45
Planning & Control	32.20	12.30	5.80		50.30	12282.50	244.18
Fixed Charge Assets	9.25	-			9.25	2728.75	295.00
Floating Charge Assets	116.05	66.90	5.70	-	188.65	46503.25	246.51
Trading	-	-	-	-	-	0.00	-
Debt Collection	1.70	5.50	5.60	-	12.80	2002.00	156.41
Preferential, Unsecured & Members	8.85	24.50	22.80		56.15	9077.25	161.66
Employee Matters	0.50	2.40	2.10	-	5.00	767.00	153.40
Meetings and Statutory duties	12.30	9.50	1.90	-	23.70	5493.00	231.77
Reports, SoA & Statutory returns	1.25	14.50	32.15		47.90	6186.75	129.16
Investigations	0.40	4.25	1.80	-	6.45	1034.00	160.31
Total hours	200.35	176.85	115.75	2.20	495.15		
Total cost to date	59,185.25	31,121.25	11,380.50	193.00		101,879.00	205.75
					Fees drawn to date	35,000.00	