

The Insolvency Act 1986

# Notice of move from administration to dissolution

# 2.35B

Name of Company
Surgicare Limited

Company number
03082268

In the High Court of Justice, Chancery Division, Manchester District Registry (full name of court)
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Court case number
2413/2010

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

I/We (a) Christopher Ratten  
RSM Tenon Recovery  
Arkwright House  
Parsonage Gardens  
Manchester  
M3 2LF

Jeremy Nigel Ian Woodside  
RSM Tenon Recovery  
Arkwright House  
Parsonage Gardens  
Manchester  
M3 2LF

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

having been appointed administrator(s) of (b) Surgicare Limited Arkwright House, Parsonage  
Gardens, Manchester, M3 2LF

(c) Insert date of  
appointment

on (c) 29 October, 2010 by (d) The Board of Directors, Parkway House, Palatine Road, Manchester,  
M22 4DB

(d) Insert name of  
applicant/appointor

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986  
apply

We attach a copy of the final progress report

Signed

  
Joint Administrator

Dated

23/3/12

## 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

Christopher Ratten  
RSM Tenon Recovery  
Arkwright House  
Parsonage Gardens  
Manchester  
M3 2LF

DX Number

+44 (0)161 834 3313  
DX Exchange



A01

27/03/2012

#152

COMPANIES HOUSE

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

TUESDAY

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**Surgicare Limited (“the Company”) – In Administration**

**Joint Administrators’ Final Progress Report  
for the period from 4 October 2011 to 20 March 2012  
Issued on: 23 March 2012**

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Christopher Ratten and Jeremy Nigel Ian Woodside of RSM Tenon Recovery are the Joint Administrators of the Company and this is their final progress report on the administration of the Company for the period from 4 October 2011 to 20 March 2012 with a summary of the administration as a whole. This report should be read in conjunction with previous progress report/s and the approved Administrators' Proposals.

## **1. Statutory Information**

Statutory information relating to the Company is attached at **Appendix I**

## **2. Joint Administrators' receipts and payment account**

A summary of the Joint Administrators' receipts and payments account relating to the Company for the relevant period from 4 October 2011 to 20 March 2012 and cumulatively for the period of the administration is attached at **Appendix II**

## **3 Action taken by the Joint Administrators**

### **3.1 Actions from commencement to the start of this period**

#### **Sale of the business and assets**

The Joint Administrators decided that it was not possible to continue trading the business of the Company and that an immediate sale of the Company's business and assets was the best way to achieve the objective of the Administration.

Marketing of the business was commenced prior to the date of Administration and information was supplied to seven interested parties subject to confidentiality agreements. Four of these parties spoke to the Company's management team and two of them visited the Company's Manchester premises to carry out limited due diligence. A deadline for offers was set for all final offers to be received by 5.00pm on 26 October 2010.

On 26 October 2010, an offer was received from the unconnected company The Hospital Medical Group Ltd in the sum of £40,000. The intangible and tangible assets offered were as follows:

	£
Goodwill and Intellectual Property	10,000
Tangible Assets	20,000
Stock	4,000
Debts	6,000
<b>Total</b>	<b>40,000</b>

The above offer was accepted and a sale and purchase agreement was drawn up prior to the date of Administration. Addleshaw Goddard were instructed to draft the sale and purchase agreement and RAM 1001 Ltd, which is a wholly owned subsidiary of The Hospital Medical Group Ltd and which has subsequently changed its name to Surgicare Medical Ltd ("the Purchaser"), instructed their solicitors in this regard.

The sale contract was agreed and completed on 29 October 2010. Under the sale and purchase agreement, the full value of the consideration was due on completion. Our solicitors received the sum of £40,000 on 29 October.

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2010

In addition to the offer for the above assets, the Purchaser agreed to pay the October wages and carry out customer operations and aftercare where deposits had been paid to the Company prior to the Administration

All 37 employees were transferred to the Purchaser under the Transfer of Undertakings (Protection Of Employment) Regulations 2006 ("TUPE") Therefore the sale of the business has avoided redundancies and the associated preferential and non-preferential claims against the Company

The business sale has provided continuity which has avoided liabilities from being incurred, particularly the liabilities to customers who had already paid for operations that would have had to be cancelled if the business had ceased

#### **Investments**

The Company holds shares in a subsidiary company Plastic Surgery Partners Ltd ("PSP") with a book value of £640,994 On 13 January 2011, PSP was placed into Creditors Voluntary Liquidation with Christopher Ratten and Jeremy Woodside being appointed as Joint Liquidators There will not be a distribution to the Company from the Liquidation of PSP

#### **Leasehold improvements**

The Company's books and records indicate that there were leasehold improvements with a book value of £32,768 relating to improvement expenditure at the rented premises in Manchester, however there were no realisations in this regard The leasehold premises have been handed back to the landlords

#### **Cash at Bank**

At the date of Administration, the sum of £227,232 was held by Barclays Bank Plc ("Barclays"), including a £185,000 security deposit against potential credit card chargebacks

As previously reported, a sale of the business and certain assets was concluded to Surgicare Medical Ltd ("the Purchaser") on 29 October 2010 Under the terms of the sale and purchase agreement the Purchaser is required to honour existing customer contracts where deposits had been paid in order to mitigate the potential chargeback exposure Any remaining balance of the £185,000 security deposit after chargebacks are applied is to be transferred to the Purchaser

We liaised with the Purchaser and Barclays in relation to the operations being continued and the residual balance being held At the date of my last report it was anticipated that part of the security deposit would be available to the Purchaser and the balance of cash at bank of £42,232 would be available to the Administration estate

#### **Rates, Service Charge and Utility Refunds**

The sums of £7,147, £708 and £85 respectively have been received in respect of refunds

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### **3 2 Actions in this final period**

#### **Cash at bank**

Following the discussions with Barclays and liaising with the purchaser in relation to information to ensure the chargebacks were mitigated we received the cash at bank in the sum of £41,726 on 6 December 2011. These funds have been utilised to discharge the expenses of the Administration.

#### **Creditor Correspondence regarding PIP Implants**

In January 2012, it was announced in the press that PIP implants were utilised by cosmetic surgeons in the UK and that these implants were deemed to be defective. Following the announcement about the PIP implants being defective a significant number of former patients contacted the Administrators via telephone, email and letters to locate further information about the use of these implants in their operations.

As the former patients were informed that the Company had ceased to trade and that no further corrective surgery or treatment could be provided by either the Company or the Administrators, a significant number of former patients instructed solicitors to pursue personal injury claims against the Company.

We provided the former patients and their legal advisors information that was requested and liaised with the Company's former insurers in respect of the claims received.

We were subsequently notified by the Company's former insurers that the Policy was written on a Claims Made basis and accordingly, if no claim was notified during the period of Insurance, there is no obligation for the former insurers to indemnify the Company.

If former patients have valid claims against the Company they will rank as unsecured creditor claims. Regrettably, as there are no funds available for unsecured creditors there is no prospect of a distribution to unsecured creditors of the Company.

### **3.3 Investigations**

The Administrators' investigations have been concluded and there are no outstanding lines of enquiry.

Administrators have a duty to submit confidential reports to the government's Disqualification Unit on the conduct of those persons who acted as directors of the Company in the three year period before the Administration. These have been completed.

### **3 4 Extension to period of Administration**

A six month extension to the period of Administration was agreed at a meeting of creditors held on 20 October 2011 at RSM Tenon Recovery, Arkwright House, Parsonage Gardens, Manchester, M3 2LF. This changed the automatic end date of the Administration to 29 April 2012.

### **4. Joint Administrators' Proposals**

As previously advised at the meeting of creditors held on 6 January 2011 the Joint Administrators' proposals for achieving the purpose of the Administration were approved by creditors without modifications. A further copy is attached at **Appendix IV**.

## 5. Liabilities and dividends

Barclays Bank Plc ("Barclays") has fixed and floating charges over the assets of the Company created on 10 December 2009. At the date of our appointment, Barclays had no current indebtedness, however this was before any potential credit card chargebacks from customers.

Barclays have confirmed that there is no liability due. The potential chargebacks have been mitigated as a result of the sale of the business. Therefore the prescribed part provisions will not apply.

### Preferential Creditors

All 37 employees were transferred to the Purchaser under the Transfer of Undertakings (Protection Of Employment) Regulations 2006 ("TUPE"). The sale of the business has avoided redundancies and the associated preferential claims.

### Unsecured Creditors

The Company's financial position means that it has insufficient assets to pay a dividend to non-preferential creditors.

There will be no further payments to any class of creditor.

## 6. Joint Administrators' Remuneration, Disbursements and Expenses

### Basis of remuneration and disbursements

As a result of the agreement of the Administrators' proposals, the Joint Administrators' proposals relating to their remuneration and disbursements were approved. This provided for the Joint Administrators to be remunerated with reference to time properly spent in dealing with matters in the administration and that disbursements would be drawn in accordance with the tariff outlined in **Appendix III**.

### Remuneration charged and drawn in the period

The Joint Administrators' time costs were charged (exc VAT) as follows:

For this period, from 4 October 2011 to 20 March 2012	£14,219 30
Since appointment on 29 October 2010 to 3 October 2011	£48,203 80
<b>Total</b>	<b>£62,423 10</b>

In accordance with Statement of Insolvency Practice 9, attached at **Appendix III** is a breakdown of these time costs.

Time costs drawn are as follows:

In this period, from 4 October 2011 to 20 March 2012	£38,987 04
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Since appointment on 29 October 2010 to 3 October 2011

£Nil

**Total**

**£38,987.04**

The tax team at RSM Tenon have dealt with the tax affairs of the Company. They have received fees in the sum of £303.33 in the Administration, representing 2.05 hours at an average hourly charge out rate of £147.96. These are shown as Professional fees – Tax.

The remaining balance of time costs incurred will be written off due to the limited funds available.

**Disbursements incurred and drawn**

The Joint Administrators' disbursements incurred during the period of this report and those reimbursed in the period are summarised below. Details are in the attached **Appendix III**.

	<b>Incurred</b>	<b>Paid</b>
Category 1 disbursements for this period, from 4 October 2011 to 20 March 2012	£Nil	£44.60
Category 2 disbursements for this period, from 4 October 2011 to 20 March 2012	£Nil	£Nil
Category 1 disbursements since appointment on 29 October 2010 to 3 October 2011	£459.80	£415.20
Category 2 disbursements since appointment on 29 October 2010 to 3 October 2011	£Nil	£Nil
<b>Total</b>	<b>£459.80</b>	<b>£459.80</b>

**Expenses (professional advisors) charged and drawn in the period**

The following professional advisors have been instructed in this matter:

<b>Professional Advisor</b>	<b>Nature of Work</b>	<b>Fee Arrangement</b>
JPS Chartered Surveyors	Surveyors' valuations and disposal of assets	Time Costs
Addleshaw Goddard Solicitors	Solicitors' sale agreement	Time Costs
Mr Michael Hall	Accountant's assistance with statement of affairs	Time Costs

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

Details of the costs incurred and paid by the Administrators in relation to administration expenses for the period are also attached at **Appendix III**.

**Pre-administration costs**

As previously reported, pre-appointment costs of £16,827 plus VAT, have been approved at a meeting of creditors on 6 January 2011 and drawn in full during this period.

## **Creditors' Guide to Fees and statement of creditors' rights**

Creditors have a right to request further information from the Administrators and additionally have a right to challenge the Administrators' remuneration and expenses time limits apply Details can be found in the document 'Remuneration Guidelines Administration (post 6 April 2010)' which you can access and download at <http://www.rsmtenon.com/creditorguides> Alternatively a copy is available free of charge upon request from the address above

### **7. End of Administration**

The objective of the Administration, this being to achieve 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), has been achieved

As outlined previously it is the Joint Administrators' intention to exit the Administration into dissolution as all of the assets of the Company and investigations have been concluded and there is insufficient property of the Company to enable a distribution to unsecured creditors

The Company will be automatically dissolved three months after the Notice of Moving from Administration to Dissolution has been filed by the Registrar of Companies The relevant documentation was sent to Companies House on the 2012

It was resolved at a meeting of creditors held on 6 January 2011 that upon the Company proceeding into dissolution, the Joint Administrators shall be discharged from liability 14 days following the filing of the notice of moving from administration to dissolution



**Christopher Ratten**  
**Joint Administrator**

*Licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales  
The affairs, business and property of the Company are being managed by the Administrators*



## Appendix I

### Company Information

Company Name	Surgicare Limited
Previous Name	Varicare Limited (changed on 01/01/1997)
Trading Name	Surgicare
Company Number	03082268
Date of Incorporation	20 July 1995
Former Trading Address	Parkway House, Palatine Rd, Manchester, Lancashire, M22 4DB
Current Registered Office	Arkwright House, Parsonage Gardens, Manchester, M3 2LF
Former Registered Office	Great Western House, Station Road, Reading, Berkshire, RG1 1JX
Principal Trading Activity	Cosmetic Surgery

### Appointment details

Joint Administrators' name and address	Christopher Ratten (IP Number 9338) of RSM Tenon Recovery, Arkwright House, Parsonage Gardens, Manchester, M3 2LF  and  Jeremy Nigel Ian Woodside (IP Number 9515) of RSM Tenon Recovery Arkwright House, Parsonage Gardens, Manchester, M3 2LF
Date of appointment	29 October 2010
Court Name and Reference	High Court of Justice, Chancery Division, Manchester District Registry 2413 / 2010
Appointment made by	The board of directors, Parkway House, Palatine Road, Manchester, Lancashire, M22 4DB
Actions of Joint Administrators	Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators acting jointly or alone
Extension to period of appointment	Extended to 29 April 2012

Barclays Bank Plc has fixed and floating charges over the assets of the Company created on 10 December 2009

**Surgicare Limited**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs	From 04/10/2011 To 20/03/2012	From 29/10/2010 To 20/03/2012
<b>SECURED ASSETS</b>		
1 00 Goodwill	NIL	1 00
9,999 00 Intellectual Property	NIL	9,999 00
NIL Investments	NIL	NIL
	<u>NIL</u>	<u>10,000 00</u>
<b>ASSET REALISATIONS</b>		
NIL Leasehold Improvements	NIL	NIL
20,000 00 Furniture & Equipment	NIL	20,000 00
4,000 00 Stock	NIL	4,000 00
NIL Varicare Intercompany	NIL	NIL
6,000 00 Book Debts	NIL	6,000 00
Uncertain Prepayments	NIL	NIL
Uncertain Rent Deposits	NIL	NIL
Rates Refund	NIL	7,146 82
42,226 00 Cash at Bank	41,726 43	41,726 43
NIL Credit Card Security Deposit	NIL	NIL
Service Charge Refund	NIL	707 86
Licence Fee	NIL	58,884 76
Utility Refund	NIL	85 42
Bank Interest Gross	NIL	136 22
	<u>41,726 43</u>	<u>138,687 51</u>
<b>COST OF REALISATIONS</b>		
Specific Bond	NIL	264 00
Pre Appointment Office Holders Fees	16,827 00	16,827 00
Office Holders Fees	38,987 04	38,987 04
Office Holders Expenses	43 00	43 00
Professional Fees - 3rd Party SoA Fee	NIL	2,000 00
Agents Fees	3,440 00	3,440 00
Agents Disbursements	22 00	22 00
Solicitors Fees	NIL	10,479 00
Solicitors Disbursements	NIL	191 38
Irrecoverable VAT	11,918 80	19,924 09
Professional Fees - Tax	303 33	303 33
Storage Costs	1 60	1 60
Statutory Advertising	NIL	151 20
Rents Payable	NIL	56,053 50
Bank Charges	NIL	0 37
	<u>(71,542 77)</u>	<u>(148,687 51)</u>
<b>UNSECURED CREDITORS</b>		
(1,929,949 00) Trade & Expense Creditors	NIL	NIL
(1,275,507 00) Kwela Investments Ltd	NIL	NIL
(395,000 00) Customer Deposits	NIL	NIL
(181,714 00) H M Revenue & Customs (PAYE)	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
<b>DISTRIBUTIONS</b>		
(5,129,010 00) Ordinary Shareholders	NIL	NIL
(3,433,580 00) Deferred Shareholders	NIL	NIL
(649,207 00) Deferred Shareholders A	NIL	NIL
	<u>NIL</u>	<u>NIL</u>

(12,911,741.00)

(29,816.34)

0.00

REPRESENTED BY

NIL

Note

## **Appendix III – Information relating to the Joint Administrators’ Fees and Expenses**

**Surgicare Limited****Information relating to the Joint Administrators' Fees and Expenses****1. Explanation of Administrators' charging and disbursement recovery policies****1.1 Time recording**

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge-out rates are

	Rate since 4 November 2011 £	Rate from 20 October 2010 to 3 November 2011 £
Director and licensed Insolvency Practitioner	395	355
Associate Director	355	355
Senior Manager	300	260-290
Manager	220-260	190-200
Senior Administrator	185	130-173
Administrator	130-155	115-130
Cashier	155	105-121

Secretarial and support staff are not charged to the cases concerned, being accounted as an overhead of RSM Tenon Recovery.

**1.2. Disbursement recovery**

Disbursements are categorised as either Category 1 or Category 2.

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Where these have initially been paid by RSM Tenon Recovery and then recharged to the case, approval from creditors is not required. The amount recharged is the exact amount incurred.

Examples of Category 1 disbursements include postage, case advertising, specific bond insurance, company search fees, case management software system, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case, (including business mileage up to HMRC approved rate for cases commenced before 1 November 2011). Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 disbursements include elements of shared or allocated costs incurred by RSM Tenon Recovery and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 disbursements are photocopying, all business mileage (for cases commencing on or after 1 November 2011), internal room hire and internal storage.

The current levels of Category 2 disbursements recovered by RSM Tenon Recovery are as follows

Room hire	£60 00
Envelope	4 2p
Paper (photocopies per sheet)	1 75p
Postage (depending on size and weight)	At cost
Files and dividers (cost per 100 creditors)	£2 00
Storage of archive box for one quarter	£1 60
Business mileage @ 45p per mile	45p

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally

## **2 Description of work carried out**

Section 4 of this appendix outlines the time costs to date in relation to activities undertaken during this period. These can be summarised as follows

### **2.1 Pre-appointment**

Pre-administration time costs of £16,827 00 were incurred by the Administrators before the Company entered Administration, but with a view to its doing so

The following activities have been undertaken

- > Marketing the business for sale
- > Liaising and providing interested parties with further information in relation to the business,
- > Liaising with solicitors in respect of the sale agreement,
- > Financial review of the business,
- > Discussions with Barclays Bank Plc in relation to insolvency options available and likely outcome,
- > Preparing and filing statutory documents in relation to placing the Company into Administration

Time spent in this category comprises the activities required to place the Company in to Administration

### **2.2. Administration and planning**

This includes the following activities which have been undertaken

- > Statutory duties associated with the appointment including the filing of relevant notices,
- > Notification of the appointment to creditors, members, employees and other interested parties,
- > Reviewing available information to determine appropriate strategy,
- > Maintaining bank accounts,
- > 6 monthly progress reviews of the case,
- > Setting up case files
- > Setting up and maintaining bank accounts

Staff of different levels were involved in the above activities depending upon the experience required

### **2.3. Investigations**

The time spent includes

- > Corresponding with the former directors and management,
- > Review of questionnaires and comments provided by interested parties,
- > Review of company documentation,
- > Completion of statutory returns to the Insolvency Service

#### **2.4. Realisation of assets**

Please refer to the main body of the report but in summary the time spent includes

- > Liaison with new co and the bank in relation to operations being continued in relation to the residual balance of cash at bank,
- > Liaison with landlords and new co in relation to receipt and payment of licence fees,
- > Liaison with agents and solicitors,
- > Correspondence and meetings with interested parties,
- > Agreement of contracts

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake

#### **2.5. Creditors**

The time spent includes the following matters

- > Liaison with the secured creditor in relation to the potential chargebacks and funds held,
- > Dealing with extensive creditor correspondence from creditors' solicitors,
- > Recording and maintaining the list of creditors,
- > Making payments to landlords in relation to licence fees,
- > Dealing with employee related matters,
- > Dealing with reservation of title claims,
- > Recording creditor claims,
- > Reporting to creditors,
- > Meetings of creditors,
- > Dealing with creditor queries,
- > Reviewing and evaluating creditor claims,
- > Correspondence and telephone conversations with former customers and their legal advisors in respect of PIP implants

### **3 Time and charge-out summary**

For the period of the report 4 October 2011 to 20 March 2012, a total of 69 25 hours have been spent at an average charge out rate of £205 33 bringing the total cost to date to £14,219 30

The table below shows details of the time costs charged (exc VAT) in the current period

Classification of work function	Insolvency Practitioner/ Director/ Associate Director	Manager	Hours Other senior professionals	Assistants and support staff	Total	Time cost £	Average Hourly rate £
Administration and Planning	0 50	4 60	11 00	4 60	20 70	4,172 00	201 55
Investigations	0 00	0 10	0 80	0 00	0 90	175 80	195 33
Realisation of assets	0 00	0 40	2 50	0 00	2 90	582 50	200 86
Creditors	2 60	6 55	35 60	0 00	44 75	9,289 00	207 58
Total hours	3 10	11 65	49 90	4 60	69 25		
Total fees claimed £	1,120 50	3,421 00	9,000 50	677 30		14,219 30	205 33

The following table shows all fees charged, from appointment to the end of the current period

Classification of work function	Insolvency Practitioner/ Director/ Associate Director	Manager	Hours Other senior professionals	Assistants and support staff	Total	Time cost £	Average Hourly rate £
Administration and Planning	1 50	20 80	32 70	13 85	68 85	13,591 25	197 40
Investigations	0 50	1 70	10 30	0 00	12 50	2,118 10	169 45
Realisation of assets	2 10	5 10	34 90	0 00	42 10	8,126 70	193 03
Creditors	13 40	24 65	157 50	0 05	195 60	38,587 05	197 28
Total hours	17 50	52 25	235 40	13 90	319 05		
Total fees claimed £	6,232 50	14,714 50	39,652 90	1,823 20		62,423 10	195 65

From appointment to the end of the current period the total time costs incurred are £62,423 10, this being 319 05 hours spent at an average charge out rate of £195 65

Fees in the sum of £38,987 04 plus VAT have been drawn in full and the remaining fees of £23,436 06 will be



written off due to the limited realisations in this matter

#### 4 Disbursements

Disbursements incurred during the period of this report and cumulatively, and those reimbursed in the period and cumulatively to end of current period, are detailed below

Disbursements	This period		Cumulatively	
	Incurring £	Paid £	Incurring £	Paid £
<b>Category 1</b>				
Statutory advertising	-	-	151 20	151 20
Storage	-	1 60	1 60	1 60
Bond premium	-	-	264 00	264 00
Postage	-	8 00	8 00	8 00
Court Filing Fee	-	30 00	30 00	30 00
Swear Fee	-	5 00	5 00	5 00
<b>Total</b>	-	<b>44.60</b>	<b>459.80</b>	<b>459.80</b>

The above costs exclude VAT

No category 2 disbursements have been charged to this matter

#### 5 Professional advisors and expenses

The Joint Administrators have incurred administration expenses in connection with the instruction of the parties shown below. Expenses incurred during the period of this report and cumulatively, and those paid in the period and cumulatively to end of current period are detailed

Name & Activity	This period		Cumulatively	
	Incurring £	Paid £	Incurring £	Paid £
JPS Chartered Surveyors valuations and disposal of assets	-	3,462 00	3,462 00	3,462 00
Addelshaw Goddard LLP Solicitors Sale and Purchase Agreement	-	-	10,479 00	10,479 00
Mr Michael Hall assistance with statement of affairs	-	-	2,000 00	2,000 00
<b>Total</b>	-	<b>3,462.00</b>	<b>15,941 00</b>	<b>15,941 00</b>

The above costs exclude VAT

**Summary of Joint Administrators' Proposals**

The following Joint Administrators' Proposals were approved at a meeting of creditors held on 6 January 2011,

- (a) they continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that they
  - (i) deal with all remaining matters required to implement the terms of the sale and purchase agreement with RAM 1001 Ltd
  - (ii) sell the Company's assets at such time(s) on such terms as they consider appropriate,
  - (iii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company, and
  - (iv) do all such things and generally exercise all their powers as Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- (b) If there are funds available to be distributed to the unsecured creditors, the Company exits the Administration by way of a Creditors' Voluntary Liquidation, and that Christopher Ratten and Jeremy Nigel Ian Woodside are appointed the Joint Liquidators of the Company, and that they will act jointly and severally in their duties. Creditors may nominate a different person(s) as the proposed liquidator(s), but must make the nomination(s) at any time after receipt of these proposals, but before they are approved
- (c) If there are no funds available for distribution to the unsecured creditors, the company exits Administration by way of dissolution
- (d) if the Administration ends by the Company moving into liquidation or being dissolved, the Joint Administrators shall be discharged from liability 14 days following either the Company entering into liquidation or filing the notice of moving from administration to dissolution
- (e) they shall be authorised to draw their outstanding pre-appointment remuneration and expenses as detailed in Appendix III, in the sum of £16,827 to be paid out of the assets of the Company as and when funds permit, such expenses to include "Category 2" expenses as outlined in Appendix III
- (f) they shall be authorised to draw their remuneration by reference to time properly spent 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. Details of the current charge out rates for the Joint Administrators and their staff are outlined in Appendix III of these proposals
- (g) they be authorised to draw category 2 expenses as outlined in Appendix III of these proposals



Christopher Ratten  
Joint Administrator