

The Insolvency Act 1986

Notice of move from administration to creditors' voluntary liquidation

2.34B

Name of Company Aradan Ltd	Company number 03121161
In the High Court of Justice (full name of court)	Court case number 9016 of 2006

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

I/We (a) Richard Howard Toone
Chantrey Vellacott DFK LLP
Russell Square House
10-12 Russell Square
London WC1B 5LF

Kevin Anthony Murphy
Chantrey Vellacott DFK LLP
Russell Square House
10-12 Russell Square
London WC1B 5LF

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

having been appointed administrator(s) of (b) Aradan Ltd c/o Chantrey Vellacott DFK Russell
Square House 10/12 Russell Square London WC1B 5LF

(c) Insert date of
appointment

on (c) 9 November 2006

(d) insert name of
appointor/applicant
(e) Insert name(s)
and address(es) of
liquidator(s)

by (d) Paul Voller on behalf of Aradan Ltd, 2 Churchill Court Ground Floor, 58 Station Road, North
Harrow, Middlesex, HA2 7SA

hereby give notice that

the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply, and it is
proposed that (e)

Richard Howard Toone
Chantrey Vellacott DFK
Russell Square House
10-12 Russell Square
London
WC1B 5LF

Kevin Anthony Murphy
Chantrey Vellacott DFK
Russell Square House
10-12 Russell Square
London
WC1B 5LF

will be the liquidator(s) of the company (IP No(s) 9146 & 8349)

We attach a copy of the final progress report

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
public record

Richard Howard Toone
Chantrey Vellacott DFK LLP
Russell Square House
10-12 Russell Square
London
WC1B 5LF

DX Number 299 London Chancery Lane

020 7509 9000
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

gy Limited, Glasgow, Scotland



AAA7OU9S

A31

31/10/2007

2

COMPANIES HOUSE

WEDNESDAY

RHT MK AB AR0011 Q1

TO ALL KNOWN CREDITORS
AND SHAREHOLDERS

29 October 2007

Dear Sir or Madam

**Aradan Limited – In Administration (“the company”)
In the High Court of Justice No. 9016 of 2006**

Further to my reports dated 15 June 2007 and 4 January 2007, I am pleased to present my final report on the progress in the administration. The report relates to the period from 8 May 2007, the 6 month reporting date, to the conclusion of the administration.

I enclose for your attention Form 2 34B (Notice of the move from Administration to Creditors' Voluntary Liquidation), in accordance with rule 2 117 of the Insolvency Rules 1986 and the company's statutory information.

The following report should be read in conjunction with my previous report, and the attached abstract of receipts and payments since that report. I also enclose an updated Estimated Outcome Statement (“EOS”) for your information.

Asset Realisations

Book Debts and Work in progress

In my earlier report of 15 June 2007, I advised that a total amount of £98,940 had been realised from book debts and that my agents, Naismith Quantity Surveyors and Construction advisors (“Naismiths”) expected that an additional £5,382 may be realisable.

In this regard, I am pleased to report that a further £15,509 has been realised bringing total recoveries to £113,950. In addition to these recoveries, Naismiths still consider that a further £2,485 may be realisable. Apart from this sum, it is unlikely that any further recoveries will be made.


Monies held in solicitor's client account

As you are aware, an amount of £23,754 was held in the company's solicitors trust account pending an action which was not commenced by the company and therefore, these funds have been refunded to the company. I would advise that further funds of £1,925.80 held in

Russell Square House 10-12 Russell Square London WC1B 5LF
Telephone 020 7509 9000 Facsimile 020 7436 8884 www.cvdffk.com
DX 299 London/Chancery Lane

London Brighton & Hove Croydon Leicester Northampton Reading Stevenage Watford
Chantrey Vellacott DFK LLP is a limited liability partnership registered in England and Wales (No. OC313147)
whose registered office is at Russell Square House 10-12 Russell Square London WC1B 5LF

The term Partner denotes a member of a limited liability partnership. A list of members of Chantrey Vellacott DFK LLP is available at our registered office.
Registered to carry on audit work and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales.

Chantrey Vellacott DFK LLP is a member firm of  DFK International, a worldwide association of independent firms.



INVESTOR IN PEOPLE

solicitors trust account have now been refunded to the company. There will be no additional realisations from this source.

Motor Vehicles

In my earlier report, I advised that the company owned four motor vehicles. The motor vehicles were professionally valued and on the advice of my agents have now been sold realising an amount of £2,600. No further realisations will be made in this regard.

Cost of Realisations

Administrators' Remuneration

I attach a summary of my firm's time costs up to and including 28 September 2007, which shows total time recorded of £44,499.30. In my last report, I estimated that Joint Administrators' fees would total £50,000.

You will recall that, at the meeting of creditors held on 18 January 2007, creditors passed resolutions that the Joint Administrators' fees be calculated by reference to their time costs and that they had sanctioned to draw these from the estate as and when funds permit. Fees totalling £42,644.20 have been drawn to date during the administration. I anticipate that further fees of £5,000 will be drawn prior to the conclusion of the administration to cover my unbilled time and the time it will take to bring the administration to a close.

Any further outstanding and additional costs incurred up to the date of the liquidation will be met in priority to those of the Joint Liquidators in the liquidation. For the purpose of the EOS, it is estimated that the Joint Liquidators' fees and disbursements will be in the region of £17,000.

Other Costs

Other costs that have been met during the period relate to the agents' valuation of the assets, insurance of assets and other disbursements.

Liabilities

Preferential Creditors

As you are aware, the company's employees submitted their claims to the Redundancy Payments Office ("RPO") in respect of unpaid holiday pay, redundancy pay, pay in lieu of notice and arrears of wages. The RPO have since paid these claims direct to the employees subject to statutory limitations. The RPO are therefore a subrogated creditor with regard to the amounts paid to the employees.

I have received a claim from the RPO in the sum of £63,906.46 of which £17,394.91 ranks as a preferential claim with the remaining balance of £46,511.55 ranking as an unsecured claim.

The preferential element of an employee's claim for unpaid wages is restricted to £800 and sums over and above this amount are treated as an unsecured claim against the company.

Any holiday pay due at the date of the administration is also treated as a preferential claim. I have calculated the additional preferential claim of the employees to be £14,671.95 taking total preferential claims to £32,066.86.

From my EOS, it does appear that preferential creditors will receive a dividend of 100p in the £.

Prescribed Part

I advise that the prescribed part was introduced by the Enterprise Act 2002 and came into force in September 2003. The prescribed part is a sum of money set aside from funds subject to floating charges, which is to be distributed to unsecured creditors. The sum is calculated in accordance with the relevant legislation. The attached EOS estimates the prescribed part to be £8,493.

The costs associated with agreeing and paying creditors a dividend from the prescribed part are to be paid out of the prescribed part. In this case the costs of agreeing unsecured creditor claims and of distributing the prescribed part to unsecured creditors may be disproportionate to the benefit received by the unsecured creditors should the eventual realisations be in line with the estimates in the enclosed EOS.

If this proves to be the case I envisage making an application to the court to dispense with the need to distribute the prescribed part to unsecured creditors.

Floating Charge Creditors

National Westminster Bank plc ("Natwest") has a debenture over the assets and undertaking of the company secured by way of fixed and floating charges and it is understood the liability to Natwest is £98,760 excluding accrued interest. The amount payable to the floating charge creditor will depend upon the prescribed part above. Based on the EOS a distribution of in the region of £18,973 will be payable to Natwest.

Unsecured Creditors

Unsecured claims received to date total £83,894. In addition to this sum, an amount thought to be in the region of £300,000 is owed to the estate of the sole director of the company although I have yet to receive a formal proof of debt in this regard. I have estimated that the unsecured element of the employees' claims will be in the region of £84,338.

Initially, it was estimated that HM Revenue & Customs ("HMRC") were owed £60,000 in respect of unpaid PAYE/NIC of £50,000 and unpaid VAT of £10,000. I have now received a claim from HMRC for unpaid VAT in the sum of £3,057. No claim has been received from HMRC in respect to unpaid PAYE/NIC so for the purposes of the EOS, I have included an estimate of £50,000 for this liability.

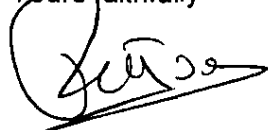
Liquidation

The realisation of the remaining book debts will continue following the move to liquidation

Once the Form 2 34B has been registered at Companies House the company will be in creditors' voluntary liquidation. Creditors will be notified in due course. The Joint Liquidators will be Richard Toone and Kevin Murphy in accordance with the proposals approved by creditors on 18 January 2007.

Should you require any further information, in addition to that already given, please contact Andrew Bailey on the direct dial number below

Yours faithfully



R H TOONE

Joint Administrator

Licensed by The Institute of Chartered Accountants in England and Wales

Direct dial 020 7509 9146

Email R Toone rtoone@cvsdfk.com

Enc

Aradan Limited - In Administration ("the company")

Richard Howard Toone and Kevin Anthony Murphy were appointed Joint Administrators on 9 November 2006, to manage the affairs, business, and assets of the company. All enquiries and correspondence should be addressed to the Joint Administrators at Chantrey Vellacott DFK LLP, Russell Square House, 10-12 Russell Square, London, WC1B 5LF. Tel 020 7509 9000 Fax 020 7436 8884. The Administrators are agents of the company and act without personal liability.

Richard Howard Toone and Kevin Anthony Murphy are authorised to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales respectively (Practitioner Nos 9146 & 8349 respectively).

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

	From 9/05/07 To 28/10/07 £ Total (£)	From 9/11/06 To 28/10/07 £ Total (£)
RECEIPTS		
Book debts	15,009 16	113,949 54
Motor Vehicles	1,000 00	2,600 00
Monies in Solicitor Client Account	1,925 80	25,679 30
Bank Interest Gross	2,349 80	3,941 58
	<hr/> 20,284 76	<hr/> 146,170 42
PAYMENTS		
Joint Administrators Fees	42,644 20	42,644 20
Agents Valuers Fees	490 00	490 00
Stationery & Postage	210 00	210 00
Courier Charges	28 50	28 50
Specific Bond	-	264 00
Statutory Advertising	-	430 69
Insurance of Assets	91 35	1,019 55
Court Application Fee	30 00	30 00
Bank Charges	-	45 00
	<hr/> 43,494 05	<hr/> 45,161 94
Balances in Hand	<hr/> <u>-23,209 29</u>	<hr/> <u>101,008 48</u>

REPRESENTED BY

VAT Receivable	7,595 48
VAT Payable	(547 34)
Bank 1 - Current	93,960 34
	<hr/> <u>101,008 48</u>

Aradan Limited - in Administration

Estimated Outcome Statement as at 28 October 2007

Notes	Receipts & Payments to Date (net of VAT) £	Estimated Future Receipts & Payments (net of VAT) £	Estimated Total Receipts & Payments (net of VAT) £
ASSETS SPECIFICALLY PLEDGED			
None	-	-	-
Less Natwest Bank plc	(98,760)	(98,760)	(98,760)
	<u>(98,760)</u>	<u>(98,760)</u>	<u>(98,760)</u>
ASSETS SUBJECT TO A FLOATING CHARGE			
Book Debts	113,950	2,485	116,435
Motor vehicles	2,600	-	2,600
Monies in Solicitor Client Account	25,679	-	25,679
Bank Interest	3,942	-	3,942
	<u>146,170</u>	<u>2,485</u>	<u>148,655</u>
Costs of Administration			
Joint Administrators' Fees	(42,644)	(5,000)	(47,644)
Joint Administrators' Disbursements	(269)	(200)	(469)
Joint Liquidators' Fees	-	(15,000)	(15,000)
Joint Liquidators' Disbursements	-	(2,000)	(2,000)
Agents' Fees	(490)	(6,760)	(7,250)
Legal Fees	-	(15,000)	(15,000)
Insurance of Assets	(1,020)	-	(1,020)
Statutory Advertising	(431)	-	(431)
Specific Penalty Bond	(264)	-	(264)
Bank charges	(45)	-	(45)
	<u>(45,162)</u>	<u>(43,960)</u>	<u>(89,123)</u>
Surplus/(Deficiency) available to Preferential Creditors			<u>59,533</u>
PREFERENTIAL CREDITORS			
Employee claims			(32,067)
Net property available for prescribed part			27,466
Estimated Prescribed Part available for unsecured creditors			<u>(8,493)</u>
Estimated total assets available for floating charge holders			18,973
Secured by a floating charge			<u>(98,760)</u>
Surplus/(Deficiency) available to Unsecured Creditors			(79,787)
Estimated prescribed part carried forward			8,493
UNSECURED CREDITORS			
Employee Claims		(84,338)	
Trade Creditors		(83,894)	
H M Revenue & Customs - VAT		(3,057)	
H M Revenue & Customs - PAYE/NI		(50,000)	
Directors' Loans		(300,000)	
		<u>(521,289)</u>	
Surplus/ (Deficiency) excl floating charge holders			(512,796)
Surplus/ (Deficiency) due to floating chargeholders			(79,787)
Surplus/(Deficiency) as regards Unsecured Creditors			(592,583)
Issued and Called up Share Capital			(100)
Surplus/(Deficiency) as regards Members (Subject to the costs of Administration)			<u>(592,683)</u>

ARADAN LIMITED – IN ADMINISTRATION ("the company")

STATUTORY INFORMATION

Scheduled below are extracts concerning the company obtained from the file at Companies House and from the company's books and records -

i Directors

Mr P J Hickey

ii Company Secretary

Mrs E P Matthews

iii Shareholder information

The Company has the following shareholder and shareholding

P J Hickey 100 £1 Ordinary Shares

iv Registered Office

a The registered office of the company is situated at

Russell Square House, 10-12 Russell Square, London, WC1B 5LF

b Prior to the appointment of Administrators the registered office was situated at

Churchill Court, 58 Station Road, North Harrow, Middlesex, HA2 7SA

v Company Number

The company's registered number is 03121161

vi Date of incorporation

The company was incorporated on 2 November 1995

vii Court Proceedings

High Court of Justice number 9018 of 2006

viii Other

The EC Regulation on Insolvency Proceedings ("the Regulation") applies to these proceedings, which are main proceedings as defined by the Regulation. The main proceedings are in the United Kingdom

ix Debentures

Holder	Date of creation	Date of Registration	Type
National Westminster Bank PLC	07/02/2003	18/02/2003	Fixed and Floating Charge Holder

X Statement for the purpose of paragraph 100(2) of Schedule B1 to the Insolvency Act

All functions, powers and duties of the administrators may be exercised by either of them, acting jointly and severally

Xi: Joint Administrators

Richard Howard Toone and Kevin Anthony Murphy
Chantrey Vellacott DFK LLP
Russell Square House, 10-12 Russell Square, London, WC1B 5LF

Date of appointment 9 November 2006

Details of Appointer P Voller – Receiver of estate of Mr P J Hickey (deceased) c/o
Bircham Dyson Bell, 50 Broadway, London, SW1H 0BL

Aradan Limited - In Administration

TIME AND CHARGEOUT SUMMARY						
9 November 2006 to 28 September 2007						
Hours						
Classification of work function	Partner	Manager	Assistants & Support Staff	Total Hours	Time Cost £	Average hourly rate £
Administration and planning	8 40	12 10	97 53	118 03	21,973 10	186 17
Investigations	0 00	1 20	11 50	12 70	1,926 50	0 00
Realisation of assets	0 65	7 60	45 87	54 12	10,339 70	191 05
Creditors	1 45	11 50	45 72	58 67	10,260 00	174 88
Total hours	10 50	32 40	200 62	243 52	44,499.30	182 73
Total fees Claimed (£)	3,802 50	7,961 00	32,735 80	44,499.30		

Category 2 Disbursements

Other amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest	
Type and purpose	£
Paper, Photocopying, Envelopes and Printing - paid	210 00
Paper, Photocopying, Envelopes and Printing - not paid	19 70
Total	229 70

CHANTREY VELLACOTT DFK LLP

CHARGEOUT RATES AND DISBURSEMENT RECOVERY POLICIES

Chargeout Rates

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the firm's chargeout rates applicable to this appointment, exclusive of VAT, are as follows

	From 1 July 2007	From 1 July 2006
	£ per hour	£ per hour
Partners / Office Holders	375	360
Directors	280	265
Managers	255	210-245
Senior Administrators	195-205	160-195
Administrators	105-115	100-120
Cashier	87-125	83-120
Secretaries and office admin support	64-92	61-88

Chargeout rates are normally reviewed annually on 1 July, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance. It is the firm's policy for the cashier's time spent on an assignment to be charged to the case. However, secretarial and office admin support time is charged only in respect of identifiable blocks of time devoted to the case where we consider it to be viable to do so.

Direct expenses ("Category 1 Disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case will be charged to the estate at cost, with no uplift. These include but are not limited to such items as case advertising, storage, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Indirect expenses ("Category 2 Disbursements")

It is our normal practice to also charge the following indirect disbursements ("Category 2 Disbursements as defined by SIP 9) to the case, where appropriate:

Circulars to creditors

Plain/headed paper	5p per sheet
Photocopying	1p per sheet
Envelopes	12p each
Postage	Actual cost

Room Hire

For the convenience of creditors and to save the cost of booking an outside hotel room, meetings of creditors are occasionally held internally at either our London or Hove offices. Where meetings of creditors are held in one of our internal meeting rooms, a charge of £100 plus VAT is levied to cover the cost of booking the room.

Travel

Mileage incurred as a result of any necessary travelling is charged to the estate at the Inland Revenue approved rate, currently 40p per mile.

All of the above costs are subject to amendment by the firm at any time and if amended will be notified to creditors with the next circular sent to all creditors.

Chantrey Vellacott DFK LLP

Effective 1 July 2007

Chantrey Vellacott DFK is a limited liability partnership registered in England and Wales (NoOC313147) whose registered office is at Russell Square House, 10-12 Russell Square, London, WC1B 5LF. The term "partner" denotes a member of a limited liability partnership. A list of members of Chantrey Vellacott DFK LLP is available at our registered office.