

The Insolvency Act 1986

Administrator's progress report

Name of Company
Pitreal 2010 Limited (Formerly AtticMedia Limited)

Company number
03174726

In the High Court of Justice, Chancery Division, Companies Court <small>(full name of court)</small>

Court case number 6037 of 2010

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

We (a)
David R Thurgood
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

Malcolm Shierson
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

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

(b) Insert date

From
(b) 25 July 2012

To
(b) 26 February 2013

Signed


 Joint Administrator

Dated

27 2 2013

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
w
p
COMPANIES HOUSE

David R Thurgood
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

DX Number

020 7184 4300
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



QIQ

13/03/2013

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Grant Thornton

Our Ref DRT/PAM/ALO/MMM/A00805/
Your Ref

To the creditors

27 February 2013

Dear Sirs

Recovery and Reorganisation

Grant Thornton UK LLP
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**Pitreal 2010 Limited (Formerly AtticMedia Limited)
In Liquidation and formerly in Administration (the Company)
High Court of Justice, Chancery Division, Companies Court
No 6037 of 2010**

1 Introduction

1.1 Following my appointment as joint administrator of the Company with David Thurgood by the directors on 27 July 2010, I am now in a position to conclude the administration. This is my final progress report, including

- Appendix A, an account of my receipts and payments for the period ended 26 February 2013 in accordance with Rule 2.47 of the Insolvency Rules 1986
- Appendix B, a statement of the remuneration charged by the joint administrators in the period 25 July 2012 to 26 February 2013 and a statement of expenses incurred in the period
- Appendix C, an analysis of my time costs as required by Statement of Insolvency Practice 9
- Appendix D, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator (Rule 2.48A)
- Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration and expenses, if excessive (Rule 2.109)

1.2 In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the administrators are to be exercised by any or all of them

2 Statutory information

2.1 The Company's statutory details are as follows

Registered number 03174726

Registered office c/o Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU

Chartered Accountants

Member firm within Grant Thornton International Ltd
Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No OC307742 Registered office: Grant Thornton House, Melton Street, Euston Square, London NW1 2EP
A list of members is available from our registered office

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business.

A list of personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address

3 Receipts and payments account

- 3 1 I attach my receipts and payments account at Appendix A. You will note that no amounts have been paid to the unsecured creditors by virtue of the application of section 176A of the Insolvency Act 1986 (prescribed part)

4 Report and outcome of administration

Sale of Business

- 4 1 As previously reported, immediately upon my appointment I agreed the sale of the assets and business to Atticmedia Limited (formerly Any Ideas Limited) (the purchaser) for £10,000 and the funds have been received in full

- 4 2 Creditors have been provided with information relating to the pre-packaged sale in accordance with SIP16 in my letter dated 6 August 2010 and the Administrators' proposals dated 21 September 2010

Book Debts

- 4 3 Book debt realisations total £95,801. No further realisations are anticipated in this matter
- 4 4 The company also has a claim for £574,584 against a related entity, BDP Learning Limited ("BDPL"), which is in Liquidation with myself and David Thugood acting as its Joint Liquidators. The Company is due to receive a dividend payment from BDPL although the final level of return to unsecured creditors is contingent on the level of agreed unsecured creditor claims against that company

Contracts

- 4 5 As previously reported, as part of the sale of the business and assets, the purchaser acquired various project and service contracts, which were conditional on the customers providing their consent to a transfer. Upon the successful transfer of each contract, the purchaser agreed to pay the Company 10% of the value of the pre-administration work in progress as and when it is invoiced and collected
- 4 6 The purchaser invoiced and collected a total of £79,334 of the pre-administration work in progress. The Company was therefore entitled to a commission of £7,933 and this has been received
- 4 7 Of the contracts that could not be transferred or assigned, the purchaser invoiced and collected £103,786. The Company was therefore entitled to a commission of £10,378 and this sum has been received
- 4 8 No further transfers have been made in the period and I do not anticipate any further contracts being transferred

Cash at Bank

- 4 9 The Company's Cash at Bank balance was £140,138 at the date of my appointment. £127,745 of this amount related to trade debtors received in the seven days leading up to my appointment

Terminal Loss claim for VAT

- 4 10 As previously advised, my tax team submitted a terminal loss claim for VAT to HM Revenue & Customs in the sum of £31,163, I can confirm that this sum has been received in full

5 Liabilities

Preferential Creditors

- 5 1 As a result of the pre-packaged business sale, all employees' entitlements were transferred to the purchaser

- 5 2 Consequently, all realisations will be to the benefit of the unsecured creditors, subject to costs

Unsecured Creditors

- 5 3 To date I have received creditor claims totalling £1,176,666, however the level of dividend to be distributed is unknown at present as it will depend on the further creditor claims which may be received

6 Exit of the administration

- 6 1 As disclosed in my statement of proposals, the intended exit strategy was to move the Company to creditors' voluntary liquidation (CVL)

- 6 2 On 21 February 2013 I submitted to the Registrar of Companies Form 2 34B, Notice to move from administration to CVL and the form was filed on 22 February 2013

- 6 3 Subsequently, I was appointed joint liquidator of the Company with David Thurgood on 26 February 2013 in order for me to finalise the distribution to the unsecured creditors

7 Joint administrators' remuneration and expenses

- 7 1 My fees for acting as joint administrator were fixed by reference to my time costs. The time costs for this administration for the period from 27 July 2010 to 26 February 2013 are £114,588 and the expenses are £655

- 7 2 On 5 October 2010 the creditors resolved that I draw my remuneration by reference to my time costs. You will note from the SIP 9 table attached at Appendix C that my time costs to date are £114,588 representing 403 hours at an average of £284 per hour and from the receipts and payments account attached at Appendix A that I have drawn £112,000. Time costs of £2,588 incurred in the period but not drawn as remuneration to date are disclosed in Appendix B. In addition, I have drawn expenses of £655 as indicated in Appendix A and have further expenses to take in due course, as set out in Appendix B

- 73 Background information regarding the fees of administrators can be found at www.insolvency-practitioners.org.uk (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees') Alternatively, we will supply this information by post on request Time is charged in units of 6 minutes

Yours faithfully
for and on behalf of Pitaeal 2010 Limited (Formerly AtucMedia Limited)



Malcolm Shierson
former Joint Administrator

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Pitreal 2010 Limited (Formerly AtticMedia Limited) -
in administration
Summary of receipts and payments
from 27 July 2010 to 26 February 2013

	Statement of Affairs £	From 27/07/2010 to 24/07/2012 £	From 25/07/2012 to 26/02/2013 £	Total £
Receipts				
Bank Interest		322 54	0 00	322 54
Miscellaneous Debtors		8,225 00	0 00	8,225 00
Inter company loan	57,000 00	0 00	0 00	0 00
OR Credit Balance		8,225 00	0 00	8,225 00
Furniture & Equipment		4,000 00	0 00	4,000 00
Intangible Assets		8,001 00	0 00	8,001 00
Stock		1 00	0 00	1 00
Book Debts	125,801 00	95,801 60	0 00	95,801 60
Dad's Space Commission		10,378 60	0 00	10,378 60
Contract Commission		7,933 40	0 00	7,933 40
VAT Refund		31,163 36	0 00	31,163 36
Cash at Bank	137,201 00	140,138 15	0 00	140,138 15
Bank/ISA InterestGross		494 14	48 64	542 78
Bank Interest Net of Tax		21 47	0 00	21 47
Contracts WIP		45,922 14	0 00	45,922 14
Goodwill		5,997 00	0 00	5,997 00
Bank Charges		1 20	0 00	1 20
Vat Control Account		5,800 70	0 00	5,800 70
		372,426 30	48 64	372,474 94
Payments				
Miscellaneous Debtors		8,225 00	0 00	8,225 00
OR Credit Balance		8,225 00	0 00	8,225 00
Intangible Assets		7,998 00	0 00	7,998 00
Bank/ISA InterestGross		44 86	0 00	44 86
Contracts WIP		45,922 14	0 00	45,922 14
Debtor Commission		7,784 60	0 00	7,784 60
Administrators Fees		56,000 00	56,000 00	112,000 00
Administrators Expenses		0 00	655 42	655 42
Legal Fees (1)		9,267 27	0 00	9,267 27
Corporation Tax		44 25	0 00	44 25
Pre appointment fees		12,500 00	0 00	12,500 00
Tax on Interest		2 61	0 00	2 61
Bank Charges		42 69	1 59	44 28
Trade & Expense Creditors	(1,049,277 00)	0 00	0 00	0 00

Pitreal 2010 Limited (Formerly AtticMedia Limited) -
 in administration
 Summary of receipts and payments
 from 27 July 2010 to 26 February 2013

	Statement of Affairs £	From 27/07/2010 to 24/07/2012 £	From 25/07/2012 to 26/02/2013 £	Total £
Ordinary Shareholders	(1,492 00)	0 00	0 00	0 00
Vat Receivable		6,770 90	11,331 08	18,101 98
		<u>162,827 32</u>	<u>67,988 09</u>	<u>230,815 41</u>
Net Receipts/(Payments)		<u>209,598 98</u>	<u>(67,939 45)</u>	<u>141,659 53</u>
Made up as follows				
Floating Current Account		209,598 98	(67,939 45)	141,659 53
		<u>209,598 98</u>	<u>(67,939 45)</u>	<u>141,659 53</u>

B Remuneration charged and expenses incurred by the administrators in the period to 26 February 2013

	Paid to 24/07/2012 ie the beginning of the period of the progress report £	Paid in period of report £	Charged/ accrued in period but not yet paid £	Total £
Trading expenses				
Joint administrators' fees				
Time costs	56,000	56,000	2,588	114,588
Expenses		655		655
Legal fees				
Pitman Solicitors	9,267			9,267
	<u>65,267</u>	<u>56,655</u>	<u>2,588</u>	<u>124,510</u>

C SIP 9 information

Introduction

The following information is provided in connection with the administrators' remuneration and disbursements in accordance with SIP 9

Explanation of Grant Thornton UK LLP charging and disbursement recovery policies

Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown on the attached schedule. Details of the hourly charge-out rates are made available to creditors or committees at the time of fixing the basis of our fees. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it.

	From 01/07/10	From 01/07/11	From 01/07/12
	£	£	£
Partners up to	535	560	580
Managers up to	405	425	440
Administrators up to	285	300	310
Assistants and support staff up to	195	205	210

Disbursements

Out of pocket expenses are charged at cost. Mileage is charged at standard rates which comply with HM Revenue and Customs limits or AA recommended rates. VAT is added to disbursement charges as necessary.

The BDP Media Group Limited - B30200805 - SIP 9 TIME COST ANALYSIS

Job(s) AtticMedia Limited - Administration, CPU ADM - Pitreal

Transaction period All transactions

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Standard	Partner		Manager		Executive		Administrator		Total	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	Avg Hly Rate
Administration and Planning	34 80	15,471 25	58 20	22,153 75	100 64	25,189 00	68 27	10,126 85	261 91	72,940 85
Creditors			24 40	8,306 00	15	33 00	18 65	2,814 50	43 20	11,153 50
Hiatus period										
Investigations			1 40	489 00	80	208 00	5 22	756 90	7 42	1,453 90
Realisation of Assets	1 00	440 00	67 35	22,960 75	13 50	3,722 50	3 10	504 50	84 95	27,627 75
Trading							1 25	243 75	1 25	195 00
Unclassified					4 10	1,168 50			4 10	1,168 50
Total	35 80	15,911 25	151 35	53,909 50	119 19	30,321 00	96 49	14,446 50	402 83	114,588 25

Total fees billed to date (Time) £ 112,000

D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator

Rule 2.48A

- (1) If
 - (a) within 21 days of receipt of a progress report under Rule 2.47 -
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2.47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)
- (2) The administrator complies with this paragraph by either -
 - (a) providing all of the information asked for, or
 - (b) so far as the administrator considers that
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
 - (iii) the administrator is subject to an obligation of confidentiality in respect of the information,
 giving reasons for not providing all of the information
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of -
 - (a) the giving by the administrator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),
 and the court may make such order as it thinks just
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2.109(1B) by such further period as the court thinks just

E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses if excessive

Rule 2.109

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that -
 - (a) the remuneration charged by the administrator,
 - (b) the basis fixed for the administrator's remuneration under Rule 2.106, or
 - (c) expenses incurred by the administrator,
 is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 2.48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders -
 - (a) an order reducing the amount of remuneration which the administrator was entitled to charge
 - (b) an order fixing the basis of remuneration at a reduced rate or amount
 - (c) an order changing the basis of remuneration
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration
 - (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify
 and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration