

The Insolvency Act 1986

**Administrators' progress report**

Name of Company Pitreal 2010 Limited	Company number 03174726
In the High Court of Justice, Chancery Division	Court case number 6037 of 2010

We David R Thurgood and Malcolm B Shierson of Grant Thornton UK LLP,  
30 Finsbury Square, London EC2P 2YU

Joint Administrators of the above company attach a progress report for the period

from

to

27 July 2010

26 January 2011

Signed

Joint Administrator

Dated

21/2/11

**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.

Grant Thornton UK LLP	
30 Finsbury Square	
London EC2P 2YU	Tel 020 7383 5100

ve completed and signed this form please send it to the Registrar of Companies at  
house, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff

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# Grant Thornton

Our Ref DWB/DRT/B200805/PF7/PROGRESS REPORT 210211

## TO THE CREDITORS

### Recovery and Reorganisation

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21 February 2011

Dear Sirs

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**Pitreal 2010 Limited (formerly Atticmedia Limited)**  
**- In Administration (the Company)**  
**In the High Court of Justice, Companies Court, Chancery Division**  
**6037 of 2010**

## 1 INTRODUCTION

- 1.1 Following the appointment of Malcolm Sherson and I as Joint Administrators of the Company following the Directors presenting an application to Court on 27 July 2010, I now provide a first report on the progress of the administration
- 1.2 I enclose an account of my receipts and payments at Appendix A for the six month period ending 26 January 2011 and Form 2.24B, in accordance with Rule 2.47 of the Insolvency Rules 1986
- 1.3 There has been no change in the details of the office holders since appointment
- 1.4 In accordance with paragraph 100 (2) of Schedule B1 to the Insolvency Act 1986 the functions of the Joint 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
date of incorporation	19 March 1996
registered office	30 Finsbury Square London EC2P 2YU
authorised share capital	97,000 Ordinary A Class Shares 52,212 Ordinary B Class Shares
issued share capital	149,212 Shares, £1,492.12 aggregate nominal value

### Chartered Accountants

Member firm within Grant Thornton International Ltd

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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

<b>Directors</b>	<b>shareholding</b>
Bryan Robin De'Ath	nil
Matthew Gavin Fletcher	nil
Richard John Simmons	nil
Mark Gerard Webber	nil
<b>Secretary</b>	<b>shareholding</b>
Keith James Woodhead	nil

2 2 The Administration constitutes "main proceedings" under the EC Regulation on Insolvency Proceedings

2 3 This report should be read in conjunction with the Joint Administrators' statement of proposals dated 21 September 2010

### **3 SUMMARY OF ADMINISTRATORS' PROPOSALS**

3 1 I pursued the objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company was wound up

3 2 I advise this objective has been achieved, by completing the pre-packaged sale of the Company's assets and business to Atticmedia Limited (formerly Any Ideas Limited) ("the purchaser")

3 3 Further I sought the approval of my pre-administration professional fees of £12,500 and the basis in which I may calculate and draw my remuneration as administrator of the Company This is calculated according to the time properly given by the administrators and their staff in attending to matters arising in the administration I have drawn my pre-administration professional fees, however, I have not drawn any fees for my remuneration as Administrator as yet

3 4 In addition, when the Company is placed into CVL, Malcolm Shierson and I will be appointed as Joint Liquidators

3 5 These proposals were subsequently approved at the meeting of creditors on 5 October 2010

### **4 REPORT AND OUTCOME**

#### **Sale of Business**

4 1 Immediately upon my appointment, I agreed the sale of the assets and business to the purchaser The total consideration received was £10,000 and comprised of the following elements

- Goodwill - £5,997
- Furniture & Equipment - £4,000
- Shares in related entities - £2
- Stock - £1

- 4 2 I advise I have already provided creditors of the Company 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 Upon my appointment, I was provided with a copy of the sales ledger which showed £125,801 of book debts as owing to the Company
- 4 4 As part of the sale of business agreement, the purchaser agreed to collect the Company's book debts on my behalf for a period of six months, for a collection fee of 10% of realisations
- 4 5 In the six months the purchaser held the responsibility to realise the book debts, they were able to collect £84,610. Consequently, the purchaser is entitled to a collection fee of £8,461. This collection fee will be offset against the 10% commission the purchaser is obliged to pay the Company in respect of pre-administration work in progress for transferred contracts. I will be in a position to proceed to final settlement with the purchaser in the coming weeks
- 4 6 I have forwarded the £41,191 of remaining book debts to debt collection agency, Moreton Smith. Moreton Smith have agreed to collect the book debts for a collection fee of 15% of realisations. At this point in time, I am unable to quantify the level of recoveries for the remaining book debts

#### **Contracts**

- 4 7 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 8 I advise the purchaser has invoiced and collected a total of £79,334 of the pre-administration work in progress. The Company is therefore entitled to a commission of £7,933 and this will be included in the final settlement figures with the purchaser
- 4 9 Of the contract that could not be transferred, assigned or novated, the purchaser has invoiced and collected £103,786. The Company is therefore entitled to a commission of £10,378 and this will also be included in the final settlement figures

#### **Cash at Bank**

- 4 10 As previously advised, 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

#### **Statutory responsibilities**

- 4 11 The Joint Administrators have a statutory duty under Schedule B1 of the Insolvency Act 1986 to report on the conduct of the directors of the Companies to the Department for Business, Innovation and Skills. I can confirm that I have discharged this responsibility

### **Preferential Creditors**

- 4 12 As a result of the pre-packaged business sale, all employees' entitlements were transferred to the purchaser. Consequently, all realisations will be to the benefit of the unsecured creditors, subject to costs

## **5 EXIT FROM ADMINISTRATION**

- 5 1 As stated previously, as Joint Administrator I am not empowered by insolvency legislation to agree the claims of unsecured creditors, or to distribute funds realised to them. I may only do this with permission of the Court. It is considered that the court will only grant such permission in exceptional circumstances, where the normal course for making distributions to unsecured creditors, a voluntary liquidation, is not appropriate
- 5 2 Once I have reached final settlement with the purchaser, I will arrange for the administration to end, by placing the Company into CVL, with Malcolm Shierson and I appointed as Joint Liquidators
- 5 3 On registration of form 2 34B, by the Registrar of Companies, the administration of the Company will cease to have effect and the Company enters CVL as if a members resolution had been passed on that day

### **Unsecured Creditors**

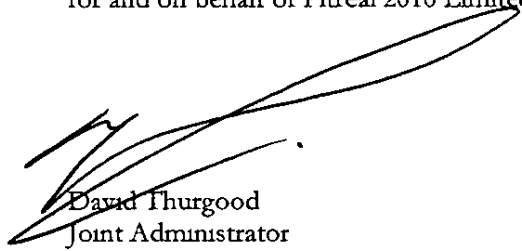
- 5 4 According to the directors' statement of affairs and the claims received to date, the Company's liability to its unsecured creditors is £1,105,223 15
- 5 5 As mentioned in point 4 6, the final level of return to unsecured creditors is contingent on the amount of book debts Moreton Smith is able to collect and level of final agreed unsecured creditor claims

## **6 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS**

- 6 1 As mentioned above, the basis in which I may draw my remuneration as Administrator of the Company was approved at the meeting of creditors on 5 October 2010
- 6 2 In accordance with Statement of Insolvency Practice (SIP 9), I attach as Appendix B a summary of my time costs to 26 January 2011 by grade of staff and type of work. This shows time costs of £56,310 75, representing 210 34 hours at an average of £279 68 per hour. Details of any matters which have had a significant impact on the time costs are included in the appendix, together with details of any disbursements charged during the period under review
- 6 3 Details of charge out rates applied to date can be found at Appendix C
- 6 4 Background information regarding the fees of administrators can be found at <http://www.insolvency-practitioners.org.uk> (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees'). Alternatively I will supply this information by post on request

6 5    Should you have any queries regarding these matters, please do not hesitate to contact my colleague Jennifer Carter on 0207 865 2421

Yours faithfully  
for and on behalf of Pitreal 2010 Limited



David Thurgood  
Joint Administrator

*The affairs, business and property of Pitreal 2010 Limited (formerly Atticmedia Limited) are being managed by David Thurgood and Malcolm Shierson, appointed as Joint Administrators on 27 July 2010*

## PITREAL 2010 LIMITED - IN ADMINISTRATION

## JOINT ADMINISTRATORS' ABSTRACT OF RECEIPTS AND PAYMENTS

FOR THE PERIOD FROM 27 JULY 2010 TO 26 JANUARY 2011

£

## RECEIPTS

Furniture & Equipment	4,000 00
Intangible Assets	3 00
Stock	1 00
Book Debts	84,609 80
Cash at Bank	140,138 15
Bank Interest	50 33
Goodwill	5,997 00
Miscellaneous Debtors	8,225 00

## TOTAL RECEIPTS

243,024 28

## PAYMENTS

Legal Fees	5,000 00
Pre Appointment Fees	12,500 00
Bank Charges	27 53
VAT Control Account	3,062 50

## TOTAL PAYMENTS

20,590 03

Balance held by the Joint Administrators as at 26 January 2011

222,434 25

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## PITREAL 2010 LIMITED - IN ADMINISTRATION

## SIP9 TIME COST ANALYSIS FOR THE PERIOD FROM 27 JULY 2010 TO 26 JANUARY 2011

Work Description	Partner/Director		Manager		Executive		Administrator / Support		Total		Average £/Hr
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning (including statutory reporting)	25 50	11,220 00	22 30	7,604 00	12 22	3,219 10	47 65	7,104 50	107 67	29,147 60	270 71
Investigations	-	-	1 00	340 00	-	-	5 22	756 90	6 22	1,096 90	176 35
Realisation of Assets	1 00	440 00	50 30	17,102 00	-	-	3 10	504 50	54 40	18,046 50	331 74
Creditors	-	-	16 00	5,462 00	-	-	17 05	2,557 75	33 05	8,019 75	242 66
<b>Grand Total</b>	<b>26 50</b>	<b>11,660 00</b>	<b>89 60</b>	<b>30,508 00</b>	<b>12 22</b>	<b>3,219 10</b>	<b>73 02</b>	<b>10,923 65</b>	<b>201 34</b>	<b>56,310 75</b>	<b>279 68</b>
									Total Costs	<b>56,310 75</b>	

## Narrative

## Administration and Planning (including statutory reporting)

Includes general administration and planning, initial stages work, reporting, statutory returns, court filings, physical filing, internal compliance reviews, case planning, statutory obligations (eg statutory returns), maintenance of cashbook and estate records and general correspondence

## Investigations

Includes investigation of Directors conduct, including statutory report to B&RR

## Realisation of Assets

Includes dealing with the assets of the Company

## Creditors

Includes establishing company creditors, circulation of statutory documentation, corresponding with unsecured creditors, dealing with creditor correspondence, liaising with secured creditor and corresponding with directors

## Trading



**Appendix C**

**Charge out rates**

**Pitreal 2010 Limited  
(In Administration)**

**Staff Grade                      1 July 2010 onwards**

	<b>£</b>
Partner	535
Director	440
Senior Manager	405
Manager	340
Assistant Manager	285
Senior 2	260
Senior 1	240
Administrator 2	195
Administrator 1	145
Secretary	135
Filing Clerk	135
Treasury	155