

The Insolvency Act 1986

Administrator's progress report

2.24B

Name of Company APPR 1234 LIMITED (FORMERLY GAP PERSONNEL LIMITED)	Company number 03538026
In the HIGH COURT OF JUSTICE, LEEDS DISTRICT REGISTRY [full name of court]	Court case number 114 of 2006

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

We (a) A Poxon & P Reeves of DTE Leonard Curtis, DTE House,
Hollins Mount, Bury BL9 8AT

administrators of the above company attach a progress report for the period

(b) Insert dates

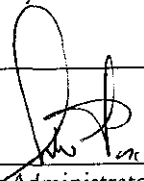
from

(b) 31 January 2006

to

(b) 15 January 2007

Signed


Joint Administrator

Dated

16 January 2007

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 researchers of the court.

DTE Leonard Curtis	
DTE House, Hollins Mount, Bury BL9 8AT	
	Tel 0161 767 1250
DX Number	DX Exchange



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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

**APPR 1234 LIMITED
(FORMERLY GAP PERSONNEL LIMITED)**

IN ADMINISTRATION

**Leeds District Registry
Court Ref: 114 of 2006**

**Progress report in accordance with
Rule 2.47 and 2.110 of The Insolvency (Amendment) Rules 2003**

15 January 2007

Joint Administrators:

**A Poxon and P Reeves
DTE Leonard Curtis
DTE House
Hollins Mount
Bury
Lancashire, BL9 8AT**

**(Both licensed by the Institute of Chartered
Accountants in England and Wales)**

**STRICTLY PRIVATE AND CONFIDENTIAL
NOT FOR PUBLICATION**

**TO: THE REGISTRAR OF COMPANIES
THE COURT
ALL CREDITORS
ALL MEMBERS**

**APPR 1234 LIMITED (FORMERLY GAP PERSONNEL LIMITED)
IN ADMINISTRATION
PROGRESS REPORT IN ACCORDANCE WITH
RULE 2.47 AND 2.110 OF THE INSOLVENCY (AMENDMENT) RULES 1986**

1 INTRODUCTION

- 1.1 We were appointed Joint Administrators of APPR 1234 Limited (formerly Gap Personnel Limited) ("the company") on 31 January 2006. The administration process was initiated by the directors of the company. The court reference is Leeds District Registry, number 114 of 2006.
- 1.2 For the purposes of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, it should be noted that during the period in which the Administration Order is in force, any act or function required or authorised under any enactment to be done by the Administrator may be exercised by both or either of the persons holding that office.
- 1.3 The company's registered office address at the date of the appointment of administrators was Broughton House, Threapwood, Malpas, Cheshire, SK14 7AN. This has subsequently been changed to the administrators' office at DTE House, Hollins Mount, Bury, Lancashire, BL9 8AT. The company's registered number is 03538026.
- 1.4 In accordance with the requirements of Rule 2.47 of The Insolvency (Amendment) Rules 1986 we are now submitting our progress report to creditors. This report contains the information set out in Rule 2.47 and 2.110.

2 RECEIPTS AND PAYMENTS

- 2.1 Attached at Appendix I is a copy of the Joint Administrators' receipts and payments for the period from 31 January 2006 to 15 January 2007 incorporating an estimated outcome statement. This statement estimates that there will be funds of £289,460.70 available to the liquidator. This amount may increase due to additional consideration being received as per paragraph 3.7 of this report. This surplus will be subject to the costs of the liquidation.

3 REALISATION OF ASSETS

- 3.1 Since the date of the joint administrators appointment, careful consideration has been given to the proposed exit route from the administration.
- 3.2 Prior to appointment, the joint administrators considered the proposed strategies for the administration which primarily concerned the feasibility of continued trading. After consideration of the same, a sale of the business was negotiated and subsequently concluded following the appointment of the administrators. The business and assets were sold to Gap Personnel Holdings Limited, a connected company.

- 3.3 In order to determine a valuation, independent corporate financiers, Beever and Struthers, were instructed to value the business and shareholding of a subsidiary company. In addition, agents Auctus Limited were instructed to value the company's chattel assets. The sale agreed was based upon these valuations and allocated as shown below:

	£
Goodwill	375,000
Motor vehicles	10,000
Plant	40,000
Horse	1,000
Work in progress	25,000
Shares	50,000
	<u>501,000</u>

- 3.4 It was agreed that the consideration be discharged over a deferred period of 12 months by equal instalments. To date a total of £454,000 has been received and payments are up to date.
- 3.5 The company's book debts were subject to a factoring agreement in favour of Close Invoice Finance Limited created on 22 September 2004. All book debts have now been collected and Close Invoice Finance have been repaid £1,852,661.54. £27,609.27 has been collected from non-factored and inter-company debts. An amount of £47,758.00 remains outstanding from Gap Premier Limited, an associated company. This amount is currently being pursued.
- 3.6 The company owned a property situated at 10/11 Trelawny Square, Flint, Flintshire. Following a valuation conducted by W T Gunson's an offer of £185,000 was received and accepted. The sale of the property was completed in November 2006 to Mr Gary Dewhurst. A payment of £126,572.70 in advance of the sale was paid to the mortgage holder, HSBC Bank plc to discharge their liability. The payment was made under the Bank's debenture in respect of goodwill realisations.
- 3.7 As per the original sales agreement, an amount of additional consideration will be paid by the Purchaser, which is the sum equivalent to 10.9% of the net profits of the Purchaser for the period 31 January 2006 to 31 January 2007. This amount is to be paid within 14 days of the accounts having been signed by the Purchaser's auditors.
- 3.8 A sum of £25,000 has been recovered in respect of an overpayment into the director's pension scheme.

4 LIABILITIES

4.1 Preferential creditors

With effect from 15 September 2003 preferential status has been abolished for debts due to the Inland Revenue, H M Customs & Excise and in respect of unpaid national insurance contributions. Such debts now rank alongside other unsecured creditor amounts. However, The Department of Employment rank as preferential for monies paid in respect of arrears of wages and holiday pay entitlements. However, as the business was sold as a going concern, all existing employee contracts were transferred under the current TUPE regulations and as such, no claims will be made.

4.2 Unsecured creditors

The claims of the unsecured creditors are being collated and acknowledged. Dividend prospects will be confirmed by an appointed liquidator.

5. COSTS OF ADMINISTRATION

- 5.1 The Joint Administrators proposals were accepted at a meeting of creditors held on 11 April 2006 and the following resolution was approved:

"That the Joint Administrators' remuneration be based on time costs and that the Joint Administrators be authorised to draw remuneration and disbursements in respect of their costs at such time as they deem appropriate after the costs have been incurred".

- 5.2 Current hourly charge out rates of the Administrators' staff can be summarised as follows:

	£
Director	350
Manager	220 - 300
Administrator	85 - 165

- 5.3 As at 15 January 2007, the time spent in administering the company's affairs is detailed at Appendix II.

6. ADMINISTRATORS PROPOSALS

- 6.1 Attached at Appendix III is a summary of the joint administrators proposals.
- 6.2 The administrators proposals were accepted at the meeting of creditors on 11 April 2006

7. MATTERS TO BE DEALT WITH BY THE LIQUIDATOR

The liquidator will be required to receive the administration surplus and distribute to creditors in the statutory order of priority. In addition, the liquidators will endeavour to realise any outstanding assets and VAT recoverable.

8. CONCLUSION OF THE ADMINISTRATION

- 8.1 It is the administrators' view that the following two of the three purposes of the administration has been achieved:

Purpose b) Achieving 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). Purpose b will, in our view, be achieved as a return to the unsecured creditors is expected.

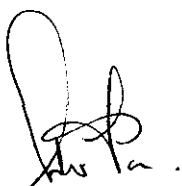
Purpose c) Being the realisation of property in order to make a distribution to one or more secured or preferential creditors. Purpose c has, in our view, been achieved as the secured creditors, Close Invoice Finance Limited and HSBC Bank plc have been repaid in full.

- 8.2 Please find attached at Appendix IV of this report a Form 2.34B, being Notice of Moving from Administration to Creditors Voluntary Liquidation. Form 2.34B and a copy of the report have been forwarded to The High Court of Justice, Leeds District Registry and the Registrar of Companies. The Liquidator's appointment will take effect from the date of registration of Form 2.34B by Companies House.

9. **JOINT ADMINISTRATORS DISCHARGE FROM LIABILITY**

- 9.1 As stated in paragraph 8.1 above, two of the three purposes of Administration have been or will be achieved.
- 9.2 The Joint Administrators' appointment will cease upon registration of 2.34B Notice of Move from Administration to Creditors Voluntary Liquidation by Companies House.
- 9.3 The following resolution was approved by creditors by virtue of proxy votes.

That the Administrators be discharged from liability in respect of any action(s) of theirs as Administrators pursuant to the provisions of paragraph 98(1) of Schedule B1 to the Insolvency Act 1986, immediately upon their appointment ceasing to have effect.

A handwritten signature in black ink, appearing to read 'APOXON', is written over the printed name.

APOXON
JOINT ADMINISTRATOR

APPR 1234 LIMITED (FORMERLY GAP PERSONNEL LIMITED)
(IN ADMINISTRATION)

Joint Administrators' Receipts and Payments Account
for the period 31 January 2006 to 15 January 2007

	Transactions to 15/01/07 £	Future transactions £	Estimated final outcome £
RECEIPTS			
Goodwill	375,000.00	-	375,000.00
Sale of property	185,000.00	-	185,000.00
Plant and machinery	40,000.00	-	40,000.00
Work-in-progress	25,000.00	-	25,000.00
Motor vehicles	10,000.00	-	10,000.00
Sale of horse	1,000.00	-	1,000.00
Shares	3,000.00	47,000.00	50,000.00
Rent	2,233.33	-	2,233.33
Sundry receipts	23,663.79	-	23,663.79
Factored debtors	2,009,619.10	-	2,009,619.10
Unfactored debtors	17,137.20	-	17,137.20
Inter-company debtors	10,472.07	25,000.00	35,472.07
Pension recovery	25,000.00	-	25,000.00
	<u>2,727,125.40</u>	<u>72,000.00</u>	<u>2,799,125.40</u>
PAYMENTS			
Administrators fees	200,000.00	35,000.00	235,000.00
Administrators disbursements	465.31	-	465.31
Agents fees and expenses	17,100.00	-	17,100.00
Solicitors fees and expenses	51,078.51	26,015.68	77,094.19
Other professional fees	20,000.00	-	20,000.00
Sundry expenses	4,750.00	-	4,750.00
Insurance	2,375.69	-	2,375.69
Debt collection costs	112,500.00	-	112,500.00
HSBC Bank plc	126,572.70	-	126,572.70
Close Invoice Finance Limited	1,852,661.54	-	1,852,661.54
Input VAT	50,469.09	10,676.34	61,145.43
	<u>2,437,972.70</u>	<u>71,692.00</u>	<u>2,509,664.70</u>
	<u>289,152.70</u>	<u>308.00</u>	<u>289,460.70</u>

APPENDIX II

	Director (Hrs)	Manager (Hrs)	Administrator /Support (Hrs)	Total (Hrs)	Total costs (£)	Average Time Cost (£)
Statutory and review	9.6	27.4	4.0	41.0	9,457.50	230.67
Receipts and payments	-	1.0	-	1.0	200.00	200.00
Insurance	-	9.6	-	9.6	1,928.00	200.83
Assets	264.4	208.9	29.9	503.2	144,087.50	286.34
Liabilities	18.6	23.4	16.8	58.8	14,420.50	245.25
Debenture Holder	5.2	5.3	4.0	14.5	3,392.00	233.93
General administration	57.1	30.2	21.9	109.2	28,626.00	262.12
Appointment	1.0	25.3	-	26.3	5,385.00	204.75
Planning and strategy	13.0	35.9	-	48.9	12,011.00	245.62
Post appointment creditors meeting	6.2	13.5	2.5	22.2	5,090.00	229.28
Investigations	9.1	29.3	-	38.4	9,155.00	238.41
	<u>384.2</u>	<u>409.8</u>	<u>79.1</u>	<u>873.1</u>	<u>233,749.50</u>	<u>267.72</u>

Administrators' Proposals

In accordance with paragraph 49 of Schedule B1 of the Insolvency Act 1986, as amended, Mr J M Titley and Mr A Poxon, the Joint Administrators of the Company make to the creditors the following proposals for achieving the purposes of the Administration. Approval of these proposals will be considered as a single resolution at the first meeting of creditors to be held on 11 April 2006 at 11.00 am at DTE Leonard Curtis, Hollins Mount, Bury, Lancashire, BL9 8AT.

PROPOSALS FOR THE COMPANY

The Joint Administrators propose that:

1. The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the purposes for which the administration order was made.
2. If the Joint Administrators consider it appropriate, they apply to the Court under the provisions of Paragraph 76(2)(a) of Schedule B1 to the Insolvency Act 1986 for an Order that their term of office be extended.
3. In the event that the administrators form the view that no better realisations can be made in the administration than would be achieved in liquidation and that there will be no monies to be distributed to unsecured creditors (other than pursuant to section 176A of the Insolvency Act 1986) and/or where the administrators form the view that there is some other reason why it would be appropriate to do so, then the administrators be authorised:
 - a) to petition for the compulsory winding up of the Company pursuant to Paragraph 60 of Schedule B1 to the Insolvency Act 1986 and
 - b) to combine such petition with an application for termination of their appointment as joint administrators pursuant to paragraph 79 of schedule B1 to the Insolvency Act 1986; and
 - c) to seek appointment as liquidators pursuant to S140 of the Insolvency Act 1986 should they consider it appropriate to do so.
4. If they consider it appropriate, the Joint Administrators make application to the Court pursuant to the provisions of Paragraph 65(3) of Schedule B1 to the Insolvency Act 1986 for leave to make one or more dividend distributions to creditors whose claims are neither secured nor preferential.
5. In the event that the joint administrators deem it appropriate the Company be placed into creditors voluntary liquidation pursuant to the provisions of Paragraph 83 of Schedule B1 to the Insolvency Act 1986. It is further proposed that J M Titley and A Poxon of DTE Leonard Curtis be Liquidators of the Company. In accordance with the provisions of Paragraph 83(7) of Schedule B1 to the Insolvency Act 1986 and Rule 2.117(3) of the Insolvency Rules 1986 (as amended), creditors may nominate a different person to be Liquidator provided that the nomination is made after the receipt of the proposals and before the proposals are approved.

APPR 1234 LIMITED (FORMERLY GAP PERSONNEL LIMITED)
(IN ADMINISTRATION)

FORM 2.34B

The Insolvency Act 1986

**Notice of move from administration
to creditors' voluntary liquidation****2.34B**

Name of Company

APPR 1234 LIMITED
(FORMERLY GAP PERSONNEL LIMITED)

Company number

03538026

In the

HIGH COURT OF JUSTICE, LEEDS DISTRICT REGISTRY
[full name of court]

Court case number

114 of 2006

(a) Insert name(s) and address(es) of administrator(s) I/We (a) P Reeves and A Poxon of DTE Leonard Curtis, DTE House, Hollins Mount, Bury, Lancashire, BL9 8AT(b) Insert name and address of registered office of company having been appointed administrators of (b) APPR 1234 Limited
DTE House, Hollins Mount, Hollins Lane, Bury, Lancashire BL9 8AT

(c) Insert date of appointment

on (c) 31 January 2006By (d) The directors

(d) Insert name of applicant / appointor

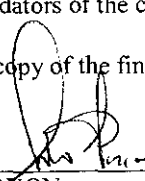
hereby give notice that:

the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply,

(e) Insert name(s) and address(es) of liquidator(s)

and it is proposed that (e) P Reeves and A Poxon of DTE Leonard Curtis, DTE House, Hollins Mount, Bury, Lancashire, BL9 8ATwill be the liquidators of the company (IP No(s) 9343 / 8620)☒ We attach a copy of the final progress report.

Signed


A POXON
Joint AdministratorDated 16 January 2007**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

DTE Leonard Curtis

DTE House, Hollins Lane, Bury

Lancashire, BL9 8AT

Tel 0161 767 1250

DX Number

DX Exchange

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