

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

04158022

Name of Company

Kynixa Limited

I / We
Trevor John Binyon
11th Floor
66 Chiltern Street
London
W1U 4JT

Steven John Parker
11th Floor
66 Chiltern Street
London
W1U 4JT

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 02/11/2011 to 01/11/2012

Signed

Date

20/12/12

RSM Tenon Recovery
11th Floor
66 Chiltern Street
London
W1U 4JT

Ref 5015290/TJB/SJP/LCT

SATURDAY



A10BO4U9

A57

22/12/2012

#233

COMPANIES HOUSE

Kynixa Limited (“the Company”) – In Liquidation

**Joint Liquidators’ Second Progress Report
for the Period from 2 November 2011 to 1 November 2012**

Issued on: 19 December 2012

Kynixa Limited ("the Company") – In Liquidation

JOINT LIQUIDATORS' SECOND PROGRESS REPORT AS AT 1 NOVEMBER 2012

Trevor John Binyon and Steven John Parker are the Joint Liquidators of the Company and this is their second progress report to the creditors and members of the Company, showing how the Liquidation has been conducted. The report covers the period from 2 November 2011 to 1 November 2012. This report should be read in conjunction with my previous progress report.

1. Statutory Information

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

2. Joint Liquidators' Receipts and Payments Account

A summary of the Joint Liquidators' receipts and payments account relating to the Company for the relevant period from 2 November 2011 to 1 November 2012 and cumulatively (from commencement of Liquidation on 2 November 2010 to the date of this report) is attached at **Appendix II**.

3. Action taken by the Joint Liquidators since last Report

The Company was wound up on 2 November 2010 and Trevor John Binyon and Steven John Parker were appointed Joint Liquidators following the conclusion of the prior Administration.

The sum of £10,624 plus VAT was paid to the Joint Administrators from the Liquidation account in respect of their final remuneration in the Administration (see paragraph 6 of this report for further details).

As previously advised, the Company's assets were sold to Corpore Limited on 11 June 2010 for the sum of £75,000. £50,000 of this sum was paid on completion and the balancing £25,000 was held by my solicitors in escrow whilst the split of debtor receipts was agreed, and this was paid across on the 31 October 2011.

Book Debts

As at the date of the Administrators' appointment, the debtor ledger stood at approximately £289,000. All debts were assigned to Bibby Invoice Discounting Limited ("Bibby"), who held a fixed and floating charge over the assets of the Company. At the date of the Administration, Bibby were owed approximately £121,000 and their indebtedness, together with termination charges, was paid in full during the Administration.

As you will be aware from my previous report, a dispute was entered into between the purchaser and the Administrators regarding additional invoices totalling circa £54k, which related to services carried out pre appointment but had not been invoiced at the date of the appointment.

Lengthy correspondence was entered into and it was finally agreed that from the proceeds of those particular debtor receipts, the purchaser would receive 60%, and the Administrators would receive the balancing 40%. In addition, the Administrators would make a contribution of £2,000 from those receipts towards the purchaser's legal costs. At the time of the settlement, those receipts were thought to be £18,767, and accordingly a payment of £11,260 to Corpore was made.

It later came to light that there was an additional £23,463 of disputed debtor funds that had been paid directly into the Bibby account, and which my debt collection team were not made aware of. As a result, an additional amount of £17,303, which included a contribution to the legal costs and several small disputed debtor receipts, was paid across to the purchaser from the Liquidation bank account. The purchaser has now confirmed that there are no further amounts due to them, nor do they expect to receive any further debtor receipts from the disputed invoices.

In accordance with the recommendations of my debt collection team, the balance of debtors that have not been collected to date and are likely to be written off total approximately £78,139.

The majority of the debts were collected on behalf of the Company by a separate department within RSM Tenon. As such, their fees will represent a Category 2 disbursement in the Liquidation, to which approval was sought and received at the meeting of creditors held on 21 December 2010. It was proposed that they be paid a percentage of realisations, being 5% of collections at the point Bibby were repaid in full, then 10% of the £100,000 realised, and 20% of the balance thereafter. In my last report I estimated their fee to be in the region of £18k plus VAT. Due to the additional payment to Corpore from the disputed debtor receipts, my debt collection team agreed to reduce their fee to £10,000 plus VAT and they have received payment in this respect.

Investigations

As previously reported there are no outstanding lines of enquiry and the Liquidators' confidential report or return on the Directors has been submitted to the Government's Disqualification Unit.

4. Future Actions of the Joint Liquidators

As both the preferential distribution and the unsecured distribution to creditors have been made, and with no further debtor receipts anticipated, I will now commence the closure of the Liquidation.

5. Liabilities and Dividends

Secured Creditors

The secured creditor was paid in full during the Administration.

Preferential Creditors

A distribution to preferential creditors in the sum of 100p in the pound was declared on the 28 December 2011 totalling £14,055.

Prescribed Part

There is no qualifying floating charge in this matter and therefore the prescribed part does not apply.

Ordinary Unsecured Creditors

Claims totalling £582,868.62 were received from 165 creditors. From those claims, a sum totalling £579,934 was admitted to rank for dividend purposes and a dividend was declared on the 20 August 2012. The total sum paid to creditors was £47,854 and cheques totalling £371 were returned unpaid and are in the process of being paid across to the unclaimed dividends account at the Bank of England.

Notice is given that no further dividend will be declared to unsecured creditors as the funds realised have already been distributed, used or allocated for defraying the expenses of the Liquidation

6. Remuneration, Disbursements and Expenses of the former Administrators

In the Joint Administrators' final report to creditors dated 23 November 2010 it was reported that the final time costs were £77,528 and disbursements amounted to £3,069.92. In accordance with Statement of Insolvency Practice 9, a full breakdown was included in that report.

Of those costs £48,189 remuneration and £98 disbursements had not been drawn at the date of ceasing to act as Joint Administrators. In accordance with legislation, the sum of £10,624 has been drawn out of the estate in Liquidation, and the balance has been written off.

7. Joint Liquidators' Remuneration, Disbursements and Expenses

Basis of Remuneration and Disbursements

At the initial meeting of creditors held in the previous Administration of the Company on the 6 August 2010 it was resolved that the Joint Administrators be remunerated with reference to time properly spent in dealing with the Administration and that their disbursements would be drawn in accordance with the tariff outlined in **Appendix III**.

As the Joint Liquidators were formerly the Joint Administrators, the same basis of remuneration applies to them in their new capacity as Liquidators. In addition, a meeting of creditors was held on the 21 December 2010 pursuant to Rule 4.54 of the Insolvency Rules 1986, whereby a resolution was passed to agree that the time incurred by RSM Tenon in relation to debt collection matters, or by RSM Tenon Tax, in attending to matters during the Liquidation, may be drawn without further reference to creditors.

Remuneration Charged and Drawn in the Period

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

	Incurred	Paid
For this period, from 2 November 2011 to 1 November 2012	£41,155	£13,000
Since appointment on 2 November 2010 to 1 November 2011	£38,003	£32,151
Total	£79,158	£45,151

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

Since the end of this period to the current date, further time costs have been incurred of £3,711 (primarily in relation to this report and closure matters) representing 11 hours and no fees have been drawn. Such costs will be fully reported in my next progress report.

Disbursements Incurred and Drawn

The Joint Liquidators' disbursements incurred and reimbursed are summarised below Details are in the attached **Appendix III**

	Incurred	Paid
Category 1 disbursements for this period, from 2 November 2011 to 1 November 2012	£1,326 64	£1,301 00
Category 2 disbursements for this period, from 2 November 2011 to 1 November 2012	£10,000 00	£10,000 00
Category 1 disbursements since appointment on 2 November 2010 to 1 November 2011	£667 19	£667 19
Category 2 disbursements since appointment on 2 November 2010 to 1 November 2011	£Nil	£Nil
Total	£11,993 83	£11,968.19

Expenses (Professional Advisors) Charged and Drawn in the Period

The following professional advisors have been instructed in this matter

<i>Professional Advisor</i>	<i>Nature of Work</i>	<i>Fee Arrangement</i>
Irwin Mitchell	Solicitors legal advice in relation to settlement agreement	Time costs

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

Details of the costs incurred and paid by the Joint Liquidators in relation to Liquidation expenses for the period are also attached at **Appendix III**

Creditors' Guide to Fees and Statement of Creditors' Rights

Creditors have a right to request further information from the Joint Liquidators and additionally have a right to challenge the Joint Liquidators' remuneration and expenses time limits apply Details can be found in the document 'Remuneration Guidelines Liquidation (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

8. Conclusion of the Liquidation

As there are no further matters outstanding I will shortly commence the closure of the Liquidation



Trevor John Binyon
Joint Liquidator

Licensed in the United Kingdom to act as an insolvency practitioner by the Association of Chartered Certified Accountants

Statutory Information

Appendix I

Company Information

Company Name	Kynixa Limited
Previous Name	
Company Number	04158022
Date of Incorporation	12 February 2001
Trading Address	93 Western Road, Tring, Hertfordshire, HP23 4BN
Current Registered Office	RSM Tenon Recovery, 11th Floor, 66 Chiltern Street, London, W1U 4JT
Former Registered Office	93 Western Road, Tring, Hertfordshire HP23 4BN
Principal Trading Activity	Independent Rehabilitation Services

Appointment details

Joint Liquidators' name and address	Trevor John Binyon of RSM Tenon, 11th Floor, 66 Chiltern Street, London, W1U 4JT and Steven John Parker of RSM Tenon, 11th Floor, 66 Chiltern Street, London, W1U 4JT
Commencement of Liquidation	2 November 2010
Date of appointment	2 November 2010
Appointment made by	Pursuant to Paragraph 83(1) of Schedule B1 to the Insolvency Act 1986

The Joint Liquidators act jointly and severally

**SUMMARY OF LIQUIDATORS' RECEIPTS AND PAYMENTS
FROM 2 NOVEMBER 2010 (DATE OF APPOINTMENT) TO 1 NOVEMBER 2012**

	Note	Estimated to Realise - Director's Statement of Affairs	Receipts/ Payments 02 11 10 to 01 11 11	Receipts/ Payments 02 11 11 to 01 11 12	Total Receipts/ Payments to date
UNCHARGED RECEIPTS					
Book debts	1	Nil	58,120	(15 675)	40 445
Disputed book debts	1	Nil	18,787	23 463	42 230
Sale consideration previously held in escrow		Nil	25 000	Nil	25 000
Bank interest		Nil	263	23	286
Administration surplus		Nil	64,094	Nil	64,094
		Nil	164 244	7,811	172 055
UNCHARGED PAYMENTS					
Specific bond			249	Nil	249
Legal fees			9 640	1 000	10,640
Books & records storage/scheduling			343	1,301	1 644
Pension trustee services			561	1,732	2 293
Statutory advertising			76	76	152
Corpore settlement			11,260	17 303	28 563
Corporation Tax			Nil	96	96
Bank charges			12	Nil	12
VAT Receivable			196	Nil	196
			22 337	21 508	43 845
PAYMENTS TO RSM TENON					
Joint Administrators' fees			10 624	Nil	10,624
Joint Liquidators' fees	2		32 151	13 000	45,151
Joint Liquidators' disbursements			Nil	18	18
Debt Collection fees			Nil	10 000	10 000
			42 775	23,018	65 793
DISTRIBUTIONS TO CREDITORS					
Distribution to preferential creditors	3		Nil	14 055	14 055
Distribution to unsecured creditors	4		Nil	47,854	47 854
Unclaimed dividend account	5		Nil	371	371
			Nil	62,280	62 280
Balance in hand	6		99 132	(98,995)	137
			164,244	7 811	172 055

Notes

- 1 The allocation of debtors since my last report has changed to reflect the increase in disputed debtor monies held (see paragraph 3 of my report)
- 2 The Joint Liquidators' fees are charged on a time cost basis, as approved by creditors at the meeting by correspondence held on 6 August 2010 in the Administration
- 3 A distribution of 100p in the pound was made to preferential creditors on the 28 December 2011
- 4 A distribution of 8 28p in the pound was made to unsecured creditors on the 20 August 2012
- 5 Dividend cheques totalling £371 have been returned or not banked, and are in the process of being paid over to the unclaimed dividend account
- 6 The estate funds are held on an interest bearing current account held at Allied Irish Bank (GB)
- 7 This summary should be read in conjunction with the Joint Liquidators' report dated 19 December 2012
- 8 The above statement is shown exclusive of VAT
- 9 No comparison to the directors Statement of Affairs has been provided as the Directors of a company are no longer required to produce a second Statement of Affairs for the Liquidation following an Administration under the provisions of the Enterprise Act 2002

T J Binyon
Joint Liquidator
19-Dec-12

Kynixa Limited**Information relating to the Joint Liquidators' Fees and Expenses****1. Explanation of Liquidators' 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 Nov 2011 £
Partner and licensed Insolvency Practitioner	495
Director	380
Senior Manager, Manager and Assistant Manager	245 to 350
Other senior staff	120 to 240
Assistants & support staff	100 to 240

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 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 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)	7p
Postage (depending on size and weight)	At cost
Storage of archive box for one month	32p
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 in the current period

Section 3 of this appendix outlines the time costs to date in relation to activities undertaken. These can be summarised as follows

2.1. Administration and planning

The following activities have been undertaken

- > Statutory duties associated with the appointment,
- > Notification of the appointment to creditors, employees and other interested parties,
- > Setting up case files,
- > Reviewing available information to determine appropriate strategy,
- > Maintaining bank accounts,
- > Strategy reviews, and
- > Progress reviews of the case

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

2.2. 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, and
- > Completion of statutory returns to the Insolvency Service

2.3 Realisation of assets

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

- > Liaising with solicitors,
- > Correspondence and meetings with interested parties,
- > Lengthy negotiations with purchaser and solicitors with regard to settlement agreement,
- > Debt collection and lengthy correspondence and review with debt collection department, and
- > Identifying, securing and insuring of assets

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake. The settlement agreement with the purchaser was particularly complex and time consuming and required extensive involvement of the Joint Liquidators and senior staff

2.4. Creditors and distributions

The time spent includes the following matters

- > Recording and maintaining the list of creditors,
- > Dealing with employee related matters,
- > Paying dividend/s,
- > Recording creditor claims,
- > Reporting to creditors,
- > Dealing with creditor queries,
- > Reviewing and evaluating creditor claims, and
- > Payment of claims

3. Time and charge out summary

For the period of this report from 2 November 2011 to 1 November 2012, a total of 126 05 hours have been spent at an average charge out rate of £326 bringing the total charged to £41,154 75

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

Classification of work function	Insolvency Practitioner/ Partner/ Director	Manager	Hours Other senior professionals	Assistants and support staff	Total	Time cost £	Average Hourly rate £
Administration and Planning	2 50	10 70	0 90	13 10	27 20	7,985 50	294 00
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of assets	0 00	25 85	0 10	0 00	25 95	8,809 25	339 00
Distribution	0 00	34 90	0 00	0 00	34 90	11,866 00	340 00
Creditors correspondence	0 00	24 05	0 00	0 00	24 05	8,177 00	340 00
Reporting to creditors	0 00	10 95	3 00	0 00	13 95	4,317 00	309 00
Total hours	2 50	106 45	4 00	13 10	126 05	41,154 75	326 00
Total fees claimed £						(13,000 00)	

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

Classification of work function	Insolvency Practitioner/ Partner/ Director	Manager	Hours Other senior professionals	Assistants and support staff	Total	Time cost £	Average Hourly rate £
Administration and Planning	3 00	11 25	40 20	27 62	82 07	18,948 75	231 00
Investigations	0 00	0 00	3 40	0 00	3 40	714 00	210 00
Realisation of assets	0 50	81 35	9 80	0 00	91 65	29,438 75	321 00
Distribution	0 00	34 90	0 00	0 00	34 90	11,866 00	340 00
Creditors correspondence	0 00	26 55	23 20	0 00	49 75	13,873 50	279 00
Reporting to creditors	0 00	10 95	3 00	0 00	13 95	4,317 00	309 00
Total hours	3 50	165 00	79 60	27 62	275 72	79,158 00	287 00
Total fees claimed £							(45,151 00)

From appointment to the end of the current period the total time costs incurred are £79,158, consisting of 276 hours spent bringing the average charge out rate to £287

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	
	Incurred £	Paid £	Incurred £	Paid £
Category 1				
Statutory advertising	Nil	Nil	75 60	75 60
Storage	1,301 00	1,301 00	1,644 00	1,644 00
Bond premium	Nil	Nil	249 00	249 00
Case management software system	26 00	Nil	26 00	Nil
Total	1,327.00	1,301.00	1,994.60	1,968.60

The above costs exclude VAT

Category 2 disbursements have been charged to this matter in respect of my debt collection team in the sum of £10,000 and have been paid in the current period

5 Professional advisors and expenses

The Joint Liquidators have incurred Liquidation expenses in connection with the instruction of the following 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	
	Incurred £	Paid £	Incurred £	Paid £
Irwin Mitchell Solicitors	1,000 00	1,000 00	10,640 00	10,640 00
Total	1,000.00	1,000 00	10,640 00	10,640 00

The above costs exclude VAT