

The Insolvency Act 1986

Statement of administrator's proposals**2.17B**

Name of Company
ROCKPOOLS PEOPLE & PERFORMANCE LIMITED

Company number
05213104

In the High Court of Justice, Chancery Division Manchester District Registry

Court case number
2403 of 2014

- (a) Insert full name(s) and address(es) of administrator(s) We (a) M J Colman & J M Titley of Leonard Curtis, 20 Roundhouse Court, South Rings Business Park, Bamber Bridge, Preston PR5 6DA

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

* Delete as applicable

(b) Insert date

(b) 14 April 2014

Signed

M J Colman - Joint Administrator

Dated

14/4/14

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.

Leonard Curtis	
20 Roundhouse Court, South Rings Business Park, Bamber Bridge, Preston,	
PR5 6DA	Tel 01772 646180
DX Number	DX Exchange

ave 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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COMPANIES HOUSE



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**ROCKPOOLS PEOPLE & PERFORMANCE LIMITED
(IN ADMINISTRATION)**

Registered Number: 05213104
Court Ref: 2317 of 2014
High Court of Justice, Chancery Division,
Manchester District Registry

Joint Administrators' Report and Statement of Proposals

14 April 2014

Leonard Curtis Business Solutions Group
20 Roundhouse Court, South Rings Business Park,
Bamber Bridge, Preston, PR5 6DA
Tel 01772 646180 Fax 01772 646181

Ref P/28/CRL/NR752M/1040

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TO: THE REGISTRAR OF COMPANIES
ALL CREDITORS
ALL SHAREHOLDERS

1 INTRODUCTION

1.1 I refer to the appointment of J M Titley and myself as Joint Administrators ("the Joint Administrators") of Rockpools People & Performance Limited ("the Company") on 3 April 2014 and now write to present our proposals ("the Proposals") (Appendix A) for the Company pursuant to the Insolvency Act 1986 ("the Act")

1.2 We do not propose to convene a meeting of creditors in this instance. It is the Joint Administrators' intention to seek approval to the Joint Administrators' proposals and certain resolutions by correspondence, as provided for by Paragraph 58 of Schedule B1 to the Act. Form 2.25B is attached at Appendix H for this purpose. This form should be completed and returned to this office by no later than 12.00 hours on 30 April 2014 with a completed statement of claim form (attached at Appendix I) or your vote will be disregarded, as will any forms returned after the closing date.

1.3 The outcome of the voting will be reported to creditors in due course.

1.4 Creditors whose debts amount to at least 10% of the total debts of the Company may request a meeting. Any requests for an initial creditors' meeting must be made in writing to this office using Form 2.21B (available on request) by 25 April 2014. Security for the costs of holding the meeting must also be provided.

2 STATUTORY INFORMATION

2.1 The administration proceedings are under the jurisdiction of the High Court of Justice, Chancery Division, Manchester District Registry under the Court reference 2317 of 2014.

2.2 During the period in which the Administration Order is in force, any act or function required or authorised to be done by the Joint Administrators may be exercised by both or either of them.

2.3 The Company's registered office is 99-105 Stanstead Road, London SE23 1HH. On 9 April 2014, the Joint Administrators requested that the Registrar of Companies change the registered office address to 20 Roundhouse Court, South Rings Business Park, Bamber Bridge, Preston PR5 6DA. The Company's registered number is 05213104. The Company traded under its registered name.

2.4 The Company operated from leasehold premises situated at Office IC1 17, Innovation Centre, Coventry University Technology Park, Puma Way, Coventry, West Midlands CV1 2TT.

2.5 The Company's director is as follows:

Name	Role	Date Appointed
Balvinder Singh Sangha	Director	16 May 2005

- 2 6 The Company's authorised share capital is £1,000,000 The issued share capital comprises 1,000,000 ordinary £1 shares, the shares being owned as follows

Name	Class of Share	No. of Shares	% of Total Owned
Tardis Public Sector Ltd	Ordinary £1	1,000,000	100%
		<u>1,000,000</u>	<u>100%</u>

- 2 7 According to the information registered at Companies House, the Company has no unsatisfied charges
- 2 8 The EC Regulation on Insolvency Proceedings 2000 applies to this administration The proceedings are main proceedings as defined by Article 3 of the Regulation The Company is based in the United Kingdom

3 HISTORICAL BACKGROUND AND EVENTS LEADING UP TO ADMINISTRATION

- 3 1 The Company was incorporated on 24 August 2004 and began trading from its inception The Company's sole director is Balvinder Singh Sangha
- 3 2 The Company's registered office is 99-105 Stanstead Road, London SE23 1HH The Company operated with nine members of staff from its trading premises situated at Office IC1 17, Innovation Centre, Coventry University Technology Park, Puma Way, Coventry, West Midlands CV1 2TT It is understood the premises were occupied by the Company on a leasehold basis with rent payable of £2,854 50 per annum
- 3 3 The principal trading activity of the Company is that of a specialist recruitment consultant
- 3 4 The Company was formed in order to provide senior level recruitment services This included various directorships and similar positions The Company aimed to provide a flexible recruitment service to key markets in the commercial, public and not for profit sectors Previously, the business had been involved in the recruitment of candidates to fulfil public service positions such as senior members of the Olympic Committee and the previously formed Parliamentary Standards Committee serving the Government
- 3 5 The Company relied heavily on the personal and professional relationships of its staff and employees within the profession Many instructions were received as a consequence of previous involvement in placing candidates
- 3 6 In recent years, the business expanded and the Company diversified beyond its recruitment services to provide a number of complementary functions that included management consulting, leadership and talent development, career counselling, interim solutions, governance and board effectiveness
- 3 7 The Company had also attempted to expand its operations by establishing a presence in the Asia Pacific market An office was established in Sydney, Australia which involved an investment of over £100,000
- 3 8 It is understood that the Company had traded successfully from its inception, although the business suffered significantly as a result of the lack of demand in the job market caused by the economic downturn This meant that there had been a reduction in clients seeking to recruit In addition, the Company had a very high cost base, both in terms of employees and the marketing required to attract potential candidates

- 3 9 The Company's venture into the Asia Pacific market was unsuccessful. It is understood that the individual who was contracted to run the overseas operation left without notice, taking information related to key contacts in that area with them. It is understood that the Asia Pacific office has ceased trading, although it was believed to still be incurring substantial costs to the business in the months preceding the Company entering into administration.
- 3 10 The cumulative effects of the points raised above have led to a marked effect on the Company's overall trading results over the past three years. The Company has reported a £252,920 loss for the year ended 31 December 2011, compared to the results for the previous year which shows the Company made profits totalling £1,159,899. Furthermore, despite the Company recording a 70% increase in turnover for the period ended 31 December 2012 (compared to the results for the previous year) the Company still incurred an overall loss of £97,088 for that year.
- 3 11 Since the economic downturn, the Company had been unable to trade consistently and faced increased competition for new contracts in a saturated market. This, accompanied by an increase in costs impacted further on the Company's profit position. As a result, the Company began to experience significant cashflow difficulties. This resulted in increased creditor pressure, particularly from HM Revenue & Customs ("HMRC") for arrears in PAYE/NI and VAT.
- 3 12 The Company was further indebted to the director, Balvinder Singh Sangha in terms of deferred payments and pension contributions.
- 3 13 The director first sought advice from David Barrow of David Taylor Partnerships Limited, and subsequently sought advice from Leonard Curtis Business Solutions Group ("LCBSG") in relation to the options available to best protect the Company and its creditors. This resulted in a meeting held at 88 Fishergate Hill, Preston, Lancashire PR1 8JD on 8 January 2014.
- 3 14 An assessment of the Company's financial position was undertaken by LCBSG on 27 January 2014. Further discussions took place with the Company on 31 January 2014, 11 February 2014 and 7 March 2014. It is understood that during the period prior to the above discussions the Company had explored a number of different options as regards obtaining additional funding for the business. It is understood that the Company's majority shareholder was not prepared to invest further in the Company.
- 3 15 It was clear that in its current form, the Company was insolvent by statutory definition as it was unable to discharge its debts as and when they fell due. LCBSG advised that unless the business could secure additional funding in the short term, the director would have to consider whether trading should continue given the insolvent position of the Company.
- 3 16 On 11 March 2014, a Notice of Intention to appoint my partner, J M Titley and I as Joint Administrators of the Company was signed by the director and filed in The High Court of Justice, Chancery Division, Manchester District Registry on the same day. This afforded the Company an interim moratorium which gave the Company protection from enforcement proceedings.
- 3 17 On 25 March 2014, a further Notice of Intention to appoint my partner, J M Titley and I as Joint Administrators of the Company was signed by the director and filed in The High Court of Justice, Chancery Division, Manchester District Registry on the same day. The second notice was lodged due to the prospective purchaser of the business not being in a position to put in place all the necessary documentation within the timescale concerned.
- 3 18 On 3 April 2014, a Notice of Appointment appointing my partner, J M Titley and I as Joint Administrators of the Company was filed at the High Court of Justice, Chancery Division, Manchester District Registry, by the director of the Company pursuant to Paragraph 22 of Schedule B1 of the Insolvency Act 1986.

- 3 19 M J Colman and J M Titley are both licensed by the Institute of Chartered Accountants in England and Wales. In accordance with paragraph 100(2) of the Insolvency Schedule B1 to the Act, the function of the Joint Administrators may be exercised by either or both, acting jointly or alone

4 RECENT TRADING RESULTS AND CURRENT FINANCIAL POSITION

- 4 1 The Company's trading results for the years ending 31 December 2012, 2011 and 2010 are detailed below

	Signed Year ended 31/12/2012 £	Signed Year ended 31/12/2011 £	Signed Year ended 31/12/2010 £
Turnover	1,483,970	872,392	1,315,059
	<u>(556,609)</u>	<u>(150,078)</u>	<u>(114,527)</u>
Gross Profit	927,361	722,314	1,200,532
Gross Profit %	62.49%	82.79%	91.29%
Administrative expenses	(1,024,449)	(980,813)	(1,308,261)
Other Income	-	5,579	1,292,936
Operating (Loss)/Profit	<u>(97,088)</u>	<u>(252,920)</u>	<u>1,185,207</u>
(Loss)/Profit before tax	(97,088)	(252,920)	1,185,207
Taxation	-	-	(25,308)
(Loss)/Profit for the year	<u>(97,088)</u>	<u>(252,920)</u>	<u>1,159,899</u>

- 4 2 The balance sheets as at 31 December 2010, 2011 and 2012 are detailed below

	As at 31/12/2012 £	As at 31/12/2011 £	As at 31/12/2010 £
Fixed Assets			
Tangible Assets	<u>10,567</u>	<u>8,727</u>	<u>5,572</u>
Current Assets			
Debtors	286,136	271,121	331,459
Creditors: Amounts Falling due within one year	<u>(805,509)</u>	<u>(691,566)</u>	<u>(495,829)</u>
Net Current Liabilities	<u>(519,373)</u>	<u>(420,445)</u>	<u>(164,370)</u>
Total Assets less Current Liabilities	<u>(508,806)</u>	<u>(411,718)</u>	<u>(158,798)</u>
Represented by			
Called up share capital	1,000,000	1,000,000	1,000,000
Profit and Loss account	(1,508,806)	(1,411,718)	(1,158,798)
Shareholders' Funds	<u>(508,806)</u>	<u>(411,718)</u>	<u>(158,798)</u>

Please note: the Company did not maintain management accounts and no further financial information has been provided to the Joint Administrators

4 3 Statement of Affairs

The director is required to lodge a statement of affairs as at 3 April 2014 which has to be filed with the Registrar of Companies. Although the document has not yet been received, I understand that it is in the course of preparation and will be submitted shortly. In the meantime, an estimate of the financial position as at the date of the Joint Administrators' appointment is enclosed at Appendix B, together with a list of creditors including their names, addresses and details of their debts, including any security held.

Please note that no provision has been made for costs and expenses of realisation, costs of the administration and any corporation tax which may be payable. The following comments are considered to be relevant and should be borne in mind when reading the figures.

4 4 Secured Creditor

There are no secured creditors in this case.

4 5 Preferential Claims

The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay. The employees' contracts of employment were transferred to the Purchaser of the business and assets of the Company, as detailed at section 5.1 of this report, under the relevant TUPE regulations.

A preferential claim is not expected to be received in the administration.

4 6 Prescribed Part

As the Company has no unsatisfied post-Enterprise Act charges, there is no requirement to set aside a prescribed part in this case.

4 7 Unsecured Claims

All unsecured non-preferential claims will be subject to agreement by a subsequently appointed Liquidator in due course, should liquidation be the appropriate exit route from the administration process.

In this instance, it is likely that there will be sufficient funds available to enable a small distribution to be made to unsecured creditors.

4 8 Receipts and Payments

A receipts and payments account for the period of administration to date is enclosed at Appendix C.

5 EVENTS FOLLOWING THE JOINT ADMINISTRATORS' APPOINTMENT

5.1 Prior to their appointment, the Joint Administrators investigated the possibility of concluding a sale of the Company's business and assets.

5.2 On 10 March 2014, the Joint Administrators instructed independent agents and valuers, Charterfields Limited ("Charterfields") to value the Company's assets and consider the optimum realisation strategy. Charterfields are chartered surveyors and valuers.

5 3 Charterfields has confirmed that the valuation was prepared by Ian Maycock BSc MRICS, a director of Charterfields who has sufficient knowledge of the particular market and the skill and understanding to undertake the valuation competently

5 4 Charterfields advised that the possibility of concluding a sale of what remained of the business and assets should be considered as a sale of all or part of the business as a going concern would allow the following

- Enhanced asset values,
- The potential of customer continuity and resultant improved debtor realisations, and
- Allow continued employment of the Company's staff, mitigating any redundancy related claims

5 5 Marketing of business

Following discussions and advice from the appointed agents, Charterfields, the business and assets were not routinely marketed for sale. It was advised that the costs associated with marketing the business could not be justified on the basis that the Company had a lack of profitable contracts and limited desirable assets. Charterfields believed that exposing the opportunity to a wider market would have had a detrimental impact on realisations and that the goodwill would have been reduced if we sought to dispose of the assets to an unconnected party. Charterfields were of the opinion that a sale back to the existing management would produce the best possible outcome for creditors.

5 6 Sale of Business

Following on from the above, an offer of £26,000 was received from Stoneleigh Bridge Limited ("the Purchaser") (CRN 08112288), a connected party by way of the association of Balvinder Singh Sangha, who was a director of the Company and David Taylor, who provided funding to the Company.

The purchase was to include any right, title and interest the Company has to

- a) The debt due from the Asia Pacific office,
- b) The goodwill,
- c) The contracts,
- d) The work-in-progress,
- e) The business intellectual property,
- f) The business name,
- g) The personal data, and
- h) Office furniture and equipment

The offer from the Purchaser was in line with the valuation and has taken into consideration the potential TUPE liability for the nine employees that will be transferred.

Following advice from our appointed agents, Charterfields, who had carried out valuations of the Company's tangible and intangible assets, this offer was accepted and the sale of the business and assets was concluded on 3 April 2014.

Following the completion of the pre-packaged sale of the Company's business and assets, the Joint Administrators sent a letter to creditors on 9 April 2014 to provide further information on the sale pursuant to the requirements of Statement of Insolvency Practice 16. A copy of the information provided is attached at Appendix D.

5.7 Assets subject to sale

The assets sold to the Purchaser (to the extent that the Company had a right, title or interest to sell) are summarised below

Asset	£
Rights to inter company debt	1,000
Office furniture and equipment	1,500
Goodwill	23,500
Total	<u>26,000</u>

The sale consideration is due to be paid under the following terms

Date	£
On Completion	4,500
By 3 May 2014	4,500
By 3 June 2014	4,500
By 3 July 2014	4,500
By 3 August 2014	4,500
By 3 September 2014	3,500
Total	<u>26,000</u>

The initial consideration of £4,500 due upon completion has been received as per the terms of the sale agreement and is currently being held by our solicitors, Farleys Solicitors. As part of the sale agreement, full rights have been retained to the assets until payment has been received in full.

5.8 Licence to Occupy

In addition to the sale agreement, it has been agreed that the Purchaser is permitted under licence to use and occupy the premises situated at Office IC1 17, Innovation Centre, Coventry University Technology Park, Puma Way, Coventry CV1 2TT for a period of 3 months.

On 3 April 2014, a license fee of £1,069.02 plus VAT was paid to the Joint Administrators in respect of the full three months period that the Purchaser is licensed to use and occupy the trading premises.

5.9 Debtors

The book value of the Company's outstanding debtors at the date of administration was £44,631.56. Charterfields anticipate that between 60% and 80% of the ledger will be recoverable in administration. As such, it is estimated that between £26,779 and £35,705 is recoverable.

The Purchaser has been engaged to assist the Joint Administrators with the realisation of the book debt ledger with a debt collection fee of 20% payable on all debts collected by them within the first six months of the administration.

It is considered that the assistance of the Purchaser will minimise the disruption to collections resulting in enhanced realisations from the book debt ledger. It is considered that the costs will be significantly below that of a debt collection agents in relation to debts realised together with any associated charges.

It was further agreed with the Purchaser that the collection fee in relation to the debts realised can be set off against any outstanding consideration due in respect of the purchase of the assets detailed above at 5.7.

To date, it is estimated that the director has collected an amount totalling £25,513, although this is subject to formal confirmation

5 10 Professional Advisors Used

On this assignment the Joint Administrators have used the professional advisors listed below

Name of Professional Advisor	Service Provided	Basis of Fees
Farleys Solicitors LLP	Legal advice	Fixed fee
Charterfields Limited	Tangible and Intangible Asset valuation advice	Time costs
Insol Employee Solutions Limited	Employee advice	Fixed fee

Details of this firm's policy regarding the choice of advisors and the basis for their fees are given in Appendix F

6 ACHIEVING THE PURPOSE OF ADMINISTRATION

6 1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives

- (a) rescuing the Company as a going concern, or (if this cannot be achieved),
- (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), or (if (a) and (b) cannot be achieved),
- (c) realising property in order to make a distribution to one or more secured or preferential creditors

6 2 The first objective is not capable of being achieved given the extent of historic liabilities

6 3 The second objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in administration) In the opinion of the Joint Administrators, this objective is likely to be achieved as there is a reasonable prospect of a dividend being available to unsecured creditors which would not have been the case if the Company had been wound up without first being in administration

6 4 The administration has been, and will continue to be, financed by monies received from asset realisations

7 JOINT ADMINISTRATORS' PROPOSALS AND EXIT ROUTE

7 1 The Joint Administrators' Proposals for achieving the objective of administration are attached at Appendix A

7 2 The Joint Administrators have considered the various options available to the Company Based on information currently available, the Joint Administrators consider that realisations may be sufficient to enable a dividend to be paid to unsecured creditors In this situation, on completion of the administration, the Joint Administrators will file a notice with the Registrar of Companies in order that the administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation ("CVL")

- 7.3 The Proposals provide for the appointment of myself and J M Titley as Joint Liquidators. Creditors may nominate a different person to be Liquidator provided that the nomination is made after receipt of the Proposals and before they are approved.

8 EXTENSION OF ADMINISTRATION

- 8.1 The appointment of Administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.

- 8.2 In certain circumstances it may be necessary to extend the Joint Administrators' term of office. In the circumstances of this case, this may be done for a specified period not exceeding six months with the consent of

- unsecured creditors whose debts amount to more than 50% of the Company's unsecured debts, disregarding debts of any creditor who does not respond to an invitation to give or withhold consent.

- 8.3 Creditors will be contacted in due course should an extension be required.

9 PRE-ADMINISTRATION COSTS

- 9.1 Pre-administration costs are defined as

Fees charged and expenses incurred by the Administrator, or another person qualified to act as an insolvency practitioner before the company entered administration (but with a view to its doing so). "Unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered administration.

- 9.2 Pre-appointment fees charged and expenses incurred by the Joint Administrators in the period prior to their appointment are summarised below:

Charged by	Services provided	Total amount charged £	Amount paid £	Amount unpaid £
LCBSG	General insolvency advice to the Company and the negotiation of the sale to the Purchaser	18,444.50	-	18,444.50
Farleys Solicitors LLP	Appointment documentation, drafting sales and purchase agreement and licence to occupy, and general legal advice	3,500.00	-	3,500.00
Charterfields Limited	Asset valuation advice, advice on marketing and optimum strategy for realisation of the assets	1,400.00	-	1,400.00
Insol Employee Solutions Limited	Advice regarding transfer of employees to Purchaser	250.00	-	250.00
		<u>23,594.50</u>	<u>-</u>	<u>23,594.50</u>

9 3 Work undertaken by Leonard Curtis Business Solutions Group ("LCBSG")

In the period prior to administration, LCBSG provided insolvency advice to the Company and carried out an assessment of its financial position with a view to establishing the appropriate insolvency procedure for the Company

The Joint Administrators evaluated the Company's financial position and advised that unless a significant injection of capital was introduced in the short term, in order to alleviate creditor pressure, the director would have to consider whether trading could continue given the insolvent position of the Company

Subsequently, it was advised that administration was the most suitable form of insolvency and LCBSG assisted with formulating an administration strategy. The work undertaken included was not limited to

- Liaising with Solicitors regarding the drafting of the appropriate appointment documentation,
- Monitoring the position of any enforcement action by the Company's creditors,
- Discussing the requirements to undertake a distressed sale of the business and reviewing the appropriate options should a going concern sale not be achieved, and
- Consideration of the optimal insolvency process to maximise asset realisations for the benefit of creditors

A summary of LCBSG pre-appointment time costs is included at Appendix E

9 4 Work undertaken by Charterfields Limited ("Charterfields")

Charterfields was instructed to provide a valuation of all of the Company's chattel assets, book debts, goodwill and intellectual property rights in addition to providing advice on marketing and a sale of the Company's business and assets. The work carried out included

- Providing a formal report, inventory and valuation of the Company's assets,
- Advise in regard to marketing of the business and assets, and
- Negotiation with the Purchaser

9 5 Work undertaken by Farleys Solicitors LLP ("Farleys")

Following the decision to place the Company into administration, costs were incurred by Farleys in dealing with the formalities associated with placing the Company into administration, which included

- Initial discussions with the proposed Joint Administrators,
- Drafting the appointment documentation and serving the relevant parties with the same,
- Drafting the sale of business documentation, and
- Drafting a licence to occupy the Company's trading premises

9 6 Work conducted by Insol Employee Solutions Limited ("Insol")

Insol was instructed to provide advice on the TUPE transfer of the Company's employees to the Purchaser. This included calculating the employee liability the Purchaser was undertaking by taking on the Company's employees

9 7 The payment of unpaid pre-administration costs (set out above) as an expense of the administration is subject to the approval of creditors, separately to the approval of the Joint Administrators' Proposals. This approval will be the responsibility of the Creditors' Committee if one is appointed or alternatively by resolution of a meeting of creditors

10 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

- 10 1 Included within the resolutions to be considered on 30 April 2014, is a resolution which asks the general body of creditors to determine the basis upon which the remuneration of the Joint Administrators is fixed
- 10 2 The remuneration of the Joint Administrators may be fixed either as a percentage of the value of the property with which they have to deal, as a set amount or by reference to the time spent. In this case the Joint Administrators are requesting creditors to agree to the latter
- 10 3 The Joint Administrators post appointment time costs have not yet been updated from 4 April 2014. At that date, time costs of £438 had been incurred which represents 1.2 hours at a rate of £365 per hour. A summary of those time costs is provided at Appendix F below. It is estimated that additional time costs totalling £5,066.50 have been incurred since 4 April 2014.
- 10 4 Further details of my firm's charge-out rates and policy regarding the recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix G. Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which may be downloaded from <http://www.leonardcurtis.co.uk/resources/creditorsguides>. If you would prefer this to be sent to you in hard copy please contact Carl Lever of this office on 01772 646180.
- 10 5 The Joint Administrators also require approval in respect of the basis upon which they recharge internal disbursements that include an element of allocated costs. These are known as Category 2 costs and the basis of the calculation of their recharge is also detailed in Appendix E. Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as a "category 1 disbursement". Category 1 disbursements will generally comprise items such as case advertising and travel costs. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and storage of company records.
- 10 6 Summarised below are Category 1 and 2 disbursements incurred on the case since appointment.

Category 1 disbursements

Charged by	Services provided	Total amount paid by LCBSG £	Amount recovered from case £	Amount still to be recovered from case £
Business Tax Centre	Money Laundering ID Check	190.00	-	190.00
Companies House	Company searches	11.00	-	11.00
TOTAL		201.00	-	201.00

Category 2 disbursements

No category 2 disbursements have been incurred to date.

11 ANTICIPATED OUTCOME AND RELEASE OF ADMINISTRATORS FROM LIABILITY

- 11 1 It is considered likely that there will be a return to the Company's unsecured creditors in this instance although the extent of any return is dependant upon the outcome of book debt collections and the discharge of the costs associated with the administration.

- 11.2 As soon as all outstanding matters in the administration have been attended to it is anticipated that we will file a notice with the Registrar of Companies in order that the administration will cease and the Company will move automatically to Creditors' Voluntary Liquidation. Alternatively, if appropriate, the Joint Administrators may apply to Court under Paragraph 65 of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the administration.
- 11.3 On the registration of the relevant notice with the Registrar of Companies, the administration and the appointment of the Joint Administrators will automatically cease.
- 11.4 It is for the creditors to fix the date upon which we are discharged from liability in respect of any action of ours during the administration and Form 2.25B at Appendix H contains a resolution that we be discharged from liability immediately upon our appointment ceasing to have effect.

12 VOTING PROCEDURE AND CONCLUSION

- 12.1 It is important that you give careful attention to this report and its Appendices.
- 12.2 As we are seeking approval to the Joint Administrators' proposals and certain resolutions by correspondence, in order for your vote to count you should complete and return Form 2.25B (attached at Appendix H) by the deadline of 30 April 2014 or your vote will be disregarded, as will any forms returned after the closing date. All forms should be accompanied by a statement of claim. A claim form has been attached at Appendix I for your use.
- 12.3 Creditors will be notified of the outcome of voting in due course.

Should you have any queries or require any further clarification please contact Carl Lever at my office, in writing. Electronic communications should also include a full postal address.

Yours faithfully
for and on behalf of
ROCKPOOLS PEOPLE & PERFORMANCE LIMITED



M.J. COLMAN
Joint Administrator

Licensed in the UK by Institute of Chartered Accountants in England and Wales

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS

It is proposed 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 statutory purposes of the Administration
- 2 If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company
- 3 If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors Voluntary Liquidation. It is further proposed that M J Colman and/or J M Titley be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved
- 4 Alternatively, if appropriate, the Joint Administrators apply to Court under Para 65 (3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration
- 5 In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved
- 6 The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company
- 7 The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that M J Colman and/or J M Titley be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them
- 8 The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration

ESTIMATED FINANCIAL POSITION AS AT 3 APRIL 2014

	Notes	Book value £	In Administration £
Assets not specifically pledged			
Book Debts	1	44,632	35,705
Debt due from Asia Pacific office	2	110,269	1,000
Goodwill and other Intangible assets	3	-	23,500
Office Furniture and Equipment	4	10,567	1,500
		<u>165,468</u>	<u>61,705</u>
Preferential creditors	5	-	-
Net property available for prescribed part		<u>165,468</u>	<u>61,705</u>
Prescribed part fund available	6	N/a	N/a
Available for unsecured creditors		<u>165,468</u>	<u>61,705</u>
Unsecured creditors			
H M Revenue & Customs – PAYE / NI (est)	7	(60,577)	(60,577)
H M Revenue & Customs - VAT (est)	7	(15,121)	(15,121)
Director's deferred remuneration and pension cont (est)	8	(105,017)	(105,017)
Connected Creditors (est)	9	(75,440)	(75,440)
Trade and expense creditors (est)	10	(20,111)	(20,111)
Total value of unsecured creditors		<u>(276,266)</u>	<u>(276,266)</u>
Estimated deficiency as regards unsecured creditors		<u>(110,798)</u>	<u>(214,561)</u>

NOTES TO THE ESTIMATED FINANCIAL POSITION

All book values have been taken from the Company's latest financial information or from valuations obtained upon administration by independent valuers. It should be noted that no provision has been made for the costs and expenses of the administration.

1 Book Debts

The book value of the Company's outstanding debtors at the date of administration was £44,631.56. Charterfields anticipate that between 60% and 80% of the ledger is recoverable in administration. As such, it is estimated that between £26,779 and £35,705 will be recoverable.

The Purchaser has been instructed to assist in the debt collection exercise in order to maximise realisations from debtors.

It is estimated that the director has to date collected an amount of £26,513, although is subject to further reconciliation.

2. Debt due from Asia Pacific office

There is one debt owed to the business which is in relation to the Asia Pacific office. This amounts to £110,269.45.

As the Asia Pacific business is no longer in operation, Charterfields advised that it was highly unlikely that this debt will be recovered without legal action, which could incur significant costs.

As the debt has been outstanding since December 2012, Charterfields anticipated that the chances of a successful recovery were minimal and as such attributed a value of £1,000 to this debt.

3. Goodwill and other intangible assets

No book value was attributed to these assets in the Company's latest filed accounts.

Charterfields conducted a review of these assets and provided an estimated realisable value of £23,500 which was in line with the offer received from the Purchaser.

4 Office Furniture and Equipment

The book value of the Company's office furniture and equipment was extracted from the Company's accounts for the year ended 31 December 2012, with no provisions for depreciation being applied since that date.

Charterfields conducted a valuation of the Company's office furniture and equipment, based on information provided by the director. Charterfields attributed open market and forced sale values of £1,500 and £1,000 respectively to this category of asset.

The Purchaser's offer included a value of £1,500 to be allocated to this category of asset, which was recommended for acceptance by Charterfields as this offer was in line with their valuation.

5. Preferential Creditors

The sale and purchase agreement provided for the transfer of employee contracts to the Purchaser. Accordingly, a preferential claim in respect of arrears of wages and outstanding holiday pay is not anticipated in this case.

6. Prescribed Part Fund

As there are no secured creditors in this instance, there is no requirement to set aside a prescribed part fund for the benefit of unsecured creditors.

7. HM Revenue & Customs

The claims for HMRC in respect of PAYE/Ni and VAT have been extracted from the Company's records and are subject to change following receipt of HMRC's formal claim in the Administration.

8. Director's deferred remuneration and pension contributions

The director of the company deferred payment of his remuneration and pension contributions in order to assist the Company's cash flow position. The figure included has been extracted from the Company's records and will be confirmed following receipt of a formal claim.

9. Connected Creditors

Details of the connected creditors have been extracted from the Company's books and records as provided by the directors. The amounts shown should not be regarded as agreed.

10. Trade and Expense creditors

Trade and expense claims have been extracted from the Company's records and should not be considered to be agreed amounts.

The Company's last set of statutory accounts as at 31 December 2012, detail that the Company was indebted to a group undertaking for the amount of £493,350. From information provided by the director to date, this amount has not been included in the Company's creditors list and is subject to further reconciliation during the administration period.

APPENDIX B (continued)

CREDITORS LIST FOR ESTIMATED FINANCIAL POSITION

TRADE & EXPENSE CREDITORS

Name	Type	Address --		Per Estimated Financial Position £
BK Insurance	U	1 Pampisford Road	Surrey	CR8 2NG 3,176 04
Mirani De Silva	U	38 Roosevelt Drive	Coventry	CV4 9LP 900 00
Baljit Dhadda	U	14 Ethelfield Road	Stoke	CV2 4BW 52 80
Mohan Yogendran	U	10 Woodend Gardens	Enfield	EN2 7NE 371 20
David Taylor	U	2 Admiral Court	45 Blandford Street	London SW1P 1JW 1 00
Nancy Scott	U	Woodcrest	47 Hollow Lane	Hitchin SG4 9SB 1 00
Elizabeth Holderness	U	6 Ashlyns Court	Berkhamsted	Herts HP4 3BU 1 00
Sarah Palmer	U	101 Montagu Mansions	Marleybone	London W1U 6LF 1 00
Richard Pooley	U	Firtree Cottage	2a Clive Road	Esher KT10 8PS 1 00
Eugenie Turton	U	16 Rouse Gardens	Alleyn Park	London SE21 8AF 1 00
Tarsem Sangha	U	Bridge Cottage	Coventry Road	Stoneleigh CV8 3BY 1 00
C.F. Corporate Finance Limited	U	Capital House	Raynham Road	Bishop's Stortford Hertfordshire CM23 5TT

Rockpools People & Performance Limited - In Administration

Safestore Limited	U	Unit 1	Cyan Business Park	Phoenix Way	Coventry	CV2 4QP	1 00
Pure Technology (UK) Limited	U	7 The Axis Centre	Cleeve Road	Leatherhead	Surrey	KT22 7RD	1 00
Bis-Web Ltd	U	Commerce House	Telford Road	Bicester	Oxfordshire	OX26 4LD	1 00
HM Revenue & Customs	U	DMB Campaign	DMB 422			BX5 5AB	60,577 20
LinkedIn Ireland Limited	U	Gardner House	Wilton Place	Dublin 2	Ireland		15,600 00
HM Revenue & Customs	U	Debt Management and Banking	Debt Technical Office	HMRC	DMB 420	BX5 5AB	15,120 85
							95,809.09

DIRECTORS DEFERRED CONSIDERATION & PENSION CONTRIBUTIONS

Name	Type	Address --					Per Estimated Financial Position £
Balvinder Singh Sangha	U	Bridge Cottage	Coventry Road	Stoneleigh		CV8 3BY	105,017 00
							105,017 00

CONNECTED CREDITORS

Name	Type	Address --					Per Estimated Financial Position £
Tardis Group London	U	Afon Building	Worthing Road	Horsham		RH12 1TL	44,983 80
David Taylor Partnership	U	88 Fishergate	Preston	Lancashire		PR1 8JD	4,489 21
Tardis Group PTY Ltd	U	Level 19	2 Market Street	Sydney	NSW 2000	Australia	25,967 48
							75,440 49

APPENDIX C

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS FROM
3 APRIL 2014 TO 14 APRIL 2014

	Statement of Affairs £	Received to date £
RECEIPTS		
None		-
		-
		-
PAYMENTS		
None		-
		-
		-
BALANCE IN HAND		-
		-
Funds held by Farleys		5,782 82
Collected by the director		26,513 00
		32,295 82

Please note A total of £5,782 82 is currently held by Farleys in respect of the initial consideration for the purchase of the Company's assets and the monies due in respect of the licence to occupy. The director has also verbally advised that he is holding an amount of c£26,513 in respect of book debt receipts.

INFORMATION REGARDING THE PRE-PACKAGED SALE OF THE BUSINESS AND ASSETS OF
ROCKPOOLS PEOPLE & PERFORMANCE LIMITED

1 INITIAL INTRODUCTION

1.1 The Company was introduced to Leonard Curtis Business Solutions Group ("LCBSG") on 8 January 2014 by David Barrow of David Taylor Partnerships Limited ("DTP"), at a meeting held at 88 Fishergate Hill, Preston, Lancashire PR1 8JD

1.2 It is understood that DTP has introduced capital into the Company and is considered an investor

1.3 We do not believe that there are any significant personal or professional relationships between the Company or its director and LCBSG, and we confirm that we have carried out the appropriate conflict review prior to accepting the appointment

2 PRE-APPOINTMENT CONSIDERATIONS

2.1 The extent of the Joint Administrators' involvement prior to the appointment

Following our formal engagement on 25 February 2014, we wrote to the director of the Company informing him that our role before any formal appointment would involve providing the following services

- i) advising him on which insolvency process would be most appropriate for the Company,
- ii) dealing with all formalities relating to the appointment of Administrators including giving appropriate notification of the intention to make such appointment to secured creditors and other parties entitled to receive notice,
- iii) preparing any report(s) necessary and attending Court hearings if appropriate,
- iv) advising them on the financial control and supervision of the business between the date of our engagement and the date of the appointment of Administrators, and
- v) advising them on whether an early sale of the Company's business and trading assets would be likely to be in the interests of creditors

We made it clear that these services were to be given for the benefit of the creditors of the Company and that our role was not to advise the director in his personal capacity. We recommended that he seek his own independent advice if he was uncertain on any matter, particularly if he had expressed, or was likely to express, an interest in purchasing the Company's business and trading assets

2.2 Background of Company

The Company was incorporated on 24 August 2004 and began trading from its inception. The Company's sole director is Balvinder Singh Sangha

The Company's authorised share capital is £1,000,000. The issued share capital comprises 1,000,000 ordinary class £1 shares granted to Tardis Public Sector Limited (CRN 07066488). The directors of this company are Balvinder Singh Sangha and David Taylor.

The Company's registered office is 99-105 Stanstead Road, London SE23 1HH. The Company operated with nine members of staff from its trading premises situated at Office ICI 17, Innovation Centre, Coventry University Technology Park, Puma Way, Coventry, West Midlands CV1 2TT. It is understood the premises are occupied by the Company on a leasehold basis with rent payable of £2,854.50 per annum.

The principal trading activity of the Company is that of a specialist recruitment consultant.

The Company was formed in order to provide senior level recruitment services. This included various directorships and similar positions. The Company aimed to provide a flexible recruitment service to key markets in the commercial, public and not for profit sectors. Previously, the business has been involved in the recruitment of candidates to fulfil public service positions such as senior members of the Olympic Committee and the previously formed Parliamentary Standards Committee serving the Government.

The Company relied heavily on the personal and professional relationships of its staff and employees within the profession. Many instructions are received as a consequence of previous involvement in placing candidates.

In recent years, the business expanded and the Company diversified beyond its recruitment services to provide a number of complementary functions that included management consulting, leadership and talent development, career counselling, interim solutions, governance and board effectiveness.

The Company also attempted to expand its operations by establishing a presence in the Asia Pacific market. An office was established in Sydney, Australia which involved an investment of over £100,000.

2.3 Events leading to demise

It is understood that the Company traded successfully from its inception, although suffered significantly as a result of the lack of demand in the job market caused by the economic downturn. This meant that there had been a reduction in clients seeking to recruit. In addition, the Company had a very high cost base, both in terms of employees and the marketing required to pursue potential candidates.

The Company's venture into the Asia Pacific market has also been without success. It is understood that the individual who was contracted to run the overseas operation has recently left without notice, taking information related to key contacts in that area with them. At present, the Asia Pacific office has ceased trading, although it is believed to still be incurring substantial costs.

The cumulative effects of the points raised above have led to a marked effect on the Company's overall trading results over the past three years. The Company has reported a £252,920 loss for the year ended 31 December 2011, compared to the results for the previous year which shows the Company made profits totalling £1,159,899. Furthermore, despite the Company recording a 70% increase in turnover for the period ended 31 December 2012 (compared to the results for the previous year) the Company has still operated at an overall deficit of £97,088.

The financial results for the Company are summarised below

PROFIT AND LOSS ACCOUNT	Signed accounts year ended 31 December 2012	Signed accounts year ended 31 December 2011	Signed accounts year ended 31 May 2010
	£	£	£
Turnover	1,483,970	872,392	1,315,059
Cost of sales	(556,609)	(150,078)	(114,527)
Gross Profit	927,361	722,314	1,200,532
Administrative expenses	(1,024,449)	(980,813)	(1,308,261)
Other operating income	-	5,579	1,292,936
Operating Loss/Profit	(97,088)	(252,920)	1,185,207
Loss/Profit on ordinary activities before taxation	(97,088)	(252,920)	1,185,207
Tax on loss on ordinary activities	-	-	(25,308)
Loss/Profit for the year	(97,088)	(252,920)	1,159,899

Note It is understood the Company did not prepare management accounts. In addition, no further financial statements have been provided.

Since the economic downturn, the Company has been unable to trade consistently and has faced increased competition for new contracts in a saturated market. This, accompanied by the increase in costs, has impacted further on the Company's profit position. As a result, the Company began to experience significant cashflow difficulties. This resulted in increased creditor pressure, particularly from HM Revenue & Customs ("HMRC") for arrears in PAYE/NI and VAT.

The Company is further indebted to the director, Balvinder Singh Sangha, in terms of deferred payments and pension contributions.

The director first sought advice from David Barrow of David Taylor Partnerships Limited, and subsequently sought advice from Leonard Curtis Business Solutions Group ("LCBSG") in relation to the options available to best protect the Company and its creditors. This resulted in a meeting held at 88 Fishergate Hill, Preston, Lancashire PR1 8JD on 8 January 2014.

An assessment of the Company's financial position was undertaken by LCBSG on 27 January 2014. Further discussions took place with the Company on 31 January 2014, 11 February 2014 and 7 March 2014. It is understood during the period prior to the discussions the Company had explored a number of different options as regards ascertaining additional funding for the business. It is understood that the Company's majority shareholder was not prepared to invest further in the Company.

It was clear that in its current form, the Company was insolvent by statutory definition as it was unable to discharge its debts as and when they fell due. LCBSG advised that unless the business could secure additional funding in the short term, the director would have to consider whether trading should continue given the insolvent position of the Company.

On 11 March 2014, a Notice of Intention to appoint my partner, J M Titley and I as Joint Administrators of the Company was signed by the director and filed in The High Court of Justice, Chancery Division, Manchester District Registry on the same day. This afforded the Company an interim moratorium which gave the Company protection from enforcement proceedings.

On 25 March 2014, a further Notice of Intention to Appoint my partner, J M Titley and I as Joint Administrators of the Company was signed by the director and filed in The High Court of Justice, Chancery Division, Manchester District Registry on the same day. The second notice was due to the prospective purchaser not being in a position to put in place all the necessary documentation within the timescale concerned.

On 3 April 2014, a Notice of Appointment appointing my partner, J M Titley and I as Joint Administrators of the Company was filed at the High Court of Justice, Chancery Division, Manchester District Registry, by the director of the Company pursuant to Paragraph 22 of Schedule B1 of the Insolvency Act 1986.

2.4 Alternative courses of action considered by the Administrator

The following courses of alternative action were considered with management prior to our appointment and the pre-packaged sale.

(i) Company Voluntary Arrangement ("CVA")

The director could have put forward a proposal to the Company's creditors for the implementation of a CVA. However, this was unlikely to be a viable option for the Company as there was no immediate source of funding available to enable a CVA to be proposed to creditors.

This course of action would have failed to provide immediate protection to the Company from its creditors. It is understood that enforcement action and winding up proceedings were imminent from HM Revenue & Customs due to a failure to discharge arrears in PAYE/NI and VAT.

(ii) Administrative Receiver

As there is no floating chargeholder, this was not considered as an option.

(iii) Liquidation

The directors could have initiated the liquidation of the Company on a voluntary basis ("CVL") or a creditor could seek a Winding-up Order against the Company to place it into compulsory liquidation.

Should the Company have been placed into liquidation, it would have likely resulted in reduced asset realisations and diminish any attributable value to the goodwill associated with the business. Liquidation would have also likely resulted in the redundancy of all of the Company's staff, resulting in the loss of all nine jobs.

(iv) Administration

It was considered that administration would prevent any creditor actions being taken against the Company, protecting asset realisations. Furthermore, administration would allow for a going concern sale of the Company's business and assets to be concluded.

An administration would allow for a sale of the business and assets to be negotiated which would result in improved net realisations and therefore benefit the overall creditor position.

It was considered that a pre-packaged sale would allow the following

- The continuity of service would minimise the disruption to customers and also reduce the costs of the administration process by removing the need for on-going trading in administration, ultimately providing a better result for creditors,
- Preservation of employment of staff All nine of the Company's employees have been transferred to the Purchaser under the relevant TUPE regulations, resulting in the mitigation of the employee claims totalling approximately £26,998, and
- Preservation of the goodwill of the Company The Company's current management are considered fundamental for the continuity of the Company's customer relationships. A sale of this manner would allow preservation of the relationships enhancing the value of goodwill in any proposed sale

2.5 Whether efforts were made to consult with major creditors and the outcome of any consultations

Following the initial meeting with the director on 8 January 2014, it was understood that the director, Balvinder Singh Sangha and David Taylor (shareholder of Tardis Public Sector Limited) were the principal creditors of the Company together with HM Revenue & Customs

It was considered, due to increasing creditor pressure that consultation with the remaining general unsecured creditors was not appropriate. It was considered that to do so could result in immediate enforcement action, which would have had an adverse impact on the likelihood of a going concern sale being achieved and may have put the Company's assets at significant risk

2.6 Why it was not appropriate to trade the business, and offer it for sale as a going concern, during the Administration

Trading whilst in administration is not considered viable for the following reasons

- On-going trading with no guarantee of a purchaser being found could have a significant adverse impact on the position of creditors,
- Trading the business would not guarantee an improved offer for the assets and may, conversely devalue the realisable value of the assets, in particular goodwill,
- Trading the business would result in increased professional costs in addition to overheads associated with trading. These costs would be paid as an expense of the administration. The proposed Administrators, on the recommendation of their appointed agents, did not consider that trading the Company would result in enhanced realisations sufficient to outweigh the costs associated with trading, and
- It was considered likely that trading the Company would result in less funds being available to creditors. To date, it is estimated that the total amount outstanding to creditors amounts to £276,255.58

2.7 Details of requests made to potential funders to fund working capital requirements

It is understood the director approached a number of private sources with regard to obtaining additional funding. Given the level of declining turnover and financial performance over the past three years, it is understood from the director that there was no prospect of any further funding.

2.8 Details of registered charges and dates of creation

According to the information held at Companies House, the Company does not have any unsatisfied charges registered against it.

2.9 Details of any acquisition of business assets from an insolvency practitioner

As far as the Joint Administrators are aware, the business and/or business assets of the Company were not acquired from an insolvency practitioner within the 24 months prior to our appointment.

3 MARKETING OF THE BUSINESS AND ASSETS

Following discussions and advice from the appointed agents, Charterfields Limited ("Charterfields"), the business and assets were not routinely marketed for sale. It was advised that the costs associated with marketing the business could not be justified on the basis that the Company has a lack of profitable contracts and limited desirable assets. Charterfields believed that exposing the opportunity to a wider market would have a detrimental impact on realisations and that the goodwill would have been reduced if we sought to dispose of the assets to an unconnected party. Charterfields were of the opinion that a sale back to the existing management would produce the best possible outcome for creditors.

An offer of £26,000 was received from Stoneleigh Bridge Limited ("the Purchaser"), a connected party by way of the association of Balvinder Singh Sangha and David Taylor.

The purchase was to include any right, title and interest the Company has to

- a) The inter-company debt due from the Asia Pacific office,
- b) The goodwill,
- c) The contracts,
- d) The work-in-progress,
- e) The business intellectual property,
- f) The business name,
- g) The personal data, and
- h) Office furniture and equipment.

The offer from the Purchaser was in line with the valuation and has taken into consideration the potential TUPE liability for the nine employees that will be transferred.

4 VALUATION OF THE BUSINESS AND ASSETS

4.1 Details of valuers/advisors

All assets of the Company have been inspected by independent agent and valuer, Ian Maycock BSc MRICS of Charterfields. Charterfields are chartered surveyors and valuers. Charterfields was formally instructed in this matter on 10 March 2014. Charterfields have confirmed their independence.

Charterfields first contacted the Company director on 12 March 2014 to ascertain information of the Company's assets and to prepare an inventory. Please find below the valuations obtained from Charterfields in respect of the business and the underlying assets.

4.2 The valuations obtained of the business or the underlying assets

Category of asset	Note	Book value £	High value £	Low value £	Value Achieved
Inter company debt	1	110,269	1,000	-	1,000
Goodwill	2	-	23,500	-	23,500
Office Furniture & Equipment	3	10,567	1,500	1,000	1,500
TOTAL		120,836	26,000	1,000	26,000

Note – In addition to the above, the Company had book debts. Charterfields provided a valuation of the book debts with an estimated to realise value of between £35,690 and £26,767. The Purchaser has been engaged to assist the Administrators with the realisation of the book debt ledger on a debt collection fee of 20% for all debt collections within the first six months of the administration. The assistance of the Purchaser will minimise the disruption with book debt collections resulting in enhanced realisations of the book debt ledger and it is considered that the costs will be significantly below that of debt collection agents and any associated charges.

It was further agreed with the Purchaser that the collection fee can be set off against any outstanding consideration due in respect of the purchase of the assets detailed below.

4.3 A summary of the basis of valuation adopted and an explanation of the sale of the assets compared to those valuations

1 Inter Company Debt

There is one debt owed to the business which is in relation to the Asia Pacific office. This amounts to £110,269.45.

As the Asia Pacific business is no longer in operation, Charterfields advised that it was highly unlikely that this debt will be recovered without substantial legal action, which could incur significant costs.

As the debt has been outstanding since December 2012, Charterfields anticipated that the chances of a successful recovery, particularly due to the geographical location were minimal and as such attributed a value of £1,000 to this debt.

The Purchaser's offer included a value of £1,000 to be allocated to the assignment of this debt, which was recommended for acceptance by Charterfields as this offer was in line with their valuation.

2 Goodwill

No book value was allocated to this category of asset in the last available accounts for the Company.

Charterfields valued the goodwill attributed to the business based on the previous financial performance of the Company and the potential for the business following an insolvency procedure. Charterfields were advised by the current director that it is anticipated that the Company will achieve a turnover going forward in the first year of between £600,000 and £700,000. The director advised that this was anticipated to produce a net profit margin of around £30,000.

Charterfields were of the opinion that the value of the goodwill in this instance would be around 80% of the first year's profit. As such, Charterfields advised that a value of £23,500 could be achieved through a sale of the business to the director or the incumbent management team.

The Purchaser's offer included a value of £23,500 to be allocated to this category of asset, which was recommended for acceptance by Charterfields on the basis that the goodwill in this business was intrinsically linked to the employees and without the employees, the business would lose its client base and therefore its goodwill.

3 Office Furniture & Equipment

The book value of the Company's office furniture and equipment was extracted from the Company's accounts for the year ended 31 December 2012, with no provisions for depreciation being applied since that date.

Charterfields conducted a valuation of the Company's office furniture and equipment, based on information provided by the director. Charterfields attributed open market and forced sale values of £1,500 and £1,000 respectively to this category of asset.

The Purchaser's offer included a value of £1,500 to be allocated to this category of asset, which was recommended for acceptance by Charterfields as this offer was in line with their valuation.

5 THE TRANSACTION

A sale of the Company's business and assets was concluded on 3 April 2014, immediately following the appointment of my partner, J M Titley and I as Joint Administrators. The Company's business and assets were sold to Stoneleigh Bridge Limited (CRN 08812288) ("the Purchaser") for a total of £26,000.

The Purchaser is a connected party by way of the association of both Balvinder Singh Sangha and David Taylor who we understand will be involved with the management of the Purchaser.

The sale is not part of a wider transaction and no further clauses are included as part of the agreement. There are no options, buy back agreements or other conditions attached to the agreement.

Details of the assets sold were as follows:

Category of Asset	£
Goodwill	23,500
Office Furniture & Equipment	1,500
Rights to inter company debt	1,000
Total	<u>26,000</u>

The total sales consideration of £26,000 was to be paid as follows:

Payment date	£
On completion on 3 April 2014	4,500
On or before 3 May 2014	4,500
On or before 3 June 2014	4,500
On or before 3 June 2014	4,500
On or before 3 July 2014	4,500
On or before 3 August 2014	3,500
	<hr/> 26,000

The initial consideration of £4,500 has been received and is currently held by Farleys Solicitors LLP ("Farleys"). Farleys were instructed by the Joint Administrators to advise on their appointment and the sale of the business and assets to the Purchaser

As part of the sale agreements, full rights will be retained to the assets, until payment has been received in full. The deferred consideration is to be paid in full prior to 2 August 2014

Licence to Occupy

In addition to the sale agreement, it has been agreed that the Purchaser is permitted under licence to use and occupy the premises situated at Office ICI 17, Innovation Centre, Coventry University Technology Park, Puma Way, Coventry CV1 2TT for a period of 3 months. On 3 April 2014, a licence fee of £1,069.02 plus VAT was paid to the Joint Administrators in respect of the full three months period that the Purchaser is licenced to occupy the trading premises

6 STATUTORY PURPOSE OF ADMINISTRATION

6.1 The Joint Administrators must perform their functions with the objective of

- (a) Rescuing the Company as a going concern, or (if this cannot be achieved)
- (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), or (if (a) and (b) cannot be achieved)
- (c) Realising property in order to make a distribution to one or more secured or preferential creditors

6.2 As mentioned previously, we are obliged to perform our functions in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors, we have a duty not to unnecessarily harm the interests of the creditors as a whole

6.3 In this instance a pre-packaged sale has achieved 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). A pre-packaged sale of the Company's business and assets has enabled enhanced asset realisations, particularly in respect of the Company's goodwill, which will enable a distribution to the Company's unsecured creditors

6.4 We confirm that, in our opinion, the transaction will enable the statutory purpose to be achieved and that the sale price achieved was the best reasonably obtainable in all the circumstances

SUMMARY OF LCB SG PRE-APPOINTMENT TIME COSTS

	Director		Manager 1		Administrator 1		Administrator 3		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Appointment	-	-	4	146 00	-	-	-	-	4	146 00	365 00
Financial assessment	14	630 00	53	1,934 50	-	-	-	-	67	2,564 50	382 76
Strategy & purpose evaluation	43	1,935 00	92	3,358 00	30	780 00	91	1,911 00	256	7,984 00	311 88
Preparation of documents	31	1,395 00	34	1,241 00	21	546 00	191	4,011 00	277	7,193 00	259 68
Court related issues	4	180 00	4	146 00	-	-	11	231 00	19	557 00	293 16
Total	92	4,140 00	187	6,825 50	51	1,326 00	293	6,153 00	623	18,444 50	
Average Hourly Rate (£)		450 00		365 00		260 00		210 00		296 06	

All Units are 6 minutes

DETAILED ANALYSIS OF TIME SPENT

Appointment

Time was spent reviewing the appointment documents and having the director sign under a commission of oath

Financial Assessment

This involved liaising with the director and the David Taylor Partnership to understand the Company's financial position and to determine that administration was the most favourable strategy for the Company and its creditors

Strategy & purpose evaluation

A significant amount of time was spent planning the course of the administration and the best strategy to maximise realisations. Time was also spent liaising with Charterfields, Insol and Farleys in this regard. This included negotiating with the Purchaser as regards a sale of the business and assets of the Company and obtaining two Notice of Intention to Appoint an Administrator documents to facilitate the sale.

Preparation of documents

This involved instructing solicitors, Farley s to produce the relevant documentation and assisting the director in completing the documents. A significant amount of time was also spent reviewing the sales and purchase agreement of the pre-packaged sale.

Court related issues

This involved filing two Notice of Intention to Appoint Administrators prior to the appointment. This also involved obtaining consent from the Joint Administrators to the appointment.

APPENDIX F

SUMMARY OF JOINT ADMINISTRATORS TIME COSTS FROM 3 APRIL 2014 TO 4 APRIL 2014

	Director		Manager 1		Administrator 1		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Appointment	-	-	4	146 00	-	-	4	146 00	365 00
Preparation of documents	-	-	8	292 00	-	-	8	292 00	365 00
Total	-	-	12	438 00	-	-	12	438 00	
Average Hourly Rate (£)	-	-		365 00		-		365 00	

All Units are 6 minutes

Please note it is estimated that additional time costs totalling £5,066 50 have been incurred since 4 April 2014 LCBSG time costs system has not yet been updated to represent these additional costs at the date of this report

LCBSG CHARGE OUT RATES AND POLICY REGARDING STAFF ALLOCATION, SUPPORT STAFF, THE USE OF SUBCONTRACTORS AND THE RECHARGE OF DISBURSEMENTS

The following information relating to the policy of LCBSG is considered to be relevant to creditors

Staff Allocation and Support Staff

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution of the secured creditors, a creditors' committee or creditors generally, that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters arising in the appointment, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

With effect from 6 January 2014 the following hourly charge out rates apply to all assignments undertaken by LCBSG

With effect from 6 Jan 2014	Standard £	Complex £	1 Jan 2012 to 5 Jan 2014	Standard £	Complex £
Director	450	562	Director	425	531
Senior Manager	410	512	Senior Manager	385	481
Manager 1	365	456	Manager 1	330	412
Manager 2	320	400	Manager 2	285	356
Administrator 1	260	325	Administrator 1	230	287
Administrator 2	230	287	Administrator 2	210	262
Administrator 3	210	262	Administrator 3	190	237
Administrator 4	150	187	Administrator 4	135	168
Support	0	0	Support	0	0

Subcontractors

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holders or their staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Disbursements

- Category 1 disbursements. These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- Category 2 disbursements. These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£66.09 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

FORM 2.20B – NOTICE OF A MEETING OF CREDITORS BY CORRESPONDENCE

Notice of a meeting of creditors

Name of Company

ROCKPOOLS PEOPLE & PERFORMANCE LIMITED

Company number

05213104

In the High Court of Justice, Chancery Division
Manchester District RegistryCourt case number
2403 of 2014(a) Insert full name(s) and
address(es) of
administrator(s)

Notice is hereby given by (a) M J Colman & J M Titley of Leonard Curtis

20 Roundhouse Court, South Rings Business Park, Bamber Bridge, Preston PR5 6DA

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

that, under paragraph 58 of Schedule B1 of the Insolvency Act 1986 and Rule 2 48 of the Insolvency Rules 1986, the

business of an Initial Creditors' Meeting of (b) ROCKPOOLS PEOPLE & PERFORMANCE LIMITED,

99-105 Stanstead Road London SE23 1HH

will be conducted by correspondence

The resolutions to be considered include resolutions specifying the bases upon which the Administrators' remuneration and disbursements are to be calculated, requesting that unpaid pre-administration costs may be paid as an expense of the Administration, and specifying the date upon which the Administrators are discharged from liability in respect of any action of theirs as Administrators

The closing date for receipt of Forms 2 25B by the Joint Administrators is 30 April 2014. The form must be accompanied by a statement of claim, if one has not already been lodged, and sent to the Joint Administrators' office

Any creditor who has not received Form 2 25B can obtain one from the Joint Administrators' office

Signed


M J Colman - Joint Administrator

Dated

14/4/14

* Delete as applicable

A copy of the *proposals / ~~revised proposals~~ is attached

FORM 2 25B – NOTICE OF CONDUCT OF BUSINESS BY CORRESPONDENCE

Notice of conduct of business by correspondence

Name of Company
ROCKPOOLS PEOPLE & PERFORMANCE LIMITED

Company number
05213104

In the High Court of Justice, Chancery Division
Manchester District Registry

Court case number
2403 of 2014

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

Notice is hereby given by (a) M J Colman & J M Titley of Leonard Curtis

20 Roundhouse Court, South Rings Business Park, Bamber Bridge, Preston PR5 6DA

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

to the creditors of (b) ROCKPOOLS PEOPLE & PERFORMANCE LIMITED, 99-105 Stanstead Road, London,

SE23 1HH

(c) Insert number of
resolutions enclosed

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are (c) Four
resolutions for your consideration Please indicate below whether you are in favour or against each resolution

This form must be received at (d) Leonard Curtis

(d) Insert address to which
form is to be delivered

20 Roundhouse Court, South Rings Business Park, Bamber Bridge, Preston PR5 6DA

by 12 00 hours on (e) 30 April 2014 in order to be counted It must be accompanied by
details in writing of your claim Failure to do so will lead to your vote(s) being disregarded

(e) Insert closing date

Resolution 1

Under Rule 2 106 of the Insolvency (Amendment) Rules 2010 and in the absence of a Creditors' Committee, the remuneration of the Joint Administrators be fixed by reference to time properly spent by them and their staff in attending to matters arising from the Administration, and the Joint Administrators be authorized to draw remuneration as and when funds are available on account of their time costs

I am *in Favour / Against

Resolution 2

That unpaid pre-administration costs may be paid as an expense of the Administration

I am *in Favour / Against

Resolution 3

For the discharge of Category 2 disbursements as detailed on the attached guide to fees

I am *in Favour / Against

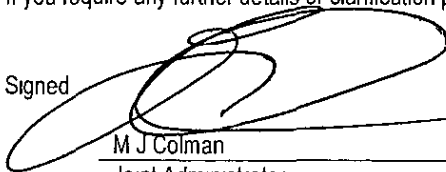
Resolution 4

That the Joint Administrators be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment ceasing to have effect

I am *in Favour / Against

If you require any further details or clarification prior to returning your votes, please contact me / us at the address above

Signed



M J Colman
Joint Administrator

TO BE COMPLETED BY CREDITOR WHEN RETURNING
FORM

Name of creditor

Dated

14/4/14

Signature of creditor

Capacity

(if signing on behalf of creditor, state capacity eg director / secretary)

STATEMENT OF CLAIM FORM

Date of administration order:

Name of creditor.

Address of creditor:

Gross amount of claim:
(i.e. including VAT)

Amount of VAT

Details of any document by
reference to which the debt can be
substantiated:
(e.g. invoices)

Particulars of how and when debt
incurred:

Particulars of any security held, the
value of the security and the date it
was given:

Signature of creditor or person
authorised to act on his behalf:

Name in BLOCK CAPITALS:

Position with or relation to creditor: