

The Insolvency Act 1986

**Notice of move from  
administration to dissolution****2.35B**

Name of Company  Dream Internet Limited
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Company number  05696993
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In the High Court of Justice, Worcester District Registry (full name of court)
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Court case number  38 of 2011
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(a) Insert full  
name(s) and  
address(es) of  
administrator(s)

We Ian Pankhurst  
Senate Recovery Limited  
12a Church Street  
Warwick  
CV34 4AB

Jeremy Bowden  
Senate Recovery Limited  
12a Church Street  
Warwick  
CV34 4AB

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

having been appointed administrators of Dream Internet Limited  
4 Jury Street Warwick CV34 4EW

(c) Insert date of  
appointment

on 7 February, 2011  
by the company director

(d) insert name of  
applicant/  
appointer

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986  
apply

We attach a copy of the final progress report

Signed

  
Joint Administrator

Dated

2 May 2012

**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

Ian Pankhurst  
Senate Recovery Limited  
12a Church Street  
Warwick  
CV34 4AB

DX Number

01926 476530  
DX Exchange

When you have completed and signed this form, please send it to the  
Registrar of Companies at -  
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

THURSDAY



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03/05/2012

#103

COMPANIES HOUSE

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# **Joint Administrators' Final Progress Report**

**For the Period  
26 January 2012 to 2 May 2012**

**Dream Internet Limited -  
In Administration**

**2 May 2012**

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## **DREAM INTERNET LIMITED - IN ADMINISTRATION**

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## DREAM INTERNET LIMITED - IN ADMINISTRATION

### 1 Statutory Information

- 1 1 I, together with my partner Jeremy Bowden, was appointed Joint Administrator of Dream Internet Limited ("the Company") on 7 February 2011. The application for the appointment of an administrator was made by the Company's director.
- 1 2 This administration is being handled by Senate Recovery Limited office, situated at 12a Church Street, Warwick, CV34 4AB.
- 1 3 The administration is registered in the High Court of Justice, Worcester District Registry, under reference 38 of 2011.
- 1 4 The trading address of the Company was Unit 24 North Orbital Commercial Park, Napsbury Lane, St Albans, Hertfordshire, AL1 1XB. The business trades under the name Boysstuff.co.uk.
- 1 5 The registered office of the Company is 4 Jury Street, Warwick, CV34 4EW and its registered number is 05696993.

### 2 Administrators' Proposals

- 2 1 As previously advised, the joint administrators must perform their functions with the purpose of achieving one of the following objectives:
- rescuing the Company as a going concern,
  - 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
  - realising property in order to make a distribution to one or more secured or preferential creditors.
- 2 2 The administrators believe that the second objective has been achieved through the sale of the business and assets as a going concern.

### 3 Progress of the Administration

- 3 1 Attached at Appendix A is my Receipts and Payments Account for the period from 26 January 2012 to 2 May 2012.

## **DREAM INTERNET LIMITED - IN ADMINISTRATION**

### ***Sale of the business as a going concern***

- 3 2 As previously reported, the business and assets of the Company were sold on a going concern basis to Interactive Minds Limited completing on 7 February 2011. The sale consideration of £50,000 has been received in full.

### ***Non factored book debts***

- 3 3 At the date of appointment, the sales ledger of the Company had a book debt value of £30,000 and an estimated to realise value of approximately £10,000. I confirm there have been no further receipts in respect of these debts during the period covered by this report.

The estimated to realise value of the book debts represented a deposit for credit facilities to an internet marketing company. The director also claimed that commission, amounting to £21,544, for sales resulting from marketing efforts by the debtor had been overpaid in prepayments. The debtor disputed the amount owed and provided supporting documentation that the commission was not due to the Company. After discussing this further with the director, and after investigation of the information provided by the debtor, the quantity and nature of the transactions involved indicated that potential cost implications would outweigh any potential benefit to the Company, it was decided to accept a full and final settlement offer from the debtor of £3,600. As detailed in the cumulative receipts and payments account at Appendix B, this amount has been received in full.

### ***Rates refund***

- 3 4 The figure quoted in the cumulative receipts and payments account at Appendix B represents a refund of non-domestic rates from the former trading premises of the Company.

### ***Cash at bank***

- 3 5 The figure quoted in the cumulative receipts and payments account at Appendix B, represents payment of the credit balance of the Company's bank account at the date of appointment.

## **4 Administrators' Remuneration**

- 4 1 The secured creditor, Retro Grand Limited ("Retro Grand") approved that the basis of the administrators' remuneration would be in reference to the time properly spent by myself and my staff in managing the administration and that I may draw my fees as and when funds are available. In doing so, Retro Grand requested a reduction in my charge out rates of 30%. I confirm my charge out rates were reduced accordingly and an updated guide to my charge out rates and disbursements are available from this office on request.

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## DREAM INTERNET LIMITED - IN ADMINISTRATION

### ***Pre-Appointment***

- 4 2 In my proposals report of 25 February 2011, I advised that pre-appointment time costs amounted to £8,841 25. After reduction by 30% these costs amounted to £6,188 87 and have been agreed by Retro Grand. These costs have not been drawn and have been written off as irrecoverable.

### ***Post-Appointment***

- 4 3 The joint administrators' time costs for the period 26 January 2012 to 27 April 2012 (being the last practicable date to which time has been charged) are £3,939 25. This represents 27 35 hours at an average rate of £144 03 per hour. Attached as Appendix C is a Time Analysis which provides details of the activity costs incurred by staff grade during this final period in respect of the costs fixed by reference to time properly spent by me in managing the administration.

- 4 4 Also attached as Appendix D is a cumulative Time Analysis for the period from 7 February 2011 to 27 April 2012 (being the last practicable date to which time has been charged and inclusive of the 30% reduction), which provides details of my time costs since appointment of £31,015 85. This represents 222 52 hours at an average rate of £139 38.

Attached as Appendix F is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade.

- 4 5 The total fees drawn since my appointment are (inclusive of the 30% reduction) £29,940 10. The outstanding time costs totalling £1,075 75 will be written off as irrecoverable. I have also drawn disbursements totalling £5,518 77 which is detailed below.

A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from [www.icaew.co.uk](http://www.icaew.co.uk)

## DREAM INTERNET LIMITED - IN ADMINISTRATION

### 5 Joint Administrators' Expenses

Details of expenses incurred by the joint administrators during the period since the last progress report to creditors are outlined below together with an explanation, where applicable, as to why any of these expenses remain unpaid

Supplier Service Provider	Nature of expense incurred	Amount Invoiced date £	Paid to date £	Amount Outstanding £
AUA Insolvency Risk Services Limited	Specific Bond	65 00	65 00	NIL
Winterhill Largo	Valuation agents	5,453 77	5,453 77	NIL

### 6 Investigations

- 6 1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS) As this is a confidential report, I am not able to disclose the contents
- 6 2 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate This assessment took into account information provided by creditors either at the initial meeting or as a response to my request to complete an investigation questionnaire My investigations have not revealed any issues requiring further report

### 7 Unrealised Assets

- 7 1 I would confirm that all assets have now been realised and the cumulative Receipts and Payments Account at Appendix B reflects the final position on both realisations achieved and payments discharged during the course of the administration Appendix A reflects the receipts and payments made during the period since my last progress report dated 25 January 2012 only

## DREAM INTERNET LIMITED - IN ADMINISTRATION

### 8 Outcome for Creditors

8 1 An Outcome Statement as at 2 May 2012 is attached at Appendix E

#### *Secured Creditors*

8 2 Retro Grand hold a fixed and floating charge over the Company's assets. At the date of the administration the indebtedness to Retro Grand was estimated at £500,000. As detailed in my previous reports, under the terms of the sale agreement, £1 was apportioned in respect of goodwill and £15,000 to intellectual property subject to the fixed charge. Payment of £15,001 has been made accordingly.

#### *Preferential Creditors*

8 3 No preferential creditors' claims have been received.

#### *Unsecured Creditors*

8 4 I have received claims totalling £90,458.28 from 46 creditors. I have yet to receive claims from 28 creditors whose debts total £626,348.08 as per the Company's statement of affairs.

8 5 Unfortunately there are no funds available, after payment to the secured creditor and the costs and expenses of the administration to enable a distribution to be made to unsecured creditors in this matter.

### 9 Creditors' rights

9 1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about his remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.

9 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the joint administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the joint administrators, as set out in this progress report, are excessive.



## **DREAM INTERNET LIMITED - IN ADMINISTRATION**

### **10 Ending the Administration**

- 10.1 I can advise that, in accordance with paragraph 83 of Schedule B1 to the Insolvency Act 1986, I am of the opinion that the purpose of the administration has now been achieved and that the Company will move into dissolution. The appropriate documentation will now be filed at Companies House indicating the end of the administration.
- 10.2 The administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as administrators ceasing to have effect.

For and on behalf of

Dream Internet Limited – In Administration

A handwritten signature in black ink, consisting of a large, stylized 'P' followed by several loops and a final flourish.

**Ian Pankhurst MIPA MABRP**  
**Joint Administrator**

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**DREAM INTERNET LIMITED - IN ADMINISTRATION**

**Receipts and Payments Account for the Period from 26 January 2012  
to 2 May 2012**

**Appendix A**

**Dream Internet Limited  
(In Administration)**

**JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

	Statement of affairs £	From 26/01/2012 To 02/05/2012 £	From 07/02/2011 To 02/05/2012 £
<b>RECEIPTS</b>			
Goodwill	1 00	1 00	1 00
Intellectual Property	15,000 00	15,000 00	15,000 00
Book Debts	10,000 00	0 00	3,600 00
Furniture & Equipment	500 00	500 00	500 00
Customer Records and Database	1 00	1 00	1 00
Stock	34,498 00	34,498 00	34,498 00
Rates Refund		0 00	2,290 71
Cash at Bank		0 00	55 96
Vat Control Account		7,131 26	8,183 33
		<u>57,131 26</u>	<u>64,130 00</u>
<b>PAYMENTS</b>			
Retro Grand Limited		15,001 00	15,001 00
Office Holders Fees		28,440 10	29,940 10
Office Holders Expenses		5,453 77	5,518 77
Legal Fees (1)		1,713 45	5,080 00
Storage Costs		39 00	406 80
Vat Receivable		7,123 46	8,183 33
		<u>57,770 78</u>	<u>64,130 00</u>
<b>BALANCE - 02 May 2012</b>			<u><u>0.00</u></u>

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**DREAM INTERNET LIMITED - IN ADMINISTRATION**

**Cumulative Receipts and Payments Account for Period from  
7 February 2011 to 2 May 2012**

**Appendix B**

**Dream Internet Limited  
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments  
To 02 May 2012**

	Fixed Charge £	Floating Charge £	Total £
<b>RECEIPTS</b>			
Goodwill	1 00		1 00
Intellectual Property	15,000 00		15,000 00
Book Debts		3,600 00	3,600 00
Furniture & Equipment		500 00	500 00
Customer Records and Database		1 00	1 00
Stock		34,498 00	34,498 00
Rates Refund		2,290 71	2,290 71
Cash at Bank		55 96	55 96
Vat Control Account		8,183 33	8,183 33
	<b>15,001.00</b>	<b>49,129.00</b>	<b>64,130 00</b>
<b>PAYMENTS</b>			
Retro Grand Limited	15,001 00		15,001 00
Office Holders Fees		29,940 10	29,940 10
Office Holders Expenses		5,518 77	5,518 77
Legal Fees (1)		5,080 00	5,080 00
Storage Costs		406 80	406 80
Vat Receivable		8,183 33	8,183 33
	<b>15,001 00</b>	<b>49,129.00</b>	<b>64,130 00</b>
<b>Balances in Hand</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>15,001.00</b>	<b>49,129.00</b>	<b>64,130.00</b>

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**DREAM INTERNET LIMITED - IN ADMINISTRATION**

**Time Analysis for the Period from 26 January 2012 to 27 April 2012**

**Appendix C**

# Time Entry - SLP9 Time & Cost Summary

DREA001 - Dream Internet Limited  
Project Code POST  
From 26/01/2012 To 27/04/2012

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration and Planning	3.20	8.10	10.90	0.60	22.80	3,297.70	144.64
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.50	1.50	2.55	0.00	4.55	641.55	143.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>3.70</b>	<b>9.60</b>	<b>13.45</b>	<b>0.60</b>	<b>27.35</b>	<b>3,939.25</b>	<b>144.03</b>

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**DREAM INTERNET LIMITED - IN ADMINISTRATION**

**Cumulative Time Analysis for the Period from 7 February 2011 to 27 April 2012      Appendix D**



# Time Entry - SIP9 Time & Cost Summary

DREA001 - Dream Internet Limited  
Project Code POST  
From 07/02/2011 To 27/04/2012

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration and Planning	6 70	13 35	57 12	3 70	80 87	9,558 22	118 19
Case Specific Matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	14 20	35 00	58 05	2 00	109 25	15,593 56	142 73
Investigations	1 00	1 00	4 85	0 00	6 85	878 85	128 30
Realisation of Assets	6 15	18 40	1 00	0 00	25 55	4,985 22	195 11
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
<b>Total Hours</b>	<b>28 05</b>	<b>67 75</b>	<b>121 02</b>	<b>5 70</b>	<b>222 52</b>	<b>31,015 85</b>	<b>139 38</b>
<b>Total Fees Claimed (Time)</b>						<b>29,940 10</b>	
<b>Total Fees Claimed (Disals)</b>						<b>6,518 77</b>	

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**DREAM INTERNET LIMITED - IN ADMINISTRATION**

**Outcome Statement as at 2 May 2012**

**Appendix E**

**DREAM INTERNET LIMITED  
IN ADMINISTRATION**

**OUTCOME STATEMENT AS AT 2 MAY 2012**

	Statement of Affairs	Achieved to date	Expected Future	Estimated Final Position
	£	£	£	£
<b>Secured Assets</b>				
Intellectual Property	15,000	15,000	-	15,000
Goodwill	1	1	-	1
Less due to Retro Grand Limited	(500,000)	(NIL)	-	(500,000)
Deficiency c/d to floating charge	(484,999)	-	-	(484,999)
<b>Asset Realisations</b>				
Rates Refund	NIL	2,291	-	2,291
Customer Records & Database	1	1	-	1
Cash at Bank	NIL	56	-	56
Office Furniture & Equipment	500	500	-	500
Stock	34,498	34,498	-	34,498
Book Debts	10,000	3,600	-	3,600
	44,998	40,946	-	40,946
<b>Less. Costs of Realisations</b>				
Office Holders Fees	-	(29,940)	-	(29,940)
Office Holders Expenses	-	(5,519)	-	(5,519)
Storage Costs	-	(407)	-	(407)
Legal Fees	-	(5,080)	-	(5,080)
	-	(40,946)	-	(40,946)
Balance c/f				(0)
Deficiency to Retro Grand Limited b/d				(484,998)
<b>SHORTFALL TO FLOATING CHARGE CREDITOR</b>				(484,998)

**Additional Information in Relation to Administrator's Fees Pursuant to  
Statement of Insolvency Practice 9**

**Appendix F**

**1 Policy**

Detailed below is Senate Recovery Limited's policy in relation to

- staff allocation and the use of sub-contractors,
- professional advisors, and
- disbursements

**1.1 Staff Allocation and the use of Sub-contractors**

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We have not utilised the services of any sub-contractors in this case.

**1.2 Professional Advisors**

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Harrison Clark LLP (legal advice)	Hourly rate and disbursements
Winterhill Asset Management (valuation and disposal advice)	Hourly rate and disbursements

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

**1.3 Disbursements**

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external

## DREAM INTERNET LIMITED - IN ADMINISTRATION

supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

I confirm that I have not incurred any category 2 disbursements since the date of my last report.

### ***Charge-out Rates***

A schedule of Senate Recovery Limited charge-out rates for this assignment effective from the date of appointment is detailed below. (These rates are inclusive of the 30% reduction)

	(Per hour) £
Office Holders	245-294
Senior Manager	175-224
Manager	126-175
Other Senior Professionals	70-126
Assistant and Support Staff	35-70