

The Insolvency Act 1986

**2.23B****Notice of result of meeting of Creditors**

Name of Company

Coverpoint Holdings Limited

Company number

06182131

In the  
High Court of Justice

(full name of court)

Court case number  
253 of 2009(a) Insert full name(s)  
and address(es) of the  
administrator(s)

I/We (a)  
John Kelmanson  
The Kelmanson Partnership  
Avco House  
6 Albert Road  
Barnet  
Herts, EN4 9SH

hereby report that meeting of the creditors of the above company was held at

(b) Insert place of  
meeting

(b) AVCO House, 6 Albert Road, Barnet, Herts EN4 9SH

(c) Insert date of meeting

on 11 March 2009 (c) at which:

\*Delete as applicable

~~\*1. Proposals/revised proposals were approved.~~~~\*2. Proposals/revised proposals were modified and approved~~

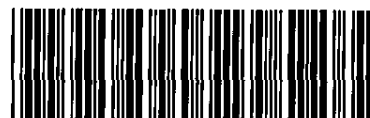
The modifications made to the proposals are as follows:-

(d) Give details of the  
modifications (if any)

(d) Joint Liquidators to be Peter Hughes-Holland and Frank Wessely of Vantis Business Recovery  
Administrator fees to be agreed at 30% of fixed charge realisations (taken) and 15% of other realisations (capped at £4,000)

~~\*3. The proposals were rejected~~(e) Insert time and date of  
adjourned meeting~~\*4. The meeting was adjourned to (e)~~(f) Details of other  
resolutions passed~~\*5. Other resolutions (f)~~

SAT WEDNESDAY



\*AEFH78GF\*

A17 25/03/2009 11

COMPANIES HOUSE

\*AJ19J85Z\*

A56 14/03/2009 23

COMPANIES HOUSE

The revised date for automatic end to administration is

A creditors' committee was not formed

Signed



~~Joint~~ Administrator(s)

Dated

11/3/9

\*Delete as applicable

A copy of the \*original proposals / ~~modified proposals / revised proposals~~ is attached for those who did not receive such documents prior to the meeting

#### 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

John Kelmanson  
The Kelmanson Partnership  
Avco House  
6 Albert Road  
Barnet  
Herts, EN4 9SH

DX Number

020 8441 2000  
DX Exchange

Companies House receipt date barcode

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**

Our ref: JK/KJC330A/24

23 February 2009

ACCOUNTANTS  
AND BUSINESS ADVISORS

AVCO HOUSE, 6 ALBERT ROAD,  
BARNET, HERTS EN4 8SH  
TELEPHONE: +44 (0)20 8441 2000  
FACSIMILE: +44 (0)20 8441 3000  
EMAIL: [tkp@kelpart.co.uk](mailto:tkp@kelpart.co.uk)  
WEBSITE: [www.kelpart.co.uk](http://www.kelpart.co.uk)

## TO ALL CREDITORS

Dear Sirs,

### **Coverpoint Holdings Limited – In Administration (“the Company”) High Court of Justice – No. 253 of 2009**

As you are aware, I was appointed as Administrator of the Company on 8 January 2009 under Paragraph 14 of Schedule B1 of the Insolvency Act 1986. I enclose with this letter the Administrator’s Report and Statement of Proposals, which include information on the background to the Administration and the actions taken since my appointment.

The purpose of an Administration is to achieve one of the following objectives:

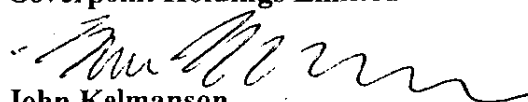
- Rescuing the Company as a going concern, or
- Achieving a better result for the Company’s creditors as a whole than would be likely if the Company were wound-up (without first being in Administration), or
- Realising property in order to make a distribution to one or more secured or preferential creditors.

The third objective is being pursued for the reasons specified in the attached report.

On current information available, it is possible that there will be a distribution to unsecured creditors and therefore I am required to convene a meeting of creditors to consider my proposals and agree my remuneration from floating charge realisations. Appropriate Notice and Proxy form are attached. The Proxy form should be completed and returned to this office with a statement of claim by 12 noon on the day before the meeting.

Should you have any queries in this matter, please do not hesitate to contact Karyn Jones of this office.

Yours faithfully,  
For and on behalf of  
**Coverpoint Holdings Limited**

  
**John Kelmanson**  
**Administrator**

Enc

AUDIT & ACCOUNTANCY



TAXATION SERVICES



FINANCIAL PLANNING



PAYROLL SERVICES



COMPANY SECRETARIAL  
SERVICES



FORENSIC ACCOUNTING  
& LITIGATION SUPPORT



CORPORATE RECOVERY  
& INSOLVENCY SERVICES

PARTNERS

JOHN KELMANSON FCCA FABRP FIPA  
COSTAS AVRAAM BSc FCA  
AMILIOS COSTA BSc FCA



Registered to carry on audit work and  
regulated for a range of investment  
business activities by the Association of  
Chartered Certified Accountants.



## **CONTENTS**

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- Background to Administration
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- Administrator's Receipt and Payments
- Financial Position of the Company
- Proposals
- Administrator's Remuneration
- Next Report
- Meeting of Creditors

## **APPENDICES**

- Receipts and Payment Account
- Statement of Affairs
- SIP 16 Information regarding Pre Pack Sale
- Charging Policy
- Guide To Fees
- Proxy for Resolution on Time Costs from floating charge realisations

## COVERPOINT HOLDINGS LIMITED

### Statutory Information

Company Number	06182131														
Date of Incorporation	23rd March 2007														
Nature of Business	Software Development														
Authorised Share Capital	750,000 Ordinary Shares of £1 each														
Issued Share Capital	588,750 Ordinary Shares of £1 each														
Shareholders	<table><tr><td>Rupert Lowe</td><td>209,875 Ordinary Shares</td></tr><tr><td>Theodore Agnew</td><td>209,875 Ordinary Shares</td></tr><tr><td>William Lowe</td><td>63,250 Ordinary Shares</td></tr><tr><td>Edwin Harrell</td><td>63,250 Ordinary Shares</td></tr><tr><td>Christopher Cotterell</td><td>28,750 Ordinary Shares</td></tr><tr><td>Harry Croydon</td><td>6,250 Ordinary Shares</td></tr><tr><td>Peter Jenkins</td><td>7,500 Ordinary Shares</td></tr></table>	Rupert Lowe	209,875 Ordinary Shares	Theodore Agnew	209,875 Ordinary Shares	William Lowe	63,250 Ordinary Shares	Edwin Harrell	63,250 Ordinary Shares	Christopher Cotterell	28,750 Ordinary Shares	Harry Croydon	6,250 Ordinary Shares	Peter Jenkins	7,500 Ordinary Shares
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Peter Jenkins	7,500 Ordinary Shares														
Directors	<table><tr><td>Theodore Agnew</td><td>Appointed 23 March 2007</td></tr><tr><td>Harry Croydon</td><td>Appointed 6 April 2007</td></tr><tr><td>Peter Jenkins</td><td>Appointed 6 April 2008</td></tr><tr><td>Rupert Lowe</td><td>Appointed 23 March 2007</td></tr><tr><td>Michael Farkas</td><td>Appointed 6 April 2007</td></tr><tr><td></td><td>Resigned 7 March 2008</td></tr></table>	Theodore Agnew	Appointed 23 March 2007	Harry Croydon	Appointed 6 April 2007	Peter Jenkins	Appointed 6 April 2008	Rupert Lowe	Appointed 23 March 2007	Michael Farkas	Appointed 6 April 2007		Resigned 7 March 2008		
Theodore Agnew	Appointed 23 March 2007														
Harry Croydon	Appointed 6 April 2007														
Peter Jenkins	Appointed 6 April 2008														
Rupert Lowe	Appointed 23 March 2007														
Michael Farkas	Appointed 6 April 2007														
	Resigned 7 March 2008														
Secretary	Bryan Bletso														
Registered Office	Avco House, 6 Albert Road Barnet, Herts EN4 9SH  Formerly Acre House 11-15 William Road London NW1 3ER														
Trading Address	10th Floor St Clare House 30-33 Minories London EC3N 1DD														
Accountants	HW Fisher & Co Acre House 11-15 William Road London NW1 3ER														
Bankers	LLoyds TSB Bank plc 39 Threadneedle Street London EC2R 8AU														
Charge Details	Mortgage Debenture In favour of Theodore Agnew and Rupert Lowe Created 31 Oct 2008      Registered 11 Nov 2008														

## **Background to Administration**

The Company was incorporated on 23 March 2007.

Coverpoint Holdings Limited ("the Company") traded as a service provider to the insurance industry, providing software to quote and manage its clients' insurance products. The Company's clients were all within the London insurance markets and the software was developed to cater specifically for their needs. The Company was paid for software licenses and for ongoing monthly transaction charges as their clients business was bound.

Coverpoint used an Indian Outsourcing provider (Zylog) for its development work, agreeing each client project to be developed with them. This process continued from April 2007, and initially the relationship worked well. Subsequently, Coverpoint agreed to develop their key product with Zylog which ultimately led to a breakdown in the relationship.

Two main events started to cause issues for Coverpoint and the developer. 1. Quality of work and ability to deliver consistently. 2. Developers own agenda within the same market sector with the purchase of a competitive company. These issues surfaced in early 2008.

The key problems had primarily been around quality of work, the need for extensive testing to ensure a deliverable product, protracted development periods, lack of agreed payment proposals and concerns as to performance of staff. Meetings were held and assurances given, including trips to India. One of the major problems was reconciling how much was owed to Zylog. This problem surfaced as soon as the Company attempted to agree payments for the Core project and subsequent Client projects. From June 2008 Coverpoint tried to resolve payment terms and the cost of projects.

The Board of Coverpoint was keen to resolve this issue before moving forward to the next stage in its growth plans. Meetings were held to try and resolve matters prior to substantial invoices being received. During these meetings the Company proposed a payment plan which was firmly believed would allow the Company to move forward with Zylog. The basis for the agreements with the developer was:

- Payment when complete,
- Payment conditional on Quality,
- Part payment held during a defects period.

Zylog were unable to agree to the proposal compromise and sought legal advice as to their options. The Directors consulted the Company's accountants HW Fisher & Co for their advice on the situation.

The assets were independently valued by T & F Agents Limited. The largest asset was Goodwill, incorporating the Intellectual Property Rights and Client List. This was valued at £25,000 on a willing buyer basis, and £5,000 for a forced sale. Other assets included unencumbered computer equipment, office furniture and equipment with a willing buyer value of £7,360, and a forced sale value of £3,600.

The options of a Company Voluntary Arrangement and Liquidation was considered but it was likely that the value of realisable assets would diminish under either of these procedures and that on-going contracts may automatically terminate. This would have likely resulted in substantial claims brought against the Company for breach of contract. As the company would effectively cease to trade, immediate action was required to prevent the Goodwill and related tangible assets being dissipated.

In order to facilitate the transaction at the earliest possible opportunity and to allow for the enhancement to the potential realisable value of the business and assets than otherwise would have been achievable, an application was made to the High Court for an Administration Order, with the assets to be sold via a "pre-pack" agreement.

Consequently John Kelmanson FCCA, FABRP, FIPA of The Kelmanson Partnership was appointed Administrator on 8 January 2009 by the Charge Holders, Rupert Lowe and Theodore Agnew, under Paragraph 14 of Schedule B1 of the Insolvency Act 1986. John Kelmanson is licensed by the Association of Chartered Certified Accountants No.04866.

The court reference is The High Court of Justice No. 253 of 2009.

The Company's main centre of operations is based in the United Kingdom. The EC Regulations of Insolvency Proceedings 2000 apply to the Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation.

An Administrator must perform his functions with the purpose of achieving one of the following objectives:

- Rescuing the Company as a going concern, or
- 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.

Further information on the pursuance of the objectives is detailed in the next section.

Details previously provided in respect of SIP 16 Disclosure requirements are annexed hereto.

## Administration Strategy

Upon my appointment, and on the recommendation of independent professional chattel agents, immediate steps were taken to finalise the sale of the Company's business and assets. The sale was completed later that same day.

Based on valuations provided by T&F Agents Limited commissioned prior to my appointment by the Company, as mentioned above, the business and assets were sold to Coverpoint Systems Limited.

The proceeds of sale were attributed as follows:

Goodwill / IPR / Client List	£40,000
IT	£6,000
Fixtures / Fittings / Equipment	£999
WIP / Contracts	£1

The only remaining assets were Cash at Bank and Book Debts. The balance of the bank account is being collected and book debts are currently being pursued. The sum of £2,160.76 has been collected to date.

The books and records of the Company have been delivered as requested and I shall be undertaking my statutory investigation in early course. The Director's have been requested to complete questionnaires to assist me in the investigation. A sworn Statement of Affairs has been submitted. I have contacted all creditors notified to me by the Company.

Having considered the assets in this case, the strategy in relation to the three potential objectives is as follows:

### Rescuing the Company as a going concern

It was not possible to achieve this purpose

### 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)

This objective has been achieved, as a successful sale of the business and assets of the Company at market value has been concluded.

### Realising property in order to make a distribution to one or more secured or preferential creditors

It is believed that the Fixed and Floating Charge Holders will be paid in full and therefore this objective is likely to be achieved. I am not currently aware of any preferential claims in this matter. It is also anticipated that unsecured creditors should also receive a dividend.

## Prescribed Part Payment

It is estimated that floating charge realisations will total approximately £42,000. Since there are no known preferential creditors, the Prescribed Part in accordance with Section 176(A) IA '86 is estimated at £11,400.

I am not currently intending to make an application under Section 176(A)(5) IA '86.



## **Administrator's Receipts and Payments Account**

A summary of Receipts and Payments for the Administration period from the date of my appointment to 17 February 2009 is attached.

The sum of £47,000 was realised from the sale of the business and assets to Coverpoint Systems Limited. Pursuant to the sale agreement, the proceeds have been apportioned as follows:

Goodwill / IPR / Client List	£40,000
IT	£6,000
Fixtures / Fittings / Equipment	£999
WIP / Contracts	£1

Legal fees totalling £5,000 have been incurred in relation to the sale of the business and assets. These have been apportioned on a 50/50 basis between fixed and floating assets.

Agent fees of £750 have been incurred. These fees have been apportioned on the same basis as above.

Administrator fees of £12,000 have been drawn to date in respect of fixed charge realisations at 30% as authorised by the Charge Holders. In view of the likelihood of a distribution, agreement to time costs will need to be authorised by unsecured creditors.

A total of £50 has been incurred in respect of statutory bonding, £134.96 in relation to statutory advertising and £30 in respect of bank charges.

Accounting for VAT receivable of £2,570.24, the balance currently in hand is £28,625.56, of which £25,125 relates to fixed charge monies and £3,500.56 related to floating charge monies.

## **Financial Position of the Company**

Please see attached Statement of Affairs as at the date of Administration, prepared by a Director of the Company. It should be noted that no provision has been made for costs of Administration and realisation.

## **Proposals**

It is proposed that the Administrator continue to manage the affairs of the Company in order to achieve the purpose of the Administration. In these circumstances, it is proposed:

The Administrator shall continue to realise the assets in accordance with objective 3 of the statutory purposes of the Administration.

The Administrator do all such things and generally exercise all of his power as contained in Schedule 1 of the Insolvency Act 1986, as he consider desirable or expedient to achieve the statutory purpose of the Administration.

Once all the assets have been realised, it is likely on current information that there will be a distribution to unsecured creditors, including the Prescribed Part to be calculated in accordance with Section 176(A) of IA '86.

It is therefore my intention to exit this Administration in due course via a Creditors' Voluntary Liquidation in accordance with Paragraph 83 of Schedule B1 IA'86. At the appropriate time, I shall file such Notice with the Registrar of Companies upon which the appointment will end.

It is proposed that I shall act as Liquidator. It should be noted, however, that in accordance with Paragraph 83(7) and Rule 2.117(3), creditors may nominate a different person as the proposed Liquidator, provided that nominations are made after receipt of the proposals and before the proposals are approved.

I will be discharged from my liability under Paragraph 98(3) of Schedule B1 IA'86 immediately upon the Administration ceasing to have effect.

### **Administrator's Remuneration**

It has been agreed with the Charge Holders that the Administrator's remuneration will be fixed at 30% in relation to fixed charge asset realisations. In accordance with Statements of Insolvency Practice No 9, a copy of the Creditors' Guide to Administrators' Fees is attached for your information.

To date, £12,000 has been drawn at an agreed rate of 30% of fixed charge realisations. No monies have been drawn on floating charge realisations at this time. The attached Proxy includes a Resolution in respect of time costs to be authorised by unsecured creditors. A summary of time expended to date is detailed below:

Classification of work function	H o u r s				Time Costs £	Average Hourly Rate £
	Partner	Manager	Administrator	Total Hours		
Creditor Meetings / Reports		15.10		15.10	3,397.50	225.00
Accounting / Cashiering		1.10	2.80	3.90	499.50	128.08
Creditors / Claims / Employees	3.00	5.50		8.50	2,287.50	269.12
Investigations		0.60		0.60	135.00	225.00
Asset Realisations		2.10		2.10	472.50	225.00
General Case Administration	1.00	4.30	0.75	6.05	1,411.25	233.26
<b>Total Hours</b>	<b>4.00</b>	<b>28.70</b>	<b>3.55</b>	<b>36.25</b>	<b>8,203.25</b>	<b>226.30</b>

Further details of this firm's charging policy are attached to this report.

It should be noted Judge Sykes Frixou have been used in respect of legal services, on a time costs basis. The choice of firm was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement.

#### **Next Report**

I am required to provide a Progress Report within one month of the end of the first six months of the Administration.

#### **Meeting of Creditors**

The initial meeting of the Company's creditors will be held on 11 March 2009. Formal Notice is attached hereto.

Yours faithfully  
For and on behalf of  
**Coverpoint Holdings Limited**

A handwritten signature in black ink, appearing to read 'John Kelmanson', written over a horizontal line.

**John Kelmanson**  
**Administrator**

Enc

**Coverpoint Holdings Limited**  
**(In Administration)**

**Administrator's Abstract Of Receipts And Payments**  
**To 19 February 2009**

	Fixed Charge £	Floating Charge £	Total £
<b>RECEIPTS</b>			
Goodwill / IPR / Client List	40,000.00		40,000.00
IT		6,000.00	6,000.00
Fixtures/ Fittings/Equipment		999.00	999.00
WIP & Contracts		1.00	1.00
Book Debts		2,160.76	2,160.76
	40,000.00	9,160.76	49,160.76
<b>PAYMENTS</b>			
Administrator's Fees (fixed charge)	12,000.00		12,000.00
Legal Fees (fixed charge)	2,500.00		2,500.00
Agents/Valuation Fees (fixed)	375.00		375.00
Insurance Bordereau		50.00	50.00
Agents/Valuation Fees (floating)		375.00	375.00
Legal Fees (floating charge)		2,500.00	2,500.00
Statutory Advertising		134.96	134.96
Bank Charges		30.00	30.00
VAT Receivable		2,570.24	2,570.24
	14,875.00	5,660.20	20,535.20
Balances in Hand	25,125.00	3,500.56	28,625.56
	40,000.00	9,160.76	49,160.76

## Statement of affairs

Name of Company <u>COVERPOINT HOLDINGS LTD</u>	Company number <u>06182131</u>
In the <u>HIGH COURT OF JUSTICE</u> <u>COMPANIES COURT</u> [full name of court]	Court case number <u>253 OF 2009</u>

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

Statement as to the affairs of (a) COVERPOINT HOLDINGS LIMITED  
ACRE HOUSE 11/15 WILLIAM ROAD, LONDON NW1 3ER

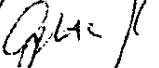
(b) Insert date

on the (b) 8 JAN 2009, the date that the company entered administration.

## Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 8 JAN '09 the date that the company entered administration.Full name HENRY A. CROGANSigned Dated 22-01-09

Affirmed in the presence of:

Witness name : G. H. Altman  
 Witness signature :   
 Witness address : 14 NEW STREET  
LONDON EC2M 4HE  
 Occupation : Solicitor

PRITCHARD ENGLEFIELD  
 14 NEW STREET  
 LONDON  
 EC2M 4HE

22 Jan'y 2009.

## Assets

GOODWILL IIR  
LESS : FIXED CHARGEHOLDERS  
DEFICIT TO FIXED CHARGEHOLDERS

CHATTEL ASSETS, WIP, CONTRACTS  
AND IT  
DEBTORS  
CASH AT BANK

**Uncharged assets:**

Book Value £	Estimated to Realise £
	40,000
	(50,000)
	<u>10,000</u>
	<u>7,000</u>
	15,000
	20,000
	42,000

**Estimated total assets available for preferential creditors**

Signature Hl. Cuyh Date 22-01-09

Off Kuttman 22/1/09.

## A1 – Summary of Liabilities

	Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)	£ 42,000
<b>Liabilities</b>	
Preferential creditors:-	
Estimated deficiency/surplus as regards preferential creditors	£ 42,000
Estimated prescribed part of net property where applicable (to carry forward)	£ (11,400)
Estimated total assets available for floating charge holders	£ 30,600
Debts secured by floating charges	£ (10,000)
Estimated deficiency/surplus of assets after floating charges	£ 20,600
Estimated prescribed part of net property where applicable (brought down)	£ 11,400
Total assets available to unsecured creditors	£ 32,000
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ (573,697)
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£ (541,697)
Shortfall to floating charge holders (brought down)	
Estimated deficiency/surplus as regards creditors	£ (541,697)
Issued and called up capital	£ (588,750)
Estimated total deficiency/surplus as regards members	£ (1,130,447)

Signature H. Cryder Date 22-01-09

\* Note No provision has been made for cost of administration or  
realisation of assets.

*glt* / *U. Mann* 22/1/09.

# COMPANY CREDITORS

**Note:** You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession.

[illegible]

Signature U. Canhan Date 22.01.07

Q. It/ Citrus 22/1/09.



Client Name	Address
CB00	Bilantic Technologies Ltd
CB01	BCM Group plc
CC00	HM Revenue & Customs (VAT)
CC01	Harry Croydon
CC02	Cool Water Enterprises Ltd
CD00	National Insurance Fund
CD01	Dairy Crest
CF00	Floate Workflow Technologies Ltd
CF01	Fruit for the Office Ltd
CG00	Goldstar International Express
CH00	HW Fisher & Co
CI00	HM Revenue & Customs (PAYE/NI)
CI01	Interall Conferencing Services Ltd
CJ00	Peter Jenkins
CL00	Lexia Information Systems Ltd
CN00	Navisite Europe Ltd
CH01	Newaquest Financial Media Ltd
CP00	Pritchard Englefield
CP01	St James Place
CO00	Quality House Ltd
CS00	Safeonline LLP
CS01	Stonehall Ltd
CS02	Swinglehurst Ltd
CT00	Theodore Agnew & Rupert Lowe
CU00	Unified Software Ltd
CV00	Via IT Services Ltd
CV01	Viking Direct
CZ00	Zylog Systems Ltd
RA00	Theodore Agnew
RC00	Harry Croydon
RJ00	Peter Jenkins
RL00	Rupert Lowe

Brilantic House, Merrow Business Park, Guildford, Surrey GU4 7WA	0.00
Units 9-10 Victory Business Centre, Fleming Way, Isleworth, Middlesex TW7 8DB	157.57
Enforcement Division, Queens Dock, Queens Wharf, Liverpool L74 4AA	14,218.09
12 Fire Road, Edwalton, Nottingham NG12 6X	13.30
13 Commercial Way, Abbey Road, London NW10 7XF	183.36
NI Contributions (Insolvency), Longbenton, Newcastle Upon Tyne, NE98 1ZZ	0.00
55 Sleaford Street, Nine Elms, Battersea, London SW8 5AB	37.17
Unit 8 IP City Centre, 1 Bath Street, Ipswich, Suffolk IP2 8SD	3,584.70
Unit 5D Bates Industrial Estate, The Old Brick Works, Harold Wood, Essex RM8 0HU	189.90
Unit 1 Viscount Industrial Centre, Horton Road, Poyle, SL3 0DF	31.73
Acre House, 11-15 William Road, London NW1 3ER	146.88
TIDO (CES), Ty-Glas Road, Llanishan, Cardiff CF4 5ZG	37,478.13
Building C - Imperial Gate Business, Conium Avenue, Barnwood, Gloucester GL4 3HX	887.00
Southernwood, All Saints Road, Lymington, Hants SO41 3QL	24.85
Melbury House, 1-3 Oxford Road, Bournemouth, Dorset BH8 8ES	4,188.46
Kingshott, Kingsgate Business Centre, 12-50 Kingsgate Road, Kingston Upon Thames KT2 3AA	18,813.69
Units 12-13, Cranleigh Gardens Ind Estate, Southall, UB1 2DB	306.00
14 New Street, London, EC2M 4HE	1,748.98
Administration Centre, PO Box 84, Salford, Lancashire M6 4YS	872.82
Dimitar Manov Str 28, Entr A, FL3, App 6, Sofia, 1408 BULGARIA	55,746.89
St Clare House, 30-33 Minorities, London EC3N 1DD	1,260.00
Caprey House, Primett Road, Slavenage, Herts SG1 3EE	47.00
St Clare House, Minorities, London EC3N 1DD	51,527.44
Business & Innovation Centre, Enterprise Park East, Wearfield, Sunderland SR5 2TA	4.84
St Clare House, 30-33 Minorities, London EC3N 1DD	2,862.67
PO Box 279, Leicester, LE3 1YU	121.55
40 First Main Road, CIT Nagar, Nandanam, Chennai, 600 035 INDIA	418,141.00
Burnley Hall, East Somerton, Great Yarmouth, Norfolk NR29 4DZ	0.00
12 Fire Road, Edwalton, Nottinghamshire NG12 4BX	0.00
Southern Down, All Saints Road, Lymington, Hampshire SO41 3QL	0.00
Ravenhill Farm, Willington, Gloucestershire GL54 5DD	0.00

32 Entries Totalling

623,687.84

Signature H. Croydon Date 22 01 09

Version 2.00 gfk partner 22/01/09

[illegible]

**Coverpoint Holdings Ltd**  
**Shareholder Details**

	Existing Shares	%	New Shares May 08	%	Total Shares	%
Rupert Lowe	182,500	36.5%	27,375	30.8%	209,875	36%
William Lowe	55,000	11.0%	8,250	9.3%	63,250	11%
Theodore Agnew	182,500	36.5%	27,375	30.8%	209,875	36%
Edwin Harrell	55,000	11.0%	8,250	9.3%	63,250	11%
Chris Cotterell	25,000	5.0%	3,750	4.2%	28,750	5%
Harry Croydon	-	0.0%	6,250	7.0%	6,250	1%
Peter Jenkins	-	0.0%	7,500	8.5%	7,500	1%
	500,000	100%	88,750	100%	588,750	100%

**Address details**

Rupert Lowe	Ravenswell Farm, Withington, Gloucestershire, GL54 5DD
William Lowe	Salt Spray, 17 Stoke Point Road, St Georges, GE01, Bermuda
Theodore Agnew	Burnley Hall, East Somerton, Great Yarmouth, NR29 4DZ
Edwin Harrell	27 Graham Road, Ipswich, Suffolk, IP1 3QE
Chris Cotterell	Budlaye House, Midhurst Road, Haselmere, Surrey, GU27 3DH
Harry Croydon	12 Firs Road, Edwalton, Nottingham, NG12 4BX
Peter Jenkins	Southerndown, All Saints Road, Lymington, Hants, SO41 3QL

U. Carver 22-07-08.  
G/H/K Carver 22/01/09

## Information Required by SIP 16:

### PRE-PACKAGED SALES IN ADMINISTRATION

The source of the initial introduction was Fisher Partners, the accountants for the subject company.

The Administrator, John Kelmanson, and the firm The Kelmanson Partnership had no prior involvement with the Company.

A full independent valuation was undertaken by T&F Agents Limited on 15 December 2008 of both tangible and intangible assets and a letter of recommendation for sale received subsequent to an offer at full value being received from Coverpoint Systems Limited. In view of the current economic climate and the difficulties of securing financing on any level for such acquisitions, the agent had no hesitation in recommending the offer.

It was believed that any advertising would necessitate a delay in the sale of the business for up to three weeks whilst potential purchasers were identified and due diligence undertaken. The delay would have necessitated trading the business to maintain the Goodwill and the funding of any losses incurred during that period and associated costs. T&G Agents Limited stated that it was unlikely that a purchaser could be found who would be willing to pay in excess of the offer received and therefore the trading risk was not acceptable.

The sale was undertaken on 8 January 2009 by way of a Sale and Purchase Agreement as follows:

Goodwill / IPR / Client Listing	£40,000
Chattel Assets	£999
Work in Progress and Contracts	£1
Information Technology	£6,000

The purchaser, Coverpoint Systems Limited made full payment on 8 January 2009. The Director of Coverpoint Systems Limited is Justin De Winter.

## **THE KELMANSON PARTNERSHIP CHARGING POLICY**

### **FOR INSOLVENCY FEES, DISBURSEMENTS AND EXPENSES**

**EFFECTIVE FROM 1 MAY 2008**

In accordance with best practice, details of this firm's policy to make the following charge for disbursements and expenses in relation to all formal appointments are listed below:

#### **ROOM HIRE**

If the initial meeting of creditors is held at our offices, a one off charge of £75 plus VAT is made at the commencement of the case. All subsequent meetings held at our offices during the course of the administration of the case are then not charged for.

If the initial meeting of creditors, or any other meeting held during the administration of the case, is not held at our offices, the cost of the room used will be charged at actual cost, with no uplift being charged. No further charges are made during the course of the administration in respect of subsequent meetings held at our offices.

#### **TRAVEL**

- Motor travel – as per the Inland Revenue's Fixed Profit Car Scheme rate applicable at the time of journey.
- Rail travel – at actual cost.
- Taxi fares – at actual cost.
- Car parking – at actual cost

#### **SPECIFIC PENALTY BOND**

At cost to arrange the mandatory insurance cover required under the Insolvency Act 1986 for each appointment.

#### **INSURANCE OF ASSETS**

At cost, in relation to any cover arranged.

#### **SUBSISTENCE**

No charge is made by the firm.

#### **COMPANY SEARCHES**

At cost incurred.

#### **BANK CHARGES**

At cost incurred.

#### **STORAGE CHARGES**

Charges for the storage of records are at the rate of 20 pence per box per week, subject to a minimum of a 2 year period.

#### **SOLICITORS/AGENTS INSTRUCTED**

At cost, based on charge made by solicitors and agents instructed

The firm has no arrangements with outside providers of services such as storage companies, agents or solicitors.

The above costs and charges are subject to amendment by the firm at any time, and if amended will be notified to creditors with the next circular sent to all creditors.

If the firm's fees are agreed to be paid on a time cost basis, the charge out rates applicable to this type of appointment, per hour, effective from 15<sup>th</sup> November 2005 exclusive of VAT, are as follows :

	£
Partner	275 – 350
Senior Manger	200 - 250
Manager	150 – 175
Administrator	75 – 125
Secretary	30 - 40

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of work undertaken is recorded at that time. The Kelmanson Partnership records work in respect of insolvency work under the following categories:

- Preparation for Creditors Meetings, Reports, and Proposals, where relevant;
- Accounting, Bank reconciliation's, post appointment VAT and Corporation Tax and Dividends;
- Creditor and Employee correspondence and adjudication of claims;
- Investigation and reports prepared for the Department of Trade & Industry;
- Assets realisations;
- General Case Administration

It is this firm's policy to only charge for the secretaries' time, where a substantial amount of work is done by them on a particular case, i.e. for the preparation of reports to the Court and creditors.

Time spent by secretaries on general correspondence is not charged.

If you have any queries on any of the above, then please do not hesitate to contact John Kelmanson FCCA FABRP FIPA at The Kelmanson Partnership, 6 Albert Road, Barnet, Herts EN4 9SH (Tel : 020 8441 2000).

John Kelmanson is licensed by the A.C.C.A.

# **A CREDITORS' GUIDE TO ADMINISTRATORS' FEES**

**Where Petition Presented or Appointment Made On or After 15 September 2003**

## **ENGLAND AND WALES**

### **1 Introduction**

- 1.1** When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees and explains the basis on which fees are fixed.

### **2 The nature of administration**

- 2.1** Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration,

or, if the administrator thinks neither of these objectives is reasonably practicable

- realising property in order to make a distribution to secured or preferential creditors.

### **3 The creditors' committee**

- 3.1** The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

### **4 Fixing the administrator's fees**

- 4.1** The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed either:

- as a percentage of the value of the property which the administrator has to deal with, or
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration.

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is fixed as a percentage fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;

- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the property which the administrator has to deal with.

**4.2** If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator.

**4.3** There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets.

In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of –

- each secured creditor of the company; or
- if the administrator has made or intends to make a distribution to preferential creditors –
  - each secured creditor of the company; and
  - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval,

having regard to the same matters as the committee would.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

**4.4** A resolution of creditors may be obtained by correspondence.

## **5 What information should be provided by the administrator?**

### **5.1 When seeking fee approval**

**5.1.1** When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- the nature of the approval being sought;
- the stage during the administration of the case at which it is being sought; and
- the size and complexity of the case.

**5.1.2** Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

**5.1.3** Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the



case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes in strategy.
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees.

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

- 5.1.4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff.

## **5.2 After fee approval**

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 5.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

### **5.3 Expenses and disbursements**

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

## **6 What if a creditor is dissatisfied?**

- 6.1** If a creditor believes that the administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not as an expense of the administration.

## **7 What if the administrator is dissatisfied?**

- 7.1** If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

## **8 Other matters relating to fees**

- 8.1** Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.
- 8.2** If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

## **9. Provision of information – additional requirements**

In any case where the administrator is appointed on or after 1 April 2005 he must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is –

- the total number of hours spent on the case by the administrator or staff assigned to the case;
- for each grade of staff, the average hourly rate at which they are charged out;
- the number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office.

The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office.

# Notice of a meeting of creditors

Name of Company  COVERPOINT HOLDINGS LIMITED	Company number 06182131
In the  HIGH COURT OF JUSTICE  [full name of court]	Court case number  253 OF 2009

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

Notice is hereby given by (a) John Kelmanson

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

that a meeting of the creditors of (b) Coverpoint Holdings Limited of AVCO House, 6 Albert Road, Barnet, Herts EN4 9SH

(c) Insert details of place of meeting

is to be held at (c) AVCO House, 6 Albert Road, Barnet, Herts EN4 9SH

(d) Insert date and time of meeting

on (d) 11 March 2009 at 11.00am.

The meeting is:

\*Delete as applicable

- \*(1) an initial creditors' meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986 ("the Schedule");
- \*~~(2) an initial creditors' meeting requested under paragraph 52(2) of the Schedule;~~
- \*~~(3) to consider revisions to my proposals under paragraph 54(2) of the Schedule;~~
- \*~~(4) a further creditors' meeting under paragraph 56 of the Schedule;~~
- \*~~(5) a creditors' meeting under paragraph 62 of the Schedule.~~

I invite you to attend the above meeting.

A proxy form should be completed and returned to me by the date of the meeting if you cannot attend and wish to be represented.

In order to be entitled to vote under Rule 2.38 at the meeting you must give to me, not later than 12.00 hours on the business day before the day fixed for the meeting, details in writing of your claim.

Signed

Administrator(s)

Dated

13/2/09

## Proxy (Administration)

## Coverpoint Holdings Limited

Name of Creditor

Address

Please insert name of person (who must be 18 or over) or the Chairman of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion

Name of Proxy Holder

1 \_\_\_\_\_

2 \_\_\_\_\_

3 \_\_\_\_\_

I appoint the above person to be my/the creditor's proxy holder at the meeting of creditors to be held on 11 March 2009, or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

## Voting Instructions for resolutions

\*Please delete as appropriate

1. For the acceptance/rejection\* of the administrator's proposals/revised proposals\* as circulated

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

2. For the appointment of

\_\_\_\_\_

of

\_\_\_\_\_

representing \_\_\_\_\_

as a member of the creditors' committee

This form must be signed

Signature \_\_\_\_\_ Date \_\_\_\_\_

Name in CAPITAL LETTERS \_\_\_\_\_

Only to be completed if the creditor has not signed in person

Position with creditor or relationship to creditor or other authority for signature

\_\_\_\_\_  
 \_\_\_\_\_

Remember: there may be resolutions on the other side of this form