

**Liquidator's Progress  
Report****S.192****Pursuant to Sections 92A and 104A and 192  
of the Insolvency Act 1986**

To the Registrar of Companies

Company Number

06250814

Name of Company

Altala Group Limited

I / We  
Martin John Atkins FCA CTA FABRP  
2 Mountview Court  
310 Friern Barnet Lane  
Whetstone  
London  
N20 0YZ

Freddy Khalastchi FCA FABRP  
2 Mountview Court  
310 Friern Barnet Lane  
Whetstone  
London  
N20 0YZ

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

The Progress Report covers the period from 13/10/2011 to 12/10/2012

Signed



Date

30-11-12

Harris Lipman LLP  
2 Mountview Court  
310 Friern Barnet Lane  
Whetstone  
London  
N20 0YZ

Ref A3082/MJA/FXK/MSP

SATURDAY



A04

"A1MUNZUO"  
01/12/2012  
COMPANIES HOUSE

#377

**Altala Group Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 13/10/2011 To 12/10/2012	From 13/10/2010 To 12/10/2012
<b>ASSET REALISATIONS</b>			
10,000 00	Goodwill	NIL	NIL
155,000 00	Plant & Machinery	NIL	NIL
111,000 00	Stock/Inventory on hand	NIL	NIL
9,999 00	Intellectual property	NIL	NIL
Uncertain	Intercompany debts	NIL	NIL
Uncertain	Prepayments	NIL	NIL
110,213 00	VAT Refund (Administration)	NIL	6,416 27
79,502 00	Cash at Bank	NIL	NIL
70,000 00	CIC Loan	NIL	44,002 17
1 00	PHT Loan	NIL	NIL
	Cash Held by Accountant	NIL	2,742 24
		<u>NIL</u>	<u>53,160 68</u>
<b>COST OF REALISATIONS</b>			
	DTI Cheque/BACS Fees	NIL	25 00
	Specific Bond	NIL	150 00
	Liquidator's Fees	NIL	35,000 00
		<u>NIL</u>	<u>(35,175 00)</u>
<b>PREFERENTIAL CREDITORS</b>			
(11,138 00)	Employees Wage Arrears	NIL	NIL
(47,622 00)	Employees Holiday Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>UNSECURED CREDITORS</b>			
(217,808 00)	Trade & Expense Creditors	NIL	NIL
(417,572 00)	Employees	NIL	NIL
(96,367 00)	HM Revenue and Customs - PAYE &	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>DISTRIBUTIONS</b>			
(10,000 00)	£1 Ordinary shares	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>(254,792.00)</b>		<u><b>NIL</b></u>	<u><b>17,985.68</b></u>
<b>REPRESENTED BY</b>			
	Brown Shipley - Floating Account		17,985 68
			<u><b>17,985 68</b></u>

  
 Martin John Atkins FCA CTA FABRP  
 Joint Liquidator

our ref MJA/FXK/MSP/A3082  
your ref  
date 30 November 2012  
please reply to Mandip Phlora

**HARRIS  
LIPMAN**

**TO ALL MEMBERS AND CREDITORS**

2 Mountview Court  
310 Friern Barnet Lane  
Whetstone London N20 0YZ  
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A04 01/12/2012 #3/8  
COMPANIES HOUSE

Dear Sirs

**ALTALA GROUP LIMITED - IN LIQUIDATION**

This is the Joint Liquidators' second annual progress report ("the report") for the year ended 12 October 2012

**1. Statutory information**

The company's registered name is Altala Group Limited and it traded within a group of companies which includes its subsidiaries Altala ELM Limited, Altala Advertising Limited and Altala Financial Limited. The nature of the company's business was in the betting and gambling sector.

The company was incorporated on 17 May 2007 under company number 06250814.

The registered office of the company was originally 1<sup>st</sup> Floor, 146 Buckingham Palace Road, London, W1D 6LA, and for the Administration it was changed to Bridge Business Recovery LLP's ("BBR") office 3<sup>rd</sup> Floor, 39-45 Shaftesbury Avenue, London, W1D 6LA. The current registered office is 2 Mountview Court, 310 Friern Barnet Lane, Whetstone, London, N20 0YZ and this change was made on the 4 November 2011 for the purposes of the Liquidation.

Martin John Atkins FCA CTA FABRP and myself, of Harris Lipman LLP, 2 Mountview Court 310 Friern Barnet Lane, Whetstone, London, N20 0YZ were appointed Joint Liquidators of the above-named company following the filing of the 2 34B at Companies House which brought an end to the Administration.

Prior to our appointment as Joint Liquidators', Andrew John Duncan and John Anthony Dickinson, both of BBR held office as the Joint Administrator's (Their appointment ceased upon the filing of the 2 34B on the 13 October 2010).

## **2. Joint Liquidators' progress during the period of this report**

### **Administrative and asset related matters**

Creditors are asked to refer to my previous report dated 11 October 2011, for details of the asset realisations in this regard as there have not been any further realisations during the period under review.

### **Investigative matters**

In accordance with our statutory duties, a conduct report on the directors has been submitted to the Insolvency Service during the Liquidation, pursuant to the Company Directors' Disqualification Act 1986

### **General matters**

In addition to the work undertaken to result in the asset realisations referred to above, throughout the period of my administration, I have responded to the queries of creditors and noted creditor claims

Specific tasks such as the agreement of creditor claims, tax issues, cashing and statutory returns, have been allocated to team members who have specialist knowledge in the relevant areas.

Additionally, we have complied with obligations imposed by statute and our regulatory bodies which include, but are not limited to, the submission of returns to Companies House, HM Revenue and Customs and specific penalty bonding

## **3. Abstract of the Joint Liquidators' receipts and payments**

I attach Appendix 3, an abstract of our receipts and payments for the period of this report.

All disbursements are shown net of VAT. As the company was registered for VAT purposes, VAT can be recovered for the benefit of the insolvent estate.

Once again creditors are asked to refer to my previous report dated 9 December 2011 for further details in this regard as there have not been any changes during the period under review

## **4. Assets which remain to be realised**

Further to my previous report to creditors I would advise that we are still to realise the expected dividend from the associated company Altala ELM Limited – In Liquidation

I understand that Altala ELM Limited – In Liquidation will soon be in a position to agree creditors' claims and therefore I am hopeful that a dividend will be received in due course.

With regards to the potential VAT refund alluded to in my previous progress report, after having sought expert advice in this matter it is highly unlikely that any realisation will be forthcoming in this regard

## **5. Office holder's remuneration**

### **Joint Administrator's time costs**

The remuneration of the former Joint Administrators, Andrew John Duncan and John Anthony Dickinson was fixed by reference to time properly given by themselves and their staff in attending to matters arising in the Administration, plus VAT and disbursements and this resolution was passed during the Administration

For your reference, BBR has since been put in to Administration and therefore I am unable to comment further on the disbursements made during their time in office

### **Joint Liquidator's time costs**

The creditors' committee also authorised that our remuneration be fixed by reference to the time properly given by ourselves and our staff in attending to matters arising in the Liquidation, plus VAT and disbursements pursuant to Rule 4 127(2) of the Insolvency Rules 1986.

For creditors' information, to date, the charge out value of time costs of myself and my staff in attending to matters arising in the liquidation amounts to approximately £93,157.85 plus disbursements. The time costs have been made up of 297.00 hours at an average charge out rate of £313.66

A breakdown of the time cost between the grades of staff allocated to the administration and investigation of this matter, together with the appropriate charge out rates is detailed on Appendix I.

You will note from the breakdown of the time costs that the partners and senior managers of the insolvency team have expended the majority of the time spent on this matter

A copy of "A Creditors' Guide to Liquidator's Fees", issued by the Association of Business Recovery Professionals, which sets out the basis of fixing the Liquidator's Remuneration, is available on our website at

<http://www.harris-lipman.co.uk/r3-insolvency-guides.htm>

Please let me know if you do not have access to the internet and would prefer a hard-copy of this guide

## **6. Joint Liquidators' expenses**

The payments made from the estate during the period of this progress report are largely self-explanatory

The following agents or professional advisors have been utilised in this matter

<b>Professional Advisor</b>	<b>Nature of Work</b>	<b>Fee Arrangement</b>
Isadore Goldman	Solicitors	Conditional Fee Agreement

The choice of professionals 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

Below is a table which details what disbursements have been incurred, paid and which remain outstanding in the Liquidation

Nature of Expense	Incurred in period	Paid in the period	Remains outstanding	Total paid from the estate in the Liquidation
	£	£	£	£
DTI Cheque / BACS Fees	25 00	25 00	Nil	25 00
Specific Penalty Bond Fees	180 00	150 00	30 00	150 00
Joint Liquidator's Fees – HL	93,157 85	Nil	58,157 85	35,000 00
Searches	37 00	Nil	37 00	Nil
Statutory Advertising	187 51	Nil	187.51	Nil

I have incurred expenses in respect of search fees of £37 00, specific penalty bonding fees of £30.00 and statutory advertising of £187.51, which have not been paid from the estate at present. These have been paid from my firm's office account and will be recharged to the estate in due course

A statement with regard to our disbursements recovery policy is attached at Appendix II.

## **7. Return to creditors pursuant to Section 176A**

The provisions of Section 176A of the Act require a calculation to be made of the prescribed part of the company's net property for distribution to unsecured creditors. The prescribed part must be calculated and provided for where debentures of the company have been created after 15th September 2003

In dealing with realisations under the prescribed part, we are entitled to take into account the claims of the preferential creditors and the costs and expenses associated in dealing with the prescribed part.

The company's net property comprises floating charge realisations less preferential claims and the costs of dealing with the prescribed part

As there are no qualifying floating charges, the provisions of Sections 176A do not apply in this matter.

## **8. Outcome for creditors**

I am not aware of any fixed / floating charge creditors in this matter.

We have received a claim from the Redundancy Payments Service in respect of payments made to former employees of the company, in the sum of £7,196.48 preferential and £6,597 52 unsecured.

There are additional claims of £24,748 73 preferential and £28,318 06 unsecured in relation to claims of former members of staff. These amounts have yet to be formally agreed and are in respect of the amount due which are over and above the statutory limits set out by the Redundancy Payments Office under current legislation.

We have also received claims in respect of PAYE, NI and VAT totalling £107,297 74 to rank for dividend.

Trade and Expense creditor claims received during the Administration total £217,808 00. Further to this, as detailed in the final progress during the Administration, there was a settlement deed entered into with ABC Corporation ("ABC") which provided them the power to vote at any subsequent creditors meetings, but no dividend would be paid to ABC until all other creditor claims are paid in full.

It is envisaged that there will be a dividend distribution made to the unsecured creditors in this matter. At this stage, I am unable to provide an estimated quantum or timeframe as it will be calculated once the group investigations have reached their conclusion. There is a proof of debt form attached to this report in order for creditors to lodge their claim accordingly.

## **9. Creditors' right to information**

A creditor may make a request for further information regarding our remuneration and expenses. Any such request must be in writing and should be made within 21 days of receipt of this report. Where the request is made by an unsecured creditor, it must be supported by at least 5% in value of the unsecured creditors, or with the permission of the Court.

If the information requested is either prejudicial to our conduct of this case, might lead to violence against any person, may be confidential or the costs of preparing the requested information would be excessive, we may not be obliged to provide it.

Any unsecured creditor may make an application to the Court in respect of any information provided following such a request, or our failure to provide same, after 14 days of our receipt of that request.

Additionally, creditors may make an application to Court to challenge the amount or basis of our remuneration and expenses, which must be supported by at least 10% in value of the creditors, including the applicant's claim. The

application must be made within 8 weeks of receipt of this report. The costs of the application must also be paid by the creditors making the application.

Further details with regard to these provisions form part of the guidance notes relating to fees referred to previously.

#### **10. Next report**

We are required to provide a further progress report within two months of the end of the next anniversary of the Liquidation.

The Liquidation of the above company will remain open until the investigation into the group of companies has been fully resolved. As stated above, it is believed that there will be sufficient funds available to enable a dividend distribution to the unsecured creditors and therefore this will be progressed once the investigation is nearing its conclusion.

Should you have any further queries in relation to the contents of this report, or with regard to other matters arising, please do not hesitate to contact us.

Yours faithfully,



**Martin John Atkins FCA CTA FABRP**

Licensed as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

**Joint Liquidator**

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# ALTALA GROUP LIMITED - IN LIQUIDATION

## APPENDIX I

## TIME CHARGE OUT SUMMARY FOR THE PERIOD ENDED 12.10 2012

Classification of work function	HOURS						Total Hours	Time Costs £	Average Hourly Rate £	
	Partner	Senior Manager	Manager	Senior	Semi-Senior	Junior				Support
Admin and Planning	66 05	17 80	0 00	17 02	1 10	15 10	0 00	117 07	37,870 88	323 49
Investigations	43 70	1 50	49 60	0 50	0 00	0 75	0 00	96 05	36,493 90	379 95
Realisation of Assets	1 30	8 00	0 00	0 00	0 00	0 00	0 00	9 30	2,853 00	306 77
Creditors	14 60	17 80	0 00	12 10	0 00	9 85	0 00	54 35	14,689 80	270 28
Support	0 00	0 00	0 00	0 00	4 00	0 40	15 83	20 23	1,250 27	61 80
Total Hours	125 65	45 10	49 60	29 62	5 10	26 10	15 83	297 00		
Total Costs	53,372 75	12,116 50	17,176 40	7,055 63	542 10	2,102 80	791 67		93,157 85	
Total Fees claimed (£)	20,052 48	4,552 25	6,453 28	2,650 85	203 67	790 04	297 44		35,000 00	

### CHARGE OUT RATE OF INSOLVENCY TEAM MEMBERS 2011

### CURRENT CHARGE OUT RATE OF INSOLVENCY TEAM MEMBERS

	£		£
Partner	265-480	Partner	315-495
Senior Manager	255	Senior Manager	295
Manager	210	Manager	250
Senior	160	Senior	200
Semi-Senior	105	Semi-Senior	150
Junior	80	Junior	100
Support Staff	50-100	Support Staff	50-100

Note 1 There may have been a number of promotions through the various grades during the period of the administration

Note 2 It is the policy of this firm to account for secretarial staff as an overhead cost Overhead costs are reflected in the charge out rates detailed

Note 3 The charge-out rate of the Insolvency Practitioners for this assignment is currently £445 per hour, and the administrator is £295 per hour

Note 4 Time is recorded in minimum units of 6 minutes

## **APPENDIX 2**

### **DISBURSEMENTS RECOVERY POLICY**

Professional advisors have been selected on the basis that they have the appropriate experience and qualifications to effectively deal with the issues arising in a case of this nature

All disbursements are shown as net of VAT. As the company was registered for VAT purposes VAT can be recovered for the benefit of the insolvent estate

#### **Category 1 Disbursements**

Specific expenditure relating to the administration of insolvent estate and payable to an independent third party are recoverable without creditor approval. Such expenditure is made if funds are available from the insolvent estate. If funds are not available then payment is made from this firm's office account and reimbursed from the estate should funds become available.

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Typical items include statutory advertising, insurance of assets, search fees, specific penalty bonding, telephone calls, postage, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case.

All such disbursements that have been paid from the estate are shown on the enclosed summary of my receipts and payments and are in respect of Joint Liquidators fees, DTI Cheque / BACS fees and specific penalty bonding. Further to the disbursements shown on the receipts and payments there have been payments made from the Harris Lipman LLP office account in respect of Companies House searches, additional specific penalty bonding and statutory advertising.

#### **Category 2 Disbursements**

Expenditure incidental to the administration of the insolvent estate, which by its nature includes an element of shared or allocated cost are recoverable with creditor approval.

There has been no 'Category 2 Disbursements' made from the insolvent estate at this stage.

**Appendix 3**  
**Altala Group Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

<b>Statement of Affairs</b>		<b>From 13/10/2011 To 12/10/2012</b>	<b>From 13/10/2010 To 12/10/2012</b>
<b>ASSET REALISATIONS</b>			
10,000 00	Goodwill	NIL	NIL
155,000 00	Plant & Machinery	NIL	NIL
111,000 00	Stock/Inventory on hand	NIL	NIL
9,999 00	Intellectual property	NIL	NIL
Uncertain	Intercompany debts	NIL	NIL
Uncertain	Prepayments	NIL	NIL
110,213 00	VAT Refund (Administration)	NIL	6,416 27
79,502 00	Cash at Bank	NIL	NIL
70,000 00	CIC Loan	NIL	44,002 17
1 00	PHT Loan	NIL	NIL
	Cash Held by Accountant	NIL	2,742 24
		<u>NIL</u>	<u>53,160 68</u>
<b>COST OF REALISATIONS</b>			
	DTI Cheque/BACS Fees	NIL	25 00
	Specific Bond	NIL	150 00
	Liquidator's Fees	NIL	35,000 00
		<u>NIL</u>	<u>(35,175 00)</u>
<b>PREFERENTIAL CREDITORS</b>			
(11,138 00)	Employees Wage Arrears	NIL	NIL
(47,622 00)	Employees Holiday Pay _	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>UNSECURED CREDITORS</b>			
(217,808 00)	Trade & Expense Creditors	NIL	NIL
(417,572 00)	Employees	NIL	NIL
(96,367 00)	HM Revenue and Customs - PAYE &	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>DISTRIBUTIONS</b>			
(10,000 00)	£1 Ordinary shares	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(254,792.00)</u>		<u><b>NIL</b></u>	<u><b>17,985.68</b></u>
<b>REPRESENTED BY</b>			
	Brown Shipley - Floating Account		17,985 68
			<u><b>17,985.68</b></u>

## PROOF OF DEBT – GENERAL FORM

## ALTALA GROUP LIMITED - IN LIQUIDATION

Date of Winding-up Order / Resolution for Winding-up - 13 October 2010

1	Name of Creditor  (If a company, please also give company registration number)	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into Liquidation	£
4	Details of any documents by reference to which the debt can be substantiated [Note There is no need to attach them now but the Liquidator may call for any document or evidence to substantiate the claim at his discretion as may the Official Receiver whilst acting as receiver and manager or the chairman or convenor of any meeting]	
5	If the total amount in 3 above includes outstanding uncapitalised interest, please state amount	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form )	
7	Particulars of any security held, the value of the security, and the date it was given	
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf  Name in BLOCK LETTERS Position with or relation to creditors  Date:  Address of person signing (if different from 2 above)	

Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Official Receiver/Liquidator	Liquidator