

## The Insolvency Act 1986

Liquidator's Progress  
Report

S. 192

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

To the Registrar of Companies

For Official Use

Company Number

06371332

Name of Company

(a) Insert full  
name of company

Add Momentum Innovations

Limited

(b) Insert full  
name(s) and  
address(es)I/We (b) Guy Edward Brooke Mander  
Baker Tilly Restructuring and  
Recovery LLP  
St Philips Point  
Temple Row  
Birmingham B2 5AFAndrew Martin Sheridan  
Baker Tilly Restructuring and  
Recovery LLP  
Hartwell House  
55 – 61 Victoria Street  
Bristol BS1 6ADthe liquidator(s) of the company attach a copy of my/our Progress Report under section  
192 of the Insolvency Act 1986

Signed

Date

12/3/2012

Presenter's name,  
address and  
reference  
(if any)

For Official Use

Liquidation Section

Post Room

SATURDAY

\*Q14UV8YU\*  
QIQ 17/03/2012 #101  
COMPANIES HOUSE

Our ref BXB\RJG\JLB\PJ\AADDMO\27\CVL0981-2010  
Your ref



**BAKER TILLY**

TO ALL MEMBERS AND CREDITORS

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12 March 2012

Dear Sirs

**Add Momentum Innovations Limited In Liquidation**

Please find enclosed my progress report on the liquidation for the period 18 January 2011 to 17 January 2012

If you have any queries please contact Patrick Longley of my office

Yours faithfully

**G E B Mander**  
**Baker Tilly Restructuring and Recovery LLP**  
**Joint Liquidator**

Encls

Andrew Sheridan is licensed to act as an Insolvency Practitioner in the UK by the Insolvency Practitioners Association  
Guy Mander is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

**IN THE MATTER OF  
ADD MOMENTUM INNOVATIONS LIMITED IN LIQUIDATION  
("the Company")**

**JOINT LIQUIDATORS' PROGRESS REPORT**

**12 MARCH 2012**

**GUY MANDER AND ANDREW SHERIDAN  
JOINT LIQUIDATORS**

**APPOINTED 18 JANUARY 2011 (A SHERIDAN) AND 26 MAY 2011 (G MANDER)**

**BAKER TILLY RESTRUCTURING AND RECOVERY LLP  
ST PHILIPS POINT  
TEMPLE ROW  
BIRMINGHAM B2 5AF**

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## **1. PURPOSE OF REPORT**

This report has been prepared in accordance with insolvency legislation to provide creditors, members and the Registrar of Companies with information relating to the progress of the liquidation in the period from 18 January 2011 to 17 January 2012

This report has been prepared solely to comply with the statutory requirements of Section 104A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986 (as amended). It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the Company. Any estimated outcomes for creditors are illustrative and may be subject to significant change. Neither the Liquidators nor Baker Tilly Restructuring and Recovery LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this proposal.

## **2. PROGRESS OF THE LIQUIDATION**

### **2.1. Realisation of Assets**

#### **Baker Tilly Client Account**

As detailed in the Directors' report for the creditors' meeting held on 18 January 2011, the business and certain assets of the Company were sold to Mitchell Farrar Group LLP prior to the Liquidators' appointment. The sale consideration (apportioned as regards the Company) of £25,000 was paid into the Baker Tilly Restructuring and Recovery LLP client account. After deduction of the agreed pre liquidation costs, the balance of £13,907 has been paid into the liquidation bank account.

#### **Pre Liquidation Bank Account**

The Company's bank account was frozen shortly after the cessation of trade. The directors believed the bank account balance to be nil, hence no asset/liability was included in the Statement of Affairs.

However, some debtors made payment to this account in the period immediately prior to the liquidation. Consequently at the date of liquidation there was a credit balance of £8,037. The bank account has been closed and the funds paid into the liquidation.

#### **Commission**

The Company conducted various marketing campaigns prior to the cessation of trade which continued to produce sales/leads after trading had ceased. The commission on these sales has been collected by the Liquidators. The total commission received during the period is £3,694.07.

## **Debtors**

Debts with a book value of £254,692 were disclosed in the directors' Statement of Affairs. This included £205,300 owed by LB Realisations Limited (formerly Leadbay Limited), an associated company which is also in liquidation. The directors estimated just under £25,000 of the debtors would be collectible.

Debts of £8,037 were paid into the pre liquidation bank account, as detailed above. A further £9,469 was collected during the period. We anticipate a dividend will be received from the liquidation of LB Realisations Limited and we have instructed our solicitors to pursue the remaining (non-associated) debtors, which total £10,562.

## **2.2. Investigations**

In accordance with our statutory obligations we have submitted our report on the directors' conduct to the Department for Business, Innovation and Skills.

## **2.3. Administration and Planning**

Various administration and planning tasks have been undertaken such as filing of appointment documents, submission of statement of affairs, handling of receipts and payments accounts and bank reconciliations, submission of VAT returns, undertaking file reviews, dealing with post appointment taxation and liaising with directors.

## **3. ASSETS REMAINING TO BE REALISED**

As detailed above, we have instructed our solicitors to collect the remaining non-associated debts. In addition there is the prospect of a dividend from the liquidation of LB Realisations Limited.

## **4. CREDITORS' CLAIMS AND DIVIDEND PROSPECTS**

### **4.1. Preferential Creditors**

Preferential claims totalling £1,600 have been received from former employees of the Company. Preferential creditors will receive a dividend.

### **4.2. Unsecured Creditors**

Unsecured claims of £464,748, including £250,859 owed to associated companies, were disclosed in the Statement of Affairs. To date, claims of £415,528 have been received.

The agreement of creditors' claims by the Joint Liquidators is a separate matter and will be dealt with as appropriate in due course, initially by reference to the proofs of debt lodged in the proceedings by creditors themselves.

### **4.3. Prescribed Part**

The "Prescribed Part" is a statutory amount, calculated as a percentage of net floating charge realisations, which entitles unsecured creditors to a share of realisations. This is calculated on a sliding scale up to maximum of £600,000 before costs.

There are no creditors secured by charges over the assets and undertakings of the Company. There is therefore no requirement to estimate the amount of the prescribed part of the assets under Section 176A of the Insolvency Act 1986 (as amended).

## **5. RECEIPTS AND PAYMENTS SUMMARY**

We attach as Appendix B a summary of our receipts and payments for the period from 18 January 2011 to 17 January 2012.

Other than the items set out in Section 2 above (and fees/disbursements in section 6 below), we have received bank interest gross of £13.90 and paid bank charges of £50.

### **VAT Basis**

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue & Customs shown separately.

## **6. COSTS AND JOINT LIQUIDATORS' REMUNERATION**

### **6.1. Joint Liquidators' Remuneration and Disbursements**

The Joint Liquidators' remuneration was approved on a time cost basis by the meeting of creditors held on 18 January 2011.

Approval was also given to the drawing of disbursements, including category 2 disbursements. Details of the current rates are attached at Appendix D.

### **6.2. Remuneration and Disbursements incurred in the period from 18 January 2011 to 17 January 2012**

In the period to 29 December 2011, being the month end prior to the anniversary of the liquidation, we incurred time costs of £23,076.50 plus VAT.

Liquidators' fees of £21,686 were paid during the period, the balance of the time costs were billed and paid subsequent to the anniversary. An analysis of time incurred in the period is attached at Appendix G.

Category 2 disbursements incurred in the period are detailed in Appendix E.

## **7. JOINT LIQUIDATORS' STATEMENT OF EXPENSES**

A statement of the expenses incurred during the period, is attached at Appendix F. This includes all expenses incurred by the Joint Liquidators in the period of the report irrespective of whether they have been paid or not and may include estimated amounts where actual invoices have not been received. The receipts and payments abstract at Appendix B sets out the expenses actually paid in the period.

## **8. CREDITORS' RIGHT TO INFORMATION AND ABILITY TO CHALLENGE REMUNERATION AND EXPENSES**

In accordance with the provisions of Rules 4.49E and 4.131 of the Insolvency Rules 1986 creditors have a right to request further information about remuneration or expenses and to challenge such remuneration or expenses.

A request for further information must be made in writing within 21 days of receipt of this report.

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the Court, may apply to court that the remuneration charged, the basis fixed or expenses incurred by the liquidator are in all the circumstances excessive.

Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question.

## **9. CHANGE OF LIQUIDATOR**

Lynn Robert Bailey, one of the Joint Liquidators appointed on 18 January 2011, retired as a partner in Baker Tilly Restructuring and Recovery LLP ("Baker Tilly") on 30 June 2011. In the circumstances an application was lodged with the High Court of Justice to transfer his insolvency appointments to alternative Baker Tilly partners. On 10 June 2011, the Court ordered that Mr Bailey be replaced as Joint Liquidator by me with effect from 26 May 2011. I now have day to day conduct of the Liquidation.

Any creditor who is affected by the Order shall have permission to apply to vary or discharge the Order within 28 days of receipt of this report.

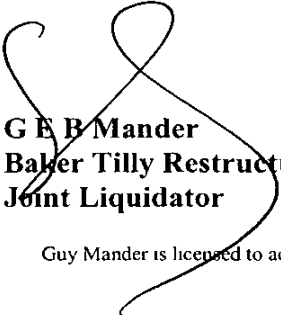
As part of the Order:

- Any remuneration, costs or expenses incurred in respect of the application as are referable to any particular case shall be fixed and paid in the ordinary way as remuneration, costs or expenses in respect of such matters.



- Such costs or expenses in respect of the application as are not referable to a particular matter shall be divided equally between the various estates and thereafter treated as costs or expenses of such matters.
- Provided that in no circumstances shall the costs payable pursuant to the Order in relation to a particular estate exceed 10% of the value of the realised assets in that estate

Should you have any further queries please do not hesitate to contact Patrick Longley of my office



**G E B Mander**  
**Baker Tilly Restructuring and Recovery LLP**  
**Joint Liquidator**

Guy Mander is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

## Appendix A

### STATUTORY INFORMATION

Company Name	Add Momentum Innovations Limited
Functions	<p>The Joint Liquidators' appointment specified that they would have power to act jointly and severally.</p> <p>The Joint Liquidators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment</p>
Previous Company Names	None
Company Number	06371332
Date of Incorporation	14/09/2007
Trading Name	Add Momentum Innovations Limited
Trading Address	Castlemead, Lower Castle Street, Bristol, BS1 3AG
Principal Activity	Trading leads for the sale of financial services products
Registered Office	<p>c/o Baker Tilly Restructuring and Recovery LLP, St Philips Point, Temple Row, Birmingham B2 5AF</p> <p>Previously Castlemead, Lower Castle Street, Bristol, BS1 3AG</p>

## Appendix B

### Receipts and Payments Abstract: AADDMO - Add Momentum Innovations Limited In Liquidation Bank, Cash and Cash Investment Accounts To 17/01/2012

SOA Value £		£	£
	ASSET REALISATIONS		
0 00	Bank Interest Gross	13 90	
0 00	Commission	3,694 07	
	Cash at Bank	8,037 04	
24,695 57	Debtors (Pre-Appointment)	9,469 16	
17,375 00	Other Current Assets	<u>13,907 35</u>	
			35,121 52
	COST OF REALISATIONS		
0 00	Bank Charges	(50 00)	
0 00	Liquidators' Disbursements	(552 62)	
0 00	Liquidators' Fees	(21,686 00)	
0 00	Mail Redirection	(26 00)	
0 00	Statutory Advertising	<u>(794 02)</u>	
			(23,108 64)
	PREFERENTIAL CREDITORS		
(1,600 00)	Wages	<u>0 00</u>	
			0 00
	UNSECURED CREDITORS		
(250,858 72)	Associated Creditors	0 00	
(11,620 10)	Employees	0 00	
(43,577 00)	HM Revenue and Customs	0 00	
(158,692 20)	Trade and Expense Creditors	<u>0 00</u>	
			0 00
	EQUITY		
(1 00)	Ordinary	<u>0 00</u>	
			0 00
(424,278 45)			<u>12,012.88</u>
	REPRESENTED BY		
	AIB	8,096 19	
	VAT Receivable (Payable)	<u>3,916 69</u>	
			<u>12,012 88</u>
			<u>12,012.88</u>

## **Appendix C**

### **BAKER TILLY RESTRUCTURING AND RECOVERY LLP**

#### **CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT**

##### **Charging policy**

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done
- The current charge rates for Baker Tilly Restructuring and Recovery LLP Birmingham are attached
- Time billed is subject to Value Added Tax at the applicable rate
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it
- Baker Tilly Restructuring and Recovery LLP's charge out rates are reviewed periodically

##### **Expenses and disbursements policy**

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to creditors, but do not require creditors' approval prior to being drawn from the insolvency estate. These are known as "Category 1" disbursements
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) require the approval of creditors prior to being drawn from the insolvency estate. These are known as "Category 2" disbursements
- A resolution to consider approving "Category 2" disbursements at the rates prevailing at the time the cost is incurred to Baker Tilly Restructuring and Recovery LLP Birmingham will be proposed to creditors' in general meeting
- General office overheads are not re-charged to the insolvency estate as a disbursement
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of creditors
- Where applicable, expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate

## Appendix D

### BAKER TILLY RESTRUCTURING AND RECOVERY LLP – BIRMINGHAM

#### JOINT LIQUIDATORS' CURRENT CHARGE OUT AND DISBURSEMENT RATES

CHARGE OUT RATES		
	Rate at commencement £	Current rate £
Partner/Director	300 – 395	310 – 405
Manager	150 – 290	175 – 255
Administrator	95 – 105	70 – 155
Support staff	65 – 105	75

“CATEGORY 2” DISBURSEMENT RATES (TABLE B)	
Fax	62p per fax
Photocopying	6 5p per page
Internal room hire	£25/80 per room
Subsistence	£23 per night
Travel (car)	38p per mile (up to and including 31 March 2010) 40p per mile (from 1 April 2010) 42 5p per mile (from 1 April 2011)

## Appendix E

### JOINT LIQUIDATORS' CATEGORY 2 DISBURSEMENTS TABLE

Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest		
Recipient, Type and Purpose	Paid	Unpaid
	£	£
Photocopying costs		28 08
<b>Total</b>		<b>28.08</b>

## Appendix F

### STATEMENT OF EXPENSES INCURRED BY THE JOINT LIQUIDATORS' IN THE PERIOD FROM 18 JANUARY 2011 TO 17 JANUARY 2012

Type and Purpose	Incurred in Period
Shown on Appendix B as 'Liquidators Disbursements'	£
Legal Costs	296 00
Bonds	125 00
Statutory Advertising	131 62
Sub Total	552 62
Statutory advertising	794 02
Mail Redirection	26 00
Cost incurred but not paid for in the period	
Photocopying	28 08
Total	1400.72

# Appendix G

## Add Momentum Innovations Limited Joint Liquidators' time costs in accordance with Statement of Insolvency Practice 9

### Summary of Time Costs and Charge-out Rates to 29 December 2011

	Partners/ Directors	Managers	Administrators	Assistants	Total Hours	Total Time Costs	Average hourly rate
Administration and Planning	3.00	21.30	35.30	0.00	59.60	£9,233.30	£154.92
Investigation	2.00	19.70	6.90	0.00	28.60	£6,000.50	£209.81
Realisation of Assets	3.50	2.50	29.70	0.00	35.70	£5,249.20	£147.04
Creditors	0.30	8.60	4.40	0.00	13.30	£2,471.00	£185.79
Case Specific Matters	0.00	0.70	0.00	0.00	0.70	£122.50	£175.00
<b>Total Hours</b>	<b>8.80</b>	<b>52.80</b>	<b>76.30</b>	<b>0.00</b>	<b>137.90</b>		
<b>Total Time Costs</b>	<b>3,532.00</b>	<b>12,051.00</b>	<b>7,493.50</b>	<b>0.00</b>		<b>£23,076.50</b>	

### Charge-out Rates

As at 1 April 2011	£310-405	£175-255	£70-155	£75
As at 1 April 2010	£300-395	£150-290	£95-105	£65-105



**Add Momentum Innovations Limited**

**Joint Liquidators' time costs in accordance with Statement of Insolvency Practice 9**

<b>HOURS SPENT</b>	<b>Partners</b>	<b>Managers</b>	<b>Administrators</b>	<b>Assistants</b>	<b>Total Hours</b>	<b>Total Time Costs</b>	<b>Average rates</b>
<b>Administration and Planning</b>							
Appointment	0.5	0.3	4.7	0.0	5.5	£490.60	£89.20
Case Management	2.0	14.5	8.9	0.0	25.4	£4,864.20	£191.50
Post-appointment general	0.2	6.0	4.3	0.0	10.5	£1,814.40	£172.80
Post-appointment taxation	0.0	0.5	1.0	0.0	1.5	£182.50	£121.67
Receipts and Payments	0.0	0.0	16.4	0.0	16.4	£1,763.10	£107.51
Shareholders/Director/Debtor/Bkpt	0.3	0.0	0.0	0.0	0.3	£118.50	£395.00
<b>Totals</b>	<b>3.0</b>	<b>21.3</b>	<b>35.3</b>	<b>0.0</b>	<b>59.6</b>	<b>£9,233.30</b>	<b>£154.92</b>
<b>Investigations</b>							
Investigations/CDDA	2.0	19.7	6.9	0.0	28.6	£6,000.50	£209.81
<b>Totals</b>	<b>2.0</b>	<b>19.7</b>	<b>6.9</b>	<b>0.0</b>	<b>28.6</b>	<b>£6,000.50</b>	<b>£209.81</b>
<b>Realisation of Assets</b>							
Assets - general/other	2.5	0.0	0.6	0.0	3.1	£1,078.50	£347.90
Debtors & sales finance	1.0	2.5	29.1	0.0	32.6	£4,170.70	£127.94
<b>Totals</b>	<b>3.5</b>	<b>2.5</b>	<b>29.7</b>	<b>0.0</b>	<b>35.7</b>	<b>£5,249.20</b>	<b>£147.04</b>
<b>Creditors</b>							
1st creditors/shareholders meetings and reports	0.0	0.0	1.0	0.0	1.0	£71.50	£71.50
Employees	0.0	1.5	0.3	0.0	1.8	£353.00	£196.11
Unsecured Creditors	0.3	7.1	3.1	0.0	10.5	£2,046.50	£194.90
<b>Totals</b>	<b>0.3</b>	<b>8.6</b>	<b>4.4</b>	<b>0.0</b>	<b>13.3</b>	<b>£2,471.00</b>	<b>£185.79</b>
<b>Case Specific Matters</b>							
Major Issues - Employees	0.0	0.7	0.0	0.0	0.7	£122.50	£175.00
<b>Totals</b>	<b>0.0</b>	<b>0.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.7</b>	<b>£122.50</b>	<b>£175.00</b>
<b>TOTAL HOURS</b>	<b>8.8</b>	<b>52.8</b>	<b>76.3</b>	<b>0.0</b>	<b>137.9</b>	<b>£23,076.50</b>	<b>£167.34</b>
<b>TOTAL TIME COST</b>	<b>£3,532.00</b>	<b>£12,051.00</b>	<b>£7,493.50</b>	<b>£0.00</b>		<b>£23,076.50</b>	