

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

06588815

Name of Company

Altala ELM Limited

✶ We

Martin John Atkins FCA CTA FABRP
2 Sovereign Quay
Havannah Street
Cardiff
CF10 5SF

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 13/06/2012 to 12/08/2013

Signed

Date

11/10/13

Harris Lipman LLP
2 Sovereign Quay
Havannah Street
Cardiff
CF10 5SF

Ref A3084/MJA/FXK/RHL

SATURDAY



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12/10/2013

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COMPANIES HOUSE

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

Statement of Affairs		From 13/08/2012 To 12/08/2013	From 13/08/2010 To 12/08/2013
ASSET REALISATIONS			
5,000 00	Goodwill	NIL	NIL
100,000 00	Plant & Machinery	NIL	NIL
50,000 00	Stock/Inventory on hand	NIL	NIL
5,000 00	Intellectual Property Rights	NIL	NIL
75,000 00	Insurance Premiums	NIL	NIL
	Surplus from Administration	NIL	216,525 86
	Bank Interest Gross	258 77	385 04
	Refund of insurance premium	NIL	16,570 88
		<u>258 77</u>	<u>233,481 78</u>
COST OF REALISATIONS			
	Specific Bond	NIL	105 00
	Joint Administrators' Fees	NIL	7,366 00
	Joint Liquidators' Fees	34,600 00	91,980 00
	Agents/Valuers Fees	NIL	8,296 31
	Legal Fees	NIL	662 00
	Corporation Tax	25 54	30 74
	Irrecoverable VAT	NIL	31 50
	Statutory Advertising	NIL	242 50
		<u>(34,625 54)</u>	<u>(108,714 05)</u>
UNSECURED CREDITORS			
(292,610 00)	Trade & Expense Creditors	NIL	NIL
(3,019,063 00)	Associated company - Altala Group Ltd	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
DISTRIBUTIONS			
(1 00)	£1 Ordinary shares	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(3,076,674 00)		<u>(34,366 77)</u>	<u>124,767 73</u>
REPRESENTED BY			
	Brown Shipley - Floating Account		8,917 73
	Brown Shipley - Money Market		115,000 00
	Vat Control Account		850 00
			<u>124,767.73</u>

our ref MJA/FXK/RHL/A3084

your ref

date 11 October 2013

please reply to Rachel Lai

**HARRIS
LIPMAN**

TO ALL MEMBERS AND CREDITORS

2 Sovereign Quay

Havannah Street

Cardiff CF10 5SF

tel 029 2049 5444

fax 029 2049 5744

DX 200767 Cardiff Bay

e-mail mail@harris-lipman.co.uk

website www.harris-lipman.co.uk

Dear Sirs

ALTALA ELM LIMITED - IN LIQUIDATION

This is the Joint Liquidators' third annual progress report ("the report") for the year ended 12 August 2013

This report should be read in conjunction with our previous reports

1. Statutory information

The company's registered name is Altala ELM Limited. It was part of a group of companies in the betting and gambling sector.

The company was incorporated on 9 May 2008 under company number 06588815.

The registered office of the company was originally 1st Floor, 146 Buckingham Palace Road, London, W1D 6LA, and was changed on 20 January 2010 to the address of the Joint Administrators at 3rd Floor, 39-45 Shaftesbury Avenue, London, W1D 6LA. It was changed again on 4 November 2010 to 2 Mountview Court, 310 Friern Barnet Lane, Whetstone, London, N20 0YZ for the purposes of the Liquidation.

Freddy Khalastchi, FCA, FABRP and myself, of Harris Lipman LLP, 2 Sovereign Quay, Havannah Street, Cardiff, CF10 5SF were appointed Joint Liquidators of the above-named company by a resolution of the creditors of the company on 29 September 2010.

There have been no changes of Liquidator in the period to which this report relates.

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

Asset realisations

The only realisation during the period to which this report relates has been the interest of £258.77 accruing on the account held for the purposes of the Liquidation.

Chartered Accountants

Harris Lipman LLP is a limited liability partnership registered in England & Wales. Registered Number OC311167.

Registered to carry on audit work in the UK & Ireland and regulated for a range of investment business activities by The Institute of Chartered Accountants in England & Wales. A list of Members' names is open to inspection at our Registered Office: 2 Mountview Court, 310 Friern Barnet Lane, London N20 0YZ.

Also at 2 Mountview Court, 310 Friern Barnet Lane, Whetstone, London N20 0YZ. tel 020 8446 9000 fax 020 8446 9537 DX 132890 Whetstone 2

 **UK200Group**
independent quality assured professionals

Please advise us as soon as possible if you are aware of any other assets of the company that have not been referred to previously

Investigative matters

As explained previously, we are carrying out a detailed investigation into the affairs of the group of companies. This has focused primarily on the parent company but the results of those investigations may affect all of the members of the group.

I am sure you will appreciate that we are unable to provide any specific information with regard to these matters, as to do so may prejudice a successful outcome.

If you are aware of any matters which you believe require our investigation, please advise me accordingly, in writing, providing as much detail as possible with regard to those matters. Any such contact will, of course, be kept confidential.

General matters

As previously advised, in addition to the work undertaken to result in the asset realisations referred to above, throughout the period of our administration we have responded to the queries of creditors and noted creditor claims.

Additionally, we have continued to comply 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 at Appendix 3 a summary of our receipts and payments for the period of this report.

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.

4. Assets which remain to be realised

As advised previously, there are no assets remaining to be realised. However, our investigation in this matter is continuing.

5. Joint Liquidators' remuneration

As advised previously, our remuneration has been fixed by reference to time properly spent by ourselves and our staff in attending to matters arising in the Liquidation.

For creditor's information, the charge out value of time costs incurred during the period to which this report relates amounts to £30,242.08 made up of 95.2 hours at an average charge out rate of £317.67 per hour.

The charge out value of time costs incurred during the period from the date of our appointment to the end of the period under review amounts to £89,342.66 made up of 382.61 hours at an average charge out rate of £233.51.

The largest proportion of time spent in this matter has been on administration and planning issues, including periodic file reviews and strategy meetings, cashing and the preparation of statutory returns. A significant amount of time has also been spent on investigation issues. Time spent in dealing with creditors was primarily in the preparation of the annual report to creditors.

Where possible, work has been carried out at senior, semi-senior and junior levels in order to keep time costs to a minimum. Due to the complex nature of the investigations in this matter, a high level of input has been required at partner level.

I attach at Appendix 1 a breakdown of the time costs between the grades of staff allocated to the case, which includes details of the current charge out rates of ourselves and our team who have been and will be dealing with the Liquidation.

You will note from the attached breakdown of time costs that we have recovered £34,600 in respect of our time costs during the period under review. We have recovered a total of £86,600 in total in respect of our time costs since our appointment, the remaining £5,380 shown on the receipts and payments account relates to the remuneration of the previous Joint Liquidators.

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>

You should then choose the appropriate creditor guide for the type of appointment after 6 April 2010.

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.

No disbursements have been incurred during the period under review.

A statement with regard to our disbursements recovery policy is attached at Appendix 2.

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 relevant floating charges, the provisions of Section 176A do not apply in this matter

8. Outcome for creditors

We have received claims in respect of VAT totalling £188,571 to rank for dividend

Trade and Expense creditor claims received to date total £325,401 82 We are also aware of additional trade creditors yet to submit their claims totalling approximately £17,618 and a claim of £3,019,063 from the parent company, Altala Group Limited – in liquidation

We anticipate that a dividend will be declared to unsecured creditors in this matter. However, further work will be required in order to agree creditor claims, in particular we will need to consider the claim of Altala Group Limited, which is in respect of an inter-company account. As such, we are unable to confirm the amount and timing of the dividend

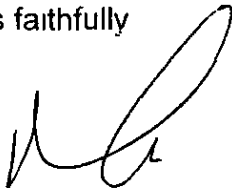
9. Next report

We are required to provide a further progress report following the next anniversary of the Liquidation

We regret that, in the present circumstances, we are still unable to provide an indication as to when we expect to conclude the liquidation. We hope to be able to give a better indication in our next report

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

ALTALA ELM LIMITED

APPENDIX I

TIME CHARGE OUT SUMMARY FOR THE PERIOD FROM 13 AUGUST 2012 TO 12 AUGUST 2013

HOURS

Classification of work function	HOURS					£	
	Partner	Senior Manager	Manager	Senior	Semi-Senior	Junior	Support
	Total Hours	Time Costs	Average Hourly Rate				

Admin and Planning	13 60	2 60	0 00	7 70	20 80	4 09	0 00
Investigations	34 80	0 00	0 00	1 70	0 00	0 00	0 00
Realisation of Assets	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 00	0 00	0 00	4 50	0 00	5 00	0 42
Support	0 00	0 00	0 00	0 00	0 00	0 00	0 00

Total Hours	48 40	2 60	0 00	13 90	20 80	9 09	0 42
Total Costs	22,431 50	786 50	0 00	2,837 00	3,240 00	926 25	20 83

Total Fees claimed (£)	25,663 91	899 84	0 00	3,245 82	3,706 89	1,059 72	23 83
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CHARGE OUT RATE OF INSOLVENCY TEAM MEMBERS 2012

Partner	£ per hour
Senior Manager	315-495
Manager	295
Senior	250
Semi-Senior	200
Junior	150
Support Staff	100
	50-100

CURRENT CHARGE OUT RATE OF INSOLVENCY TEAM MEMBERS

Partner	£ per hour
Senior Manager	350-525
Manager	310
Senior	265
Semi-Senior	210
Junior	160
Support Staff	105
	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 £475 per hour, and the administrator is £265 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. A small amount of VAT cannot be recovered and is shown on the receipts and payments account as "irrecoverable VAT"

Category 1 Disbursements

Specific expenditure relating to the administration of the insolvent estate and payable to an independent third party is 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 legal fees, agents' fees, 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 our receipts and payments and are in respect of statutory advertising and Bridge Business Recovery LLP's Joint Administrators' fees, Joint Liquidators' fees, agents' fees, legal fees and specific penalty bonding.

There are disbursements which we have incurred, including search fees and specific penalty bonding, and have been paid by Harris Lipman LLP. These will be recharged through the estate in due course.

Category 2 Disbursements

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

There have been no 'Category 2 Disbursements' made from the insolvent estate.

Appendix 3
Altala ELM Limited
(In Liquidation)
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