

The Insolvency Act 1986

**Statement of administrator's proposals
2.17B**

Name of Company
C P L Realisation 2014 Limited
Formerly The Checklist Partnership Ltd

Company number
08451752

In the Hereford County Court
(full name of court)

Court case number
2 of 2014

(a) Insert full name(s) and
address(es) of administrators

I, Rupert Graham Mullins
Benedict Mackenzie
CityPoint
Temple Gate
Bristol
BS1 6PL

attach a copy of my proposals in respect of the administration of the above company

* Delete as appropriate

A copy of these proposals was sent to all known creditors on

(b) Insert date

31 December 2014

Signed

Administrator

Dated 31 December 2014

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 searches of the
public record

Benedict Mackenzie
St Ann's Manor
6-8 St Ann Street
Salisbury
Wiltshire
SP1 2DN
Tel 0845 5670 567

completed and signed this form please send it to the Registrar of Companies at

use, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

WEDNESDAY



A15 07/01/2015 #192
COMPANIES HOUSE

BenedictMackenzie

**C P L Realisation 2014 Limited - In Administration
Formerly The Checklist Partnership Limited**

**Administrator's Report and Proposal to Creditors
pursuant to Paragraph 49(1) of Schedule B1
of the Insolvency Act 1986**

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1. Statutory Details

Company Information

Company Name	C P L Realisation 2014 Limited
Company Number	08451752
Date of Incorporation	19 March 2013
Previous Names	The Checklist Partnership Limited
	Date of change 8 December 2014
Nature of Business	Software developer
Registered Office	CityPoint, Temple Gate, Bristol, BS1 6PL
Previous Registered Office	The Pigeon House, Bodenham, Hereford, HR1 3JX
Trading Address	The Pigeon House, Bodenham, Hereford, HR1 3JX

Director and shareholders

Director	Name	Appointed	Resigned
	Mike Singer	03/06/2013	-
	Anthony Thompson	22/04/2013	-
	Catherine Thompson	22/04/2013	-

Authorised /Issued Share Capital	2,160 Ordinary Shares of £1
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Shareholder	Name	Shares
	Mike Singer	720
	Anthony Thompson	720
	Catherine Thompson	720

Details of Administration Appointment

Names of Administrator	Rupert Graham Mullins
Insolvency licence number	7258
Regulated by	Insolvency Practitioners Association
Date of appointment	11 November 2014
Appointed by	The Directors
Court reference	Hereford County Court No 2 of 2014

The centre of main interest of the Company is in England and it is therefore considered that the EC Regulation will apply. The Administration constitutes "main proceedings" under the EC Regulations on Insolvency Proceedings. I am not aware that the Company has operations in other EC member states.

2. Executive summary

Pre-appointment

C P L Realisations 2014 Limited formerly The Checklist Partnership Limited ("the Company") was incorporated on 19 March 2013 with its registered and trading office located at The Pigeon House, Bodenham, Hereford, Herefordshire, HR1 3JX

Its principal activity was supplying software solutions to the health industry, primarily the NHS

The business initially commenced in the 1990s with Mr & Mrs Thompson trading in partnership with Mr Robert Findlay. In 2000, a formal partnership was formed and by 2005 Mr Anthony Thompson and Mrs Kate Thompson had bought out Mr Findlay. In 2011, discussions commenced with Mr Mike Singer that resulted in the business being incorporated into the Company.

Turnover for the partnership had been high but had declined due to more competition and lack of resources. A Board Meeting was held on 16 July 2014 to discuss the position and way forward given the lack of cashflow and the need to develop the software to meet the new challenges. The meeting was inconclusive and the executive directors sought assistance from their solicitors and Mr Mullins of Benedict Mackenzie, an authorised Licensed Insolvency Practitioner.

On 27 October 2014, at an adjourned Board Meeting of which all Directors were present, it was resolved to place the Company into Administration. A Notice of Intention to Appoint was filed by Mr Thompson in the Hereford County Court on 28 October 2014.

Post-appointment

On 11 November 2014, I, Rupert Mullins of Benedict Mackenzie was appointed as Administrator of the Company ("the Administrator") by the Directors of C P L Realisation 2014 Limited formerly The Checklist Partnership Limited.

It was initially envisaged that the business of the Company be sold upon the making of the Administrator Order on 11 November 2014. Agreement in relation to the sale of the business was however not reached until 17 November 2014. I can however confirm that there was no trading between the period of 11 November 2014 to 17 November 2014.

Exit

It is proposed that the Company should exit from the Administration by way of a Creditors Voluntary Liquidation ("CVL"), as it is envisaged there will be sufficient monies to enable a distribution to unsecured creditors.

Estimated outcome

My Statement of Estimated Final Outcome for the Administration is attached at Appendix 4.

3. Introduction

I, Rupert Graham Mullins of Benedict Mackenzie, was appointed as Administrator of C P L Realisation 2014 Limited formerly The Checklist Partnership Limited on 11 November 2014 by an Order of the Hereford County Court on an application of the Directors pursuant to paragraph 22(2) of Schedule B1 to the Insolvency Act 1986

The effect of the appointment is that I, as Administrator, manage the affairs, business and property of the Company, and that I act as an agent for the Company without personal liability

In accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 I set out my proposals for achieving the purpose of the Administration below together with a report of my actions since the date of my appointment

4. Purpose of Administration

The purpose of an Administration was to achieve one of the following objectives prescribed by Paragraph 3(1) of Schedule B1 to the Insolvency Act 1986

- 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

I can confirm that the Administration of the Company has achieved 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) The Administration has enabled the sale of the Company as a going concern and will ultimately enable a distribution to unsecured creditors

As advised within my report to all creditors on 17 November 2014 the business and assets of the Company were sold on 17 November 2014 In accordance with the requirements of SIP16 a report was provided to all creditors within 7 calendar days of the transaction Attached is a further copy for your reference at Appendix 2

Section 13 of this report sets out how the Administrator proposes the Company will achieve these objectives

It is proposed that exit from the Administration will be way of a CVL, as it is envisaged there will be sufficient monies to enable a distribution to both preferential and unsecured creditors

5 Background and events leading up to Administration

The business initially commenced in the 1990s with Mr & Mrs Thompson trading in partnership with Mr Robert Findlay. In 2000, a formal partnership was formed and by 2005 Mr Anthony Thompson and Mrs Kate Thompson had bought out Mr Findlay. In 2011, discussions commenced with Mr Mike Singer that resulted in the business being incorporated into The Company.

Turnover for the partnership had been as high as £1.1m in 2005 but has declined due to more competition and lack of resources. The first draft accounts to 31 March 2014 show turnover at £445,733.

The majority of the software is written in older versions of programming languages and requires a major investment either to update or re-write, and the Company has found it impossible to attract funding in its present condition due to the decline in the business and its solvency. The decline in clients over several years has also reduced new software sales.

At the date of my appointment there were three employees and a self-employed software developer. The employees have transferred across to the Purchasers as part of the transaction.

The Directors held a Board Meeting in 16 July 2014 to discuss the position and the way forward given the lack of cashflow and the need to develop the software to meet the new challenges. The meeting was inconclusive and the executive directors had a further meeting at the Company's lawyers at which Mr Mullins was present. On the information provided the Company was considered insolvent and Mr Mullins described the alternatives to those present, ranging from further funding to forms of insolvency procedure.

Mr Mullins recommended a full Board Meeting at which he could summarise the alternatives again and allow the Directors to make a unanimous decision as to the action they wished to take.

A full Board Meeting was convened on 20 October 2014. After lengthy discussion it was resolved that the Company was insolvent and that the meeting be adjourned for seven days to allow the non-executive director to consider all that had been discussed and whether there were any suitable potential purchasers of the business.

At the adjourned Board Meeting on 27 October 2014, at which all Directors were present together with an independent advisor to the non-executive director it was resolved to place the Company into Administration. A Notice of Intention to Appoint was filed by Mr Thompson in the Hereford County Court on 28 October 2014.

Prior to the Company being placed into Administration steps had been taken to market the business as follows:

- The Directors had considered potential purchasers, including those previously involved in the undertaking.
- The Directors were requested to supply details of any potential purchasers.

The tangible assets were valued independently by national valuers and auctioneers, Edward Symmons. A specialist software purchasing company were contacted and a non-disclosure agreement was signed, Company information was supplied by Benedict Mackenzie to them. Only one offer was received prior to the deadline of 7 November 2014 which was made by Abbeywhite Limited.

It was considered by the Company that a full open marketing of the business would have a detrimental effect to the business.

6. Progress of the Administration to date

The manner, in which the affairs and business of the Company have been managed since the date of the Administration appointment, and how it will continue to be managed and financed, is set out below

Following my appointment on 11 November 2014, due to the agreement not being completed the business of the Company was continued to be monitored by myself. I can confirm that there was no trading between the period of 11 November 2014 to 17 November 2014

It was previously identified that the assets of the Company were as follows

- Goodwill
- Plant and machinery
- Customer contracts
- Book debts
- Business intellectual Property Rights
- Cash at bank

The offer received from Abbeywhite Limited included the above assets with the exception of the book debts and cash at bank in the sum of £4,003, plus a deferred one off payment in respect of the goodwill of the Company. The sum of £4,003 has been received with the deferred consideration to be reviewed in December 2015

As at the date of Administration, it is understood that the Company held a credit balance of £52,594 with The Royal Bank of Scotland Plc. RBS have been notified to remit and close the balance held on the Company's bank account. To date no funds have been received. From a review of the bank statements provided it is noted that there were several payments totalling £9,926.75 issued post appointment and I am taking steps to recover these sums

7. Receipts and payments

A full receipts and payments account is attached as Appendix 1 and I comment as follows

Receipts

Sale of the business

The sale of the business includes goodwill, plant and machinery, customer contracts and business intellectual property rights. The sum of £4,003 has been received

Cash in client account

Prior to the date of my appointment the directors paid the sum of £5,000 into my client account in relation to payment of the pre-administration costs. This sum has been transferred into the Administration bank account

Payments

The only payment issued was in relation to statutory advertising in the sum of £84 60

There remains solicitors fees and disbursements to be paid out which are estimated and shown on the Statement of Estimated Final Outcome ("SEFO") In addition, there is bordereau insurance of £317 to be paid along with other costs relating to the collection and storage of books and records The Administrator's fees are currently estimated as shown on the SEFO

8 End of Administration

The options available to me as Administrator for the exit from the Administration are as follows

- Compulsory Winding Up
- Creditors' Voluntary Liquidation
- Company Voluntary Arrangement
- Return of control to the Directors
- Dissolution of Company (i.e. striking off the Companies House register)

In order to achieve the purpose of the Administration, as discussed above it is envisaged that the Administrator will exit the Administration by way of a CVL

9. Statement of Affairs and Estimated outcome for creditors

In accordance with Paragraph 47(1) of Schedule B1 to the Insolvency Act 1986 I requested that the directors provide me with a Statement of the Affairs ("SoA") of the Company I have now received this Statement and a copy is attached at Appendix 3 The SoA has now been filed with at Companies House in accordance with rule 2 29(7) of the Insolvency Rules 1986

A schedule of creditors' names and addresses, based upon the information supplied by the Company at the date of my appointment is attached at Appendix 3b

My own estimate of the Company's assets based on the information supplied by the Company at the date of my appointment is set out as my Statement of Estimated Final Outcome set out at Appendix 4

I am of the opinion, based on the current information, that the prospects are that there is anticipated small return of circa 14 99p in the £1 to unsecured creditors

Assets

Sale of the business

At the date of the Administration the Company's assets considered for sale were as follows

- Goodwill
- Plant and machinery
- Customer contracts
- Business intellectual Property Rights

The tangible assets were valued by Edward Symmons, the goodwill and business intellectual property rights were valued by an independent software company. Both valuers agreed that the offer received from Abbeywhite Limited to be fair and reasonable offer. The sum of £4,003 has been received.

Book debts

At the date of appointment the Company's records showed outstanding book debts of circa £42,240, no funds have been received to date.

Cash at bank

There was cash at bank of circa £55,288 held with The Royal Bank of Scotland, to date no funds have been received however notification has been received showing that the current balance stands at £40,719.

Secured creditor

The Company has not granted any secured charges.

Prescribed part

Pursuant to section 176A of the Insolvency Act 1986 where a floating charge is created after 15 September 2003 and the Company is in Administration, a prescribed part of the Company's net property, which is defined as the funds that would be available to floating charge holders after payment of the preferential creditors and costs of Administration, shall be made available to unsecured creditors.

As there is no secured creditor the prescribed part does not apply.

Preferential creditors

Preferential creditors are represented by employees of the Company for both arrears of wages and holiday pay. All employees have been transferred following the sale of the business and there are no preferential claims to be received.

Unsecured creditors

It is understood that there are outstanding supplier accounts. In addition there is outstanding PAYE/NI estimated in the sum of £37,820 and outstanding directors' loan accounts. Those claims received to date are shown on the attached schedule of creditors at Appendix 3b.

Attached at Appendix 7 is a proof of debt form to enable creditors to lodge their claim if they have not already submitted a claim.

10. Pre -Administration Costs

Pursuant to Rule 2 67A certain costs incurred in preparation and planning for the Administration may, with approval of creditors, be approved for payment from the Administration estate as an expense of the Administration. Such costs should fall into the following categories

- the fees charged by the Administrator,
- the expenses incurred by the Administrator,
- the fees charged (to the Administrator's knowledge) by any other person qualified to act as an insolvency practitioner

The pre-appointment time costs for the period to 11 November 2014 totals £12,862 50 representing 63 10 hours at an average rate of £106 34. A schedule of these time costs in accordance with Statement of Insolvency Practice 9 is set out at Appendix 5a

Fees charged by the Administrator

The Company engaged Benedict Mackenzie to advise on its financial position in the period prior to Administration. The engagement focussed on

- meeting with and advising the directors of the Company in respect of the discharge of their legal obligations under the Insolvency Act 1986,
- liaising both with solicitors and the directors,
- assisting in the marketing and sale of the business,
- assisting in the preparation of and filing of the required documentation for my appointment and dealing with the associated formalities

The fees of Benedict Mackenzie during this period have not been paid

The expenses incurred by the Administrator

There have been no expenses paid which have been incurred by Benedict Mackenzie to date

The fees charged (to the Administrator's knowledge) by any other person qualified to act as an insolvency practitioner

No work, that will be payable as an expense of the Administration has been undertaken by any insolvency practitioners other than the current Administrator

11. Administrator's Remuneration

In accordance with Rule 2 106 (2) of the Insolvency (Amendment) Rules 2003, it is proposed that the basis upon which the Administrator's remuneration should be fixed, is by reference to the time properly given by him and his staff in attending to matters arising in the Administration

The Administrator's time costs for the period 11 November 2014 up to and including 31 December 2014 totals £9,230 representing 37 hours at an average rate of £249 46. A schedule of these time costs in accordance with Statement of Insolvency Practice 9 is set out at Appendix 5b

Please note for the information of creditors that a "Creditors guide to Administrators' fees" is available for your information on the Benedict Mackenzie website of which the address is as follows

www.benemack.com/ad/Administration_a_creditors_guide_to_fees_charged_by_an_Administrator.pdf

12. Creditors' meeting

In accordance with Paragraph 51 of schedule B1 to the Insolvency Act 1986, a creditors meeting will be held on 19 January 2015 at 11 00 am at the offices of Benedict Mackenzie, CityPoint, Temple Gate, Bristol, BS1 6PL

A notice of the meeting of creditors is enclosed with this report at Appendix 6 I have enclosed a proof of debt form at Appendix 7 and a proxy form for your use at Appendix 8

The purpose of the meeting of creditors is to vote on the Administrator's proposals as outlined in section 13 of this report

13. Administrator's proposals

In accordance with Schedule B1, Paragraph 49(1) of the Act the Administrator proposes the following

- 1 That the Administrator continues to manage the affairs and any realisation of assets of the Company and the settlement of all Administration expenses
- 2 That the Administrator continues to pursue other potential recoveries (by himself or using agents and solicitors as he may deem appropriate) so long as it remains cost effective to do so
- 3 The Administrator continues the Administration to deal with such outstanding matters in relation to the Company as the Administrator considers necessary until such time as the Administration ceases
- 4 The Administrator continues with his enquiries into the conduct of the directors of the Company and continues to assist any regulatory authority with their investigation into the affairs of the Company
- 5 The Administrator does all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he, in his sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration
- 6 That if creditors so wish, a creditors' committee be established to exercise the functions conferred on it under the Insolvency Act 1986 The committee should comprise not more than five and not less than three members
- 7 If a creditors' committee is not established, that the Administrator's remuneration be fixed by reference to the time properly spent by him and his staff in attending to matters arising in the Administration The Administrator be authorised to draw remuneration on a time cost basis as and when funds become available

- 8 The Administrator exit the Administration by way of a Creditors' Voluntary Liquidation in accordance with Paragraph 83 of Schedule B1 to the Insolvency Act 1986, and that I, Rupert Graham Mullins be appointed Liquidator of the Company In accordance with Rule 2.117(3) creditors may nominate a different person(s) as the proposed Liquidator(s) provided that the nomination is made after the receipt of the proposals and before the proposals are approved
- 9 That the Administrator be authorised to draw the sum of £5,000 plus VAT in respect of pre-appointment fee
- 10 That the Administrator be authorised to pay all pre-appointment expenses, in accordance with rule 2.67A(3) of the Insolvency Rules 1986
- 11 That the Administrator be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Act, in respect of any action by him as Administrator, immediately upon his appointment ceasing to have effect

14. Other matters

If any creditor has any information concerning the Company's affairs that they would like to bring to my attention, then I should be pleased to hear from them

If you require further information or assistance please do not hesitate to contact this office

A handwritten signature in black ink, appearing to be 'R G Mullins', with a horizontal line underneath.

R G Mullins
Administrator

Administrator's Receipts & Payments Account

Period: 11 November 2014 to 31 December 2014

Per Directors
Statement of
Affairs

<u>£</u>	<u>£</u>	<u>£</u>
Receipts		
1 Goodwill		1 00
4,000 Plant and machinery		4,000 00
1 Customer contracts		1 00
42,240 Book debts		0 00
1 Business intellectual Property Rights		1 00
55,288 Cash at bank		0 00
Cash in client account		5,000 00
<u>101,531</u>		<u>9,003 00</u>
Payments		
Statutory Advertising	84 60	
VAT receivable	<u>16 92</u>	
		101 52
Balance at	31 December 2014	<u><u>8,901 48</u></u>
Represented By:		
Current Account		8,901 48
		<u><u>8,901 48</u></u>

BenedictMackenzie

The Checklist Partnership Limited - In Administration ("the Company")

In the Hereford County Court No 2 of 2014

Company number: 08451752

Report by the Administrator in accordance with Statement of Insolvency Practice 16 ("SIP16")

The Checklist Partnership Limited - In Administration

Registered Office: The Pigeon House, Bodenham, Hereford, Herefordshire, HR1 3JX
Registered Number: 08451752

Report by the Administrator in accordance with Statement of Insolvency Practice 16

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- 6 The transaction
- 7 Purchaser and related parties
- 8 Assets
- 9 Sale consideration
- 10 No information withheld
- 11 Administrator Proposals
- 12 Conclusion

1. Purpose of Report

1 1 In keeping with best practice guidelines, this statement is made in order to comply with the Administrator's responsibilities under SIP16 (the latest version of which is effective from 1 November 2013) Statement of Insolvency Practice are guidance notes issued by the insolvency regulatory authorities with a view to maintaining standards by setting out required practice and harmonising practitioners' approach to particular aspects of insolvency

1 2 SIP16 concerns 'pre-packaged sales' in Administrations The term 'pre-packaged sale' (or 'pre-pack') refers to an arrangement under which the sale of all or part of a company's business or assets is negotiated with a purchaser prior to the appointment of an Administrator, and the Administrator effects the sale immediate on, or shortly after, his appointment A copy of SIP16 can be located via this link to the R3 website

[http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP_16_-_Version_2_\(effective_from_1_November_2013\).pdf](http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP_16_-_Version_2_(effective_from_1_November_2013).pdf)

1 3 Insolvency Practitioners, who are party to a pre-packaged sale, whether as adviser to the company before the appointment, or as the appointed Administrator, or both, must be mindful of the duties which they, and those who act on their advice, owe to parties who might be affected by the arrangement

1 4 SIP 16 applies to this Administration due to a sale of the business and assets of the Company on 17 November 2014 following the appointment of Mr R G Mullins as Administrator on 11 November 2014

1 5 Below is a detailed record of the reasoning behind the decision to undertake a pre-packaged sale in this case, and to justify why such course of action was considered appropriate

1 6 In accordance with the requirements of SIP16 it is being provided to all creditors of whose names and addresses of which the Administrator is aware and within 7 calendar days of the transaction

2. Background to The Company and Appointment

2 1 The Company was incorporated on 19 March 2013 with its registered and trading office located at The Pigeon House, Bodenham, Hereford, Herefordshire, HR1 3JX

2 2 Its principal activity was supplying software solutions to the health industry, primarily the NHS

2 3 The business initially commenced in the 1990s with Mr & Mrs Thompson trading in partnership with Mr Robert Findlay In 2000, a formal partnership was formed and by 2005 Mr Anthony Thompson and Mrs Kate Thompson had bought out Mr Findlay In 2011, discussions commenced with Mr Mike Singer that resulted in the business being incorporated into The Company

2 4 Turnover for the partnership had been as high as £1.1m in 2005 but has declined due to more competition and lack of resources The first draft accounts to 31 March 2014 show turnover at £445,733

- 2 5 The majority of the software is written in older versions of programming languages and requires a major investment either to update or re-write, and the Company has found it impossible to attract funding in its present condition due to the decline in the business and its solvency. The decline in clients over of several years has also reduced new software sales.
- 2 6 At the date of my appointment there were three employees and a self employed software developer. The employees have transferred across to the Purchasers as part of the transaction.
- 2 7 The Directors held a Board Meeting in 16 July 2014 to discuss the position and the way forward given the lack of cashflow and the need to develop the software to meet the new challenges. The meeting was inconclusive and the executive directors had a further meeting at the Company's lawyers at which Mr Mullins was present. On the information provided the Company was considered insolvent and Mr Mullins described the alternatives to those present, ranging from further funding to forms of insolvency procedure.
- 2 8 Mr Mullins recommended a full Board Meeting at which he could summarise the alternatives again and allow the Directors to make a unanimous decision as to the action they wished to take.
- 2 9 A full Board Meeting was convened on 20 October 2014. After lengthy discussion it was resolved that the Company was insolvent and that the meeting be adjourned for seven days to allow the non-executive director to consider all that had been discussed and whether there were any suitable potential purchasers of the business.
- 2 10 At the adjourned Board Meeting on 27 October 2014, at which all Directors were present together with an independent advisor to the non-executive director it was resolved to place the Company into Administration. A Notice of Intention to Appoint was filed by Mr Thompson in the Hereford County Court on 28 October 2014.
- 2 11 This resulted in the appointment of Mr Mullins as Administrator on 11 November 2014, and the sale of the business to Abbeywhite Limited, the new business of the former executive directors on 17 November 2014.
- 2 12 Prior to the Company being placed into Administration steps had been taken to market the business as follows:

Request of potential purchasers from the directors

- 2 13 The Directors had considered potential purchasers, including those previously involved in the undertaking. It was felt that there was unlikely to be any party, who would purchase the operation given its current position, other than the Directors.
- 2 14 The Directors were requested to supply details of any potential purchasers by close of business on 7 November 2014, no details other were received. An offer was made by Abbeywhite Limited to be considered by the Administrator.

Independent Agent

- 2 15 The tangible assets were valued independently by national valuers and auctioneers, Edward Symmons, from information on assets supplied to them. The software details supplied were considered by them but recommended that a specialist software purchasing company be contacted by Benedict Mackenzie. A non disclosure agreement was signed and Company information was supplied by Benedict Mackenzie to them.

- 2 16 Following the review Benedict Mackenzie were advised that the software purchaser was not interested in purchasing the business stating that whilst NHS contracts are attractive it's difficult to gauge the stickiness of the service which ultimately leads to client retention post acquisition. As an aside they considered that the Directors were likely to be best placed to take the software on and that in its present state its value was not likely to be as great.
- 2 17 It was considered by the Company that a full open marketing of the business would have a detrimental effect to the business. As in this event it was likely that knowledge of the Company's financial difficulties and subsequent anticipated insolvency procedure would result in the release of any contractor obligations thus resulting in the loss of contracts and customers. The sale to the existing Directors could limit the damage to contracts by transferring them rather than allowing the customers to exercise default clauses that would increase the creditors of The Company by a significant amount. The Directors are all aware that there is still the considerable risk that existing customers may not wish to transfer their business to Abbeywhite Limited.

3. Initial introduction to the Company

- 3 1 Mr Mullins of Benedict Mackenzie was introduced to The Company by Messrs Davies & Partners, the Company's lawyers. Following a telephone conversation, a meeting with Mr Singer and Mr Thompson, was held at the offices of Messrs Davies & Partners, Bristol on 7 August 2014.
- 3 2 Davies & Partners are a firm of solicitors who pass insolvency work to Benedict Mackenzie from time to time. There is nothing other than a professional relationship with them. No commissions for introductions are paid.

4. Pre-appointment considerations

- 4 1 As indicated above Mr Mullins first met the executive directors of the Company on 7 August 2014 at which he provided generic advice regarding the options which were available to the Company. In particular, the insolvency options, including a pre-packaged Administration was discussed and it was at that meeting that the directors expressed an interest in making a formal offer for the business and assets of the Company.
- 4 2 Mr Mullins made it clear that a full Board meeting must be called as without the Goodwill value in the accounts the Company was severely insolvent and all the Directors should be apprised of his advice for the Directors to make a collective decision.
- 4 3 A review of the possible alternative courses of action were considered by Mr Mullins and the directors, prior to appointment, comparing the likely outcomes from various options including but not limited to

Company Voluntary Arrangement (CVA)

- 4 4 A CVA had been considered by the Company however this was not deemed an appropriate strategy for the following reasons
- funding the CVA initially and for the full term was considered challenging, and
 - it was considered that ongoing trading of the Company would be difficult taking into account the current disputes between the directors

Liquidation

- 4 5 A Liquidation of the Company was considered to be detrimental to creditors' interests, as additional liabilities would crystallise on liquidation principally in respect of employee claims and the cancellation of contracts

Seeking to achieve a sale of the business during the course of a trading Administration

- 4 6 A trading Administration was not considered to be a viable strategy for the following reasons
- There would be a significant cash requirement to fund working capital and re-development of software which the Company was unable to obtain, and
 - A trading strategy also carried significant execution risk, with contract customers considered likely to utilise contract clauses thus terminating ongoing contracts

Consultation with major creditors

- 4 7 The significant major creditors of the Company are the Directors and the level of their directors' loan accounts. Of the approximate £440,000 of creditors about £330,000 is due to the Directors

Requests made to potential funds to fund working capital requirements

- 4 8 The bank account was in credit, but the estimated additional £165,000 required to provide the minimum of capital going forward would not be available from Directors, the Bank or other external sources

Details of registered charges with dates of creation

- 4 9 The Company had no registered charges

Whether or not the business or business assets have been acquired from an insolvency practitioner within the previous two years

- 4 10 The business or business assets have not been acquired from an insolvency practitioner within the previous two years

5. Valuation and Marketing of the Business and Assets

- 5 1 As indicated above a request was made of the directors for any independent potential purchasers the Company. No suitable purchaser was supplied
- 5 2 In addition, Edward Symmons were engaged by the Company on 20 October 2014 to independently value the business and assist with marketing the business of the Company. An independent party was identified by Edward Symmons and a Non-Disclosure Agreement was signed and information provided by Benedict Mackenzie. No offer was received but the feedback from this expert purchaser was helpful in establishing the state of the software and the only likely purchasers of the business, the front runner being the current Directors of the Company

Previous investment search

- 5 3 The directors confirmed that a period of marketing activities had been conducted by the Company in order to seek third party investment from either financial institutions or individual investors
- 5 4 The directors could not obtain the necessary level of finance required

Valuation report

- 5 5 The desktop valuation was provided by Edward Symmons, with regards to the tangible assets of the Company. Due to the varied location of items of office equipment it was considered that a desktop valuation would be sufficient. Full details of the equipment along with pictures were supplied. The estimated realisable value of the office equipment was £4,000 against a net book value of £8,775 at 30 September 2014.
- 5 6 It is considered by the Agents that the offer received from the directors is a fair and reasonable offer.
- 5 7 The valuation of the intellectual property was considered and Edward Symmons put Benedict Mackenzie in touch with a company that specialises in purchasing software companies. Given the nature of the specialist contracts and the non performance clauses the contracts were likely to have little value as the risk of forfeiture was high. Thus, there was little or no value to a third party.

6. The transaction

- 6 1 The sale was concluded on 17 November 2014 following the Administrator's appointment on 11 November 2014. This was carried out via a formal sale agreement which was drawn up by the Administrator's solicitors, Messrs Everys.

7 Purchaser and related parties

The identity of the purchaser

- 7 1 The Administrator sold the Company's business and certain assets to Abbeywhite Limited.

Connections between the purchaser and the directors, shareholders or secured creditors of the Company or their associates and the names of any directors, or former directors, of the Company who are involved in the management or ownership of the purchaser, or of any other entity into which any of the assets are transferred

- 7 2 Messrs Anthony Thompson and Mike Singer, both being directors and shareholders of the Company were appointed directors of Abbeywhite Limited on 16 October 2014. They are also the sole shareholders of Abbeywhite Limited, each owning 50 shares. There are no other connections involving the Company or Abbeywhite Limited.

Whether any directors had given guarantees for amounts due from the Company to a prior financier, and whether that financier is financing the new business

- 7 3 The Administrator has been advised that there are no directors who have supplied guarantees for any amounts due from the Company to a prior financier.

8 Assets

Details of the assets involved and the nature of the transaction

- 8 1 The Company's assets are all uncharged assets The following were sold to Abbeywhite Limited
- Software and intellectual property
 - Company and product names
 - Existing contracts (subject to authorisation)
 - Existing computers and software licences (subject to authorisation)
 - Fixtures and fittings
- 8 2 Three employees have been transferred to Abbeywhite Limited and there are three clients with ongoing commitments with potential claims which have been transferred to Abbeywhite Limited
- 8 3 The following assets were not part of the sale
- Cash at bank
 - Statutory books and records, and VAT records,
 - Historical book debts

9 Sale consideration

- 9 1 The total consideration for the sale of the business is £4,003, plus a deferred one off payment in respect of the goodwill of the Company The sum of £4,003 has been received with the deferred consideration to be reviewed in December 2015
- 9 2 There will be deferred consideration in respect of the Goodwill dependent on the net profit for the first twelve months trading from 17 November 2014 Net profit up to £25,000 will attract a 10% payment Any profit in excess of £25,000 will attract a 20% deferred payment to The Company This is to be paid within 15 months of the sale, i.e. 17 February 2016
- 9 3 There were no options or buy-back agreements attached to the sale contracts
- 9 4 The sale was not part of a wider transaction

10 No information withheld

- 10 1 The Insolvency Act 1986 permits an administrator not to disclose information in certain limited circumstances In this report no information has been withheld from disclosure under these provisions

11 Proposals of the Administrator

- 11 1 A further copy of this report will be incorporated into the Proposals which will be circulated to creditors as soon as practicable

12 Conclusion

- 12 1 It was concluded that a sale of the business and assets, immediately following the Administrators appointment would maximise returns for creditors. This conclusion was reached for the following reasons
- Trading the business was not viable given the likely losses, funding requirement and the significant administration costs which would have been incurred,
 - The offer received was a fair value and was the only offer received after a marketing process,
 - Any other administration realisation strategy would require significant funding
 - The Liquidation of the Company would likely to have incurred an immediate determination of the customer contracts resulting in a very large increase in non-preferential creditors
- 12 2 The Administrator is performing his function with the paragraph 3(1)(b) objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company was wound-up (without first being in Administration)
- 12 3 He is satisfied that this pre-packaged sale has enabled him to achieve this purpose because the business and assets have been sold for values that could not have been achieved had the Company been wound up, and the sale has also avoided the crystallisation of substantial additional liabilities
- 12 4 The Administrator has acted in the best interests of the creditors as a whole when negotiating this pre-packaged sale and is satisfied that the sale price achieved was the best reasonably obtainable in all the circumstances

18 Nov 14

Statement of affairs

Name of Company

CPL Realisations 2014 Limited

Company number

08451752

In the Hereford County Court

(full name of court)

For court use only

2 of 2014

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

Statement as to the affairs of CPL Realisations 2014 Limited, The Pigeon House,
Bodenham, Herefordshire, HR1 3JX on the 11 November 2014, the date that the
company entered Administration

(b) Insert date

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
11 November 2014 date that the Company entered Administration

Full name MICHAEL JONATHAN SINGER

Signed

Dated 15 December 2014

INSOLVENCY ACT 1986

DIRECTORS STATEMENT OF AFFAIRS

A – Summary of Assets

Assets	Notes	Book Value £	Estimated to realise £
Assets subject to fixed charge			
Assets subject to floating charge			
Uncharged assets			
Goodwill		410,312	1
Plant and machinery		7,385	4,000
Customer contracts			1
Book debts		60,240	42,240
Business Intellectual Property Rights		Nil	1
Cash at bank		55,288	55,288
Estimated total assets available for preferential creditors	£	533,225	101,531

Signature 

Date 15 December 2014

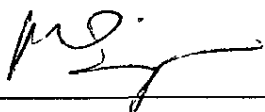
INSOLVENCY ACT 1986

DIRECTORS STATEMENT OF AFFAIRS

A1 – Summary of liabilities

		Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)	£	101,531
Liabilities		
Preferential creditors	£	
Estimated deficiency /surplus as regards preferential creditors:	£	
Estimated prescribed part of net property where applicable (to carry forward)	£	
Estimated total assets available for floating charge holders	£	
Debts secured by floating charges	£	
Estimated deficiency / surplus of assets after floating charges	£	
Estimated prescribed part of net property where applicable (brought down)		
Total assets available to unsecured creditors	£	59,291
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£	
Trade creditors	(3,180)	
HM Revenue & Customs	0	
Director's loan account – Anthony Thompson	(122,258)	
Director's loan account – Michael Singer	(138,779)	
Director's loan account – Catherine Thompson	(94,256)	
Director's expenses – Anthony Thompson	(532)	
Director's expenses – Michael Singer	(375)	
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£	(359,380)
Shortfall to floating charge holders (brought down)		
Estimated deficiency/surplus as regard creditors		
Issued and called up capital	(2,160)	(2,160)
Estimated total deficiency as regards members	£	(302,249)

Signature



Date 15 December 2014

C P L Realisation 2014 Limited
Formerly The Checklist Partnership Limited

Schedule of creditors						Estimated Amounts	Claims Received
Carphone Warehouse Business Services	3R House, Belton Road	Loughborough	Leicestershire	LE11 5XH		100 00	0 00
Davies & Partners	135 Aztec West	Almondsbury	Bristol	BS32 4UB		0 00	0 00
Global Initiative	Clarendon House	52 Commarket Street	Oxford	OX1 3HJ		720 00	0 00
HM Revenue & Customs	Durrington Bridge House	Barrington Road	Worthing	W Sussex, BB12 4SE		0 00	37 820 03
Newsvend	167 Oakhill Road	London	SW15 2QW			360 00	0 00
Royal Bank of Scotland	Shrewsbury Branch	The Square	Shrewsbury	SY1 1LA		0 00	0 00
Royal Bank of Scotland	21 Broad Street	Hereford	Herefordshire	HR4 9AP		0 00	0 00
Software Sculptors	Countrywide House, Knights Way	Battlefield Enterprise Park	Shrewsbury	SY1 3AB		0 00	0 00
Wildin & Co	King's Building	Lydney	Gloucestershire	GL15 5HE		2 000 00	0 00
Willis Group	Frars Street	Ipswich	IP1 1TA			0 00	0 00
Mr M Singer	Wendover, 8 Parkgate Avenue	Hadley Wood	Herefordshire	EN4 0NR		122,258 00	0 00
Mr A Thompson	The Pigeon House	Bodenham	Herefordshire	HR1 3JX		138,779 00	0 00
Mrs C Thompson	Dunval Hall, Astley Abbots	Brdgnorth	Shropshire	WV16 4SL		94,256 00	167,684 00
Mr M Singer	Wendover, 8 Parkgate Avenue	Hadley Wood	Herefordshire	EN4 0NR		375 00	0 00
Mr A Thompson	The Pigeon House	Bodenham	Herefordshire	HR1 3JX		532 00	0 00
						359,380 00	205,504 03

C P L Realisation 2014 Limited
Formerly The Checklist Partnership Limited
(In Administration)

Statement of Estimated Final Outcome as at 31 December 2014

	Receipts & payments £	Estimated to realise £	Estimate of final outcome £	Statement of affairs £
Receipts				
Goodwill	1	-	1	1
Plant & machinery	4,000	-	4,000	4,000
Customer contracts	1	-	1	1
Book debts	-	42,240	42,240	42,240
Business Intellectual Property Rights	1	-	1	3
Cash at bank	-	40,719	40,719	55,288
Cash in client account	5,000	-	5,000	-
VAT refund	-	9,790	9,790	-
VAT reclaimed	-	6,072	6,072	-
Bank interest	-	-	-	-
	<u>9,003</u>	<u>98,821</u>	<u>107,824</u>	<u>101,533</u>
Payments				
Insolvency practitioner's fees	-	20,000	20,000)	-
Pre appointment fee	-	5,000	5,000)	Not
Administrator's bordereau insurance	-	317	317)	on
Advertising	85	85	169)	Statement
Solicitor's fees	-	5,000	5,000)	of
Solicitor's disbursements	-	400	400)	
Storage costs	-	190	190)	Affairs
Meeting room	-	108	108)	
Postage charges	-	10	10)	
Company search	-	4	4)	-
VAT receivable	17	6,055	6,072)	-
Distributions to unsecured creditors	-	70,555	70,555	101,533
	<u>102</u>	<u>107,722</u>	<u>107,824</u>	<u>101,533</u>
	<u>8,901</u>	<u>(8,901)</u>	<u>-</u>	<u>-</u>

Balance in hand

Time & Charge Out Summaries (pre-appointment)

CASE NAME C P L Realisation 2014 Limited

Classification of work function	HOURS							Time Cost	Average Hourly rate £
	Office-Holder	Manager	Manager	Other Senior Professionals	Other Senior Professionals	Assistants & Support staff	Other		
Hourly Rates (charged per 6 minute units)	£275 00	£225 00	£100 00	£110 00	£80 00	£50 00	£40 00	£	
Administration & Planning	16 70	22 40	18 70	0 00	0 50	0 00	0 00	5 390 00	92 45
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of Assets	4 80	0 00	0 00	0 00	0 00	0 00	0 00	1 320 00	275 00
Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
TOTAL HOURS	21 50	22 40	18 70	0 00	0 50	0 00	0 00	6 710 00	106 34

TOTAL FEES CLAIMED

£5,912 50 £5,040 00 £1,870 00 £0 00 £40 00 £0 00 £0 00 £12,862 50

Time b/fwd

0 00
12,862 50

Less Billings to Date

0 00

Time costs unbilled

£12,862 50

Time & Charge Out Summaries (post-appointment)

CASE NAME C P L Realisation 2014 Limited

Classification of work function	HOURS							Time Cost	Average Hourly rate
	Office-Holder	Manager	Manager	Other Senior Professionals	Other Senior Professionals	Assistants & Support staff	Other		
Hourly Rates (charged per 6 minute units)	£275 00	£225 00	£100 00	£110 00	£80 00	£50 00	£40 00	£	£
Administration & Planning	6 90	13 50	0 00	1 00	0 00	0 00	0 00	5,045 00	235 75
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of Assets	13 50	1 80	0 00	0 00	0 00	0 00	0 00	4,117 50	269 12
Creditors	0 00	0 30	0 00	0 00	0 00	0 00	0 00	67 50	0 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
TOTAL HOURS	20 40	15 60	0 00	1 00	0 00	0 00	0 00	9,230 00	249 46

TOTAL FEES CLAIMED

£5,610 00	£3,510 00	£0 00	£110 00	£0 00	£0 00	£0 00	£0 00	£9,230 00
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Time b/fwd

0 00
9,230 00

Less Billings to Date

0 00

Time costs unbilled

£9,230 00

APPENDIX 5b

Rule 2.35

Notice of a meeting of creditors

Name of Company

C P L Realisation 2014 Limited
Formerly The Checklist Partnership Ltd

Company number

08451752

In the Hereford County Court

(full name of court)

Court case number
2 of 2014(a) Insert full name(s) and
address(es) of
administrator(s)Notice is hereby given by Rupert Graham Mullins of Benedict Mackenzie,
CityPoint, Temple Gate, Bristol, BS1 6PL(b) Insert full name and
address of registered office
of the companyThat a meeting of creditors of C P L Realisation 2014 Limited of CityPoint,
Temple Gate, Bristol, BS1 6PL(c) Insert details of place of
meetingIs to be held at the offices of Benedict Mackenzie, CityPoint, Temple Gate,
Bristol, BS1 6PL(d) Insert date and time of
meeting

on 19 January 2015 at 11 00 am

*Delete as applicable

The meeting is

an initial creditors' meeting under paragraph 51 of Schedule B1 to the
Insolvency Act 1986 ("the Schedule")

I invite you to attend the above meeting

A proxy form is enclosed which should be completed and returned to me by
the date of the meeting if you cannot attend and wish to be representedIn 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

*Delete as applicable

Signed

Administrator

Dated 31 December 2014

A copy of the proposals is attached

Rule 4 73
4 25

Proof of Debt – General Form

C P L Realisation 2014 Limited Formerly The Checklist Partnership Limited

1	Name of creditor (If a company please also give company registration number)	
2	Address of creditor for correspondence	
3	Total amount of claim, including any Value Added Tax and outstanding un-capitalised 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 chairman or convenor of any meeting)	
5	If amount in 3 above includes outstanding un-capitalised 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 in relation to creditor	
	Address of person signing (if different from 2 above)	
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Liquidator		Liquidator

Rule 8.1

Insolvency Act 1986

Form 8.2

Proxy (Administration)

C P L Realisation 2014 Limited (in Administration)

Formerly The Checklist Partnership Limited

Name of Creditor _____

Address _____

Name of Proxy Holder

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.

1 _____

2 _____

3 _____

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

I appoint the above person to be my/the creditor's proxy holder at the meeting of creditors to be held on 19 January 2015, 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 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