

The Insolvency Act 1986

Notice of move from administration to creditors' voluntary liquidation

2.34B

Name of Company

IPC Realisations 2007 Limited
(formerly Imperial Painting Contractors Limited)

Company number

02708140

In the
Royal Court of Justice

(full name of court)

For court use only
2690 of 2007(a) Insert full name(s) and
address(es) of administratorsWe Andrew John Duncan and Jason James Godefroy of Menzies Corporate Restructuring,
43-45 Portman Square, London, W1H 6LY(b) Insert name and address of
the registered office of companyhaving been appointed administrators of IPC Realisations 2007 Limited (formerly Imperial
Painting Contractors Limited) of 3 Manor Road, Chatham, Kent, ME4 6AE ("the Company")

(c) Insert date of appointment

On 13 April 2007 by Royal Bank of Scotland Invoice Finance Limited

(d) Insert name of appointor

hereby give notice that

(e) Insert name(s) and
address(es) of liquidator(s)

the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply, and it is
proposed that Andrew John Duncan and Jason James Godefroy of Menzies Corporate
Restructuring, 43-45 Portman Square, London, W1H 6LY will be the joint liquidators of the
Company (IP No(s) 9319 and 8728)

We attach a copy of the final progress report

Signed

Joint Administrators

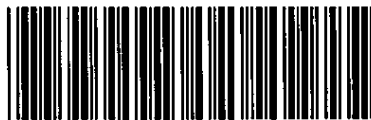
Dated

29/10/07

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

Menzies Corporate Restructuring
43-45 Portman Square
London
W1H 6LY



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A32

31/10/2007

228

COMPANIES HOUSE

020 7487 7240

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

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

**IPC Realisations 2007 Limited
(formerly Imperial Painting Contractors Limited)
(In Administration)**

**Final Progress Report of the Joint Administrators
Pursuant to Rule 2.110 of the
Insolvency Rules 1986 as amended**

19 October 2007

Names of Joint Administrators: Andrew John Duncan
Jason James Godefroy

Date of appointment: 13 April 2007

Date of report: 19 October 2007

Appointed by: Royal Bank of Scotland Invoice Finance Limited

Court reference: High Court no. 2690 of 2007

Menzies Corporate Restructuring
43-45 Portman Square
London
W1H 6LY

CONTENTS

1. Introduction
2. Background
3. Asset realisations
4. Creditors' meeting
5. Investigation
6. Dividend prospects/ prescribed part
7. Administrators' remuneration
8. End of Administration
9. Other matters

APPENDICES

1. Statutory information
2. Receipts and payments account
3. Analysis of time costs
4. Proof of Debt

1. INTRODUCTION

- 1.1 Andrew John Duncan and Jason James Godefroy of Menzies Corporate Restructuring were appointed Joint Administrators of IPC Realisations 2007 Limited (formerly Imperial Painting Contractors Limited) ("the Company") on 13 April 2007 by Royal Bank of Scotland Invoice Finance Limited ("RBSIF"), the holder of a qualifying floating charge under paragraph 14 of Schedule B1 to the Insolvency Act 1986
- 1.2 The purpose of this report is to detail my acts and dealings together with the conduct of the administration since my last report to creditors dated 29 May 2007.

2. BACKGROUND

- 2.1 The business commenced trading in 1992 and was incorporated on 21 April 2004. Statutory information on the Company and a summary of its financial position is included within Appendix 1.
- 2.2 The Company traded as a main contractor providing building refurbishment, maintenance, scaffolding, painting and decorating services.
- 2.3 The Company's clients comprised mainly local authorities, housing associations, private landlords, churches and commercial businesses
- 2.4 The Company operated from leased premises in Borough Green and Broadstairs in Kent and Surbiton in Surrey.

3. ASSET REALISATIONS

Sale of business and assets

- 3.1 As detailed in my earlier report, the business and assets of the Company (excluding book debts) were sold to Kent Sweepers Limited ("Kent Sweepers") on the date of our appointment for the sum of £450,000. The sales proceeds were to be received on a deferred basis as follows:
- £100,000 by 17 April 2007
 - £100,000 by 24 April 2007
 - 17 Monthly instalments of £13,890 starting on 30 April 2007
 - £13,870 on 31 October 2008

- 3.2 To date, I have received the deferred consideration payments on a timely basis from Kent Sweepers and receipts to date have totalled £283,340. The payments received to date and the total sale consideration are apportioned as follows

	<u>Consideration received to date</u> £	<u>Total sales consideration due</u> £
Goodwill	155,000	250,000
Work in Progress	105,000	175,000
Chattel Assets	23,335	24,995
Stock	1	1
Contracts	1	1
Records	1	1
Intellectual Property Rights	1	1
Vehicles and any other assets	1	1
	<u>283,340</u>	<u>450,000</u>

- 3.3 I do not currently have any reason to believe that the full sales proceeds will not be received in accordance with the sales contract.

Book debts

- 3.4 The Company's book debts are subject to an invoice discounting facility agreement with RBSIF. At the date of our appointment, the Company's gross sales ledger stood at £970,690 against a balance outstanding of £635,632, subject to accruing interest and charges
- 3.5 The debt ledger was subject to substantial queries regarding the validity of the majority of the book debts to the extent that only £336,000 of the ledger was believed to be realisable.
- 3.6 The directors have collected the book debts on behalf of RBSIF and have personally guaranteed that receipts will exceed £365,000. To date, RBSIF have received payments totalling £341,703 with a further £21,252 awaited from one debtor. It is considered likely that debtor realisations will fall short of the guaranteed amount and I am in discussion with the directors regarding settlement of this shortfall.

Receipts and Payments Account

- 3.7 Attached at Appendix 2 is the Joint Administrators' Receipts and Payments Account for the period 13 April 2007 to 19 October 2007 the contents of which are self explanatory.

4. CREDITORS' MEETING

- 4.1 You will recall from our previous report that pursuant to Paragraph 52(1) of Schedule B1 to the Insolvency Act 1986, a creditors' meeting was not required to be held as there will be insufficient assets to enable a distribution to unsecured creditors other than from the prescribed part pursuant to Section 176A of the Insolvency Act 1986
- 4.2 No meeting was convened and in accordance with Rule 2.33(5) of the Insolvency Rules 1986 the Administrators' proposals were deemed to have been approved by creditors

5. INVESTIGATION

- 5.1 The directors conduct report was submitted to the Insolvency Practitioners Compliance Unit on 11 October 2007.

6. DIVIDEND PROSPECTS / PRESCRIBED PART

Secured Creditors

- 6.1 In consideration for the monies advanced under the invoice discounting agreement the Company granted RBSIF a mortgage debenture, which confers fixed and floating charges over all of the assets of the company.
- 6.2 At the date of the Administrators appointment, the Company's indebtedness to RBSIF was approximately £635,632, subject to accruing interest and charges. RBSIF has recovered £341,703 in respect of debtor realisations. We have also made payments of £122,000 and £68,000 under RBSIF's fixed and floating charges, respectively, from funds received from the sale of the business and assets of the Company. This leaves a balance of £103,929 outstanding, subject to accruing interest and charges. The joint administrators do not expect that sufficient realisations will be achieved to repay RBSIF in full.

Preferential Creditors

- 6.3 Under current insolvency legislation, preferential claims are limited to arrears of wages and holiday pay. There are not expected to be any preferential claims in this case as all of the employees of the Company transferred to Kent Sweepers under the Transfer of Undertaking (Protection of Employment) Regulations 2006

Prescribed Part

- 6.5 Pursuant to section 176A of the Insolvency Act 1986 where a floating charge is created after 15 September 2003 a prescribed part of the company's net property shall be made available to unsecured creditors.
- 6.6 I am of the opinion, based on the current information, that the prospects are that there will be insufficient funds to pay the secured creditor in full and consequently the only prospect of a distribution to unsecured creditors is by way of the prescribed part.
- 6.7 The prescribed part is calculated as a percentage of net property, as follows:-

Net property less than £10,000:	50% of that property
Net property of at least £10,000:	50% up to £10,000 plus 20% thereafter to a maximum of £600,000

- 6.8 The quantum of the prescribed part based on the sales consideration due and after allowing for the anticipated expenses of the Administration is estimated to be in the region of £30,000. I am unable to provide a meaningful estimate of the amount of any dividend that may be paid to unsecured creditors until the unsecured claims received to date have been adjudicated

Non Preferential Creditors

- 6.9 I have not yet received the directors' statement of affairs, however, to date I have received claims from non-preferential creditors totalling £364,182. These claims can be summarised as follows:

	<u>£'s</u>
Trade & Expense Creditors	98,967
Customs & Excise	<u>265,215</u>
Total	<u>364,182</u>

- 6.10 As stated above, we have not adjudicated upon the unsecured claims received to date and believe that a substantial number of claims are outstanding. As such any attempt to estimate the potential dividend payable to non-preferential creditors at this stage is difficult.
- 6.11 Should you not yet have submitted your non-preferential claim against the Company I would encourage you to do so using the proof of debt form attached as Appendix 4 at your earliest opportunity

7. ADMINISTRATORS' REMUNERATION

- 7.1 In accordance with Rule 2.106(5A) of the Insolvency Rules 1986, as amended, the Joint Administrators' remuneration was approved by the secured creditor, RBSIF. The Joint Administrators' remuneration is fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration
- 7.2 The Joint Administrators' time costs for the period 13 April 2007 to 12 October 2007 total £40,127. An analysis of these time costs is set out at Appendix 3. During the period 13 April 2007 to 12 October 2007, £20,000 was drawn as remuneration by the Joint Administrators
- 7.3 In addition, Menzies Corporate Restructuring incurred substantial time costs associated with advising RBSIF prior to Administration and in assisting with placing the company into Administration. Remuneration of £17,000 plus disbursements and VAT have been met by RBSIF in respect of these costs

8. END OF ADMINISTRATION

- 8.1 In accordance with the Joint Administrators' proposals, given that a distribution to creditors is likely from the prescribed part, the joint administrators are now taking the appropriate steps to place the Company into creditors' voluntary liquidation, to enable a distribution to be made to creditors.
- 8.2 The liquidation will be primarily concerned with ensuring the deferred consideration for the sale of the business and assets is recovered in accordance with the sale agreement and making distributions to RBSIF and, when appropriate, to the non-preferential creditors from the Prescribed Part funds
- 8.3 Upon the filing of the necessary statutory form with the Registrar of Companies, Jason Godefroy and I will be appointed as joint liquidators of the Company and the administration will come to an end.

9. OTHER MATTERS

- 9.1 If you require further information or assistance, please do not hesitate to contact my colleague, Lauren Reed



Andrew John Duncan
Joint Administrator

APPENDIX 1

Statutory information

STATUTORY INFORMATION

Date of incorporation 21 April 1992

Registered number 02708140

Company director David James Munn
Stephen Gary Pennington

Company secretary David James Munn

Shareholders

Shareholder	Shares held
David James Munn	100
Stephen Gary Pennington	100

Head office

Laurels Court
Rock Road
Borough Green
Sevenoaks
Kent TN15 8RD

Registered Office

Current:

43-45 Portman Square
London
W1H 6LY

Formerly:

3 Manor Road
Chatham
Kent
ME4 6AE

Financial information

	Year Ended 31 July 06 (Management) £	Year Ended 31 July 05 (Audited) £	Year Ended 31 July 04 (Audited) £
Turnover	9,014,559	7,951,809	5,794,734
Gross Profit	2,246,599	1,743,387	1,194,057
Retained profit/(loss) for the year	131,753	6,193	(52,279)

APPENDIX 2

Joint administrators' receipts and payments account

IPC Realisations 2007 Limited (formerly Imperial Painting Contractors Limited)
(In Administration)

Receipts and Payments Account
13 April 2007 to 19 October 2007

	Statement of Affairs	Fixed Charge	Floating Charge	Total
	£	£	£	£
RECEIPTS				
Goodwill	-	155,000 00		155,000.00
Work in Progress	-		105,000 00	105,000 00
Chattel assets	-		23,335.00	23,335.00
Cash at Bank	-		3,893 51	3,893 51
Bank Interest Gross	-		2,738 50	2,738 50
Bank Interest Net of Tax	-		8 30	8 30
Intellectual Property	-	1 00		1 00
Motor Vehicle Contracts	-		1 00	1 00
Stock	-		1.00	1 00
Books & Records	-		1 00	1 00
Contracts	-		1.00	1 00
	<u>-</u>	<u>155,001.00</u>	<u>134,979.31</u>	<u>289,980.31</u>

PAYMENTS

RBS Invoice Finance - Fixed Charge	122,000 00		122,000 00
RBS Invoice Finance - Floating Charge		68,000 00	68,000 00
Joint administrators' remuneration		20,000 00	20,000 00
Agents/Valuers fees (1) - floating		2,650 00	2,650 00
Book keeping services		250.00	250 00
Statutory Advertising		145 62	145 62
Re-Direction of Mail		71 85	71 85
Bank Charges		8 55	8 55
Joint administrators' disbursements		8 00	8 00
	<u>122,000.00</u>	<u>91,134.02</u>	<u>213,134.02</u>
Balance	<u>33,001.00</u>	<u>43,845.29</u>	<u>76,846.29</u>

MADE UP AS FOLLOWS

VAT Receivable	3,501 40
Fixed charge current account	33,001 00
Floating charge current account	39,854 65
General VAT control account	489 24
	<u>76,846.29</u>

APPENDIX 3

Analysis of time costs

IPC Realisations 2007 Limited

Analysis of Administrators' time costs for the period 13 April 2007 to 19 October 2007

Classification of Work Function	Hours				Total Hours	Time Cost	Average Hourly Rate
	Partner	Manager	Senior	Assistants			
						£	£
Strategy planning & control	6 60	3 60	7 90	29 80	47 30	8,252 50	174 47
Unsecured creditors	0 50	3 80	8 20	26 90	39 40	5,719 00	145 15
Statutory meetings & reports	2 10	6 40	1 80	15 80	26 10	5,120 00	196 17
Book debts	1 60	3 00	8 50	10 60	23 70	4,146 50	174 96
Sale of business	4 90	1 20	2 20	3 90	12 20	3,101 50	254 22
CDDA reports	0 40	0 40	9 00	11 20	21 00	2,924 00	139 24
General admin	2 00	1 80	2 50	8 20	12 90	2,476 50	191 98
General correspondence	1 50	0 30		17 70	19 50	2,209 50	113 31
Cashiering & accounting		0 50	2 30	6 00	8 80	1,263 00	143 52
Secured Creditors	0 50	0 70	2 00	2 80	5 70	1,189 50	208 68
Statement of affairs	0 30	0 10	1 00	4 40	5 80	804 50	138 71
Meetings	0 70			2 70	3 40	598 00	175 88
Employee matters		0 30	0 30	5 10	5 70	564 00	98 95
Reporting to appointor	1 00				1 00	370 00	370 00
Floating charge assets		0 30	1 10	0 50	1 90	365 00	192 11
Proposals	0 90				0 90	333 00	370 00
Prescribed Part			1 00		1 00	210 00	210 00
Investigations (inc antecedant transactions)	0 30	0 20			0 50	162 00	324 00
IPS set up & maintenance			0 60	0 30	0 90	148 50	165 00
Fixed charge assets	0 10			0 80	0 90	93 00	103 33
Preferential creditors				0 90	0 90	63 00	70 00
Trading - operations				0 20	0 20	14 00	70 00
Total Hours	23 40	22 60	48 40	147 80	239 70	40,127 00	167 41
Total Fees Claimed (£)	8,658 00	5,970 00	9,961 50	15,537 50		40,127 00	

Analysis of category 2 disbursements

Classification of Work Function	Details of Payee	£
None		
Total		0.00

APPENDIX 4

Proof of Debt

Proof of Debt – General Form

**IPC Realisations 2007 Limited (In Administration)
(formerly Imperial Painting Contractors Limited)**

Date of administration 13/04/2007

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 uncapitalised interest as at the date the company went into administration	
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 administrator 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 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 in relation to creditor _____ Address of person signing (if different from 2 above) _____	
For Administrators' Use only		
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Administrator		Administrator