

The Insolvency Act 1986

## Administrator's progress report

Name of Company Milton Bayer Communications Ltd	Company number 03270710
In the Northampton County Court [full name of court]	Court case number 0218 cf 2014

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

I / We (a) Richard Frank Simms of F A Simms & Partners Limited, Alma Park, Woodway Lane, Claybrooke Parva, Lutterworth, Leicestershire, LE17 5FB, United Kingdom and Carolynn Jean Best of F A Simms & Partners Limited, Alma Park, Woodway Lane, Claybrooke Parva, Lutterworth, Leicestershire, LE17 5FB, United Kingdom

administrator(s) of the above company attach a progress report for the period

from

to

(b) 01 August 2014

(b) 31 January 2015

(b) Insert dates

Signed [Signature]  
Joint Administrators

Dated 23/1/15

### 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 searchers of the public record.

F A Simms & Partners Limited	
Tom Hams	
	Tel 01455555493
DX Number	DX Exchange

Companies House receipt date barcode

When 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

THURSDAY



A09 \*A423171F\* 26/02/2015 #5  
COMPANIES HOUSE

**MILTON BAYER COMMUNICATIONS LTD**  
**(IN ADMINISTRATION)**

**SIX MONTH PROGRESS REPORT TO CREDITORS IN ACCORDANCE WITH R2.47 INSOLVENCY  
ACT 1986**

**A) Court Details**

Northampton County Court 0218 of 2014

**B) Statutory Information**

Statutory information concerning the Company can be found in the attached Appendix 1

**C) Administration Appointment Details**

Richard Frank Simms and Carolynn Jean Best of Alma Park, Woodway Lane, Claybrooke Parva, Lutterworth, Leicestershire, LE17 5FB, United Kingdom, were appointed Joint Administrators of Milton Bayer Communications Ltd on the 1 August 2014 by the director of the Company, Mr Raymond Wellington, pursuant to paragraph 22 of Schedule B1 to the insolvency Act 1986

In accordance with Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 the functions of the Joint Administrators are being exercised by any of the Administrators

There have been no changes in office holder during the course of this assignment

**D) Details of Any Extensions**

The unsecured creditors on 19 September 2014 authorised a 6 month extension to the Administration in accordance with Paragraph 108(2) Schedule B1 Insolvency Act 1986. The extension was put in place in order for the Administrator to increase asset realisations

**E) Details of Progress Of The Administration**

This report details our acts and dealings together with the conduct of the administration since the proposal circulated on 29 August 2014 to all creditors

**Receipts and payments account**

Attached at Appendix 2 is a copy of our receipts and payments account for the period 1 August 2014 to 31 January 2015 from which you will note that total receipts for the period are £204,126 61 and total payments of £178,491 06 resulting in a balance in hand of £25,635 55

The receipts and payments are shown net of VAT where appropriate

A breakdown of the receipts detailed on the account and work conducted in respect of their realisations are detailed below

## **Sale of Business**

As previously advised, a sale of assets was achieved following the appointment of Administrators on 1 August 2014. The business and certain assets were sold to associated Company Milton Bayer Limited (Company Number 09084379). A disclosure of the sale pursuant to Statement of Insolvency Practice 16 (SIP 16) was provided to creditors on 6 August 2014. A copy of this letter is available on request from this office.

As a summary of the sale please note that the assets were included in the sale to the connected party were sold for the following amount -

	£
Goodwill	22,000
Office Furniture & Computer Hardware	6,200
WIP	4,975
<b>Total</b>	<b>33,175</b>

Payments in respect of the sale consideration have been received in full.

## **Book Debts Factoring**

As advised in my previous report to creditors the Company's book debts were subject to a factoring agreement with Bibby Factors Limited (Bibby). The factoring liability was repaid in full on 4 September 2014.

A surplus of £22,444.23 was received from Bibby on 17 October 2014, being the net proceeds of realisation totalling £155,109.95 less, the amount owing to Bibby under the terms of their factoring agreement totalling, £130,380.62, this includes a termination fee of 7.5% of which VAT is applied £2,285.10.

Bibby advised that there were debtors remaining on the ledger and that attempts to collect the amounts outstanding had already been made.

## **Book Debts**

For ease of collection the Administrators instructed Bibby to collect the remaining book debts. A debt collection fee of 10% of successful recoveries was agreed between the Administrators and Bibby.

Bibby collected a further £5,310, this was paid to the estate account on 28 October 2014, less the agreed 10% successful recovery fee.

The last remaining debtor was placed into Liquidation on the 29 October 2014. A claim to the sum of £6,240 has been submitted to the Liquidator. The Liquidator has recently advised that it is very unlikely that there will be any dividend to any class of creditor.

## **Cash at Bank**

The sum of £3,565.98 was received immediately upon appointment from the Company's bank, Barclays Bank plc.

## **Bank Interest**

All funds received into the Administration are held in an interest bearing account with Barclays Bank plc. Interest for the period of this report is £1.19.

### **Directors Loans**

To date the sum of £2,000 has been collected in respect of an outstanding Directors Loan Account. The loan account was identified prior to the appointment of the Administrators. The Director continues to make monthly payments of £500 per calendar month in line with the proposals. Receipts in respect of the Directors loan for this period total £2,000.

As at 31 January 2015, the sum of £4,657.00 remains outstanding.

I can confirm that outside of this reporting period the sum of £500 was paid on 3 February 2015. This will be detailed in the next progress report.

### **Sundry Refund**

A refund in the sum of £500.00 was received from Pitney Bowes on 29 October 2014.

## **F) Creditors' Claims & Dividend Prospects**

### **Secured creditors**

There is a fixed and floating charge in favour of Bibby. As detailed above, Bibby no longer have an outstanding balance and the surplus funds were forwarded to the estate. The factoring liability was repaid on 4 September 2014.

Termination where charged to the Company. The VAT element is to be reclaimed by the Administrators shortly.

### **Prescribed Part**

There are provisions of the insolvency legislation that require an Administrator or Liquidator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the Company gave a 'floating charge' over its assets to a lender on or after 15 September 2003. This is known as the 'prescribed part of the net property'. A company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An Administrator has to set aside,

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000

The Company granted a charge to Bibby, however this charge has since been satisfied and as such the provisions of prescribed part will not apply.

### **Preferential creditors**

There are no preferential creditors in the Administration. All known employees transferred under TUPE regulations, as part of the business sale to Milton Bayer Limited.

### **Unsecured creditors**

The unsecured creditors, as per the statement of affairs totalled £267,521.

As Administrator I have no formal capacity to distribute funds to unsecured creditors without the leave of the Court and as such no formal steps have been taken to adjudicate and admit claims received to rank for dividend purposes.

### **Dividend Prospects**

There are sufficient funds held in the Administration account to enable a first distribution to unsecured creditors in this matter

Please note that as Administrator I do not have the capacity to make any distribution to unsecured creditors without the leave of Court. In order to make any distribution to unsecured creditors it will be necessary to end the Administration by placing the Company into Creditors' Voluntary Liquidation or Compulsory Liquidation. Both exit routes were approved as part of the Joint Administrators Proposals at the meeting of creditors on 19 September 2014.

It has been considered that the most effective exit route from the Administration will be to place the Company into Creditors Voluntary Liquidation in order to issue a notice of intended dividend.

Following this progress report and after the Company is placed into Liquidation it is envisaged that a first distribution to unsecured creditors will be declared within three months of this report.

Any creditor who has not yet submitted their claim in the Liquidation is invited to do so in advance of any notice of intended dividend. A Proof of Debt is attached in Appendix 3 of this report.

Should you have already lodged a claim and wish to confirm receipt, please contact Thomas Harris of this office.

## **G) Costs and Expenses**

### **Pre-Administration Costs**

We would confirm a resolution was passed on 19 September 2014 by the Creditors that the Joint Administrators' may draw and pay their pre-appointment time costs and category 1 and 2 disbursements properly incurred.

Pre-appointment fees of £14,333.27 and disbursements of £11.27 were incurred prior to appointment and these have been drawn in full from the first asset realisations made on appointment.

### **Administrators Remuneration**

Our remuneration has been approved previously by the Creditors on 19 September 2014 to be drawn on a time cost basis. My total time costs to 31 January 2015 amount to £24,844.00 at an average charge out rate of £183.35. I have drawn £22,200 to date. A schedule of my time costs incurred to date is attached at Appendix 4.

A description of the routine work undertaken in the administration to date is as follows:

#### **1 Administration and Planning**

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on case management software
- Review and storage
- Case bordereau
- Case planning and administration
- Preparing reports to members and creditors
- Convening and holding meetings of members and creditors

## **2 Cashiering**

- Maintaining and managing the administrator's cashbook and bank account
- Ensuring statutory lodgements and tax lodgement obligations are met
- Reviewing monthly payments as when they are due in
- Completing post appointment returns

## **3 Creditors**

- Dealing with Creditor correspondence and telephone conversations
- Preparing reports to Creditors
- Maintaining Creditor information on case management software
- Reviewing, and adjudicating on if necessary, proofs of debt received from Creditors

## **4 Investigations**

- Review and storage of books and records
- Prepare a return pursuant to the Company Directors Disqualification Act
- Conduct Investigations into suspicious transactions
- Review books and records to identify any transactions or actions an administrator may take against a third party in order to receiver funds for the benefit of Creditors

## **5 Realisation of Assets**

- Corresponding with debtors and attempting to collect outstanding book debts
- Instructions with Debt Collection
- Lodging claims with Liquidator
- Reviewing and collecting Directors Loan Account
- Collecting monthly payments in respect of the Sale Purchase Agreement
- Liaising with the Company's bank regarding the closure of the account

A copy of "A Creditors' Guide to Administrators' Fees" together with an explanatory note which shows our fee policy are also attached

### **Further Information**

An Unsecured Creditor may, with the permission of the Court or with the concurrence of 5% in value of the Unsecured Creditors (including the Creditor in question), request further details of the Administrators' remuneration and expenses, within 21 days of receipt of this report. Any Secured Creditor may request the same details in the same time limit.

An Unsecured Creditor may, with the permission of the Court or with the concurrence of 10% in value of the Unsecured Creditors (including the Creditor in question), apply to Court to challenge the amount and/or basis of the Administrators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any Secured Creditor may make a similar application to Court within the same time limit.

### **Administrator's Disbursements**

Our disbursements to 31 January 2015 amount to £547.39. I have drawn £451.12 to date.

### **Solicitors' fees – Summers Nigh Law (pre & post appointment)**

As previously advised solicitors have been instructed on a time-costs basis to provide legal advice on all aspects of the administration, in particular the pre-packaged sale and a retention of title claim.

Instruction was on the basis of time costs and disbursements incurred plus VAT.

Time costs up to the date of Administration were £2,700 (plus VAT) and payment of the same was approved at the meeting of creditors on 19 September 2014. These costs have now been discharged in full.

Engagement with Summers Nigh Law continued following the appointment of Administrators and the basis of the fee remained the same

Work conducted post appointment has been inclusive of, but not limited to, the finalisation of the sale contract, collection of the sale consideration, a review of a creditor's Retention of Title claim and the continued provision of insolvency advice

Summers Nigh Law total costs for post appointment work for the period is £668 00, the sum of £567 00 has been paid during this period. There are time costs of £101 that have not been paid during this period. These outstanding time costs were paid on 9 February 2014, outside of this reporting period

**Debt Collection fees – Bibby (post appointment)**

We have instructed Bibby to collect the outstanding debtor's. They charge commission of 10% plus VAT of all book debts (UK and overseas) collected on a no success no fee basis. As detailed above, fees of £531 00 have been met from the Administration funds. There are no further debts to be collected

**Agents' fees (pre appointment)**

As previously advised agents have been instructed on a time-costs basis to realise the assets of the company and provide marketing advice in the administration. There are no outstanding time costs to the agents and fees of £4,386 00 have been met from the administration funds

There are no fees outstanding to Eddisons

**H) Details Of Any Assets That Remain To Be Realised**

**Directors Loan Account**

As advised above, as at 31 January 2015 the sum of £4,657 00 remains outstanding in respect of the Directors Loan Account

These funds are envisaged to be realised by the Administrators until such time that the Company is placed into Liquidation. Upon Liquidation the Liquidator will continue to collect the outstanding balance from the Director

**I) Investigations**

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved

There were no matters identified which justified further investigation

The office holders' duty to investigate and report on the affairs of the Company remains throughout their time in office. Any creditor who considers that they are in possession of information relevant to these matters is invited to contact, in confidence, Thomas Harris of this office

**J) Any Other Relevant Information**

**Creditors Committee and Investigations**

No creditor committee was formed as no creditors' meeting was held

It is not considered that further action or investigation into the Company and directors conduct is presently warranted

**Completion of the Administration**

Creditors agreed that the Joint Administrators shall conclude the Administration pursuant to Paragraph 84 of Schedule B1 of The Insolvency Act 1986, moving from Administration to Dissolution in the event there is no distribution to creditors

However if there is a dividend to creditors, the Joint Administrators will be permitted to conclude the Administration and place the Company into Creditors' Voluntary Liquidation, in order to conclude any further asset realisations and make a distribution to the unsecured creditors. In accordance with Paragraph 83(1) of Schedule B1 of The Insolvency Act 1986 and that Richard Frank Simms and Carolynn Jean Best are appointed Joint Liquidators

You should note that the Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately on their appointment as Administrators ceasing to have effect

As noted in paragraph F above, it has been considered as appropriate to move the Company into Creditors Voluntary Liquidation. Form 2 34B will now be filed at Companies House in and the Company will be placed into Liquidation as at the date of filing. My final report as Administrator will be issued once I have received confirmation of filing

Should you have any queries concerning the contents of this report, or wish to discuss the Administration or proposed Liquidation, please contact Thomas Harris of this office either by email at [tharns@fasimms.com](mailto:tharns@fasimms.com) or telephone on 01455 555 493



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**Carolynn Jean Best**  
**Joint Administrator**

Dated 24 February 2015

<b>Company Number:</b>	03270710	
<b>Date of Incorporation:</b>	29 October 1996	
<b>Nature of Business</b>	Design, Marketing & Advertising	
<b>Registered Office</b>	Alma Park Woodway Lane Claybrooke Parva, Lutterworth Leicestershire LE17 5FB  Formerly  21-27 Tudor Court Wooton Hope Drive Northampton Northamptonshire NN4 6FF United Kingdom	
<b>Trading address:</b>	21-27 Tudor Court Wooton Hope Drive Northampton Northamptonshire NN4 6FF United Kingdom	
<b>Directors in the last 3 years:</b> Raymond Wellington	<b>Appointed</b> 29 October 1996	<b>Resigned</b> To Date
<b>Secretaries in the last 3 years:</b> James Chisholm	<b>Appointed</b> 31 March 2007	<b>Resigned</b> 6 December 2012
<b>Accountants:</b>	Cube Partners Limited	
<b>Debentures:</b>	ABN Amro Commercial Finance – Fixed & Floating Charge Created 01/05/2013      Registered 01/05/2013 Bibby Financial Services Limited – Fixed & Floating Charge Created 24/07/2014      Registered 06/07/2014	
<b>Authorised and Issued Share Capital:</b>	5000 Ordinary Shares Amount paid per share £0.01	
<b>Shareholders</b>	<b>Share Amount</b>	
Raymond Wellington	5000 Ordinary Shares	
<b>Total</b>	<b>5000</b>	

**Milton Bayer Communications Ltd - In Administration**  
**Joint Administrators' Abstract of Receipts & Payments**

**From 01 August 2014 To 31 January 2015**

<b>S of A £</b>		<b>01/08/14 to 31/01/15</b>	<b>Total £</b>
<b>RECEIPTS</b>			
122,051	Book Debts	155,109 95	155,109 95
NIL	Book Debts	5,310 00	5,310 00
NIL	Cash at Bank	3,565 98	3,565 98
NIL	Bank Interest Gross	1 19	1 19
6,657	Directors Loans	2,000 00	2,000 00
NIL	Sundry Refund	500 00	500 00
NIL	Vat Refund	4,464 49	4,464 49
22,000	Goodwill	22,000 00	22,000 00
6,200	Office Furniture & Computer Hardware	6,200 00	6,200 00
4,975	WIP	4,975 00	4,975 00
<u>161,883</u>		<u>204,126 61</u>	<u>204,126 61</u>
<b>PAYMENTS</b>			
	Debt Collection Fees	531 00	531 00
	IT Charges	135 00	135 00
	Auctioneers Costs	4,386 00	4,386 00
	Administrator's Fees	22,200 00	22,200 00
	Administrator's Disbursements	451 12	451 12
	Solicitors fees	3,267 00	3,267 00
	Fixed Charge Payment	130,380 62	130,380 62
	Pre App Administrator's Fees	7,236 00	7,236 00
	VAT Receivable	9,904 32	9,904 32
		<u>178,491 06</u>	<u>178,491 06</u>
<b>CASH IN HAND</b>		<u>25,635 55</u>	<u>25,635 55</u>

**Joint Administrators' Remuneration Schedule**  
**Milton Bayer Communications Ltd**  
**Between 01 August 2014 and 31 January 2015**

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	37 00	31 20	3 10	13 10	84 40	15,677 00	185 75
Investigations	18 30	0 70	0 00	0 00	19 00	4,836 00	254 53
Realisation of Assets	0 00	6 90	0 50	0 00	7 40	969 50	131 01
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	1 80	21 10	0 00	0 80	23 70	3,231 50	136 35
Case Specific Matters	0 00	1 00	0 00	0 00	1 00	130 00	130 00
<b>Total hours</b>	<b>57 10</b>	<b>60 90</b>	<b>3 60</b>	<b>13 90</b>	<b>135 50</b>		
<b>Time costs</b>	<b>15,192 50</b>	<b>7,968 00</b>	<b>535 00</b>	<b>1,148 50</b>	<b>24,844 00</b>		
<b>Average hourly rate</b>	<b>266 07</b>	<b>130 84</b>	<b>148 61</b>	<b>82 63</b>	<b>183 35</b>		

Description	Total Incurred £	Total Recovered £
Postage	25 48	14 21
Company Search	13 00	0 00
Insolvency Bond	216 00	144 00
Statutory Advertising	150 24	150 24
Storage Costs	142 67	142 67
<b>Totals</b>	<b>547.39</b>	<b>451.12</b>

**Summary of Fees**

Time spent in administering the Assignment	Hours	135 50
Total value of time spent to 31 January 2015	£	24,844 00
Total Joint Administrators' fees charged to 31 January 2015	£	22,200.00

## Proof of Debt – General Form

<b>Milton Bayer Communications Ltd - In Administration</b>	
Date of administration 1 August 2014	
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 <span style="float: right;">£</span>
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)
<b>For Administrators' Use only</b>	
Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Administrator	Administrator