

2.24B

The Insolvency Act 1986

Administrators progress report

Name of Company

Vie Cosmetics (Purchasing) Limited

Company number

04177408

In the
Bristol District Registry

(full name of court)

Court case number
799 of 2011(a) Insert full
name(s) and
address(es) of
administrator(s)

We (a)
James Richard Tickell
Portland Business & Financial Solutions
1640 Parkway
Solent Business Park
Whiteley
Fareham
Hampshire
PO15 7AH

Carl Derek Faulds
Portland Business & Financial Solutions
1640 Parkway
Solent Business Park
Whiteley
Fareham
Hampshire
PO15 7AH

administrators of the above company attach a progress report for the period

From

To

(b) Insert date

(b) 29th July 2011

(b) 27th January 2012

Signed

Joint Administrators

Dated

27th January 2012

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

James Richard Tickell
Portland Business & Financial Solutions
1640 Parkway
Solent Business Park
Whiteley
Fareham
Hampshire
PO15 7AH
DX Number post@portbfs.co.uk

01489 550 440
DX Exchange

Th.
will
pul

THURSDAY



A18 09/02/2012 #246
COMPANIES HOUSE



A27 02/02/2012 #49
COMPANIES HOUSE

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



PORTLAND

WWW.PORTBFS.CO.UK

1640 Parkway
Solent Business Park
Whiteley
Fareham
Hampshire
PO15 7AH
Telephone 01489 550440
Facsimile 01489 550499
E-mail post@portbfs.co.uk

THURSDAY

A18

09/02/2012

#247

COMPANIES HOUSE

JF/SW/JA/CG/MM/AJ/V7241/C GEN

27th January 2012

TO THE CREDITORS

Progress report to creditors and notice of conversion to liquidation

Vie Cosmetics (Purchasing) Limited in administration

We are now able to provide a progress report for the company, in respect of which we were appointed joint administrators on 29th July 2011 and to inform you that the company is being placed into liquidation to enable the liquidators to make a prescribed part distribution to the unsecured creditors

We enclose statutory details of our appointment

Outcome in realising assets

We enclose a summary of our receipts and payments during the six months. We have provided comparisons of the realisations with the statement of affairs, set out in our proposals, which we hope you will find helpful

As we advised in our proposals, InBond E-Logistics Limited (InBond) was enforcing a valid lien over the company's stock, which was held in its warehouse in Stockton-on-Tees. We concluded that the optimal way to raise sufficient funds to discharge the lien and then to realise the value in the residual stock for the benefit of creditors was to sell it through retail channels with the assistance of and funding provided by Vie Cosmetics Group Limited (VCG). This proved to be successful as the debt due to InBond of £680,000 was discharged. We sold the residual stock to VCG for £70,000 in November 2011. VCG is the parent company and major creditor. Friedrich Gerdtobers is a director of both companies.

The cash at bank realised £20,784 which was slightly more than the original estimate



Corporate Finance
Business sales &
Acquisitions
Refinancing



Business Recovery
Viability reviews
Administrations
Voluntary arrangements



Insolvency
Investigations
Liquidations
Bankruptcy

Portland Business & Financial Solutions Ltd

Registered No. 3830668

Carl D Faulds, Mike Fortune, James Tickell

All Licensed Insolvency Practitioners are authorised
by the Insolvency Practitioners Association

We received an offer from VCG for the database of consultants, all office furniture, computer and office equipment and any associated software owned by the group companies in the sum of £20k This company's allocation from the sale amounts to £7k

There has been no recovery from the debts due by the associated companies to date These are all in formal insolvency processes There is likely to be recoveries of approximately £4k in due course

The realisations have been supplemented by interest on the balances held

Investigation

In our first report and our proposals we invited creditors to bring to our attention any matters that they believe require further investigation We have also conducted an investigation into the affairs of the company in order to identify matters that would lead to a cost-effective recovery for creditors We have concluded that there are no matters of concern that merit pursuing

In addition, a report has been submitted to The Insolvency Service as required under the provisions of the Company Directors Disqualification Act 1986

Creditors' claims and outcome for creditors

A summary of the position regarding creditors' claims is set out below -

	Creditor totals			Dividend totals	
	Statement of affairs £	Claims received £	Claims agreed £	Paid to date £	%
Secured claims	3,515,800	3,515,800	3,515,800	50,000	1.4
Preferential claims	-	-	-	-	-
Unsecured creditors	1,023,501	1,980,207	See note	-	-

We comment further as follows -

- We have taken legal advice to confirm that the charge held by HSBC Bank Plc is valid and have confirmed the amount of the secured claim HSBC Bank Plc held cross guarantees from the associated companies and the bank's indebtedness was repaid by VCG
- Several trade creditors made claims under retention of title conditions of sale We advised them that InBond held a lien over the stock and they should direct their claims to them
- As administrators we do not have the power to distribute funds to unsecured creditors There are sufficient recoveries to enable a prescribed part distribution to be made to unsecured creditors and therefore we will be moving the company to

liquidation to enable this distribution to be made. Once appointed the liquidator will have the power to agree claims and pay a dividend. We have carried out a certain amount of work responding to creditor correspondence and where requested, we are confirming balances for audit or insurance purposes.

- The return to unsecured creditors is likely to be less than 0.5p in the £ and will not be determined until all unsecured creditors' claims are agreed.

Administrators' fees, disbursements and expenses

As set out in our proposals we are required to agree the basis of our remuneration with the secured and preferential creditors. This authority has been granted from the secured creditor. There are no preferential creditors.

We are required to provide creditors with details relating to those time costs and the disbursements that we have incurred during the entire administration. This is analysed on the attached schedule, along with a schedule of our current charge-out rates and disbursements policy, and the totals are summarised below.

	Administration total
	£
Time costs	29,908
Average hourly rate	185
Fees drawn	19,385

In the attached analysis, we have recorded time in the following categories of work that we have handled -

- **Asset realisations** – Taking appropriate measures to realise the assets of the company, as more fully explained under the heading 'Final outcome in realising assets'.
- **Administration and planning** - internal management of the case to ensure it is completed in an expedient manner and in accordance with good practice. Maintaining the distribution and preparation of proposals, estate accounts and ensuring compliance and statutory filing requirements.
- **Reporting** - communicating with creditors about the initial appointment, reporting to the bank, preparing and distributing reports.
- **Investigation** - carrying out a review of the events leading up to failure and completing the CDDA reports, which is explained in more detail under the heading of "Investigation" above.
- **Creditors' claims** – Corresponding with creditors about their claims, as more fully described under the 'Creditor claims and outcome for creditors' above.

We have also instructed agents to handle certain aspects of the administration on our behalf where it was either more cost-effective for them to do so or where they have a particular expertise that was required. A summary of the name of agents, the work handled, the basis of the fees paid and the amounts paid is given below

Name and profession	Nature of work handled	Basis of fees paid	Paid £
Bond Pearce LLP Solicitors	Debenture validation Advice in regard to lien held by InBond Suppliers retention of title claims	Time cost	2,251
Edward Symmons LLP Chattel agents	Valuation of assets	Fixed fee	500

We have drawn a fee of £8,495 plus VAT, as approved by a resolution in our proposals for the services of Portland in the period leading up to our appointment

Conclusion and conversion to liquidation

In our proposals, we stated that should there be funds available for unsecured creditors, then we would arrange for the company to be placed into liquidation. We enclose formal notice on form 2 34b to that effect, which will be filed at Companies House and the Court. The liquidation will commence upon the filing of this form.

We hope that the contents of this report have provided you with a clear and detailed explanation of the conduct of the administration. If you should have any queries or require further explanation please do not hesitate to contact us.



James Tickell
Joint Administrator

Within twenty-one days of receipt of this progress report, a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors may make a written request for further information in relation to the report, including information about the administrators' remuneration or expenses. If a creditor believes that this remuneration is excessive, the basis is inappropriate, or the expenses incurred by the administrators are excessive, the creditor may, provided certain conditions are met, apply to court within eight weeks of receiving the progress report to challenge these.

Further information regarding administrators' fees can be found by visiting the following website link:

<http://www.insolvency-practitioners.org.uk/uploads/Admin.pdf>

Attached

- Summary of receipts and payments
- Statutory information
- SIP 9 time analysis
- Schedule of charge out rate

**Vie Cosmetics (Purchasing) Limited
(In Administration)**

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 29/07/2011 to 27/01/2012 £
RECEIPTS		
Stock (less lien)	70,000	70,000 00
Computer software	-	7,000 00
Debts due from associated companies -	-	-
Vie at Home Limited	-	-
Vie at Home GmbH	-	-
Vie at Home (International) Limited	-	-
Vie Cosmetics (Marketing) Limited	-	-
Cash at bank	19,900	20,784 38
Interest		19 06
	<hr/> 89,900	<hr/> 97,803 44
PAYMENTS		
Statutory advertising		63 50
Specific penalty bond		180 00
Direct travel costs		57 40
Direct telephone charges		10 80
Bank charges		60
Chattel agents' costs		500 00
Solicitors' costs		2,251 00
Pre appointment fee		8,455 00
Joint administrators' disbursements (per summary)		650 36
Joint administrators' remuneration - on account		19,384 78
Creditors -		
Chargeholder - on account of debt secured by floating charge		50,000 00
		<hr/> 81,553 44
Balance at bank - 27th January 2012		<hr/> 16,250.00

This section provides background information about the company, the events leading up to the administration appointment and the conduct of the administration

Details of the court and the reference number

Supervising court	Bristol District Registry	Court reference number	799 of 2011
--------------------------	---------------------------	-------------------------------	-------------

Details of the company

Full registered name	Vie Cosmetics (Purchasing) Limited	Registered number	04177408
Former registered office	Salisbury House City Fields Business Park Tangmere Chichester West Sussex PO20 2FP	Former trading address	Salisbury House City Fields Business Park Tangmere Chichester West Sussex PO20 2FP

Details about the administration appointment

Name of administrators and licensing bodies	James Richard Tickell	Insolvency Practitioners Association	
	Carl Derek Faulds	Insolvency Practitioners Association	
Date of appointment	29th July 2011	Appointer	The directors of the company
Allocation of administrators' powers	All the powers and functions of an administrator are exercisable by either or both of the appointed administrators		

Details of the administration proposals

Date of original proposals	21 st September 2011	Details of any subsequent amendments	None
-----------------------------------	---------------------------------	---	------

Vie Cosmetics (Purchasing) Limited in liquidation

SIPg Time and cost summary

From 29th July 2011 to 27th January 2012

Classification of work function	Partner	Manager	Other senior professionals	Assistants and support staff	Total hours	Time cost (£)	Average hourly rate (£)
Realisation of assets	19 50	9 00	9 30	0 00	37 80	8,591 50	227 29
Administration and planning	2 50	1 50	1 20	0 00	5 20	1,155 00	222 12
Creditors	6 40	14 70	43 20	1 30	65 60	9,375 00	142 91
Investigations	1 40	1 50	6 60	0 00	9 50	1,441 00	151 68
Reporting	14 00	20 10	9 30	0 00	43 40	9,346 00	215 35
Total Hours	43.80	46.80	69.60	1.30	161.50	29,908.50	185.19
Total Fees Claimed						10,500.00	

Category 2 Disbursements	Accrued in period £	Paid in period £	Total accrued £	Total paid £
Postage, stationery, telephone	257 40	257 40	257 40	257 40
Photocopying	167 26	167 26	167 26	167 26
Mileage	154 20	154 20	154 20	154 20
Room hire	0 00	0 00	0 00	0 00
Storage	52 50	52 50	52 50	52 50
Faxes	13 00	13 00	13 00	13 00
Company searches	6 00	6 00	6 00	6 00
	650.36	650.36	650.36	650.36

Portland Business & Financial Solutions

Fees and disbursements policies

Fee policy

In line with most practices, we normally calculate our fees on the basis of the time spent by each member of staff. We are prepared to calculate fees as a percentage of realisations or as a fixed fee by special arrangement only where the circumstances warrant it. Where the assignment relates to an insolvency appointment, we are normally required to obtain a resolution from creditors approving the basis of calculation.

Staff of the appropriate grades are allocated to each task on each assignment, according to the size and complexity of the matter, and they record their time in six minute units. Where the fee is to be calculated on the basis of time spent, cost rates for each grade are then used to evaluate the fee. The effectively hourly rates in recent periods are as follows -

	Cost per hour	
	Current rate from 1 Dec 2011	1 Sept 2010 to 30 Nov 2011
	£	£
Director	310	285
London Principal	310	280
Associate	310	280
Senior manager	250	225
Case manager	210	195
Case administrator	175	165
Administrator	100	95
Cashiers	100	95
Support staff	75	70

The current rates apply with effect from 1st December 2011. They are reviewed periodically, typically every 1-2 years, and could therefore increase during any particular assignment.

Disbursement policy

Where expenses are incurred through third parties specifically in respect of the assignment, they are recharged to the case as incurred, for example statutory advertising, external room hire, fidelity bond, rail travel and external storage. These are defined as category 1 disbursements in SIP9 and approval is not required.

Other expenses can be recharged to the assignment based on a share or allocation of a cost that Portland incurs centrally. These are defined as category 2 disbursements in SIP 9 and approval is required. Typically such expenses and the method of allocation are as follows -

Postage and stationery	-	Three times postage cost
Photocopying	-	10p per copy
Facsimile	-	£1 per page
Mileage	-	HM Revenue and Customs agreed rate
Room hire	-	£120 per meeting
Storage (Portland archive)	-	£50 per box per year
Company searches	-	Two times cost