

AM10

Notice of administrator's progress report



Companies House

FRIDAY



A17 14/07/2017 #3
COMPANIES HOUSE

1 Company details

Company number 04480097

Company name in full Gen-X IT Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Andrew

Surname Poxon

3 Administrator's address

Building name/number Leonard Curtis

Street Tower 12, 18/22 Bridge Street

Spinningfields

Post town Manchester

County/Region

Postcode M33BZ

Country

4 Administrator's name ①

Full forename(s) Julien

Surname Irving

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Leonard Curtis

Street Tower 12, 18/22 Bridge Street

Spinningfields

Post town Manchester

County/Region

Postcode M33BZ

Country

② Other administrator

Use this section to tell us about
another administrator.

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6 Period of progress report

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| From date | d | 1 | d | 3 | m | 1 | m | 2 | y | 2 | y | 0 | y | 1 | y | 6 |
| To date | d | 1 | d | 2 | m | 0 | m | 6 | y | 2 | y | 0 | y | 1 | y | 7 |

7 Progress report


☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

| | | | | | | | | | | | | | | | |
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| d | 1 | d | 2 | m | 0 | m | 7 | y | 2 | y | 0 | y | 1 | y | 7 |
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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Rachel Cooke

Company name

Leonard Curtis

Address

Tower 12, 18/22 Bridge Street

Spinningfields

Manchester

Post town

County/Region

Postcode

M 3 3 B Z

Country

DX

Telephone

0161 831 9999



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☒ The company name and number match the information held on the public Register.
- ☒ You have attached the required documents.
- ☒ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

GEN-X IT LTD
(IN ADMINISTRATION)

Registered Number: 04480097
Court Ref: 2030 of 2016
High Court of Justice, Chancery Division
Manchester District Registry

Joint Administrators' Third Progress Report
incorporating a Request to Increase the Fees Estimate
in accordance with Rules 18.3 and 18.24 of the Insolvency (England and Wales)
Rules 2016

Report period
13 December 2016 to 12 June 2017

12 July 2017

Leonard Curtis Business Solutions Group
Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ
Tel: 0161 831 9999 Fax: 0161 831 9090
recovery@leonardcurtis.co.uk
Ref: M/35/RLC/NG829K/1010

CONTENTS

| | |
|----|------------------------------------------------------------------------------|
| 1 | Introduction |
| 2 | Statutory Information |
| 3 | Joint Administrators' Approved Proposals |
| 4 | Progress of the Administration |
| 5 | Investigations |
| 6 | Joint Administrators' Remuneration and Disbursements |
| 7 | Request to Increase the Fees Estimate |
| 8 | Explanation Why the Fees Estimate has been Exceeded |
| 9 | Requests for Future Fees and Notice of Decisions Procedure by Correspondence |
| 10 | Further Information on Joint Administrators' Fees |
| 11 | Creditors' Committee |
| 12 | Creditors' Rights |
| 13 | Estimated Outcome for Creditors |
| 14 | Matters Still to be Dealt With |
| 15 | Extensions to the Administration |
| 16 | Next Report |

APPENDICES

- A Summary of Joint Administrators' Approved Proposals
- B Summary of Joint Administrators' Receipts and Payments Account for the Period from 13 December 2016 to 12 June 2017, and cumulative until 12 June 2017
- C Summary of Joint Administrators' Time Costs for the Period from 13 December 2016 to 12 June 2017, and a Description of Time Spent by Category from 13 December 2016 to 12 June 2017
- D Summary of Joint Administrators' Time Costs to 12 June 2017, Incorporating a Comparison of the Joint Administrators' Initial Fee Estimate
- E Joint Administrators' Revised Fee Estimate
- F Detailed Narrative of Work Performed, and Future Work Likely to be Performed, by the Joint Administrators and their Staff
- G Summary of the Joint Administrators' Expenses from 13 December 2016 to 12 June 2017, incorporating a comparison of the Joint Administrators' Statement of Likely Expenses
- H Leonard Curtis Policy regarding Fees, Expenses and Disbursements
- I Estimated Outcome Statement
- J Notice of Decision by Correspondence
- K Decision by Correspondence Voting Form
- L Proof of Debt
- M Invitation to Form a Creditors' Committee
- N Creditor's Election to Opt Out
- O Notice of Future Documents to be Available on Website

**STRICTLY PRIVATE AND CONFIDENTIAL
NOT FOR PUBLICATION**

**TO: THE REGISTRAR OF COMPANIES
ALL CREDITORS
ALL MEMBERS**

1 INTRODUCTION

- 1.1 This report has been produced in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016 ("the Rules") to provide creditors with an update on the progress of the Administration of Gen-X IT Ltd ("the Company") for the period from 13 December 2016 to 12 June 2017. This is the Joint Administrators' third progress report to creditors, and should be read in conjunction with the Joint Administrators' previous reports.
- 1.2 This report also contains a request to increase the Joint Administrators' fees estimate in accordance with Rule 18.24 of the Insolvency Rules 2016.
- 1.3 Much of the information contained in this report encompasses the whole period of the Administration. Please be aware, however, that where reference is made to "the period of this report", this specifically means 13 December 2016 to 12 June 2017, being the period since the last progress report.

2 STATUTORY INFORMATION

- 2.1 K G Murphy and A Poxon were appointed as Joint Administrators of the Company in the jurisdiction of the High Court of Justice, Chancery Division, Manchester District Registry under Court number 2030 of 2016 on 20 January 2016. The Administration appointment was made by the Directors of the Company, Alan Gould and Kelley Stewart.
- 2.2 Please note that K G Murphy left Leonard Curtis Business Solutions Group ("Leonard Curtis") on 31 December 2016 and agreed to transfer the management of his insolvency caseload to another appropriate insolvency practitioner within Leonard Curtis. In accordance with Rules 7.10A-D of the Insolvency Rules 1986 (as amended) an application was made to Court for an Order to remove K G Murphy as Insolvency Practitioner on each of his cases and replace him with another insolvency practitioner of Leonard Curtis. The Order was granted by the Court on 31 January 2017. Accordingly, K G Murphy ceased to act as Joint Administrator of this case on 31 January 2017, and J R Irving was appointed in his place. J R Irving and A Poxon are licensed in the United Kingdom by the Institute of Chartered Accountants in England and Wales.

Any creditor may apply to vary or discharge this Order within 28 days of the date of this communication.

The fee resolution already agreed on this case will remain in place.

- 2.3 The administration is being handled by the Manchester office of Leonard Curtis which is situated at Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ.
- 2.4 The principal trading address of the Company was Sol House, 24 Dark Lane, Ardwick Green, Manchester M12 6FA. The business traded under its registered name.
- 2.5 The registered office address of the Company at the date of the appointment of the Joint Administrators was Sol House, 24 Dark Lane, Ardwick Green, Manchester M12 6FA. Following the appointment this was changed to Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ. The registered number of the Company is 04480097.

- 2.6 For the purposes of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 (as amended), it should be noted that during the period in which the Administration Order is in force, any act or function required or authorised under any enactment to be done by the Administrator may be exercised by all or any of the persons holding that office.
- 2.7 The Company's main centre of operations is based in the UK. The EC Regulation on Insolvency Proceedings applies and the proceedings are main proceedings under the Regulation.

Communication

- 2.8 You are entitled to receive certain correspondence distributed by the Joint Administrators by email if you prefer. Where this is the case, please inform this office in writing.

It is important that you keep this office informed of any changes to your contact details. If you fail to notify this office of any changes to your address or contact details, correspondence will continue to be distributed to the details previously supplied.

Opting-out

- 2.9 Creditors may "opt-out" of receiving certain correspondence distributed by the Joint Administrators. Choosing to opt out will not effect your entitlement to receive:

- Any notices which the Insolvency Act 1986 requires to be delivered to all creditors without expressly excluding opted-out creditors;
- Any notices of a change in the Joint Administrators or the contact details for the Joint Administrators; and
- Any notices relating to distributions, intended distributions and notices required to be given by court order.

A full list of the exceptions can be found at Rule 1.37 of the Insolvency (England and Wales) Rules 2016. Creditors electing to opt out should complete the notice at Appendix N and return it to this office. Creditors can opt back into receiving correspondence at any time by giving notice in writing to this office.

General Use of Websites

- 2.10 Pursuant to Rule 1.49 of the Insolvency (England and Wales) Rules 2016, future documentation distributed by the Joint Administrators will be available to download from the following web address without any further notice to you:

<https://leonardcurtis.insolvencydata.co.uk>

Key Code: ZSBDPCWE

Full details of this notice are provided at Appendix O.

3 JOINT ADMINISTRATORS' APPROVED PROPOSALS

- 3.1 Attached at Appendix A is a summary of the Joint Administrators' approved proposals for achieving one of the three statutory purposes of Administration.
- 3.2 The Proposals were approved by the general body of creditors on 30 March 2016.
- 3.3 There have been no major amendments to, or deviations from, the proposals during the course of the administration to date.

- 3.4 The objective of the administration is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in administration).
- 3.5 In the opinion of the Joint Administrators, this objective is likely to be achieved as there is a reasonable prospect of a dividend being available to unsecured creditors, which would not have been the case if the Company had been wound up without first being in administration. Any distribution to unsecured creditors is dependent upon the final level of realisations in the administration. Details of the assets that have been and remain to be realised by the Joint Administrators are detailed at section 4 below.
- 3.6 In the event that the objective above cannot be achieved, the third objective is to realise property in order to make a distribution to the secured or preferential creditors.
- 3.7 This objective has been achieved. A distribution has been made during the Administration to RBS Invoice Finance Limited ("RBSIF"). The distribution to RBSIF has been made from book debt realisations subject to its fixed charge security. We anticipate that a dividend will also be paid to preferential creditors.

4 PROGRESS OF THE ADMINISTRATION

- 4.1 Attached at Appendix B is the Joint Administrators' receipts and payments account for the period from 13 December 2016 to 12 June 2017.

4.2 Debts subject to Invoice Discounting Facility

RBSIF holds security by way of a fixed and floating charge over the Company's assets created on 22 December 2004. RBSIF provided an invoice finance facility to the Company. The Company held debtor ledgers in three currencies: Great British Pounds, Euros and American Dollars.

Throughout the administration the Joint Administrators have been assisted in the debt collection exercise by Cerberus Receivables Management ("CRM"). To date that collections by CRM total approximately £159,448.10. The total realisations by CRM during this reporting period are £189.30.

These funds have been used to discharge part of the Company's indebtedness to RBSIF. Please note that the payments to RBSIF have been made in accordance with its fixed charge security relating to book debts. There is currently an approximate shortfall in the facility to RBSIF totalling £2,855.77.

Please note that all figures stated in this section of the report are subject to currency conversion. Upon confirmation from CRM that collections from the ledger have been exhausted we will confirm the overall sterling position.

It was initially anticipated that the Company's indebtedness to RBSIF would be repaid in full and that a surplus may be available for the benefit of the administration estate. CRM has subsequently advised however that the prospect of a surplus from the financed ledger is unlikely. This is due to the majority of the remaining financed ledger being disputed and a bad debt which is irrecoverable. In addition, it understood that the Company has also been the victim of an alleged fraud in the Netherlands which resulted in the supply of a significant quantity of goods to a fictitious company. CRM do not anticipate that future collections will be sufficient to discharge the shortfall to RBSIF.

4.3 Corporation Tax Refund

The Joint Administrators have considered the information acquired in the course of appraising and realising the business and assets of the Company, together with information provided by the Company's directors and its creditors, to identify any further possible realisations for the estate.

Following that review it was apparent that the Company had paid tax on its profits in the three years preceding the administration. In light of its current position, the Joint Administrators are entitled to apply for relief on corporation tax paid by the Company in this period. Please note that any relief the Company may be entitled to may be set off against the level of its tax arrears at the date of administration.

HMRC has submitted an interim claim in the administration totalling £38,130.83. The Joint Administrators have instructed the Company's accountant, Wrigley Partington Chartered Accountants ("WPCA") to apply to HMRC for relief in this matter. The outcome of the application submitted by WPCA will be reported to creditors in due course once a response has been received from HMRC.

4.4 Directors' Loan Accounts

A review of the Company's financial affairs highlighted an outstanding balance owed by each director to the Company for the cumulative sum of £167,379.39. Each director has been subsequently issued with a letter constituting formal demand for payment. At the request of each director a meeting was held on 29 April 2016 to discuss the loan account position and both loan account balances were disputed. The Joint Administrators have requested WPCA to conduct a reconciliation of each loan account applying legitimate adjustments where required. WPCA subsequently advised that the true value of each loan account was c£51,000 and c£45,000 respectively. Following receipt of the reconciliation prepared by WPCA, the Joint Administrators have requested personal asset and liabilities statements from each director and have undertaken an exercise to identify each director's ability to pay.

As previously reported, the Joint Administrators have assessed the information provided by the directors in relation to their personal assets. Following that assessment a meeting was held with the directors on 18 August 2016. Both directors subsequently advised that they were not in a position to satisfy the amounts owed to the Company. Given their respective financial positions each director offered to pay £10,000 each to settle their loan account.

In consideration of the offer received the Joint Administrators assessed the likely cost and outcome of issuing bankruptcy proceedings against each director. It was subsequently concluded that given the level of the directors assets in comparison to their liabilities, bankruptcy proceedings would be unlikely to result in a materially better outcome to the administration estate than the offers received.

In light of the above, the Joint Administrators accepted the settlement offers, subject to the receipt of payment by 2 December 2016.

I can confirm that to date, Kelley Stewart has paid £10,000 and Alan Gould has paid £6,000. The Joint Administrators are continuing to seek recovery of the remaining £4,000 outstanding from Mr Gould.

4.5 Stock

The Company predominantly traded in Cisco Technology, Inc. ("Cisco") products. On 13 November 2015, the Company and its directors received notification of a claim from Cisco for trade mark infringement and use of counterfeit goods. Despite the Directors disputing the claim, the Company was unable to fund litigation to defend the claims whilst ensuring the continuity of trade. The Company subsequently entered into Administration.

Following our appointment, RICS registered independent agents and valuers, Cerberus Asset Management ("CAM") assessed the Company's remaining stock and provided indicative values that may be achieved from this category of asset. We requested that CAM consider the Company's position and the claims brought against it by Cisco in its valuation.

CAM subsequently provided a valuation which included a quantity of Cisco branded products where it was uncertain which stock, if any, would be available for sale. The valuation provided by CAM indicated that the Company's remaining stock had an estimated realisable value of between £5,800 and £67,300. Cisco

subsequently provided authority to the Joint Administrators to sell any remaining Cisco branded stock within the European Economic Area.

The Joint Administrators subsequently received an offer of £9,000 plus VAT to purchase such right, title and interest in the remaining Cisco branded computer hardware. All non-branded Cisco stock was subject to the receipt of an offer totalling £30,000 plus VAT. Following the recommendations of CAM, these offers were accepted and I can confirm that all consideration has been received. Total realisations from this category of asset to date amount to £39,000 plus VAT.

As detailed above, a quantum of stock which is alleged to be counterfeit and/or alleged parallel import has been retained by the Joint Administrators. This stock is currently being used for the purpose of investigations in to the Company's affairs. The value achievable from this remaining stock, if any, is currently unknown and will be reported to creditors in due course.

5 INVESTIGATIONS

- 5.1 Following their appointment the Joint Administrators considered the information acquired in the course of appraising and realising the business and assets of the Company together with information provided by the Company's directors and its creditors, to identify any further possible realisations for the estate and what further investigations, if any, might be appropriate.
- 5.2 That assessment identified that further realisations may be possible and additional investigations were required. In short, on reviewing the Company's financial affairs the Joint Administrators discovered that a number of significant payments were made from the Company's bank account to a connected party in the period from 4 August 2014 to 8 January 2016. The Joint Administrators consider that these payments were not in the best interests of the Company and have taken advice in regard to restoring the Company to the position it would have been in had the payments not have been made.
- 5.3 Please note that the investigations are currently ongoing and it is not considered appropriate to provide full details of those investigations at this time. Full details will however be provided in future reports once our investigations have been completed.
- 5.4 Regardless of the above, the Joint Administrators have complied with their statutory obligations under the Company Directors Disqualification Act 1986 and the appropriate report has been submitted to the relevant authority.

6 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

Pre-Administration Costs

- 6.1 On 30 March 2016, the general body of creditors consented to the following pre-administration costs and expenses being paid as an expense of the Administration:

| Charged by | Services provided | Total amount charged £ | Amount paid £ | Amount unpaid £ |
|----------------------|-----------------------------------------------------------------------------------------------------------------|---------------------------|------------------|--------------------|
| Leonard Curtis | Advice to the Company and secured creditors and considering whether an administration purpose could be achieved | 20,340 | 20,340 | - |
| CAM | Stock take and valuation of physical assets | 1,500 | 1,500 | - |
| CRM | Assessment of debtor ledger | 2,500 | 2,500 | - |
| Turner Parkinson LLP | Dealing with appointment papers | 3,048 | 3,048 | - |
| TOTAL | | 27,388 | 27,388 | - |

These costs have now been now been paid and are detailed in the receipts and payments account attached at Appendix B.

Joint Administrators' Remuneration for this reporting period

- 6.2 On 30 March 2016, the general body of creditors agreed that the basis of the Joint Administrators' remuneration be fixed by reference to time properly spent by them and their staff in attending to matters arising from the Administration for an amount not exceeding £179,452, as set out in a Fees Estimate.
- 6.3 The time charged by the Joint Administrators for the period of this report amounts to £10,342. This represents 44.3 hours at an average rate of £233.45 per hour. A summary of time costs incurred in the period, and a comparison with time costs as set out in the Joint Administrators original Fees Estimate, is attached at Appendices C and D respectively.
- 6.4 In addition, provided at Appendix C is a detailed description of work undertaken attributable to each category of time costs during the period of this report, and an explanation of why it was necessary for that work to be performed.
- 6.5 No Administrators fees have been drawn in the period of this report. Administrators' fees drawn to date in respect of their time costs total £179,452 plus VAT.
- 6.6 You will note that time costs incurred during the period of this report exceed the time as set out in the Fees Estimate. The Joint Administrators are seeking the approval of creditors to amend their fees estimate (please see section 7 below).
- 6.7 Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which may be downloaded from:
<https://www.r3.org.uk/what-we-do/publications/professional/fees>
- 6.8 If you would prefer this to be sent to you in hard copy please contact Rachel Cooke of this office on 0161 831 9999.

Joint Administrators' Statement of Likely Expenses

- 6.9 Creditors will recall that the Joint Administrators have previously circulated a 'Statement of Likely Expenses' in this matter.

Expenses are separated into the following categories:

- (i) Standard Expenses: this category includes expenses payable by virtue of the nature of the Administration process and / or payable in order to comply with legal or regulatory requirements.

- (ii) Case Specific Expenses: this category includes expenses likely to be payable by the Joint Administrators in carrying out their duties in dealing with issues arising in a particular case. Also included within this category are costs that are directly referable to the administration but are not paid to an independent third party (and which may include an element of allocated costs).

These are known as “Category 2 disbursements” and are subject to the approval of the secured creditors. On 30 March 2016, the general body of creditors also approved that category 2 disbursements could be drawn by the Joint Administrators, as detailed at Appendix H.

- 6.10 A copy of the Joint Administrators’ statement of likely expenses, together with comparative details of expenses incurred during the current reporting period and confirmation as to whether those amounts are paid or unpaid is set out at Appendix G.
- 6.11 You will note that, in general, the nature and value of expenses incurred to date fall within those anticipated within the original statement of expenses.
- 6.12 However, storage costs have been higher than anticipated. Due to the investigations ongoing with regards to trade mark infringement, it has been necessary to securely store the Company’s extensive books and records and provide easy access to these. It has been necessary to allow access to these documents so that an inventory could be produced, and in order to assist all parties with their investigations. The Joint Administrators anticipate further necessary costs will be accrued within this category.
- 6.13 Attached at Appendix H is additional information in relation to the firm’s policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade.
- 6.14 Under Rule 18.9 of the Rules, within 21 days of receipt of this report, a secured creditor, or an unsecured creditor with either the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or with the permission of the court, may make a written request to the Joint Administrators for further information about remuneration or expenses set out in this report.
- 6.15 Under Rule 18.34 of the Rules, any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court, on the grounds that the basis fixed for the Joint Administrators’ remuneration is inappropriate, or the remuneration or expenses charged by the Joint Administrators are, in all the circumstances, excessive.
- 6.16 The application must be made no later than eight weeks after receipt of the progress report that first reports the fee basis, the charging of the remuneration or the incurring of the expenses in question.
- 6.17 Unless the court orders otherwise, the costs of the application shall be paid by the applicant and are not payable as an expense of the liquidation.

7 REQUEST TO INCREASE THE FEES ESTIMATE

- 7.1 The Joint Administrators’ statement of proposals dated 14 March 2016 contained an estimate of the likely fees that would be charged by them in exercising their duties during the course of the Administration. The fee estimate totalled £179,452 plus VAT. Details of how the fee estimate had been calculated were contained in the Joint Administrators’ proposals, and included:
- Details of the categories of work to be undertaken;
 - An estimate of the time proposed to be spent by each grade of staff per category of work;
 - Details of the charge out rate for each grade of staff; and
 - A narrative of the proposed work that would be undertaken.

- 7.2 On 30 March 2016, the general body of creditors agreed that the basis of the Joint Administrators' remuneration be fixed by reference to time properly spent by them and their staff in attending to matters arising from the Administration as set out in a Fees Estimate provided to them, for an amount not exceeding £179,452 plus VAT.
- 7.3 In accordance with Rule 18.24 of the Insolvency Rules 2016 ("the Rules"), the Joint Administrators must not draw fees in excess of the value of the fee estimate following its approval by the appropriate class of creditor.
- 7.4 In circumstances where the fee estimate has been or is likely to be exceeded Rule 18.24 of the Rules, allows an Administrator to request approval to an increase in the level of fees drawn from the case. Approval must be sought from the same class of creditor that approved the initial fee estimate. In requesting approval to an increase in their fees, the Joint Administrators must explain the following:
- (a) why the initial fee estimate was or is likely to be exceeded;
 - (b) provide details of the work that has been and or will be undertaken during the remaining period of the administration;
 - (c) the hourly rate or rates the Joint Administrators propose to charge for each part of that additional work;
 - (d) the time the additional work has taken or will take; and
 - (e) whether it will be necessary to seek further approval and why.
- 7.5 The time costs incurred by the Joint Administrators and their staff to 12 June 2017 amount to £209,109.50. This represents 633.1 hours of work at an average rate of £330.29 per hour. A summary of time costs incurred, incorporating a comparison with time costs as set out in the Joint Administrators original Fees Estimate, is attached at Appendix D.
- 7.6 Time has been incurred during the period of this report which exceeds the value of the approved fee estimate. The additional work undertaken has been performed with a view to protecting the assets of the Company and enhancing the prospects and value of future realisations in this matter for the benefit of creditors. Further information is given in section 8 below. A detailed narrative of the work already performed by The Joint Administrators, and future work likely to be performed by the Joint Administrators and their staff, can be found at Appendix F.
- 7.7 The Joint Administrators anticipate that a significant amount of time will be further incurred in this matter prior to the conclusion of the Administration proceedings. We propose to extend the fee estimate to £246,183, and in the circumstances of this case, we are required to request consent to draw the additional fees detailed above from each secured creditor of the Company and the general body of creditors.

8 EXPLANATION WHY THE FEE ESTIMATE HAS BEEN EXCEEDED

- 8.1 Time costs incurred to date exceed the time set out in the initial Fees Estimate. The category of time where the initial fee estimate has been exceeded is set out in Appendix D. A brief summary of where the additional time incurred is outlined in the paragraphs below. Full details of the work already performed by The Joint Administrators, and future work likely to be performed by the Joint Administrators and their staff, can be found at Appendix F.

8.2 Assets

Time posted to Assets has exceeded the original fees estimate by £2,476. The Company has a number of assets. A significant amount of time has been spent realising assets for the benefit of the Company's creditors. Time recorded to this category involved:

- Realising debts subject to an invoice discounting facility with RBSIF;
- Monitoring the progress of book debt collections;
- Providing instruction to CRM to assist with a debt collection exercise;
- Reviewing the indicative reports produced by CRM;
- Consideration to the purpose of the administration in light of the debt collection and subsequent reduction of the Company's indebtedness to RBSIF;
- Liaising with Royal Bank of Scotland plc ("RBS") in relation to the credit balance in the Company's three bank account;
- Liaising with one of the Company's creditors in relation to claims for trade mark infringement and use of counterfeit goods;
- Meetings with the Company's directors in relation to the creditor's claim;
- Supervising an inspection by one of the Company's creditors of stock branded in its name;
- Liaising with Cerberus Asset Management ("CAM") in relation to the sale of the Company's stock; and
- Reviewing CAM's recommendation to accept the offer from the connected parties to the Company.
- Consideration of the offer made to purchase the Company's office and IT equipment;
- Reviewing the Company's financial records in relation to the two outstanding balances owed by each director to the Company;
- Meetings with each director to discuss the outstanding balances;
- Preparation and distribution of a letter constituting formal demand for payment;
- Instructing Wrigley Partington Chartered Accountants ("WPCA") to reconcile each account;
- Requesting asset and liability statements from each director;
- Reviewing and assessing the director's personal position and ability to repay the Company;
- Considering and accepting offers made by each director to settle their indebtedness; and
- Monitoring receipt of funds following settlement.

Future time is likely to be accrued in relation to the realisation of the remaining outstanding balance of the Directors' Loan Account. An investigation into the Company's financial affairs has highlighted a number of transactions which we consider to be challengeable. We are currently in the process of collating sufficient information to engage the parties to the transaction and anticipate that a substantial amount of time in the future will be spent pursuing a recovery for the estate.

8.3 General Administration

Time posted to General Administration has exceeded the original fees estimate by £5,566.50. A significant amount of time has been spent recovering, examining and preparing an inventory of the Company's books and records. Given the nature of the business, the Company's books and records were extensive and complex. This work was completed by junior members of staff in order to keep costs to a minimum. Time recorded in this category also included notifying creditors and all relevant parties of our appointment as Administrators in line with statutory requirements. This also includes time spent dealing with various other administrative appointment formalities such as the formulation and distribution of the paragraph 49 report to creditors, various correspondence with unsecured creditors as well as the completion of various other mandatory statutory duties.

Time has also been spent on more general administrative matters, including but not limited to:

- General planning matters;
- Setting up and maintaining the Joint Administrators' records; and
- Dealing with general correspondence and communicating with directors and shareholders.

We anticipate that a small amount of time will be recorded to this category in the future which is likely to be related to liaising with all classes of creditor and responding to any queries as appropriate.

8.4 Planning & Strategy

Time posted to Planning & Strategy has exceeded the original fees estimate by the amount of £42. This has been due to work being performed by a higher grade of staff member than was initially anticipated. Future time recorded to this category is likely to involve internal staff meetings to discuss:

- the progression of the case
- claims being brought against the Company by a creditor; and
- The prospect of additional recoveries claim from a number of transactions which may be challengeable by the Joint Administrators.

8.5 Post Appointment Creditors' Meeting

Time posted to Post Appointment Creditors Meeting has exceeded the original fees estimate by £13,024.50. This is due to the considerable amount of time spent preparing each statutory report to creditors. Since the period of this report, time has been incurred in the drafting of this report. Future time will be incurred with regards to the drafting of the fourth and final progress report.

8.6 Investigations

Time posted to Investigations has exceeded the original fees estimate by £4,702. This has involved gathering information and reviewing the Company's records for the preparation of the estimated financial position. Time has been spent conducting investigations into the Company's affairs and to payments made to a connected party within the two years preceding the Company entering into administration. The investigations undertaken involved reviewing the collection and inventory of the Company's books and records. This further included reviewing the reviewing the Company's SAGE records and bank accounts. In light of the information obtained, the Joint Administrators have spent time obtaining legal advice in regard to potential action the Joint Administrators may have in relation to a number of payments made to the connected party. On submission of the Joint Administrators' report on the director's conduct, time has been incurred liaising with Department of Business, Industry and Skills in relation to the report provided and the supply of additional information.

The Joint Administrators understand that the Company has been the alleged victim of fraud. Time has been spent corresponding with the Netherlands police in relation to the potential prosecution of a suspect in relation to the fraud and the prospective of a financial benefit to the Company in relation to those proceedings.

It is likely that significant future costs will be recorded to this category in this respect, as this may result in possible realisation of assets for the benefit of the creditors.

8.7 Review

Time in the sum of £146 has been posted to Review, a category which was not included in our fee estimate. This work had instead been allowed for under the category "Statutory & Review", for which the Joint Administrators' costs remain within their estimate.

8.8 Legal Services

Time posted to Legal Services has exceeded the original fees estimate by £11,700. This is primarily due to the Joint Administrators seeking legal advice from Leonard Curtis' in-house legal team following the receipt of allegations from one of the Company's creditors. Use of Leonard Curtis' in-house legal team is considered to be substantially more cost effective than seeking external legal advice.

8.9 For further information please also refer to the description and detailed particulars regarding work undertaken in this matter, set out at Appendix F.

9 REQUESTS FOR FUTURE FEES AND NOTICE OF DECISIONS PROCEDURE BY CORRESPONDENCE

- 9.1 The Administration is not yet complete and it is therefore anticipated that further time costs will be incurred. The Joint Administrators have exceeded the Fees Estimate. It is necessary for the Joint Administrators to revert to the general body of creditors for approval to draw additional fees.
- 9.2 A creditors' decision has been scheduled to consider the increase in remuneration by way of correspondence. The deadline for votes to be received is 23:59 on 26 July 2017.
- 9.3 To participate in the vote creditors will need to return a voting form to my office at Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ or via email to rachel.cooke@leonardcurtis.co.uk by 23:59 on 26 July 2017. The voting form should be accompanied a proof of debt form, if not previously lodged.
- 9.4 The resolution we are asking Creditors to vote upon is as follows:
- That the Joint Administrators' revised fees estimate totalling £246,183 be approved.
- 9.5 The resolution will be approved providing that each secured creditor votes in favour, and unsecured creditors whose debts amount to more than 50% of the Company's unsecured debts consents, disregarding debts of any creditor who does not respond to an invitation to give or withhold consent.
- 9.6 Creditors are also invited to consider whether they would like to establish a Creditors' Committee (see section 11 below for further details).

10 FURTHER INFORMATION ON JOINT ADMINISTRATORS' FEES

- 10.1 Creditors can access further information on Administrators' Fees in "A Creditors' Guide to Administrators' Fees" which may be downloaded from: <http://www.leonardcurtis.co.uk/resources/Creditorsguides>. If you would prefer this to be sent to you in hard copy please contact Rachel Cooke of this office on 0161 831 9999. Attached at Appendix H is additional information in relation to the firm's policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade.
- 10.2 Unsecured Creditors whose debts amount to at least 5% of the total value of the unsecured claims, or any secured creditor, may request further information regarding remuneration or expenses (other than pre administration costs) by submitting their written requests before 2 August 2017.
- 10.3 In addition, unsecured Creditors whose debts amount to at least 10% of the total value of the unsecured claims, or any secured creditor, may apply to court, if they believe the remuneration charged or expenses incurred by the Joint Administrators to be excessive or the basis fixed for the Joint Administrators' remuneration to be inappropriate. Any application should be made within 8 weeks of receipt of this report.
- 10.4 Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which may be downloaded from: <https://www.r3.org.uk/what-we-do/publications/professional/fees>

11 CREDITORS' COMMITTEE

- 11.1 Rule 3.39 of the Rules states that I am required each time, when seeking a decision from the Company's creditors, to invite them to form a Committee where a Committee has not already been established.
- 11.2 The function of the Committee is to assist the Administrator in discharging their functions, and to act in such manner as may be agreed from time to time. The Committee may also require the Administrator to attend before it at any reasonable time and furnish it with information relating to the exercise of their functions.

- 11.3 The purpose of the Committee is to represent the interests of the creditors as a whole, not just the interests of its individual members. In addition to its statutory functions, a Committee may also serve to assist the Administrator generally and act as a sounding board for them to obtain views on matters pertaining to the Administration. Guidance on the role of a Committee can be accessed via the following link:

<http://www.leonardcurtis.co.uk/resources/>

- 11.4 Enclosed with this letter at Appendix M is a formal invitation and guidance detailing the steps to be taken if creditors wish to form a Committee. In the absence of a Committee resolutions will be put to creditors as whole.

12 CREDITORS' RIGHTS

- 12.1 If creditors are not satisfied with the decision procedure implemented they may request a physical meeting be convened providing their claim is 10% of the value of the creditors, 10% of the number of creditors request the same or 10 individual creditors request that a meeting be convened. All requests to hold a physical meeting should be made in writing not later than five business days following delivery of this correspondence.
- 12.2 If creditors are not satisfied with any decision made regarding their claim / the value apportioned to their claim for voting purposes or the general conduct of the decision they may make an application to court to have the decision reviewed, although I would invite them to discuss the same with my office in the first instance.

13 ESTIMATED OUTCOME FOR CREDITORS

13.1 Secured Creditors

RBSIF

RBSIF holds security by way of a fixed and floating charge over the Company's assets created on 22 December 2004. RBSIF provided an invoice finance facility to the Company. The Company held debtor ledgers in three currencies: Great British Pounds, Euros and American Dollars.

Throughout the administration the Joint Administrators have been assisted in the debt collection exercise by Cerberus Receivables Management ("CRM"). To date that collections by CRM total approximately £159,448.10. The total realisations by CRM during this reporting period are £189.30.

These funds have been used to discharge part of the Company's indebtedness to RBSIF. Please note that the payments to RBSIF have been made in accordance with its fixed charge security relating to book debts. There is currently an approximate shortfall in the facility to RBSIF totalling £2,855.77.

Please note that all figures stated in this section of the report are subject to currency conversion. Upon confirmation from CRM that collections from the ledger have been exhausted we will confirm the overall sterling position.

It was initially anticipated that the Company's indebtedness to RBSIF would be repaid in full and that a surplus may be available for the benefit of the administration estate. CRM has subsequently advised however that the prospect of a surplus from the financed ledger is unlikely. This is due to the majority of the remaining financed ledger being disputed and a bad debt which is irrecoverable. In addition, it understood that the Company has also been the victim of an alleged fraud in the Netherlands which resulted in the supply of a significant quantity of goods to a fictitious company. CRM do not anticipate that future collections will be sufficient to discharge the shortfall to RBSIF.

RBS

RBS holds security by way of a debenture incorporating a fixed and floating charge over the Company's assets created on 26 August 2005. The Company's bank accounts were in credit on our appointment. As such, no claim was anticipated to be received from RBS during the administration, and no claim has been received to date.

13.2 Preferential Claims

The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay. On our appointment, the majority of the Company's 26 employees were made redundant. The employees had claims for outstanding wages and holiday pay.

As detailed above, the Joint Administrators retained the employment of the Company's Financial Controller for a period of two months to facilitate book debt collections. The Financial Controller was subsequently made redundant by the Joint Administrators.

A preferential claim has been received from the Redundancy Payments Service totalling £8,789.61. The Joint Administrators instructed EK Employment Consultants to review this claim and to advise upon any residual unsecured amounts owed to individual preferential creditors. It is anticipated that preferential creditors will be repaid in full shortly.

13.3 Prescribed Part

The Insolvency Act 1986 provides that, where a company has created a floating charge after 15 September 2003, the administrator must make a prescribed part of the company's net property available to the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims.

The prospect of a prescribed part distribution to unsecured creditors is dependent on the level of future realisations.

13.4 Unsecured Non-Preferential Claims

A distribution to unsecured creditors, in addition to any prescribed part distribution that is made available, will be dependent on the outcome of the Joint Administrators investigations in this matter and the realisation of the Company's remaining assets.

If you have not already done so, please submit details of your claim to my office. A proof of debt form is attached at Appendix L.

14 MATTERS STILL TO BE DEALT WITH

14.1 Matters still to be dealt with before conclusion of the Administration include but are not limited to the following:

- The continuation of collecting book debts, as assisted by CRM;
- Continuing realisations with regards to the Directors' Loan Accounts;
- Realisations regarding the alleged counterfeit and/or parallel import stock, if appropriate;
- Further investigations regarding potential antecedent transactions;
- Liaising with WPCA in relation to the application for corporation tax relief in light of the administration;
- Completing a fourth and final progress report; and
- Completing the administration, and either moving the company into dissolution or to creditors' voluntary liquidation, as appropriate.

15 EXTENSIONS TO THE ADMINISTRATION

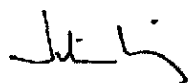
- 15.1 The appointment of administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.
- 15.2 In certain circumstances it becomes necessary to extend the Joint Administrators' term of office.
- 15.3 A one year extension to the administration was considered necessary to facilitate the recovery of the Company's remaining assets detailed at section 4 above, and to pursue a recovery action arising from the result of the investigations into the Company's affairs.
- 15.4 On 6 January 2017, the Company's unsecured creditors granted the extension. The revised date at which the administration will come to an end is 20 January 2018. The Company will then move either to dissolution or to creditors' voluntary liquidation, as appropriate.
- 15.5 The Joint Administrators will be discharged from liability immediately upon their appointment as Administrators ceasing to have effect.

16 NEXT REPORT

- 16.1 The Joint Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised.

If you wish to discuss the issues raised in this report or require any additional information please contact this office.

Yours Faithfully
For and on behalf of
GEN-X IT LTD



**J R IRVING
JOINT ADMINISTRATOR**

J R Irving and A Poxon are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 11854 and 8620, respectively.

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

SUMMARY OF JOINT ADMINISTRATORS' APPROVED PROPOSALS

It is proposed that:

1. The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration.
2. If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company.
3. If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors Voluntary Liquidation. It is further proposed that K G Murphy and/or A Poxon be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved.
4. Alternatively, if appropriate, the Joint Administrators apply to Court under Para 65 (3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration.
5. In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved.
6. The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.
7. The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that K G Murphy and/or A Poxon be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.
8. The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.

APPENDIX B

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM
13 DECEMBER 2016 TO 12 JUNE 2017, AND CUMULATIVE UNTIL 12 JUNE 2017**

| | Statement of Affairs | Amounts previously reported | This Period | Cumulative |
|----------------------------------------|-------------------------|-----------------------------------|-----------------|--------------------|
| | £ | £ | £ | £ |
| RECEIPTS | | | | |
| Assets Specifically Pledged | | | | |
| Factored Book Debts | 157,534.00 | 159,264.80 | 189.30 | 159,454.10 |
| Assets Not Specifically Pledged | | | | |
| Surplus as regards RBSIF | - | - | - | - |
| Cash at Bank and in Hand | 234,387.00 | 242,060.29 | - | 242,060.29 |
| Stock | 38,000.00 | 39,000.00 | - | 39,000.00 |
| Office & IT Equipment | 2,500.00 | 2,500.00 | - | 2,500.00 |
| Corporation Tax Refund | Uncertain | - | - | - |
| Directors' Loan Accounts | Uncertain | 16,000.00 | - | 16,000.00 |
| Insurance Claim | 126.00 | 125.76 | - | 125.76 |
| Refund of prepayments | - | 34.20 | - | 34.20 |
| Bank Interest | - | 84.29 | - | 84.29 |
| TOTAL RECEIPTS | <u>432,547.00</u> | <u>459,069.34</u> | <u>189.30</u> | <u>459,258.64</u> |
| PAYMENTS | | | | |
| Pre-appointment Costs | | | | |
| LCBSG | | (20,340.00) | - | (20,340.00) |
| Turner Parkinson | | (3,048.00) | - | (3,048.00) |
| CAM | | (1,500.00) | - | (1,500.00) |
| CRM | | (2,500.00) | - | (2,500.00) |
| | | <u>(27,388.00)</u> | <u>-</u> | <u>(27,388.00)</u> |
| Disbursements | | | | |
| Category 1 disbursements | | (1,726.86) | (319.31) | (2,046.17) |
| Category 2 disbursements | | (9.23) | - | (9.23) |
| | | <u>(1,736.09)</u> | <u>(319.31)</u> | <u>(2,055.40)</u> |
| Post Appointment Costs | | | | |
| Joint Administrators' remuneration | | (179,452.00) | - | (179,452.00) |
| CAM | | (11,000.00) | - | (11,000.00) |
| Wages & Salaries | | (6,082.74) | - | (6,082.74) |
| CRM | | (5,000.00) | - | (5,000.00) |
| Wrigley Partington Accountants | | (1,775.00) | - | (1,775.00) |

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| | | | |
|-------------------------------------------|---------------------|-------------------|---------------------|
| EK Employment Law | (1,056.00) | - | (1,056.00) |
| Addleshaw Goddard | - | (1,000.00) | (1,000.00) |
| Turner Parkinson | (662.50) | - | (662.50) |
| Internet Services | (106.50) | - | (106.50) |
| Bank Charges | (22.50) | - | (22.50) |
| | <u>(205,157.24)</u> | <u>(1,000.00)</u> | <u>(206,157.24)</u> |
| TOTAL PAYMENTS | (234,281.33) | (1,319.31) | (235,600.64) |
| DISTRIBUTIONS BY CLASS OF CREDITOR | | | |
| Secured Creditor - RBSIF | (159,264.80) | (189.30) | (159,454.10) |
| Preferential Creditors | - | - | - |
| Unsecured Creditors | - | - | - |
| | <u>65,523.21</u> | <u>(1,319.31)</u> | <u>64,203.90</u> |
| BALANCE IN HAND | | | |
| Represented by: | | | |
| Cash at Bank | | | 38,421.08 |
| VAT Control Account | | | 25,782.82 |
| | | | <u>64,203.90</u> |

APPENDIX C

SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD
FROM 13 DECEMBER 2016 TO 12 JUNE 2017

| | Director | | Manager 1 | | Administrator 2 | | Administrator 3 | | Administrator 4 | | Total | | Average Hourly Rate £ |
|--------------------------------|----------|---------------|-----------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-------|---------------|-----------------------------|
| | Units | Cost £ | Units | Cost £ | Units | Cost £ | Units | Cost £ | Units | Cost £ | Units | Cost £ | |
| Statutory & Review | 15 | 675.00 | - | - | 9 | 207.00 | 3 | 63.00 | 33 | 495.00 | 60 | 1,440.00 | 240.00 |
| Receipts & Payments | - | - | 2 | 73.00 | 33 | 759.00 | - | - | 31 | 465.00 | 66 | 1,297.00 | 196.52 |
| Assets | - | - | - | - | 7 | 161.00 | - | - | - | - | 7 | 161.00 | 230.00 |
| Liabilities | - | - | 16 | 584.00 | 5 | 115.00 | - | - | - | - | 21 | 699.00 | 332.86 |
| General Administration | - | - | - | - | 7 | 161.00 | - | - | 20 | 300.00 | 27 | 461.00 | 170.74 |
| Post Appointment Credits Mtngs | 12 | 540.00 | - | - | 42 | 966.00 | 107 | 2,247.00 | - | - | 161 | 3,753.00 | 233.11 |
| Investigations | 35 | 1,575.00 | - | - | - | - | - | - | - | - | 35 | 1,575.00 | 450.00 |
| Review | - | - | 4 | 146.00 | - | - | - | - | - | - | 4 | 146.00 | 365.00 |
| Legal Services - Preparation | 41 | 1,845.00 | - | - | - | - | - | - | 13 | 195.00 | 54 | 2,040.00 | 377.78 |
| Legal Services - Attendance | 3 | 135.00 | - | - | - | - | - | - | - | - | 3 | 135.00 | 450.00 |
| Legal Services - Drafting docs | - | - | - | - | - | - | - | - | 5 | 75.00 | 5 | 75.00 | 150.00 |
| Total | 106 | 4,770.00 | 22 | 803.00 | 103 | 2,369.00 | 110 | 2,310.00 | 102 | 1,530.00 | 443 | 10,342.00 | |
| Average Hourly Rate (£) | | <u>450.00</u> | | <u>365.00</u> | | <u>230.00</u> | | <u>210.00</u> | | <u>150.00</u> | | <u>233.45</u> | |
| All Units are 6 minutes | | | | | | | | | | | | | |

DESCRIPTION OF TIME SPENT BY CATEGORY FROM 13 DECEMBER 2016 TO 12 JUNE 2017

Statutory and Review

Time recorded in this category includes internal reviews of the matter, preparing a Statement of Affairs pack to assist the Company's accountant and dealing with queries from the Insolvency Service.

Receipts and Payments

Time has been spent recording the receipts and payments in the Administration and ensuring that the bank account and receipts and payments account are properly reconciled and maintained.

Time has also been spent with regards to a review of the fees extension report.

Assets

Time has been spent in correspondence with Mr Gould, seeking repayment of the overdrawn Director's loan account. Time was also spent in correspondence with creditors regarding the extension of the administration.

Liabilities

The majority of the time recorded in this category relates to time spent preparing statutory reports to creditors, including the second progress report and the fees extension report. Time has also been spent with regards to a police investigation.

General Administration

This category includes time spent dealing with the general administration of the matter, such as dealing with correspondence, preparing letters and issuing reports to all creditors. Time recorded in this category also includes telephone conversations with the in-house legal team.

Post Appointment Creditors' Meetings

The majority of the time recorded in this category relates to time spent preparing statutory reports to creditors, mainly the report to creditors regarding a possible fee extension. This report will be circulated to creditors in due course.

Time was also spent in relation to correspondence with the Insolvency Service.

Investigations

Time has been spent by a Leonard Curtis Director, reviewing the possible antecedent transactions, and considering whether these have had a negative impact on the estate as a whole.

Review

Time recorded to this category was in relation to an internal review of the matter.

Legal Services – Preparation

Use of Leonard Curtis' in-house legal team is considered to be substantially more cost effective than seeking external legal advice.

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Time has been record by the legal team with regards to the following:

- Amending witness statements;
- Dealing with telephone calls from a major creditor, and preparing minutes and file notes following this;
- Consideration and review with regarding to fee approval;
- Consideration regarding the fee extension report.

Legal Services – Attendance

Time recorded was in regards to a meeting between the legal team and the case manager.

Legal Services – Drafting Docs

Time has been recorded by the legal team preparing minutes of a meeting with a major Company creditor.

SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS TO 12 JUNE 2017
INCORPORATING A COMPARISON OF THE JOINT ADMINISTRATORS' INITIAL FEE ESTIMATE

| | FEES ESTIMATE | | | | INCURRED TO 12 JUNE 2017 | | | | VARIANCE |
|------------------------------------|---------------|------------|---------------------|-------|--------------------------|---------------------|------------|--|----------|
| | Total | | Total | | Total | | Total | | |
| | Units | Cost | Average hourly rate | Units | Cost | Average hourly rate | Cost | | |
| | No | £ | £ | No | £ | £ | £ | | |
| Statutory & Review | 406 | 13,087.50 | 322.35 | 322 | 8,388.00 | 260.50 | (4,699.50) | | |
| Receipts & Payments | 192 | 5,153.50 | 268.41 | 216 | 4,295.50 | 198.87 | (858.00) | | |
| Insurance | 44 | 1,385.50 | 314.89 | 24 | 743.00 | 309.58 | (642.50) | | |
| Assets | 1,430 | 48,755.00 | 340.94 | 1317 | 51,231.00 | 389.00 | 2,476.00 | | |
| Liabilities | 1,384 | 44,808.00 | 323.76 | 1259 | 43,029.00 | 341.77 | (1,779.00) | | |
| Landlords | 48 | 1,656.00 | 345.00 | 16 | 381.00 | 238.13 | (1,275.00) | | |
| Debenture Holder | 73 | 2,779.50 | 380.75 | 53 | 2,211.00 | 417.17 | (568.50) | | |
| General Administration | 402 | 11,122.50 | 276.68 | 812 | 16,735.00 | 206.10 | 5,612.50 | | |
| Appointment | 114 | 3,297.00 | 289.21 | 79 | 2,467.00 | 312.28 | (830.00) | | |
| Planning & Strategy | 38 | 1,426.00 | 375.26 | 38 | 1,468.00 | 386.32 | 42.00 | | |
| Post Appointment Creditors Meeting | 391 | 11,877.50 | 303.77 | 810 | 27,149.00 | 335.17 | 15,271.50 | | |
| Investigations | 881 | 29,604.00 | 336.03 | 889 | 34,306.00 | 385.89 | 4,702.00 | | |
| Review | - | - | - | 4 | 146.00 | 365.00 | 146.00 | | |
| Legal Services - Preparation | 100.00 | 4,500.00 | 450.00 | 383 | 13,335.00 | 348.17 | 8,835.00 | | |
| Legal Services - Attendance | - | - | - | 43 | 1,935.00 | 450.00 | 1,935.00 | | |
| Legal Services - Research | - | - | - | 24 | 660.00 | 275.00 | 660.00 | | |
| Legal Services - Drafting docs | - | - | - | 34 | 510.00 | 150.00 | 510.00 | | |
| Legal Services - Travel | - | - | - | 8 | 120.00 | 150.00 | 120.00 | | |
| | 5,503 | 179,452.00 | 326.10 | 6,331 | 209,109.50 | 330.29 | 29,657.50 | | |

JOINT ADMINISTRATORS' REVISED FEES ESTIMATE

| | PREVIOUSLY AGREED FEES ESTIMATE | | | | REVISED FEES ESTIMATE | | | | VARIANCE |
|------------------------------------|---------------------------------|------------|---------------------|-------|-----------------------|---------------------|-----------|--|----------|
| | Total | | Total | | Total | | Total | | |
| | Units | Cost | Average hourly rate | Units | Cost | Average hourly rate | Cost | | |
| | No | £ | £ | No | £ | £ | £ | | |
| Statutory & Review | 406 | 13,087.50 | 322.35 | 406 | 13,087.50 | 322.35 | - | | |
| Receipts & Payments | 192 | 5,153.50 | 268.41 | 192 | 5,153.50 | 268.41 | - | | |
| Insurance | 44 | 1,385.50 | 314.89 | 44 | 1,385.50 | 314.89 | - | | |
| Assets | 1430 | 48,755.00 | 340.94 | 1580 | 54,405.00 | 344.34 | 5,650.00 | | |
| Liabilities | 1384 | 44,808.00 | 323.76 | 1484 | 47,783.00 | 321.99 | 2,975.00 | | |
| Landlords | 48 | 1,656.00 | 345.00 | 48 | 1,656.00 | 345.00 | - | | |
| Debenture Holder | 73 | 2,779.50 | 380.75 | 83 | 3,229.50 | 389.10 | 450.00 | | |
| General Administration | 402 | 11,122.50 | 276.68 | 958 | 20,414.50 | 213.09 | 9,292.00 | | |
| Appointment | 114 | 3,297.00 | 289.21 | 114 | 3,297.00 | 289.21 | - | | |
| Planning & Strategy | 38 | 1,426.00 | 375.26 | 48 | 1,876.00 | 390.83 | 450.00 | | |
| Post Appointment Creditors Meeting | 391 | 11,877.50 | 303.77 | 872 | 30,440.50 | 349.09 | 18,563.00 | | |
| Investigations | 881 | 29,604.00 | 336.03 | 1231 | 45,354.00 | 368.43 | 15,750.00 | | |
| Review | - | - | - | 4 | 146.00 | 365.00 | 146.00 | | |
| Legal Services - Preparation | 100 | 4,500.00 | 450.00 | 360 | 12,900.00 | 358.33 | 8,400.00 | | |
| Legal Services - Attendance | - | - | - | 77 | 3,465.00 | 450.00 | 3,465.00 | | |
| Legal Services - Research | - | - | - | 24 | 660.00 | 275.00 | 660.00 | | |
| Legal Services - Drafting docs | - | - | - | 54 | 810.00 | 150.00 | 810.00 | | |
| Legal Services - Travel | - | - | - | 8 | 120.00 | 150.00 | 120.00 | | |
| | 5,503 | 179,452.00 | 326.10 | 7,587 | 246,183.00 | 324.48 | 66,731.00 | | |

**DETAILED NARRATIVE OF WORK PERFORMED, AND FUTURE WORK LIKELY TO BE PERFORMED, BY
THE JOINT ADMINISTRATORS AND THEIR STAFF**

Statutory and Review

This category of activity encompasses work undertaken for both statutory and case management purposes. Whilst this work will not directly result in any monetary value for creditors, it will ensure that the case is managed efficiently and resourced appropriately, which will be of benefit to all creditors. The work to be carried out under this category will comprise the following:

Case Management Reviews – LC Compliance Department has spent time during the Administration reviewing the Joint Administrators' case files. This involved reviewing all correspondence, statutory documentation, creditor claims, asset realisations and procedures undertaken by the Joint Administrators before and upon their appointment. A report encompassing details of the review has subsequently been produced which contained recommendations to the Joint Administrators to ensure that all matters are being progressed and that adherence to statutory requirements continue to be met. Senior members of LC have spent time reviewing the outcome of the report. Time has been incurred by the case administrators and managers conducting work recommended by the Compliance department.

Time recorded to this category may include a degree of case planning. This is likely to involve a number of internal meetings in order to ensure that the purpose of the administration is being achieved and that the actions taken by the Joint Administrators are in accordance with the duty to act in the interest of the company, its creditors and stakeholders.

The Joint Administrators are required to submit a report on the directors' conduct to the Department of Business, Innovation and Skills ("DBIS"). The team is required under the Company Directors' Disqualification Act 1986 to review the Company's records and consider information provided by creditors on the conduct of all directors involved in the Company during the three years leading up to the insolvency. This has resulted in the preparation and submission of statutory returns or reports on all directors to the Insolvency Service. Evidence of unfit conduct can result in directors being disqualified for periods of up to 15 years. The Joint Administrators have spent a significant amount of time reviewing and appraising the Company's financial information and that obtained from the Company's creditors. A detailed note on the investigations undertaken has been produced to assist the Joint Administrators with their report to DBIS. The report to DBIS is submitted through an online portal and contains a number of specific questions. Time has been spent updating the report online by the case administrators and case manager as and when information becomes available. Senior members of staff have then reviewed all information uploaded onto the portal prior to submission to DBIS.

This category will also include periodic reviews of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9.

Regular reviews of work carried out by more junior members of staff will be recorded to this category to ensure quality of work and adherence to standards, legislation and best practice.

Time recorded to this category includes the submission of all statutory documentation with the appropriate entities including the Registrar of Companies and the Court. In the context of this case, this includes appointment documentation, notice of deemed approval of the proposals, any amendments to the proposals or any meetings of creditors that are requested. Dependant on the outcome of the Joint Administrators' investigations, it may be necessary to extend the administration. If this is the case, further work will be required to comply with the statutory obligations with this regard. If an extension is not required, time will be incurred registering the appropriate exit route from the administration with the Court, Creditors, Stakeholders and the Registrar of Companies.

Upon the completion of the case, time will also be spent completing case closing procedures.

Receipts and Payments

This category of work will not result in a direct financial benefit for creditors. However, close monitoring of case bank accounts is essential to ensure that bank interest is maximised where possible, estate expenses are properly managed and kept to a minimum and amounts payable to creditors are identified and distributed promptly.

Time allocated to this category has included the preparation and review of a number of periodic estimated *outcome statements* ("EOS") which will be used to monitor the progress of asset realisations and the administration generally. In order to produce the appropriate information required for each EOS produced, it has been necessary to spend time liaising with all third party agents.

There will be a regular review of the case bank account by senior member of staff to ensure that fixed and floating charge assets have been properly identified and prescribed part funds have been set aside where appropriate.

In addition, time has been spent reviewing invoices submitted by all third party agents in respect of fees incurred and negotiating the level of costs charged to the Company in administration. Time spent will also include management of the case bank account to ensure compliance with relevant risk management procedures.

Time recorded to this category includes correspondence with HMRC in relation to VAT de-registration and the completion of VAT returns. This will include time spent notifying HMRC on the administration. The Joint Administrators will also review whether it is necessary to arrange for the submission of pre-appointment VAT returns, and if this work will require the instruction of an independent accountant.

Insurance, Bonding and Pensions

Insolvency Practitioners are obliged to comply with certain statutory requirements when conducting their cases. Some of these requirements are in place to protect company assets (see insurance and bonding matters below), whilst requirements in respect of company pension schemes are there to protect the pension funds of Company employees. Whilst there is no direct financial benefit to Company creditors in dealing with these, close control of case expenditure is crucial to delivering maximum returns to the appropriate class of creditor.

- Time has been spent arranging for insurance on the Company's remaining stock which was held at two different premises;
- Periodic review of insurance requirements over physical assets, to minimise costs to the estate;
- Calculation and request of joint administrators' bond in accordance with the Insolvency Practitioners' Regulations 2005. A Bond is a legal requirement on all administrations and is essentially an insurance policy to protect creditors against the fraud or dishonesty of the Insolvency Practitioner. The bond is calculated by reference to the value of assets which are estimated before costs to be available to unsecured creditors;
- Periodic review of bonding requirements to ensure that creditors are appropriately protected. The bond is reviewed upon each large receipt of monies into the case and also at three month intervals in accordance with best practice;
- Completion and submission of statutory notifications under the Pensions Act 2004. This includes liaising with the Company directors to establish the existence of Company pension schemes, making the statutory notifications under s22 and s120 of the pensions legislation; liaising with pensions providers to understand the nature of the scheme, and dealing with unpaid contributions to the scheme; and
- Liaising with pension companies to arrange for prompt wind up of schemes.

Assets

The Company has a number of assets. A significant amount of time has been spent during the period of this report realising assets for the benefit of the Company's creditors. Time recorded to this category involved:

Debts Subject to RBS Invoice Finance Limited ("RBSIF")

- Realising debts subject to the invoice discounting facility with RBSIF;
- Liaising with RBSIF in regard to the level of its debt;
- Monitoring the progress of book debt collections;
- Reviewing the level of currency conversions;
- Providing instruction to Cerberus Receivables Management ("CRM") to assist with a debt collection exercise;
- Reviewing the indicative reports produced by CRM;
- Consideration to the purpose of the administration in light of the debt collection and subsequent reduction of the Company's indebtedness to RBSIF;
- Liaising with the Netherlands' police in relation to an alleged fraud that the Company has been victim; and
- Retaining the Company's financial controller to assist with debt recovery.

Cash at Bank

- Liaising with RBS in relation to the credit balance in the Company's three bank accounts;
- Monitoring post administration receipts into the account; and
- Arranging the transfer of balances received into Leonard Curtis' client account prior to the appointment into the case account.

Stock

- Time has been spent liaising with one of the Company's creditors in relation to claims for trade mark infringement and use of counterfeit goods;
- Meetings with the Company's directors in relation to the creditor's claim;
- Supervising an inspection by one of the Company's creditors of stock branded in its name;
- Liaising with Cerberus Asset Management ("CAM") in relation to the sale of the Company's stock; and
- Reviewing CAM's recommendation to accept the offer from the connected parties to the Company.

Office & IT Equipment

- Consideration of the offer made to purchase the Company's office and IT equipment;
- Liaising with CAM in relation to the offer; and
- Reviewing CAM's recommendation to accept the offer.

Directors' Loan Accounts

- Reviewing the Company's financial records in relation to the two outstanding balances owed by each director to the Company;
- Meetings with each director to discuss the outstanding balances;
- Preparation and distribution of a letter constituting formal demand for payment;
- Instructing Wrigley Partington Chartered Accountants ("WPCA") to reconcile each account;
- Requesting asset and liability statements from each director;
- Reviewing and assessing the director's personal position and ability to repay the Company; and

GEN-X IT LTD – IN ADMINISTRATION

- Considering and accepting offers made by each director to settle their indebtedness; and
- Monitoring receipt of funds following settlement.

Further time is likely to be accrued in relation to the realisation of the remaining outstanding balance.

Corporation Tax

The Joint Administrators conducted a review of the Company's financial affairs. It was apparent following that review that the Company had paid tax on its profits in the three years preceding the administration. The Joint Administrators have spent time liaising with WPCA in relation to the preparation of an application for tax relief in light of the administration. Further time is likely to be spent progressing this matter.

Liabilities

Time has been spent liaising with RBSIF in relation to the reduction of its debt through collections. This has included reviewing reports produced by CRM in relation to the indicative outcome for the debtor ledger and updating RBSIF accordingly.

In light of the claims made by one of the Company's creditors, a significant amount of time has been spent reviewing the allegations and associated evidence. The Joint Administrators have subsequently sought legal advice in regard to the Company's position and the claims brought against it. Time has been spent preparing responses to requests made by the creditor to review the Company's stock, and time has been spent supervising visits by the creditor to categorise stock.

A large amount of time has been spent by the case administrator correspondence with all class of creditor. This includes advising a number of unsecured creditors of the dividend prospects and advising on the progress of the case generally. The case administrator has also spent time corresponding with EK Employment Law ("EK") in relation to the calculation of residual preferential claims over and above the amount paid by the National Insurance Fund.

A significant amount of time recorded to this code relates to internal staff meetings between the Joint Administrators and Leonard Curtis' legal department to prepare the necessary responses to action taken by one of the Company's creditors against the Company and the Directors. This includes conference calls and meetings with said creditor and their legal advisors, and supervising the creditor's access to the Company's books and records.

During this period, time has been spent preparing, reviewing and distributing the Joint Administrators' First Progress Report. This involved the preparation of the report by the case administrator, review by the case manager and the Joint Administrators. Time was spent amending the report prior to its distribution by Leonard Curtis' support staff.

The case administrator has also recorded time to this category of asset in dealing with the claim of a hire purchase creditor.

Future time is likely to spent preparing for and issuing a dividend to the preferential creditors.

Landlords

Time has been spent liaising with the Company's landlord in relation to the continued occupation of the Company's trading premises for the purpose of the debt collection exercise. This included correspondence and telephone calls with the Landlord and arranging for the continued supply of internet and services to the property.

Time has been spent by the Joint Administrators' staff reviewing the Directors' financial position and obtaining information from the land registry in respect of property owned by the Directors.

Debenture Holder

Time has been spent liaising with the secured creditor, RBSIF and notifying them of our appointment and keeping them apprised of the progress of the administration. This has included time spent confirming the Company's indebtedness to RBIF and monitoring the reduction of the Company's indebtedness in regard its invoice discounting facility.

General Administration

Significant time has been spent regarding the Company's books and records. Given the nature of the business, the Company's books and records were extensive and complex. Time has been spent on site sorting through and considering all of the Company's books and records, and preparing an inventory of the records found within. This work was completed by junior members of staff in order to keep costs to a minimum.

Time recorded in this category also included notifying creditors and all relevant parties of our appointment as Administrators in line with statutory requirements. This also includes time spent dealing with various other administrative appointment formalities such as the formulation and distribution of the paragraph 49 report to creditors, various correspondence with unsecured creditors as well as the completion of various other mandatory statutory duties.

Time has also been spent on more general administrative matters, including but not limited to:

- General planning matters;
- Setting up and maintaining the administrators' records; and
- Dealing with general correspondence and communicating with directors and shareholders.

Appointment

- Statutory notifications to creditors and other interested parties following the administrators' appointment;
- Preparation of case plan; and
- Formulation of case strategy, including recording of any strategic decisions.

Planning & Strategy

Time has been spent during the period of this report reviewing the purpose of the administration in line with the progress made. This included internal staff meetings to discuss the prospects of further realisations and the information ascertained as a result of the Joint Administrators investigations.

Post Appointment Creditors' Meetings

Time recorded in this category mainly relates to the preparation of statutory reports, including the Joint Administrators Report Statement of Proposal, and the First and Second progress reports. Further time will be spent in this category regarding preparing this report, two future progress reports, and a final report.

Investigations

This has involved gathering information and reviewing the Company's records for the preparation of the estimated financial position. Time has been spent conducting investigations into the Company's affairs and to payments made to a connected party within the two years preceding the Company entering into administration. The investigations undertaken involved reviewing the collection and inventory of the Company's books and records. Given the size and nature of the Company, substantial quantities of records were retrieved from the Company.

This further included reviewing the reviewing the Company's SAGE records and bank accounts. In light of the information obtained, the Joint Administrators have spent time receiving legal advice in regard to potential action the Joint Administrators may have in relation to a number of payments made to a connected party.

On submission of the Joint Administrators' report on the director's conduct, time has been incurred liaising with DBIS in relation to the report provided and the supply of additional information.

The Joint Administrators understand that the Company has been the alleged victim of fraud. Time has been spent corresponding with the Netherlands police in relation to the potential prosecution of a suspect in relation to the fraud and the prospective of a financial benefit to the Company in relation to those proceedings.

Upon reviewing the records of the Company, the Joint Administrators have identified some possible antecedent transactions that require further investigations. It is likely that significant future costs will be recorded to this category in this respect, as this may result in possible realisation of assets for the benefit of the creditors.

Review

A small amount of time has been recorded to this category regarding a file review.

Legal Services – Preparation

Time recorded to this category by Leonard Curtis' in-house legal department included:

- Attending the premises at which the Company's books and records are held;
- Reviewing those records for the purpose of producing documents to one of the Company's creditors;
- Monitoring junior members of staff's work in relation to the production of an inventory;
- Reviewing correspondence received from one of the Company's creditors;
- Preparation of responses to correspondence received from the Company's creditors;
- Reviewing the outcome of one of the creditor's attendance and review of the Company's records;
- Preparing file notes following telephone conversations;
- Contacting the storage agent to arrange access to the Company's records;
- Discussions regarding the litigation being taken and liaising with the Joint Administrators in this regard;
- Preparing for a meeting with one of the Company's creditors and requesting information from the case manager and administrator; and
- The redaction of confidential information obtained from the Company's records.

Legal Services – Attendance

Time was spent by Leonard Curtis' internal legal counsel attending staff meetings and external meetings in relation to allegations made against the Company in relation to the use of counterfeit goods and parallel import.

Time has been spent by senior members of Leonard Curtis' legal department attending meetings with one of the Company's creditors who is taking legal action against the Company and its Directors.

Dependant on the outcome of the investigation into the possible antecedent transaction, the administration may need to be extended. If this is the case, time will be spent by the legal team making a court application.

Legal Services – Drafting Documents

Time recorded to this category involved Leonard Curtis' in-house legal team creating an inventory of the Company's records which were requested by one of the Company's creditors who is taking legal action against the Company and its Directors.

Legal Services - Research

This involved Leonard Curtis' internal legal counsel researching the legal position in relation to allegations made against the Company.

Legal Services – Travel

This involved time spent by Leonard Curtis' in-house legal department travelling to and from the premises at which the Company's records are held.

APPENDIX G

**SUMMARY OF JOINT ADMINISTRATORS' EXPENSES
FROM 13 DECEMBER 2016 TO 12 JUNE 2017
INCORPORATING A COMPARISON OF THE JOINT ADMINISTRATORS'
STATEMENT OF LIKELY EXPENSES**

Standard Expenses

| Type | Charged by | Description | Estimated Amount £ | Total Amount Incurred to 12 June 2017 £ | Amount Incurred in This Period £ | Amount Paid £ | Amount Unpaid £ |
|------------------------------|------------------------------|--------------------------------------------------------|-----------------------|-----------------------------------------------|----------------------------------------|------------------|--------------------|
| Client Identification Checks | Business Tax Centre | Electronic client verification | 10.00 | 10.00 | - | 10.00 | - |
| Bond Fee | AUA Insolvency Risk Services | Insurance bond | 400.00 | 427.00 | 27.00 | 400.00 | 27.00 |
| Companies House searches | Companies House | Extraction of company information from Companies House | 10.00 | 3.00 | - | 3.00 | - |
| Document Hosting | The Creditor Gateway | Hosting of documents for creditors | 42.00 | 42.00 | 28.00 | 28.00 | 14.00 |
| Software Licence Fee | Pelstar Computing | Case management system licence fee | 87.00 | 87.00 | - | 87.00 | - |
| Statutory Advertising | Courts Advertising | Advertising | 157.50 | 169.78 | 10.48 | 159.30 | 10.48 |
| Storage Costs | CAM | Storage of books and records | 550.00 | 1,564.20 | 188.90 | 1,337.77 | 226.43 |
| Internet Services | Zen Internet | Cost of internet access | - | 106.50 | - | 106.50 | - |
| Bank charges | AIB | Costs in relation to Administrator's bank account | - | 22.50 | - | 22.50 | - |
| Post Redirection | Post Office | Redirection of Post | 160.00 | - | - | - | - |
| | | Total standard expenses | 1,416.50 | 2,431.98 | 254.38 | 2,154.07 | 277.91 |

APPENDIX G (continued)

Case Specific Expenses

| Type | Charged by | Description | Estimated Amount £ | Total Amount Incurred to 12 June 2017 £ | Amount Incurred in This Period £ | Amount Paid £ | Amount Unpaid £ |
|-------------------------|------------------------------------------------|-------------------------------------------------------------------------------------------|-----------------------|--------------------------------------------|-------------------------------------|------------------|--------------------|
| Wages and Salaries | Former Financial Controller | Salary of former staff member, who was retained for 2 months to deal with debt collection | - | 6,082.74 | - | 6,082.74 | - |
| Agents' Fees | CAM | Stock take and valuation of physical assets | 12,500.00 | 12,500.00 | - | 12,500.00 | - |
| Debt Collection Fees | CRM | Assessment of debtor ledger & Costs of collection of debts | 7,500.00 | 7,500.00 | - | 7,500.00 | - |
| Land Registry searches | Land Registry | Extraction of information from the Land Registry | - | 3.00 | - | 3.00 | - |
| Court Fees | Manchester District Registry of the High Court | Transfer of matter from K G Murphy to J M Titley | - | 2.39 | 2.39 | - | 2.39 |
| Legal Fees | Leonard Curtis Legal | Transfer of matter from K G Murphy to J M Titley | - | 87.13 | 87.13 | - | 87.13 |
| Legal Fees | Turner Parkinson | Dealing with appointment papers | 10,000.00 | 4,048.00 | - | 4,048.00 | - |
| Other professional fees | EK Employment | Calculation of residual employee claims | 6,000.00 | 1,056.00 | - | 1,056.00 | - |
| | Wrigley Partington Accountants | Accountancy advice | | 1,775.00 | - | 1,775.00 | - |
| | Addleshaw Goddard | Costs of appointed solicitors | | 1,000.00 | 1,000.00 | 1,000.00 | - |
| Staff Mileage | Leonard Curtis | Category 2 disbursement requiring specific creditor / committee approval | 100.00 | 11.48 | 2.25 | 9.23 | 2.25 |
| Administrators Staff | Leonard Curtis | Costs of travel and sundry expenses | 10.60 | 18.10 | - | 18.10 | - |
| | | Total case specific expenses | 36,110.60 | 34,083.84 | 1,091.77 | 33,992.07 | 91.77 |

LEONARD CURTIS' POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS

The following Leonard Curtis policy information is considered to be relevant to creditors:

Staff Allocation and Charge Out Rates

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below.

With effect from 6 January 2014 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

| | Standard £ |
|-----------------|---------------|
| Director | 450 |
| Senior Manager | 410 |
| Manager 1 | 365 |
| Manager 2 | 320 |
| Administrator 1 | 260 |
| Administrator 2 | 230 |
| Administrator 3 | 210 |
| Administrator 4 | 150 |
| Support | 0 |

Office holders' remuneration may include costs incurred by the firm's in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment.

Subcontractors

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

APPENDIX H (cont)

| Type | Description | Amount | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------|----------------|-----|--------|-------|-----|-------|-------|-----|-------|-------|-----|-------|-------|-----|--------|-------|-----|--------|-------|-----|----------------------------------|--|
| AML checks | Electronic client verification in compliance with the Money Laundering Regulations 2007 | £5.00 plus VAT per individual | | | | | | | | | | | | | | | | | | | | | | | | |
| Bond / Bordereau fee | Insurance bond to protect the insolvent entity against and losses suffered as a result of the fraud or dishonesty of the IP | £10.00 to £1,200.00 dependent on value of assets within case | | | | | | | | | | | | | | | | | | | | | | | | |
| Company searches | Extraction of company information from Companies House | £1.00 per document unless document can be accessed via the free service | | | | | | | | | | | | | | | | | | | | | | | | |
| Document hosting | Hosting of documents for creditors | <table><tr><th>Type</th><th>100 creds</th><th>Every addtl 10</th></tr><tr><td>ADM</td><td>£14.00</td><td>£1.40</td></tr><tr><td>CVL</td><td>£7.00</td><td>£0.70</td></tr><tr><td>MVL</td><td>£7.00</td><td>£0.70</td></tr><tr><td>CPL</td><td>£7.00</td><td>£0.70</td></tr><tr><td>CVA</td><td>£10.00</td><td>£1.00</td></tr><tr><td>BKY</td><td>£10.00</td><td>£1.00</td></tr><tr><td>IVA</td><td colspan="2">£10 p.a. or £25 for life of case</td></tr></table> | Type | 100 creds | Every addtl 10 | ADM | £14.00 | £1.40 | CVL | £7.00 | £0.70 | MVL | £7.00 | £0.70 | CPL | £7.00 | £0.70 | CVA | £10.00 | £1.00 | BKY | £10.00 | £1.00 | IVA | £10 p.a. or £25 for life of case | |
| Type | 100 creds | Every addtl 10 | | | | | | | | | | | | | | | | | | | | | | | | |
| ADM | £14.00 | £1.40 | | | | | | | | | | | | | | | | | | | | | | | | |
| CVL | £7.00 | £0.70 | | | | | | | | | | | | | | | | | | | | | | | | |
| MVL | £7.00 | £0.70 | | | | | | | | | | | | | | | | | | | | | | | | |
| CPL | £7.00 | £0.70 | | | | | | | | | | | | | | | | | | | | | | | | |
| CVA | £10.00 | £1.00 | | | | | | | | | | | | | | | | | | | | | | | | |
| BKY | £10.00 | £1.00 | | | | | | | | | | | | | | | | | | | | | | | | |
| IVA | £10 p.a. or £25 for life of case | | | | | | | | | | | | | | | | | | | | | | | | | |
| Post re-direction | Redirection of post from Company's premises to office-holders' address | 0-3 months £185.00 3-6 months £275.00 6-12 months £445.00 | | | | | | | | | | | | | | | | | | | | | | | | |
| Software Licence fee | Payable to software provider for use of case management system | £87.00 plus VAT per case | | | | | | | | | | | | | | | | | | | | | | | | |
| Statutory advertising | Advertising of appointment, notice of meetings etc. - London Gazette - Other | £83.02 plus VAT per advert Dependent upon advert and publication | | | | | | | | | | | | | | | | | | | | | | | | |
| Storage costs | Costs of storage of case books and records | £5.07 plus VAT per box per annum plus handling charges | | | | | | | | | | | | | | | | | | | | | | | | |

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

| Type | Description | Amount |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Agents' fees | Costs of appointed agents in valuing and realising assets | Time costs plus disbursements plus VAT |
| Debt Collection fees | Costs of appointed debt collectors in realising debts | Generally agreed as a % of realisations plus disbursements plus VAT |
| Legal fees | Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions. | Time costs plus disbursements plus VAT |
| Other disbursements | See disbursements section below | See disbursements section below |

Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements.

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

| | |
|--------------------------------------------|-------------------------------------------------|
| Internal photocopying | 10p per copy |
| General stationery, postage, telephone etc | £100 per 100 creditors/ members or part thereof |
| Storage of office files (6 years) | £70.40 per box |
| Business mileage | 45p per mile |

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

ESTIMATED OUTCOME STATEMENT

| | Secured - Fixed £'000 | Financed £'000 | Preferential £'000 | Secured - Floating £'000 | Unsecured £'000 |
|-------------------------------------------------------------------------------------|--------------------------|-------------------|-----------------------|--------------------------------|--------------------|
| Estimated realisable value of assets available for class of creditor per Appendix B | 159 | - | 300 | 7 | 4 |
| Less: Joint Administrators' Fees Estimate per Appendix E | - | - | (246) | - | - |
| Less: Expenses per Appendix G | - | - | (38) | - | - |
| Amount available to class of creditor | 159 | - | 16 | 7 | 4 |
| Amount due to creditor per Estimated Financial Position | (162) | - | (9) | (3) | (454) |
| Estimated dividend rate (as a %) | 98% | N/A | 100% | 100% | 0.9% |

GEN-X IT LIMITED - IN ADMINISTRATION ("THE COMPANY")
HIGH COURT OF JUSTICE, CHANCERY DIVISION, MANCHESTER DISTRICT REGISTRY
COURT REFERENCE: 2030 of 2016
COMPANY REGISTERED NUMBER: 04480097

NOTICE TO CREDITORS IN ACCORDANCE RULES 15.8 AND 18.26 INSOLVENCY RULES 2016
DECISION PROCESS BY CORRESPONDENCE

NOTICE IS HEREBY GIVEN pursuant to Rule 18.26 Insolvency Rules 2016 that the general body of creditors are invited to consider an increase in the remuneration of the Joint Administrators' remuneration by a decision process by correspondence.

To participate in the vote creditors will need to return a voting form to my office at Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ or via email to rachel.cooke@leonardcurtis.co.uk by 23:59 on 26 July 2017.

The resolution to be considered is: -

1. That the remuneration of the Joint Administrators be payable by reference to the time properly given by the Joint Administrators and their staff in attending to matters as set out in the Revised Fees Estimate (for an amount not exceeding £246,183).

Statutory information and creditors' entitlement to vote

In accordance with Rule 15.8 of the Insolvency (England and Wales) Rules 2016, please be aware of the following information:

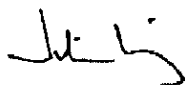
- Creditors are only entitled to vote if they have submitted a proof of debt prior to the decision date and the claim has been accepted in whole or in part, together with a voting form. Whilst I am permitted to agree claims below £1,000 without a proof of debt, a creditor whose claim is less than £1,000 is not able to vote without having lodged a proof of debt. Creditors who have opted out from receiving notices may, nevertheless, vote if a proof of debt has been lodged.
- Creditors must lodge their voting form no later than 23:59 on 26 July 2017. Forms should be sent to Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ. Alternatively voting forms can be faxed to 0161 831 9090 or submitted by email to rachel.cooke@leonardcurtis.co.uk.
- Secured creditors may only vote for the balance of the debt, which will not be recovered by enforcement of the security, unless the right to enforce is waived.
- I am obliged to advise creditors that applications to have any decision reviewed must be made to High Court of Justice, Chancery Division, Manchester District Registry under reference 2030 of 2016. Any such application should be made within 21 days of the decision date.
- Creditors' attention is further drawn to Insolvency Rules 15.28, 15.31, 15.32 and 15.34 which detail the rules for voting. Extracts from these Rules have been included with this notice.
- If creditors are not satisfied with the decision procedure implemented they may request a physical meeting be convened providing their claim is 10% of the value of the creditors, 10% of the number of creditors request the same or 10 individual creditors request that a meeting be convened. All requests

GEN-X IT LTD – IN ADMINISTRATION

to hold a physical meeting should be made in writing. Requests for a physical meeting should be made within five business days of delivery of this notice.

Dated 12 July 2017

Signed



J R Irving
Joint Administrator

Contact details

Leonard Curtis
Tower 12
18/22 Bride Street
Spinningfields
Manchester
M3 3BZ

rachel.cooke@leonardcurtis.co.uk
0161 831 9999

Creditors Decision Process – Extract from the Insolvency Rules 2016

Creditors' voting rights

15.28 - (5) In a decision relating to a proposed CVA or IVA every creditor, secured or unsecured, who has notice of the decision procedure is entitled to vote in respect of that creditor's debt.

Calculation of voting rights

15.31 —(1) Votes are calculated according to the amount of each creditor's claim—

- (a) in an administration, as at the date on which the company entered administration, less—
 - (i) any payments that have been made to the creditor after that date in respect of the claim, and
 - (ii) any adjustment by way of set-off which has been made in accordance with rule 14.24 or would have been made if that rule were applied on the date on which the votes are counted;
- (b) in an administrative receivership, as at the date of the appointment of the receiver, less any payments that have been made to the creditor after that date in respect of the claim;
- (c) in a creditors' voluntary winding up, a winding up by the court or a bankruptcy, as set out in the creditor's proof to the extent that it has been admitted;
- (d) in a proposed CVA—
 - (i) at the date the company went into liquidation where the company is being wound up,
 - (ii) at the date the company entered into administration (less any payments made to the creditor after that date in respect of the claim) where it is in administration,
 - (iii) at the beginning of the moratorium where a moratorium has been obtained (less any payments made to the creditor after that date in respect of the claim), or
 - (iv) where (i) to (iii) do not apply, at the decision date;
- (e) in a proposed IVA—
 - (i) where the debtor is not an undischarged bankrupt—
 - (aa) at the date of the interim order, where there is an interim order in force, (bb) otherwise, at the decision date,
 - (ii) where the debtor is an undischarged bankrupt, at the date of the bankruptcy order.

(2) A creditor may vote in respect of a debt of an unliquidated or unascertained amount if the convener or chair decides to put upon it an estimated minimum value for the purpose of entitlement to vote and admits the claim for that purpose.

(3) But in relation to a proposed CVA or IVA, a debt of an unliquidated or unascertained amount is to be valued at £1 for the purposes of voting unless the convener or chair or an appointed person decides to put a higher value on it.

(4) Where a debt is wholly secured its value for voting purposes is nil.

(5) Where a debt is partly secured its value for voting purposes is the value of the unsecured part.

(6) However, the value of the debt for voting purposes is its full value without deduction of the value of the security in the following cases—

- (a) where the administrator has made a statement under paragraph 52(1)(b) of Schedule B1 and the administrator has been requested to seek a decision under paragraph 52(2); and
- (b) where, in a proposed CVA, there is a decision on whether to extend or further extend a moratorium or to bring a moratorium to an end before the end of the period of any extension.

(7) No vote may be cast in respect of a claim more than once on any resolution put to the meeting; and for this purpose (where relevant), the claim of a creditor and of any member State administrator in

relation to the same debt are a single claim.

(8) A vote cast in a decision procedure which is not a meeting may not be changed.

(9) Paragraph (7) does not prevent a creditor or member State administrator from—

- (a) voting in respect of less than the full value of an entitlement to vote; or
- (b) casting a vote one way in respect of part of the value of an entitlement and another way in respect of some or all of the balance of that value.

Requisite majorities

15.34—(1) A decision is made by creditors when a majority (in value) of those voting have voted in favour of the proposed decision, except where this rule provides otherwise.

(2) In the case of an administration, a decision is not made if those voting against it—

- (a) include more than half in value of the creditors to whom notice of the decision procedure was delivered; and
- (b) are not, to the best of the convener or chair's belief, persons connected with the company.

(3) Each of the following decisions in a proposed CVA is made when three-quarters or more (in value) of those responding vote in favour of it—

- (a) a decision approving a proposal or a modification;
- (b) a decision extending or further extending a moratorium; or
- (c) a decision bringing a moratorium to an end before the end of the period of any extension.

(4) In a proposed CVA a decision is not made if more than half of the total value of the unconnected creditors vote against it.

(5) For the purposes of paragraph (4)—

- (a) a creditor is unconnected unless the convener or chair decides that the creditor is connected with the company;
- (b) in deciding whether a creditor is connected reliance may be placed on the information provided by the company's statement of affairs or otherwise in accordance with these Rules; and
- (c) the total value of the unconnected creditors is the total value of those unconnected creditors whose claims have been admitted for voting.

(6) In a case relating to a proposed IVA—

- (a) a decision approving a proposal or a modification is made when three-quarters or more (in value) of those responding vote in favour of it;
- (b) a decision is not made if more than half of the total value of creditors who are not associates of the debtor vote against it.

(7) For the purposes of paragraph (6)—

- (a) a creditor is not an associate of the debtor unless the convener or chair decides that the creditor is an associate of the debtor;
- (b) in deciding whether a creditor is an associate of the debtor, reliance may be placed on the information provided by the debtor's statement of affairs or otherwise in accordance with these Rules; and
- (c) the total value of the creditors who are not associates of the debtor is the total value of the creditors who are not associates of the debtor whose claims have been admitted for voting.

Appeals against decisions under this Chapter

15.35 — (1) A decision of the convener or chair under this Chapter is subject to appeal to the court by a creditor, by a contributory, or by the bankrupt or debtor (as applicable).

(2) In a proposed CVA, an appeal against a decision under this Chapter may also be made by a member

of the company.

(3) If the decision is reversed or varied, or votes are declared invalid, the court may order another decision procedure to be initiated or make such order as it thinks just but, in a CVA or IVA, the court may only make an order if it considers that the circumstances which led to the appeal give rise to unfair prejudice or material irregularity.

(4) An appeal under this rule may not be made later than 21 days after the decision date.

(5) However, the previous paragraph does not apply in a proposed CVA or IVA, where an appeal may not be made after the end of the period of 28 days beginning with the day—

(a) in a proposed CVA, on which the first of the reports required by section 4(6) or paragraph 30(3) of Schedule A1 was filed with the court(a); or

(b) in a proposed IVA—

(i) where an interim order has not been obtained, on which the notice of the result of the consideration of the proposal required by section 259(1)(a) has been given, or

(ii) otherwise, on which the report required by section 259(1)(b)(b) is made to the court.

(6) The person who made the decision is not personally liable for costs incurred by any person in relation to an appeal under this rule unless the court makes an order to that effect.

(7) The court may not make an order under paragraph (6) if the person who made the decision in a winding up by the court or a bankruptcy is the official receiver or a person nominated by the official receiver.

Complaint

15.38.—(1) A person may make a complaint who—

(a) is, or claims to be, an excluded person; or

(b) attends the meeting and claims to have been adversely affected by the actual, apparent or claimed exclusion of another person.

(2) The complaint must be made to the appropriate person who is —

(a) the chair, where the complaint is made during the course of the meeting; or

(b) the convener, where it is made after the meeting.

(3) The complaint must be made as soon as reasonably practicable and, in any event, no later than 4pm on the business day following—

(a) the day on which the person was, appeared or claimed to be excluded; or

(b) where an indication is sought under rule 15.37, the day on which the complainant received the indication.

(4) The appropriate person must, as soon as reasonably practicable following receipt of the complaint,—

(a) consider whether there is an excluded person;

(b) where satisfied that there is an excluded person, consider the complaint; and

(c) where satisfied that there has been prejudice, take such action as the appropriate person considers fit to remedy the prejudice.

(5) Paragraph (6) applies where the appropriate person is satisfied that the complainant is an excluded person and—

(a) a resolution was voted on at the meeting during the period of the person's exclusion; and

(b) the excluded person asserts how the excluded person intended to vote on the resolution.

(6) Where the appropriate person is satisfied that if the excluded person had voted as that person intended it would have changed the result of the resolution, then the appropriate person must, as soon as reasonably practicable,—

- (a) count the intended vote as having been cast in that way;
 - (b) amend the record of the result of the resolution;
 - (c) where notice of the result of the resolution has been delivered to those entitled to attend the meeting, deliver notice to them of the change and the reason for it; and
 - (d) where notice of the result of the resolution has yet to be delivered to those entitled to attend the meeting, the notice must include details of the change and the reason for it.
- (7) Where satisfied that more than one complainant is an excluded person, the appropriate person must have regard to the combined effect of the intended votes.
- (8) The appropriate person must deliver notice to the complainant of any decision as soon as reasonably practicable.
- (9) A complainant who is not satisfied by the action of the appropriate person may apply to the court for directions and any application must be made no more than two business days from the date of receiving the decision of the appropriate person.

DECISION BY CORRESPONDENCE VOTING FORM

GEN-X IT LIMITED - IN ADMINISTRATION ("THE COMPANY")
HIGH COURT OF JUSTICE, CHANCERY DIVISION, MANCHESTER DISTRICT REGISTRY
COURT REFERENCE: 2030 of 2016
COMPANY REGISTERED NUMBER: 04480097

Please indicate whether you are in favour or against the resolution set out below.

Please note that this form should be returned prior to 23:59 on 26 July 2017. Forms should be sent to Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ. Alternatively voting forms can be faxed to 0161 831 9090 or submitted by email to rachel.cooke@leonardcurtis.co.uk

In order for your vote to be valid a proof of debt should also have been lodged.

RESOLUTION TO BE CONSIDERED

1. That the remuneration of the Joint Administrators be payable by reference to the time properly given by the Joint Administrators and their staff in attending to matters as set out in the Revised Fees Estimate (for an amount not exceeding £246,183).

***Agree / Reject**

****delete as appropriate***

Dated _____

Signed _____

Position: _____

Proof of Debt – General Form
Relevant date: 20 January 2016

Name of Company in Administration:

Gen-X IT Ltd

Company registered number:

04480097

1. Name of creditor (if a company, provide registration number)

2. Correspondence address of creditor (including email address)

3. Total amount of claim (£) at relevant date (include any Value Added Tax)

4. If amount in 3 above includes outstanding uncapitalised interest, state amount (£)

5. Details of how and when the debt was incurred (if you need more space attach a continuation sheet to this form)

6. Details of any security held, the value of the security and the date it was given

GEN-X IT LTD – IN ADMINISTRATION

7. Details of any reservation of title claimed in respect of goods supplied to which the debt relates

| |
|--|
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|--|

8. Details of any document by reference to which the debt relates

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9. Signature of creditor (or person authorised to act on the creditor's behalf)

| |
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|--|

10. Date of signing:

| |
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|--|

11. Address of person signing (if different from 2 above)

| |
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| |
|--|

12. Name in BLOCK LETTERS

| |
|--|
| |
|--|

13. Position with, or relation to, creditor

| |
|--|
| |
|--|

Notes:

1. There is no need to attach them now but the office-holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office-holder. If completing on behalf of the company, please state your relationship to the company.

INVITATION TO FORM A CREDITORS' COMMITTEE

GEN-X IT LIMITED - IN ADMINISTRATION ("THE COMPANY")
HIGH COURT OF JUSTICE, CHANCERY DIVISION, MANCHESTER DISTRICT REGISTRY
COURT REFERENCE: 2030 of 2016
COMPANY REGISTERED NUMBER: 04480097

**NOTICE IS HEREBY GIVEN OF AN INVITATION TO CREDITORS TO FORM A CREDITORS COMMITTEE
PURSUANT TO PARAGRAPH 57 OF SCHEDULE B1 INSOLVENCY ACT 1986, RULE 3.39 OF THE INSOLVENCY
RULES 2016 AND PART 17 OF THE RULES**

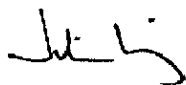
Creditors are invited to decide whether or not a Creditors' Committee should be established if sufficient creditors are willing to be members of that Committee.

Julien Irving and Andrew Poxon invite creditors to put forward their nominations for membership of the Committee, such nominations being received by the date specified in this notice. The Joint Administrators can only accept nominations if they are satisfied as to the creditors' eligibility under R17.4 of the Insolvency (England and Wales) Rules 2016 (a copy of which is enclosed).

| | |
|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Company Name and Number: | Gen-X IT Limited 04480097 |
| Court Name & Reference: | High Court of Justice, Chancery Division, Manchester District Registry 2030 of 2016 |
| Joint Administrators | J R Irving A Poxon |
| Nominations MUST be received by: | 26 July 2017 |
| Contact Details of the Joint Administrators: | Leonard Curtis Tower 12 18/22 Bridge Street Spinningfields, Manchester M3 3BZ recovery@leonardcurtis.co.uk 0161 831 9999 |

Dated: 12 July 2017

Signed



J R Irving
Joint Administrator

Extract from the Insolvency (England and Wales) Rules 2016

Rule 17.4

Eligibility for membership of Creditors' or Liquidation Committee

17.4.—(1) This rule applies to a Creditors' Committee in an administration, an administrative receivership, and a bankruptcy and to a liquidation Committee in a creditors' voluntary winding up and a winding up by the court.

(2) A creditor is eligible to be a member of such a Committee if—

- (a) the person has proved for a debt;
- (b) the debt is not fully secured; and
- (c) neither of the following apply—
 - (i) the proof has been wholly disallowed for voting purposes, or
 - (ii) the proof has been wholly rejected for the purpose of distribution or dividend.

(3) No person can be a member as both a creditor and a contributory.

(4) A body corporate may be a member of a Creditors' Committee, but it cannot act otherwise than by a representative appointed under rule 17.17.

CREDITOR'S NOTICE ELECTING TO OPT OUT FROM RECEIVING DOCUMENTS

Re: Gen-X IT Ltd – In Administration

Registered Number: 04480097


Instructions To: J R Irving
for A Poxon
completion

Enter your From: _____
name in
here:

Enter your Address: _____
address in
here: _____

I understand that as an opted out creditor:

- I will remain an opted out creditor for the duration of the administration unless I revoke the opting out.
- I can, at any time, revoke my election to opt out by a further notice in writing, signed and dated by me and delivered to the Joint Administrators. I will then cease to be an opted-out creditor from the date that the notice is received by the Joint Administrators.

Signed _____ 
Signature of Creditor

Dated:

NOTICE OF FUTURE DOCUMENTS TO BE AVAILABLE ON WEBSITE

Pursuant to Rule 1.50 of the Insolvency (England and Wales) Rules 2016, the Joint Administrators hereby provide notice that future documents, other than those excepted below, will be made available for viewing and downloading on a website without notice to the recipients and the Joint Administrators will not be obliged to deliver any such document to the recipient of the notice unless it is requested by that person.

A hard copy can be requested by calling 0161 831 9999, or by email to rachel.cooke@leonardcurtis.co.uk. A request may also be made in writing to this office at Leonard Curtis, Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ.

The recipient of this notice may at any time request a hard copy of any or all of the following:-

- All documents currently available for viewing on the website;
- All future documents which may be made available there.

The recipient of this notice can access the website at:

<https://leonardcurtis.insolvencydata.co.uk>

Then enter the Key Code: ZSBDPCWE

Recipients should note that the website may not be used for the delivery of the following documents:-

- A document for which personal delivery is required;
- A notice under Rule 14.29 of the Insolvency (England and Wales) Rules 2016 of an intention to declare a dividend; and
- A document which is not delivered generally.

A document is delivered generally if it is delivered to some or all of the following classes of persons:-

- Members;
- Contributories;
- Creditors; and
- Any class of members, contributories or creditors.

An office-holder who has delivered this notice is under no obligation:-

- To notify a person to whom the notice has been delivered when a document to which the notice applies has been made available on the website; or
- To deliver a hard copy of such a document unless a request is received.

An office-holder who receives such a request:-

- In respect of a document which is already available on the website must deliver a hardcopy of the document to the recipient free of charge within five business days of receipt of the request; and
- In respect of all future documents must deliver each such document in accordance with the requirements for delivery of such a document in the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016.

A document to which a statement under paragraph (1)(a) of the Insolvency (England and Wales) Rules 2016 applies must:-

- Remain available on the website until 2 months after the end of the insolvency proceedings, or the release of the last person to hold office as office-holder in those proceedings; and
- Must be in such a format as to enable it to be downloaded within a reasonable time of an electronic request being made for it to be downloaded.

A document which is delivered to a person by means of a website is deemed to have been delivered:-

- When the relevant document was first made available on the website; or
- If later, when the notice was delivered to that person.

The above paragraph does not apply in respect of a person who has made a request for hard copies of all future documents.

Documents will continue to be available on the website until 2 months after the end of the insolvency proceedings, or the release of the last person to hold office as office-holder in those proceedings