

# 2.24B

The Insolvency Act 1986

## Administrator's progress report

Name of Company Lan Limited t/a Lan Systems
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Company number 03026720
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In the Leicester County Court <small>(full name of court)</small>
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Court case number 1448 of 2010
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(a) Insert full name(s) and address(es) of administrator(s)

I/We (a)  
 Mark Grahame Tailby  
 CBA  
 39 Castle Street  
 Leicester  
 LE1 5WN

Neil Richard Gibson  
 CBA  
 39 Castle Street  
 Leicester  
 LE1 5WN


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

(b) Insert date

From (b) 8 November 2010
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To (b) 7 May 2011
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Signed

  
 Joint / Administrator(s)

Dated

16 May 2011

### Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to members of the F

Mark Grahame Tailby CBA 39 Castle Street Leicester LE1 5WN  DX Number	0116 262 6804 DX Exchange
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FRIDAY



A19 \*ADIGOUAD\* 6  
 20/05/2011  
 COMPANIES HOUSE

When you have completed and signed this form, please send it to the Registrar of Companies at -  
**Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff**

**Lan Limited t/a Lan Systems  
(IN ADMINISTRATION)**

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**JOINT ADMINISTRATORS PROGRESS REPORT  
PURSUANT TO RULE 2.47 OF THE INSOLVENCY  
RULES 1986 (AS AMENDED)**

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**LEICESTER COUNTY COURT  
COURT NO: 1448 OF 2010**

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Appendix 1 – Receipts and Payments Account

Appendix 2 – Analysis of Joint Administrator's Time Costs



The collection of the Company's books debts is still ongoing. To date, £4,576 has been received in this regard. Many debtors have disputed the outstanding invoices as they were issued for services covering a period for both pre and post administration. Many other debtors have claimed to have paid.

A refund of £415.59 has been received from Scottish Life in respect of the policy the Company formerly held.

A refund has also been received from Unum Limited in connection with an insurance policy the Company held in the sum of £27.11.

No further assets have come to light or have been realised since our appointment.

#### 4 **Creditors Claims and Dividend Prospects**

##### **Secured Creditors**

A debenture was created in favour of HSBC Bank PLC on the 30 August 2000 and registered on 8 September 2000 at Companies House. As per the Statement of Affairs the sum due to HSBC Bank Plc amounted to £62,626.63. HSBC Bank PLC have confirmed that the total debt due is £62,427.81 and that all directors have provided a joint personal guarantee in the sum of £95,000.

##### **Preferential Creditors**

You will recall from the Statement of Affairs as at 8 November 2010 that it was estimated that preferential claims would total £23,901.61 in respect of wages and holiday pay owed to former employees. A claim has not yet been submitted by the Insolvency Service in respect of preferential claims.

Crown preference in relation to VAT and PAYE was abolished in 2003 and consequently in the majority of cases preferential creditors relate to certain liabilities in respect of wages, holiday pay and pension contributions due.

##### **Unsecured Non-Preferential Creditors**

As per the Statement of Affairs it was estimated that unsecured creditors would total £334,973.73.

To date claims totalling £294,956.71 have been received from unsecured creditors.

##### **Dividend Prospects**

It is unlikely that adequate funds will be available in order to make a distribution to unsecured creditors.

## **Prescribed Part**

The 'Prescribed Part' provisions of Section 176A of the Insolvency Act apply to this case. This section provides that a proportion of the net assets which would otherwise be paid to the floating charge holder are set aside for the benefit of the unsecured creditors. The Joint Administrators do not intend to apply to Court pursuant to Section 176A(5) to disapply the provisions.

As the estimated net property in this case is below the prescribed minimum and the costs of a distribution are likely to be disproportionate to the benefits, the prescribed part provisions will not apply.

## **5 Administration Expenses**

Your attention is drawn to the provisions of Rule 2.48A (1) of the Insolvency Rules 1986 (as amended) which states that a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, or any unsecured creditor with the permission of the Court, may make a request in writing to the liquidator for further information about remuneration or expenses (other than pre-administration costs) set out in this progress report. Any such request must be made within 21 days of receipt of this report.

Your attention is also drawn to the provisions of Rule 2.109 of the Insolvency Rules 1986, (Creditors' claim that remuneration or other expenses are excessive)

Expenses paid to date are as detailed on the attached receipts and payments account, with any further sums incurred detailed below, and comprise the following:

### **Specific Bond**

Every insolvency practitioner in every case is required by law to take out a specific bond which will reimburse the estate in the event of fraudulent activity by the office holder. Bonds are renewed on an annual basis, and we are bonded for the sum of £100,000. The premium paid in relation to the bond is £180.00.

### **Joint Administrators' Remuneration**

Creditors authorised the Joint Administrators to draw remuneration by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration. A schedule analysing the time spent on this case is attached, together with the associated time cost and the fees drawn to date.

### **Agents / Valuers Fees**

The Company's physical assets have been professionally valued on an estimated restricted realisation price by Britten & Co, consultant auctioneers and valuers.

## **Legal Fees**

Freeth Cartwright LLP Solicitors have received the sum of £5,000 in respect of completing the sale of the Company's physical assets on the instruction of the Joint Administrators

## **Storage Costs**

The company's books and records have been collected as required but are not stored at CBA's offices due to space limitations. They are held by external storage agents and the costs attributable to this service are reflected. The initial cost paid also takes in to account the required storage period once the liquidation is concluded and the cost of secure destruction of the records at the appropriate time

## **Room Hire**

In order to convene the meeting of creditors held on the 20 April 2010, it was necessary to pay £150 for room hire.

## **Statutory Advertising**

Statutory advertisements have been placed in the London Gazette as required

## **6 Other Matters and Future Action**

In accordance with the modifications to the Company's proposals the Joint Administrators have petitioned for the Company to be placed into Compulsory Liquidation

If you should have any queries please contact Jodie Robinson at this office.

Dated this 16 May 2011



Neil Gibson  
Joint Administrator  
Lan Limited t/a Lan Systems

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In accordance with Paragraph 45 of Schedule B1 to the Insolvency Act 1986 ("the Act") notice is hereby given that the affairs, business and property of the Company (in administration) are being managed by the Joint Administrators, Mark Grahame Talby and Neil Richard Gibson, and in accordance with Paragraph 69 of Schedule B1 to the Act, the Administrators act as agents of the Company and without personal liability

**Lan Limited t/a Lan Systems  
(In Administration)  
Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs	From 08/11/2010 To 07/05/2011	From 08/11/2010 To 07/05/2011
<b>SECURED ASSETS</b>		
1 00	Intellectual Property	1 00
1 00	Goodwill	1 00
		<u>2 00</u>
<b>SECURED CREDITORS</b>		
(62,626 63)	HSBC Bank Plc	NIL
		<u>NIL</u>
<b>ASSET REALISATIONS</b>		
1 00	Customer Contracts	1 00
2,500 00	Chattel Assets	2,500 00
11,497 00	Work in Progress	11,497 00
28,450 14	Book Debts	4,576 61
3,000 00	Directors' Loan Account	NIL
	Bank Interest Gross	2 16
	Sundry Refund	415 59
	Insurance Refund	27 11
		<u>19,019 47</u>
<b>COST OF REALISATIONS</b>		
	Specific Bond	180 00
	Office Holders Fees	2,000 00
	Office Holders Expenses	23 52
	Company Search	10 00
	Agents/Valuers Fees (1)	550 00
	Agents/Valuers Fees (2)	1,182 00
	Legal Fees	5,000 00
	Legal Disbursements	6 44
	Room Hire	150 00
	Storage Costs	314 78
	Statutory Advertising	151 20
		<u>(9,567 94)</u>
<b>PREFERENTIAL CREDITORS</b>		
(14,231 65)	Department of Employment	NIL
(9,669 96)	Employees	NIL
		<u>NIL</u>
<b>UNSECURED CREDITORS</b>		
(74,581 75)	Trade & Expense Creditors	NIL
(59,098 70)	Department of Employment	NIL
(24,185 19)	Employees	NIL
(61,909 76)	HM Revenue & Customs - VAT	NIL
(108,750 33)	HM Revenue & Customs - PAYE	NIL
(6,448 00)	HM Revenue & Customs - CT	NIL
		<u>NIL</u>
<b>DISTRIBUTIONS</b>		
(30,000 00)	Ordinary Shareholders	NIL
		<u>NIL</u>
<u>(406,051.83)</u>		<u>9,453.53</u>
		<u>9,453.53</u>

REPRESENTED BY

VAT Receivable  
Bank 2 - Current

1,691 92

7,761 61

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**9,453.53**

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**APPENDIX 2**

**ANALYSIS OF JOINT ADMINISTRATOR'S TIME COSTS**

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# Time Entry - SIP9 Time & Cost Summary

001765 - Lan Limited t/a Lan Systems  
 Project Code POST  
 From 08/11/2010 To 07/05/2011

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Case Progression	0.20	4.60	3.00	0.00	7.80	1,776.00	227.69
Creditors	7.10	0.00	27.20	0.20	34.50	7,099.50	205.78
Investigations	0.10	0.00	5.60	0.00	5.70	1,039.50	182.37
Realisation of Assets	23.50	0.00	9.70	0.00	33.20	9,148.50	275.56
Statutory	5.70	0.40	22.20	1.50	29.80	6,028.50	202.30
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>36.60</b>	<b>5.00</b>	<b>67.70</b>	<b>1.70</b>	<b>111.00</b>	<b>25,092.00</b>	<b>226.05</b>
<b>Total Fees Claimed</b>						<b>2,000.00</b>	
<b>Total Disbursements Claimed</b>						<b>696.72</b>	

## Office Holders Remuneration

All staff, including support staff, are charged directly to cases for the time spent on that case at the hourly rates detailed below. Charge out rates and staff grades are reviewed periodically and may change during the course of the liquidation. Time is charged in 6 minute units.

Grade of Staff	Charge Out
	Rate per Hour (£)
Licensed Insolvency Practitioner	315
Senior Manager	255
Manager	210
Senior Administrator	180
Administrator	150
Support Staff	90

## Office Holders Expenses and Disbursements

Statement of Insolvency Practice 9 ("SIP9"), requires that the office holder provide a statement of the office-holder's policy in relation to recharges of disbursements. SIP9 defines disbursements as either Category 1 or Category 2 disbursements.

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case, typically for items such as postage, case advertising, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 disbursements will generally comprise costs which, whilst being in the nature of expenses or disbursements, include elements of shared or allocated costs.

Category 1 disbursements are recoverable without approval, and it is the policy of CBA to recover Category 1 disbursements when they are incurred and when funds permit. CBA do not charge any Category 2 disbursements.

The Category 1 disbursements incurred by and reimbursed to CBA are detailed below:

	Incurred by CBA £	Reimbursed to CBA £
Advertising		151.20
Agents Fees		1,182.00
Specific Bond		180.00
Company Search		10.00
Room Hire		150.00
Travel Costs		23.52
<b>Total</b>		<b>1,696.72</b>