

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company CIRCUIT UK LIMITED	Company number 05389413
In the Manchester District Registry of the High Court <small>[full name of court]</small>	Court case number 2532 of 2012

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

I/We (a) J M Titley & S Williams of Leonard Curtis, 1 City Square,
, Leeds LS1 2ES


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

(b) Insert dates

from
(b) 13 October 2012

to
(b) 10 April 2013

Signed



Joint / Administrator(s)

Dated

10 April 2013

Contact Details

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

Leonard Curtis	
1 City Square, , Leeds LS1 2ES	
Ref PH/19	Tel 0113 366 3116
DX Number	DX Exchange

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



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COMPANIES HOUSE



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**CIRCUIT UK LIMITED
(IN ADMINISTRATION)**

Registered Number: 05389413
Court Ref: 2532 of 2012
Manchester District Registry of the High Court

**Joint Administrators' Final Progress report in accordance
with Rules 2.47 and 2.110 of the Insolvency Rules 1986**

**Report period
13 October 2012 to 10 April 2013**

10 April 2013

Leonard Curtis
1 City Square, Leeds LS1 2ES
Tel 0113 366 3116 Fax 0113 366 3117
recovery@leonardcurtis.co.uk
Ref E/19/PH/SC851R/1010

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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NOT FOR PUBLICATION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 Rules 2.47 and 2.110 of the Insolvency Rules 1986 to provide creditors with an update on the progress of the Administration of Circuit UK Limited ("the Company") for the period from 13 October 2012 to 10 April 2013. This is the Joint Administrators' final progress report to creditors.
- 1.2 The Administration of the Company is now for practical purposes complete. Section 10 of this report deals with how the Joint Administrators intend to bring the Administration to an end.
- 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 October 2012 to 10 April 2013, being the period since the end of the period covered by the last progress report.

2 STATUTORY INFORMATION

- 2.1 J. M. Titley and S. Williams were appointed as Joint Administrators of Circuit UK Limited ("the Company") in the jurisdiction of Manchester District Registry of the High Court, number 2532 of 2012 on 13 April 2012. The administration appointment was made by the secured creditor.
- 2.2 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.
- 2.3 The principal trading address of the Company was Unit 6, St Mary's Industrial Park, Talbot Road, Newton, Hyde SK14 4HN. The business traded under its registered name.
- 2.4 The registered office address of the Company at the date of the appointment of Administrators was Griffin Court, 201 Chapel Street, Salford M3 5EQ. Following the appointment, this was changed to 1 City Square, Leeds LS1 2ES. The registered number of the Company is 05389413.
- 2.5 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.
- 2.6 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.

3 JOINT ADMINISTRATORS' 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 There have been no major amendments to, or deviations from, the proposals during the course of the Administration
- 3 3 The objective of the administration has been to realise property in order to make a distribution to secured or preferential creditors
- 3 4 This objective has already been achieved as the secured creditor ("Clydesdale Bank PLC trading as Yorkshire Bank") has received a distribution under the terms of its security

4 PROGRESS OF THE ADMINISTRATION

- 4 1 Attached at Appendix B is the Joint Administrators' receipts and payments account for the period from 13 October 2012 to 10 April 2013. Cumulative figures have also been provided to reflect transactions for the whole of the administration period to date

4 2 Sale of Business

As previously reported to creditors, the business and assets of the Company were sold on 13 April 2012 to Direct Inspection Solutions Limited ("the Purchaser"). One of the directors of the Company, Andrew Jackson-Brown, is involved in the management of the Purchaser.

As reported previously the total sale consideration of £247,000 has been received in full

4 3 London Stock

As reported previously, the Company had stock used for spares and repairs in London, which was not included within the sale of business. This stock was sold by way of an auction on 24 May 2012. A total of £2,770 was realised in respect of these assets.

4 4 Insurance Claim

As reported previously, at the date of administration, the Company had an outstanding insurance claim in respect of a break in and theft at their premises in Hyde.

The Purchaser offered a sum of £12,000 in respect of this claim and given the uncertainty, protracted nature and costs associated with pursuing the claim, the Joint Administrators accepted this offer.

4 5 Websites and Domain Names

There were a number of websites and domain names owned by the Company which were not included in the Sale and purchase Agreement with the Purchaser. Following a short marketing period by the Joint Administrators the Company's interest was sold to ITR Limited for £15,000.

5 ASSETS STILL TO BE REALISED

- 5 1 There are no other assets to be realised in this matter

6 INVESTIGATIONS

- 6 1 As previously reported, following their initial assessment, no detailed investigations were considered to be required by the Administrators. Nothing further has been brought to the attention of the Administrators in the period of this report.

- 6.2 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

7 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

Pre-Administration Costs

- 7.1 On 20 June 2012, the secured and preferential 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	Pre-appointment advice and assessment of the financial position Negotiation of sale of business	9,405	9,405	-
Charles Taylor	Valuation of physical assets	3,500	3,500	-
EOS Law LLP	Appointment documentation and sale agreement	5,000	5,000	-
Allens Accountants	Valuation of Goodwill	2,000	2,000	-

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

Joint Administrators' Remuneration

- 7.2 On 22 June 2012, the secured creditor 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. Approval was also received to draw category 2 disbursements as detailed at Appendix D
- 7.3 The Joint Administrators' time costs are summarised below

	Hours No.	Rate / hr £	Total value of time £
Time previously reported	172.7	294.06	50,785.00
Time incurred in the period of this report	22.0	163.95	3,607.00
Total Administrators' time costs	194.7	279.36	54,392.00

Please note that Leonard Curtis' chargeout rates were increased on 1 January 2012. Details of the new rates are set out at Appendix D

- 7.4 The time charged by the Joint Administrators for the period of this report amounts to £3,607.00. This represents 22 hours at an average rate of £163.95 per hour. Attached at Appendix C is a time analysis which provides details of the activity costs incurred by staff grade during this period, along with a description of the work done by the Joint Administrators and their staff in respect of which the time has been charged
- 7.5 Administrators' fees drawn to date in respect of these time costs total £37,200.00 plus VAT. The remaining time costs will be written off unless there are any additional funds received into the Joint Administrators estate

Joint Administrators' Disbursements

7.7 The following Category 1 and Category 2 disbursements have been incurred on the case since appointment

Category 1 Disbursements

Charged by	Services provided	Total amount paid by LC £	Amount recovered from case £	Amount still to be recovered from case £
Auctus Limited	Storage Costs	62.85	13.57	49.28
Business Tax Centre	Directors' Searches	20.00	20.00	-
Companies House	Companies House Searches	12.00	12.00	-
Courts Advertising	Statutory Advertising	76.50	76.50	-
AUA Insolvency Risk Services	IP Bond	135.00	135.00	-

Category 2 Disbursements

Charged by	Services provided	Total amount paid by LC £	Amount recovered from case £	Amount still to be recovered from case £
Leonard Curtis	Staff Mileage at 45p a Mile	9.00	9.00	-

Any remaining unpaid disbursements will be written off unless there are any additional funds received into the Joint Administrators estate

Expenses of the Administration

7.8 The Joint Administrators have also incurred expenses during the period of this report. These expenses are detailed in the table below, which also indicates whether these expenses have been paid from the case funds

Nature of expenses	By whom provided	Amount incurred this period £	Total amount incurred to date £	Amount paid £	Amount unpaid £
Accountancy Fees	Mazars LLP	-	2,500.00	2,500.00	-
Accountancy Fees	Kay Johnson Gee	-	750.00	750.00	-
Agents' Fees	Auctus Limited	-	1,426.30	1,426.30	-
Agents' Fees	EK Employment	150.00	150.00	150.00	-
Solicitors' Fees	EOS Law	-	5,046.00	5,046.00	-
Website Hosting Charges	PublicQuest Limited	-	480.00	480.00	-
Software Licence	Pelstar Computing	-	75.00	75.00	-
Report Hosting Charges	Creditor Gateway	34.00	34.00	34.00	-
TOTAL		184.00	10,311.30	10,311.30	-

7.9 Attached at Appendix D 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

7 10 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 3 May 2013

7 11 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.

8 OUTCOME FOR CREDITORS

8 1 Secured Creditors

Clydesdale Bank PLC trading as Yorkshire Bank ("the Bank")

The Bank holds security in the form of a fixed and floating charge debenture over the Company's undertaking and assets created on 18 June 2010 and registered on 25 June 2010. It is understood that Mr Michael Brian Harrop, Mr Andrew Jackson Brown and Mr David Price provided personal guarantees to the Bank in respect of this debt.

At the date of administration, the Company owed the Bank a sum of £199,749.89. During the administration, a sum of £195,020.00 has been paid to the Bank under the terms of its fixed charge.

8 2 Preferential Claims

There are insufficient funds in this instance to enable a distribution to Preferential Creditors.

8 3 Prescribed Part

There will be insufficient funds after costs and expenses to pay a prescribed part.

8 4 Unsecured Non-Preferential Claims

There are insufficient funds to enable a distribution to unsecured creditors.

9 EXTENSIONS TO THE ADMINISTRATION

9 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.

9 2 In certain circumstances it becomes necessary to extend the Administrators' term of office.

9 3 In this instance, no extensions are required.

10 ENDING THE ADMINISTRATION

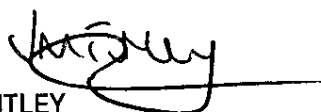
10 1 The Administration is now for practical purposes complete. As there are insufficient funds available to allow payment of a dividend to unsecured creditors in this case, the appropriate exit route from the Administration is Dissolution of the Company. Attached at Appendix E is Form 2.35B – Notice of Move from Administration to Dissolution. On the registration of this Notice by Companies House, the Administration will be brought to an end and the appointment of the Joint Administrators will cease to have effect.

CIRCUIT UK LIMITED – IN ADMINISTRATION

- 10.2 At the end of the period of three months beginning with the date of registration of Form 2.35B, the Company will be dissolved
- 10.3 The Joint Administrators will be discharged from liability in respect of any action(s) of theirs as Administrators immediately upon their appointment ceasing to have effect

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

for and on behalf of
CIRCUIT UK LIMITED



J M TITLEY
JOINT ADMINISTRATOR

Licensed in the UK by the Institute of Chartered Accountants in England and Wales

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' PROPOSALS

- 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 S Williams and/or J M Titley 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 S Williams and/or J M Titley 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 OCTOBER 2012 TO 10 APRIL 2013

	Estimated to realise £	Transactions Previously reported £	Transactions This period £	Cumulative £
RECEIPTS				
Goodwill (Business Sale)	185,000	185,000 00	-	185,000 00
Physical Assets (Business Sale)	50,000	50,000 00	-	50,000 00
Insurance Claim (Business Sale)	12,000	12,000 00	-	12,000 00
London Stock Auction Sale	2,745	2,745 00	-	2,475 00
Website Sale		15,000 00	-	15,000 00
Licence Fee Receipt		7,539 29	-	7,539 29
Gross Bank Interest		22 01	7 00	29 01
Card Handling Refund		574 00	-	574 00
TOTAL	249,745	272,905.30	7.00	272,912 30
PAYMENTS				
Accountancy Fees		3,250 00	-	3,250 00
Pre-appointment Solicitors Fees		5,000 00	-	5,000 00
Joint Administrators' Remuneration		26,000 00	11,200 00	37,200 00
Licence Fee Payment		7,539 29	-	7,539 29
Joint Administrators' Pre-appointment Remuneration		9,404 50	-	9,404 50
Software Licence		75 00	-	75 00
Bank Interest and Charges		21 14	-	21 14
Joint Administrators' Disbursements Category 1		238 50	18 57	257 07
Joint Administrators' Disbursements Category 2		9 00	-	9 00
Agents' Fees and Disbursements		6,926 30	150 00	7,076 30
Solicitors' Fees and Disbursements		7,546 00	-	7,546 00
Fixed Charge Distribution – Yorkshire Bank		195,020 00	-	195,020 00
Website Hosting Charges		480 00	-	480 00
Report Hosting Charges		-	34 00	34 00
TOTAL		261,509.73	11,402.57	272,912 30
BALANCE IN HAND				NIL

The amount paid to unsecured creditors by virtue of the application of section 176A is £Nil

APPENDIX C

SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD
FROM 13 OCTOBER 2012 TO 10 APRIL 2013

	Director		Manager 2		Administrator 1		Administrator 4		Support		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory & Review	-	-	2	57 00	1	23 00	4	54 00	-	-	7	134 00	191 43
Receipts & Payments	-	-	-	-	-	-	42	567 00	-	-	42	567 00	135 00
Assets	-	-	-	-	-	-	6	81 00	-	-	6	81 00	135 00
Liabilities	12	510 00	-	-	-	-	-	-	-	-	12	510 00	425 00
General Administration	-	-	-	-	-	-	-	-	3	-	3	-	-
Post Appointment Creditors Meetings	10	425 00	-	-	-	-	131	1,768 50	-	-	141	2,193 50	155 57
Investigations	-	-	-	-	-	-	9	121 50	-	-	9	121 50	135 00
Total	22	935 00	2	57 00	1	23 00	192	2,592 00	3	-	220	3,607 00	
Average Hourly Rate (£)		425 00		285 00		230 00		135 00		-		163 95	
All Units are 6 minutes													

DESCRIPTION OF TIME SPENT BY CATEGORY

Statutory and Review

This involved undertaking regular reviews of the case file to ensure all matters were being progressed and statutory requirements were met. This also includes time spent preparing the case for closure including the completion of this report.

Receipts and Payments

Time has been spent making payments to relevant third party agents and ensuring that the receipts and payments are properly recorded.

Assets

A small amount of time was spent liaising with the Purchaser of the Business and Assets.

Liabilities

Time has been spent dealing with creditor queries by post, telephone and email.

General Administration

Time has been spent on general administration including engaging in general correspondence.

Post Appointment Creditors' Meetings

Time was spent preparing and reviewing my previous report dated 25 October 2012 which was circulated to all known creditors.

Investigations

A small amount of time was spent reviewing the Company's books and records.

ADDITIONAL INFORMATION IN RELATION TO THE POLICY OF LEONARD CURTIS REGARDING FEES AND DISBURSEMENTS

The following information relating to the policy of Leonard Curtis is considered to be relevant to creditors

Staff Allocation and Support Staff

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 of the secured creditors, a creditors' committee or creditors generally, 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 arising in the appointment, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

With effect from 1 January 2012 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis

	Standard £	Complex £
Director	425	531
Senior Manager	385	481
Manager 1	330	412
Manager 2	285	356
Administrator 1	230	287
Administrator 2	210	262
Administrator 3	190	237
Administrator 4	135	168
Support	0	0

Subcontractors

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holders or their staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged.

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.

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, 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)	£66.09 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.

FORM 2 35B – NOTICE OF MOVE FROM ADMINISTRATION TO DISSOLUTION

The Insolvency Act 1986

Notice of move from administration to dissolution**2.35B**

Name of Company CIRCUIT UK LIMITED	Company number 05389413
In the Manchester District Registry of the High Court <small>[full name of court]</small>	Court case number 2532 of 2012

(a) Insert name(s) and address(es) of administrator(s) I / We (a) J M Titley & S Williams of Leonard Curtis
1 City Square, Leeds LS1 2ES

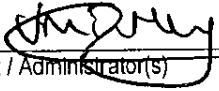
(b) Insert name and address of registered office of company having been appointed administrator(s) of (b) CIRCUIT UK LIMITED
1 City Square, Leeds LS1 2ES

(c) Insert date of appointment _____

(d) Insert name of applicant / appointor on (c) 13 April 2012 by (d) The secured creditor

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

I / we attach a copy of the final progress report

Signed 
 Joint / Administrator(s)

Dated 10/4/13

Contact Details

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

Leonard Curtis	
1 City Square, Leeds LS1 2ES	
19/PH	Tel 0113 366 3116
DX Number	DX Exchange

Companies House receipt date barcode

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

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff