

The Insolvency Act 1986

# **Notice of move from administration to creditors' voluntary liquidation**

Name of Company Explora Solutions Limited	Company number 05769035
In the High Court of Justice Chancery Division Manchester District Registry	Court case number 380/2009

- (a) Insert name(s) and address(es) of administrator(s) I, Charles MacMillan of Beever and Struthers, St. George's House, 215-219 Chester Road, Manchester, M15 4JE,
- (b) Insert name and address of registered office of company having been appointed administrator of Explora Solutions Limited on 4 February 2009 by the Directors, being Mr Colin E Mellow and Mr Peter J Barlow hereby give notice that:
- (c) Insert date of appointment the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply,
- (d) Insert name of applicant / appointor and it is proposed that Charles MacMillan of Beever and Struthers, St. George's House, 215-219 Chester Road, Manchester, M15 4JE,
- (e) Insert name(s) and address(es) of liquidator(s) will be the liquidator of the company (IP No 6000 )
- I attach a copy of the final progress report.

Signed   
Administrator

Dated 27 January 2010

## **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

Dianna Denniston	
St George's House, 215-219 Chester Road, Manchester, M15 4JE	
	Tel 0161 832 4901
DX Number	DX Exchange

SATURDAY



PC1 30/01/2010 507  
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

**Administrator's  
Final Progress Report**

**For the period 4 August 2009 to 22 January 2010**

**Explora Solutions Limited - In Administration**

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## **EXPLORA SOLUTIONS LIMITED - IN ADMINISTRATION**

### **Notice: About this report**

This Report has been prepared by Charles MacMillan, the Administrator of Explora Solutions Limited, solely to comply with his statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Explora Solutions Limited.

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986, does so as its own risk. To the fullest extent permitted by law, the Administrator does not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Charles MacMillan is authorised to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England & Wales.

The Administrator acts as an agent for Explora Solutions Limited and contracts without personal liability.

The appointment of the Administrator are personal to him and, to the fullest extent permitted by law, Beever and Struthers does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the Administration.

## **EXPLORA SOLUTIONS LIMITED - IN ADMINISTRATION**

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## EXPLORA SOLUTIONS LIMITED - IN ADMINISTRATION

### 1 Statutory Information required by Rule 2.47 (a-d) of The Insolvency Rules 1986

Company Name	Explora Solutions Limited
Company Number	05769035
Trading Address	Mellor House, 65 - 81 St Petersgate Stockport Cheshire SK1 1DS
Current Registered Office	St George's House 215 - 219 Chester Road Manchester M15 4JE
Previous Registered Office and date of change	Parkside House 167 Chorley New Road Bolton BL1 4RA 25 <sup>th</sup> February 2009
Administrator's Name	Charles MacMillan
Administrator's Address	St George's House 215 - 219 Chester Road Manchester M15 4JE
Date of Appointment	4 <sup>th</sup> February 2009
Appointor	The Directors
Address of Appointor	Mellor House, 65 - 81 St Petersgate Stockport Cheshire SK1 1DS
Court details	Manchester District Registry, Chancery Division
Court reference number	380/2009
Auditors/Accountants	Nigel Whittle, Parkside House, 167 Chorley New Road, Bolton BL1 4RA.
Bankers	The Company's bank is The Co-Operative Bank plc at 1 Balloon Street, Manchester, M60 4EP who hold a fixed and floating charge dated 30 <sup>th</sup> June 2006 over all the assets of the Company. The Bank also holds a number of legal charges over various properties.

## **EXPLORA SOLUTIONS LIMITED - IN ADMINISTRATION**

### **2 Administrator's Proposals**

As previously advised, the Administrator must perform his functions with the purpose of achieving one of the following objectives:

- rescuing the Company as a going concern;
- achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
- realising property in order to make a distribution to one or more secured or preferential creditors.

The strategy for achieving these objectives was as follows:

Following my appointment I reviewed the Company's affairs to consider whether the first objective could be achieved. This was quickly discounted as an option due to the lack of funds available to pay employees and all employees were therefore dismissed immediately following my appointment.

The second objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up was therefore explored. Given that the Company had ceased to trade, any sale of the business where the goodwill could be retained, thereby enhancing the realisations required a quick conclusion. The directors had made an offer for the business which compared favourably with a valuation provided by our agent and included a significant sum for the goodwill. Further any unconnected party would have had to find alternative trading locations since many of the properties occupied by the Company are owned by one of the current directors in partnership with his parents. I therefore concluded that a sale to the directors would achieve the best possible outcome for the creditors.

### **3 Progress of the Administration**

Attached at Appendix A is my Receipts and Payments Account for the period from 4 August 2009 to 22 January 2010.

#### *Business and Assets*

As you are aware the business and assets were sold to Edward Mellor Limited on 5 February 2009. I confirm that all funds relating to the sale have been received either direct or have been offset against receipts from third parties which related to debts due to Edward Mellor Limited.

#### *Book Debts*

Book debts collected to date amount to £47,937 which is a disappointing result. Recent meetings with Edward Mellor Limited concluded they are no longer in a position to collect debts. We have instructed Clarke Nicklin Debt Recovery (CNDR) and can confirm the initial letters to debtors have been sent. The remaining debtors are made up of charges including many fees less than £100 which I can pursue through the small claims court.

#### *Property Stock*

As reported in my last report five of these properties had already been sold and an agreement had been reached to sell the sixth property for £117,500 to Edward Mellor and Co (the Partnership), the partners of which are Collin Mellor, Edward Mellor and June Mellor who are also the directors of the

## EXPLORA SOLUTIONS LIMITED - IN ADMINISTRATION

Company. This transaction was completed on 27 October 2009. The amount received equated to the sum due to the secured creditor.

In accordance with Statement of Insolvency Practice No 13 (SIP13), I would advise you that this asset was sold to a party connected to the Company:

Date of Transaction	Asset Involved and Nature of Transaction	Consideration Paid and Date	Sold to	Relationship
27 October 2009	Property: 66 Harrogate Road, Stockport, SK5 6HD	£117,500 was paid on 27 October 2009	the Partnership	Colin Mellor is a Director of the Company and all three partners are the Shareholders of the Company

Please note that the solicitors advising the purchaser were Eversheds.

Also as reported in my last report a seventh property had also been transferred to the Partnership.

#### 4 Administrator's Remuneration

- 4.1 Creditors approved the Administrator's remuneration be fixed by reference to the time properly spent by them and their staff in managing the Administration.
- 4.2 The Administrator's total time costs at 22 January 2010 are £47,586.05. This represents 403 hours at an average rate of £118.16 per hour. Attached as Appendix B is a Time Analysis that provides details of the activity costs incurred by staff grade for the period since my last report together with a cumulative analysis for the entire Administration.
- 4.3 The total fees drawn are £43,500 against these time costs and I can confirm no further amounts will be drawn.  
  
The balance of the Administrator's remuneration of £4,086.05 will be drawn as an expense of the Liquidation.
- 4.4 Attached as Appendix C is additional information in relation to our policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade.

#### 5 Unrealised Assets

The following assets have yet to be realised and will now be dealt with by the Liquidator once appointed:

- Tax refund of £50,000 relating to year ending 30 June 2007. The tax return was submitted on the 9 December and this should be repaid subject to the HM Revenue and Customs' approval.
- Book debts - as mentioned previously in this report in section 3 (Progress of the administration)

## EXPLORA SOLUTIONS LIMITED - IN ADMINISTRATION

### 6 Outcome for Creditors

I confirm that the secured creditor has been paid in full under its fixed charge and legal mortgages. Since they are not relying on their floating charge there is no requirement to set aside a prescribed part under Section 176A of the Insolvency Act 1986.

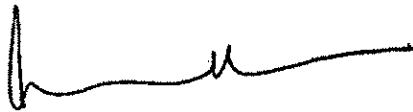
Based on current information we anticipate that a distribution will be available to preferential and non-preferential creditors. This is based on a recent tax return submitted indicating a refund is due and ongoing debtor collections.

### 7 Ending the Administration

Once the Administration is completed my appointment as administrator will cease. I will file the notices required under Paragraph 83 of Schedule B1 to the Insolvency Act 1986 as discussed in my proposals. The notices under Paragraph 83 will result in my appointment as Liquidator of the Company.

The Administrator's will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrator's ceasing to have effect.

For and on behalf of  
Explora Solutions Limited



**Charles MacMillan**  
**Administrator**  
**Enc**



## Appendix A

## Receipts and Payments Abstract: EXP120 - Explora Solutions Limited In Administration

All Bank, Cash and Cash Investment Accounts: From: 04/08/2009 To: 22/01/2010

SOA Value £		04/08/2009 to 22/01/2010 £	Total to 22/01/2010 £
	<b>SECURED ASSETS</b>		
128,117	Goodwill	0.00	128,116.73
812,466	Property Stock	117,500.00	881,465.98
27,986	Fixture and Fittings		
(27,986)	Less Fixed Charge		
<u>0</u>		0.00	0.00
108,000	Motor Vehicles		
(120,353)	Less Fixed Charge		
<u>(12,353)</u>		0.00	0.00
346,992	Client Bank Accounts		
(346,992)		0.00	0.00
<u>0</u>		117,500.00	1,009,582.71
	<b>COST OF REALISATIONS</b>		
	Agents / Valuers Fees	0.00	(60,147.66)
	Indemnity Insurance retention	0.00	(19.00)
	Legal Disbursements	0.00	(180.00)
	Legal Fees	0.00	(5,250.00)
		0.00	(65,596.66)
	Available for secured creditors	117,500.00	943,986.05
	<b>SECURED CREDITORS</b>		
	Co-Operative Bank plc	(117,500.00)	(934,719.18)
	Fixed Charge Surplus	0.00	9,266.87
	<b>ASSET REALISATIONS</b>		
	Cash At Bank	0.00	1,670.63
20,000	Furniture, Fixtures and Fittings	0.00	20,000.00
5,000	Insurance Refund	0.00	3,909.14
4	Intellectual Property	0.00	4.00
	Rates Refund	0.00	121.17
80,000	Trade Debtors	1,144.76	47,617.77
	Sundry Receipts	1,208.79	3,572.23
	Sundry Refund	0.00	202.10
	Third Party Funds - Due to Edward	(19,217.51)	0.00
		(16,863.96)	77,097.04
	<b>COST OF REALISATIONS</b>		
	Accounting Fees	(5,000.00)	(5,000.00)
	Agents / Valuers Fees	0.00	(10,150.00)
	Appointee Fees	(6,869.57)	(31,869.57)
	Bank Charges	(42.46)	(119.02)
	Commissions	0.00	(2,899.18)
	Debt Collection Fees	0.00	(4,662.95)
	Insurance	(1,757.57)	(4,659.06)
	Legal Disbursements	0.00	(126.00)
	Legal Fees	0.00	(24,500.00)
	Statutory Advertising	0.00	(152.77)
	Sundry costs	(182.37)	(182.37)
		(13,851.97)	(84,320.92)
	<b>REPRESENTED BY</b>	(30,715.93)	2,042.99
	Co-Operative Bank plc - 70941610 00		
	Halliwells		308.59
	VAT Receivable (Payable)		1,734.40
			<u>2,042.99</u>

## Appendix B

## Time Analysis for the period since the last report from 4 August 2009 to 3 January 2010

<i>Classification of work function:</i>	<i>Hours</i>				Total hours	Time cost £	Average hourly rate £
	Partner	Manager	Other senior professionals	Assistants & support staff			
Administration and planning	1	2.8		23.7	27.5	2,065.00	75.09
Investigations	3.5			4.3	7.8	1,162.50	149.04
Realisations of assets	8.5	9.5		9.35	27.4	4,600.00	168.19
Trading					0		
Creditors	3	9.5		23.8	36.3	3,973.00	109.45
Total hours	16	21.8	0	61.15	99	11,800.50	119.26

## Cumulative Time Analysis for the whole period from 4 February 2009 to 22 January 2010

<i>Classification of work function:</i>	<i>Hours</i>				Total hours	Time cost £	Average hourly rate £
	Partner	Manager	Other senior professionals	Assistants & support staff			
Administration and planning	11	29.8	23.86	62.95	128	12,341.30	96.71
Investigations	4.5	2.8		4.3	11.6	1,850.50	159.53
Realisations of assets	32.5	53.7	2.4	9.55	98.2	17,119.50	174.42
Trading					0		
Creditors	14	47.1	6.45	97.8	165	16,274.75	98.43
Total hours	62	133.4	32.71	174.6	403	47,586.05	118.16
Total fees claimed (£)						43,500.00	

**Additional Information in Relation to Administrator's fees Pursuant to  
Statement of Insolvency Practice 9**

**Appendix C**

**Policy**

Detailed below is Beever and Struthers's policy in relation to:

- staff allocation and the use of sub-contractors;
- professional advisors; and
- disbursements.

**Staff Allocation and the use of Sub-contractors**

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, a Senior Manager or Manager, a Case Administrator and a support team. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. Our charge out rate schedule attached at Appendix D provides details of all grades of staff and their charge out rates.

With regard to support staff, we would advise that time spent on treasury matters in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, eg, report compilation and distribution, do we seek to charge and recover our time in this regard.

We have not utilised the services of any sub-contractors in this case. If we have, provide details here.

**Professional Advisors**

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

<b>Name of Professional Advisor</b>	<b>Basis of Fee Arrangement</b>
Halliwell's (legal advice)	Hourly rate and disbursements
Lockton Affinity (insurance)	Premium
Sanderson Weatherall Limited (valuation and disposal advice)	Hourly rate and disbursements
Nigel Whittle Chartered Accountants (tax advice)	Hourly rate and disbursements

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

## **EXPLORA SOLUTIONS LIMITED - IN ADMINISTRATION**

### **Disbursements**

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Charge-out Rates

Appendix D

<b>Beever and Struthers</b> <b>Corporate Recovery and Insolvency Hourly Charge Out Rates</b> <b>Effective from 14 October 2009</b> <b>£</b>	
Partner	290
Senior Manager	230
Senior Professional	120
Other Professional	75
Treasury	75