



Accountants &  
business advisers

**TO ALL KNOWN CREDITORS  
TO THE REGISTRAR OF COMPANIES  
TO THE HIGH COURT OF JUSTICE**

Our ref: CJL/OH/ER/4013440/3800

20 May 2009

Dear Sir/Madam

**Mobestar Limited ('the Company')  
In Administration  
In the High Court of Justice No. 8929 of 2008**

**Report to creditors pursuant to Rule 2.47 of the Insolvency Rules 1986**

**1 INTRODUCTION**

- 1.1 I write further to my appointment as Joint Administrator of the Company on 21 October 2008.
- 1.2 In accordance with Rule 2.47 of the Insolvency Rules 1986 the Joint Administrators now present their report on the progress of the Administration of the Company.
- 1.3 This is my first progress report on the Administration of the Company, prepared and distributed in accordance with Rule 2.47 of the Insolvency Rules 1986 ("the Rules"). This report should be read in conjunction with my report dated 15 December 2008 enclosing the Administrator's proposals which were subsequently approved.
- 1.4 No creditors committee was formed.
- 1.5 The Joint Administrators anticipate that there will not be a return to unsecured creditors in this matter.
- 1.6 I also enclose the following for your information:

Direct tel: 01483 408026 Fax 01483 578880

Email [elizabeth.richards@uk.pkf.com](mailto:elizabeth.richards@uk.pkf.com) [www.pkf.co.uk](http://www.pkf.co.uk)

PKF (UK) LLP Pannell House Park Street Guildford Surrey GU1 4HN DX 2409 Guildford

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- Appendix 1 - Form 2.24B Administrators' progress report.
- Appendix 2 - Summary receipts and payments account to 27 April 2009.
- Appendix 3 - Analysis of PKF (UK) LLP's time costs in the Administration as at 27 April 2009.
- Appendix 4 - A schedule of Administrators' charge out rates.

## **2 STATUTORY INFORMATION**

- 2.1 Company number: 05058403
- 2.2 Registered office: Pannell House, Park Street, Guildford, Surrey, GU1 4HN
- 2.3 Appointment: C J Latos & S P Holgate of PKF (UK) LLP, Accountants & Business Advisers, Pannell House, Park Street, Guildford, Surrey, GU1 4HN
- 2.4 Date of appointment: 21 October 2008
- 2.5 Appointor: The directors
- 2.6 Powers: Any of the functions to be performed by the Administrators may be carried out/exercised by any of them acting alone or by either or all of them severally.

## **3 RECEIPTS AND PAYMENTS ACCOUNT**

- 3.1 We attach a copy of our receipts and payments account up to 27 April 2009, as Appendix 2.
- 3.2 Sections 4, 5 and 6 should be read in conjunction with this statement.

## **4 ASSET REALISATIONS**

### **4.1 Book debts**

- 4.1.1 Our investigations at the time of appointment indicated that the Company had an outstanding book debt of some £25,000 from an individual in Switzerland. There is a prospect for a partial recovery in respect of this matter. I have contacted the Swiss agent and the recovery of the debt is dependent on the outcome of court action taken against the debtor. It is likely we will take legal advice in order to progress this matter.
- 4.1.2 A sum of £341 has been received into the Administration account but has not yet been identified and is therefore shown currently in the suspense account.

## **5 SALE OF BUSINESS ASSETS**

- 5.1 An agreement for the sale of certain intellectual property and supporting hardware and software was entered into between the Joint Administrators in their capacity as agents of the Company and Venture Pilot Limited.
- 5.2 The assets were sold to Venture Pilot Limited for the sum of £35,000 (net of VAT). The company name was not sold. These sale proceeds are split equally between Mobestar Limited and Mobestar Holdings plc. Both companies have received the initial payment and Mobestar

Limited is due the following:

Initial payment (received)	£8,750
Deferred to 30 April 2009 (not yet received)	£3,750
Deferred to 31 July 2009 (not received)	£5,000

- 5.3 A number of items of furniture were also sold separately by our agent for a total sum of £2,018.

## **6 COSTS OF THE ADMINISTRATION**

### **6.1 Joint Administrators' costs**

- 6.1.1 Legal costs of £1,111 have been incurred to date which refer to advice and appointment documents.
- 6.1.2 The valuation agents, Empire Auctions Limited were paid a total of £2,264 in relation to securing and valuing the equipment and stock.

## **7 CREDITORS**

### **7.1 Secured creditors**

- 7.1.1 As at the date of appointment of the Joint Administrators, the Company was indebted to National Westminster Bank plc ('the Bank') in respect of their fixed and floating charge with an outstanding balance of £113,240. The prospect of a return to the bank will be dependent upon the final realisations of deferred consideration, book debts and related costs.

### **7.2 Preferential creditors**

- 7.2.1 The company had 9 employees at the date of our appointment, all of whom were made redundant immediately following our appointment.
- 7.2.2 Preferential claims are limited to arrears of pay of £800 per employee plus holiday pay. A claim has been submitted to date for £6,946 by the Redundancy Payments Office in respect of 8 employees.
- 7.2.3 The primary element of the asset realisations fall under the Bank's fixed charge and after costs there is not expected to be a return to preferential creditors.

### **7.3 Unsecured creditors**

- 7.3.1 The directors' Statement of Affairs details unsecured creditors of some £217,000 at the date of appointment.
- 7.3.2 We have received unsecured claims of some £208,403. However, due to the level of indebtedness of the Company to the secured creditors and the projected realisations in the Administration, it is not expected that there will be funds to enable a distribution to unsecured creditors.

## 8 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

- 8.1 From 21 October 2008 to 27 April 2009 the Joint Administrators have incurred time costs of £38,126 at an average charge out rate of £194 per hour. A summary of costs is split out below and a more detailed analysis is attached. A significant proportion of time has been spent dealing with negotiating and securing the sale of the business, investigating the affairs of the Company, preparing the proposals and liaising with unsecured and secured creditors.
- 8.2 The time costs are detailed at Appendix 3. A fee resolution was agreed by creditors for the Administrator's remuneration to be fixed by reference to the time properly given by the Administrators and their staff. (Please note that it is common with most professional service firms, including PKF (UK) LLP that charge out rates change from time to time). However as there is no prospect of a return to preferential and unsecured creditors, our fees are approved by the secured creditors. We have drawn fees to date of £5,000 plus VAT.
- 8.3 Disbursements incurred during this same period total £779 and are listed below. The disbursements have not yet been paid out of the Administration account:

Disbursements	Category 1 £	Category 2 £
Bonds	54.00	-
Travel	60.75	-
Advertising	474.48	-
Document storage	159.74	-
Court Fees	30.00	-
	<u>778.97</u>	<u>-</u>

- 8.4 Our firm's disbursements are charged on the basis of costs incurred as costs generally charged to clients for such services (which are appropriate to cost and do not include any overhead recovery).
- 8.5 Category 1 disbursements are those which generally comprise external supplies of incidental services specifically identifiable to the client. Category 2 disbursements are generally services supplied internally and require the approval of creditors.

## 9 INVESTIGATIONS INTO DIRECTORS' CONDUCT

- 9.1 We can confirm that in accordance with the provisions of the Company Directors Disqualification Act 1986 ('CDDA') a report has been submitted to the Department of Business, Enterprise and Regulatory Reform disqualification unit.
- 9.2 With all reports prepared under the CDDA being confidential we are unable to disclose the contents.

## 10 COMPLETION OF ADMINISTRATION

- 10.1 The Joint Administrators will continue to collect the deferred consideration from the sale of the business and pursue the debt recovery.
- 10.2 The Administration Order ceases to have effect on 21 October 2009. The Joint Administrators envisage at this stage that they will lodge notice of the Administration coming to an end and move the Company into liquidation or to dissolution, prior to that date in

accordance with the proposals approved by creditors.

Should you have any queries please do not hesitate to contact Elizabeth Richards of this office.

Yours faithfully



**C.J. Latos**  
Joint Administrator

## APPENDIX 1

# Administrator's progress report

# 2.24B

Name of Company Mobestar Limited	Company number 05058403
In the High Court	Court case number 8929 of 2008

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

I/We (a) Chris Latos of Pannell House, Park Street, Guildford, Surrey, GU1 4HN & Stephen P Holgate of Farringdon Place 20 Farringdon Road London EC1M 3AP

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

	from	to
(b) Insert dates	(b) 21 October 2008	(b) 20 April 2009

Signed  
Joint Administrator(s)

Dated  
20 MAR 2009

### 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.

Elizabeth Richards PKF (UK) LLP	
Pannell House Park Street	
Guildford Surrey GU1 4HN	
	Tel 01483 408026
DX Number	DX Exchange

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

Companies House receipt date barcode
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## APPENDIX 2

**Mobestar Limited  
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments  
To 27 April 2009**

<b>RECEIPTS</b>	<b>Total (£)</b>
Intellectual Property	8,750.00
Petty Cash	8.45
Furniture & Equipment	2,018.55
Bank Interest Net of Tax	9.57
VAT Payable	1,665.75
Suspense Account	341.59
	<hr/>
	12,793.91
	<hr/>
<b>PAYMENTS</b>	
Office Holders Fees	5,000.00
Agents/Valuers Fees	2,264.00
Legal Fees	1,111.50
Non-Reclaimable VAT	345.80
VAT Receivable	959.93
	<hr/>
	9,681.23
Balances in Hand	3,112.68
	<hr/>
	12,793.91
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## APPENDIX 3

## Corporate Recovery Main Phase 1

Narrative	Code	Partner / Director		Manager		Supervisor / Senior Administrator		Administrator / Assistant		Total	
		Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours
<u>Phase Tasks</u>											
Partner/Senior Manager Review	CR000	189.50	0.50	457.20	1.80	0.00	0.00	0.00	0.00	646.70	2.30
Planning & Monitoring	CR002	0.00	0.00	1,281.60	4.80	0.00	0.00	0.00	0.00	1,281.60	4.80
Time Summaries & Billing	CR003	0.00	0.00	349.80	1.30	0.00	0.00	0.00	0.00	349.80	1.30
Cashiering Function Generally	CR004	0.00	0.00	615.40	2.45	538.10	3.65	431.44	5.80	1,584.94	11.90
Office Holders Tax Liabilities	CR006	0.00	0.00	400.50	1.50	152.25	1.05	0.00	0.00	552.75	2.55
CDDA 1986 Work	CR008	0.00	0.00	385.50	1.40	912.20	6.10	0.00	0.00	1,297.70	7.50
Official Receiver/DTI/Court	CR009	0.00	0.00	0.00	0.00	848.75	6.05	0.00	0.00	848.75	6.05
Secured Creditors (reporting/accounting for	CR010	284.25	0.75	1,762.20	6.60	0.00	0.00	0.00	0.00	2,046.45	7.35
Partly Secured Creditors (including of lease	CR011	0.00	0.00	1,068.70	4.10	268.45	1.90	0.00	0.00	1,337.15	6.00
Non Preferential Creditors	CR013	0.00	0.00	638.20	2.40	1,726.25	11.95	0.00	0.00	2,364.45	14.35
Employee Claims	CR014	0.00	0.00	1,072.60	4.10	808.50	5.60	1,518.75	11.80	3,399.85	21.50
Fixed Asset Realisation	CR015	0.00	0.00	400.50	1.50	42.00	0.30	20.55	0.15	463.05	1.95
Stock Realisations	CR016	0.00	0.00	0.00	0.00	126.20	0.85	0.00	0.00	126.20	0.85
Book Debt Realisations	CR017	0.00	0.00	999.00	3.80	738.00	5.00	49.40	1.30	1,786.40	10.10
Other Asset Realisations	CR018	0.00	0.00	846.60	3.20	35.00	0.25	0.00	0.00	881.60	3.45
Insurance & Bonding	CR020	0.00	0.00	0.00	0.00	159.60	1.10	41.10	0.35	200.70	1.45
Legal Correspondence/Litigation	CR021	0.00	0.00	320.40	1.20	30.40	0.20	0.00	0.00	350.80	1.40
General Administration	CR023	0.00	0.00	929.80	3.50	4,552.75	31.75	54.80	0.40	5,537.35	35.65
Statutory Compliance (including CRO return	CR024	0.00	0.00	884.40	3.40	698.25	4.75	0.00	0.00	1,582.65	8.15
Pension Schemes/Liasing with Independent	CR031	0.00	0.00	80.10	0.30	102.90	0.70	0.00	0.00	183.00	1.00
General Advice	CR032	0.00	0.00	177.80	0.70	0.00	0.00	0.00	0.00	177.80	0.70
Investigations	CR033	0.00	0.00	320.40	1.20	482.65	3.30	0.00	0.00	803.05	4.50
Computerisation/IPS	CR035	0.00	0.00	0.00	0.00	125.70	0.85	0.00	0.00	125.70	0.85
Liasing with Agents/Solicitors/Other Profess	CR036	361.00	1.00	341.90	1.30	627.20	4.45	0.00	0.00	1,330.10	6.75
Annual/Periodic Reporting/Meeting (ie S48 r	CR038	663.25	1.75	2,242.80	8.40	0.00	0.00	0.00	0.00	2,906.05	10.15
Supervision and Closure of Operations	CR040	902.50	2.50	1,600.20	6.30	0.00	0.00	0.00	0.00	2,502.70	8.80
Preparation of Information/Sales Memoranc	CR041	812.25	2.25	261.80	1.00	0.00	0.00	0.00	0.00	1,074.05	3.25
Negotiations/Discussions with Prospective f	CR042	0.00	0.00	1,680.80	6.30	544.25	3.80	0.00	0.00	2,225.05	10.10
Secretarial	CR044	0.00	0.00	0.00	0.00	0.00	0.00	159.75	2.25	159.75	2.25
<b>Total Actual Costs:</b>		<b>3,212.75</b>	<b>8.75</b>	<b>19,118.20</b>	<b>72.55</b>	<b>13,519.40</b>	<b>93.60</b>	<b>2,275.79</b>	<b>22.05</b>	<b>38,126.14</b>	<b>196.95</b>
<u>Write Off Tasks</u>											
Bill Write Off Code	CR098	(5,000.00)	(5.00)	0.00	0.00	0.00	0.00	0.00	0.00	(5,000.00)	(5.00)
Under/Over Recovery Write Off Code	CR099	(15,000.00)	(15.00)	0.00	0.00	0.00	0.00	0.00	0.00	(15,000.00)	(15.00)
<b>Total Time Written Off:</b>		<b>(20,000.00)</b>	<b>(20.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(20,000.00)</b>	<b>(20.00)</b>
<b>TOTAL:</b>		<b>(16,787.25)</b>	<b>(11.25)</b>	<b>19,118.20</b>	<b>72.55</b>	<b>13,519.40</b>	<b>93.60</b>	<b>2,275.79</b>	<b>22.05</b>	<b>18,126.14</b>	<b>176.95</b>

## APPENDIX 4

## CREDITORS' GUIDE TO FEES AND DISBURSEMENTS

### Charge-out Rates

Grade	Charge-out rate (£ per hour)
Partner	282-477
Manager	182-328
Supervisor / Senior	120-197
Administrator / Support	<120

Time costs are calculated in 6 minute units

In common with most professional services firms, PKF (UK) LLP's charge-out rates change from time to time, although each individual change is not material. The rates charged reflect various changes over the course of each assignment.

### Disbursements

#### Category 1 Disbursements

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, 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.

All category 1 disbursements will be charged at the actual cost incurred.

#### Category 2 Disbursements

Category 2 disbursements will comprise cost allocations which may arise on some of the category 1 expense where supplied internally: typically, items such as room hire and document storage. Also typically included will be routine or more specialist copying and printing, and allocated communication costs provided by the officeholder or his firm.

The more common category 2 disbursements are charged on the following basis:

#### Printing & photocopying

These disbursements are charged on a sliding scale which ranges from 9p per sheet for 1 to 10 sheets, to 3p per sheet for print runs of over 500 copies.

#### Fax

Fax charges are based on the recipient's location and are as follows:

- within the UK: 25p per page
- mainland Europe: 80p for the first page and 25p per page thereafter
- international: £1.25 for the first page and 25p per page thereafter

#### Room Hire

Rooms at our Farringdon Place offices are hired at a rate of £50 per half day.

Please note, all amounts quoted are exclusive of VAT and VAT will be charged where applicable.

PKF (UK) LLP Farringdon Place 20 Farringdon Road London EC1M 3AP DX 479 London/Chancery Lane

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