

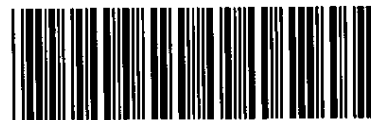
AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

TUESDAY



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A25

28/11/2017

#15

COMPANIES HOUSE

1 Company details

Company number 03674795

Company name in full Centrix Networking Limited T/A Centrix Software

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Court details

Court name HIGH COURT OF JUSTICE, CHANCERY DIVISION, COMPANIES COURT

Court case number C R - 2015 - 006

3 Administrator's name

Full forename(s) Asher

Surname Miller

4 Administrator's address

Building name/number Pearl Assurance House

Street 319 Ballards Lane

Post town London

County/Region

Postcode N12 8LY

Country


AM22

Notice of move from administration to creditors' voluntary liquidation

5	Administrator's name ①		
Full forename(s)	Henry		① Other administrator Use this section to tell us about another administrator.
Surname	Lan		
6	Administrator's address ②		
Building name/number	Pearl Assurance House		② Other administrator Use this section to tell us about another administrator.
Street	319 Ballards Lane		
Post town	London		
County/Region			
Postcode	N 1 2 8 L Y		
Country			
7	Appointor/applicant's name		
	Give the name of the person who made the appointment or the administration application.		
Full forename(s)	Ki Corporation Limited		
Surname			
8	Proposed liquidator's name		
Full forename(s)	Asher		
Surname	Miller		
Insolvency practitioner number	9 2 5 1		
9	Proposed liquidator's address		
Building name/number	Pearl Assurance House		
Street	319 Ballards Lane		
Post town	London		
County/Region			
Postcode	N 1 2 8 L Y		
Country			

AM22

Notice of move from administration to creditors' voluntary liquidation

10	Proposed liquidator's name ^①	
Full forename(s)	Henry	
Surname	Lan	
Insolvency practitioner number	8 1 8 8 [] [] [] []	
		① Other liquidator Use this section to tell us about another liquidator
11	Proposed liquidator's address ^②	
Building name/number	Pearl Assurance House	
Street	319 Ballards Lane	
Post town	London	
County/Region		
Postcode	N 1 2 [] 8 L Y []	
Country		
		② Other liquidator Use this section to tell us about another liquidator.
12	Period of progress report	
From date	d 2 7 m 1 0 y 2 0 y 1 5	
To date	d 1 9 m 1 0 y 2 0 y 1 7	
13	Final progress report	
<input checked="" type="checkbox"/> I have attached a copy of the final progress report.		
14	Sign and date	
Administrator's signature	Signature X  X	
Signature date	d 2 7 m 1 1 y 2 0 y 1 7	

IN THE HIGH COURT OF JUSTICE

NO CR 006504 OF 2015

IN THE MATTER OF

CENTRIX NETWORKING LIMITED T/A CENTRIX SOFTWARE
- IN ADMINISTRATION

AND

THE INSOLVENCY ACT 1986

THE JOINT ADMINISTRATORS' FINAL PROGRESS REPORT
PURSUANT TO RULE 3.53 AND 18.3
OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016
FOR THE PERIOD 27 OCTOBER 2015 TO 19 OCTOBER 2017

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- g. Details of what remains to be done
- h. Other information of relevance to creditors
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- j. Move from Administration to Liquidation

APPENDICES

- 1. Joint Administrators' Remuneration and Expenses.
- 2. Joint Administrators' time costs for the period from 27 April 2017 to 19 October 2017.

Joint Administrators' cumulative time costs for the period from 27 October 2015 to 19 October 2017.
- 3. Joint Administrators' Operation Account for the period from 27 October 2015 to 31 December 2015.
- 4. Joint Administrators' Receipts and Payments Account for the period from 27 October 2015 to 19 October 2017.

(a) Introduction

I refer to the appointment of Henry Lan and myself as Joint Administrators of Centrix Networking Limited T/A Centrix Software, pursuant to an appointment made by the Qualifying Floating Charge Holder, Ki Corporation Limited ("Ki") and filed at the High Court of Justice, Chancery Division.

As the extension period of the Administration is due to expire on 27 October 2017, we are required to provide a final Progress report as required by Rule 3.53 of the Insolvency (England and Wales) Rules 2016. This report should be read in conjunction with the Joint Administrators' previous progress reports to creditors and the report presented to the Creditors which outlined the proposals for the Administration.

Rule 18.3: Final Progress Report

(b) Court: HIGH COURT OF JUSTICE, CHANCERY DIVISION, COMPANIE COURT

Reference Number: CR 006504 of 2015

Company name: Centrix Networking Limited

Company number: 03674795

Registered office: 26-28 Bedford Row, London, WC1R 4HE

Trading Name: Centrix Software

Trading Address: Centrix House, 5 Oxford Road, Newbury Berkshire RG14 1PD

(c) Administrators' names and address:

Asher Miller and Henry Lan, both of David Rubin & Partners, Pearl Assurance House, 319 Ballards Lane, London, N12 8LY were appointed Joint Administrators of the Company on 27 October, 2015. This appointment was made by the Qualifying Floating Charge Holder, Ki Corporation Limited, pursuant to paragraph 14 of Schedule B1 to the Insolvency Act 1986.

The Joint Administrators act jointly and severally in the exercise of any and all functions exercisable by an administrator appointed under the provisions of Schedule B1 of the Insolvency Act 1986.

(d) Any changes in the Office Holder

We were appointed Joint Administrators of the Company on 27 October 2015.

On 4 October 2016 it was resolved by a vote of the secured and preferential creditors that the Administration be extended for a period of up to twelve months, to 27 October 2017.

There has not been a change in the Office Holder since the original appointment date.

(e) Details of progress during the period and summary account of Receipts and Payments under review and cumulatively:

As creditors may recall, I instigated an in-depth investigation into the affairs of the Company which revealed a number of matters which required further investigation. In view of this, the Joint Administrators sought and obtained approval from the secured and preferential creditors for the extension of the Administration for a further 12 months, in order to allow me to continue my investigations.

During the period under review, I instructed solicitors to pursue certain matters against some of the Directors of the Company, which may lead to recoveries for the benefit of the creditors. At this stage of the investigations, I am not at liberty to offer creditors a full account of my findings to date as it may prejudice any actions that are being taken.

It is uncertain how long the claim against the Directors will take to conclude as these claims are likely to be protracted. Accordingly, it is more economical and in the best interests of the creditors, to convert the Administration into a Liquidation, as per paragraph 16 of my Proposals, rather than incur the expense of applying to Court for an application in order to extend the Administration further.

A receipts and payments account covering the operating period is attached at Appendix 3 and a further receipts and payments account for the period covered by this report is attached at Appendix 4. These are explained further below:-

1. Operating Receipts

The Company operated in Administration from 27 October 2015 to 31 December 2015 by retaining key software engineers to continue to develop the software. Appendix 3 shows a receipts and payments account for this period, which is further discussed below.

There were no sales receipts during that period. The trading expenditure has been funded by the chargeholder, Ki Corporation Limited, as shown as 3.1 below.

2. Operating payments

2.1 Rent

The amount of £23,648.45 was paid to Thames Properties Limited in respect of the rent for the Company's leasehold premises at Centrix House, 5 Oxford Road, Newbury RG14 1PD for the period from 27 October 2015 to 11 January 2016.

2.2 Utilities

The following amounts were paid in respect of utility supplies for the premises:-

- £1,144.27 was paid to Eon.
- £1,084.65 was paid to British Gas.
- £29.72 was paid to Thames Water.

2.3 Travel

The amount of £1,127.14 was incurred in respect of travel expenses for on-site visits, which is discussed further in Appendix 1.

2.4 Telephone & internet

The amount of £3,273.70 was paid to BT in respect of the internet service.

The amount of £314.55 was paid to PHD in Communications for their telephone answering and voicemail service.

The amount of £919.86 was paid to Vodafone in respect of phone lines for the office and mobile phones for the staff. This contract was cancelled when the Company ceased trading.

2.5 Petty Cash

The amount of £383.11 was drawn from the funds held in the Administration to provide a source of petty cash for the business.

2.6 Essential Purchases

The following services were deemed to be essential to the continuing trade of the business:-

£28,600 plus VAT was paid to Factormax Limited, a research and development contractor, for the period from September to December 2015.

£2,702.76 was paid to Daisy Communications, which provided internet services to the premises.

£9,886.46 was paid to Microsoft Azure, a cloud computing platform and infrastructure, which was core to the service offered by the Company to its clients.

2.7 US Dollar: essential purchases

The amount of \$1,050 was paid to Targetprocess for the task and management platform which was used by the sales team in the day to day running of the Company.

The amount of \$500 was paid to Atlassian Pty Ltd in respect of the cloud based services utilised by the Company.

Based on an exchange rate of £1 - \$1.50 (to the nearest cent) the amount in GBP is reflected in Appendix 3.

2.8 Maintenance of premises

The amount of £3,931.38 was paid to LJH Services, which provided cleaning services for the premises. This is inclusive of disbursements.

The amount of £135 was paid to Calber Limited in respect of maintenance of the grounds at the site.

2.9 Staff beverages (tea, coffee, water)

The amount of £579.12 was paid to Crown Water & Coffee in respect of tea, coffee and water machines and other beverages required on site.

2.10 Insurance

The amount of £502.38 was paid to Hiscox Underwriting Limited in respect of the November instalment of the Company's Professional Indemnity insurance.

2.11 Wages & salaries

Wages and salaries of £252,354.75 were paid for the months of October to December 2015.

2.12 PAYE/NIC

The amount of £158,884.90 was paid to HMRC in respect of the PAYE/NIC on the payroll for October to December 2015.

2.13 Employee expenses

The amount of £555.37 was paid in respect of approved employee expenses concerning work commitments.

2.14 Medical insurance

The Company offered a healthcare scheme with BUPA for the employees which formed part of their benefits under their terms of contract. The amount of £2,235.92 was paid to BUPA in respect of the retained employees. This contract was cancelled in January 2016.

2.15 Legal fees

The amount of £6,821.12 was paid to MacFarlanes LLP in respect of their services in dealing with pre-appointment documentation, funding and employment issues following my appointment. This includes disbursements.

2.16 Bank charges

Bank charges in the sum of £450 were incurred for sundry banking costs and same-day bank transfer charges related to the operation of the Company.

3. Receipts

Appendix 4 to this report provides a receipts and payments account covering the period from 27 October 2015 to 19 October 2017, which is explained further below:-

3.1 3rd Party Funds

The Company received the amount of £650,000 from Ki in order to operate the business with a view to maintaining the value of its assets. These funds are repayable to Ki from further realisations.

The operating surplus in respect of 3rd party funds is £149,380.99.

3.2 Cash at bank

At the date of our appointment, the amount of £7,078.57 was received from the Company's bank account held with National Westminster Bank ("Natwest").

3.3 Refund and recovery

£27.88 was received from BT in respect of a refund and £337.01 was received from Biffa Waste Services Limited.

3.4 Insurance refund

The amount of £410.92 was received from Canada Life in respect of an overpayment in relation to the Company's income protection scheme.

3.5 Furniture & equipment

The amount of £17,000 was received from a third party in respect of the sale of the Company's furniture and equipment.

3.6 Bank interest

The funds in hand are held in an interest bearing account with a High Street bank in the Joint Administrators' names.

Interest earned on the funds in hand amounts to £36.69.

4. Payments

4.1 Specific bond

The specific bond is the cost of insurance, based on the level of realisations by the Joint Administrators, as required by the Insolvency Practitioners Regulations 2005.

4.2 Statutory advertising

This represents the costs for the publishing of statutory advertising in the London Gazette in respect of the Joint Administrators' appointment.

4.3 Statutory costs

The amount of £16 has been paid in respect of fees for various searches and information obtained from Companies House.

4.4 Sundry expenses

A total of £457.86 has been paid in respect of expenses incurred by the Joint Administrators and our staff in the course of the Administration.

4.5 Carriage and archiving

The amount of £852.24 has been incurred in respect of transportation and archiving charges in respect of the collection and storage of the Company's books and records previously held at the trading premises.

4.6 Redirection of mail

The amount of £320 was paid to Royal Mail in order to redirect the Company's post from the Company's former trading premises to my office during the period from 15 January 2016 to 15 April 2016.

4.7 Insurance of assets

The amount of £935.75 was paid to Willis in respect of insurance cover for the Company's assets.

4.8 Agents fees

The amount of £13,963.15 has been paid to Lambert Smith Hampton ("LSH") in respect of their fees for attending the Company's premises, reviewing the contracts and carrying out an inventory of the Company's assets, providing valuations and marketing the business for sale.

LSH were selected as agents on the basis of their experience and expertise in dealing with valuations and sale of assets in insolvency situations, taking into account the locality and size of the Company. LSH's fees were agreed on a time cost basis and I have received and reviewed a report of the time LSH have spent in dealing with the assignment.

4.9 Professional fees

The amount of £2,619.10 was paid to EG Limited in respect of their professional services for the provision of an IT expert who was instructed to assess the marketable value of the software.

The amount of £50 was paid to Wilkins Kennedy in respect of their fee for issuing the employees of the Company with P60s.

4.10 Legal fees

The amount of £5,206 has been paid to Keystone Law Limited in respect of their services in carrying out the validation of the chargeholder's debenture. This fee was calculated on a time cost basis.

4.11 IT Services

The amount of £98.78 was paid to Suave Software Ltd in respect of their fees for processing the Company's bank statements.

4.12 Joint Administrators' remuneration

This is discussed further in Appendix 1.

(f) Joint Administrators' Remuneration and Expenses

- i) The Joint Administrators' remuneration is fixed by reference to time spent in attending to matters arising in the Administration. A statement of remuneration charged and description of work undertaken are provided at Appendix 1.

- ii) Expenses incurred during the course of the Administration are explained at (e) above in my comments on the Receipts and Payments Account.

(g) Details of what remains to be done

There are no further assets to realise.

As mentioned in section (e), my investigations into the Company remain ongoing and I am continuing to liaise with my solicitors in relation to the claims against the Directors.

(h) Any other relevant information:

(i) Investigations

Some of the work the Joint Administrators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Joint Administrators can pursue for the benefit of creditors.

In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy (BEIS). As this is a confidential report, I am not able to disclose the contents.

As discussed above, shortly after our appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account my review of the Company's books and records to establish the financial circumstances leading up to the Administration along with information provided by creditors as a response to my request to complete an investigation questionnaire.

As creditors may recall, my initial review revealed that there were a number of matters which required further investigation which may lead to recoveries for the benefit of creditors. I instigated an in-depth investigation into the affairs of the Company which has now been completed. In view of this, the Joint Administrators sought approval from the secured and preferential creditors for the extension of the Administration for a further 12 months. This approval was received and accordingly the Administration was extended in order to allow me to continue my investigations. I have instructed solicitors to pursue certain matters against some of the Directors of the Company and this matter remains ongoing. At this stage of the investigations, I am not at liberty to offer creditors a full account of my findings to date as it may prejudice any action taken.

(ii)(a) Secured creditors

Ki holds a fixed and floating charge over the Company's assets, present and future. The debenture was created on 1 July 2015 and registered at Companies House on 4 July 2015. Based on current information, the liability due to Ki in respect of this debenture is £2,701,218.69.

(b) Prescribed Part

Section 176A of the Insolvency Act 1986 provides for a prescribed part of the Company's net property to be retained from distribution to the floating charge holder, where the debenture was created on or after 15 September 2003 and made available for the satisfaction of unsecured debts.

The charge registered against the Company was created after 15 September 2003 and therefore the provisions of S176A will apply in this administration. However, as indicated in the draft Estimated Statement of Affairs dated 27 October 2015, based on current information, there will be insufficient realisations; therefore, the prescribed part will not be applicable.

(iii) Preferential creditors

The Insolvency Service, Redundancy Payments Office have paid the sum of £6,621.66, in respect of unpaid wages and holiday pay owing to former employees of the Company under the employment protection legislation. Accordingly, they have submitted a preferential claim in the Administration for this amount.

In addition to this, the Insolvency Service has submitted a non-preferential unsecured claim in the amount of £103,458.32 in respect of the funds it paid out to those employees who have unpaid wages in excess of the statutory limits (max of £800).

Based on current information, there will be insufficient funds to pay the preferential creditors in full.

(iv) Unsecured creditors

The claims of the unsecured creditors have been noted when received. Based on current information, it is not likely that there will be a dividend payable to the unsecured non-preferential creditors.

To date, the Joint Administrators have received claims totalling £393,816.61. This is inclusive of the unsecured claim from the Redundancy Payments Office in the amount of £103,458.32.

(i) Rule 3.53

- a)** I set out in my report dated 11 December 2015, the Joint Administrators Proposals and these are reproduced below:-
- i.** The Joint Administrators will continue to manage the Company's affairs in accordance with the statutory purpose until such time as the Administration ceases to have effect.
 - ii.** Should a creditors' committee be formed and the Joint Administrators consider that an extension beyond an administration's statutory duration of one year would be advantageous, the Joint Administrators will consult with the committee prior to taking the necessary steps. If a creditors' committee is not appointed, the Joint Administrators shall either apply to the court or seek a resolution of the appropriate classes of creditors for the consent to an extension.

- iii. That the basis of the Joint Administrators fees will be fixed and their Category 2 disbursements will be agreed by the secured and preferential creditors. It is proposed that under Rule 2.106(2)(b) of the Insolvency Rules 1986, the remuneration of the Joint Administrators shall be fixed by reference to the time given by the Joint Administrators and the various grades of their staff according to their firm's usual charge out rates in attending to matters arising in the administration and that the Joint Administrators be authorised to draw category 2 disbursements in accordance with their firm's published tariff and they be entitled to draw sums on account of their remuneration and disbursements as and when funds permit.
- iv. That without prejudice to the provisions of Paragraphs 59 to 72 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators may carry out all other acts that they consider to be incidental to the proposals above to assist in their achievement of the overriding purpose of the Administration.
- v. The Joint Administrators take whatever other actions they deem appropriate in the interest of creditors. This includes placing the Company into liquidation if it appears that this would be in the best interests of the general body of creditors. In these circumstances it is proposed that the Joint Administrators shall become the Joint Liquidators and any act required or authorised under any enactment to be done by the Joint Liquidators may be done by either or both persons from time to time holding office. Creditors are advised that, pursuant to Paragraph 83(7)(a) and Rule 2.117(A)(2), they may appoint different persons as the proposed Joint Liquidators, provided the nomination is made after the receipt of these proposals and before these proposals are approved.
- vi. That the Joint Administrators' liability, in respect of any action of theirs as Joint Administrators, shall be discharged in accordance with Paragraph 98 of Schedule B1, immediately upon the appointment ceasing to have effect.

b) Major amendments or deviation

There have been no major amendments to, or deviation from the proposals set out above.

c) Steps taken during the Administration

The steps taken during the Administration and the outcome are as set out in this Progress Report and in particular in section (e) above.

(j) Move from Administration to Liquidation

On 6 January 2016, creditors agreed our proposal that the Joint Administrators may take whatever actions they deem appropriate in the interest of creditors, including placing the Company into liquidation if it appears that this would be in the best interests of the general body of creditors. In these circumstances, it was resolved that the Joint Administrators, Henry Lan and I, would be appointed as Joint Liquidators of the Company. In accordance with Paragraph 83 of Schedule B1 of the Act, as Joint Administrators we are moving the Administration to Liquidation by filing the Notice of move from Administration to Creditors' Voluntary Liquidation (Form 2.34B) at Companies House. Once the Form is filed by Companies House, the Liquidation will take effect.

I trust you will find this report adequate for your purposes but should you require any further information, please do not hesitate to contact in the first instance either my Senior Manager, Eveline Mooroven, or her assistant, Samantha Cracknell at this office.

A handwritten signature in black ink, appearing to read 'Asher D Miller', with a long horizontal stroke extending to the right.

ASHER D MILLER FCA - JOINT ADMINISTRATOR

DATE: 19 October 2017

APPENDIX 1

JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES

1. Joint Administrators' Remuneration

My time costs for the period from 27 April 2017 to 19 October 2017 are £11,292.50. This represents 49:42 hours at an average rate of £227.21 per hour. I attached at Appendix 2 a Time Analysis which provides details of the activity during this period, analysed by staff grade.

I have also reviewed my cumulative time costs for the period from 27 October 2015 to 19 October 2017 and would report that my total time costs are £253,756 for 1103 hours, which equates to an average cost of £230.06 per hour. A breakdown of my cumulative time charges is also set out in Appendix 2

1.1 *Staff allocation and the use of subcontractors*

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, Manager, Senior Administrator and two Administrators. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

We have not utilised the services of any subcontractors in this case.

1.2 *Basis of Joint Administrators' Remuneration*

Creditors may recall that on 6 January 2016 a resolution was passed to fix the Joint Administrators' remuneration by reference to the time given by the Joint Administrators and the various grades of their staff according to their firm's usual charge out rates in attending to matters arising in the administration, and further the Joint Administrators were authorised to draw category 2 disbursements and be entitled to draw sums on account of their remuneration and disbursements as and when funds permit.

In accordance with these resolutions, we have drawn fees of £90,494 plus VAT.

2. Chargeout rates

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), I would advise that my firm's current hourly chargeout rates applicable to this appointment, which are charged in units of 6 minutes, exclusive of VAT, are as follows:-

	£
Senior / Managing Partners	450
Partners/Office holders	300 - 395
Managers / Senior Managers	250 - 295
Senior Administrators	180 - 220
Administrators	130 - 160
Cashiers and Assistants	120 - 160

Supports

110 - 120

Chargeout rates are normally reviewed annually in November, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance. There has been no material increase in rates in this assignment.

3. Case overview

Creditors may recall from our previous progress reports that the initial main tasks of the Joint Administrators were to keep the business trading within a limited resource budget whilst a marketing exercise was undertaken to seek a purchaser.

In order to achieve this, the Joint Administrators had to reduce costs by working alongside the funders, Ki and their associates, in order to implement a tight control over trading expenditure to ensure spending was kept to a minimum.

This was extremely challenging as the Company traded in a niche market and its product was still in the developmental stage. In view of this, the Joint Administrators instructed agents with the expertise and skills needed in order to allow the best possible sale of the assets.

In the early stages of the Administration, the Joint Administrators and their staff visited the Company's trading premises on several occasions. However, in order to avoid unnecessary costs of manning the site, systems and procedures were put in place using Company personnel so the Administrators could utilise their time working from their offices. Accordingly, the staff morale was not dampened by the presence of the Administrators on site every day and costs were minimised.

We are happy to report that for an assignment of this scale and complexity, that strategy saved considerable time costs that might otherwise have been incurred.

In the period under review, my work has consisted of continuing my investigations into the Company. This is discussed further in the body of the report.

4. Issues affecting costs

In the period following our appointment, extensive discussions and telephone conferences took place between Ki, their associates and senior staff at this firm. The discussions centred on the best course of action to achieve a prospective sale of the business and assets and to restrain costs during the trading period. Due to the strategic nature of these discussions, a large amount of partner and manager time was involved.

The complexity of the main product being developed by the Company necessitated considerable enquiries by senior staff and external advisers in order to understand both the nature of the product and its potential attraction to prospective purchasers. It was also required that those advising us, who are specialists in the field of IT development, should gain an understanding of what any prospective purchaser would be required to do to finish the development of the software. This was an essential task in understanding the motivations for a potential purchaser and in turn our understanding of the target market.

As discussed above, immediately following my appointment my staff and I attended the Company's trading premises and consulted with the employees in order to comply with employment legislation. This required regular meetings with the employee representatives, which is not a function that can be delegated to junior staff. The work had to be led by a Senior Manager with sufficient knowledge of employment legislation in order to make such consultation meaningful, as well as ensuring that the legislation was followed to the fullest extent possible.

These consultation meetings were also central to identifying the key personnel required in order to maintain the trading of the Company. This resulted in eight, and eventually all, members of staff being made redundant. Efforts were then commenced to obtain sufficient information from the Company's records to substantiate the claims made by these employees to the Redundancy Payments Office. Due to the ongoing nature of these claims and the fact that some employees did not submit their claims promptly, my staff and I have been dealing with extensive queries from both the employees and the Redundancy Payments Service. This has proven to be arduous and has resulted in higher than expected time costs in this area. Unfortunately, this is necessary administrative work which produces no return to creditors.

I have dealt with a large volume of telephone calls and email correspondence from creditors in relation to their claims in the Administration. In addition to recording creditors' claims, extensive correspondence with the Company's former suppliers was required in relation to the cancellation of their contracts with the Company. I have also received a number of queries from the Company's shareholders in respect of their investments. This has resulted in time taken to prepare documentation as to the financial circumstances of the Company in order to prove their shares are of nil value for tax purposes.

As creditors may recall, the Company traded from leasehold premises. Once the Company ceased trading and vacated the premises, my staff and I entered into negotiations with the landlord of the premises in order to achieve a formal surrender of the lease. Unfortunately, these negotiations proved to be unsuccessful. The keys were, however, returned to the landlord, allowing the landlord the opportunity to take steps to mitigate their losses and thereby reduce their claim in the Administration. Upon receipt of the keys, the landlord advised me that the codes used in conjunction with the key cards were no longer active and that their access to the building was therefore limited. The matter has now resolved and the landlords have gained entry successfully.

The initial stages of my investigations into the Company's financial affairs shed light on a few matters which have required further investigations from senior members of my staff. Although these have increased the time spent and thus the costs incurred, they are justified by the potentially substantial recoveries for the benefit of creditors. Due to the sensitive nature of these matters, any elaboration would be prejudicial to the case and to any action I decide to take.

In addition to the above functions, other work undertaken to date is as follows:-

- a) Opening a designated bank account and dealing with the movement of funds, both as regards collection of book debts and the trading activities.
- b) Applying for Joint Administrators' bonds, as required by the Insolvency Practitioners Regulations 2005.
- c) Preparing for submission to HM Revenue & Customs ("HMRC") form VAT 769.

- d) Notifying all known creditors of our appointment, acknowledging creditors' claims, answering telephone enquiries and correspondence therewith.
- e) Establishing a consultation group and dealing with employees' queries and concerns.
- f) Advertising the appointment of the Joint Administrators in the prescribed manner.
- g) Ongoing discussions with Young Associates.
- h) Dealing with the enquiries of the Company's suppliers and continuing with those which are essential to facilitate ongoing operations, to include payment of invoices, email correspondence and telephone communication.
- i) Detailing with the employees' queries in relation to their preferential claims in the Administration.
- j) Liaising with the Company's bank regarding the closure of the accounts and correspondence with regard to the transfer of funds to the Administration.
- k) Administering the payment of the employees' wages on a weekly and monthly basis.
- l) Obtaining the whereabouts of the Company's books and records with a view to securing them.
- m) Correspondence with the Company's directors following appointment.
- n) Cashiering time in relation to the allocation of funds, payments and bank reconciliations.
- o) Administering regular case reviews to monitor case progression.

To view an explanatory note concerning Administrators' remuneration issued by the Joint Insolvency Committee, please visit the Publications folder on our website at www.drpartners.com/cases, using the following log-on details:

USERNAME: C570@sharesrvr.com

PASSWORD: 075Cem*!

Alternatively, please contact this office to arrange for a copy to be sent to you.

5. Creditors' rights

- 5.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrator provide further information about his remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report in accordance with Rule 2.48A.
- 5.2 Under Rule 2.109, any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Administrator's remuneration, the remuneration charged or the expenses incurred by the Administrators as set out in this progress report are excessive.

6. Policy as regards disbursements

Direct expenses ("Category 1 disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case are charged to the estate at cost, with no uplift. These include but are not limited to such items as legal and agent fees, case advertising, bonding and other insurance premiums, and properly reimbursed expenses incurred by personnel in connection with the case.

Indirect expenses ("Category 2 disbursements")

It is normal practice to also charge the following indirect disbursements ("Category 2 disbursements" as defined by SIP 9) to the case, where appropriate:

Postage and stationery: circulars to creditors

Headed paper	25p per sheet	Envelopes	25p each
Photocopying	6p per sheet	Postage	Actual cost

Meeting Costs: Use of Meeting Room is charged at £150 per session.

Storage and Archiving

We use a commercial archiving company for storage facilities for company's records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £65 per hour.

Mileage incurred as a result of any necessary travelling is charged to the estate at the Inland Revenue approved rate, currently 45p per mile.

CENTRIX NETWORKING LIMITED T/A CENTRIX SOFTWARE - IN ADMINISTRATION

JOINT ADMINISTRATORS' TIME COSTS							
FOR THE PERIOD 27 APRIL 2017 TO 19 OCTOBER 2017							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Statutory compliance, admin and planning	01:30	05:30	20:12	00:42	27:54	5,061.00	181.40
Investigations	02:06	11:18	02:06	00:00	15:30	4,436.00	286.19
Realisations of assets	00:00	05:54	00:18	00:00	06:12	1,779.50	287.02
Creditors	00:00	00:00	00:06	00:00	00:06	16.00	160.00
Total hours and costs	03:36	22:42	22:42	00:42	49:42	11,292.50	227.21

JOINT ADMINISTRATORS' CUMULATIVE TIME COSTS							
FOR THE PERIOD 27 OCTOBER 2015 TO 19 OCTOBER 2017							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Statutory compliance, admin and planning							
IPS set up & maintenance	00:00	00:18	04:12	00:00	04:30	721.50	160.33
Statutory filings, circulars, notices, etc.	02:06	24:36	56:48	00:00	83:30	15,761.50	188.76
Case planning, strategy & control	09:00	01:48	01:00	00:00	11:48	4,306.00	364.92
Taxation: PAYE, C/Tax & VAT	01:54	09:12	12:36	00:00	23:42	5,231.50	220.74
Accounting & Cashiering	00:00	02:00	04:30	28:24	34:54	5,642.50	161.68
Case reviews & Diary maintenance	01:30	05:30	19:24	00:00	26:24	4,794.00	181.59
Statutory reporting and compliance	07:12	81:06	102:00	00:00	190:18	41,657.00	218.90
Investigations							
CDDA preparation & reporting	00:00	14:24	04:24	00:00	18:48	4,922.00	261.81
SIP2 assessment and financial review	00:36	09:48	03:36	00:00	14:00	3,680.00	262.86
Antecedent transactions	04:48	133:36	82:24	00:00	220:48	52,320.00	236.96
Proceedings & recoveries	08:24	16:30	00:00	00:00	24:54	8,185.50	328.73
Realisation of assets							
Freehold & leasehold properties	00:00	13:12	00:00	00:00	13:12	3,894.00	295.00
Intangible assets	00:00	03:30	00:00	00:00	03:30	1,032.50	295.00
Shares & investments	00:00	00:30	00:00	00:00	00:30	147.50	295.00
Tangible assets	04:24	13:54	37:30	00:00	55:48	12,245.50	219.45
Creditors							
Secured creditors	03:00	02:54	00:30	00:00	06:24	2,120.50	331.33
Unsec'd Creditors: correspondence & claims	00:12	11:48	39:06	00:00	51:06	9,315.00	182.29
Preferential creditors & employees	03:42	43:54	31:24	00:00	79:00	19,379.00	245.30
Retention of Title claims	00:00	00:00	00:42	00:00	00:42	112.00	160.00
Trading							
Admin, strategy and planning	10:06	18:06	49:06	00:00	77:18	17,256.00	223.23
Safe and Invoicing	00:18	35:00	13:54	00:00	49:12	12,613.50	256.37
Purchases and expenses	00:36	05:42	05:54	00:00	12:12	2,847.50	233.40
Employees and payroll	00:54	16:42	09:18	00:00	26:54	6,713.00	249.55
Accounting and cashiering	02:48	48:06	22:42	00:00	73:36	18,858.50	256.23
Total hours and costs	61:30	512:06	501:00	28:24	1103:00	253,756.00	230.06

Nil

CENTRIX NETWORKING LIMITED
T/A CENTRIX SOFTWARE - IN ADMINISTRATION
JOINT ADMINISTRATORS RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD FROM 27 OCTOBER 2015 TO 19 OCTOBER 2017

	<u>Total</u> <u>realisations</u> £	PE <u>19-Oct-17</u> £
Balance brought forward		59,019.38
<u>Receipts</u>		
3rd party funds: Ki Corporation Limited	650,000.00	-
Less: Trading expenditure (Appendix 3)	<u>(500,619.01)</u>	<u>-</u>
Balance of third party funds	149,380.99	-
Cash at bank	7,078.57	-
Refund/Recovery	364.89	-
Insurance Refund	410.92	-
Furniture & equipment	17,000.00	-
Bank interest	<u>36.69</u>	<u>-</u>
	<u>174,272.06</u>	<u>59,019.38</u>
<u>Payments</u>		
Specific bond	205.20	-
Statutory advertising	84.60	-
Statutory costs	16.00	-
Sundry expenses	457.86	-
Carriage and archiving	852.24	-
Re-direction of mail	320.00	-
Insurance of assets	935.75	-
Agents fees	13,963.15	-
Professional fees	2,619.10	50.00
Legal fees	5,206.00	-
IT services	98.78	-
Joint Administrators' remuneration	<u>90,494.00</u>	<u>-</u>
	<u>115,252.68</u>	<u>50.00</u>
<u>Balance in hand</u>	<u>59,019.38</u>	<u>58,969.38</u>
<u>Represented by</u>		
Cash at bank		62,359.38
Net VAT payable		<u>(3,390.00)</u>
		<u>58,969.38</u>

AM22

Notice of move from administration to creditors' voluntary liquidation



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	Samantha Cracknell
Company name	David Rubin & Partners
Address	Pearl Assurance House 319 Ballards Lane
Post town	London
County/Region	
Postcode	N 1 2 8 L Y
Country	
DX	
Telephone	020 8343 5900



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 and dated 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