

# AM03

## Notice of administrator's proposals



Companies House

FRIDAY



A16 \*A8CZ4X5N\* 30/08/2019 #108  
COMPANIES HOUSE

### 1 Company details

Company number 0 5 0 4 9 0 7 5

Company name in full MM CAM Limited

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Brian

Surname Baker

### 3 Administrator's address

Building name/number Devonshire House

Street 60 Goswell Road

Post town London

County/Region

Postcode E C 1 M 7 A D

Country

### 4 Administrator's name ①

Full forename(s) Ryan Michael

Surname Davies

① Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number Devonshire House

Street 60 Goswell Road

Post town London

County/Region

Postcode E C 1 M 7 A D

Country

② Other administrator  
Use this section to tell us about  
another administrator

AM03

## Notice of Administrator's Proposals

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### Statement of proposals

☐

I attach a copy of the statement of proposals

7

### Sign and date

Administrator's  
Signature

Signature

X

*B. J. R. D.*

X

Signature date

<sup>d</sup>  
2

<sup>d</sup>  
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9

## AM03 Notice of Administrator's Proposals



### 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	Michael Conway
Company name	Kingston Smith & Partners LLP
Address	Devonshire House 60 Goswell Road
Post town	London
County/Region	
Postcode	E C 1 M 7 A D
Country	
DX	
Telephone	020 7566 4020 / 020 7566 4021



### 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

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**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

**MM CAM Limited -  
In Administration**

**Joint Administrators' Report and Statement of Proposals Pursuant to  
Schedule B1 of the Insolvency Act 1986 (IA 86) and Part three of the  
Insolvency Rules (England and Wales) 2016 (IR 16)**

**28 August 2019**

**MM CAM Limited In Administration**  
**Joint Administrators' Proposals dated 28 August 2019**

Summary and Statutory Information about the Joint Administrators:

**The Joint Administrators**

Court Details	High Court of Justice	
Court Reference Number	4393 of 2019	
Joint Administrators	Brian Baker	Ryan Michael Davies
Joint Administrators' Details	Devonshire House 60 Goswell Road London EC1M 7AD	Devonshire House 60 Goswell Road London EC1M 7AD
Telephone Number	020 7566 4020	020 7566 4020
IP Numbers	10530	15250
Authorising Body	ICAEW	
Please note all licensed IPs are bound by the Code of Ethics	ICAEW	
Date of Administrators' Appointment	5 July 2019	5 July 2019
Appointed by	Creditors	

**Qualifying floating charge holder**

Name of Chargeholder	N/A
Date Charge Registered	N/A

**Dividend Prospects**

Preferential Creditors:	N/A
Unsecured Trade Creditors:	Uncertain
CAMA Beneficiaries	80% - 85%

**Proposals**

Date of Delivery of Proposals	29 August 2019
Date of Deemed Approval	12 September 2019

Unsecured trade creditors are creditors whom have provided goods and/or services to the Company in the usual course of business. CAMA beneficiaries are beneficiaries of Collection Account Management Agreements of which the Company collects and distributes revenue for. At this stage, the revenue collected and held in the Company's client accounts is being treated as Trust monies. It is anticipated these monies will eventually be distributed to the CAMA beneficiaries and will not be utilised for a distribution to unsecured trade creditors.

A Notice of Decision Procedure to approve the Proposals has been sent with these Proposals.

Information about the way that the Administrators will use, and store personal data on insolvency appointments can be found at <https://www.kingstonsmith.co.uk/kspllp-gdpr/>. If you are unable to download this, please contact Michael Conway of this office and a hard copy will be provided to you.

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- A. Statutory Information
- B. Receipts and Payments Account for the Period from 5 July 2019 to 28 August 2019
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- E. Estimated Outcome Statement as at 28 August 2019

## **1 Introduction and Background**

- 1.1 The Joint Administrators ("the Administrators") recently wrote to you advising of their appointment as such.
- 1.2 MM CAM Limited ("the Company") was incorporated in February 2004 under the registration number 05049075 and name Promenade Trading 1 Limited. The Company changed its name to Compact CAM Limited on 15 March 2004, Camco One Limited on 22 September 2016 and finally to MM CAM Limited on 25 November 2016.
- 1.3 The Company was a subsidiary of Compact Media Group Limited until 2016 when the shares were transferred to Defacto 9999 Limited on 27 September 2016 and then the current owner Vanessa Johnson on 7 November 2016.
- 1.4 The current directors, David Johnson ("Mr Johnson") and Vanessa Johnson ("Mrs Johnson"), were appointed as such in May 2012 and December 2016 respectively.
- 1.5 The Company is party to numerous Collection Account Management Agreements ("CAMAs") relating to various films, including both national and international titles. The Company's role in the agreements is to collect sales and other revenue for the films and distribute these funds to the CAMA's corresponding beneficiaries after taking an agreed percentage-based fee.
- 1.6 As some CAMA's relate to international film titles, transactions are handled in Sterling, US Dollars, Euros and Australian Dollars. The Company operated successfully in this manner for many years.
- 1.7 Further details regarding how the Company reached its current position are provided in section 2.
- 1.8 This document, together with the appendices, forms the Joint Administrators' statutory statement of proposals in accordance with Para 49 of Schedule B1 IA 86, and IR 16. These proposals are circulated to all creditors of the Company and creditors are asked to consider, and if required to approve, the proposals so that the Administration procedure can be implemented effectively. The role of the Administrators, and any subsequently appointed Liquidator, is to maximise the asset realisations of the Company on behalf of the outstanding creditors, and fulfil certain statutory duties, including a mandatory investigation into the affairs and stewardship of the Company prior to the insolvency event.
- 1.9 A summary of statutory information regarding the Company is shown at Appendix A.
- 1.10 Please note that throughout this document the majority of the funds held by the Company are currently considered to be Trust monies held on behalf of the Company's clients. This is the prudent position to take, but has not yet been confirmed by any legal opinion.

## **2 Circumstances Giving Rise to the Appointment of the Administrators**

- 2.1 Upon the Company separating from its prior group, the reconciliation of funds received in relation to the CAMAs was outsourced to a sub-contractor in Northern Ireland. The directors retained the duties of the day-to-day running of the business and responsibility for all banking matters.
- 2.2 The directors advise the Company ran relatively smoothly until September 2018, when it fell victim to a fraud resulting in two outgoing payments totalling \$170,000 to an unauthorised account. This caused a significant problem for the Company. The directors instigated an insurance claim, which the Administrators shall follow-up.
- 2.3 Following this, the directors advise the sub-contractor increased its costs while income was falling. The directors claim various mistakes were made which caused complications and delays with payment to clients. These issues could not be reconciled and the sub-contractor was dis-instructed in February 2019.

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**Joint Administrators' Proposals dated 28 August 2019**

- 2.4 The directors, with one employee, then attempted to deal with the CAMAs and clients, both reconciling prior errors and new payments into the Company's accounts. This became unsustainable as delays in receiving sufficient information on receipts from third parties led to delays in onward payments to clients, causing increased frustration and further pressure from clients.
- 2.5 With increasing work load and pressure from clients the larger accounts were prioritised until the situation reached a peak in April 2019. One large client account had been reconciled and the directors made a failed attempt to reinstruct the sub-contractors who they wanted to contact all clients informing them the Company would cease trading and thereafter settle all accounts.
- 2.6 Such notice was not given and the directors stopped responding to any correspondence and effectively abandoned the Company.
- 2.7 It should be noted that beneficiaries have reported receiving no correspondence or payments from the Company for many months before this time.
- 2.8 Having exhausted all other avenues to obtain a response from the Company, a sales agent and client of the Company, Visit Films, instructed solicitors, Francis Wilks & Jones ("FWJ"), bringing to light the directors' conduct and seeking advice to recover the funds held by the Company and owed to them and their clients.
- 2.9 FWJ contacted Brian Baker of Kingston Smith & Partners LLP to discuss the situation, and who recommended a creditor's application for the appointment of Administrators as the only remaining practical option to resolve the situation and protect the client monies held by the Company.
- 2.10 Final attempts were made to contact the directors and avoid forcing the Company into Administration, but these again failed to provoke a response.
- 2.11 As a result, Visit Films made an application to the High Court of Justice for the Company to be placed into administration with Brian Baker and Ryan Davies of Kingston Smith & Partners LLP being appointed Joint Administrators. This was approved by the Court on 5 July 2019.
- 2.12 The Administrators act jointly and severally in the Administration.

### **3 Administration Strategy and Objective**

- 3.1 The Administrators must perform their functions with the purpose of achieving one of the following objectives:
- *Rescuing the Company as a going concern; or*
  - *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.*
- 3.2 In this instance the Administrators were appointed by the court on the basis the client funds and Company assets were at risk and needed protection from potential dissipation.
- 3.3 The first objective, rescuing the Company as a going concern is not considered achievable. The Company has effectively ceased to trade, as the directors could not manage its affairs. Whilst it may be possible to reconcile all accounts and bring the Company's affairs up to date, the Administrators consider the Company's reputation has been significantly damaged and as a result, clients would be reluctant to continue a relationship in its present guise.
- 3.4 The Administrators are therefore, pursuing the second objective, to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up



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(without first being in Administration). This will be achieved by reconciling the Company's backlogged accounts and making a distribution to the beneficiaries of the CAMAs.

- 3.5 The Administration also has the benefit of providing a moratorium over the Company. This prevents action by third parties in relation to the cash held, and will allow the Administrators time to reconcile the position fully and ensure a fair distribution of those funds to the correct beneficiaries. A liquidation would not have provided this protection of the funds and may have led to some creditors obtaining an unfair proportion of the funds through direct court action.
- 3.6 The Company does not have any secured or preferential creditors and thus the third objective is not applicable.

**4 Management of the Company's Affairs Following the Appointment of the Administrators**

- 4.1 Immediately upon the Administrators' appointment numerous attempts were made to contact the directors and previous employees to obtain the Company's records and understand its processes in order to begin reconciling the accounts as soon as possible. It was also imperative to establish each of the Company's bank accounts to secure the funds within. The directors failed to respond to any correspondence.
- 4.2 Due to this lack of communication, on 18 July 2019, Brian Baker attended the directors' residential property. Mr Johnson was present and duly addressed Mr Baker's initial queries. The Company's computer records were seized and reviewed by the Administrators. Mr Johnson subsequently provided the Administrators with online access to the Company's accounting records, albeit these are not yet up to date.
- 4.3 Mr Johnson agreed to assist the Administrators in reconciling the Company's accounts and to attend their offices on 22 July 2019 for an interview.
- 4.4 The interview provided a better insight on the processes of the Company in reconciling the funds received in relation to the CAMAs. It became clear the Company's accounts are significantly backlogged and a substantial amount of work is required to reconcile and allocate funds to beneficiaries of corresponding CAMAs.
- 4.5 Mr Johnson agreed to undertake the reconciliation and some progress has been made, with most accounts reconciled up to February 2019. Regrettably, however, he went on holiday at the beginning of August for one week and has since failed to complete any further work, nor provide a substantive response to any emails or phone calls requesting an update.
- 4.6 The Administrators are thus considering their options, including, but not limited to, issuing legal proceedings against the directors and instructing the original sub-contractors to complete the reconciliation.
- 4.7 As detailed in paragraph 5.4 below, the Administrators have requested transfer of all funds held in the Company's original accounts to specific Administration bank accounts under their control.

*Administration (Including Statutory Compliance and Reporting)*

- 4.8 Following the appointment, the strategy for the Administration was carefully assessed to ensure a coherent planned process for the case could be achieved. This work included liaison with solicitors to deal with any legal considerations surrounding the Company's insolvency. Future liaison with valuation agents about the most appropriate means of realising the value in the Company's business and assets may also be required.
- 4.9 The Administrators have also dealt with a number of statutory formalities which are required of them under related legislation. Typically, this includes issuing and filing all appointment notices with creditors and the Registrar of Companies and advertising the appointment in the London Gazette. The preparation and issuing of these proposals is also included in this category of work.

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- 4.10 Other statutory duties performed are outlined in further detail in the fees information which can be found at Appendix D. Please note that much of this work will have been performed to comply with statutory requirements and as such may not necessarily add any value to the insolvent estate.
- 4.11 Due to the number of CAMA beneficiaries ("beneficiaries") and complexity of this case, the Administrators have provided beneficiaries with regular updates on the progress of the administration by email. This is expected to reduce costs by ensuring creditors are fully aware of progress without needing to make contact individually.

Trading

- 4.12 The Administrators assessed the possibility of trading the Company in Administration. It was deemed that the Company would not be able to trade in the Administration period as the Company is not yet in a position to make payments, due to the unreconciled accounts.

**5 Realisation of Assets**

Monies Held on Behalf of CAMA Beneficiaries

- 5.1 The Company holds significant funds with three banks; Coutts Bank (UK), Lloyds Bank (UK) ("Lloyds"), and East West Bank (USA). At this stage, these funds are believed to be and are being treated as Trust monies.
- 5.2 Immediately upon establishing the Company's bank account details, contact was made with all three banks and a 'soft block' was placed on all known accounts. This soft block allows monies to be received but not paid out, and so protects client monies.
- 5.3 The total amounts of c.£876,000 and c.£490,000 are held in various currencies with Lloyds Bank and Coutts Bank respectively. The amount held with East West Bank is yet to be confirmed. However, the Company's internal records suggest funds of c US\$1,000,000 were held in February/March 2019.
- 5.4 The monies held with the banks are across various accounts and currencies. Mirroring Administration accounts have been setup to receive the funds from Coutts and Lloyds and the process of transferring these funds is now underway. Once the Company's internal accounts are reconciled, with amounts allocated to beneficiaries and funds received from all three banks, a distribution to these beneficiaries can be made.
- 5.5 The Administrators are, however, being hampered in their attempts at retrieving funds from East West Bank because of competing claims from other parties. Various beneficiaries have contacted the bank asserting their ownership of the funds held, demanding the monies are not transferred and reserving their rights to all monies standing to the credit of the accounts.
- 5.6 The bank has therefore taken the stance that due to the number of parties asserting an interest in the accounts, and the fact that the Company is the sole owner of the account, the bank is not in a position to determine which party is entitled to the funds. Neither is it in a legal position to pay out funds from the account. The bank has thus notified each party to obtain an enforceable order determining entitlement to the funds.
- 5.7 In addition, the bank does not currently recognise the UK court Order appointing the Administrators, which is not enforceable in the State of California. The bank has requested the Administrators obtain recognition of the Administration Order in the Californian courts.
- 5.8 In light of this, the Administrators have sought advice of solicitors based in California regarding the costs of such an application to determine the most efficient way to deal with the issue.
- 5.9 The initial advice received suggested the Administrators initiate Chapter 15 proceedings in the Californian courts to have the Order recognised and solicitors requested a minimum of US\$25,000 to act on their behalf. However, they have advised costs could far exceed this amount if the proceedings are contested or otherwise protracted.

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- 5.10 The Administrators reached out to a second firm of solicitors to ascertain if a simpler route to obtaining recognition of their authority over the accounts is possible. This advice is much the same as the initial firm. They have advised costs can be anywhere between US\$50,000 to US\$100,000.
- 5.11 Advice received from both firms of solicitors indicates costs may be reduced if the parties claiming ownership of the funds withdraw their claims and give their consent for the bank to forward the funds to the Administrators. It is anticipated that once the bank is content there are no competing interests and the Administrators are the sole claimant, the only obstacle remaining will be the cost of recognising the UK court Order in the Californian courts.
- 5.12 Our initial enquiries indicate only a nominal amount of cash held in the UK bank accounts (c£2,000) is Company money (on the basis all other money is held on Trust). As such, the Administrators are unable to instruct solicitors to have the Administration Order recognised in the Californian courts as a prelude to recovering the monies held with East West Bank.
- 5.13 It is evident from dealings with East West Bank, who have been co-operative throughout, that notwithstanding the position they have taken, their preference is to have just one claim on the monies held on account. The Administrators are best placed to deal with the funds fairly, being officers of the Court, having access to all the relevant CAMAs, and having secured the assistance of Mr Johnson, who has substantial experience of this despite the issues described above. The Administrators are also independent parties with no prior involvement or conflict of interest.
- 5.14 In mind of the above, the Administrators request any parties who have contacted East West Bank in relation to the monies held contact the Administrators to discuss the position with the aim of preventing a protracted and expensive legal process. Ultimately, the intended outcome is the same for all parties - a fair distribution of the funds held.

*Insurance Claim for Fraudulent Payment*

- 5.15 In September 2018, two payments were made to a fraudulent entity claiming to be a client of the Company. The entity had installed malware on the Company's IT systems and used this to intercept the Company's email system and impersonate clients. They then requested 2 separate payments of US\$85,000 be made in respect of CAMAs.
- 5.16 Following discovery of the payments, the directors reported the incident to the police. They also contacted the Company's insurers, Hiscox, seeking to claim for the fraudulent payments. The insurance Company investigated the fraud and confirmed the involvement of malware.
- 5.17 The Administrators will follow up the claim with Hiscox and are waiting on the directors to provide appropriate information.

*Monies Held in the Company's Office Accounts*

- 5.18 Funds belonging to the Company, held in its office accounts amount to less than c.£2,000. A mirroring account has been setup to receive this amount and it will be utilised towards the costs and expenses of the Administration.

*Sale of the Business*

- 5.19 The viability of marketing the business for sale is being assessed. Any sale would aim to transfer the Company's CAMAs to a purchaser to ensure on-going service to the Company's clients. For agents and beneficiaries who wished to remain with the purchaser, it would allow them to continue providing and receiving payments in respect of their CAMAs without the need to terminate the existing agreement and source a new collection agency.
- 5.20 Should a sale of the business be appropriate, the Administrators will instruct agents to market the business in order to achieve the highest possible price. Various enquiries have already been received from interested potential buyers.

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- 5.21 If a sale of the business is pursued, this will be done following the reconciliation of the Company's accounts. The clients will be advised if and when the business is marketed for sale, however, anyone who may be interested should make contact with the Administrators so they can be approached directly if and when marketing commences.

**6 Berkeley Applegate Order ("BA Order")**

- 6.1 The Company's main function was to act as a Collection Account agent, receiving commissions and royalties in accordance with CAMAs and, after deducting its commission, distribute the balance of funds to beneficiaries. The Company does not hold any significant assets of its own, only the client monies held on account, which are considered Trust monies. The Company's own cash at bank is nominal.
- 6.2 In normal circumstances, the Company's own assets are utilised to meet the fees and expenses of the administration. In this case, as the only asset held is Trust money, funding is required in order to meet the Administrators' costs of reconciling the accounts, establishing the identity and amount owed to each beneficiary and repatriating funds to them.
- 6.3 In addition to meeting the Administrators' fees, it is apparent further expense is now necessary to deal with the competing claims to monies held by East West Bank, obtaining an Order in the Californian courts recognising the UK court Order and an Order compelling the Bank to transfer monies to the Administrators' control.
- 6.4 In cases when Administrators are carrying out work to protect the interests of Trust beneficiaries and repatriate money, which is of direct benefit to the beneficiaries of Trust assets, Administrators are able to apply to court for an Order that their costs of doing so may be paid out of the same Trust monies *Re. Berkeley Applegate (Investment Consultants) Ltd.*
- 6.5 As Company assets are insufficient to meet the costs involved, and where action taken in securing, reconciling and distributing Trust monies directly benefits the beneficiaries, the Administrators intend to instruct Francis Wilks & Jones to seek an Order that their remuneration and costs for dealing with the Trust monies is paid from these monies prior to the balance being distributed.
- 6.6 At this stage, the costs associated with the appointment of administrators on behalf of the beneficiaries, successfully securing the Trust monies from Lloyds Bank and Coutts Bank, opening discussions with legal Counsel for East West Bank, beginning the reconciliation of Trust accounts and establishing and corresponding with known beneficiaries is as follows:

Visit Films	Paid costs associated with issuing creditor application for Administration	£20,000
Francis Wilks & Jones	Unpaid costs associated with issuing creditor application for Administration	£6,000
Francis Wilks & Jones	Unpaid on-going advice to Administrators	£12,941
Kingston Smith & Partners	Unpaid advice to Visit Films and Francis Wilks & Jones regards the application for Administration	£11,148
Kingston Smith & Partners	Unpaid work for attending on directors' home, commencing review and reconciliation of accounts, securing cash at bank, on-going dealings with banks, particularly legal Counsel for East West Bank, regular communication	£42,415

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	with beneficiaries, establishing claims and drafting Proposals	
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6.7 You will note it is proposed that the legal costs incurred by the originating applicant, Visit Films, be covered by the BA order as well as the Administrators' pre-appointment costs and unpaid legal fees, since all work undertaken ultimately benefits recipients of the Trust and without it, they would have to incur their own legal costs in securing repayment.

6.8 Estimated costs going forward, which the Administrators propose are also paid under the terms of the BA Order, are as follows:

Francis Wilks & Jones	Berkeley Applegate application	£6,500 - £10,000
TBA – USA law firm	Application to recognise UK court Order in Californian Court	US\$ 25,000 – US\$ 100,000
TBA – USA law firm	Application compelling East West Bank to release cash at Bank to Administrators	US\$ 25,000 – US\$ 100,000
Kingston Smith & Partners	On-going reconciliation of accounts, agreeing beneficiary claims and distribution of Trust monies	£50,000 - £100,000
Kingston Smith & Partners	Investigating conduct of directors and potentially bringing claims for abandonment	£25,000 - £50,000
Francis Wilks & Jones	Investigating conduct of directors and potentially bringing claims for abandonment	£25,000 - £50,000

6.9 The bulk of the costs in bringing matters to a conclusion will lie in legal fees; particularly in the USA potentially dealing with competing interests to the monies held with East West Bank, seeking an Order in the Californian courts that both recognises the UK court order and one that determines the rightful ownership of the bank account monies.

6.10 UK legal fees will be incurred in securing the BA order, and if the directors fail to co-operate fully, an Order compelling them to do so. The Administrators are also considering whether any claims against the directors for abandonment and/or loss to creditors is appropriate.

6.11 In addition, significant costs will be incurred in reconciling all client accounts in the event the directors' co-operation wavers.

6.12 The benefit to creditors of the Administrators obtaining a BA Order is that it will allow for payment of the costs and expenses of dealing with repatriating all client monies, both UK and overseas, on an equal % basis, spread pari passu across all CAMA beneficiaries, each of whom benefit from the involvement of the Administrators.

6.13 It is acknowledged this will result in a reduced return to each beneficiary however, the costs covered by any BA Order application is believed to be work that directly benefits each beneficiary and is work that each, either individually or collectively, would have had to carry out in any event, to recover their money.

6.14 Further, by having only the Administrators deal with the matter, under their duties as officers of the court, rather than multiple courses of action taken by different parties, there will be no duplication of costs and the overall result to beneficiaries should be advantageous and conclude this long outstanding matter of concern.

6.15 At this stage, after deduction of the estimated costs allowed by the BA Order, it is estimated the total recovery to each beneficiary will be 80 - 85% of the monies that are due to them.

6.16 Further information on the estimated outcome of the Administration can be found at Appendix F.

## **7 Creditors**

- 7.1 The Company is party to hundreds of CAMAs, which in turn have various beneficiaries each, so the number of beneficiaries in this case is substantial. The directors have not advised of any trade creditors at this stage and as such, it appears the vast majority of the Company's "creditors" are beneficiaries of CAMAs.
- 7.2 In the event the Court grants a BA Order, it is estimated beneficiaries are likely to recover 80 - 85% of the money to which they are entitled under their respective CAMAs. As such, it is considered they would then become creditors of the Company for any shortfall. At this stage, it is prudent therefore to consider each beneficiary a contingent creditor of the Company.
- 7.3 The Administrators have been contacted by several parties in relation to erroneous payments made to the Company. Supporting information has been requested and is being reviewed.
- 7.4 Numerous enquiries are received from beneficiaries regarding the Administration. Weekly updates have been issued to keep them informed of progress made. Beneficiaries have also been asked to provide information relating to their dealings with the Company to aid in the reconciliation efforts and lodgement of their claims.
- 7.5 Claims have been received in varying currencies. These have been lodged with an exchange rate applied at the date of Administration (5 July 2019), rather than the date of the transaction. The Administrators are required to lodge and thus adjudicate on claims in this manner in accordance with Rule 14.21 of the Insolvency Rules 2016
- 7.6 As the monies held by the Company are treated as Trust monies, a distribution to beneficiaries is anticipated. The timing is not yet clear but will be paid as soon as the CAMA accounts have been reconciled. Once costs are defrayed under the terms of the BA order, the Administrators estimate it should be possible to return 80 - 85% of monies to beneficiaries.
- 7.7 The Administrators will be in a better position to report on this once the accounts are reconciled and the legal costs of dealing with East West Bank are known. They will continue to issue updates to beneficiaries in this respect.

## **8 Investigations**

- 8.1 Copies of the Company's bank statements are being received from Coutts and Lloyds. Those received to date are being reviewed and cross-referenced with the Company's internal accounts. This will also provide an indication of whether any monies have been misappropriated.
- 8.2 The same exercise will be undertaken with East West Bank once the Administrators obtain US recognition of the UK Court order.
- 8.3 As stated above, the Administrators will also contact the Company's insurers relating to the fraudulent transactions.
- 8.4 As part of the Administrators' duties, a report on the directors' conduct will be submitted to the insolvency service. The contents of this are confidential, but if any beneficiaries have any relevant information please provide this to the Administrators for their consideration.
- 8.5 If the directors are found to be delinquent or have caused loss to creditors through their actions, legal advice will be sought to consider the options available to the Administrators.

## **9 Joint Administrators' Receipts and Payments**

- 9.1 A summary of receipts and payments for the Administration period from the date of the Administrators' appointment to 28 August 2019 is attached at Appendix B.

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- 9.2 As stated, no funds have yet been received but the transfer of funds from Lloyds and Coutts is underway and is expected to be received shortly.

**10 Financial Position and Statement of Affairs**

- 10.1 A Statement of the Company's Affairs has not yet been received from the directors.
- 10.2 Attached at Appendix C is a summary of the Administrators' Estimated Financial Position of the Company as at 28 August 2019. Creditors should note that the estimated financial position is before the costs of the Administration procedure are considered.

**11 Proposals**

- 11.1 It is proposed that the Administrators will continue to manage the affairs of the Company in order to achieve the objective of the Administration and make as great a return to the beneficiaries and creditors as possible. In the circumstances it is proposed that:
- 11.2 The Administrators will pursue the second objective and if appropriate take any action considered necessary to achieve a sale of the business as a going concern.
- 11.3 The Company does not have any floating charge property and therefore no distribution of any Prescribed Part by virtue of section 176A(2)(a) can be made.
- 11.4 If, having realised the assets of the Company, the Administrators think that a distribution will be made to the unsecured creditors it will be other than by virtue of section 176A(2)(a) as noted above. Therefore they may propose filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the Administrators to an end and will move the Company automatically into Creditors' Voluntary Liquidation (CVL) in order that the distribution can be made. In these circumstances, it is proposed that the Administrators in office at the date of conversion to CVL will become the Joint Liquidators in the CVL. The acts of the Joint Liquidators may be undertaken by either or both of them.
- 11.5 Court approval is not required to enable the Administrators to make a distribution to the unsecured creditors of the Prescribed Part. If however, a distribution to unsecured creditors not limited to the Prescribed Part is anticipated, the Administrators may consider making an application to Court to seek permission to distribute this in the Administration. If permission is granted, the Company will exit into dissolution once the distribution has been made and the Administration is concluded.
- 11.6 If the Administrators think that the Company has no property which might permit a distribution to its creditors, they will file a notice with the Court and the Registrar of Companies for the dissolution of the Company.
- 11.7 See Section 12 below on **Exit Routes** for further information on the exit routes available from Administration.
- 11.8 The Administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as they consider desirable or expedient to achieve the statutory purpose of the Administration.
- 11.9 If the Administrators consider it necessary to extend the period of the Administration, they will seek the consent of creditors or the approval of the Court to the extension. Creditors may consent to an extension for a period of up to one year and the Court can order that the Administrators' term of office be extended for a specified period determined by it.
- 11.10 The creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Administrators' remuneration and disbursements and any proposed act on the part of the Administrators without the need to

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report back to creditors generally, to include any decision regarding the most appropriate exit route from the Administration.

- 11.11 The basis of the Administrators' remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by them:
- As a percentage of the value of the assets they have to deal with, or
  - By reference to time properly spent by the Administrators and their staff managing the Administration, or
  - As a set amount
- 11.12 In accordance with Statement of Insolvency Practice 9, issued by the Association of Business Recovery Professionals, the Administrators are authorised to draw Category 2 disbursements as and when funds are available, in accordance with their firm's published tariff. Details of Category 2 disbursements charged by the firm can be found at Appendix D.
- 11.13 Where no Creditors' Committee is appointed the remuneration and disbursements of the Administrators shall be fixed by a decision of creditors or where the Administrators think that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with insolvency legislation. The Administrators will also seek approval for any unpaid pre-administration costs detailed in this report and their discharge from liability in the same manner.
- 11.14 In this case the Administrators are seeking a BA order, which will allow them to be remunerated from the Trust monies with the approval of the court. At this stage, the Administrators do not propose to seek any additional or alternative fee resolution from creditors.
- 11.15 Further details about the proposed fee basis can be found in Sections 13 and 14 below and at Appendix D.
- 11.16 The Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.

## **12 Exit Routes**

- 12.1 All Administrations automatically come to an end after the period of one year, unless the Company's creditors agree to extend this period, or the Court orders the Administrators' term of office be extended for a specified period of time.
- 12.2 At the time of drafting these Proposals it is not anticipated that an extension to the period of Administration will be necessary, however the Administrators will confirm the position to creditors in a subsequent progress report in due course.

Based on information currently available, the information on the exit routes the Administrators believe may be appropriate in this Administration are set out below.

### Creditors Voluntary Liquidation (CVL)

- 12.3 Based on present information, the Administrators think a dividend may be paid to the unsecured creditors other than by virtue of the Prescribed Part. As a result, the Administrators will either make an application to Court to enable them to make a distribution to unsecured creditors in the Administration or they will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into CVL to facilitate this distribution. It is proposed that the Joint Administrators in office at the date of conversion to CVL will become the Joint Liquidators of the CVL.



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- 12.4 It is proposed that the Joint Liquidators will be authorised to act jointly and severally in the subsequent liquidation.
- 12.5 Creditors have the right to nominate an alternative liquidator of their choice. To do this, creditors must make their nomination in writing to the Administrators prior to these proposals being approved. Where this occurs, the Administrators will advise creditors and provide the opportunity to vote. In the absence of a nomination, the Administrators will automatically become the Joint Liquidators of the subsequent CVL.

**Dissolution of the Company**

- 12.6 As described above, the Administrators may consider making an application to Court to seek permission to distribute funds to creditors other than from the Prescribed Part, should this be appropriate and in the best interests of creditors.
- 12.7 If, after having done this, the Administrators think there are no other investigations to be undertaken a notice will be filed at Court and with the Registrar of Companies, with the Administrator's final report for the dissolution of the Company
- 12.8 The Administrators' appointment will end following the registration of the notice by the Registrar of Companies.

**13 Pre-administration Costs**

- 13.1 Pre-administration costs are defined as:

- (i) Fees charged, and
- (ii) Expenses incurred

by the Administrators, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so), and "unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.

- 13.2 Below is information on the pre-administration costs incurred in this case, together with details of any amounts which remain unpaid, where applicable.
- 13.3 Pre-administration costs were necessary in order to place the Company into Administration. As there was no communication from the directors, substantial correspondence between the Administrators, FWJ and the creditor making the application was required to establish the best strategy. Significant time was also spent discussing steps required to make the application as well as dealing with witness statements for court.
- 13.4 As this was a creditor application with the appointment being made by the court, no engagement was agreed with the Company or any Chargeholder. However, the Administrators' time costs incurred in the process were recorded and payment of these costs is being sought under the BA Order.
- 13.5 Pre-appointment fees charged and expenses incurred by the Administrators are as follows:

Category	Description of costs	Amount	Amount paid	Amount unpaid	Total
Kingston Smith & Partners LLP	Ongoing liaison and advice with the appointing creditor and their solicitors	£11,148 74	£0	N/A	£11,148 74

- 13.6 Should the BA Order prove not to extend to these Pre-Administration costs, the Administrators reserve the right to seek a resolution of creditors as an expense of the Administration.

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- 13.7 The payment of the unpaid pre-administration costs set out above as an expense of the Administration is subject to the approval of creditors, separately to the approval of the Administrators' proposals. This approval will be the responsibility of the Creditors' Committee if one is appointed or alternatively by a decision of the creditors where there is no Committee
- 13.8 It is proposed these fees are paid and included in the application for a BA order.

**14 Joint Administrators' Remuneration**

- 14.1 The Administrators are required to provide creditors with details of the work they propose to undertake in the Administration and the expenses the Administrators consider will be, or are likely to be, incurred in dealing with the Company's affairs, prior to determining the basis upon which their remuneration will be fixed.
- 14.2 In addition to this, where Administrators seek agreement to the basis of their remuneration by reference to time properly spent by them and their staff in attending to matters arising in the Administration, a fees estimate outlining the time and estimated cost of the work to be done must also be provided.
- 14.3 In this case, the Administrators are seeking that the Court, by way of a BA Order, determines their costs. Full details of the costs incurred to date and those estimated to conclude the administration are detailed at paragraphs 6.6 – 6.8.
- 14.4 At this stage, the Administrators do not propose to seek any additional or alternative fee resolution from creditors.
- 14.5 Information about the work they consider will be necessary in this case and the expenses the Administrators consider will, or are likely to be, incurred on this case can be found at Appendix D.
- 14.6 Where the Administrators' initial investigations reveal matters for further detailed investigation or previously unknown assets to be realised, they reserve the right to refer back to creditors to establish how they are to be remunerated for such additional work, which may be proposed on a time cost basis. If such work proves necessary, they will revert to creditors with their fees estimate for approval.
- 14.7 The Administrators will provide updates on the expenses they consider will be, or are likely to be, incurred during this case with their progress reports in due course.
- 14.8 Administrators may include details of the remuneration they anticipate will be charged and the expenses they anticipate will be incurred if they become the Joint Liquidators in the subsequent CVL. This can be done when seeking approval to the basis of their remuneration as Administrators, or alternatively their fees estimate for the CVL can be provided once the Company has moved into CVL. Please refer to Appendix D to this report for further information.
- 14.9 A copy of "A Creditors' Guide to Administrators' Fees" is available on request or can be downloaded from [www.ks.co.uk/creditors-guides-fees](http://www.ks.co.uk/creditors-guides-fees). In this case the April 2017 version is applicable. If you would prefer this to be sent to you in hard copy please contact Michael Conway of this office on 0207 566 4020.

**15 Estimated Outcome**

- 15.1 An estimate on the outcome of the Administration as at 28 August 2019 is attached as Appendix F. This indicates the Company has sufficient assets to provide a distribution to beneficiaries. However, as stated throughout this report, as the Company's accounts are not reconciled, a quantum and timing of this dividend is yet to be confirmed, but is estimated at approximately 80 - 85%.

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- 15.2 Based on the Estimated Financial Position attached to this report-the estimated value of the unsecured trade creditors is £796.02. There are no preferential creditors in this case.
- 15.3 The realisable value of the Company's assets is currently uncertain but the Administrators believe realisations may be sufficient to allow a distribution to unsecured creditors.

**16 Prescribed Part**

- 16.1 The Company granted a floating charge to Lloyds Bank on 20 October 2010. However, this was relinquished on 26 October 2016 when the Company was sold to Mrs Johnson. The Company holds no floating charge assets and accordingly a prescribed part cannot be created.


**17 EC Regulations on Insolvency Proceedings**

- 17.1 The EU Regulation on Insolvency Proceedings 2000 applies to the Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Centre of Main interests is based in the United Kingdom.

**18 Approval of Proposals and next report**

- 18.1 The Administrators are seeking a decision of creditors on the approval of the proposals via Deemed Consent. The letter issued to creditors with this report (or the link to this report) contains further information about this decision process.
- 18.2 Administrators are required to provide a progress report within one month of the end of the first six months of the Administration. As such, the Administrators will report to you formally again at this time.
- 18.3 In the meantime, the Administrators will endeavour to continue to provide regular updates on the reconciliation of client accounts by way of fortnightly emails.

For and on behalf of  
**MM CAM Limited**



**BRIAN BAKER**  
Joint Administrator

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**Appendix A**

**Statutory Information**

The Company:

Company Name	MM CAM Limited
Trading name	Media Money CAM
Registered Number	05049075
Date of incorporation	19 February 2004
Registered Address	Kingston Smith & Partners LLP Devonshire House 60 Goswell Road London EC1M 7AD
Former Registered Office	1st Floor 90 Chancery Lane London United Kingdom WC2A 1EU
Former trading address	N/A
Activity of the Company	Collection agency

Directors

Name	Appointed	Resigned	Shares Held (%)
David Johnson	31 May 2012	N/A	0
Vanessa Jaqueline Johnson	22 December 2016	N/A	100
Brian Cuttler	8 May 2014	22 December 2016	0
Susan Murphy	30 November 2015	22 December 2016	0

Company Secretary:

Name	Position	Appointed	Resigned
Gordon Dadds Company Secretarial Services Limited	Secretary	9 July 2012	21 October 2014

Shareholders Details:

Name	Shareholding (%)	Class
Vanessa Jaqueline Johnson	100	Ordinary

**Appendix B**

**Receipts and Payments Account for the Period from 5 July 2019 to 28 August 2019**

**MM CAM Limited  
(In Administration)  
Joint Administrators' Summary of Receipts and Payments  
To 28 August 2019**

<b>RECEIPTS</b>	<b>Statement of Affairs (£)</b>	<b>Total (£)</b>
		<hr/>
		0.00
		<hr/>
<b>PAYMENTS</b>		
		<hr/>
		0.00
Net Receipts/(Payments)		0.00
		<hr/>
<b>MADE UP AS FOLLOWS</b>		
		<hr/>
		0.00
		<hr/>

**Appendix C**

**Administrators' Summary of the Estimated Financial Position of the Company as at 28 August 2019**

**MM CAM Limited**  
**Administrators' Summary of the Estimated Financial Position**

<u>Notes</u>	<u>Assets</u>	<u>Book</u>	<u>Book</u>	<u>Estimated</u>	<u>Estimated</u>
		<u>Value</u>	<u>Value</u>	<u>to Realise</u>	<u>to Realise</u>
		Original currency	GBP equivalent	£ Trust	£ Non-Trust
	<b>Uncharged assets</b>				
1	Cash at bank (client monies)				
	Sterling accounts (£)	712,577.89	712,577.89	712,577.89	
	Euro accounts (€)	158,422.08	142,167.97	142,167.97	
	US Dollar accounts (\$)	1,621,948.84	1,296,950.97	1,296,950.97	
	Australian Dollar accounts (\$)	328,873.58	183,333.80	183,333.80	
2	Cash at bank (Company funds)				
	Sterling accounts (£)	1,827.13	1,827.13		1,827.13
3	Computer equipment		19,047.00		uncertain
4	Insurance claim		135,566.19	uncertain	
5	CAMA fee		23,350.31		uncertain
	Contracts/goodwill		nil		uncertain
	<b>Total assets available</b>			<b>2,335,030.63</b>	<b>1,827.13</b>
	<b>Creditors/beneficiaries</b>				
6	Estimated CAMA beneficiaries			(2,445,890.85)	
7	Estimated trade and expense creditors				(796.02)
	<b>Estimated deficiency</b>			<b>(110,860.22)</b>	<b>1,031.11</b>
	Share Capital				2
	<b>Estimated deficiency as regards shareholders</b>				<b>1,033.11</b>

**Notes**

- 1 The majority of the Company's cash at bank is being treated as monies held in trust for the beneficiaries of CAMAs. However, this is yet to be confirmed by any legal opinion. In accordance with Rule 14.21 of the Insolvency Rules 2016, the Administrators are required to lodge and thus adjudicate on claims with an exchange rate applied as at the date of Administration, which in this case is 5 July 2019. Therefore, for the simplicity of this calculation, the monies held have an exchange rate as at 5 July 2019 applied.
- 2 This amount reflects the monies held by the Company that are not believed to be subject to any trust and therefore belong to the Company.
- 3 This was the book value given for the Company's computer equipment in the most recent set of accounts filed at Companies House.
- 4 The potential recovery to be made from the insurance claim for the fraudulent transactions, as detailed in the Administrators' proposals.
- 5 The Company's fee for processing payments to CAMA beneficiaries. The Company has a contractual right to this fee on funds distributed.
- 6 This figure has been calculated as follows: The estimated amount of trust funds held (with an exchange rate applied as at 5 July 2019), plus the potential insurance claim recovery, and minus the Company's contractual CAMA fee.
- 7 The directors have failed to provide any creditor information. This sum is the only known non-Trust creditor, an overdrawn bank account.



## Appendix D

### Additional Information in Relation to Joint Administrators' Fees

- 1 The Administrators are seeking to agree the basis of their remuneration, and recovery of associated legal and other costs, as a percentage of the Trust monies recovered through the Berkeley Applegate Order described in section 6 of the Proposals. No additional resolution of creditors for the Administrators' fee basis is being sought at this stage.
- 1.1 The Administrators propose to request the court approve deductions for costs of 15% of Trust monies recovered. This amount is believed to be a fair reflection of the work the Administrators anticipate will be needed in order to deal with the Administration, and recovery, reconciliation and distribution of the Trust monies. This will be paid in accordance with any subsequent Berkeley Applegate Order obtained, as detailed in section 6 of this report, but the basis for this fee is set out below.
- 1.2 Attached to this appendix are details of the work the Administrators propose to undertake and the expenses the Administrators consider will be, or are likely to be, incurred. Information about the work done to date can be found in the body of the Administrators Report and Statement of Proposals at sections 3 - 8
- 1.3 A fee calculated as a percentage of the Trust assets realised has been chosen as this gives certainty of cost to the beneficiaries. A fee based on time costs does not give this certainty and would be paid regardless of the value of assets recovered, with the ultimate return to the beneficiaries uncertain.
- 1.4 In reaching the fee percentage of 15%, the Administrators have considered the known or likely Trust assets available and consider what their estimated costs will be from their experience of dealing with other similar matters. They have also obtained quotes from two respectable law firms in California. This has already proven a complex case with jurisdictional issues, large volumes of documentation related to the CAMAs, large numbers of beneficiaries and potential creditors and limited co-operation from the directors. More than 100 hours have been spent dealing with the case so far and the Administrators anticipate in excess of 500 plus total hours of work will be required to resolve the issues fully. There will also be significant legal costs in resolving Trust issues and, in particular, securing the monies held in the USA.
- 1.5 By seeking a % recovery, rather than time costs, the Administrators are at risk of having unrecoverable costs if the matter proves more difficult to administer than they currently anticipate, but are incentivised to deal with the case expediently and to maximise recoveries. They believe this is the fairest method to the Company's creditors and beneficiaries.

## 2 Expenses

- 2.1 Below is a table which outlines the expenses that the Administrators consider at this stage will be, or are likely to be, incurred in dealing with the Company's affairs. They will provide an update to creditors in future progress reports. Figures are provided exclusive of VAT.

Expense	Provider	Basis of remuneration	Estimated cost
Agent's costs in dealing with the marketing and sale of the Company	Hilco Capital	Percentage of realisations	£0 - £10,000
Agent's costs in assisting with backup and processing of Company's computer records	Ardenta Consulting	Time costs	£1,460 - £3,000
Solicitors' costs in assisting with applying to court for a Berkeley Applegate Order	Francis Wilks & Jones	Time costs	£6,500 - £10,000
Statutory advertising	EPE Reynell	Fixed cost	£207
Administrators' bond	Marsh Insurance	Sliding rate	£1,600

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Document storage	JG Collection Services	Fixed cost	£0 - £500
Land Registry Searches	HM Land Registry	Fixed cost	£6
US Solicitors' costs in recognition of UK Order or instigating Chapter 15 proceedings	Uncertain	Time costs	\$25,000 - \$100,000
Solicitors' costs in investigating conduct of directors and potentially bringing claims for abandonment	Francis Wilks & Jones	Time costs	£25,000 - £50,000
US solicitors' costs in application compelling East West Bank to release cash at bank to the Administrators	Uncertain	Time costs	\$25,000 - \$100,000

### 3 Staff Allocation and the Use of Sub-Contractors

- 3.1 The general approach to resourcing assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 3.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. 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. Where the basis of the Administrators' remuneration is being proposed on a time cost basis, details of this firm's current charge-out rates can be found below.
- 3.3 Dependent upon the co-operation or otherwise of the directors, the Administrators may be required to utilise the services of sub-contractors to reconcile the Company's accounts.

### 4 Joint Administrators' Disbursements

- 4.1 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. Any Category 1 disbursements the Administrators anticipate being incurred in this case are included in the table of expenses above.
- 4.2 Category 2 disbursements do require approval from creditors in the same manner as remuneration. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.
- 4.3 The following Category 2 disbursements are currently charged by this firm.

Photocopying and postage	£30
IPS licence fee	£90

- 4.4 Separate approval will be sought for the authorisation of this firm's Category 2 disbursements from creditors, as appropriate.

**5 Charge-out Rates**

- 5.1 A schedule of Kingston Smith & Partners LLP's charge-out rates for this assignment effective from 1 May 2019 is detailed below. Please note this firm records its time in minimum units of 5 minutes.

	Per Hour £
Partner	440
Licenced Insolvency Practitioner	400
Senior Manager	375
Manager	345
Other Senior Professionals	
Assistant Manager	310
Administrator	175-275
Support Staff	
Cashier	220
Support	135
Client Services	100-200

**Appendix F**

**Estimated Outcome Statement as at 28 August 2019**

**MM CAM Limited**  
**Estimated Outcome Statement**

<b><u>Notes</u></b>	<b><u>Assets</u></b>	<b><u>Estimated to Realise</u> £ Trust</b>	<b><u>Estimated to Realise</u> £ Non-Trust</b>
	<b>Uncharged assets</b>		
1	Cash at bank (GBP client monies)		
	Sterling accounts (£)	712,577.89	
	Euro accounts (€)	142,167.97	
	US Dollar accounts (\$)	1,296,950.97	
	Australian Dollar accounts (\$)	183,333.80	
2	Cash at bank (company funds)		
	Sterling accounts (£)		1,827.13
3	Computer equipment		uncertain
4	Insurance claim	uncertain	
5	CAMA fee		uncertain
	Contracts/goodwill		uncertain
	<b>Total assets available</b>	<b>2,335,030.63</b>	<b>1,827.13</b>
	<b><u>Costs and expenses of the Administration</u></b>		
6	Costs sought as per Berkeley Applegate Order (15% of trust monies held)	(350,254.59)	
7	Ardena Consulting fees		(1,752.00)
	<b>Creditors/beneficiaries</b>		
8	Estimated CAMA beneficiaries	(2,445,890.85)	
	Estimated trade and expense creditors		(796.02)
	<b>Estimated deficiency</b>	<b>(461,114.81)</b>	<b>(720.89)</b>
	Share Capital		2
	<b>Estimated deficiency as regards shareholders</b>		<b>(718.89)</b>

**Notes**

- 1 The majority of the Company's cash at bank is being treated as monies held in trust for the beneficiaries of CAMAs. However, this is yet to be confirmed by any legal opinion. In accordance with Rule 14.21 of the Insolvency Rules 2016, the Administrators are required to lodge and thus adjudicate on claims with an exchange rate applied as at the date of Administration, which in this case is 5 July 2019. Therefore, for the simplicity of this calculation, the monies held have an exchange rate as at 5 July 2019 applied.
- 2 This amount reflects the monies held by the Company that are not believed to be subject to any trust and therefore belong to the Company.
- 3 This was the book value given for the Company's computer equipment in the most recent set of accounts filed at Companies House.
- 4 The potential recovery to be made from the insurance claim for the fraudulent transactions, as detailed in the Administrators' proposals.
- 5 The Company's fee for processing payments to CAMA beneficiaries. The Company has a contractual right to this fee on funds distributed.
- 6 As detailed in the Administrators' proposals, this is the percentage basis being sought in the Berkeley Applegate Order.
- 7 Ardena Consulting's fees for assisting with the Backup and processing of the Company's computer records.
- 8 This figure has been calculated as follows: The estimated amount of trust funds held (with an exchange rate applied as at 5 July 2019), plus the potential insurance claim recovery, and minus the Company's contractual CAMA fee.