

# AM03

## Notice of administrator's proposals



Companies House

WEDNESDAY



A20 \*A7CV1X1D\* 22/08/2018 #129  
COMPANIES HOUSE

### 1 Company details

Company number 06609609

Company name in full Marcandi Limited

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

### 2 Administrator's name

Full forename(s) Stephen Robert

Surname Cork

### 3 Administrator's address

Building name/number 6 Snow Hill

Street

Post town London

County/Region

Postcode EC1A 2AY

Country

### 4 Administrator's name

Full forename(s) Joanne Elizabeth

Surname Milner

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

### 5 Administrator's address

Building name/number 6 Snow Hill

Street

Post town London

County/Region

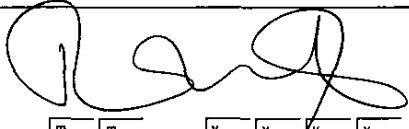
Postcode EC1A 2AY

Country

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

AM03

## Notice of Administrator's Proposals

<b>6</b>		<b>Statement of proposals</b>	
		<input checked="checked" type="checkbox"/> I attach a copy of the statement of proposals	
<b>7</b>		<b>Sign and date</b>	
Administrator's Signature	Signature ✕		✕
Signature date	d 2 d 1	m 0 m 8	y 2 y 0 y 1 y 8

## 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	Ben Parsons
Company name	Cork Gully LLP
Address	6 Snow Hill
Post town	London
County/Region	
Postcode	E C 1 A 2 A Y
Country	
DX	
Telephone	02072682150



### 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

# CORK GULLY

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## TO ALL KNOWN CREDITORS

14 August 2018

Our ref: MAR001/SRC/JEM/AM/BJP – 15

Dear Sir/Madam,

**Marcandi Limited trading as 'Madbid' (in Administration) (the "Company")**  
**Court Case Number: CR-2018-005351**  
**Company Number: 06609609**

Pursuant to paragraph 22 of Schedule B1 of the Insolvency Act 1986 ("the Act"), Stephen Cork and I, both of Cork Gully LLP and both licensed by the ICAEW, were appointed as Joint Administrators of the Company on 27 June 2018 ("the Administrators").

### 1. Introduction

This report is addressed to the creditors of the Company and incorporates the Administrators' proposals. These proposals are to be considered by way of a decision by correspondence, relevant information of which can be found further on in this report.

Creditors may approve the proposals with or without modifications subject to the Administrators' agreement to any such modifications.

If the Administrators' proposals are agreed by the creditors, the Administrators will continue to manage the business and affairs of the Company with a view to achieving the objective set out in Paragraph 3(1)(b) of Schedule B1 of the Act. The Administrators will exit the Administration via one of the routes set out in the proposals, agreed by creditors.

If the Administrators' proposals are rejected, a report will be sent to the High Court of Justice, Chancery Division, Companies Court, confirming that creditors have rejected the proposals. The Court may then discharge the Administrators and make consequential directions. Alternatively, it may adjourn the hearing or make an alternative order as it thinks fit.

### 2. Statutory Information

The statutory information relating to the Company is attached at Appendix I.

### 3. Purpose of the Administration

*As Administrators of the Company, Stephen Cork and I are officers of the Court and must perform our duties in the interests of creditors as a whole, in order to achieve the purpose of the administration.*

The purpose of an administration is to achieve one of the three objectives set out in paragraph 3(1) of Schedule B1 of the Act, which are to:

- (a) rescue the company as a going concern; or
- (b) achieve a better result for the company's creditors as a whole than would be likely if the company was wound up (without first being in administration); or

Partners and directors act as insolvency practitioners without personal liability. Stephen Cork and Joanne Miner are licensed to act as insolvency practitioners in the United Kingdom by the Institute of Chartered Accountants in England and Wales and are bound by the Insolvency Code of Ethics.

Cork Gully is a Limited Liability Partnership registered in England and Wales under number OC357274. A list of members is available for inspection at the registered office above. Members will be referred to as partners and directors.

- (c) realise property in order to make a distribution to one or more secured or preferential creditors.

Objective (a) could not be achieved as no purchaser could be found for the shares of the Company.

Objective (c) could not be achieved as the the Company is not subject to any security. As a result, we are seeking to achieve objective (b) for the Company, and will do this by realising the assets of the Company.

The insolvency legislation has set a twelve month maximum duration for administrations, unless the duration is extended by the Court or the creditors. Should the Administration of the Company not be completed within twelve months then the Administrators will either apply to the Court, or refer to creditors, in order to seek approval to extending the duration of the Administration. However, we anticipate that the Administration will be completed within 12 months.

#### **4. Circumstances leading to the appointment of the Administrators**

##### **Company Background**

Marcandi Limited was formed in 2008 under the trading brand 'Madbid', licensed from its parent company Keyword Group Limited. Madbid's core business model began as a 'penny auction' website that allowed users to win items at a more competitive price than other retailers. In 2010, the Company raised £4 million in equity finance to pursue a wider roll out of its gamified e-commerce proposition to other countries outside of the UK. The Company's sales grew rapidly between 2009 and 2012 but have since declined in more recent years, due to a number of challenges within the industry, notably: the maturity of the sector, leading to the Company needing to access new markets; increasing difficulty in placing online advertising with the major online marketing agencies, due to higher pricing, resulting in reduced profit margins; unexpected challenges from VAT authorities, relating to their treatment of online credits and earned discounts.

##### **Events leading up to the appointment of the Administrators**

In May 2018, the sole director of the Company sought advice from Allister Manson, partner at Cork Gully LLP, regarding the Company's deteriorating financial position.

The sole director explained that the Company had reduced staff and premises costs dramatically, in order to deal with its financial challenges, but was still under pressure, due to lower sales and higher online advertising costs.

The sole director agreed to monitor the situation for a short period to see whether it would improve. However, by mid-June it was clear that the situation had not improved sufficiently. As such, the sole director felt that he had no choice but to take steps to cease trading.

##### **Summary of Financial Performance**

Extracts from the Company's financial statements which show the trading performance are set out below.

	<b>Year to date 30-Jun-17 (Audited Accounts)</b>	<b>Year to date 30-Jun-16 (Audited Accounts)</b>	<b>Year to date 30-Jun-15 (Audited Accounts)</b>
<b>Turnover</b>	6,794,417	10,278,560	16,707,683
<b>Cost of Sales</b>	(2,663,153)	(4,985,387)	(7,216,493)
<b>Gross Profit</b>	<b>4,131,264</b>	<b>5,293,173</b>	<b>9,491,190</b>
Distribution Costs	(2,731,157)	(4,347,504)	(6,613,398)
Administrative Expenses	(2,363,811)	(2,985,330)	(2,826,364)
Exceptional Items	-	(251,869)	(11,582)
Other Operating Income	326,202	369,874	392,287
<b>Operating (loss)/profit</b>	<b>(637,502)</b>	<b>(1,921,626)</b>	<b>432,113</b>

Other Interest Receivable and similar income	4	30	464
<b>(Loss)/profit on ordinary activities before taxation</b>	<b>(637,506)</b>	<b>(1,921,656)</b>	<b>432,597</b>
Tax on (loss)/profit on ordinary activities	188,492	93,176	(137)
<b>(Loss)/profit for the year</b>	<b>(499,014)</b>	<b>(1,827,940)</b>	<b>432,460</b>

### Appointment of Administrators

On 27 June 2018, the sole director concluded that the Company was no longer able to continue trading as a going concern and resolved to appoint Stephen Cork and Joanne Milner as Joint Administrators of the Company.

### 5. Management of the Administration Since Appointment

Following our appointment, we discharged our obligations with regard to statutory and compliance matters. We fulfilled our duties in respect of all necessary statutory notices and other requirements. Advertisements were placed in the London Gazette on 2 July 2018 regarding the Joint Administrators' appointment.

My team attended the site at 3 Loughborough Street, Vauxhall during the first days of the Administration to gather information and company assets in order to aid with the wind down. The books and records of the Company have been secured, collected and stored and a dedicated agent is dealing with the additional assets held offsite in Clacton-on-Sea.

The Administrators arranged for the various bank facilities of the Company to be transferred to their control and also wrote to all current users advising them of the position and sought to answer any questions they may have with regard to the Administration, their customer credit balances and accounts.

The Administrators decided to keep two members of customer services staff on for the first three weeks of the Administration to help with user queries.

### 6. Financial Position of the Company

Pursuant to Paragraph 47 of Schedule B1 of the Act, an extract of the Statement of Affairs as at the date of the Administrators' appointment, prepared and sworn by the sole director, can be found at Appendix II, together with a list of names and addresses of known trade creditors, and the amounts of their debts.

#### 6.1 Financial Statements

The following table shows an analysis of the Company's financial position as taken from the Company's audited accounts:

	2017		2016	
	£	£	£	£
<b>Fixed Assets</b>				
Tangible Assets	29,807		36,848	
<b>Current Assets</b>				
Stocks	50,196		290,686	
Debtors	276,362		158,330	
Cash at bank and in hand	527,667		454,545	
	854,225		903,561	

<b>Creditors: amounts falling due within one year</b>	<u>(4,276,775)</u>	<u>(3,919,906)</u>
<b>Net current liabilities</b>	<u>(3,442,550)</u>	<u>(3,016,345)</u>
<b>Total assets less current liabilities</b>	<u><b>(3,392,743)</b></u>	<u><b>(2,979,497)</b></u>
<b>Capital and reserves</b>		
Called up share capital	145,694	145,694
Share premium account	345,556	345,556
Other reserves	35,760	-
Profit and loss reserves	<u>(3,919,753)</u>	<u>(3,470,747)</u>
<b>Total equity</b>	<u><b>(3,392,743)</b></u>	<u><b>(2,979,497)</b></u>

## 6.2 Assets

### Cash at Bank

As per the Statement of Affairs, the cash held in the Company's pre-appointment bank accounts is estimated to realise the sum of £104,000.

Immediately following the Administrators' appointment, the Company's bankers were contacted and arrangements were made for the all bank accounts to be closed and any residual balances to be transferred to the administration.

### Cash held by Third Parties

The Statement of Affairs show several overseas money processors who hold balances totalling approximately £125,000. The Joint Administrators recognise that balances are unlikely to be realised in full due to monies withheld for chargeback claims. It is estimated that £65,000 will be realised from this balance.

### Physical Assets

As per the Company's records, physical assets amount to approximately £50,000 – this is represented by stock held by a third party warehouse and office equipment. Due to the nature of the warehouse goods being predominantly electronic items, such as laptops and mobile phones, there has been considerable depreciation to this value. The statement of affairs estimated the realisable value of the warehouse goods to be £10,353. The majority of office furniture and equipment used by the Company was being rented from the landlord and is not realisable for the benefit of the creditors. The laptops and remaining office furniture owned by the Company is estimated to be realised, as per the Statement of Affairs, for £450.

The Joint Administrators are not currently aware of any further physical assets to be realised.

### Debtors

The Company's records detail £276,362 of debtors, owing money to the Company in 2017. This figure was made up of trade debtors and corporation tax recoverable. These sums were recovered by the Company in the previous accounting period.

The Joint Administrators will seek further information to identify any potential tax refunds due to the Company.

## 6.3 Creditors

### Secured Creditors

The Company has no secured creditors.

### Preferential Creditors

The Company has no preferential creditors.

### The Prescribed Part

The Company has not granted any floating charge security, so the prescribed part provisions will not apply.

## **Unsecured Creditors**

The largest unsecured claims against the Company are from its parent company, Keyword Group Limited, in respect of license fees, and local and overseas VAT Authorities in respect of amounts payable. At the point of filing the Statement of Affairs, no detailed information had been provided in respect of the above claims; however, the Administrators have estimated the value of these at circa £2,300,000 and £1,300,000, respectively. Further information has been sought from Keyword Group Limited and the various overseas and local VAT authorities.

A dividend is likely to be paid to the unsecured creditors of the Company, however, as the total likely value of unsecured claims against the company by far exceeds the estimated asset realisation value, the unsecured creditors are not expected to receive more than five pence in the pound by way of a distribution.

## **Trade & Expense Creditors**

As per the Statement of Affairs, the unsecured creditors of the Company total approximately £4,143,607.

## **7. Administrators' Receipts and Payments Account**

A summary of the Administrators' receipts and payments account for the period 27 June 2018 to 31 July 2018 is attached at Appendix III. Creditors will note that we continue to liaise with the Company's bankers to arrange closure of the accounts.

All receipts and payments will be net of VAT and VAT is recoverable. Funds are held in an interest bearing deposit account.

### **Receipts**

- **Cash at Bank**

The sum of £106,761.33 has been received by the Administrators from Marcandi Limited's bank accounts to date. A further amount of £65,000 is expected to be realised from third parties over the coming months.

### **Payments**

- **Statutory Advertising**

Courts Advertising have been paid the sum of £152.28 in respect of statutory adverts placed in the London Gazette regarding the Administration of Marcandi.

- **Storage Costs**

Storage costs in the sum of £2,321.54 had to be paid to the third party warehouse in order for access to be granted to stock being held.

- **Wages and Salaries**

Payments in the sum of £436.52 were made to previous employees of the Company who were asked to assist with initial actions during the course of the Administration, to date.

## **8. Proposed future actions of the Administrators to achieve the objective of the Administration and anticipated exit**

Beyond the shutdown of the Company's office and collection of assets held at a secure site, the Joint Administrators will primarily be focusing on realising the Company's overseas cash balances for the benefit of creditors.

The Administrators will also be conducting a detailed statutory investigation into the affairs of Marcandi and reporting their findings to the Secretary of State as a standard part of the administration process.

In due course, it is anticipated that the Administration will be ended by a conversion to liquidation for the purposes of making a distribution to the unsecured creditors.

## **9. Pre-administration Remuneration & Expenses**

### **9.1. Cork Gully LLP Time Costs**

The sole director of the Company formally instructed Cork Gully LLP to assist him in placing the Company into Administration on 27 June 2018 but had been taking advice from Cork Gully since May 2018. The Board agreed that Cork Gully LLP should be paid pre-appointment fees and expenses on a time cost basis capped at £5,000, plus limited disbursements and VAT.



The pre-administration costs are based on time costs and expenses incurred in accordance with the charge out rates for Cork Gully LLP. The services provided included the following:

- Advising the sole director regarding the Company's financial position and the options available
- Drafting the engagement letter for the directors of Marcandi case set up and ethical checks required to be undertaken
- Completion of the requisite anti-money laundering procedures in accordance with relevant legislation
- Review of the Company's financial history and assets
- Analysis of the Company's incorporation documents to ensure board meetings were correctly and compliantly held
- Assisting the sole director with the preparation and swearing of the notice of appointment of Administrators and ensuring, for the benefit of creditors, the protection of the Company's business and assets.
- Travel
- Advice concerning the financial control of the Company up to the date that the Company entered Administration, including ensuring, for the benefit of creditors, the protection of the Company's business and assets
- Preparing the necessary documentation for a director to swear to place the Company into administration.
- Internal discussions and preparation of strategy of the Administration and ensuring that the objectives of administration were appropriate
- Consultation with the sole director and staff as regards to the development of policies and procedures for the wind down processes

Attached at Appendix IV is a schedule summarising the time spent by Cork Gully LLP in the period prior to the administration. The pre-administration time costs incurred (excluding VAT) amount to £8,430. A fixed fee of £5,000 was paid to Cork Gully LLP prior to the Administration and the remaining incurred time costs of £3,430 were written off.

#### Expenses

The Joint Administrators' expenses for the administration of the Company total £156. These monies were paid to third parties on behalf of the Company by Cork Gully LLP as necessary expenses of the liquidation and comprised of the insolvency bond premium costs. The following table shows a breakdown of these expenses:

Supplier	Nature of Expense	Amount incurred (£)
Business Courts	Filing Fee	50
Various	Travel Costs, Subsistence and Other	106
<b>Total</b>		<b>156</b>

#### 10. Administrators' Remuneration and Expenses

The insolvency legislation allows different fee bases to be used for different tasks within the same appointment. The fee bases, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors or, failing which, the creditors in general meeting or the Court.

The alternative fee bases by which an office holder may now charge his fees for tasks within an appointment are either by reference to the time spent on attending to particular matters or, alternatively, either as a fixed fee or as a percentage of realisations. A copy of Cork Gully LLP's practice fee recovery policy is attached to this report which provides additional information in this regard.

Those responsible for approving the payments to an office holder or their associates should be provided with sufficient information to make an informed judgement about the reasonableness of the office holder's requests. This report is therefore written to comply with this requirement.

In accordance with Statement of Insolvency Practice 9, information which explains the ways in which an Administrator may be remunerated and sets out the information that should be made available to creditors before they are asked to consider a resolution to approve remuneration, called "A Creditor's Guide to Administrators' Fees", is available at:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. We have also provided further details in the practice fee recovery policy for Cork Gully LLP which is attached.

Alternatively, a paper copy may be requested from this office.

## **Fee Basis**

I am seeking to fix the basis of my remuneration on a time cost basis, i.e. by reference to time properly spent by me and my staff at our standard charge out rates, capped at an upper limit of £40,000 plus VAT and disbursements. This is the preferred basis as the final amount of work required cannot be identified with enough certainty for me to seek remuneration on a fixed or percentage basis.

I am seeking a specific resolution by written correspondence in this regard. Notice of such resolution is attached.

When I seek approval for my fees on a time cost basis I have to provide a fee estimate. That estimate acts as a cap on my time costs so that I cannot draw fees of more than the estimated total time costs without further approval from those who approved the fees.

My fee estimate for the total time costs to be incurred during the Administration is attached at Appendix V together with Cork Gully LLP's charge out rates and details of the minimum charging units. The estimate sets out the estimated total number of hours and total cost to undertake the required work, broken down by category of work to be undertaken and the grade of staff anticipated to undertake the work.

The fees estimate anticipates that my staff and I will spend a total of 116.50 hours on matters relating to the Administration at an average charge out rate of circa £343.15 per hour, totalling £40,000.

The fee estimate provides an average hourly rate (otherwise known as a "blended" rate) for each category of work to be undertaken. The blended rate is higher or lower for certain categories of work depending on the level of staff required to undertake the tasks within that category.

Based on present information, the routine and case specific work to be undertaken with regard to each category of work is also attached at Appenix V

The fee estimate provided is based on information available to date. Whilst all tasks may not have a direct benefit to creditors by way of maximising realisations to the estate, we are required to undertake them in accordance with statute or regulatory guidance or are necessary for the orderly conduct of the proceedings.

In the event the known asset realisations become protracted or our work leads to further areas of investigation and/or the identification of potential additional asset recoveries and any associated action, such as legal proceedings, it may be necessary to seek further creditor approval to draw fees in excess of the fees estimate.

## **Time costs incurred to date**

Up to 31 July 2018, my staff and I have spent 55.60 hours attending matters arising in the Administration at an average charge out rate of £296.38 per hour, totalling £16,479.00. I attach a breakdown of this time at Appendix V, together with Cork Gully LLP charge out rates and details of the minimum charging units.

The main work that has been undertaken to date is as follows:

### **Administration and planning**

- Dealing with the formalities of appointment
- Statutory notifications and advertising
- Opening physical case files and electronic case details on IPS Case Management software
- Case bordereau and insurance
- Securing and arranging collection of the Company's books and records
- Case planning, to include internal strategy meetings and discussions
- Dealing with post and all routine correspondence
- Preparing notice of Administrators' appointment to creditors
- Drafting this statutory report to accompany the Administrators' request for fee approval

### **Realisation of Assets**

- Review and analysis of the Company's account and bank statements
- Realising cash held by the Company's pre-appointment bankers

### **Creditors**

- Dealing with trade and expense creditor enquiries and correspondence to include written and verbal communications
- Maintaining creditor information on IPS Case Management Software

### **Investigations**

- Liaising with the Company's Directors with respect to enquiries into the Company's affairs
- Issuing of questionnaires to be completed by the director and former directors

### **Joint Administrators Expenses**

When requesting the basis of my fee authority, I am required to confirm the anticipated expenses that are likely to be incurred in administering the estate. Such expenses are categorised as either Category 1 or Category 2.

### Category 1 expenses

Category 1 expenses are directly referable to an invoice from a third party which is either in the name of the estate or Cork Gully LLP; in the case of the latter the invoices make reference to, and can therefore be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and company search fees.

The following schedule confirms the Category 1 disbursements incurred to date and the anticipated additional expense to be incurred in respect of this matter:

Expense	Expenses to date (£)	Estimated future expenses (£)	Supplier
Statutory Bonding	336	0	Marsh Limited
Statutory Advertising	0	158	Courts Advertising
Secure Destruction	0	unknown	JEG Storage Solutions
Mailshot to Madbid Users	£579	£579	Mailchimp
<b>Total</b>	<b>£915</b>	<b>£737</b>	

These disbursements are a necessary expense of administering the estate.

### Category 2 Expenses

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third-party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

Cork Gully LLP will not seek to charge or recover any category 2 disbursements incurred in respect of work undertaken on this assignment. Creditors' approval to draw category 2 disbursements is, therefore, not being sought on this occasion.

### 11. Administrators' Investigations

The Administrators have a duty to consider the conduct of those who have been directors or officers of the Company at any time in the three years preceding the administration and to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf.

Please provide any information you have that you consider will assist in this duty. The Administrators would stress that this request for information forms part of our normal investigation procedure and should not be taken as an indication that any action ought to be, or will be, taken.

### 12. EC Regulation on Insolvency Proceedings

The Administrators consider that the EC regulation on insolvency proceedings will apply to the Administration of Marcandi Limited. These proceedings will be the "main" proceedings as the Company's registered office and principal place of business is in the United Kingdom.

### 13. The Joint Administrators' Proposals

In order to achieve the objective set out at section 3 above, the Administrators formally propose to creditors that:

- 1 The Joint Administrators continue to manage the business, affairs and property of the Company with a view to achieving the statutory purpose of the Administration. In particular that they continue to:
  - i) realise and value the Company's assets and investigate any further assets
  - ii) sell the Company's assets at such time(s) and on such terms as considered appropriate
  - iii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or companies whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or companies which supplies or has supplied goods or services to the Company
  - iv) Do all such things and generally exercise all their powers as Joint Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals.
- 2 The Joint Administrators continue to investigate the circumstances of the failure of the Company and the conduct of its officers and former officers with a view to meeting their statutory duties under the Company Director Disqualification Act as well as considering whether any legal action ought properly to be brought on behalf of the Company against any party.

- 3 The Joint Administrators be at liberty to extend the term of the Administration beyond its first anniversary as necessary in the event that, in their opinion, the purpose of the Administration may be met following the expiry of the initial term of one year.
- 4 If sufficient assets become available to facilitate a dividend to unsecured creditors, the Administration will end by making a distribution to the unsecured creditors, and propose that Stephen Cork and Jo Milner are appointed Joint Liquidators of the Company and that we be authorised to act either jointly or separately in undertaking our duties as Liquidators. Creditors may nominate a different person(s) as the proposed liquidator(s), but they must make the nomination(s) at any time after these proposals are delivered to them, but before they are approved. Information about the approval of the proposals as discussed in the report.
- 5 If it appears that there will be insufficient funds to pay a distribution to unsecured creditors of the Company, the Administration will end by filing a Notice of Dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the Registrar of Companies three onths after the notice is registered.
- 6 The Administration of the Company will end by filing notice of dissolution with the Registrar of companies. The Company will then automatically be dissolved by the registrar of companies three months after the notice is registered.
- 7 The Administration of Company will end by giving notice to the Court, creditors and are Registrar of Companies that the objective of the Administration has been achieved.
- 8 Creditors consider and if thought fit appoint a creditorss committee to assist the Joint Administrators (such a committee must compromise between 3 and 5 creditors).
- 9 The Joint Administrators be remunerated at a time cost basis with regard to time properly spent by me and my staff at our standard charge out rates, capped at an upper limit of £40,000 plus VAT and disbursements, relating to the Administration of Marcandi Limited. Details of the work to be undertaken is outlined in Appendix VI.
- 10 The Administrators be discharged from liability under the Administration in accordance with Paragraphs 98 and 99 of Schedule B1 of the Insolvency Act 1986 immediately upon the Administrators' filing of their final progress report and vacating office.
- 11 The Joint Administrators be authorised to drawn the outstanding pre-administration fixed costs and expenses of £5,000 and £156 respectively, plus VAT, as an expense of the Administration.

#### 14. Approval of Proposals

The financial position of the Company means that it is likely to have sufficient assets to enable a dividend to be paid to the unsecured creditors of the Company. As a result, I am seeking a decision from the creditors to consider the proposals.

In this regard, please refer to Appendix VII where you will find relevant information and forms in repsect of the decision making process. Please be advised the completed voted form, together with a completed statement of claim form, must be received at my offices no later than 23:59 on 31 August 2018 in order for your vote to be counted.

#### 15. Further information

Should you require any further information relating to these proposals or the administration of the Company, please do not hesitate to contact Ben Parsons on 020 7268 2150 or at [benparsons@corkgully.com](mailto:benparsons@corkgully.com).

Yours faithfully  
For and on behalf of the Company



**Joanne Milner**  
Joint Administrator

Stephen Cork and Joanne Milner were appointed as Joint Administrators of the Company on 28 June 2018. The affairs, business and property of the Company are being managed by the Joint Administrators, who act as the Company's agent and without personal liability. Stephen Cork and Joanne Elizabeth Milner are both authorised to act as Insolvency Practitioners in the United Kingdom by the Institute of Chartered Accountants in England and Wales. The Joint Administrators' proposals report has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

At Cork Gully LLP we always strive to provide a professional and efficient service, however we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. If you should have cause to complain about the way that we are acting, you should, in the first instance, put details of your complaint in writing to our complaints officer Allister Manson at 6 Snow Hill, London, EC1A 2AY. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior partner unconnected with the appointment.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an online form available at [www.gov.uk/complain-about-insolvency-practitioner](http://www.gov.uk/complain-about-insolvency-practitioner); or you can email [ip.complaints@insolvency.gsi.gov.uk](mailto:ip.complaints@insolvency.gsi.gov.uk); or you may phone 0845 602 9848 - calls are charged at between 1p and 10.5p per minute from a land line, or for mobiles, between 12p and 41p per minute if you're calling from the UK

**Statutory Information**

**Company name:** Marcandi Limited t/a 'Madbid'

**Previous name:**

**Company number:** 06609609

**Date of incorporation:** 3 June 2008

**Trading Address:** 3 Loughborough Street  
London  
SE11 5RB

**Current registered office:** c/o Cork Gully LLP  
6 Snow Hill  
London  
EC1A 2AY

**Principal trading activity:** 47910 - Retail sale via mail order houses or via internet

**Date of appointment:** 27 June 2018

**Appointment made by:** Director of the Company

**Court name and reference:** High Court of Justice, The Business and Property Courts of England and Wales  
5351 of 2018

**Administrators appointed:** Stephen Robert Cork and Joanne Milner of Cork Gully LLP

**Officers of the Company:**

	Appointed	Resigned
Juha Koski	3 June 2008	To date
Daniel Rovira	1 December 2008	31 March 2016

	Book Value	Estimated to Realise
	£	£
<b>Assets subject to fixed charge</b>	N/A	N/A
<b>Uncharged assets:</b>		
Cash at Bank	104,000	104,000
Cash held by Third Parties	125,000	65,000
Warehouse Goods	19,848	10,353
Office Equipment	894	450
<b>Estimated total assets available for preferential creditors</b>	<b>249,742</b>	<b>179,803</b>

APPENDIX II CONT.

**A1 - Summary of Liabilities**

	<b>Estimated to Realise</b>
	£
<b>Estimated total assets available for preferential creditors (Carried from Page A)</b>	179,803
<b>Liabilities</b>	
Preferential Creditors:-	0
Employee Arrears of Wages and Holiday Pay	0
<b>Estimated deficiency/surplus as regards preferential creditors</b>	179,803
Debts secured by floating charge pre 15 September 2003	0
Other Pre 15 September 2003 Floating Charge Creditors	
	179,803
Estimated prescribed part of net property where applicable (to carry forward)	NIL
<b>Estimated total assets available for floating charge holders</b>	179,803
Debts secured by floating charges post 15 September 2003 (brought down)	NIL
<b>Estimated deficiency/surplus of assets after floating charges</b>	179,803
Estimated prescribed part of net property where applicable (brought down)	NIL
<b>Total assets available to unsecured creditors</b>	179,803
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
General Creditors from Appendix B	212,867
VAT Authorities	1,326,846
Licensor Fees	2,303,894
User Balances	300,000
Sub Loans/Deferred shares	0
	4,187,956
<b>Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)</b>	-3,963,804
Shortfall in respect of F.C's post 14 September 2003 (brought down)	
<b>Estimated deficiency/surplus as regards creditors</b>	-3,963,804
Issued and called up capital	
Shareholders	145,694
<b>Estimated total deficiency/surplus as regards members</b>	-4,008,153



## APPENDIX II CONT.

## COMPANY CREDITORS

Name of Creditor	Address (with postcode)	Amount of Debt (£)	Details of any security held	Date Security Given	Value of Security
Adyoulike	5 Merchant Square, North Wharf Road, Paddington, London, W2 1AY	£ 1,142.40	N/A		
Amazon Web Services	PO BOX 84023, Seattle, WA 98124-8423, United States	£ 17,064.59	N/A		
AQ Limited	13-15 Hunslet Road, Leeds, LS10 1JQ	£ 64.58	N/A		
BeaconSpark	St. Savion 5, Ramat Hasharon 472469, Israel	£ 6,140.49	N/A		
BeValued Limited	Technology Business Park, Moy Avenue, Eastbourne, East Sussex, BN22 8LD	£ 1,700.30	N/A		
Brennan Atkinson Limited	6 Boundary Rd, Swinton, M27 4EQ, United Kingdom	£ 2,161.75	N/A		
CLX Communications	Cap House, 4th Floor, 9-12 Long Lane, London, EC1A 9HA UK	£ 664.65	N/A		
DCMN	Boxhagener Straße 18 · 10245 Berlin · Germany	£ 8,378.56	N/A		
DHL International UK	The Tea Shed, Unit 6 Elizabeth Industrial Estate, Juno Way, London, SE14 5RW	£ 4,599.21	N/A		
IMD Fulfilment	International Marketing & Distribution Ltd., 11C Stephenson Rd, Clacton-on-Sea CO15 4XA, United Kingdom	£ 1,915.18	N/A		
iomart Hosting	11-21 Paul St, London, EC2A 4JU	£ 14,017.20	N/A		
Kemp Little	Cheapside House, 138 Cheapside, London, EC2V 6BJ	£ 184.80	N/A		
Ligatus GmbH	Christophstraße 19, 50670 Koeln, Germany	£ 11,894.48	N/A		
Markus Schierz - Tax Advisor	Odenwaldring 35, 64859 Eppertshausen	£ 415.02	N/A		
Outbrain EU	175 High Holborn, London, WC1V 7AA, United Kingdom	£ 82,167.71	N/A		
Portfast	Portfast Ltd, 7 Carter Knowle Road, Sheffield, S7 2DW	£ 686.28	N/A		
Taboola	33 Aldgate High Street Aldgate House 2nd Floor, London EC3N 1DL, United Kingdom	£ 57,077.08	N/A		
Turner Morum LLP	32-33 Cowcross Street, London, EC1M 6DF	£ 1,276.45	N/A		
Veho	PO Box 436, Southampton, Hampshire, UK SO30 9DH	£ 1,315.86	N/A		
		<b>£212,866.59</b>			

## APPENDIX III

<b>Statement of Affairs</b>		<b>From 27/06/2018 To 31/07/2018</b>
	£	£
	<b>Asset Realisations</b>	
104,000	Cash at Bank	106,761.33
		106,761.33
	<b>Cost of Realisations</b>	
	Statutory Advertising	152.28
	Storage Costs	2,321.54
	Wages and Salaries	436.52
		2,910.34
		<b>103,850.99</b>
	<b>Represented by</b>	
	Bank 2 Deposit	103,850.99
		<b>103,850.99</b>

## APPENDIX IV

## PRE-APPOINTMENT TIME COSTS

For the period to 27 June 2018

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
<b>Administration &amp; Planning</b>							
Statutory returns, reports & meeting	0.00	0.00	0.50	0.00	0.50	100.00	200.00
	0.00	0.00	0.50	0.00	0.50	100.00	200.00
<b>Pre Appointment</b>							
Initial meeting & general advisory	11.50	0.00	6.00	0.00	17.50	8,330.00	476.00
	11.50	0.00	6.00	0.00	17.50	8,330.00	476.00
<b>Total Hours</b>	<b>11.50</b>	<b>0.00</b>	<b>6.50</b>	<b>0.00</b>	<b>18.00</b>	<b>8,430.00</b>	<b>468.33</b>

Cork Gully LLP Charge-Out Rates

	From
	1 September 2013 (£)
Partners & Directors	495-620
Associates & Managers	350-450
Other Senior Professionals	240-290
Assistants & Support Staff	85-225

Time is charged in minimum units of 6 minutes.

## APPENDIX V

## POST-APPOINTMENT TIME COSTS

For the period 27 June 2018 to 31 July 2018

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
<b>Administration &amp; Planning</b>							
Statutory returns, reports & meeting	0.00	0.00	7.90	0.00	7.90	1,580.00	200.00
Initial post-appointment notification letters	0.75	0.00	13.20	0.00	13.95	3,105.00	222.58
Cashiering general, including bonding	0.00	0.00	0.20	0.10	0.30	64.00	213.33
Job planning & progression meetings & review	1.50	0.00	5.35	0.00	6.85	2,000.00	291.97
Collection of company records	0.50	0.00	0.00	0.00	0.50	310.00	620.00
Filing	0.00	0.00	0.10	0.00	0.10	20.00	200.00
Other	0.50	0.00	0.00	0.00	0.50	310.00	620.00
	<b>3.25</b>	<b>0.00</b>	<b>26.75</b>	<b>0.10</b>	<b>30.10</b>	<b>7,389.00</b>	<b>245.48</b>
<b>Creditors - General</b>							
General communications	0.00	0.00	0.50	0.00	0.50	100.00	200.00
<b>Creditors - Employees &amp; RPO</b>							
General communications	0.50	0.00	0.00	0.00	0.50	310.00	620.00
<b>Creditors - Unsecured</b>							
Reporting	2.00	0.00	0.00	0.00	2.00	1,240.00	620.00
General communications	1.00	0.00	2.10	0.00	3.10	1,040.00	335.48
Other	0.00	0.00	1.00	0.00	1.00	200.00	200.00
	<b>3.50</b>	<b>0.00</b>	<b>3.60</b>	<b>0.00</b>	<b>7.10</b>	<b>2,890.00</b>	<b>407.04</b>
<b>Realisation of Assets - General</b>							
Other tangible assets	0.00	0.00	4.40	0.00	4.40	880.00	200.00
Cash/bank	0.00	0.00	1.30	0.00	1.30	260.00	200.00
<b>Realisation of Assets - Floating</b>							
Book debts	0.50	0.00	0.00	0.00	0.50	310.00	620.00
Goodwill & IPR	1.00	0.00	0.00	0.00	1.00	620.00	620.00
Stock/WIP	2.50	0.00	0.00	0.00	2.50	1,550.00	620.00
Cash/bank	0.75	0.00	0.00	0.00	0.75	465.00	620.00
Funded Litigation	1.25	0.00	0.00	0.00	1.25	775.00	620.00
	<b>6.00</b>	<b>0.00</b>	<b>5.70</b>	<b>0.00</b>	<b>11.70</b>	<b>4,860.00</b>	<b>415.38</b>
<b>Trading</b>							
Sales and customers	0.00	0.00	2.90	0.00	2.90	580.00	200.00
Purchasers and suppliers	0.00	0.00	2.60	0.00	2.60	520.00	200.00
Employees & Payroll inc PAYE/NIC	0.00	0.00	1.20	0.00	1.20	240.00	200.00
	<b>0.00</b>	<b>0.00</b>	<b>6.70</b>	<b>0.00</b>	<b>6.70</b>	<b>1,340.00</b>	<b>200.00</b>
<b>Total Hours</b>	<b>12.75</b>	<b>0.00</b>	<b>42.75</b>	<b>0.10</b>	<b>55.60</b>	<b>16,479.00</b>	<b>296.38</b>

**Administration and planning**

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Maintaining physical case files and electronic case details on IPS Case Management software
- Case bordereau
- Insurance
- Securing and arranging collection of the Company's books and records
- Arranging storage of the Company's books and records
- Case planning, to include internal strategy meetings and discussions
- Case reviews as required by regulatory best practice
- Dealing with post and all routine correspondence
- Preparing statutory reports to creditors, including notice of Administrators' appointment and report to accompany the Administrator's request for fee approval
- Opening and managing the Joint Administrators' bank account and cashbook
- Ensuring statutory lodgement and tax lodgement obligations are met
- Travelling to and from the Company's premises

**Realisation of Assets**

- Review and analysis of accounts and bank statements
- Corresponding with pre-appointment bankers to freeze the Company's accounts and realise cash at bank
- Review of property leases and associated terms
- Review of the entities' affairs and records generally to ascertain no additional assets have been omitted from the statement of affairs
- Ongoing collection of debtors, including potential legal actions

**Creditors**

- Dealing with trade and expense creditor enquiries and correspondence to include written and verbal communications
- Maintaining creditor information on IPS Case Management software
- Adjudicating creditor claims
- Paying dividends
- Statutory reporting
- Calculating and adjudicating employee claims against the Company
- Dealing with the Redundancy Payments Service with respect to employee claims.

**Investigations**

- Liaising with the Company's directors with respect to enquiries into the Company's affairs
- Review of questionnaires completed by the director and former directors
- Review of books and records to identify any transactions or actions a liquidator may take against a third party in order to recover funds for the benefit of creditors
- Statutory investigations, including any required reporting under Company Directors Disqualification Act 1986 and file notes to comply with regulatory best practice

## TIME COSTS ESTIMATE AND DETAILS OF WORK TO BE UNDERTAKEN DURING THE ADMINISTRATION

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
<b>Administration &amp; Planning</b>							
Statutory returns, reports & meeting	0.00	0.00	9.80	0.00	9.80	1,960.00	200.00
Initial post-appointment notification letters	0.80	0.00	13.60	0.00	14.40	3,205.44	222.60
Cashiering general, including bonding	0.00	0.00	0.40	0.30	0.70	149.52	213.60
Job planning & progression meetings & review	3.20	0.00	11.40	0.00	14.60	4,263.20	292.00
Collection of company records	1.10	0.00	0.00	0.00	1.10	682.00	620.00
Filing	0.00	0.00	0.30	0.00	0.30	60.90	203.00
Other	0.40	0.00	0.00	0.00	0.40	248.00	620.00
	<b>5.50</b>	<b>0.00</b>	<b>35.50</b>	<b>0.30</b>	<b>41.30</b>	<b>10,569.06</b>	<b>245.48</b>
<b>Creditors - Fixed</b>							
General communications	0.00	0.00	1.20	0.00	1.20	240.00	200.00
<b>Creditors - Employees &amp; RPO</b>							
General communications	1.10	0.00	0.00	0.00	1.10	682.00	620.00
<b>Creditors - Unsecured</b>							
Reporting	4.80	0.00	9.00	0.00	13.80	8556.00	620.00
General communications	2.40	0.00	4.00	0.00	6.40	2147.07	335.48
Other	0.00	0.00	2.00	0.00	2.00	400.00	200.00
	<b>8.30</b>	<b>0.00</b>	<b>16.20</b>	<b>0.00</b>	<b>24.50</b>	<b>12,025.07</b>	<b>407.04</b>
<b>Realisation of Assets - General</b>							
Other tangible assets	0.00	0.00	9.50	0.00	9.50	1900.00	200.00
Book debts	0.40	0.00	0.00	0.00	0.40	248.00	620.00
Goodwill & IPR	2.30	0.00	0.00	0.00	2.30	1426.00	620.00
Stock/MIP	3.40	0.00	0.00	0.00	3.40	2108.00	620.00
Cash/bank	1.80	0.00	2.80	0.00	4.60	2852.00	620.00
Funded Litigation	2.60	0.00	0.00	0.00	2.60	1612.00	620.00
	<b>10.50</b>	<b>0.00</b>	<b>12.30</b>	<b>0.00</b>	<b>22.80</b>	<b>10,146.00</b>	<b>415.38</b>
<b>Investigations - General</b>							
SIP 2 Investigations	4.00	0.00	12.00	0.00	16.00	4,880.00	305.00
	<b>4.00</b>	<b>0.00</b>	<b>12.00</b>	<b>0.00</b>	<b>16.00</b>	<b>4,880.00</b>	<b>305.00</b>
<b>Trading</b>							
Sales and customers	0.00	0.00	5.50	0.00	5.50	1100.00	200.00
Purchasers and suppliers	0.00	0.00	4.60	0.00	4.60	920.00	200.00
Employees & Payroll inc PAYE/NIC	0.00	0.00	1.80	0.00	1.80	360.00	200.00
	<b>0.00</b>	<b>0.00</b>	<b>11.90</b>	<b>0.00</b>	<b>11.90</b>	<b>2,380.00</b>	<b>200.00</b>
<b>Total Hours</b>	<b>28.30</b>	<b>0.00</b>	<b>87.90</b>	<b>0.30</b>	<b>116.50</b>	<b>40,000.13</b>	<b>343.35</b>

**Administration and Planning**

- Preparing statutory documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Maintaining physical case files and electronic case details on IPS Case Management software
- Case bordereau and insurance
- Securing and arranging collection of the Company's books and records
- Arranging storage of the Company's books and records
- Case planning, to include internal strategy meetings and discussions
- Case reviews as required by regulatory best practice
- Dealing with post and all routine correspondence
- Preparing statutory reports to creditors for up to 4+ years, notice of Administrators' appointment and the report to accompany the Administrator's request for fee approval
- Formalities associated with meetings held
- Opening and managing the Joint Administrators' bank account and cashbook
- Ensuring statutory lodgement and tax lodgement obligations are met
- Travelling to and from the Company's premises
- Dealing with ad-hoc case related queries
- Dealing with security requirements for the premises

**Creditors**

- Dealing with trade and expense creditor enquiries and correspondence to include written and verbal communications
- Maintaining creditor information on IPS Case Management software
- Corresponding with employees and calculating preferential claims
- Manage retention and redundancy of staff members
- Liaising with the Redundancy Payments Office with regards to employee related claims
- Corresponding with landlords regarding outstanding rent
- Adjudicating creditor claims
- Paying dividends
- Statutory reporting

**Investigations (directors and general)**

- Liaising with the Company's directors with respect to enquiries into the Company's affairs
- Review of questionnaires completed by the director and former directors
- Review of books and records to identify any transactions or actions a liquidator may take against a third party in order to recover funds for the benefit of creditors
- Collection of records and records of advice from professional advisors.
- Statutory investigation, including preparing a return pursuant to the Company Directors Disqualification Act 1986 and file notes to comply with regulatory best practice

**Realisation of assets**

- Review and analysis of the Company's accounts and bank statements
- Corresponding with the Company's pre-appointment bankers to freeze the Company's accounts and realise cash at bank
- Review of Company's lease and associated terms
- Review of Company's affairs and records generally to ascertain no additional assets have been omitted from the statement of affairs
- Asset/trading specific insurance requirements
- Ongoing collection of the loans due to the Company with varying terms of up to 5 years
- Keep ongoing account of member balances and calculation of interest charges
- Ongoing collection of any outstanding flexible credit balances

**NOTICE OF VOTING ON DECISION BY CORRESPONDENCE**

**Marcandi Limited - In Administration (the "Company")**  
**Company Number: 06609609**

**In the High Court of Justice, Chancery Division, Companies Court**  
**Court Number: 5351 of 2018**

Notice is given by Stephen Cork and Joanne Milner to the creditors of Marcandi Limited that set out below are decisions for your consideration under paragraph 62 of Schedule B1 of the Insolvency Act 1986.

- 1 The Joint Administrators continue to manage the business, affairs and property of the Company with a view to achieving the statutory purpose of the Administration. In particular that they continue to:
  - i) realise and value the Company's assets and investigate any further assets
  - ii) *sell the Company's assets at such time(s) and on such terms as considered appropriate*
  - iii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or companies whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or companies which supplies or has supplied goods or services to the Company
  - iv) Do all such things and generally exercise all their powers as Joint Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals.
- 2 The Joint Administrators continue to investigate the circumstances of the failure of the Company and the conduct of its officers and former officers with a view to meeting their statutory duties under the Company Director Disqualification Act as well as considering whether any legal action ought properly to be brought on behalf of the Company against any party.
- 3 The Joint Administrators be at liberty to extend the term of the Administration beyond its first anniversary as necessary in the event that, in their opinion, the purpose of the Administration may be met following the expiry of the initial term of one year.
- 4 If sufficient assets become available to facilitate a dividend to unsecured creditors, the Administration will end by making a distribution to the unsecured creditors, and propose that Stephen Cork and Jo Milner are appointed Joint Liquidators of the Company and that we be authorised to act either jointly or separately in undertaking our duties as Liquidators. Creditors may nominate a different person(s) as the proposed liquidator(s), but they must make the nomination(s) at any time after these proposals are delivered to them, but before they are approved. Information about the approval of the proposals as discussed in the report.
- 5 If it appears that there will be insufficient funds to pay a distribution to unsecured creditors of the Company, the Administration will end by filing a Notice of Dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the Registrar of Companies three onths after the notice is registered.
- 6 The Administration of the Company will end by filing notice of dissolution with the Registrar of companies. The Company will then automatically be dissolved by the registrar of companies three months after the notice is registered.
- 7 The Administration of Company will end by giving notice to the Court, creditors and are Registrar of Companies that the objective of the Administration has been achieved.
- 8 Creditors consider and if thought fit appoint a creditorss committee to assist the Joint Administrators (such a committee must compromise between 3 and 5 creditors).
- 9 *The Joint Administrators be remunerated at a time cost basis with regard to time properly spent by me and my staff at our standard charge out rates, capped at an upper limit of £40,000 plus VAT and disbursements, relating to the Administration of Marcandi Limited. Details of the work to be undertaken is outlined in Appendix VI.*
- 10 The Administrators be discharged from liability under the Administration in accordance with Paragraphs 98 and 99 of Schedule B1 of the Insolvency Act 1986 immediately upon the Administrators' filing of their final progress report and vacating office.
- 11 The Joint Administrators be authorised to drawn the outstanding pre-administration fixed costs and expenses of £5,000 and £156 respectively, plus VAT, as an expense of the Administration.



**The final date for votes is 31 August 2018, the decision date.**

1. In order for their votes to be counted creditors must submit to me their completed voting form so that it is received at Cork Gully LLP, 6 Snow Hill, London, EC1A 2AY by no later than 23.59 hours on 31 August 2018. It must be accompanied by proof of their debt, (if not already lodged). Failure to do so will lead to their vote(s) being disregarded.
2. Creditors must lodge proof of their debt (if not already lodged) at the offices of Cork Gully LLP, 6 Snow Hill, London, EC1A 2AY by no later than 23.59 on 31 August 2018, without which their vote will be invalid.
3. Creditors with claims of £1,000 or less must have lodged proof of their debt for their vote to be valid.
4. Any creditors who have previously opted out from receiving documents in respect of the insolvency proceedings are entitled to vote on the decisions provided they have lodged proof of their debt.
5. Creditors may, within 5 business days of delivery of this notice to them, request a physical meeting of creditors be held to determine the outcome of the decisions above. Any request for a physical meeting must be accompanied by valid proof of their debt (if not already lodged). A meeting will be convened if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."
6. Creditors have the right to appeal the decision made by applying to Court under Rule 15.35 within 21 days of 31 August 2018, the decision date.

Please complete the voting section below indicating whether you are in favour or against these decisions and return this form, together with a statement of claim form, no later than 23:59 hours on 31 August 2018.

Should creditors require further information regarding the above, please contact Ben Parsons at [benparsons@corkgully.com](mailto:benparsons@corkgully.com), or by telephone on 020 7268 2150.



**Joanne Milner**  
**Joint Administrator**

**Dated: 14 August 2018**

**VOTING ON DECISIONS**

**Marcandi Limited - In Administration (the "Company")**  
**Company Number: 06609609**

**In the High Court of Justice, Chancery Division, Companies Court**  
**Court Number: 5351 of 2018**

- i). That the Administrators' proposals be approved.

**\*For / Against**

- ii) For the appointment of: \_\_\_\_\_

Of: \_\_\_\_\_

Representing: \_\_\_\_\_

As a member of the creditors committee.

**\*For / Against**

- ii). That the Administrators' pre-Administration costs, the details of which are set out in the Administrators' proposals and issued with the notice of the decision procedure, be approved.

**\*For / Against**

- iii). That the Administrators' be remunerated on a time cost basis with regard to time properly spent by me and my staff at our standard charge out rates, capped at an upper limit of £40,000 plus VAT and disbursements, relating to the Administration of Marcandi Limited. Details of the work to be undertaken is set out in the Administrators' proposals.

**\*For / Against**

**TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:**

Name of creditor: \_\_\_\_\_

Signature of creditor: \_\_\_\_\_

(Complete the following if signing on behalf of creditor, e.g. director/solicitor)

Capacity in which  
signing document: \_\_\_\_\_

Dated \_\_\_\_\_

## STATEMENT OF CLAIM

**Company Name** **Marcandi Limited (In Administration)**  
**Relevant Date for Claims** **27 June 2018**  
**Company Number** **06609609**  
**Registered Office** **c/o Cork Gully LLP, 6 Snow Hill, London, EC1A 2AY**

Creditor Name	
Creditor Contact Details	Address:          Email:          Telephone:
Amount Claimed	£

**Evidence of your claim must be attached to this form which may include copy invoices, statements, contracts or any other such documentation necessary to prove your claim.**

Signed \_\_\_\_\_ Date \_\_\_\_\_  
 Signature of creditor or person authorised to act on his behalf

Name \_\_\_\_\_  
 Please write in block letters

Position with or in relation to Creditor \_\_\_\_\_  
 e.g. director/solicitor/partner

Please complete and return to:  
 Ben Parsons  
 Cork Gully LLP  
 6 Snow Hill  
 London  
 EC1A 2AY

**NOTICE OF INVITATION TO FORM A CREDITORS' COMMITTEE**

**Marcandi Limited - In Administration (the "Company")**  
**Company Number: 06609609**

**In the High Court of Justice, Chancery Division, Companies Court**  
**Court Number: 5351 of 2018**

**NOTICE IS GIVEN** by Stephen Cork and Joanne Milner to the creditors of Marcandi Limited of an invitation to form a Creditors' Committee under rule 3.39 of The Insolvency (England and Wales) Rules 2016.

1. Creditors are invited to determine whether a Creditors' Committee should be established.
2. A Committee may be formed if a minimum of 3 and a maximum of 5 creditors are willing to become members.
3. Nominations can only be accepted for a creditor to become a member of the Committee if they are an unsecured creditor and have lodged a proof of their debt that has not been disallowed for voting or dividend purposes.
4. Please complete the section below, and include the name and address of any person you wish to nominate to act as a member of the Committee. The completed document should be returned to Ben Parsons, Cork Gully LLP, 6 Snow Hill, London, EC1A 2AY so that it is received by no later than 23.59 on 31 August 2018, the decision date.

**The final date for the decision about the formation of a Committee and for nominations for members of the Committee is 31 August 2018, the decision date.**

**Dated: 14 August 2018**



**Joanne Milner**  
**Joint Administrator**

**Marcandi Limited - In Administration (the "Company")**  
**Company Number: 06609609**

**In the High Court of Justice, Chancery Division, Companies Court**  
**Court Number: 5351 of 2018**

**Voting on Decision**

That a Creditors' Committee should be established.

**\*For/Against**

I wish to nominate the following creditor to act as a member of the committee:

Name of nominated creditor \_\_\_\_\_

**TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:**

Name of creditor: \_\_\_\_\_

Signature of creditor: \_\_\_\_\_

(Complete the following if signing on behalf of creditor, e.g. director/solicitor)

Capacity in which signing document: \_\_\_\_\_

Dated \_\_\_\_\_

**This form must be returned to Cork Gully LLP, 6 Snow Hill, London, EC1A 2AY or to  
benparsons@corkgully.com, no later than 11:59pm on 31 August 2018.**

## **PRACTICE FEE RECOVERY POLICY FOR CORK GULLY LLP**

**EFFECTIVE FROM 1 OCTOBER 2015**

### **Introduction**

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 and can be accessed at <http://www.icaew.com/en/technical/insolvency/creditors-guides>. Alternatively a hard copy may be requested from our office.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

### **Time cost basis**

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

#### Cork Gully LLP Charge out Rates

<b>Grade of staff</b>	<b>Charge-out rate per hour; effective from 1 Sept 2013 £</b>
Partners	495 - 620
Associate Partners / Managers	350 - 450
Other Senior Professionals	240 - 290
Assistants / Support Staff	85 - 225

These charge-out rates charged are reviewed on a periodic basis and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning;
- Investigations;
- Realisation of Assets;
- Creditors;
- Trading;
- Case specific matters.

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation.

The legislation changed on 1 October 2015 and we now have to set out a fees estimate whenever we seek our fee on a time cost basis. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

### **Percentage basis**

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we may now seek remuneration on a percentage basis more often. A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

### **Fixed fee**

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we may now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases

where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

#### **Members' voluntary liquidations and Voluntary Arrangements**

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

#### **All bases**

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements, which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

#### **Agent's Costs**

These will be charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

#### **Disbursements**

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Cork Gully LLP; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third-party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

Cork Gully LLP disbursements policy does not seek to charge or recover any Category 2 disbursements incurred in respect of work undertaken on any of their assignments.

#### **Complaints procedure**

At Cork Gully LLP we always strive to provide a professional and efficient service, however we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. If you should have cause to complain about the way that we are acting, you should, in the first instance, put details of your complaint in writing to our complaints officer Allister Manson at 6 Snow Hill, London, EC1A 2AY. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior partner unconnected with the appointment.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at [www.gov.uk/complain-about-insolvency-practitioner](http://www.gov.uk/complain-about-insolvency-practitioner); or you can email [ip.complaints@insolvency.gsi.gov.uk](mailto:ip.complaints@insolvency.gsi.gov.uk); or you



may phone 0845 602 9848 - calls are charged at between 1p and 10.5p per minute from a land line, or for mobiles, between 12p and 41p per minute if you're calling from the UK.