Rule 2 33

Form 2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company Caralot Limited	Company number 07133566
In the High Court of Justice Chancery Division, Birmingham District	Court case number 8005 of 2017

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

We

Dean Anthony Nelson
Smith Cooper
St Helen's House
King Street
Derby
DE1 3EE

Nicholas Charles Osborn Lee
Smith Cooper
158 Edmund Street
Birmingham
West Midlands
B3 2HB

*Delete as applicable

attach a copy of our proposals in respect of the administration of the above company.

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 3 March 2017

Signed _____
Joint Administrator

Dated 3 March 2017

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form The contact information that you give will be visible to searchers of the public record

Dean Nelson
St Helens House
King Street
Derby
DE1 3EE

Tel

DX Number

DX Exchange

SATURDAY

A61HH6NC
A26 04/03/2017 #222
COMPANIES HOUSE

When you have completed and signed this form, please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff CF14 3UZ **DX 33050 Cardiff**

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Caralot Limited – In Administration ("the Company")
High Court of Justice Chancery Division, Birmingham District Court Case No. 8005 of 2017

JOINT ADMINISTRATORS' STATEMENT TO CREDITORS PURSUANT TO RULE 2.33 OF THE INSOLVENCY RULES AND STATEMENT OF PROPOSALS UNDER PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED)

3 March 2017

Dean Anthony Nelson and Nicholas Charles Osborn Lee
Joint Administrators
Smith Cooper Limited
St Helen's House, King Street, Derby DE1 3EE

Dean Anthony Nelson and Nicholas Charles Osborn Lee were appointed Joint Administrators of Caralot Limited on 9 January 2017. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

Disclaimer Notice

- This Statement of Proposals ("Proposal" or "Proposals") have been prepared by Dean Nelson and Nicholas Charles Osborn Lee , the Joint Administrators of Caralot Limited, solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 (as amended) to lay before creditors a statement of their proposals for achieving the purposes of the Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- This Proposal has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company listed above.
- Any estimated outcomes for creditors included in this Proposal are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this Proposal for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 (as amended) does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Proposal.
- The Joint Administrators act as agent for Caralot Limited and contract without personal liability. The appointment of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Smith Cooper does not assume any responsibility and will not accept any liability to any person in respect of this Proposal or the conduct of the Administration.
- All licensed Insolvency Practitioners of Smith Cooper are licensed in the UK to act as Insolvency Practitioners.

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ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used:

"the Act"	Insolvency Act 1986 (as amended)
"the Rules"	Insolvency Rules 1986 (as amended)
"the Joint Administrators"	Dean Nelson and Nicholas Charles Osborn Lee
"the Company"	Caralot Limited (In Administration)
"the Bank" or "Natwest"	National Westminster Bank plc
"the Court"	High Court of Justice Chancery Division, Birmingham District
"EBIT"	Earnings before interest and tax
"RPO"	The Redundancy Payments Office
"ROT"	Retention of Title
"EOS"	Estimated Outcome Statement
"PP"	The Prescribed Part of the Company's net property subject to Section 176A of the Insolvency Act 1986 (as amended).
"QFCH"	Qualifying Floating Charge Holder
"SIP"	Statement of Insolvency Practice (England & Wales)
"JPS" or "agents"	John Pye & Sons, auctioneers and valuers of Nottingham
"The Lot"	The Lot (Derby) Limited (Company No. 10566868)

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1. BACKGROUND

1.1. Introduction

This report is addressed to the creditors of the Company and is prepared pursuant to Paragraph 49 of Schedule B1 of the Act, which requires the Joint Administrators to provide creditors with details of their Proposals to achieve the purposes of the Administration.

To assist the creditors and enable them to decide on whether or not to vote for the adoption of the Proposals, the following information is included in the report:

- background of the Company; and
- the circumstances giving rise to the appointment of the Joint Administrators.

The Joint Administrators think that there is insufficient property for a distribution to the unsecured creditors. Consequently and in accordance with Paragraph 52(1)(b) of Schedule B1 of the Act, the Administrators will not be convening a creditors' meeting to consider the Proposals, unless required to do so.

Should creditors of the Company, whose total debts amount to at least 10% of the total debts, wish to request that a meeting be held, they should complete the attached Form 2.21B (Appendix 10) and return it within the deadline stated. A deposit of £1,000 towards the costs of convening the meeting should be enclosed with the request. Such deposit may be repaid subject to the approval of the other creditors.

In the event that no request (in the prescribed manner) is received within 8 business days of issue of this statement, the Proposals will be deemed approved and a notice will be filed at Companies House.

Based on information presently available, the Joint Administrators' main proposal is that the Company exit the Administration by way of dissolution, although the Proposals contain alternatives should the Administration not proceed as planned.

For the purposes of this report, we will refer to the Company by the abbreviations set out on the previous page.

1.2. Background

Despite numerous requests, the director / former directors have not provided any information with regards to the background of the Company and the reasons for its financial decline and subsequent insolvency. Should this be provided, I will enclose this information in the next report to creditors, and will inform the requisite authorities regarding non-cooperation.

1.3. Overview of Financial Information

Extracts from the unaudited accounts for the 12 months to 31 March 2015, and 2016, and management accounts, showing the profit and loss to 31 August 2016, are shown below.

Please note that this information has not been verified by the Joint Administrators or by Smith Cooper. Furthermore, the comments below each table reflect management's explanations of the amounts included in the profit and loss account and balance sheet.

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Summary Profit and Loss Account

	Draft Management Accounts for year to 31 August 2016 £	Unaudited Statutory Accounts for year to 31 March 2016 £	Unaudited Statutory Accounts for year to 31 March 2015 £
Turnover	3,661,989	13,251,517	11,081,707
Cost of Sales	(3,306,717)	(12,137,752)	(10,212,417)
Gross Profit	355,272	1,113,765	869,290
Gross Margin %	9.7%	8.4%	7.8%
Other Expenses	(437,665)	(1,077,962)	(731,062)
Other Income	-	12,000	12,000
EBIT	(82,392)	47,803	150,228

Source: Management/Unaudited Accounts

Summary Balance Sheet

	Unaudited Statutory Accounts for year to 31 March 2016 £	Unaudited Statutory Accounts for year to 31 March 2015 £
Tangible assets	18,956	12,815
Intangible assets	304	697
Fixed assets	19,260	13,512
Current Assets		
Stock	921,352	1,164,605
Debtors	155,037	110,395
Cash at bank	51,824	23,947
	1,128,213	1,298,947
Liabilities		
Trade creditors	(436,909)	(687,296)
Tax	(62,608)	(50,535)
Bank	(-)	(49,452)
Other creditors	(627,816)	(464,807)
Provisions	(3,791)	(2,563)
Total Liabilities	(1,131,124)	(1,254,653)
Net Assets	16,349	57,806

Source: Unaudited Accounts

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1.4. Management and Employees

As at 9 January 2017, the Company did not have any staff as they were made redundant on 7 November 2016.

Sales	4
Accounts	2
Production	1
Other	3
	10

Statutory information on the Company, including details of the Director, Company Secretary, and Shareholders is provided at Appendix 1.

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2. THE CIRCUMSTANCES GIVING RISE TO THE APPOINTMENT OF THE JOINT ADMINISTRATORS

2.1. Events prior to the Administration

The Company's accountant, ADS Accountancy Limited referred the director to Dean Nelson of Smith Cooper due to the Company's precarious financial position and the fact that the Company had ceased to trade. Dean Nelson met with the director on 18 November 2016, to discuss the options available to the Company, albeit there was a paucity of financial information available to review at this meeting and was formally instructed to assist the Company on 24 November 2016.

The Company, prior to its failure / cessation of trade was due to feature in a TV series to be aired in 2017 and the Director was anxious that the business should continue in some form. This was in order that he could receive any royalties payable from this program, as this would help defray his Personal Guarantee liabilities as a consequence of the Company's failure. As such, the Director stated that it was his intention to set-up a new company and purchase the business, assets and goodwill of the Company.

Dean Nelson discussed with the Director, whether it would be more beneficial for the Company to be placed into Creditors Voluntary Liquidation ("CVL") rather than Administration. However, due to the fact that the Director wished to purchase the Company's trading name and goodwill and was willing to honour, in whole or part potential warranty claims from former customers, on 24 November 2016, the Director instructed this firm to assist in placing the Company into Administration to enable him to purchase the business and its assets with title. This would result in a better return for creditors than would be available if the Company were to be placed into CVL.

Furthermore, JPS were instructed to prepare a valuation of the Company's known plant, machinery, office equipment and motor vehicles, and to assist in removing certain chattel assets from the Company's former trading premises. The landlord subsequently took back possession of the property, and was not interested in re-letting it to the Director's new Company.

During this period, the proposed Joint Administrators were also contacted by various employees of the Company claiming that they had outstanding wage and holiday pay arrears which, was initially denied by the Director. Furthermore, Trading Standards contacted the proposed Joint Administrators with regards to complaints made against the Company by its customers and they were keen that the Company be placed into a formal insolvency process. This was to enable an Insolvency Practitioner to be appointed to progress investigations into the affairs of the Company and its director(s) to determine whether any rights of action exist that would result in enhanced realisations for creditors.

Despite several cancelled meetings and failure to provide various financial information in a timely manner, the Director eventually appointed the Joint Administrators on 9 January 2017.

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2.2. Details of the Appointment of the Joint Administrators

Dean Anthony Nelson and Nicholas Charles Osborn Lee, of Smith Cooper were appointed Joint Administrators of the Company by the Director on 9 January 2017, pursuant to Paragraph 22 of the Act.

The Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either one or both of them.

2.3. Purpose of the Administration

The statutory purpose of an Administration is split into three objectives.

1. To rescue a Company as a going concern (in other words a restructuring which keeps the actual entity intact). The Joint Administrators would comment that objective 1 was not achievable due to the cessation of trading prior to appointment. Accordingly this objective was not achievable and the Joint Administrators proceeded to objective two.

2. If the first purpose is not reasonably practicable (or the second purpose would clearly be better for the creditors as a whole), then the Joint Administrators must perform their functions with the objective of achieving a better result for creditors as a whole than would be obtained through an immediate Liquidation of the Company. This would normally envisage a sale of the business and assets as a going concern (or a more orderly sales process than in Liquidation) The Joint Administrators would comment that the Administration has enabled a sale of the business and assets to be achieved which has improved the overall position, but the Joint Administrators do not believe that ordinary, unsecured creditors will receive a dividend and, therefore, have not directly benefited Accordingly, the Joint Administrators do not consider it likely that this objective will be achieved and have therefore proceeded to objective three.

3. If neither of the first two parts of the purpose are reasonably practicable, the Joint Administrators must perform their functions with the objective of realising property in order to make a distribution to secured and/or preferential creditors as applicable. The Joint Administrators would comment that this objective will be achieved through the sale of the Company's assets and investigations into the director/ former directors conduct.

2.4. Electronic communication with creditors

In an effort to reduce the costs of the Administration, all communications with creditors, including updates and progress reports, are posted onto a website, which has been set up specifically for this purpose.

A letter will be issued to all creditors each time the website is updated with a statutory notice or report. All creditors' statutory notices will be retained on the website for 3 months after being uploaded to the site.

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3. MANAGEMENT OF THE COMPANY'S AFFAIRS SINCE THE APPOINTMENT OF THE JOINT ADMINISTRATORS

3.1. Introduction

As indicated earlier in this report, the director of the Company had expressed an interest in purchasing the business, being the trading name and remaining chattel assets.

Accordingly, following the Administrators appointment, the assets were insured and JPS were formally instructed to liaise with Mr Donald to agree an offer.

The amounts realised following the sale of the Company's chattels and goodwill is discussed further in Section 4 of this report.

3.2. Sales to connected parties

In accordance with the requirements of SIP13, details of the sales of assets to parties connected with the Company since the Joint Administrators' appointment are as follows

Shortly on appointment, Mr Nick Donald expressed an interest in purchasing the Company's business trading name, office equipment, plant, machinery and motor vehicles. Mr Donald is connected with the Company because he was the sole director and a shareholder of the Company on our appointment.

The Joint Administrators had instructed JPS, who are professional independent agents with adequate professional indemnity insurance, to dispose of the Company's assets using the most advantageous method available. Therefore, Mr Donald was invited to contact JPS directly to progress his interest. JPS weighed up the advantages of a swift sale, which would avoid the ongoing costs of storing and marketing the assets, against the potential of attracting a better offer, albeit that this would involve incurring more professional costs. JPS concluded that Mr Donald's offer was very likely to represent the best net realisation for the assets, and they recommended to the Joint Administrators that the offer be accepted.

Consequently, the Company's business trading name, plant, machinery, office equipment and motor vehicles were sold to The Lot (Derby) Limited ("The Lot")(Company No. 10566868), whose sole director and shareholder is Mr Donald, on 18 January 2017 for £21,500 plus VAT of £1,732, which is to be deferred over the following payment terms:-

Date	Amount inc VAT (£)
16 January 2017	12,000
13 February 2017	3,744
13 March 2017	3,744
13 April 2017	3,744
Total	**23,232**

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I can confirm that to date The Lot have paid a total of £8,000 and my agents have sold some garage equipment on The Lot's behalf, resulting in a further net contribution of £570. The Lot have missed their initial payment deadlines, and as such, my agents are now in the process of collecting the assets which are subject to our Retention of Title security.

3.3. Assets remaining to be realised

As discussed above, my agents are in the process of repossessing the Company's assets (should they still exist) due to non-payment of our sales invoice to The Lot. As such, these assets will be sold at auction and details of these sales will be reported in my next report to creditors.

3.4. Post appointment strategy

Immediately following our appointment, the Joint Administrators contacted the employees to progress their claims for arrears of pay and holiday pay from the RPO. Furthermore, the Company's chattel assets were insured and agents were instructed to liaise with Mr N Donald with regards to an offer to be received to purchase the business and its assets.

The Joint Administrators' staff are in the process of collating creditor claims and have handled creditors' queries as they have arisen which include telephone calls and correspondence.

Furthermore, the Joint Administrators have been contacted by Trading Standards to assist them with their investigations into various complaints made against the Company by customers. The Joint Administrators will continue to carry out their own investigations, in conjunction with Trading Standards, into the affairs of the Company and its director(s) and will update creditors in their next report, albeit, due to confidentiality reasons, it is unlikely that the Administrators will be able to report in great detail on this specific area of our investigations.

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4. DRAFT DIRECTOR'S STATEMENT OF AFFAIRS

4.1. Introduction

The Director has not, to date, submitted a signed Statement of Affairs A draft Statement of Affairs of the Company is attached at Appendix 3 for creditors' information. Due to a paucity of information, this has been prepared from information readily available to us such as unaudited financial accounts, creditor claims received and agents valuations, therefore no warranty can be given to the accuracy of the details stated therein.

If and when a signed Statement of Affairs has been received from the director, this will be filed at Companies House accordingly.

In accordance with the standard format of the Statement of Affairs form, no provision has been made in the Statement of Affairs for the costs of the Administration (including agents, legal and other professional fees).

The Joint Administrators have not carried out any work of the nature of an audit on the information.

There are a number of different classes of creditors within the Company. These include:

- **Secured creditors**: They have fixed and floating charge debenture security and, as such, are paid in priority to other creditors. However, the Company have not granted any such security in this instance
- **Preferential creditors**: These relate to specific employee wage arrears and holiday pay and are paid in priority to unsecured creditors.
- **Unsecured creditors**: They rank behind secured and preferential creditors and receive any surplus available from net realisations.

4.2. Assets

Plant and Machinery, Office Equipment and Motor Vehicles

At the date of Administration, the Company owned various motor vehicles, office equipment and plant and machinery which the director, Mr N Donald advised, had been removed from the Company's trading premises. This was due to the Company having ceased to trade, and to prevent any further rent accrual and the potential for creditors to distrain over the assets.

Prior to our appointment, the proposed Administrators instructed JPS to prepare an inventory, valuation and disposal strategy of the Company's chattel assets, but also taking into account that Mr Donald was interested in purchasing these assets.

JPS advised that these assets ought to be worth in the region of £19,905 on an in-situ basis, and, £14,755 on an ex-situ basis.

The director, Mr N Donald, in his capacity as director and shareholder of The Lot, made an offer of £21,500 (plus VAT where applicable) for these assets which was above what the agents considered to be achievable should the assets be sold at auction. Furthermore, this negated the costs of uplift and storage which would have been incurred should the agents have sold these at auction. Therefore, the agents recommended that this offer be duly accepted.

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As part of our investigations, the Joint Administrators will be reviewing the disclosed asset position to ensure that all assets have been accounted for.

4.3. Preferential claims

Preferential claims relating to employee wage arrears and holiday pay are expected to be paid by the RPO who will have a corresponding preferential claim against the Company.

Based on the claims received to date, the Administrators anticipate that claims from the employees and the RPO (for wages and holiday pay claims) will total some £9,004.

4.4. The Prescribed Part

The Company has not granted a floating charge to a creditor and consequently there will be no PP in the Administration.

4.5. Unsecured claims

There is insufficient information available to the Administrators to accurately provide details of the unsecured creditors' position at present. Those creditors scheduled on the Draft Statement of Affairs have been taken from claims received from creditors to date. However, it is anticipated that further claims will be received from creditors in due course.

Furthermore, we are aware of several complaints made to Trading Standards against the Company, and as such, we anticipate that further claims for compensation may be made in the Administration estate.

Accordingly, and based on current known information, we do not expect any funds to be available to pay a dividend distribution to the unsecured creditors of the Company in this matter, however we will continue to keep creditors appraised of developments.

4.6. The creditors' meeting

As the Joint Administrators do not expect that any funds will be available to the unsecured creditors, a meeting of creditors will not be held. A request in the prescribed manner that the Joint Administrators call a meeting can be made by creditors representing 10% or more of the total debts of the Company (individually or jointly). Creditors wishing to submit this request should complete the attached Form 2.21B and return it to the Joint Administrators no later than 16 March 2017.

A deposit of £1,000 towards the costs of convening the meeting should be enclosed with the request. This may be repaid if consent is given by creditors.

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5. PRE-ADMINISTRATION COSTS

5.1. Introduction

A Statement of Pre-Administration Costs is provided at Appendix 4.

Pre-Administration Costs are defined as the remuneration charged and expenses incurred by the Administrator (or other person qualified to act as such) before the Company entered into Administration but with a view to it doing so. Payment of unpaid Pre-Administration Costs as an expense of the Administration is subject to approval under Rule 2 67A and is not part of the Proposals subject to approval under Paragraph 53 of Schedule B1 of the Act.

5.2. Approval of costs

There will be no funds available to the unsecured creditors, therefore, approval of the unpaid Pre-Administration costs has been sought in accordance with Rule 2.67A(3)(b) of the Rules, which is outlined below.

Determination of whether and to what extent the unpaid Pre-Administration costs are approved for payment shall be:

- By the approval of each secured creditor of the Company, or
- If the Administrators have made, or intend to make, a distribution to preferential creditors, by the approval of:
  - each secured creditor of the Company, and
  - preferential creditors whose debts amount to more than 50% of the preferential debts of the Company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval.

Approval of requisite majority of preferential creditors is being sought in conjunction with the submission of this Proposal. The relevant creditors have been contacted under separate cover in this regard.

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6. JOINT ADMINISTRATORS' FEES AND EXPENSES

6.1. Introduction

The Joint Administrators' post-appointment time costs incurred to 3 March 2017 totals £12,578. These time costs are analysed at Appendix 5. The work has been categorised into the following task headings and sub categories:

- **Administration and Planning** includes such tasks as case planning and set-up, obtaining books and records, appointment notification, statutory reporting, compliance, cashiering, accounting and administrative functions
- **Realisation of Assets** includes such tasks as identifying and insuring assets, dealing with the sale of business and assets.
- **Investigation** includes such tasks as reporting on the Directors' conduct, investigating antecedent transactions and any other investigations that may be deemed appropriate and assisting with trading standards with any enquiries.
- **Creditors** include such tasks as creditor set up, communication and meetings, reviewing and agreeing preferential and unsecured claims. Also, dealing with trade creditors; dealing with customer creditors, employee issues; and submitting documentation to HM Revenue & Customs.
- **Other matters** include employee related issues, VAT and corporation tax issues.

A copy of the firm's charge-out rates is attached at Appendix 6.

"A Creditors' Guide to Administrators' Fees" is available for download at: https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_Fees_Oct_2015.pdf]
Should you require a paper copy, please send your request in writing to the Joint Administrators at the address on the front of this report and this will be provided to you at no cost.

There will be no funds available to the unsecured creditors other than by virtue of Section 176A(2)(a) of the Act; therefore, fixing the basis of the Joint Administrators' fees will be approved in accordance with the Rules, which are outlined as follows:

- In the absence of a creditors' committee, the basis of the Joint Administrators' fees may be fixed by approval of:
  - each secured creditor; or
  - if the Joint Administrators intend to make a distribution to preferential creditors, with the approval of each secured creditor and 50% of preferential creditors who respond to an invitation to consider approval.

The preferential creditors are being asked to approve the basis of the Joint Administrators' fees which will be:

(i) the basis of time properly given by the Joint Administrators and their staff in attending to matters as set out in the fees estimate, such time to be charged at the prevailing standard hourly charge out rates used by Smith Cooper at the time the work is performed (plus VAT);

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In line with the Act there is no requirement for unsecured creditors to pass a resolution in respect of the Joint Administrators' fees.

6.2. The Joint Administrators' expenses

A summary of the Joint Administrators' expenses incurred (excluding VAT if applicable) that relate to direct expenses, albeit not directly referable to a payment to an independent third party ("Category 2 disbursements"), are set out below.

Nature of expenses	Total (£)
Specific Bond	48.00
Mail Redirection	175 00
Statutory Advertising	73.00
Insurance of Assets	317.67
Total	**613.67**

6.3. Other professional costs

To advise on appropriate legal matters and to prepare required legal documentation to appoint the Joint Administrators, Nelsons Solicitors Limited were instructed being a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations.

In addition, JPS, a firm of chattel agents, were instructed by the Joint Administrators to undertake inventories and valuations of stock, plant and equipment, fixtures and fittings and other chattel assets where appropriate as well as to advise on the best method of disposal of those assets and to assist in their disposal.

All professional fees are based upon their recorded time costs incurred at their standard charge out rates and will be reviewed by the Joint Administrators' staff before being approved for payment.

The professional costs to date are summarised in the table below.

Name of lawyer/agent	NET (£)	VAT (£)	TOTAL (£)
Nelsons Solicitors Limited – Fees	1,000	200	1,200
Nelsons Solicitors Limited - Disbursements	171	17	188
JPS - Fees	1,228	245	1,473
Total	**2,399**	**462**	**2,861**

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6.4. Creditors' right to request information

Any secured creditor or, unsecured creditor with the support of at least 5% in value of the unsecured creditors or, with permission of the Court, may, in writing, request the Joint Administrators to provide additional information regarding fees or expenses to that already supplied within this document. Such requests must be made within 21 days of receipt of this report.

6.5. Creditors' right to challenge fees and/or expenses

Any secured creditor or, unsecured creditor with the support of at least 10% in value of the unsecured creditors or, with permission of the Court, may apply to the Court for one or more orders challenging the amount or the basis of fees which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred. Such applications must be made within 8 weeks of receipt by the applicant(s) of the report detailing the fees and/or expenses being complained of.

6.6. Estimated future fees and expenses

To assist the creditors in considering the proposed basis of the Joint Administrators' fees, further information on the work that the Joint Administrators propose to undertake together with their estimated fees and expenses is provided at Appendix 7.

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7. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

7.1. Director's conduct

As part of their statutory duties, the Joint Administrators will consider the conduct of the Director, former director and any person they consider a shadow or de facto director in relation to their management of the affairs of the Company and the causes of failure, and will submit a confidential report to the Insolvency Service.

As part of their investigations the Joint Administrators will consider, among other matters, the following:

- statutory compliance issues;
- misfeasance or breach of duty; and
- antecedent transactions (including transactions at an undervalue and preferences).

Creditors who wish to draw any matters to the attention of the Joint Administrators should write to the Joint Administrators at the address given on the front of this report

7.2. Exit routes from Administration

In accordance with the provisions of the Act, all Administrations automatically come to an end after one year, unless an extension is granted by the Court or with consent of the relevant creditors.

There are several exit routes which are available to the Joint Administrators such as:

- an application to Court (in the event of a Court appointment);
- filing a notice in Court and with the Registrar of Companies confirming that the purpose of Administration has been sufficiently achieved; or
- in the event that the Company has no property (or no remaining property to distribute), the Joint Administrators may notify the Registrar of Companies to that effect at which time the appointment of the Joint Administrators ceases and three months following that date usually the Company is dissolved.

In addition, the Joint Administrators could propose to place the Company into Creditors' Voluntary Liquidation, a Compulsory Liquidation or a Company Voluntary Arrangement.

The exit route chosen in relation to the Company will depend on the circumstances of the Administration when it is due to end. In view of the fact that the Joint Administrators still have work to do in pursuit of the Administration objective, it is not certain at this time what exit route will be appropriate as the end of the Administration approaches However, in view of the fact that at present it appears unlikely that there will be sufficient funds to pay a dividend distribution to unsecured creditors, moving the Company to dissolution appears most likely at this stage.

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Alternatively, if funds do become available for a distribution, the Joint Administrators may apply to the Court for the authority to make a distribution to unsecured creditors and then take the requisite steps to dissolve the Company.

The Joint Administrators propose to obtain discharge from liability in respect of any action of theirs at the time that they vacate office, whatever exit route from Administration is followed.

7.3. EC Regulations

Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that Regulation.

7.4. Third party assets

Should you believe that you own items that may have been present at the Company's former trading premises at the date of appointment, please contact the Joint Administrators as soon as possible.

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8. STATEMENT OF PROPOSALS

Caralot Limited - In Administration ("the Company")
High Court of Justice Chancery Division, Birmingham District Court Case No. 8005 of 2017

The Joint Administrators' Proposals are as follows:

1. the Joint Administrators continue to manage the affairs and any remaining assets of the Company and the settlement of all Administration expenses;

2. the Joint Administrators continue with their enquiries into the conduct of the Directors of the Company and continue to assist any regulatory authorities with their investigation into the affairs of the Company;

3. the Joint Administrators investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company;

4. the Joint Administrators be authorised to agree the claims of the preferential and unsecured creditors against each of the Company unless the Joint Administrators conclude, in their reasonable opinion, that the Company will have no assets available for distribution;

5. the Joint Administrators be authorised to distribute funds to the preferential creditors and when claims are agreed and funds permit and, in relation to other distributions to unsecured creditors, if the Court gives permission following an appropriate application in the event that the Joint Administrators consider it expedient to pay such distribution whilst the Company is in Administration;

6. the Joint Administrators do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion 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;

7. that, in the event that the creditors of the Company so determine, at a meeting of creditors, that a creditors' committee be appointed in respect of the Company comprising of not more than five and not less than three creditors of that Company:

8. That the creditors' committee, if one is appointed, be asked to agree that the basis of the Joint Administrators' fees be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters as set out in the fees estimate, such time to be charged at the prevailing standard hourly charge out rates used by Smith Cooper at the time the work is performed (plus VAT), and asked to agree the Joint Administrators' Category 2 disbursements;

9. That, in the absence of a creditors' committee, preferential creditors of the Company shall be asked to fix the basis of the Joint Administrators' fees by reference to the time properly given by the Joint Administrators and their staff in attending to matters as set out in the fees estimate, such time to be charged at the prevailing standard hourly charge out rates used by Smith Cooper at the time when the work is performed, plus VAT. In addition those creditors shall also be asked to agree the Joint Administrators' Category 2 disbursements on the bases disclosed in the Appendix to the Proposals;

10. albeit that the following does not form part of the Proposals subject to approval under Paragraph 53 of Schedule B1 of the Act, but it is subject to approval under Rule 2.67A of the Rules: that, if a creditors' committee is not appointed, the Joint Administrators' Pre-Administration Costs as detailed in the Appendix to the Joint Administrators' Proposals be approved by the preferential creditors.

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11. that, following the realisation of assets and resolution of all matters in the Administration, and as quickly and efficiently as is reasonably practicable, the Joint Administrators implement the most cost effective steps to formally conclude the Administration. This may include dissolution of the Company, whether or not it is preceded by the distribution of funds to unsecured creditors (with the Court's permission where requested), or alternatively, moving the Company into Creditors' Voluntary Liquidation ("CVL") or seeking the Company's Compulsory Liquidation, depending on which option will result in a better realisation for creditors;

12. that, if the Company were to be placed into CVL, the Joint Administrators propose to be appointed Joint Liquidators and any creditors' committee appointed will become the liquidation committee and that the basis of the Joint Liquidators' fees be fixed on the same basis as that of the Joint Administrators The creditors may nominate a different person to be Liquidator(s) provided the nomination is made before the proposals are approved by creditors. The Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally; and

13. that, in the absence of a creditors' committee, the preferential creditors of the Company agree that the Joint Administrators be discharged from liability immediately upon the Joint Administrators vacating office.

Yours faithfully
For and on behalf of Caralot Limited – In Administration

Dean Nelson
Joint Administrator

Dean Nelson and Nicholas Charles Osborn Lee were appointed Joint Administrators of Caralot Limited on 9 January 2017. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

All licensed Insolvency Practitioners of Smith Cooper are licensed in the UK to act as Insolvency Practitioners.

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CARALOT LIMITED (IN ADMINISTRATION)
STATUTORY INFORMATION

Company Name	Caralot Limited
Previous Names	N/A
Proceedings	In Administration
Court	High Court of Justice Chancery Division, Birmingham District
Court Reference	8005 of 2017
Date of Appointment	9 January 2017
Joint Administrators	Dean Anthony Nelson and Nicholas Charles Osborn Lee of Smith Cooper, St Helen's House, King Street, Derby DE1 3EE
Registered office Address	c/o Smith Cooper, St Helen's House, King Street, Derby DE1 3EE
Company Number	07133566
Incorporation Date	22 January 2010
Bankers	National Westminster Bank plc
Accountants	ADS Accountancy Limited
Company Secretary	N/A
Appointment by	The Director
Directors at date of Appointment	Nicholas Christopher Donald
Previous directors (during the last 3 years)	Jamie Caple Michael Connolly
Shareholdings (1000 ordinary shares)	Jamie Caple – 475 Michael Connolly – 50 Nicholas Christopher Donald - 475

APPENDIX 2

CARALOT LIMITED (IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT AS AT 3 MARCH 2017

Caralot Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 03/03/2017

S of A £		£	£
	ASSET REALISATIONS		
NIL	Intangible Assets - Number Plates	NIL	
2,300.00	Furniture & Equipment, Plant & Mach	NIL	
12,455 00	Motor Vehicles	8,569.70	
	Motor Vehicle Tax Refund	202.50	
	Finance Commission	331.75	
			9,103.95
	PREFERENTIAL CREDITORS		
(9,004.01)	Employees - Wage Arrears and Holida	NIL	
			NIL
	UNSECURED CREDITORS		
(256,916.24)	Trade & Expense Creditors	NIL	
(1,425 86)	Employees - Wage Arrears	NIL	
(16,935.32)	Employee - Redundancy Pay and PIL	NIL	
(261.20)	Natwest Bank Plc	NIL	
(115,171.98)	H M Revenue & Customs - VAT	NIL	
(93,218.17)	H M Revenue & Customs - PAYE / NI	NIL	
(35,000.00)	Loans	NIL	
			NIL
	DISTRIBUTIONS		
(1,000.00)	Ordinary Shareholders	NIL	
			NIL
(514,177.78)			**9,103.95**
	REPRESENTED BY		
	Floating Charge Account		534.25
	Bank 1 Deposit		8,569.70
			9,103.95

Dean Nelson
Joint Administrator

NB: The amounts above are stated net of VAT

APPENDIX 3

CARALOT LIMITED (IN ADMINISTRATION)
DRAFT DIRECTOR'S STATEMENT OF AFFAIRS

Caralot Limited
Statement Of Affairs as at 9 January 2017

DRAFT

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Assets subject to floating charge:		
Uncharged assets:		
Intangible Assets - Number Plates	304 00	NIL
Furniture & Equipment, Plant & Machinery	18,956.00	2,300.00
Motor Vehicles	346,592.00	12,455.00
Estimated total assets available for preferential creditors		14,755 00

Signature _____ Date _____

Caralot Limited
Statement Of Affairs as at 9 January 2017

A1 - Summary of Liabilities

		Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)		14,755.00
Liabilities		
Preferential Creditors:-		
Employees - Wage Arrears and Holiday Pay	9,004.01	
		9,004 01
Estimated deficiency/surplus as regards preferential creditors		5,750.99
Debts secured by floating charge pre 15 September 2003		
Other Pre 15 September 2003 Floating Charge Creditors		
		NIL
		5,750 99
Estimated prescribed part of net property where applicable (to carry forward)		NIL
Estimated total assets available for floating charge holders		5,750.99
Debts secured by floating charges post 15 September 2003		
		NIL
Estimated deficiency/surplus of assets after floating charges		5,750 99
Estimated prescribed part of net property where applicable (brought down)		NIL
Total assets available to unsecured creditors		5,750 99
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors	257,461.24	
Employees - Wage Arrears	1,425 86	
Employee - Redundancy Pay and PILON	16,935 32	
Natwest Bank Plc	261 20	
H M Revenue & Customs - VAT	115,171 98	
H M Revenue & Customs - PAYE / NIC	93,218.17	
Loans	35,000.00	
		519,473 77
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		(513,722 78)
Estimated deficiency/surplus as regards creditors		(513,722 78)
Issued and called up capital		
Ordinary Shareholders	1,000 00	
		1,000 00
Estimated total deficiency/surplus as regards members		(514,722.78)

Signature _____ Date _____

Smith Cooper
Caralot Limited
A4 - Preferential Creditors Statement of Affairs Figures

Key	Name	£
CE05	Employee Arrears of Pay and Holiday Pay	9,004.01
1 Entries Totalling		**9,004.01**

Signature _____

Smith Cooper
Caralot Limited
A5 - Unsecured Creditors Statement of Affairs Figures

Key	Name	£
CA00	ADS Accountancy	0.00
CA04	Atradius Collections Ltd	2,097.19
CA05	ADT Fire and Security Plc	0.00
CA06	Allianz Insurance plc NA/26087775	210.00
CB02	British Car Auctions	200,901.00
CD02	Derby C Council Rates 40576888	9,171.00
CD05	Ms Bess Donald	10,000.00
CD06	Derby City Council 40537883	537.05
CE03	Employee Wage Arrears	1,425.86
CE04	Employee - Redundancy and PILON	16,935.32
CF03	Financial Conduct Authority	545.00
CH00	H M Revenue & Customs VAT 991 4842 82	115,171.98
CH01	H M Revenue & Customs PAYE 507/LA45835	0.00
CH02	H M Revenue & Customs VAT 991 4842 82	0.00
CH03	H M Revenue & Customs PAYE	93,218.17
CH04	H M Revenue & Customs 623 30106 09118 A 09	0 00
CL02	Ms Jackie Lee	25,000.00
CN01	Next Gear Capital UK Limited	44,000.00
CN03	Natwest Bank Plc	261.20
EE00	Duncan Eyre	0.00
20 Entries Totalling		**519,473.77**

@ - Denotes associate creditor

Signature _____

CARALOT LIMITED (IN ADMINISTRATION)

STATEMENT OF PRE-ADMINISTRATION COSTS

1 GENERAL

Pre-Administration Costs are defined as the fees charged and expenses incurred by the Joint Administrators (or other person qualified to act as such) before the Company entered into Administration but with a view to it doing so.

This Statement gives a detailed analysis of the Pre-Administration Costs for Caralot Limited incurred by the Joint Administrators.

2 APPROVAL

Determination of whether and to what extent the unpaid Pre-Administration Costs are approved for payment shall be:

- By the approval of each secured creditor of the Company. or
- If the Joint Administrators have made, or intend to make, a distribution to preferential creditors, by the approval of:
  - each secured creditor of the Company, and
  - preferential creditors whose debts amount to more than 50% of the preferential debts of the Company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval.

Approval of a requisite majority of preferential creditors is being sought, in conjunction with the submission of this Proposal. The relevant creditors will be contacted under separate cover in this regard.

3 PRE-APPOINTMENT FEES AND EXPENSES INCURRED BY THE JOINT ADMINISTRATORS FOR CARALOT LIMITED (IN ADMINISTRATION)

As indicated in the Proposals, prior to the Administrators appointment, Smith Cooper met with the Company on 18 November 2016 to advise and assist the Directors in considering the Company's financial position and options available to it.

Following receipt of the Company's instructions, the actions taken by Smith Cooper are disclosed in detail in Section 3.2 of the Proposals.

The time incurred by the Administrators and their staff for the pre-appointment period to 9 January 2017, is summarised in the table attached to the end of this appendix, and amounts to £5,572 plus VAT representing 17 hours at an average hourly rate of £338 per hour.

The following is a summary of the work undertaken under the various categories:

Determining the financial position and strategy, including:

- Attendance at various meetings with directors to discuss the Company's financial position and options available to the Board as a result
- Attempting to review the Company's asset and liability position to determine the current financial position

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Board meeting conduct and filing Notice of Intention to Appoint an Administrator, including·

- Preparation of the engagement letter setting out the basis of the assignment
- Undertaking ethical and money laundering compliance

Obtaining offers for the sale of business and / or its assets / purchaser, including

- Arranging for insurance to protect the Company's assets whilst a sale was being negotiated
- Liaised with secured creditors with regards to stocking finance
- Liaising with Trading Standards with regards to complaints made against the Company
- Instructing agents to obtain a valuation of the Company's known chattel assets on a forced sale and going concern basis and advise on the appropriate disposal strategy
- Obtaining and reviewing agents' valuation of chattel assets and disposal strategy
- Discussing the offers with agents to ascertain whether the offer should be accepted and increased
- Liaising with the interested party confirming receipt of offer and payment terms / security

Appointment Formalities, including:

- Instructing solicitors to prepare the necessary documents to be filed at Court to appoint the Joint Administrators via the director
- Preparing statement of prior professional relationship

Fees totalling £5,572 (exclusive of VAT) remain unpaid as at the date of Administration and their payment:

- Requires approval from the secured and preferential creditors as discussed under section 2 of this document;

4 ANALYSIS OF EXPENSES INCURRED

To advise on appropriate legal matters and to prepare required legal documentation the Administrators instructed Nelsons Solicitors Limited a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations.

To date their unbilled costs have amounted to £1,000 (plus VAT) and disbursements of £170.70 (plus VAT where appropriate) and related to filing the Notice of Appointment of Administrator.

Nelsons Solicitors Limited's fees are based upon their recorded time costs incurred and the Joint Administrators' are content that the time costs incurred accurately reflect the complexity of the assignment.

Grade	Charge out rate (£ per hour)
Partner, Consultant	250 - 290
Associate	225
Solicitor 8 yrs +	225
Solicitor 4 – 8 yrs, Admitted Legal Executive 4 yrs +	215
Other Solicitors and Admitted Legal Executives, or equivalent experience	175
Trainee, Paralegal, Legal Assistant	125
Time costs are calculated using 6 minute units.	

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In addition, agents costs of £1,227.50 plus VAT, have been incurred by my chattel agent, John Pye & Sons ("JPS") of Nottingham. JPS is a firm of chattel agents with the appropriate expertise and experience in dealing with insolvency related valuations.

JPS was instructed by the Joint Administrators to undertake valuations of known plant and machinery, office equipment and motor vehicles, where appropriate.

JPS' fees are based upon their recorded time costs incurred and the Joint Administrators' are content that the time costs incurred accurately reflect the complexity of the assignment.

Their professional fees in undertaking this element of the assignment remain outstanding.

5 PRE-APPOINTMENT FEES AND EXPENSES INCURRED BY OTHER INSOLVENCY PRACTITIONERS

At the time of writing, the Administrators have not been made aware of any costs incurred by any other Insolvency Practitioners.

6 SUMMARY OF THE AMOUNT BEING SOUGHT

A request is being made to the relevant creditors (under separate cover) that the following pre-Administration fees and expenses be approved as expenses of the Administration:

- Smith Cooper fees totalling £5,571.80 (plus VAT)
- Nelsons Solicitors Limited fees totalling £1,000 plus disbursements of £171 (plus VAT)
- JPS fees totalling £1,227.50 plus VAT
- Total £7,970.30 (plus VAT)

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CARALOT LIMITED- IN ADMINISTRATION

SUMMARY OF TIME SPENT IN THE PERIOD TO 9 JANUARY 2017

CLASSIFICATION OF WORK FUNCTION	HOURS SPENT					TOTAL COSTS £	AVERAGE HOURLY RATE £
	Partners/ Directors	Manager	Other/Senior Professionals	Assistants & Support Staff	Total Hours		
Case Administration and Planning	16 40	-	0.10	-	16 50	5,571.80	337 68
Total Hours	16 40	-	0 10	-	16.50		
Total Costs £	5,559 60	-	12 20	-		5,571.80	337.68

CARALOT LIMITED (IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD FROM 9 JANUARY 2017 TO 3 MARCH 2017

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CARALOT LIMITED- IN ADMINISTRATION

SUMMARY OF TIME SPENT IN THE PERIOD FROM 9 JANUARY 2017 TO 3 MARCH 2017

CLASSIFICATION OF WORK FUNCTION	HOURS SPENT					TOTAL COSTS £	AVERAGE HOURLY RATE £
	Partners/ Directors	Manager	Other/Senior Professionals	Assistants & Support Staff	Total Hours		
Case Administration and Planning	9.20	15 10	5 40	12.05	41 75	7,525.95	180.26
Investigations	0.20	2 90	0 70	11.10	14 90	1,602 30	107 54
Realisation of Assets	2 30	0.70	-	-	3 00	907 10	302 37
Cashiering	0 80	0 40	-	4 70	5 90	734.10	124 42
Creditors	1.70	0.90	4 10	6 85	13 55	1,808 85	133 49
Total Hours	14.20	20 00	10 20	34 70	79.10		
Total Costs £	4,813 80	3,640.00	1,244 40	2,880 10		12,578.30	159.02

APPENDIX 6

CARALOT LIMITED (IN ADMINISTRATION)

THE CHARGE-OUT RATES AND BASES OF DISBURSEMENTS FOR SMITH COOPER

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SMITH COOPER

Derby | St Helen's House | King Street | Derby | DE1 3EE | 01332 332021
Nottingham | 2 Lace Market Square | Nottingham | NG1 1PB | 0115 945 4300
Birmingham | 158 Edmund Street | Birmingham | B3 2HB | 0121 236 6789
Ashbourne | 54 St John Street | Ashbourne | DE6 1GH | 01335 343 141
Buxton | 2a Grove Parade | Buxton | SK17 6AJ | 01298 24536
Leicester | 53 Windsor Street | Burbage | Leicestershire | LE10 2EE | 01455 614 500
Telford | M54 Space Centre | Halesfield Business Park | Halesfield 8 | Telford | TF7 4QN | 01952 601052

W smithcooper co uk
F 0121 285 1480

VAT 123354934

INFORMATION FOR CREDITORS IN RELATION TO FEES AND DISBURSEMENTS

INFORMATION RELEVANT AT 17 APRIL 2015

General information to creditors regarding insolvency matters

Creditors wishing to understand or find out more information in relation to this or any other type of insolvency process may visit the website:

http://www.creditorinsolvencyguide.co.uk/

This website is a step-by-step guide designed to help creditors navigate their way through an insolvency process and has been produced by R3, the UK insolvency trade body.

A creditors' guide to the fees payable in an insolvency process and the process an insolvency practitioner is required to adopt for seeking approval of his or her fees may be acquired from the following website:

https://www.r3.org.uk/what-we-do/publications/professional/fees

If any party is unable to obtain a copy of either of the above guides, please contact the individual referred to below who will furnish you with a copy, free of charge:

- Contact – Beth Naqwi
- Telephone – 01332 332021
- Email – beth.naqwi@smithcooper.co.uk
- Post – Beth Naqwi, Smith Cooper, St Helen's House, King Street, Derby, DE1 3EE

Sent from: Smith Cooper, 158 Edmund Street, Birmingham B3 2HB

Smith Cooper is the trading name of SC Advisory Services Limited, a company registered in England
Registered number 7678255
Registered Office: St Helen's House, King Street, Derby DE1 3EE
A list of directors is available for inspection at the above address

ICAEW LICENSED INSOLVENCY PRACTITIONER (UK) R3 RESCUE FINALIST

Dean Anthony Nelson and Nicholas Charles Osborn Lee are licensed in the UK as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales. Furthermore, they are both bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment When acting as Receiver, Administrative Receiver or Administrator they act as agent only, without personal liability and when acting as Administrator, the affairs, business and property of the company are being managed by them

Regulated by the Institute of Chartered Accountants in England & Wales for a range of investment business and consumer credit activities

Information specific to Smith Cooper

Grade	Charge out rate (£ per hour)
Partner	339
Director	243
Manager	182
Assistant Manager	182
Senior Insolvency Administrator	154
Administrator	122
Junior Administrator	83
Cashier	83
Other	58
Time costs are calculated using 6 minute units.	

The Office Holder does not recover the costs of support staff other than where their time is specifically incurred and can be identified in dealing with work undertaken on a specific engagement.

Agent's Costs

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

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP9) 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, being expenses directly referable to a third party, eg statutory advertising, external meeting room hire, specific bond insurance and courier costs, external archive, storage and subsequent destruction and Company Search fees, or Category 2, being expenses incurred by the firm and recharged to the estate, which may include a profit element, eg postage, stationery and storage.

Category 1 disbursements are recoverable in full from the estate without the prior approval of creditors. Category 2 disbursements are recoverable in full from the estate, subject to the basis of the disbursement allocation being approved by creditors in advance.

Category 2 disbursements are proposed to be recovered as follows:-

Postage	Charged at actual cost (first class)
Photocopying	Recharged at 17p per sheet
Storage	Charged at cost
Room Hire	£50 per meeting held Smith Cooper offices
Archiving case files & closure	Recharged at £42.70 per box
Archiving records & closure	Recharged at £9.55 per box
Mileage	45p per mile

CARALOT LIMITED (IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' ESTIMATED FEES AND EXPENSES

1 PROPOSED WORK TO BE UNDERTAKEN

As explained in the Proposals, substantial work needs to be undertaken in order to conclude the Administration. Set out in Section 2 below is a detailed list of tasks that the Joint Administrators have undertaken and propose to undertake The Proposals explain the work already undertaken and the most material future tasks are summarised in the sections below.

Creditors will note that, although much of the work is anticipated to provide a financial benefit to creditors, the Joint Administrators are required by law and by their regulatory body to conduct other work that might appear to have little or no financial benefit to creditors. In addition, there are other parts of the work about which the outcome, and consequently any financial benefit to creditors, is unclear at present. Creditors will receive updates on these matters in the Joint Administrators' progress reports. However, a summary of the likely return for creditors as the Joint Administrators estimate it currently is provided at Appendix 9.

1.1 Administration (including statutory reporting)

The Joint Administrators are required to meet a considerable number of statutory and regulatory obligations Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration, which ensures that the Joint Administrators and their staff carry out their work to high professional standards

Primarily, these tasks include:

- Issuing these Proposals, seeking preferential creditors' approvals to remuneration and issuing notice of the deemed approval or meeting if requested;
- Drafting and issuing 6-monthly progress reports to creditors;
- Considering whether an extension to the Administration is necessary and, if so, seeking approval for this via creditors or the court and issuing notice of the outcome;
- Considering which exit route from Administration is appropriate and filing the necessary documents, including a final report, to effect the exit;
- Consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
- Maintaining case files, which must include records to show and explain the administration and any decisions made by the Joint Administrators that materially affect the administration;
- Monitoring and maintaining an adequate statutory bond;
- Conducting periodic case reviews to ensure that the administration is progressing efficiently, effectively and in line with the statutory requirements;
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments;
- Completing periodic tax returns; and
- Collecting and making an inventory of the Company's books and records.

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1.2 Investigations

The Joint Administrators examine the conduct of the Company and its directors prior to the Administration with two main objectives:

- To identify what assets are available for realising for the benefit of creditors, including any potential actions against directors or other parties, such as challenging transactions at an undervalue or preferences; and
- To enable the Joint Administrators to report to the Insolvency Service on the conduct of the directors so that the Insolvency Service may consider whether disqualification proceedings are appropriate ("CDDA" work).

In the early stages of the Administration, this work will involve examining the Company's books and records, considering information received from creditors and the Company's accountants and seeking information from the Company's director and former directors and other senior staff by means of questionnaires and/or interviews.

In the event that questionable transactions are identified, it may be necessary to conduct further investigations and instruct solicitors to assist in deciding the Joint Administrators' next steps in pursuing a recovery. If a potential recovery action is identified, it may be necessary to instruct professional agents in gathering evidence and in exploring further the existence and value of assets to target. If the Joint Administrators encounter resistance in making a recovery, formal legal action may be appropriate.

In addition, if the Insolvency Service decides to proceed with a disqualification, the Joint Administrators will be required to assist the Insolvency Service's investigators in their work, which may include providing the investigators with access to the Company's books and records and agreeing statements to be given in evidence of those proceedings.

At this early stage, it is difficult to estimate the likely time costs and expenses that may be incurred in this work. The Fees and Expenses Estimates presented below reflect the anticipated work in identifying potential causes of action If any are identified and the Joint Administrators consider that additional work is required, they may revert to the relevant creditors to seek approval for fees in excess of the estimate.

1.3 Realisation of assets

The Proposals summarise the work carried out by the Joint Administrators to date in realising the Company's assets. The principal matters that require further work are:

- Collecting the deferred consideration for the sale of the business and assets as and when it becomes due;
- Liaising with agents and agreeing strategies with regards to any breaches of the payment terms from the purchaser;
- Maintaining appropriate insurance cover on the Company's assets until they have been disposed of.

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1.4 Creditors (claims and distributions)

As the Proposals explain, there a number of different classes of creditor involved in the Administration that require the Joint Administrators' attention In particular, the Joint Administrators anticipate conducting the following key tasks:

- Assisting the employees to receive payments from the Redundancy Payments Office ("RPO") and liaising with the RPO to agree its claim;
- Reviewing claims submitted by the tax departments and, where it is appropriate, examining the Company's records to appeal assessments or adjudicate on the Crown's claims;
- Responding to creditors' queries and logging their claims and supporting information;
- Maintaining the database as regards creditors' contact details and claims;

1.5 Proposed work to be undertaken by the Joint Liquidators

At present, it appears possible that there will be insufficient funds to pay a dividend distribution to unsecured creditors. Therefore, it is unlikely to move the Company into Creditors Voluntary Liquidation.

2 THE JOINT ADMINISTRATORS' FEES ESTIMATE

Please note that this estimate reflects the work undertaken and time anticipated to be incurred for the full period of the Administration and thus it includes the time already incurred, details of which are provided in Appendix 5.

3 THE JOINT ADMINISTRATORS' EXPENSES ESTIMATE

Below is the expenses estimate in respect of category 1 direct expenses and category 2 expenses, which will have an element of shared or allocated costs.

Please note that this estimate reflects the expenses anticipated to be incurred for the full period of the Administration and thus it includes expenses already incurred, details of which are provided elsewhere in the Proposals.

Expenses Category 1	**Basis**	**Estimate of total £**
Legal costs Flint Bishop Solictiors Limited will be instructed to provide advice in respect of potential rights of action	Time-costs/CFA	5,000
Agents and Valuers JPS has been instructed to provide a valuation and to assist with a sale of the company's business and assets	Time-costs/%	4,000
Advertising		73
Bonding		48
Mail redirection		175
Document storage		300
Online filing fee		30
Insurance		318
Total		9,944

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Expenses Category 2	Basis	Estimate of total

4 OTHER INFORMATION TO SUPPORT THE ESTIMATES

In summary, the Joint Administrators are seeking approval for their fees on the basis of time costs and they estimate that they and their staff will spend time totalling £27,754 in conducting the tasks above. This estimate includes the time spent to date of £12,578, as described in Appendix 5.

The fees and expenses estimates have been provided on the basis that:

- The Joint Administrators' investigations will not reveal any matters that require further investigation with a view to pursuing a recovery for the insolvent estate;
- The deferred sale consideration will be received in full as and when it becomes due;
- No exceptional work will need to be conducted in order to realise the remaining assets;
- There will be insufficient funds to pay a distribution to preferential and unsecured creditors ;and
- There will be no need to extend the Administration for more than one year, approval for which will be sought from the relevant creditors at an appropriate time.

On the basis of these assumptions, the Joint Administrators do not anticipate that it will be necessary to seek additional approval from the relevant creditors for fees in excess of the estimate However, in the event that the Administration does not proceed as envisaged, the Joint Administrators will seek approval for any fees that they wish to draw from the Administration estate in excess of the estimate.

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CARALOT LIMITED IN ADMINISTRATION

XXCA03

ADMINISTRATION

JOINT ADMINISTRATORS FEES ESTIMATE

SIP9 SubCategory / Staff Grade	Partner	Director	Manager	Senior Ad'or	Ad'or	Junior Ad'or	Cashier	Other	Total Hours	Charge	AvgRate
Administration and planning	8 60	-	13 50	-	14 80	8 40	10 00	-	55.30	8,794 00	159 02
Case Specific Matters	-	-	-	-	-	-	-	-	-	-	-
Cashiering	3 10	-	6.00	-		0 50	17 20	-	26 80	3,612 00	134 78
Creditors	1 20	-	4 00	-	10 50	9 70	-	-	25.40	3,283 90	129 29
Investigations	9.00	-	18 00	-	16 50	6 00	-	-	49 50	8,937.00	180 55
Realisation of assets	4 00	-	11 00	-	-	-	-	-	15 00	3,358 00	223 87
Special Projects	-	-	-	-	-	-	-	-	-	-	-
Trading	-	-	-	-	-	-	-	-	-	-	-
Total	25.90	-	52 50	-	41.80	24.60	27.20	-	172.00	27,984.90	162.70
Total Charge	8,780.10	-	9,555.00	-	5,350.40	2,041.80	2,257.60	-	27,984.90		

Above is the fee estimate in respect of the above case for the purpose of obtaining a time-costs resolution. The total amount estimated is £27,984.90 which represents 172 hours at an average hourly rate of £163 A list of Smith Cooper's current charge out rates is below.

Approval for the remuneration sought is based on a combination of the work done to date and an estimate of the work necessary to the completion of the administration of the case The Joint Administrators do not currently anticipate that it will be necessary to seek approval for fees in excess of this estimate. However, should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.

Smith Cooper's current charge-out rates

Staff	(£ per hour)
Partner (PA)	339
Director (DI)	243
Manager (MA)	182
Assistant Manager (AM)	182
Senior Administrator (SA)	162
Administrator (AD)	128
Junior Administrator (JA)	83
Cashier (CA)	83
Other (OT)	83

The Joint Administrators do not recover the costs of support staff other than where their time is specifically incurred and can be identified in dealing with work undertaken on a specific assignment.

APPENDIX 8

CARALOT LIMITED (IN ADMINISTRATION)
PROOF OF DEBT - FORM 4.25

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Rule 4.73 **Form 4.25**

PROOF OF DEBT - GENERAL FORM

In the matter of Caralot Limited
In Administration
and in the matter of The Insolvency Act 1986

Date of Administration Order 9 January 2017

1.	Name of Creditor	
2.	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4.	Details of any document by reference to which the debt can be substantiated. [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show.- (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	 £ £
6.	If total amount above includes outstanding uncapitalised interest please state amount	£
7.	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
9.	Particulars of how and when debt incurred.	
10.	Particulars of any security held, the value of the security, and the date it was given	£
11.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

APPENDIX 9

CARALOT LIMITED (IN ADMINISTRATION)
ESTIMATED OUTCOME STATEMENT

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Caralot Limited
(In Administration)
Joint Administrators' Estimated Outcome Statement
To 03/03/2017

Statement of Affairs £		Realised / Paid	Projected	Total £
	ASSET REALISATIONS			
NIL	Intangible Assets - Number Plates	NIL	NIL	NIL
	Plant & Machinery	NIL	8,660.00	8,660.00
2,300.00	Furniture & Equipment, Plant & Machinery	NIL	2,300.00	2,300.00
12,455.00	Motor Vehicles	8,569 70	3,885.30	12,455.00
	Motor Vehicle Tax Refund	202.50	NIL	202 50
	Finance Commission	331 75	NIL	331.75
		9,103.95	14,845.30	23,949.25
	COST OF REALISATIONS			
	Specific Bond	NIL	(48.00)	(48.00)
	Pre appointment Administrators fees	NIL	(5,571.80)	(5,571.80)
	Post appointment Administrators Fees	NIL	(6,035.25)	(6,035.25)
	Pre-appointment Agents Fees	NIL	(1,227.50)	(1,227.50)
	Post Appointment Agents Fees	NIL	(4,000.00)	(4,000.00)
	Pre-appointment legal fees	NIL	(1,170.70)	(1,170.70)
	Post-appointment legal fees	NIL	(5,000.00)	(5,000.00)
	Storage Costs	NIL	(300.00)	(300.00)
	Re-Direction of Mail	NIL	(175.00)	(175.00)
	Statutory Advertising	NIL	(73.00)	(73.00)
	Online filing fee	NIL	(30.00)	(30.00)
	Insurance of Assets	NIL	(318.00)	(318.00)
		NIL	(23,949.25)	(23,949 25)
	PREFERENTIAL CREDITORS			
(9,004.01)	Employees - Wage Arrears and Holiday Pay	NIL	NIL	NIL
		NIL	NIL	NIL
	UNSECURED CREDITORS			
(257,461.24)	Trade & Expense Creditors	NIL	NIL	NIL
(1,425.86)	Employees - Wage Arrears	NIL	NIL	NIL
(16,935.32)	Employee - Redundancy Pay and PILON	NIL	NIL	NIL
(261.20)	Natwest Bank Plc	NIL	NIL	NIL
(115,171.98)	H M Revenue & Customs - VAT	NIL	NIL	NIL
(93,218.17)	H M Revenue & Customs - PAYE / NIC	NIL	NIL	NIL
(35,000.00)	Loans	NIL	NIL	NIL
		NIL	NIL	NIL
	DISTRIBUTIONS			
(1,000.00)	Ordinary Shareholders	NIL	NIL	NIL
		NIL	NIL	NIL
(514,722.78)		9,103 95	(9,103.95)	NIL
	REPRESENTED BY			
	Floating Charge Account	534.25	NIL	534.25
	Bank 1 Deposit	8,569.70	NIL	8,569.70
		9,103.95	NIL	9,103.95

Dean Nelson
03 March 2017 14:49
Joint Administrator

APPENDIX 10

CARALOT LIMITED (IN ADMINISTRATION)
REQUEST MEETING - FORM 2.21B

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Form 2.21B

Rule 2.37

Creditor's request for a meeting

Name of Company	Company number
Caralot Limited	07133566
In the High Court of Justice, Chancery Division, Companies Court	Court case number 8005 of 2017

(a) Insert full name and address of the creditor making the request

I (a)

(b) Insert full name and address of registered office of the company

request a meeting of the creditors of (b)
Caralot Limited

St Helen's House
King Street
Derby
DE1 3EE

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and address(es) of creditors concurring with the request (if any) and their claims in the administration if the requesting creditor's claim is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of concurrence

(e) Insert details of the purpose of the meeting

The purpose of the meeting is (e)

Signed

Dated

CARALOT LIMITED (IN ADMINISTRATION)
STATEMENT OF ADMINISTRATORS PROPOSALS - FORM 2.17B

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