

Rule 1.26

The Insolvency Act 1986
Voluntary Arrangement's
Supervisor's Abstract of
Receipts and Payments
Pursuant to Rule 1.26(2)(b) of the
Insolvency Rules 1986

R.1.26(2)(b)

To the Registrar of Companies

For Official Use

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Company Number

07607684

Insert full name of
company

Name of Company

(EN) 10 (Global) Limited

Insert full name and
address

I/We Malcolm Fillmore
Arundel House
1 Amberley Court
Whitworth Road
Crawley
RH11 7XL

Andrew Pear
Arundel House
1 Amberley Court
Whitworth Road
Crawley
RH11 7XL

Insert date

supervisor(s) of a voluntary arrangement approved on

13 January 2015

present overleaf my/our abstract of receipts and payments for the period

From

13 January 2016

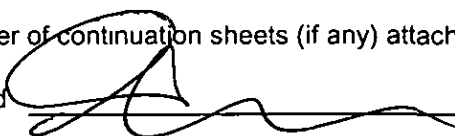
To

12 January 2017

Number of continuation sheets (if any) attached

☐

Signed



Date

9 March 2017

Presenter's name,
address and reference
(if any)

EN1001AP
(EN) 10 (Global) Limited

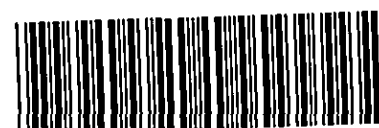
Malcolm Fillmore
BM Advisory
Arundel House
1 Amberley Court
Whitworth Road
Crawley
RH11 7XL

For Official Use

Liquidation Section

Post Room

FRIDAY



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A61WWH8X

10/03/2017

#43

COMPANIES HOUSE

HIGH COURT OF JUSTICE NO. 38/2015

**(EN) 10 (GLOBAL) LIMITED - SUBJECT TO A
COMPANY VOLUNTARY ARRANGEMENT ("the Company")**

**JOINT SUPERVISORS' ANNUAL PROGRESS REPORT TO MEMBERS AND CREDITORS FOR THE PERIOD
13 JANUARY 2016 TO 12 JANUARY 2017**

INTRODUCTION AND OUTLINE OF THE PROPOSALS

The Company Voluntary Arrangement ("the Arrangement") was approved at a meeting of creditors held on 13 January 2015 and I was appointed Joint Supervisor, together with Andrew Pear. This is my second annual report to members and creditors.

The Company was required to pay quarterly contributions of 30% of its post-Arrangement sales over a period of three years, which were subject to quarterly income and expenditure reviews.

At the time of the proposals, it was anticipated there would be two possible outcomes which would affect the level of post-Arrangement sales and thus contributions received:

1. If funding for a global marketing budget was provided by the manufacturer of the 'Chube' breathalyser kits, Akers Bioscience Inc ("ABI") (with which the Company has a global exclusive sub-licence to sell), total contributions were estimated to be £5,631,157.
2. Should marketing funding not be provided by ABI, post-Arrangement sales would be made to distributors only and total contributions were estimated to be £1,659,300.

As previously reported, ABI had sued Chubeworkx Guernsey Limited ("Chubeworkx"), the company holding the global exclusive licence to sell the 'Chube' breathalyser products, in respect of outstanding monies of circa USD 1,370,000. Chubeworkx counter-claimed stating that ABI had breached its intellectual property rights agreement. Given the Company held a global exclusive sub-licence from Chubeworkx, this had a material impact on its ability to trade.

ABI was previously providing quality assurance of the 'Chube' breathalyser kits by providing a three-year certificate of compliance and refreshing the certification when required by the customer. Since this is a requirement of the majority of customers, withdrawal of this service had a significant detrimental impact on the Company's ability to secure sales. The expiry dates on the Company's stock has either passed or is about to pass and thus it is considered the stock will only likely be of value to ABI.

ABI and Chubeworkx have now reached a settlement but as the working relationship between them has deteriorated, it cannot be relied upon moving forward. As a consequence, the Company will no longer be able to sell the 'Chube' breathalyser kits and therefore is no longer trading. Chubeworkx is considering an offer to buy the Company's stock as part of its settlement with ABI. We are currently awaiting a confirmed offer to the Company from Chubeworkx and it is anticipated that a settlement of the Arrangement will thereafter be proposed to creditors.

Due to the above issues, creditors approved the following variations to the Arrangement at the first anniversary:

1. That the Company makes quarterly payments of £4,500 commencing 13 April 2016, whilst negotiations take place with ABI. The payments are to be covered by an associated company, Sono International Limited.
2. That the Company's contribution due for the fourth quarter of the first year (of £2,078) is covered within the payment of £4,500 which the Company proposed to pay on 13 April 2016.
3. That the net realisations (after storage costs) from the Company's motor vehicles be treated as an asset of the Arrangement.

ASSET REALISATIONS AND PROGRESS OF THE ARRANGEMENT

Over the second year of the Arrangement, the contributions received from Sono International Limited were as follows:

	Contributions (£)
Quarter 1	4,500
Quarter 2	4,500
Quarter 3	4,500
Quarter 4	Awaited
Totals	13,500

As approved by creditors at the first anniversary, the Company's contribution of £2,078 which was due for the fourth quarter of the first year, was covered within the payment made in the first quarter of the second year. The Company has not yet paid the contribution for the fourth quarter which became due on 13 January 2016. If it is not received shortly, a Notice of Breach will likely be issued to the Company.

Net realisations from the Company's vehicles of £5,557 has been treated as an asset of the Arrangement in accordance with the variation approved by creditors at the first anniversary.

As mentioned, Chubeworkx is considering an offer to buy the Company's stock as part of its settlement with ABI and if and when an offer is received, we intend to seek an updated valuation from independent agent, Key Appraisal Limited, which valued the stock for the Arrangement proposal. It is therefore anticipated that a settlement of the Arrangement will likely be proposed to creditors within the next few months.

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts and Payments Account for the period from 13 January 2016 to 12 January 2017 and the whole period of the Arrangement is attached at **Appendix I** and shows a balance on hand of £215.

Estate funds were banked into a designated interest bearing estate account at a UK bank and accordingly there is no account held by the Secretary of State to reconcile the attached account.

LIABILITIES

Attached at **Appendix II** is a schedule of all known creditors in the Arrangement. The schedule details the amount as per the proposal and what has subsequently been claimed by the creditors and admitted for dividend purposes.

During this reporting period, we were contacted by HM Revenue & Customs ("HMRC") as the Company had outstanding corporation tax and PAYE returns for pre-Arrangement and post-Arrangement periods. The non-submission of the post-Arrangement returns was a breach of the Arrangement and a Notice of Breach was issued on 26 September 2016 accordingly. The Company remedied the breach by submitting all outstanding tax returns to HMRC and due to net profits being nil, there was no tax liability due. The directors' advised that there were no PAYE returns due as there had not been any employees for those periods and the PAYE registration had not yet been closed in error. The directors also confirmed that arrangements had been made to ensure closure of the Company's PAYE registration. I am satisfied that the Company has sufficiently remedied the breach.

DIVIDEND OUTLINE

Distributions are to be paid on 1 December of each year of the Arrangement, dependent on contributions received, and no distribution can be paid to scheme creditors until HMRC's final claim is received.

I would confirm that no final claim has been received from HMRC and no dividend has been distributed to scheme creditors to date due to this and insufficient funds received in the Arrangement.

There are no minimum dividend requirements under the Arrangement.

PRE-APPOINTMENT REMUNERATION

The creditors approved a nominees' fee of £10k plus Category 1 disbursements, as per the proposals.

This fee was paid in full by Sono International Limited, and is reflected in the at a BM Advisory, Sonos Limited's Bank of England (BoE) Account.

JOINT SUPERVISORS' REMUNERATION

At the meeting of creditors on 13 January 2015 it was agreed that the Joint Supervisors' be remunerated by reference to time properly spent by them and their staff in attending to matters arising from the Arrangement of the Company, capped at £30,000.

A total of 57.8 hours have been spent during this reporting period, from 13 January 2016 to 12 January 2017, at a cost of £14,049, resulting in an average hourly rate of £243. A summary of my time costs for this reporting period is attached at **Appendix III**, together with my time costs for the whole period of the Arrangement and BM Advisory's policy on fees.

I have drawn £20,247 to date, of which £20,049 was drawn in this reporting period.

A description of the routine work undertaken in the Arrangement is as follows:

Administration and Planning

This is work involved in the routine administrative functions of the case. It does not give direct financial benefit to the creditors, but has to be undertaken to meet our statutory requirements and obligations under the insolvency legislation and the Statements of Insolvency Practice.

- Dealing with all routine correspondence.
- Maintaining physical case files and electronic case details on insolvency case management software.
- Case planning, administration and ongoing strategy reviews.
- Maintaining and managing the Supervisor's cashbook and bank account.

Statutory compliance and reporting

This is work involved in the statutory functions of the case, together with the necessary control and supervision by senior staff. It does not give direct financial benefit to the creditors, but has to be undertaken to meet our statutory obligations.

- Statutory notifications and advertising.
- Preparation and issue of reports to members and creditors.
- Case bordereau.
- Convening and holding of the creditors' variation meeting.
- Completion of the variation meeting documentation and recording of votes received.
- Ensuring statutory lodgements are submitted and tax lodgement obligations are met.
- Issuing Notice of Breach in respect of post-Arrangement tax returns and ensuring issues were remedied.

Creditors

This is the work required to deal with the various creditors of the Company and maintain records of each claim. All queries and correspondence are dealt with as part of our statutory obligations.

- Dealing with creditor correspondence and telephone calls.
- Maintaining creditor information on insolvency case management software, including proof of debts received from creditors.

Realisation of Assets

This is work required to be undertaken to realise the known assets in the case for the benefit of the creditors, details of which are set out in this report.

- Monitoring the receipt of contributions.
- Liaising with the directors and Chubeworkx in respect of its potential offer to buy the Company's stock.

A copy of 'A Guide to Fees in Voluntary Arrangement' can be located on the following website which provides information relating to remuneration: www.r3.org.uk/index.cfm?page=1591. A hard copy is available on request.

JOINT SUPERVISORS' DISBURSEMENTS

During this reporting period, I have incurred disbursements of £1,220, a breakdown of which is detailed below. I have drawn £1,220 in this period. Details of disbursements already paid are reflected within my receipts and payments account.

	£	
Bonding	1,200	Category 1
Postage	20	Category 1
Total	1,220	

Category 1 disbursements do not need approval and can be drawn at the Supervisors discretion without authority.

I estimate that further disbursements of £59 in respect of storage of my files will likely be incurred to the closure of the Arrangement.

The following agents or professional advisors were engaged in this Arrangement and details of the payments made to them are reported in my receipts and payments account:

Professional/Agent	Nature of work	Fee arrangement
Key Appraisal Limited	Valuation of assets	Fixed fee of £1,750

It is anticipated that a further fee will be incurred with Key Appraisal Limited for an updated valuation of the Company's stock once an offer is received from Chubeworkx. Approval will be sought from creditors for any additional valuation fee in due course.

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

SUMMARY

Information about our complaints procedure, Professional Indemnity insurance and the Provision of Services Regulations, can be found at www.bm-advisory.com/about/legals-compliance/.

In accordance with Rule 1.26A of the Insolvency Rules 1986, a copy of this Report will be sent to the Registrar of Companies, the Company, its members and all creditors bound by the arrangement.

I shall report again on the next anniversary of my appointment, or with an earlier settlement (and closure) of the Arrangement, whichever is sooner.

**Voluntary Arrangement of
(EN) 10 (Global) Limited
Supervisors' Summary of Receipts & Payments**

Statement of Affairs £		From 13/01/2016 To 12/01/2017 £	From 13/01/2015 To 12/01/2017 £
	ASSET REALISATIONS		
NIL	Plant & Machinery	NIL	NIL
NIL	Fixtures, Fittings, Tools & Equipment	NIL	NIL
NIL	Motor Vehicles	NIL	5,556.64
NIL	Stocks/WIP	NIL	NIL
NIL	Book Debts	NIL	NIL
NIL	VAT Refund	NIL	NIL
NIL	Prepayments	NIL	NIL
NIL	Cash at Bank and in Hand	NIL	NIL
	DNU - CVA Contributions	4,500.00	9,000.00
	Bank Interest Gross	16.96	26.68
Uncertain	CVA Contributions	9,000.00	9,000.00
NIL	Land and Buildings	NIL	NIL
	Contribution to Nominee's costs	NIL	10,443.07
		13,516.96	34,026.39
	COST OF REALISATIONS		
	Nominee's Fee	NIL	10,000.00
	Joint Supervisors' remuneration	20,048.89	20,247.00
	Joint Supervisors' Disbursements	1,219.92	1,219.92
	Travel	NIL	26.88
	Valuers Fees	NIL	1,750.00
	Legal Filing Fees	NIL	180.00
	Postage	NIL	38.08
		(21,268.81)	(33,461.88)
	UNSECURED CREDITORS		
(196,857.46)	Trade & Expense Creditors	NIL	NIL
(1,806.86)	Ex-employee expenses	NIL	NIL
(5,975,855.52)	Intercompany debts	NIL	NIL
(10,952.98)	Directors	NIL	NIL
		NIL	NIL
(6,185,472.82)		(7,751.85)	564.51
	REPRESENTED BY		
	Vat Receivable		350.00
	Bank 1 Current		214.51
			564.51

(EN) 10 (Global) Limited
Creditor Claims Summary Report

Key	Name	Rep. By	S of A £	Claim £	Agreed Claim £
CE00	(EN) 10 (Guernsey) Ltd		2,581,073.10	0.00	Agreed Nil Claim
CE01	(EN) 10 (Malta) Ltd		1,206,518.40	0.00	Agreed Nil Claim
CA01	Afnor Normalisation		1,478.79	1,460.08	1,460.08 (U)
CM00	Andy Miller		1,806.86	0.00	0.00
CA00	Armoury Supplies Ltd 1064a		15,244.80	16,769.28	0.00
CB02	Bidborough Services Station		250.09	0.00	0.00
CD00	Blink of an Eye Ltd T/a Blink 360		3,783.36	0.00	0.00
CC01	Clasquin SA		61,795.50	61,795.50	0.00
CC00	Cooper Gay & Co Ltd B0738MC0031701		6,550.00	0.00	0.00
CD01	Denny Bros Ltd EN03		443.70	0.00	0.00
CD02	Duran Dogan Printing and Packaging Inc		13,534.04	0.00	0.00
CE02	Elavon Merchant Services		991.60	0.00	0.00
CE03	Ellis & Co		54.38	0.00	0.00
CF00	Fabry		4,249.73	0.00	0.00
CG00	Gemini Digital 04 EN10		267.60	0.00	0.00
CH00	HM Revenue & Customs		0.00	0.00	0.00
CR00	Hugh Robinson		10,952.98	0.00	0.00
CI00	Index Flexico Ltd (formerly Index Plastics Ltd)		11,758.44	12,392.53	12,392.53 (U)
CK00	Kendo Contracts Ltd TS/MIS00218		9,245.76	9,245.76	9,245.76 (U)
CK01	Kite Packaging Limited		1,800.00	0.00	0.00
CL01	Language Link		124.48	0.00	0.00
CL00	Logins		1,731.89	0.00	0.00
CM02	Moore Stephens LLP		4,449.06	0.00	0.00
CN00	NDC Cleaning Ltd		504.00	0.00	0.00
CP00	Posterscope Contact		13,765.37	0.00	0.00
CR01	Riverside Medical		1,496.00	249.32	249.32 (U)
CS01	S3V Service Comptabitte		23,912.43	15,843.46	15,843.46 (U)
CS03	Sofradec		755.13	0.00	0.00
CS08	Sono International Limited		2,185,813.00	0.00	0.00
CS05	Spatial Global Ltd		1,262.06	0.00	0.00
CS06	Still Traduction		210.46	0.00	0.00
CS07	Stuff Advertising Ltd		2,250.00	2,250.00	2,250.00 (U)
CT00	The Brand Practice Ltd		2,451.02	0.00	0.00
CT02	The Desk (UK) Ltd t/a Print Sign Design A02YP192		4,624.80	0.00	0.00
CT03	Tripudio Ltd EN10		45.75	0.00	0.00
CP02	Vice Admiral Rory A.I. McLean		9,025.85	0.00	0.00
CV00	Virtual Lease Services Limited		431.85	0.00	0.00
CW00	Westminster City Council Equita Ref 15515090 / Pin No: 0953		820.54	0.00	0.00
38 Entries Totalling			6,185,472.82	120,005.93	41,441.15

U - Unsecured

Joint Supervisors' time costs

For the period

1. Introduction

Classification of Work	Hours by Staff Grade							Total Cost £	Average Hnly Rate £
	Work Analysis	Partner	Senior Administrator	Cashier	Administrator 1	Senior Manager	Associate Director		
Administration and Planning	Work Analysis	+							
	Bal	+	0.00	1.00	0.60	0.00	0.00	1.60	309.00
	Case Accounting		0.00	2.60	3.70	0.10	0.10	6.50	1,119.50
	Partners Review		0.30	0.00	0.00	0.00	0.00	0.30	380.00
Asset Realisation	Strategy and Planning	+	0.60	0.00	0.00	0.00	0.00	0.60	228.00
	Asset Realisation (other)	+	1.40	15.60	0.00	0.00	0.00	17.00	4,276.00
	Unsecured Creditors	+	0.00	3.50	0.00	0.10	0.00	3.60	855.50
	Statutory Compliance		1.60	9.50	0.00	0.00	0.00	11.10	2,888.00
Statutory Compliance	Statutory Reporting		1.00	12.60	0.00	0.00	0.00	13.60	3,419.00
	Tax & VAT	+	0.00	3.50	0.00	0.00	0.00	3.50	840.00
Grand Total		+	4.90	48.30	4.30	0.10	0.10	57.80	14,049.00

13 January 2015 to 9 March 2017

Classification of Work	Hours by Staff Grade							Grand Total	Total Cost £	Average Hly Rate £	
	Work Analysis	Partner	Senior Administrator	Junior	Cashier	Administrator 1	Senior Manager				Associate Director
Administration and Planning	Bul	0.30	3.50	0.00	1.20	0.30	0.00	0.00	5.30	1,094.50	206.51
	Case Accounting	0.00	5.30	0.75	7.30	0.40	0.30	0.10	14.15	2,789.00	161.77
	Meetings	0.00	1.50	0.00	0.00	0.00	0.00	0.00	1.50	277.50	185.00
	Partner Review	2.10	0.00	0.00	0.00	0.00	0.00	0.00	2.10	798.00	380.00
	Strategy and Planning	0.60	18.30	0.00	0.00	0.00	0.00	0.00	18.90	4,108.50	217.38
Asset Realisation	Freehold/Leasehold Property	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.20	23.00	115.00
	Asset Realisation (floating)	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.20	76.00	380.00
	Asset Realisation (other)	2.00	24.90	0.00	0.00	0.00	0.00	0.00	26.90	6,620.50	246.12
Creditors	Unsecured Creditors	0.00	6.00	0.00	0.00	0.10	0.00	0.00	6.10	1,362.00	223.78
Solvency Compliance	Solvency Compliance	1.90	10.50	0.00	0.00	0.00	0.00	0.00	12.40	3,442.00	261.45
	Solvency Reporting	1.00	18.90	0.00	0.00	0.00	0.00	0.00	19.90	4,584.50	230.38
	Tax & VAT	0.00	3.70	0.00	0.00	0.00	0.00	0.00	3.70	877.00	237.03
Grand Total		8.10	92.60	0.75	8.70	0.80	0.30	0.10	111.35	25,352.50	227.68

BM ADVISORY

STATEMENT OF POLICY ON FEES IN INSOLVENCY PROCEEDINGS

Introduction

This statement has been prepared in accordance with guidelines set out in Statement of Insolvency Practice 9 issued by the Association of Business Recovery Professionals (R3).

The following information applies to all appointments of partners, directors, consultants or staff of BM Advisory, to act as any of the following:-

Liquidator, Receiver, Administrator or Administrative Receiver of a Limited Company or Limited Liability Partnership
Trustee in Bankruptcy
Supervisor of an Individual, Company or Partnership Voluntary Arrangement
Administrator under the Insolvent Estates Order

When acting as Nominee, the provisions of the Insolvency Act 1986 ("the Act") require that the amount of the fees payable to the Office Holder be specified within the Debtor's proposals. Such fees will nevertheless be fixed to take account of the Office Holder's expected time costs arising as referred to below.

Policy on fees

In accordance with the Act, the Office Holder may seek approval of their remuneration either on a fixed fee basis, on a percentage basis or on a time costs basis. When an Office Holder's fees are charged by reference to time costs, they will be charged at the firm's usual rates applicable at the time the work is carried out. Rates may be varied from time to time, at the sole discretion of BM Advisory, and such changes will be notified in retrospect with each report to Creditors. It is the policy of BM Advisory to use as junior grade of staff as compatible with the efficient conduct of the matter in order to ensure costs are kept to a minimum. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

As at 1st March 2014 the rates applicable are

Grade	£
Partner 1	430
Partner 2	380
Associate Director	360
Senior Manager	340
Manager	310
Assistant Manager	285
Senior Administrator	240
Administrator 1	185
Administrator 2	155
Junior Administrator	125
Cashier	115
Support staff	85

Rates vary between individuals, reflecting experience and qualification. For certain more complex tasks, BM Advisory may seek to apply a higher rate in respect of work undertaken, but subject to prior authorisation in accordance with the Act.

Further information on the manner in which an Office Holder's fees may be fixed, can be found in the guidance notes on our website. www.bm-advisory.com/resources/.

Disbursements

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 case or BM Advisory; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the case. These disbursements are recoverable in full from the case without the prior approval of creditors either by a direct payment from the case or, where BM Advisory has made payment on behalf of the case, 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 and specific bond insurance.

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

It is proposed that the following Category 2 disbursements are recovered:

Meeting room hire	Up to £200
Creditors' Portal	£10 per report
Postage	£0.51 - £2.25
Mileage (per mile)	£0.45
Photocopies (per sheet)	£0.15
Storage (per box per month)	£0.35

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.