

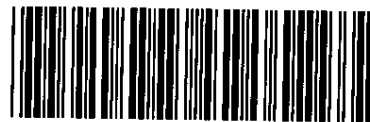
AM03

Notice of administrator's proposals



Companies House

THURSDAY



A18 *A6ZCNR40* 08/02/2018 #140
COMPANIES HOUSE

1 Company details

Company number 07773657

Company name in full Channon Solicitors Limited

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

2 Administrator's name

Full forename(s) David

Surname Thornhill

3 Administrator's address

Building name/number 7th Floor

Street Ship Canal House

Post town 98 King Street

County/Region Manchester

Postcode M24WU

Country

4 Administrator's name

Full forename(s) Benny

Surname Woolrych

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

5 Administrator's address

Building name/number 7th Floor

Street Ship Canal House

Post town 98 King Street

County/Region Manchester

Postcode M24WU

Country

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

AM03

Notice of Administrator's Proposals

6 Statement of proposals

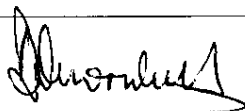


I attach a copy of the statement of proposals

7 Sign and date

Administrator's
Signature

Signature



Signature date

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AM03 Notice of Administrator's Proposals



Presenter information

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

Contact name	David Thornhill
Company name	FRP Advisory LLP
Address	7th Floor Ship Canal House
Post town	98 King Street
County/Region	Manchester
Postcode	M 2 4 W U
Country	
DX	
Telephone	0161 833 3344



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Channon Solicitors Limited (In Administration)
The Joint Administrators' Proposals
6 February 2018

Contents and abbreviations



Section	Content	The following abbreviations are used in this report:	
1.	Introduction and circumstances giving rise to the appointment of the Joint Administrators	CVA	Company Voluntary Arrangement
2.	Conduct of the administration	CVL	Creditors' Voluntary Liquidation
3.	The Joint Administrators' remuneration, disbursements and pre-administration costs	The Company	Channon Solicitors Limited (In Administration)
		FWJ	Francis Wilks & Jones LLP
4.	Estimated outcome for the creditors	FRP	FRP Advisory LLP
Appendix	Content	HMRC	HM Revenue & Customs
A.	Statutory information about the Company and the administration	The Insolvency Rules	The Insolvency (England and Wales) Rules 2016
B.	Administrators' Receipts & Payments Account	The Joint Administrators	David Thornhill and Ben Woolrych of FRP Advisory LLP
C.	The Administrators' remuneration, disbursements and costs information	QFCH	Qualifying Floating Charge Holder
	<ul style="list-style-type: none"> ▪ Estimated Outcome Statement/Statement of financial position ▪ Schedule of work ▪ FRP disbursement policy ▪ FRP charge out rates 	Lloyds	Lloyds Bank Plc
		Novitas	Novitas Loans Limited
		SIP	Statement of Insolvency Practice
D.	Schedule of pre-Administration costs	SRA	Solicitors Regulation Authority

1. Introduction and circumstances giving rise to the appointment of the Joint Administrators

On 15 December 2017, the Company was placed into Administration and David Thornhill and Ben Woolrych were appointed as Joint Administrators.

This document, together with its appendices, forms the Joint Administrators' statement of proposals to creditors in accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and the Insolvency Rules. The proposals are deemed delivered two business days after they are dated.

Certain statutory information about the Company and the Administration is provided at **Appendix A**.

Background information regarding the Company

Incorporated on 14 September 2011, the Company was a licensed legal practice, regulated by the SRA, which specialised in holiday sickness claims. The Company was funded by Lloyds, by way of overdraft facility, and by Novitas, who provided a revolving loan facility against cases.

Trading was historically profitable, with the Company reporting profits before tax of £108k for the year ended 30 September 2016. Historically, case work was largely resolved by way of early settlements against respondents, primarily travel companies.

Successful early settlement ensured case files did not remain open for excessive periods of time and associated costs, such as disbursements and court fees, were kept to a minimum.

However, there has been a recent trend in respondents insisting proceedings be issued before settlement would be considered. This required the Company to incur significant disbursements and court fees to progress cases. Such costs could not be recovered until the end of each case, some of which could take years to conclude.

The cost of issuing proceedings, obtaining detailed medical reports, etc, created an immediate financial burden on the Company, particularly given the number of claims the firm was handling (in excess of 2,000).

In May 2016, Novitas agreed to extend the Company's lending facilities which eased immediate cash pressures, however, as cases became prolonged and costs could not be immediately recovered, cash flow once again came under pressure and the Company incurred trading losses due to the additional expenses.

As a consequence of the cash pressures facing the business and the strain being placed on the small workforce, the director took the decision to outsource the progression of case files to third party solicitors, reject new work and the existing case load was divided between a number of solicitor firms on varying commercial terms.

With all cases outsourced and no new cases to progress, all staff were made redundant by 24 November 2017 and day to day trading effectively ceased.

Whilst it was expected that the case files would generate returns over time, the Company continued to face immediate pressures from its trade and other creditors.

Events leading to the appointment of the Administrators

FRP first met with the director on 22 November 2017, having been introduced by Novitas, as a result of the Company's financial difficulties.

At this meeting the financial and operational position of the business was discussed. Given the pressures from creditors that remained and lack of prospect of immediate repayment from case files, it became clear that an insolvency process was required.

The various insolvency options available, including CVA and Liquidation, were discussed. However, given the immediate pressures faced by the Company, an Administration was believed to be the most appropriate insolvency procedure.

As a consequence, and following further discussions and meetings, the director advised that she intended to place the Company into Administration. A notice of intention to appoint administrators was filed by the Director on 5 December 2017.

1. Introduction and circumstances giving rise to the appointment of the Joint Administrators

David Thornhill and Ben Woolrych were approached to accept the proposed appointment. Prior to the initial meeting on 22 November 2017, neither FRP nor the Joint Administrators have had any previous dealings with the Company or its director.

Copies of the Notice of Intention to appoint were served on the holders of floating charges, being Lloyds and Novitas. Neither lender indicated their intention to appoint administrators other than those proposed by the director.

Appointment of the Administrators

David Thornhill and Ben Woolrych were duly appointed Joint Administrators on 15 December 2017 by the director of the Company.

2. Conduct of the administration

The objective of the Administration

The Joint Administrators think that objective (a) of the administration, as detailed in Paragraph 3(1) of Schedule B1 to the Insolvency Act 1986, being to rescue the Company as a going concern, will not be achieved as all cases have been outsourced to third party firms and there are no remaining staff members. There is therefore no “trading” business that could be rescued. Further, it is not considered that asset realisations from the Administration will be sufficient to rescue the Company as a going concern.

It is believed that the cases would continue to have been administered by third party firms had the Company entered into Liquidation. The Joint Administrators do not believe that objective (b), being a better result for the Company's creditors as a whole than would be likely if the Company had been wound-up (without first being in Administration), will be achieved.

As a consequence, the Joint Administrators will be pursuing objective (c), realising property in order to make a distribution to one or more secured creditors or preferential creditors.

The Administrators' actions

Client Cases/Debtors

Cases are currently being administered by a number of third party firms of solicitors and the Joint Administrators have written to or engaged directly with all of these firms. This includes physical meetings held with certain firms who are administering the majority of files.

Whilst the Joint Administrators have details of Client cases from Company records, a full reconciliation exercise between these and third party records is continuing to ascertain the actual number of live cases and potential for recoverability.

Full responses detailing the number of live cases remain outstanding from certain solicitors and this will continue to be followed up as part of the Administration process.

Realisations from cases are currently unclear as third party firms need to undertake a full assessment of the potential recoveries from the existing case load. The estimated outcome statement attached at **Appendix C** includes an estimate of the total value anticipated could be realised from these cases.

Chattel Assets

We understand that all chattel assets (primarily office furniture and computer equipment) were sold pre-Appointment. These disposals will be investigated as part of the Joint Administrators' duties, however, no material benefit is expected.

Two motor vehicles were used by the Company. Both were subject to lease hire agreements and both vehicles have been returned to the finance companies concerned.

Cash at Bank

Lloyds have confirmed there were no credit balances in any of the Company's accounts as at the date of the Joint Administrators' appointment. No realisations are therefore expected from this source.

Other

There are no other assets we believe are owned by the Company. We note certain prepaid amounts in the books and records, however, there appears insufficient information available to recover any of these amounts.

However, the Joint Administrators will continue to investigate the affairs of the Company in this regard and will seek to enhance asset realisations for the estate where possible.

2. Conduct of the administration

Details of work already undertaken or anticipated will be undertaken are set out in the schedule of work attached at **Appendix C**.

Following approval of the Administrators proposals the Administrators will continue to conduct the Administration to achieve the purpose of the administration. Key matters to be undertaken include:

- Reconcile the number of cases outsourced to each third party to Company records and understand potential recoveries;
- Agree ongoing agency agreement structures with solicitors;
- Investigate the existence of any other potential assets;
- Distribute realisations to the secured and preferential creditors where applicable;
- Seek an extension of the administration if needed;
- Agree the claims of the unsecured creditors and distribute the Prescribed Part;
- Ensure all statutory and compliance matters are attended to;
- Pay all administration expenses and bring the Administration to an end when deemed appropriate by the Joint Administrators.

Receipts and Payments Account

A copy of the Joint Administrators' receipts and payment account to date is attached as **Appendix B**.

The directors' Statement of Affairs

The director of the Company has been asked to submit a Statement of Affairs under Paragraph 47 of Schedule B1 of the Insolvency Act 1986. This has not yet been received.

Details of the financial position of the Company at the latest practical date, prepared from information available to the Joint Administrators and including a list of creditors' names and addresses is provided in **Appendix C**. As and when the director's Statement of Affairs is received it will be filed with the Registrar of Companies.

The information included is based on the information available to the Joint Administrators.

Matters requiring investigation

I am required as part of my duties to establish what assets the Company owns and to consider the way in which the Company's business has been conducted, and am required under the provisions of the Company Directors Disqualification Act 1986 to report to the Secretary of State for Business Energy and Industrial Strategy on the conduct of the director. If you have any information or concerns regarding the way in which the Company's business has been conducted or have information regarding potential recoveries for the estate please contact me as soon as possible.

It should be noted that the sole director of the Company, Emma Channon, had provided personal guarantees to a number of creditors of the Company. As a result of the value of these guarantees, and her inability to repay the creditors concerned, Emma Channon filed her own petition in bankruptcy on 2 January 2018 and a bankruptcy order was made against her on the same day.

The end of the administration

The Administration will end automatically after 12 months from the date of appointment of the Joint Administrators. This period can be extended with consent of the creditors for up to 12 months or longer by application to the Court. Given that cases will require to be progressed over a number of years in certain instances, an extension to the Administration is expected. However, the final outcome to creditors is unknown and the ultimate exit strategy is therefore unclear.

If the Joint Administrators think the Company has no property which might permit a distribution to its unsecured creditors, or if they also consider that an exit from the Administration into Liquidation is not appropriate they will send a notice to the Registrar of Companies in accordance with Paragraph 84 of Schedule B1 to the

2. Conduct of the administration

Insolvency Act 1986 to bring the Administration to an end and three months after the filing of the notice the Company will be deemed to be dissolved.

If the Joint Administrators are of the view that a dividend will become available to the unsecured creditors (other than by virtue of the prescribed part) it is appropriate for the Company to move from Administration into CVL pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986. If applicable the Joint Administrators will take steps to place the Company into CVL.

Should a dividend not become available to the unsecured creditors but it is still appropriate for the Company to enter Liquidation, the Joint Administrators will petition the Court pursuant to Paragraph 79 of Schedule B1 to the Insolvency Act 1986 for an order to bring the Administration to an end with a consequential order for the compulsory winding up of the Company.

Pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986, should the creditors not nominate a Liquidator, the proposed Liquidators in a CVL are to be the Joint Administrators or any successor office holder(s). Any act to be done by the Liquidators may be done by all or any one of them. Pursuant to Paragraph 83(7)(a) of Schedule B1 to the Insolvency Act 1986 and the Insolvency Rules, creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of these proposals and before these proposals are approved.

The Liquidators in a compulsory winding up will be appointed by the Court and may be the Joint Administrators, or any successor office holder(s).

If the Joint Administrators are of the view that it is appropriate for the creditors to consider the approval of a CVA the proposed supervisors are to be the Joint Administrators or any successor office holder(s). Creditors may nominate different supervisors when considering whether to approve the CVA proposals.

Decision of creditors

Based on information currently available, the Joint Administrators think that the Company has insufficient property to enable a distribution to be made to unsecured creditors, except from the Prescribed Part if applicable. They are therefore not required to seek a decision from creditors as to whether they approve the Joint Administrators' proposals pursuant to Paragraph 51 of Schedule B1 to the Insolvency Act 1986. The Joint Administrators must however seek a decision from the creditors if requested to do so by creditors whose debts amount to at least 10% of the total debts of the Company. The request must contain the particulars prescribed by Rule 15.18 of the Insolvency Rules and be made within eight business days of the date of delivery of this report, in accordance with the Insolvency Rules.

The expenses of seeking the decision shall be paid by the creditor or creditors requesting the decision, who will be required to lodge a deposit with the Joint Administrators as security for the payment of these costs. The creditors may decide that the expenses of seeking the decision should be paid as an expense of the Administration payable from the assets of the Company.

In accordance with the Insolvency Rules where the Joint Administrators have not sought a decision of the creditors, the proposals set out below will be deemed to have been approved by the creditors unless at least 10% by value of the creditors requisition a decision of creditors within eight business days of the date of delivery of this report.

3. The Joint Administrators' remuneration, disbursements and pre-appointment costs

Joint Administrators' remuneration

A schedule of the work to be undertaken during the Administration is set out at **Appendix C** together with an estimated outcome statement which includes an estimate of the expenses likely to be incurred by the Joint Administrators. Assumptions made in preparing the summary of work, estimated expenses and the fees estimate where a time cost resolution is proposed are set out in the schedule of work.

Please note that until the number of cases where recoveries could be made are confirmed, the final level of remuneration that the Joint Administrators would seek to charge is unclear.

As such the Joint Administrators will seek to agree the basis of their fees with the Secured Creditors (and if appropriate, preferential creditors) at a later date.

Joint Administrators' disbursements

The Joint Administrators' disbursements are a recharge of actual costs incurred by the Joint Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the administration of the Company, are paid by FRP at the HMRC approved mileage rate. It is proposed mileage is recharged and drawn at the HMRC approved mileage rate prevailing at the time the mileage was incurred.

Pre-administration costs charged or incurred by the Joint Administrators

Attached at **Appendix D** is a statement of pre-Administration costs charged or incurred by the Administrators and their appointed solicitors FWJ. Total pre-Administration fees incurred are £16,564 (exclusive of VAT).

I will seek approval from the Secured Creditors (and where appropriate, preferential creditors) for the payment of this amount at the same time as I agree the basis of my remuneration.

Creditors' ability to challenge the Joint Administrators' remuneration and expenses

Creditors have a right to request further information from the Administrators and further have a right to challenge the Administrators' remuneration and other expenses under the Insolvency Rules following receipt of a progress report. Further details of these rights can be found in the Creditors' Guide to Fees which you can access by using the following link <http://creditors.frpadvisory.com/feesguide.htm> and select the one for administrations. Alternatively a hard copy of the relevant guide will be sent to you on request.

4. Estimated outcome for the creditors

Estimated Outcome Statement

We attach at **Appendix C** an estimated outcome statement which has been prepared from the information provided by the director and advice received in connection with the value of the Company's assets (where relevant), estimated sums due to creditors and an estimate of expenses that may be incurred during the course of this administration. The assumptions made in preparing the estimated outcome statement details are set out in the schedule of work.

Based on the information available to date and the assumptions made I set out below the anticipated the outcome for creditors:

Outcome for Secured Creditors

The Company has two Secured Creditors: Lloyds and Novitas. Lloyds have first ranking security in the Administration. It is not yet clear as to whether the Secured Creditors will be paid in full, as this is contingent on potential recoveries from existing cases.

Outcome for Preferential Creditors

It is currently estimated that preferential creditors will be solely the employees' preferential element for arrears of pay, unpaid pension contributions and holiday pay as calculated in accordance with legislation. We note a proportion of the monies due to employees following their redundancy has already been paid. It is unclear as to whether there will be sufficient funds to enable a distribution to preferential creditors.

Outcome for Unsecured Creditors

It is unknown whether there will be sufficient funds to make a distribution to unsecured creditors.

Prescribed Part

The Prescribed Part is a carve out of funds available to the holder of a floating charge which is set aside for the unsecured creditors in accordance with Section 176A of the Insolvency Act 1986. The Prescribed Part only applies where the floating charge was created after 15 September 2003 and the net property available to the floating charge holder exceeds £10,000.

As the final level of realisations and costs are currently unknown, an assessment of the net property and consequential Prescribed Part within the Administration cannot be provided at the present time. A further update on the likely value of the Prescribed Part, if any, will be provided in the Joint Administrators' next report to creditors.

Appendix A



Statutory information about the Company and the administration

COMPANY INFORMATION:

Date of incorporation: 14 September 2011

Company number: 07773657

Registered office: C/O FRP Advisory LLP, 7th Floor, Ship Canal House, 98 King Street, Manchester, M2 4WU

Previous registered offices: Unit 2, The Solaris Centre, New South Promenade, Blackpool, FY4 1RW

300 Clifton Drive South, St Annes on Sea, Lancashire, FY8 1LH

Business address: Unit 2, The Solaris Centre, New South Promenade, Blackpool, FY4 1RW

Directors: Mrs Emma Channon

The director has the following shareholdings in the Company:

Name	Shares	Type	%
Emma Channon	1	Ordinary	100

ADMINISTRATION DETAILS:

Names of Administrators: David Thornhill and Ben Woolrych

Address of Administrators: FRP Advisory
7th Floor, Ship Canal House,
98 King Street, Manchester,
M2 4WU

Date of appointment of Administrators: 15 December 2017

Court in which administration proceedings were brought: The High Court of Justice, Chancery Division, Companies Court

Court reference number: 9260 of 2017

Date of notice of intention to appoint Administrators presented to Court: 5 December 2017

Administration appointment made by: Director

Appendix A

Statutory information about the Company and the administration

Details of the holders of qualifying charges against the Company, with the dates of the relevant charges, are detailed below as follows:

Holder of Qualifying Floating Charge	Date of charge
1. Lloyds	09.03.15
2. Novitas	12.10.15
3. Novitas	24.05.16

The appointment of the Administrators included a declaration that they are acting jointly and severally as Administrators of the Company in accordance with Paragraph 100 of Schedule B1 to the Insolvency Act 1986.

The EC Regulation on Insolvency Proceedings will apply in this matter and accordingly the administration will constitute main proceedings.

Extracts from the financial statements available are summarised below:

	Unaudited accounts to 30 September 2016	Unaudited accounts to 30 September 2015
Profit and Loss		
Turnover	1,290,227	852,668
Cost of Sales	(8,126)	(9,663)
Gross Profit	1,282,101	843,005
Administrative expenses	(1,009,652)	(630,390)
Operating profit	272,449	212,615
Other interest receivable and similar income	2,100	401
Interest payable and similar charges	(166,611)	(17,039)
Profit before taxation	107,938	195,977

Balance Sheet	Unaudited accounts as at 30 September 2016	Unaudited accounts as at 30 September 2015
Fixed Assets		
Office Equipment	12,082	12,799
Fixtures and Fittings	19,419	19,174
Current Assets		
Trade Debtors	661,965	201,865
Other Debtors	105,820	49,422
Cash	0	2,071
Total assets	799,286	285,331
Bank loans and overdraft	(5,577)	0
Other loans	(106,255)	(95,824)
Trade creditors	(4,292)	(5,095)
Corporation Tax	(22,478)	(40,415)
Other taxes and social security costs	(20,587)	(25,876)
Accruals and deferred income	(3,585)	(3,585)
Current Liabilities	(162,774)	(170,795)
Loans	(558,983)	(22,467)
Provisions for liabilities	(5,794)	(5,778)
Net assets	71,735	86,291
Called up Share Capital	1	1
Profit and Loss Account	71,734	86,290
Shareholders' funds	71,735	86,291

Appendix B

Administrators' Receipts & Payments Account

**Channon Solicitors Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 15/12/2017 To 06/02/2018 £	From 15/12/2017 To 06/02/2018 £
	<u>NIL</u>	<u>NIL</u>
REPRESENTED BY		<u>NIL</u>

David Thornhill
Joint Administrator

Appendix C

The Joint Administrators' remuneration, disbursements and costs information

- Estimated Outcome Statement/Statement of financial position
- Schedule of work
- FRP disbursement policy
- FRP charge out rates

Channon Solicitors Limited (In Administration)		Book Value	Estimated to
Estimated outcome statement / £			Redise
Assets not specifically pledged			
Case files/Debtors	1	661,965	495,000
Other Assets	2	137,321	nil
		799,286	495,000
Less Costs of Realisations:			
Administrators' outstanding pre-appointment fees (and disbursements)	3	-	(11,480)
Outstanding Legal pre-appointment fees (and disbursements)	3	-	(5,084)
Administrators' post-appointment fees	4	-	TBC
Legal post-appointment fees	5	-	(30,000)
Corporation tax	6	-	TBC
Other Costs	5	-	(20,000)
		-	(66,564)
Net realisations after costs		799,286	428,436
Preferential creditors			
Employee arrears of pay & holiday	7		(5,000)
Pension Contributions	7	-	-
Net Property			
Less: Prescribed Part	8	-	423,436
			(87,687)
Available to Floating Charge Creditors			335,749
Lloyds Bank Plc	9	(28,423)	(28,423)
Novitas Loans Ltd	9	(590,000)	(590,000)
Shortfall to Secured Creditors			(282,674)
Unsecured creditors			
Add: Prescribed Part			87,687
Unsecured creditors	10	(822,075)	(822,075)
Surplus/(shortfall) to unsecured creditors			(734,388)

Note	Category	Comment
Note 1	Case files/debtors	Estimate of the realisable value of case files being dealt with by third party solicitors.
Note 2	Other assets	No other asset realisations are expected.
Note 3	Pre-appointment costs	Pre-appointment expenses as included in Appendix D.
Note 4	Administrators' costs	The Joint Administrators' remuneration has yet to be agreed and therefore has not been disclosed in the outcome statement. Approval of the basis of the Joint Administrators' remuneration will be sought from Lloyds, Novitas and, if appropriate, Preferential Creditors.
Note 5	Other post appointment costs	Costs are estimated and are provided for illustrative purposes only.
Note 6	Corporation tax	Any corporation tax payable will be an expense of the Administration, but is contingent on asset realisations, associated costs and further advice from the Joint Administrators' independent tax advisors.
Note 7	Preferential creditors	Estimated for illustrative purposes only. Final level of preferential claims will be agreed as part of the Administration.
Note 8	Prescribed part	Floating charge security created post 15 September 2003. Therefore the Prescribed Part will apply.
Note 9	Secured creditors	Indebtedness as per Company books and records. Final debt levels to be agreed.
Note 10	Unsecured creditors	Unsecured Creditors based on Company records.

FRP Advisory LLP
Channon Solicitors Limited
B - Company Creditors

Key	Name	Address	£
CA01	Audi Finance	Brunswick Court, Yeomans Drive, Blakelands, Milton Keynes, MK14 5LR	20,000.00
CB02	UNLIMIT THE LIMITED	T/AS BLACKHURSTS SOFTWARE SOLUTIONS, FIRST FLOOR, 3 ALL HALLOWS ROAD, BISPHAM, BLACKPOOL, LANCs, FY2 0AS	13,000.00
CB03	BRITISH TELECOM	BT Payment Centre, Durham, DH98 1BT	200.00
CC03	CONISTER BANK	Performance Finance Ltd, First Floor, 5 Kings Court, Kettering Parkway, Kettering, Northamptonshire, NN15 6WJ	9,000.00
CE01	E.ON	Westwood, Westwood Way, Westwood Business Park, Coventry, West Midlands, CV4 8LG	200.00
CE02	Eclipse Legal	Kelso House, 11 Burnett Street, Little Germany, Bradford, BD1 5BJ	1,000.00
CE04	Employee Claims		10,225.28
CF01	FEDERAL CAPITAL	14a Old Marsh Bams, Welsh Road, Sealand, Flintshire, CH5 2LY	14,000.00
CF02	First Data Global Leasing	Janus House, Endeavor Drive, Basildon, SS14 3WF	100.00
CF03	FYLDE BOROUGH COUNCIL	Revenues and Benefits, Town Hall, Lytham St Annes, FY8 1LW	1,000.00
CH01	HMRC PAYE	HMRC	64,000.00
CH02	HMRC TAX	HMRC	20,000.00
CH03	HMRC VAT	HMRC	80,000.00
CI01	INVESTEC ASSET FINANCE	Reading International Business Park, Reading, RG2 6AA	4,000.00
CJ01	JMW SOLICITORS LLP	1 Byrom Place, Spinningfields, Manchester, M3 3HG	12,000.00
CJ02	JUSTLAW 24 LTD	First Floor, 3 All Hallows Road, Bispham, Blackpool, FY2 0AS	3,000.00
CL01	LDF	Dee House, St Davids Park, Flintshire, CH5 3XF	50,000.00
CL02	RELX (UK) Limited t/a LexisNexis	c/o Flint Bishop LLP, St Michaels Court, St Michaels Lane, Derby, DE1 3HQ	1,200.00
CL03	LPC LAW	Level 34, 25 Canada Square, Canary Wharf, London, E14 5LQ	2,000.00
CM01	Leasys	P O Box 4590, Slough, SL1 0WU	8,000.00
CM03	MOORE AND SMALLEY	Richard House, 9 Winckley Square, Preston, 3HP	7,000.00
CM04	Ms Channon	TBC	150,000.00
CN01	NEWABLE BUSINESS FINANCE	6th Floor, 140 Aldersgate Street, London, EC1A 4HY	152,000.00
CN02	NOVITAS	27 Barnack Business Centre, Salisbury, SP1 2LP	590,000.00
CN03	NOVITAS (JUST COSTS)	27 Barnack Business Centre, Salisbury, SP1 2LP	24,000.00
CO01	Lloyds Bank Plc	Corporation Street, Blackpool, FY1 1EN	28,423.00
CP02	PTNEY BOWES	P O Box 6569, Harlow, CM20 2FQ	400.00

Signature _____

FRP Advisory LLP
Channon Solicitors Limited
B - Company Creditors

Key	Name	Address	£
CR01	ROYAL MAIL	Credit Management, Royal Mail House, Stone Hill Road, Farnworth BL4 9XX, BL4 9XX	50.00
CR02	Brunel Insurance	St Thomas Court, Thomas Lane, Briston, BS1 6JG	27,000.00
CS02	Sarah Burgess	40 Borolmhe , Hazel Swords, CO Dublin, Ireland	125,000.00
CS03	SCOTTISH POWER	Cathcart Business Park, Spean Street, Glasgow, G44 4BE	200.00
CS04	SHRED IT	177 Cross Street, Ground Floor, Corner House, Manchester, M33 7JQ	800.00
CS05	SPEED MEDICAL	Speed Medical House, Matrix Park, Chorley, PR7 7NA	2,000.00
CU01	UNITED UTILITIES	Water Plus, P O Box 12459, Harlow, CM20 9PH	700.00
CV01	VFS LEGAL LIMITED	21-23, ELMFIELD ROAD, BROMLEY, BR1 1LT	25,000.00
35 Entries Totalling			1,445,498.28

Signature _____

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The Joint Administrators' remuneration, disbursements and costs information



Schedule of Work

The table below sets out a detailed summary of the work undertaken by the office holder to date and details of the work it is anticipated will be undertaken by the office holder throughout the duration of this assignment. Details of assumptions made in compiling this table are set out below. The fee basis for the different categories or work have yet to be determined.

Where work undertaken results in the realisation of funds (from the sale of assets; enhanced recoveries and potentially a reduction in creditor claims where relevant; recoveries from successful actions taken against third parties), there may be a financial benefit to creditors should there be sufficient funds available to make a distribution to one or more class of creditor. In this case work undertaken will include the scrutiny and agreement of creditor claims.

A proportion of the work undertaken by an Insolvency Practitioner is required by statute, including ensuring the appointment is valid, notifications of the appointment to third parties, regular reporting on the progress, notifying statutory bodies where required in relation to the conduct of the directors, complying with relevant legislation and regulatory matters. This may not have a direct financial benefit to creditors but is substantially there to protect creditors and other stakeholders and ensuring they are kept informed of developments.

GENERAL ASSUMPTIONS IN COMPILING THIS SCHEDULE OF WORK
<ul style="list-style-type: none">• The records received are complete and up to date• The only known matter to investigate or pursue is the predicted outcome of cases with third parties.• The work that may be undertaken by any subsequently appointed Liquidator has been excluded• No financial irregularities are identified• A committee of creditors is not appointed• There are no exceptional queries from stakeholders• Full co-operation of the directors and other relevant parties is received as required by legislation• There are no health and safety or environmental issues to be dealt with• The case will be closed within 12 months, although an extension may be required• Further update to the schedule may be required as and when additional information becomes available

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Note	Category		
1	ADMINISTRATION AND PLANNING Work undertaken to date		ADMINISTRATION AND PLANNING Future work to be undertaken
	General matters		General matters
	<ul style="list-style-type: none"> - Notifying various parties of the Administration in accordance with insolvency legislation. - Meetings and general correspondence with Director, and other key former employees, of the Company to understand the financial position of the Company. - Correspondence with Novitas Loans Limited and Lloyds Bank PLC regarding the prospective appointment. - Correspondence with third party firms in connection with the case and potential responsibilities. 		<ul style="list-style-type: none"> - Regularly reviewing the conduct of the case and the case strategy and updating as required as required by the insolvency practitioners' regulatory professional body to ensure all statutory matters are attended to and to ensure the case is progressing. This aids efficient case management. - Consider any ongoing liaison with third parties e.g. SRA etc that may be required
	Statutory Matters: <ul style="list-style-type: none"> - Providing the Director with information in respect of their responsibilities. - Assisting employees with their outstanding claims. - Liaising with FWJ in connection with the preparation of pre-appointment documentation 		
	Regulatory Requirements		
	<ul style="list-style-type: none"> - Completion of money laundering risk assessment procedures and Know Your Client checks in accordance with the Money Laundering Regulations. 		<ul style="list-style-type: none"> - Ascertaining the online presence of the insolvent and taking appropriate measures to control or close it as required. The Company's social media accounts and website have been closed.

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<ul style="list-style-type: none"> - Completion of take on procedures which include consideration of professional and ethical matters and other legislation such as the Bribery Act, Data Protection Act. - Consideration of any other case specific matters be aware of prior to or on appointment, for example health and safety; environmental concerns; particular licences or registrations; tax position; social media; profile of the client or its stakeholders – social media accounts and website have been closed. 	
Case Management Requirements	
<ul style="list-style-type: none"> - The Joint Administrators' solicitors at FWJ have confirmed the validity of their appointment, ensuring all required documentation has been properly filed and submitted. In addition, this has included a review of any security documentation to confirm the validity of any charges. - Setting up and administering insolvent estate bank accounts throughout the duration of the case. - Correspondence with the former advisors to the Company requesting third party information to assist in general enquiries. - Third parties are being requested to send information regarding their live files transferred from the Company to enable the completion of the Statement of Affairs which should provide a clearer outcome for unsecured creditors. This will also assist with realisations. - Compiling a forecast of the work that has been or is anticipated will be undertaken throughout the duration of the case, circulating this to creditors together with other such documentation as required to enable the relevant approving creditors to assess and vote on the fee bases proposed. 	<ul style="list-style-type: none"> - Documenting and overseeing development of case strategy - Assisting the director in producing the Company's Statement of affairs as and when more information becomes available. - Ongoing maintenance of Administration bank accounts. - Completion of tax returns as required. - Review and updating forecast of work to ensure efficient case progression.

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2	ASSET REALISATION Work undertaken to date	ASSET REALISATION Future work to be undertaken
	<ul style="list-style-type: none">- One of the main purposes of an insolvency process is to realise the assets of the insolvent estate and to ensure a fair distribution of the proceeds to the creditors in the correct order of priority as set out by legislation. <p>Client Files:</p> <ul style="list-style-type: none">- Review of Company records to understand existing client cases and ensure that all client files have been properly transferred to third party firms of solicitors.- Meetings with third parties firms of solicitors to clarify cases outsourced to them and establish final case numbers.- Correspondence with third party solicitors. <p>Cash at Bank:</p> <ul style="list-style-type: none">- Details of the Company's bank balance has been requested from Lloyds.	<p>Client Files:</p> <ul style="list-style-type: none">- Continue to chase outstanding third party responses and arrange third party meetings as required.- Full reconciliation of case schedules once in receipt of all information.- Agree ongoing agency agreement structures. <p>Cash at Bank:</p> <ul style="list-style-type: none">- Transfer funds into the Administration account and ongoing correspondence with the bank as required. <p>Other Debtors:</p> <ul style="list-style-type: none">- Investigate potential for additional asset realisation.

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3	STATUTORY COMPLIANCE AND REPORTING Work undertaken to date	STATUTORY COMPLIANCE AND REPORTING Future work to be undertaken
	<ul style="list-style-type: none"> - The Joint Administrators are required to provide creditors with the proposals for the conduct of the Administration for approval by creditors in accordance with legislation. - To calculate and protect the value of assets that are not subject to a charge by obtaining a bond to the correct level. - Advertising notice of the office holders' appointment as required by statute. - The existence of a pension scheme and the staging date for auto-enrolment have been established and all relevant parties have been notified. The appointment of independent trustees has been deemed unnecessary. 	<ul style="list-style-type: none"> - To provide statutory reports to various stakeholders at regular intervals and manage any queries arising therefrom. Copies of these reports are required to be filed at Court/Registrar of Companies - Calculate and request approval for the level of the Joint Administrators' remuneration and disbursements, together with pre-Administration fees. - To place legal advertisements as required by statute which may include formal meetings of creditors and notices to submit claims - Dealing with post appointment VAT and or other tax returns as required. - Continue to pursue third parties for figures in order that the Statement of Affairs can be prepared. - To deal with the statutory requirements in order to bring the case to a close and for the office holders(s) to obtain their release from office; this includes preparing final reports for stakeholders, convening final meetings, statutory advertising and filing the relevant documentation with the Court/Registrar of Companies.
4	INVESTIGATIONS Work undertaken to date	INVESTIGATIONS Future work to be undertaken
	<ul style="list-style-type: none"> - The sole director of the Company submitted the requested questionnaire to assist in preparing the statutory return to the Department of Business Energy and Industrial Strategy ("DBEIS") in accordance with the Company Directors Disqualification Act. - Collating books and records. 	<ul style="list-style-type: none"> - The Joint Administrators have a duty to review the books and records and other information available to identify the assets that may be available to realise for the benefit of the insolvency estate. - Furthermore, there may be other antecedent or voidable transactions that are identified which if pursued could swell the funds available for the insolvency estate.

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		<ul style="list-style-type: none"> - Submit details of the conclusions drawn following investigations into the director's conduct to DBEIS.
5	CREDITORS Work undertaken to date	CREDITORS Future work to be undertaken
	Secured Creditors <ul style="list-style-type: none"> - Correspondence with Novitas Loans Limited regarding the progress of the Administration strategy and any material developments in respect of meetings with the director and other advisors through regular email and telephone updates. - Correspondence with Lloyds in order to freeze the Company's account. - Reporting potential outcomes based on available information. Preferential creditors <ul style="list-style-type: none"> - Employees: Assisting 5 employees with their residual claims against the Company and other queries arising in connection with the Administration. Unsecured creditors <ul style="list-style-type: none"> - Responding to general creditor enquiries and providing a proof of debt form where necessary. - Assets on finance: The Company had two cars on lease. Both finance companies have been contacted. 	Secured Creditors: <ul style="list-style-type: none"> - Continue to provide ongoing reports to Lloyds and Novitas, as required. - Obtain advice as to the validity of the respective securities of Lloyds and Novitas prior to making any distributions. Preferential creditors <ul style="list-style-type: none"> - Finalise the level of preferential claims and further correspondence with the RPS as appropriate. Unsecured Creditors <ul style="list-style-type: none"> - Review further claims as and when completed proof of debt forms are submitted to compile a schedule of claims.

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		<p>HMRC claims:</p> <ul style="list-style-type: none">- Liaising with HMRC to establish their claim and seeking tax advice to minimise claims and maximise returns to creditors where appropriate.- Explain any areas where third party support was/will be needed for example to agreed claims, provide advice re ROT claims.- If disputes arise how the IP has engaged in those disputes and the likely benefit to creditors.
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FRP ADVISORY LLP ("FRP")

HOURLY CHARGE OUT RATES WITH EFFECT FROM 1 MAY 2016

Grade	£/hour
Appointment taker/Partner	495
Managers/Directors	340-465
Other Professional	200-295
Junior Professional/Support	125-175

Time costs are maintained on computerised records of all time spend on the administration of each case. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and experience required. Time is charged to the case in a maximum of six minute units. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters. Charge out rates are reviewed at least annually, details of FRP charge out rates applicable to this assignment are set out above.

Further information can be found in the Creditors' Guide to Fees which you can access using the following link <http://www.frpadvisory.com/fees-guide.html>. Alternatively, a hard copy of the relevant guide will be sent to you on request.

On occasions it may be necessary to change the rates applicable to the work undertaken and if this occurs during the period of the assignment this will be notified to creditors as part of the normal reporting procedures.

DISBURSEMENT POLICY

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

There are two types of disbursements; direct disbursements (known as Category 1) and indirect disbursements (known as Category 2).

Category 1 disbursements:

These are payments to independent third parties where there is specific expenditure directly referable to the appointment in question, these include but are not limited to such items as case advertising, storage, bonding, searches, insurance.

Category 1 disbursements can be drawn without prior approval.

Category 2 disbursements

These are expenses that are directly referable to the appointment in question but not to a payment to an independent third party. With the exception of mileage FRP do not charge category 2 disbursements.

Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP at the HMRC approved mileage rate prevailing at the time the mileage was incurred, at the time of this report this is 45p per mile.

Category 2 disbursements require prior approval in the same manner as an office holder's remuneration.

Appendix D

Schedule of pre-administration costs

	Note	Fees (£)	Expenses (£)	Total Paid (£)	Outstanding (£)
Pre-administration costs:	1&2				
FRP		11,480	0	-	11,480
FWJ		5,034	50	-	5,084
Total	3	16,514	50	-	16,564

Notes

- FRP's pre-appointment costs reflect time spent dealing with the following matters in lead up to their appointment:
 - Meeting with the director of the Company;
 - Correspondence with Secured Creditors;
 - Initial correspondence with third party solicitors; and
 - Statutory formalities to place the Company into Administration.
- FWJ provided the following services:
 - General advice in respect of the Joint Administrators' appointment;
 - Liaising with the Joint Administrators and Notivas prior to the appointment to obtain consents to act and other documentation;
 - Drafting the Joint Administrators' notice of appointment; and
 - Attending court in order to file the notice of appointment.
- The payment of these unpaid costs as an expense of the administration is subject to approval in accordance with the Insolvency Act 1986 and is not part of the proposals subject to approval in accordance with Paragraph 53 of Schedule B1 to the Insolvency Act 1986.