

In accordance with
Rule 3.35 of the
Insolvency (England &
Wales) Rules 2016 &
Paragraph 49(4) of
Schedule B1 to the
Insolvency Act 1986

AM03

Notice of administrator's proposals



Companies House

THURSDAY



A33 *A6LAE43M* 14/12/2017 #273
COMPANIES HOUSE

1 Company details

Company number 0 7 7 8 8 7 3 5

Company name in full Egbert Taylor Group Ltd

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

2 Administrator's name

Full forename(s) Philip Francis

Surname Duffy

3 Administrator's address

Building name/number The Chancery

Street 58 Spring Gardens

Post town Manchester M2 1EW

County/Region

Postcode

Country

4 Administrator's name

Full forename(s) Matthew

Surname Ingram

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

5 Administrator's address

Building name/number 35 Newhall Street

Street Birmingham

Post town

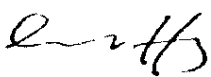
County/Region

Postcode

Country

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

AM03
Notice of Administrator's Proposals

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

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	Heather.Barnes
Company name	Duff & Phelps Ltd.
Address	The Chancery
	58 Spring Gardens
Post town	Manchester M2 1EW
County/Region	
Postcode	
Country	
DX	
Telephone	+44 (0) 20 7089 4700



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.



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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.



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11 December 2017

Joint Administrators' Report to Creditors and Statement of Proposals

**Egbert Taylor Group Limited
and Egbert Taylor Management Limited
(Both in Administration)**

Joint Administrators' Report to Creditors and Statement of Proposals
For the period from 20 November 2017 to 11 December 2017
Pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986

Duff & Phelps Ltd.
The Chancery
58 Spring Gardens
Manchester
M2 1EW

Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
The Agents	Duff & Phelps Valuation Advisory
the Appointment Date	20 November 2017 being the date of appointment of the Joint Administrators
the Bank	Lloyds Bank plc
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
the Companies	Egbert Taylor Group Limited and Egbert Taylor Management Limited
Completion Date	The date of the completion of the shares sale being 20 November 2017
DBEIS	Department for Business, Energy & Industrial Strategy
the Directors of ETGL	Andrew Davies Brendan Murphy Michael Patton Richard Sanders Layton Tamberlin Tim Woodcock
the Directors of ETML	Andrew Davies Brendan Murphy Richard Sanders Layton Tamberlin Tim Woodcock
Duff & Phelps	Duff & Phelps Ltd
ETGL	Egbert Taylor Group Limited (In Administration) (Company Number: 07788735)
ETML	Egbert Taylor Management Limited (In Administration) (Company Number: 07794680)
EHTCL	Egbert H Taylor & Company Limited (Company Number: 00718441)
EC Regulation	EC Regulation on Insolvency Proceedings 2000
the Group	Egbert Taylor Group Limited – CRN: 07788735 Egbert Taylor Management Limited – CRN: 07794680 Taylor Continental Limited – CRN: 05450428 Sellers Containers Limited – CRN: 08360810 Egbert H. Taylor & Company Limited – CRN: 00718441 Taylor Continental Funding Limited – CRN: 05450425 Midland Container Limited ("Midland") – CRN: 01923279

HMRC	HM Revenue and Customs
Indigo	Indigo Capital LLP, the fund manager of Indigo V S.A.R.L and Indigo V L P
the Joint Administrators	Philip Duffy of Duff & Phelps , The Chancery, 58 Spring Gardens, Manchester, M2 1EW and Matthew Ingram of Duff & Phelps. 35 Newhall Street, Birmingham, B3 3PU
NDA	Non Disclosure Agreement
Prescribed Part	Pursuant to Section 176A of the Act, where a floating charge is created after 15 September 2003, a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential unsecured creditors
Proposals	Joint Administrators' Report to Creditors and Statement of Proposals dated 11 December 2017
the Purchaser/Trent	Trent Bidco Limited, the purchaser of the shares in EHTCL
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
SCL	Sellers Containers Limited (CRN: 08360810)
the Secured Creditor	Indigo V S A R.L the holder of a fixed and floating charge over the Companies assets
SIA	SIA Group
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SIP 13	Statement of Insolvency Practice 13 – Industry best practice for Insolvency Practitioners in relation to the acquisition of assets of insolvent companies by connected parties
SIP 16	Statement of Insolvency Practice 16 – Industry best practice for Insolvency Practitioners in relation to the requirement for disclosure of information with respect to a 'Pre-Packaged' sale of business and/or assets of the Company
SOA	Statement of Affairs, documentation to be supplied by the Director outlining the Companies financial position as at the Appointment Date
the Solicitors	Hewlett Swanson Commercial Law Limited, the solicitors acting on behalf of the Joint Administrators
Shares	The whole of the issued and allotted share capital of EHTCL

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1. Introduction

- 1.1 The Joint Administrators were appointed on the Appointment Date by the Secured Creditor under paragraph 14 of Schedule B1 to the Act.
- 1.2 The Court reference in respect of ETML is: High Court of Justice, Business & Property Courts in Leeds No. 1042 of 2017.
- 1.3 The Court reference in respect of ETGL is: High Court of Justice, Business & Property Courts in Leeds No. 1043 of 2017.
- 1.4 The functions of the Joint Administrators may be exercised by either of the Joint Administrators.
- 1.5 This report is the statutory statement of proposals of the Joint Administrators. It sets out the circumstances leading up to their appointment as Joint Administrators of ETGL and ETML and their strategy for achieving the purpose of the Administrations.
- 1.6 These proposals are deemed delivered to creditors within two business days of the date of this report.
- 1.7 A letter was sent to those parties who it was deemed may be a creditor of the Companies on 24 November 2017.
- 1.8 Due to the uncertainty of the creditor position it was decided that a letter confirming the appointments should be sent immediately.

2. Background

- 2.1 Statutory information on the Companies and a summary of their financial history is included at Appendix 1.
- 2.2 ETGL was incorporated on 27 September 2011.
- 2.3 ETML was incorporated on 3 October 2011.
- 2.4 The Companies are the ultimate and intermediate non-trading holding companies for other companies within the Group.
- 2.5 The Companies' registered office was Oak Park, Ryeland Lane, Elmley Lovett, Droitwich, WR9 0QZ.
- 2.6 The Secured Creditor holds a fixed and floating charge over the Companies' assets, which was created on 14 October 2011 and delivered on 21 October 2011.
- 2.7 ETML was the principal borrower under the terms of the secured creditor lending facility and other Group companies provided cross guarantee security supported by debentures for the ETML's borrowings. At the Appointment Date, the amount due to the Secured Creditor across the Group was c£6.6m.
- 2.8 EHTCL is the largest trading company within the Group accounting for £20m of the £24m Group turnover in financial year 2017 and employing approximately 90 members of staff.
- 2.9 EHTCL is the principal trading company of the Group and is the leading supplier of metal industrial waste bins to local authorities and other customers primarily in the UK, with a market share of approximately 80%.

3. Events Leading up to the Administration

- 3.1 As the only profitable trading company in the Group, EHTCL was funding the Group, including servicing the debt to the Secured Creditor, the management fees payable by ETGL and the trading losses of SCL, all of which placed considerable pressure on cashflow.
- 3.2 The cashflow pressures were compounded during 2017 as EHTCL experienced a number of trading challenges, including the Administration of a key supplier (which resulted in the loss of £1.6m trade credit) and a downturn in the market caused by local authority budgeting constraints.
- 3.3 In September 2017, the Companies defaulted on their obligations to the Secured Creditor. With no means to remedy the default and a further cash requirement identified by the Directors totalling £1.5m immediate action was required. As a result, the Secured Creditor took steps to explore the options available to them.
- 3.4 In order to better understand the ongoing viability of the Group and its ability to service the loan, the Secured Creditor engaged Duff & Phelps to undertake a review of EHTCL by in October 2017.
- 3.5 Following this review the Secured Creditor determined that action to protect the value of EHTCL was required.
- 3.6 The Secured Creditor requested details from the shareholders and Directors of the Group of how the Group would meet the £1.5m funding requirement identified. The Directors responded placing the onus back onto the Secured Creditor to resolve the identified funding requirement. If it was not possible, the Directors confirmed they would have no alternative than to take steps to put the Group into Administration.
- 3.7 At the same time, the Secured Creditor received an offer from a third party to buy out the Secured Creditor's position, however, the offer was significantly below the sum required to repay the position in full and therefore was not acceptable to the Secured Creditor.
- 3.8 In a final attempt to avoid the need for the appointment of Administrators, the Secured Creditor made an offer to the directors of ETML to acquire the shares of EHTCL for £6.5m. The Directors concluded that this offer did not provide sufficient funding to secure the ongoing viability of the Group as a whole.
- 3.9 In the absence of a significant equity investment, the Directors sent a letter to the Secured Creditor confirming that they would have to appoint Administrators over all Group companies.
- 3.10 All parties agreed that a sale of the shares in EHTCL by the appointed Administrators of ETML would be in the best interests of the Companies creditors and the creditors of the Group as a whole.
- 3.11 On 20 November 2017, the Secured Creditor filed a Notice of Appointment of Administrators and Philip Duffy and Matthew Ingram of Duff & Phelps were appointed as Joint Administrators of ETGL and ETML.
- 3.12 The Joint Administrators considered the position prior to accepting the appointment and having regard to the Insolvency Practitioners Association's ethical guidelines, considered that there were no circumstances preventing them from accepting the appointment.

4. Purpose of the Administration

- 4.1 The purpose of an Administration is to achieve one of the following hierarchical objectives, overleaf
- Rescuing the company as a going concern, or

- Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration), or
- Realising property in order to make a distribution to one or more secured or preferential creditors.

- 4.2 The first objective will not be achieved as there are insufficient funds and assets available to enable the Companies to be rescued as a going concern
- 4.3 The second objective may not be achievable however, as detailed in the Joint Administrators report on the pre-packaged sale of ETML's shares in EHTCL (attached at Appendix 10), the Joint Administrators believe that a better result for ETML's creditors and the creditors of the Group as a whole has been achieved than in comparison with the return if ETML was wound up
- 4.4 The third objective will be achieved as a distribution will be made to the Secured Creditor under its fixed charge once the quantum has been finalised. Consequently, the transaction will enable the statutory purpose to be attained.
- 4.5 The Joint Administrators' proposals for achieving the purpose of the Administration of ETML are set out in the remainder of this report
- 4.6 Following a review of the affairs of ETGL, it may be that a hierarchical objective may not be achieved in this instance
- 4.7 Following a review of the Group structure and financial information available, it was not clear where certain assets key to the trading subsidiaries were held including intellectual property and trademarks. In order to produce a better result for creditors of the Group as a whole, immediate control needed to be taken by the Joint Administrators over both holding companies
- 4.8 In the event that there are no realisable assets within ETGL, once all statutory matters in the Administration are complete, steps will be taken to move ETGL into dissolution

5. Statement of Affairs

- 5.1 The Joint Administrators have requested a SOA from the Directors of both Companies. The Directors of both Companies have been given an extension to provide the SOA and in the absence of a SOA the estimated financial position of the Companies at the Appointment Date is included at Appendix 3
- 5.2 Some creditor amounts shown may differ from the actual amount owed. This does not affect their claim

6. Progress of the Administration to Date

- 6.2 The manner in which the affairs and business of the Companies have been managed, since the appointment of Joint Administrators, and will continue to be managed and financed is set out below
- 6.3 Details of all options explored by the Joint Administrators prior to their appointment are included within the Joint Administrators SIP 16 report at Appendix 10

Sale of Shares in EHTCL

- 6.4 In accordance with SIP 16, prescribed information should be disclosed to creditors in all cases where there is a pre-packed sale, as far as it is available for the Administrators after making appropriate enquiries. Where an Insolvency Practitioner is party to a pre-packaged sale, we must,

disclose to creditors, where practicable, that prescribed information in respect of that pre-packaged sale when we send the first notification of the Administration to creditors.

- 6.5 The SIP 16 disclosure report (Joint Administrators' report on the sale of the ETML's shareholding in Egbert H. Taylor & Company Limited) was circulated to creditors on 28 November 2017, following initial notification of the appointment of the Joint Administrators on 24 November 2017
- 6.6 The Joint Administrators did not circulate these proposals alongside the SIP 16 disclosure report as the Joint Administrators were still in the process of marketing and negotiating a sale of the shares in SCL and it was concluded that the proposals should be distributed once this process was complete in order to provide creditors with full disclosure
- 6.7 This sale has taken longer than expected, as detailed in paragraphs 6.17-6.27 of this report, therefore the proposals have been issued within 21 days
- 6.8 Further detail regarding the sale of the shares in EHTCL and the valuations obtained is included within the SIP 16 disclosure report. The full SIP 16 disclosure report is attached to these Proposals at Appendix 10
- 6.9 Following consultation with the Secured Creditor and discussions with Directors, the Joint Administrators decided that it was not in the best interests of the Group to market the Shares in EHTCL due to the significant cash flow pressures and the risk of an extended marketing process further impacting the financial position. Any delay would mean it was likely there would be a reduction in the enterprise value of EHTCL
- 6.10 There were a number of parties that had previously expressed an interest and upon receipt of the valuation by the Agents and the independent review by SIA, these parties could be approached to submit an offer. In the event an offer below the valuation was received, a wider marketing exercise could be undertaken
- 6.11 However, the Joint Administrators were aware of three offers including an offer of sufficient value and therefore a marketing process was not required
- 6.12 ETML's issued and allotted share capital in EHTCL were sold to Trent on the Appointment Date.
- 6.13 Trent is a special purpose vehicle set up to acquire the shares in EHTCL by Indigo V L P
- 6.14 Indigo is the manager of various funds including that of the Secured Creditor and Indigo V L P and therefore a connected party for SIP 16 purposes.
- 6.15 The Joint Administrators have concluded that a sale was appropriate and in the best interests of creditors for the following reasons
- If no action had been taken by the Secured Creditors, the Directors of the Companies confirmed their intentions to put the Group into Administration and any value would have been significantly reduced.
 - The price achieved is significantly higher than the valuations,
 - Although the Joint Administrators' were made aware of two other parties who had made offers immediately prior to the Appointment Date, both were significantly lower than the offer made by Trent, and both were aware of the level of Trent's offer;
 - The immediate sale mitigated a disruption to EHTCL, the main trading company in the group, and any damage to EHTCL's reputation as a result of an insolvency process. This would likely have resulted in a deterioration of value and reduction in the return to creditors;

- If EHTCL was to enter any formal insolvency process, this would result in significant creditor claims and may also result in the redundancy of the employees of EHTCL and crystallisation of other claims such as leases which would in turn increase preferential and non-preferential creditor claims

6.16 In accordance with SIP 13, please find below full disclosure of the transaction.

The date of the transaction:	20 November 2017
Details of the assets involved and the nature of the transaction.	the whole of the issued and allotted share capital of EHTCL
The consideration of the transaction and payment date:	Full consideration of £6,500,000 was paid on the transaction date
The name of the purchaser:	Trent Bidco Limited (CRN 11064970) whose registered office is c/o Indigo Capital LLP, Stanage, Gelndene Avenue, East Horsley, Kent, KT24 5AY
The nature of the purchaser's connected party relationship with	Indigo V L P is a connected party to the ETML's Secured Creditor as both are managed by Indigo

6.17 Full consideration of £6,500,000 was paid on the Completion Date. These funds are currently being held by the Secured Creditor pending formal distribution under the fixed charge.

Sale of Shares in SCL

6.18 ETML is also the 100% shareholder in SCL. The Joint Administrators undertook a targeted marketing exercise in respect of the shares or the business.

6.19 An 'Information Memorandum' giving an overview of SCL's trading activities including high level financial information, was prepared by Duff & Phelps and circulated on 24 November 2017 to 12 parties.

6.20 The parties included competitor companies who the Directors believed may have an interest in SCL.

6.21 Interested parties were requested to complete and return a NDA. Interested parties who completed an NDA were provided with further information in respect of SCL. A deadline for offers of 1 December 2017 was given.

6.22 Following the deadline of 1 December 2017, two offers were received for the purchase of the shares. One offer was rejected as it was too low in value. A second offer was progressed.

6.23 After a short period of due diligence, the Joint Administrators concluded a sale of ETML's entire shareholding in SCL to Visionscope Containers Limited on 7 November 2017, an unconnected third party.

6.24 The consideration of £20,000 was received by the Solicitors in full on completion.

6.25 Following an analysis of the alternative options, the sale represents the best return for the creditors of ETML and preserves SCL's employees and supply chain in full.

6.26 The Secured Creditor supported the transaction.

- 6.27 The Joint Administrators instructed SIA to conduct an independent valuation of SCL's assets for the purposes of evaluating the return to ETML in the alternative scenarios
- 6.28 As part of the SCL transaction detailed above both ETGL and ETML compromised the inter-company balances owed by SCL in full as it enabled the transaction to complete. In all other scenarios that were considered, it was estimated that there would be no return under these balances
- 6.29 There are no further realisations expected

7. Investigations

- 7.1 Investigations into the Companies' affairs are currently ongoing. The Joint Administrators have a duty to investigate antecedent transactions which include transactions to defraud creditors, preference payments and transactions at an undervalue
- 7.2 The Joint Administrators have a statutory obligation to file a report with DBEIS regarding the conduct of the Directors that held office in the Companies in the three years prior to the Administration. This report must be filed within three months from the Appointment Date and the content of this report is confidential.
- 7.3 During our preliminary investigations there are a number of transactions that on the face of it may require investigation. Additional information is required to understand the true nature of the transactions. The Joint Administrators will keep the creditors informed of any significant developments, as pursuing such claims can be timely and expensive, resulting in little return to the creditors

8. Liabilities and Dividends

Secured Creditors

- 8.1 In consideration for the monies advanced under the loan agreement ETML granted a debenture, which confers fixed and floating charges over all of its assets, which was created on 14 October 2011 and delivered on 21 October 2011.
- 8.2 As detailed above, this was secured by cross guarantees across the Group and all companies provided a debenture in respect of the guarantee on the same date
- 8.3 As at the Appointment Date, the indebtedness to the Secured Creditor was approximately £6.6m
- 8.4 The sum of £6.5m is held by the Secured Creditor following the sale of the Shares
- 8.5 Based on current information it is unlikely the Secured Creditor will be paid in full

Preferential Creditors

- 8.6 The Companies did not employ any staff and therefore no preferential claims are anticipated

Prescribed Part

The Prescribed Part is calculated as a percentage of net property, as follows -

Net property less than £10,000.	50% unless the Joint Administrator considers that the costs of making a distribution to the non-preferential creditors would be disproportionate to the benefits
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Net property greater than £10,000: 50% up to £10,000 plus 20% thereafter to a maximum of £600,000.

8.7 The Companies granted a floating charge to the Secured Creditor on 21 October 2011 and therefore the prescribed part provisions will apply.

8.8 However, based on current information, it is anticipated that the net property of both Companies will be less than £10,000 therefore the Prescribed Part will not be payable

Non-Preferential Creditors

8.9 According to the SOA, non-preferential creditors of ETGL total £2,627,963

8.10 Based on current information all of the creditors have invoiced ETGL although work may have been carried out on behalf of both of the Companies

8.11 The non-preferential creditors of ETGL can be summarised below:

Creditor	Claim
Trade & Expense Creditors	£ 706,535
EHTCL	£ 1,915,352
Taylor Continental Funding Limited	£ 6,076
Total	£ 2,627,963

8.12 The non-preferential creditors of ETML comprise of inter-company creditors as detailed below

Creditor	Claim
EHTCL	£ 4,350,986
Taylor Continental Funding Limited	£ 510,155
Total	£ 4,861,141

8.13 Based upon the current information available, it is anticipated that there will be insufficient realisations to enable a distribution to the non-preferential of the Companies

8.14 If not already done so creditors of the Companies should complete the proof of debt form at Appendix 9 and return same to the Joint Administrators

8.15 Proof of Debt forms are enclosed for both Companies, please ensure that you complete the correct form with respect to the company the debt is with

9. Statement of Pre-Administration Costs

- 9.1 Pre-Administration costs are fees charges and expenses incurred by the Joint Administrators or their firm, or another person qualified to act as an insolvency practitioner, before the company entered administration but with a view to its doing so
- 9.2 The Pre-Administration time costs incurred in respect of the Companies includes providing insolvency advice and assisting with placing the Companies into Administration, assisting with negotiations with the Purchaser in respect of the Sale and Purchase Agreements, including liaising with potential interested parties and discussions with the Directors and the Secured Creditor.
- 9.3 The Joint Administrators incurred Pre-Appointment time costs in respect of ETML totalling £17,501 in the period leading up to the Appointment Date, representing 38 hours at an average charge out rate of £455.
- 9.4 In accordance with SIP9 the Joint Administrators have provided creditors with additional information regarding major areas of time incurred in ETML below.
- 9.5 Time costs totalling £9,805 were incurred in dealing with the Sale of the Shares. Such time producing information to distribute to the Purchaser of EHTCL, correspondence with the Purchaser, the Secured Creditor and the Directors. Various discussions were held with Trent, other potential interested parties and the Agents during the marketing and sale negotiation process which ultimately led to the completion of sale of the Shares
- 9.6 Time costs totalling £7,461 were incurred in Strategy, Planning and Control. These costs were necessary to establish the financial position of the Companies and the trading subsidiary's, discuss other insolvency options and prepare a strategy for the appointment including information required for statutory disclosure to creditors.
- 9.7 In addition the Joint Administrators incurred Pre-Appointment expenses as detailed below. In total, the following costs were incurred prior to the appointment of the Joint Administrators

Name of Recipient	Brief Description of Services Provided	Amount £
Duff & Phelps	Meetings with the Secured Creditor and the Purchaser exploring the insolvency options and strategies and negotiations with interested parties and assistance with placing ETML into Administration	17,500
Hewlett Swanson Limited	Assistance in placing the ETML into Administration preparation and negotiation of the sale and purchase agreement and other ad hoc legal matters	18,000
SIA Group	Review of the report and valuation of the Group including the Companies and the trading subsidiaries	5,000
Duff & Phelps Valuations	Valuation of shares of EHTCL	5,000
Total Unpaid Pre-Administration Costs		45,500

**all amounts are stated exclusive of VAT where applicable*

- 9.8 The Joint Administrators incurred Pre-Appointment time costs in respect of ETGL totalling £1,530 in the period leading up to the Administration representing 4 hours with an average charge out rate of £360. This time was incurred in respect of the matters required to affect the appointment of the Joint Administrators.

- 9.9 In addition the Joint Administrators incurred Pre-Appointment expenses as detailed below. In total, the following costs were incurred prior to the appointment of the Joint Administrators:

Name of Recipient	Brief Description of Services Provided	Amount £
Duff & Phelps	Meetings with the Secured Creditor and the Purchaser, exploring the insolvency options and strategies	1,530
Hewlett Swanson Limited	Assistance in placing the ETGL into Administration, preparation and negotiation of the sale and purchase agreement and other ad hoc legal matters	2,000
Total Unpaid Pre-Administration Costs		3,530

**all amounts are stated exclusive of VAT where applicable*

- 9.10 A detailed analysis of the Pre-Administration costs incurred by Duff & Phelps can be found at Appendix 4.
- 9.11 The Joint Administrators confirm that payment of the unpaid pre-Administration costs, as an expense of the Administration, is subject to approval under r 3.52 of the Rules, and not part of the Proposals subject to approval under Paragraph 53 of Schedule B1 to the Act.
- 9.12 It should be noted that in the event that there are insufficient realisations in ETGL to discharge any of the Pre-Appointment costs, the Joint Administrators will approach the Secured Creditor for a contribution to costs.

10. Costs & Expenses

Estimated Fees and Expenses

- 10.1 It is proposed that the Joint Administrators' fee basis is based on time costs.
- 10.2 The time costs already charged since appointment are analysed at Appendix 4. Time is charged in six minute units.
- 10.3 Under current insolvency legislation, and since there has been a Paragraph 52 (1) (b) statement made confirming that there is unlikely to be a distribution to non-preferential creditors other than from the Prescribed Part if any, the Joint Administrators need to seek the authority to draw fees from the Companies Secured Creditor.
- 10.4 Therefore, the Joint Administrators' fees will be agreed and paid by the Secured Creditor.
- 10.5 The amount proposed to be drawn in fees in respect of ETGL over the life of the case by the Joint Administrators is shown in Appendix 5 - Fee Estimate. The total amount indicated effectively acts as a cap on the level of fees to be drawn by the Joint Administrators. The amount proposed to be drawn in fees in respect of ETGL is also detailed.
- 10.6 The Joint Administrators estimate the expenses of the Administration of ETGL to total approximately £17,510 and the expenses of the Administration of ETGL to total approximately £295 (as shown in Appendix 7 Estimated Expense Schedule). This Schedule illustrates the estimated expenses for the whole of the Administration and is for information purposes only. No approval is required by

creditors. This estimate may change over the course of the Administration but creditors will be informed of any variations with associated reasons in the annual progress reports.

10.7 Also attached at Appendix 6, is the Fees Narrative, a summary of key issues, to assist creditors in understanding the strategy of the Joint Administrators, the associated costs and expenses of the related activities and the financial benefit to creditors. Further details of assets and liabilities and the estimated return to creditors, if any, are in the body of this report.

10.8 Details of how to obtain further information relating to the fees and disbursements of the Joint Administrators is in Appendix 8 – Statement of Creditors' Rights.

ETML

10.9 The total time costs incurred in respect of ETML by the Joint Administrators from the Appointment Date total £35,257 representing 100 hours at an average charge out rate of £354. Time is charged in six minute units.

10.10 In accordance with SIP 9, the Joint Administrators have provided creditors with additional information regarding major areas of time recorded for both Companies.

10.11 Time costs totalling £18,677 were incurred in dealing with the Sale of Business. Such time was spent marketing the shares in SCL including producing information to distribute to interested parties and corresponding with all interested parties. In addition, discussions were held with the Agents and the Secured Creditor regarding the value in the shares.

10.12 Time costs totalling £9,879 were incurred in Statutory Matters (Meetings, Reports & Notices). These costs were incurred in producing statutory notices and reports including the SIP16 disclosure and these Proposals in line with current insolvency legislation as well, as the other statutory duties and obligations placed upon the Joint Administrators.

10.13 Time costs totalling £3,330 were incurred in Strategy, Planning and Control. These costs were necessary to gather the relevant financial information and formulating a strategy for the Administration.

ETGL

10.14 The total time costs incurred in respect of ETGL by the Joint Administrators from the Appointment Date total £12,280 representing 48 hours at an average charge out rate of £257. Time is charged in six minute units.

10.15 Time costs totalling £3,200 were incurred in Strategy, Planning and Control. These costs were necessary to gather the relevant financial information and formulating a strategy for the Administration.

10.16 Time costs totalling £6,246 were incurred in Statutory Matters (Meetings, Reports & Notices). These costs were incurred in producing statutory notices and reports including the SIP16 disclosure and these Proposals in line with current insolvency legislation as well; as the other statutory duties and obligations placed upon the Joint Administrators.

10.17 Time costs totalling £1,470 were incurred in respect of Dealings with Directors and Management. This included initial meetings and negotiations with the Secured Creditor and subsequent correspondence, discussions and further meetings regarding the information required for the marketing of the business, strategy and the subsequent administration.

11. Joint Administrators' Receipts and Payments Account

- 11.1 An up to date Receipts & Payments Account is included at Appendix 2 for both Companies
- 11.2 The Share sale proceeds are included on the Receipts & Payments Account and these funds are held by the Secured Creditor directly or the Solicitors as detailed in the report

12. EC Regulation

- 12.1 It is the Joint Administrators' opinion that the EC Regulation applies and these proceedings are main proceedings as defined in Article 3 of the EC Regulation

13. Deemed Approval

- 13.1 A creditors decision on the approval of these Proposals will not be sought as the Joint Administrators believe the Companies will have insufficient property to enable a distribution to be made to non-preferential creditors, other than the Prescribed Part (if any)
- 13.2 The Joint Administrators proposals will be deemed approved by the creditors after eight business days of the deemed delivery date unless creditors whose debts amount to at least 10% of the total debts of either of the Companies request the Joint Administrators to seek a specific decision from the Companies creditors
- 13.3 Further information is provided on Appendix 8. Statement of Creditors Rights

14. End of Administration

- 14.1 The options available to the Joint Administrators for the exit from the Administration are as follows
- Compulsory Liquidation
 - Creditors' Voluntary Liquidation
 - Company Voluntary Arrangement
 - Return of control to the Director(s)
 - Dissolution of Company
- 14.1 Based on current information, the Joint Administrators recommend that the Companies should be dissolved, for the reasons set out below
- 14.2 The Joint Administrators have formed the view that once all the outstanding Administration matters have been finalised, and all liabilities incurred during the Administration have been discharged, there will be insufficient funds available to allow a distribution to non-preferential creditors, other than from the Prescribed Part (if any)
- 14.3 Once all outstanding matters have been satisfactorily completed by the Joint Administrators, they will give notice to the Registrar of Companies to the effect that the Companies have no remaining property to realise which might permit a distribution to its non-preferential creditors, at which stage the Administration will cease. The Companies will be dissolved three months following the registration of the notices at the Registrar of Companies
- 14.4 You will note from the proposals section below that the Joint Administrators have left the choice of exit route from the Administrations open so that an alternative strategy can be adopted, should this prove more appropriate at the time

15. Joint Administrators' Proposals

15.1 The Joint Administrators' proposals shall be deemed approved by the creditors on the expiry of the period in which a decision can be requisitioned by creditors as detailed in Appendix 8 in paragraphs 15.1.1 to 15.1.4 below:

15.1.1 That the Joint Administrators continue the Administrations to deal with such outstanding matters in relation to the Companies as the Joint Administrators consider necessary until such time as the Administrations cease to have effect

15.1.2 That the Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administrations

15.1.3 That the Joint Administrators, once all outstanding matters have been satisfactorily completed, take the necessary steps to give notice under Paragraph 84 of Schedule B1 of the Act to the Registrar of Companies to the effect that the Companies have no remaining property which might permit a distribution to creditors, at which stage the Administrations will cease

15.1.4 That the Joint Administrators, where they consider that there are funds available to be distributed to the non-preferential creditors (other than under the Prescribed Part) take the necessary steps to put the Companies into either creditors' voluntary liquidation or into compulsory liquidation as they deem appropriate. It is proposed that the Joint Administrators, currently Philip Duffy and Matthew Ingram of Duff & Phelps would act as Joint Liquidators should the Companies be placed into creditors' voluntary liquidation. In accordance with Paragraph 83(7) of Schedule B1 to the Act and Rule 3.60(6)(b) of the Rules creditors may nominate a different person as the proposed liquidator, provided the nomination is received at this office prior to the approval of these Proposals. In the absence of such nomination, the Joint Administrators will be appointed Joint Liquidators and in accordance with Section 231 of the Act any act required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them

The Joint Administrators will be seeking specific agreement to the following proposals from the Secured Creditor

15.1.5 That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administrations or their appointment otherwise ceasing

15.1.6 Where a Creditors' Committee is not established, that the Joint Administrators' remuneration be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administrations.

15.1.7 Where a Creditors' Committee is not established, that the Joint Administrators' Fee Estimate in the total sum of £17,713 in ETGL and £52,550 in ETML is approved

15.1.8 Where a Creditors' Committee is not established, that the Joint Administrators be authorised to draw their company's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements")

15.1.9 The following resolution (which is not part of the Proposals)

15.1.10 That the unpaid Pre Administration Costs totalling £45,500 in ETML and £3,530 in ETGL plus VAT as detailed in the Joint Administrators' statement of Pre-Administration cost are approved for payment as an expenses of the Administrations

16. Other Matters

- 16.1 If any creditor has any information concerning the Companies affairs that they would like to bring to the Joint Administrators' attention, then they would be pleased to hear from them.
- 16.2 If you require further information or assistance, please do not hesitate to contact Heather Barnes



Philip Duffy
Joint Administrator

Enc

The affairs, business and property of the Companies are being managed by the Joint Administrators Philip Duffy and Matthew Ingram, who act as agents for the Companies and without personal liability. Both are licensed by the Insolvency Practitioners Association.

Appendix 1

Statutory Information

Statutory Information	Egbert Taylor Management Limited
Date of Incorporation	27 September 2011
Registered Number	07788735
Company Director(s)	Andrew Davies Brendan Francis Murray Michael James Patton Richard Barry Sanders Layton Gwyn Tamberlin Tim David Woodcock Andrew Paul Ratigan (resigned 1 November 2016) Julian Howard Gaylor (resigned 31 May 2015)
Company Secretary	None appointed
Shareholders	1 A Ordinary share – ETGL 99 A1 Ordinary shares - ETGL
Trading Address	Oak Park Rylands Lane Elmley Lovett Droitwich Worcestershire WR9 0QZ
Registered Office	Current: The Chancery 58 Spring Gardens Manchester M2 1EW Former: Oak Park Rylands Lane Elmley Lovett Droitwich Worcestershire WR9 0QZ

Statutory Information	Egbert Taylor Group Limited
Date of Incorporation	3 October 2011
Registered Number	07794680
Company Director(s)	Andrew Davies Brendan Francis Murray Richard Barry Sanders Layton Gwyn Tamberlin Tim David Woodcock Andrew Paul Ratigan (resigned 1 November 2016) Julian Howard Gaylor (resigned 31 May 2015)
Company Secretary	None appointed
Shareholders	Details of all shareholders can be provided upon request
Trading Address	Oak Park Rylands Lane Elmley Lovett Droitwich Worcestershire WR9 0QZ
Registered Office	Current: The Chancery 58 Spring Gardens Manchester M2 1EW Former: Oak Park Rylands Lane Elmley Lovett Droitwich Worcestershire WR9 0QZ

Financial Information - ETML

Balance Sheet

	As at 30 June 2017 (Draft) £	As at 30 June 2016 £
Fixed Assets	£	£
Investments	14,231,403	14,231,404
Current Assets		
Debtors-amounts falling due after more than one year	271,544	304,413
Current Liabilities		
Creditors-falling due within one year	(561)	(562)
Net current assets	270,983	303,851
Creditors-falling due after more than one year	(11,396,903)	(10,901,644)
Net Assets	3,105,483	3,633,611
Total assets less current liabilities	14,502,386	14,535,255
Capital and Reserves		
Called up Share Capital	100	100
Share premium account	5,745,918	5,745,918
Profit and Loss Account	(2,640,535)	(2,112,407)
	3,105,483	3,633,611

Profit and Loss – ETML

	For the Year Ended 30 June 2017 (Draft) £	For the Year ended 30 June 2016 £
Turnover	-	-
Administrative expenses	-	--352
Provision against Group balance	(940,535)	(13,019,031)
Profit on disposal of subsidiary undertaking	337,900	-
Operating Loss	(602,634)	(13,018,679)
Interest receivable and similar income	941,972	889,601
Interest payable and similar charges	(833,162)	(408,615)
Loss on activities before taxation	(493,824)	(12,537,963)
Tax on loss on ordinary activities	(34,304)	(127,809)
Retained (losses)/profits at 1 July	(528,128)	(12,665,502)
Retained Profit/(Loss) at 30 June	(2,640,535)	(2,112,407)

Financial Information – ETGL – Consolidated Financial Statements for the Group
Balance Sheet

	As at 30 June 2017 (Draft)	As at 30 June 2016
Fixed Assets	£	£
Intangible assets	5,505,404	6,756,275
Property, plant and equipment	919,840	773,222
	6,425,244	7,529,497
Current Assets		
Inventories	1,827,752	1,667,812
Debtors—amounts falling due within one year	4,069,843	3,941,514
Debtors—amounts falling due after more than one year	308,952	840,544
Cash at bank in and in hand	673,077	1,307,271
	6,879,624	7,757,241
Current Liabilities		
Creditors—falling due within one year	(6,935,893)	(7,713,257)
Net current assets	(56,269)	43,984
Creditors—falling due after more than one year	(5,735,763)	(6,163,506)
Net Assets	409,646	1,201,125
Capital and Reserves		
Called up Share Capital	31,415	3,059,496
Share premium account	9,281,878	6,253,797
Warrant subscription	100,446	100,446
Profit and Loss Account	(9,004,093)	(8,212,614)
	409,646	1,201,125

DUFF & PHELPS

Profit and Loss – ETGL – Consolidated Financial Statements for the Group

	As at 30 June 2017 (Draft)	As at 30 June 2016
	£	£
Turnover	21,688,248	19,229,917
Cost of sales	(14,961,614)	(13,055,985)
Gross profit	6,996,634	6,713,932
Net operating expenses	(7,042,107)	(6,972,929)
Operating Loss profit of continuing operations before goodwill and amortisation and operating exceptional items	1,268,128	753,015
Operating exceptional items	(53,296)	(200,808)
Goodwill amortisation	(1,260,305)	(1,351,254)
Operating loss	(45,473)	(799,047)
Interest and similar income	85	458
Interest payable and similar charges	(514,250)	(151,191)
Loss on ordinary activities before taxation	(559,638)	(949,780)
Tax on loss on ordinary activities	(231,841)	(150,226)
Loss for the financial year	(791,479)	(1,100,006)

Appendix 2

Receipts and Payments Accounts

Egbert Taylor Group Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 11/12/2017

S of A £	£	£
		NIL
REPRESENTED BY		NIL

Note:

Egbert Taylor Management Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 11 December 2017

Statement of Affairs				
	£		£	£
		SECURED ASSETS		
6,500,000.00		Shares in EHTCL	6,500,000.00	
20,000.00		Shares in SCL	20,000.00	
				<u>6,520,000.00</u>
		SECURED CREDITORS		
(6,600,447.00)		Indigo V S.A.R.L	<u>NIL</u>	NIL
		UNSECURED CREDITORS		
(4,861,140.00)		Inter-company creditors	<u>NIL</u>	NIL
		DISTRIBUTIONS		
(100.00)		Ordinary Shareholders	<u>NIL</u>	NIL
	<u>(4,961,688.00)</u>			<u>6,520,000.00</u>
		REPRESENTED BY		
		Held in Hewlett Swanson Client Account		20,000.00
		Held by Indigo V S.A.R.L pending distribution		<u>6,500,000</u>
				<u>6,520,000.00</u>

Appendix 3

Estimated Statement of Affairs

Egbert Taylor Group Limited**ESTIMATED STATEMENT OF FINANCIAL POSITION****A - Summary of Assets**

Assets	Book Value £	Estimated to realise £
Assets subject to fixed charge:		
Shareholding in Egbert Taylor Management Limited		0
Less: Amounts owed to fixed chargeholder Indigo V S.A.R.L.		(6,600,447)
		(6,600,447)
Assets subject to a floating charge:		
Debtors - Amounts falling due after one year (intercompany debt)		
Egbert Taylor Management Limited	510,155	0
Sellers Containers Limited	682,281	0
		0
Uncharged assets:		
N/A		0
		0
Estimated total assets available for preferential creditors		0

ESTIMATED STATEMENT OF FINANCIAL POSITION

A1 -Summary of liabilities

		Estimated to realise
Estimated total assets available for preferential creditors (carried from page A)	£	0
Liabilities		
Preferential creditors	£ 0	
Estimated deficiency/surplus as regards preferential creditors:	£	0
Estimated prescribed part of net property where applicable (to carry forward)	£ 0	
Estimated total assets available for floating charge holders	£	0
Debts secured by floating charges Indigo V S.A.R.L. - TBC	£ 1	
Estimated deficiency/surplus of assets after floating charges	£	1
Estimated prescribed part of net property where applicable (brought down)	0	
Total assets available to unsecured creditors	£	0
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	0	
Trade Creditors	706,535	
Intercompany	1,921,428	
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£	(2,627,963)
Shortfall to floating charge holders (brought down)	0	
Estimated deficiency/surplus as regards creditors		(2,627,963)
Issued and called up capital	100	100
Estimated total deficiency/surplus as regards members	£	2,628,063

Duff & Phelps Ltd.
Egbert Taylor Group Ltd
B - Company Creditors

Key	Name	Address	£
CE01	Evershed Sutherland (International) LLP	115 Colmore Row, Birmingham, B3 3AL	391,135.00
CE03	Egbert H. Taylor & Company Limited	Oak Park, Ryelands Lane, Elmley Lovett, Droitwich, Worcestershire, WR9 0QZ	1,915,352.00
CG01	Gowling WLG	4 More London Riverside, London, SE1 2AU	11,400.00
CM01	Merrill Lynch	Corporate, Global Banking and Markets, Merrill Lynch Financial Centre, 2 King Edward Street	16,000.00
CP04	PWC (PricewaterhouseCoopers LLP)	Hays Galleria, 1 Hay's Lane, London, SE1 2RD	102,000.00
CR02	RSM	St Phillips Point, Temple Row, Birmingham, West Midlands, B2 5AF	186,000.00
CT00	Taylor Continental Funding Limited	Oak Park, Ryelands Lane, Elmley Lovett, Droitwich, Worcestershire, WR9 0QZ	6,076.00
7 Entries Totalling			2,627,963.00

Signature _____

Egbert Taylor Management Limited**ESTIMATED STATEMENT OF FINANCIAL POSITION****A - Summary of Assets**

Assets	Book Value £	Estimated to realise £
Assets subject to fixed charge:		
Investments	14,231,403	6,500,000
Less: Amounts owed to fixed chargeholder Indigo V S.A.R.L.		(6,600,447)
		(100,447)
Assets subject to a floating charge:		
Debtors - Amounts falling due after one year (intercompany debt):		
Taylor Continental Limited	13,959,565	0
Sellers Containers Limited	21,341	0
		0
Uncharged assets:		
N/A		0
		0
Estimated total assets available for preferential creditors		0

ESTIMATED STATEMENT OF FINANCIAL POSITION

A1 -Summary of liabilities

		Estimated to realise
Estimated total assets available for preferential creditors (carried from page A)	£	0
Liabilities		
Preferential creditors	£ 0	
Estimated deficiency/surplus as regards preferential creditors:	£	0
Estimated prescribed part of net property where applicable (to carry forward)	£ 0	
Estimated total assets available for floating charge holders	£	0
Debts secured by floating charges Indigo V S.A.R.L.	£ (100,447)	
Estimated deficiency/surplus of assets after floating charges	£	(£100,447)
Estimated prescribed part of net property where applicable (brought down)	0	
Total assets available to unsecured creditors	£	0
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ 0	
Trade Creditors	1	
Intercompany	4,861,140	
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£	(4,861,141)
Shortfall to floating charge holders (brought down)	(100,447)	
Estimated deficiency/surplus as regards creditors		(4,961,588)
Issued and called up capital	100	100
Estimated total deficiency/surplus as regards members	£	(4,961,688)

Duff & Phelps Ltd.
Egbert Taylor Management Limited
B - Company Creditors

Key	Name	Address	£
CE01	Egbert H. Taylor & Company Limited	Oak Park, Ryelands Lane, Elmley Lovett, Droitwich, Worcestershire, WR9 0QZ	4,350,985.55
CE02	Egbert Taylor Group Limited	The Chancery, 58 Spring Gardens, Manchester, M2 1EW	510,154.53
2 Entries Totalling			4,861,140.08

Signature _____

Appendix 4

Analysis of Time Charged and Expenses Incurred

83754 EGBERT TAYLOR GROUP LTD

ANALYSIS OF TIME COSTS FOR THE PERIOD 15/11/2017 to 08/12/2017

ADP-Admin. - Pre Appt.

Classification of Work Function	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost	Avg Hourly Rate
Administration and Planning								
Strategy, Planning & Control	0.00	4.25	0.00	0.00	0.00	4.25	1,530.00	360.00
Total Hours:	0.00	4.25	0.00	0.00	0.00	4.25		360.00
Total Fees Claimed: £	0.00	1,530.00	0.00	0.00	0.00		1,530.00	

Category 2 Disbursements:

83754 EGBERT TAYLOR GROUP LTD

ANALYSIS OF TIME COSTS FOR THE PERIOD 15/11/2017 to 08/12/2017

ADM-Admin. - Post Appt.

Classification of Work Function	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost	Avg Hourly Rate
Administration and Planning								
Cashiering & Accounting	0.00	0.10	0.20	1.55	0.00	1.85	356.25	192.57
Dealings with Directors & Management	0.00	3.50	0.00	0.00	0.00	3.50	1,470.00	420.00
IPS Set Up & Maintenance	0.00	1.00	0.00	0.35	0.00	1.35	375.25	277.96
Insurance	0.00	0.20	0.00	0.00	0.00	0.20	67.00	335.00
Statement of Affairs	0.00	0.70	0.00	0.00	0.00	0.70	234.50	335.00
Statutory Matters (Meetings, Reports & Notices)	0.00	1.00	0.00	24.85	0.00	25.85	6,246.00	241.62
Strategy, Planning & Control	0.00	0.00	9.00	3.75	0.00	12.75	3,200.25	251.00
Creditors								
Communications with Creditors / Employees	0.00	0.00	0.00	0.45	0.00	0.45	51.75	115.00
Realisation of Assets								
Sale of Business	0.00	0.50	0.00	0.60	0.00	1.10	279.00	253.64
Total Hours:	0.00	7.00	9.20	31.55	0.00	47.75		257.17
Total Fees Claimed: £	0.00	2,775.50	2,719.00	6,785.50	0.00		12,280.00	

Category 2 Disbursements:

83756 EGBERT TAYLOR MANAGEMENT LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 15/11/2017 to 08/12/2017

ADP-Admin. - Pre Appt.

Classification of Work Function	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost	Avg Hourly Rate
Administration and Planning								
Strategy, Planning & Control	1.00	17.50	0.00	0.75	0.00	19.25	7,461.25	387.60
Creditors								
Secured Creditors	0.00	0.70	0.00	0.00	0.00	0.70	234.50	335.00
Realisation of Assets								
Sale of Business	18.50	0.00	0.00	0.00	0.00	18.50	9,805.00	530.00
Total Hours:	19.50	18.20	0.00	0.75	0.00	38.45		455.16
Total Fees Claimed: £	10,335.00	6,989.50	0.00	176.25	0.00		17,500.75	

Category 2 Disbursements:

83756 EGBERT TAYLOR MANAGEMENT LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 15/11/2017 to 08/12/2017

ADM-Admin. - Post Appt.

Classification of Work Function	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost	Avg Hourly Rate
Administration and Planning								
Cashiering & Accounting	0.00	0.20	0.20	1.85	0.00	2.25	452.25	201.00
Dealings with Directors & Management	0.00	3.50	0.00	0.00	0.00	3.50	1,470.00	420.00
IPS Set Up & Maintenance	0.00	1.00	0.00	0.35	0.00	1.35	375.25	277.96
Statement of Affairs	0.00	0.70	0.00	0.00	0.00	0.70	234.50	335.00
Statutory Matters (Meetings, Reports & Notices)	0.00	14.80	0.00	16.60	0.00	31.40	9,879.00	314.62
Strategy, Planning & Control	0.00	1.25	0.00	12.55	0.00	13.80	3,329.75	241.29
Creditors								
Secured Creditors	0.00	2.00	0.00	0.00	0.00	2.00	840.00	420.00
Realisation of Assets								
Sale of Business	0.00	44.65	0.00	0.00	0.00	44.65	18,676.50	418.29
Total Hours:	0.00	68.10	0.20	31.35	0.00	99.65		353.81
Total Fees Claimed: £	0.00	28,094.50	64.00	7,098.75	0.00		35,257.25	

Category 2 Disbursements:

Appendix 5

Fee Estimate

Fees Estimate

Egbert Taylor Group Limited

From 20 November 2017 to the Whole Period of the Administration

Administration - Post Appointment (New)								
Classification of Work Function	Hours					Total Hours	Time Cost	Avg. Hourly
	Partner	Manager	Senior	Assistant	Support			
Admin & Planning								
Case review and Case Diary management	1.00	1.00	1.00	1.00	0.00	4.00	1,415.00	353.75
Cashiering & accounting	0.00	0.50	0.50	2.00	0.00	3.00	712.50	237.50
Dealings with Directors and Management	0.00	4.00	1.00	0.00	0.00	5.00	1,965.00	393.00
General Correspondence	0.00	1.00	0.00	3.00	0.00	4.00	960.00	240.00
Investigations	1.00	1.00	0.00	3.00	0.00	5.00	1,490.00	298.00
IPS set up & maintenance	0.00	1.00	0.00	1.00	0.00	2.00	600.00	300.00
Statement of affairs	1.00	1.00	1.00	0.00	0.00	3.00	1,235.00	411.67
Statutory matters (Meetings, Reports and Notices)	1.00	1.00	0.00	25.00	0.00	27.00	5,450.00	201.85
Strategy planning & control	0.00	0.00	9.00	4.00	0.00	13.00	3,285.00	252.69
Sale of Business	0.00	1.00	0.00	1.00	0.00	2.00	600.00	300.00
Total Hours	4.00	11.50	12.50	40.00	0.00	68.00		
Total Estimated Fees	2,120.00	4,830.00	3,562.50	7,200.00	0.00		17,712.50	

Fees Estimate

Egbert Taylor Management Limited

From 20 November 2017 for the Whole Period of the Administration

Administration - Post Appointment (New)								
Classification of Work Function	Hours					Total Hours	Time Cost	Avg. Hourly Rate
	Partner	Manager	Senior	Assistant	Support			
Admin & Planning								
Case review and Case Diary management	1.00	2.00	3.00	5.00	0.00	11.00	3,125.00	284.09
Cashiering & accounting	0.00	1.00	1.00	3.00	0.00	5.00	1,245.00	249.00
Closing Matters	1.00	1.00	2.00	0.00	0.00	4.00	1,520.00	380.00
Dealings with Directors and Management	0.00	2.00	4.00	4.00	2.00	12.00	2,780.00	231.67
General Correspondence	1.00	3.00	0.00	4.00	0.00	8.00	2,510.00	313.75
Insurance	0.00	0.00	0.00	1.00	1.00	2.00	220.00	110.00
Investigations	1.00	3.00	0.00	8.00	2.00	14.00	3,310.00	236.43
IPS set up & maintenance	1.00	2.00	0.00	5.00	1.00	9.00	2,310.00	256.67
Sale of Business	0.00	45.00	0.00	0.00	0.00	45.00	18,900.00	420.00
Statement of affairs	1.00	2.00	2.00	1.00	0.00	6.00	2,120.00	353.33
Statutory matters (Meetings, Reports and Notices)	2.00	17.00	0.00	19.00	1.00	39.00	11,660.00	298.97
Strategy planning & control	0.00	2.00	0.00	8.00	0.00	10.00	2,280.00	228.00
Tax Compliance/Planning	0.00	0.00	2.00	0.00	0.00	2.00	570.00	285.00
Total Hours	8.00	80.00	14.00	58.00	7.00	167.00		
Total Estimated Fees	4,240.00	33,600.00	3,990.00	10,440.00	280.00		52,550.00	

Appendix 6

Fees Narrative

**Egbert Taylor Group Limited - in Administration ("the Company")
Fee Estimate for the Whole of the Administration**

Philip Duffy and Matthew Ingram were appointed Joint Administrators on 20 November 2017

Introduction

The following information is provided to creditors to enable them to consider the Joint Administrators' remuneration. It is a summary of key issues, to assist creditors in understanding the strategy of the Joint Administrators, the associated costs and expenses of the related activities and the financial benefit to creditors

This document should be read in conjunction with the Joint Administrators' Report to Creditors and Statement of Proposals, which provides further details of the assets, liabilities and estimated return to creditors, if any. Particular reference is made to the Appendices entitled 'Analysis of Time Charged and Expenses Incurred', 'Fee Estimate' and 'Estimated Expenses of the Administration'.

Estimated Fees and Expenses

The Joint Administrators propose that their fees will be based on time costs

The amount expected to be drawn in fees over the length of the Administration by the Joint Administrators is shown in Appendix 5 Fee Estimate

The Joint Administrators estimate the expenses of the Administration to total approximately £295, as shown in Appendix - 7 Estimated Expenses of the Administration.

Appendix 7 illustrates the estimated expenses for the whole of the Administration and is for information purposes (not for approval by any class of creditor). This estimate may change over the course of the Administration but creditors will be informed of any variations with associated reasons in future progress reports

As detailed in paragraph 10.3 of the main report, the Secured Creditor is asked to approve the fee basis (time costs) and also the Fee Estimate in the total sum of £17,713

The Secured Creditor will be making a contribution to the costs of the Administration

Estimated Return to Creditors

On present information it is likely that there will be insufficient realisations to make a distribution to non-preferential creditors.

The Company does not have any preferential creditors

As detailed in the Proposals the Secured Creditor is holding the funds received from a sale of the shares held in ETHCL by ETML. The Company had provided cross guarantees against these funds.

It is not anticipated there will be a return to the Secured Creditor from the Company

Strategy

Asset Realisations

The Company's realisable assets are its shares in ETML (in Administration)

As described in Section 6 of the Proposals, the shares owned by ETML have now been sold. There have been insufficient realisations in respect of the assets of ETML to enable a distribution to the Company in its capacity as shareholder of ETML.

As the Company does not have any assets, no time has been incurred in this respect and it is not anticipated that any time will be spent in respect of assets of the Company unless the Joint Administrators become aware of any assets owned by the Company which they were not previously aware of.

Investigations

It is a statutory requirement that the Joint Administrators provide a report to the Secretary of State (DBEIS) on the conduct of the Directors in their management of the Company to determine their unfitness to act in such a role. This will entail a broad level of investigation to ensure that best practice standards are met and the Fee Estimate reflects this standard. If the Secretary of State then instigates Directors Disqualification proceedings, further time may be expended in providing supporting documents, witness statements and so on. Such investigation may or may not lead to further asset recovery so creditors should not assume that this activity will provide a monetary benefit to the Administration estate

On present information it is estimated that the Joint Administrators' time costs in conducting the required investigations will be £1,490, none of which has yet be incurred.

Statutory Compliance

An Administrator is highly regulated, being required to conform to insolvency legislation, industry Best Practice policies (Statements of Insolvency Practice) and relevant case law. Consequently Administrators are obliged to undertake many activities that do not provide a financial benefit to creditors. Such matters will include, but are not restricted to: Anti Money Laundering, Bribery Act and Ethical considerations and checks, statutory advertising, regular reporting to creditors including fee agreement procedures, obtaining and securing company books and records, pension review and liaison with the Pension Protection Fund, Companies House filing, completion and release of insolvency bond and various Treasury functions. Time costs are estimated at £8,700 in respect of Statutory Matters, Statement of Affairs, IPS Set Up and Maintenance and Case Reviews, including £6,855 already incurred

Creditors

On present information it is estimated that the Joint Administrators' time costs in dealing with creditors of the Company, including the Secured Creditor will be £960, of which £52 has already been incurred.

The Joint Administrators will provide creditors with regular updates on the progress of the Administration including six monthly progress reports. All creditor claims will be recorded, however as it is not anticipated that there will be a return to creditors time spent reviewing creditor claims will be minimal

**Egbert Taylor Management Limited - in Administration ("the Company")
Fee Estimate for the Whole of the Administration**

Philip Duffy and Matthew Ingram were appointed Joint Administrators on 20 November 2017.

Introduction

The following information is provided to creditors to enable them to consider the Joint Administrators' remuneration. It is a summary of key issues, to assist creditors in understanding the strategy of the Joint Administrators, the associated costs and expenses of the related activities and the financial benefit to creditors

This document should be read in conjunction with the Joint Administrators' Report to Creditors and Statement of Proposals, which provides further details of the assets, liabilities and estimated return to creditors, if any. Particular reference is made to the Appendices entitled 'Analysis of Time Charged and Expenses Incurred', 'Fee Estimate' and 'Estimated Expenses of the Administration'.

Estimated Fees and Expenses

The Joint Administrators propose that their fees will be based on time costs.

The amount expected to be drawn in fees over the length of the Administration by the Joint Administrators is shown in Appendix 5 Fee Estimate

The Joint Administrators estimate the expenses of the Administration to total approximately £17,510. as shown in Appendix - 7 Estimated Expenses of the Administration

Appendix 7 illustrates the estimated expenses for the whole of the Administration and is for information purposes (not for approval by any class of creditor). This estimate may change over the course of the Administration but creditors will be informed of any variations with associated reasons in future progress reports.

As detailed in paragraph 10.3 of the main report, the Secured Creditor is asked to approve the fee basis (time costs) and also the Fee Estimate in the total sum of £52,550.

The Secured Creditor will be making a contribution to the costs of the Administration

Estimated Return to Creditors

On present information it is likely that there will be insufficient realisations to make a distribution to non-preferential creditors.

The Company does not have any preferential creditors.

As detailed in the Proposals the Secured Creditor is holding the funds received in respect of EHTCL under their fixed charge

It is not expected that there will be sufficient asset realisations to make a further distribution to the Secured Creditor

Strategy

Asset Realisations

The Company's realisable assets are its shares in EHTCL and SCL. As described in Section 6 of the Proposals, the shares of EHTCL were sold to Trent on the Appointment Date

As this was a pre-packaged sale, the majority of the time incurred on the realisation of the shares was incurred prior to the appointment of the Joint Administrators. as detailed in Section 9 of the Proposals.

Details of the sale of the shares in SCL is also included in the Proposals. This sale completed on 7 December 2017. The consideration of £20,000 was received by the solicitors in full on completion.

These funds are currently being held by the solicitors.

The sum of £18,900 has been incurred by the Joint Administrators and their staff in respect of sale of SCL up to 8 December 2017. This time included assisting with negotiations with the purchaser in respect of the Sale and Purchase Agreements, including liaising with potential interested parties and discussions with the Directors and the Secured Creditor. As this sale has now completed, it is not anticipated that any further time will be incurred in respect of the sale and business and assets.

Investigations

It is a statutory requirement that the Joint Administrators provide a report to the Secretary of State on the conduct of the Directors in their management of the Company to determine their unfitness to act in such a role. This will entail a broad level of investigation to ensure that best practice standards are met and the Fee Estimate reflects this standard. If the Secretary of State then instigates Directors Disqualification proceedings, further time may be expended in providing supporting documents, witness statements and so on. Such investigation may or may not lead to further asset recovery so creditors should not assume that this activity will provide a monetary benefit to the Administration estate

On present information it is estimated that the Joint Administrators' time costs in conducting the required investigations will be £3,310, none of which has yet be incurred

Statutory Compliance

An Administrator is highly regulated, being required to conform to insolvency legislation, industry Best Practice policies (Statements of Insolvency Practice) and relevant case law. Consequently Administrators are obliged to undertake many activities that do not provide a financial benefit to creditors. Such matters will include, but are not restricted to: Anti Money Laundering, Bribery Act and Ethical considerations and checks, statutory advertising, regular reporting to creditors including fee agreement procedures, obtaining and securing company books and records, Companies House filing, completion and release of insolvency bond and various Treasury functions. Time costs are estimated at £15.30 for Statutory Matters, Statement of Affairs and Closing Matters as shown in the Fee Estimate, including £10,114 already incurred.

Creditors

On present information it is estimated that the Joint Administrators' time costs in dealing with creditors of the Company, including the Secured Creditor will be £2,510 of which £840 has already been incurred.

The Joint Administrators will provide creditors with regular updates on the progress of the Administration including six monthly progress reports. Any creditor claims will be recorded, however as it is not anticipated that there will be a return to non-preferential creditors time spent reviewing creditor claims will be minimal.

Appendix 7

Estimated Expenses of the Administration

Egbert Taylor Group Limited (in Administration)

Administrators' Estimated Expenses for Whole Period of the Administration

Notes	Company	Activity	Date of Instruction	Fee Basis	Anticipated Total Cost £
1	Disbursements - Category 1				
2		Statutory advertising			85.00
3		Bond Premium			10.00
4		Storage			100.00
		<i>Total Category 1 disbursements</i>			195.00
5	Disbursements - Category 2				
6		Mileage @ 45p per mile			100.00
		<i>Total Category 2 disbursements</i>			100.00
		Total Estimated Expenses		TOTAL	£295.00

Notes to Estimated Expenses Schedule

- 1 **Category 1 disbursements** are payments to independent third parties where there is specific expenditure directly referable to the Administration
- 2 Statutory advertising in the London Gazette is required under insolvency legislation
- 3 This is a statutory requirement and cost is based on the value of assets
- 5 **Category 2 disbursements** are costs that are directly referable to the Administration but not to a payment to an independent third party
- 6 Mileage is the reimbursement of staff expenses, at a specified rate travelling by car to attend meetings. A nominal figure is shown

The total anticipated expenses is an estimate based on information at the commencement of the appointment. The estimate should therefore be treated with caution as matters are likely to change over the life of the Administration

The above costs exclude VAT
DATE 11 December 2017

Egbert Taylor Management Limited (In Administration)

Administrators' Estimated Expenses for Whole Period of the Administration

Notes	Company	Activity	Date of Instruction	Fee Basis	Anticipated Total Cost £
1	Professional Advisors				
2	Hewlett Swanson LLP	Solicitors - Assistance with the preparation and negotiation of the sale and purchase agreement in respect of SCL and other ad hoc legal matters	Instructed Pre-Administration	Time costs	17,000.00
3	Pareto Tax	Tax Accountants - Post appointment tax advice and submission of returns	20-Nov-17	Time costs and disbursements	TBC
	Total professional advisor costs				17,000.00
4	Disbursements - Category 1				
5		Statutory advertising			85.00
6		Bond premium			225.00
7		Storage			100.00
	Total Category 1 disbursements				410.00
8	Disbursements - Category 2				
9		Mileage @ 45p per mile			100.00
	Total Category 2 disbursements				100.00
	Total Estimated Expenses				TOTAL £17,510.00

Notes to Estimated Expenses Schedule

- 1 The Joint Administrators' choice of professional advisors will be based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and the basis of their fee.
- 2 The Solicitors have assisted with both sales of shares. The vast majority of time incurred in respect of the shares of EHTCL was incurred pre-Administration, therefore the above costs relate to the sale of the shares of SCL in the main.
- 3 Pareto Tax have been instructed to advise on tax matters post-Administration and file all relevant returns.
- 4 **Category 1 disbursements** are payments to independent third parties where there is specific expenditure directly referable to the Administration.
- 5 Statutory advertising in the London Gazette is required under insolvency legislation.
- 6 This is a statutory requirement and cost is based on the value of assets.
- 7 Books and records of the company will be stored off site with an external provider for at least the duration of the Administration plus one year. In addition it is a statutory requirement that books and records of the Administrator must be kept for 6 years after the conclusion of the Administrator. There are over 100 boxes of Company records in storage.
- 8 **Category 2 disbursements** are costs that are directly referable to the Administration but not to a payment to an independent third party.
- 9 Mileage is the reimbursement of staff expenses, at a specified rate travelling by car to attend meetings. A nominal figure is shown.

The total anticipated expenses is an estimate based on information at the commencement of the appointment. The estimate should therefore be treated with caution as matters are likely to change over the life of the Administration.

The above costs exclude VAT
DATE: 11 December 2017

Appendix 8

Statement of Creditors' Rights

STATEMENT OF CREDITORS RIGHTS

Rule numbers refer to Insolvency (England & Wales) Rules 2016 (as amended)

Section or paragraph numbers refer to Insolvency Act 1986

If you require a copy of any relevant rule or section, please contact Heather Barnes

This notice is accompanied by the Joint Administrators' Statement of Proposals

Information for creditors on remuneration and disbursements of administrators

Information regarding the fees and disbursements of administrators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from the Joint Administrators' website at <http://www.duffandphelps.com/uk-restructuring/creditor-guides> (click on the document 'Administration (appointment from 1 October 2015)'). Should you require a copy, please contact this office.

Creditors may requisition a decision to be made by all of the creditors for approval of the Joint Administrator' Proposals under para 52(2) Schedule B1 Insolvency Act 1986

The Joint Administrators shall seek a decision from the Company's creditors as to whether they approve the proposals if requested by creditors of the Company, whose debts amount to at least 10% of the total debts of the Company. Such a request must be received by the Joint Administrators within 8 business days of the date on which the Joint Administrator's statement of proposals is delivered.

The request for a requisitioned decision must include a statement of the purpose of the proposed decision and either—

(a) a statement of the requesting creditor's claim together with—

- a list of the creditors or contributories concurring with the request and of the amounts of their respective claims or values, and
- confirmation of concurrence from each creditor, or

(b) a statement of the requesting creditor's debt and that that alone is sufficient without the concurrence of other creditors

Creditor/s may be requested to meet the costs of a requisitioned decision and a deposit will be required for this purpose. These costs may be ordered to be paid as an expense of the Administration if the creditors so resolve.

A requisitioned decision must be made within 28 days of receiving the deposit or the expiry of 14 days without the Administrator informing the requesting creditor of the deposit sum.

Appendix 9

Proof of Debt Form

PROOF OF DEBT - GENERAL FORM
Egbert Taylor Group Limited (in Administration)
Date of Administration: 20 November 2017

DETAILS OF CLAIM		
1.	Name of Creditor (if a company, its registered name)	
2.	Address of Creditor (i.e. principal place of business)	
3.	If the Creditor is a registered company: <ul style="list-style-type: none"> For UK companies: its registered number For other companies: the country or territory in which it is incorporated and the number if any under which it is registered The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act 	
4.	Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25	£
5.	If the total amount above includes outstanding uncapitalised interest, please state	YES (£) / NO
6.	Particulars of how and when debt incurred	
7.	Particulars of any security held, the value of the security, and the date it was given	
8.	Details of any reservation of title in relation to goods to which the debt relates	
9.	Details of any document by reference to which the debt can be substantiated. [The administrator may call for any document or evidence to substantiate the claim at his discretion]	
10.	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	Category Amount(s) claimed as preferential £
11.	If you wish any dividend payment that may be made to be paid in to your bank account please provide BACS details. Please be aware that if you change accounts it will be your responsibility to provide new information	Account No.: Account Name: Sort code:
AUTHENTICATION		
Signature of Creditor or person authorised to act on his behalf		
Name in BLOCK LETTERS		
Date		
If signed by someone other than the Creditor, state your postal address and authority for signing on behalf of the Creditor		
Are you the sole member of the Creditor?		YES / NO

PROOF OF DEBT - GENERAL FORM
Egbert Taylor Management Limited (in Administration)
 Date of Administration. 20 November 2017

DETAILS OF CLAIM		
1.	Name of Creditor (if a company, its registered name)	
2.	Address of Creditor (i.e. principal place of business)	
3.	<i>If the Creditor is a registered company.</i> <ul style="list-style-type: none"> For UK companies: its registered number For other companies: the country or territory in which it is incorporated and the number if any under which it is registered The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act 	
4.	Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25	£
5	If the total amount above includes outstanding uncapitalised interest, please state	YES (£) / NO
6	Particulars of how and when debt incurred	
7.	Particulars of any security held, the value of the security, and the date it was given	
8	Details of any reservation of title in relation to goods to which the debt relates	
9.	Details of any document by reference to which the debt can be substantiated. [The administrator may call for any document or evidence to substantiate the claim at his discretion.]	
10	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	Category Amount(s) claimed as preferential £
11	If you wish any dividend payment that may be made to be paid in to your bank account please provide BACS details. Please be aware that if you change accounts it will be your responsibility to provide new information	Account No Account Name Sort code
AUTHENTICATION		
Signature of Creditor or person authorised to act on his behalf		
Name in BLOCK LETTERS		
Date		
If signed by someone other than the Creditor, state your postal address and authority for signing on behalf of the Creditor		
Are you the sole member of the Creditor?		YES / NO

Appendix 10

Disclosure in Accordance with Statement of Insolvency Practice 16 "Pre-Packaged Sales in Administrations"

Egbert Taylor Management Limited (In Administration) ("the Company")

Joint Administrators' report on the sale of the Company's shareholding in Egbert H Taylor & Company Limited ("EHTCL")

Where a sale of or part of a company's business and or assets is negotiated with a purchaser prior to the appointment of Administrators and the Administrators effect the sale immediately on, or shortly after appointment, this is known as a *pre-packaged sale*

The statutory purpose of Administration is for the Joint Administrators to perform their functions with the objective of either *rescuing a company as a going concern or achieving a better result for the company's creditors than would be likely if the company were wound up rather than being placed into Administration first*

If neither of these objectives is reasonably practicable, the third objective of realising property to make a distribution to one or more secured or preferential creditors of the company may be pursued providing the Joint Administrators *avoid unnecessarily harming the interests of the general body of creditors*

Creditors should be aware of the differing roles of an Insolvency Practitioner associated with an Administration that involves a *pre-packaged sale of the company's business and assets*. Prior to the formal appointment, the Insolvency Practitioner will have been instructed by the company and/or a secured creditor to provide advice although will always act independently of the company's management who will remain responsible for the affairs of the company

That advice will normally include consideration of potential insolvency exit strategies and to assist management meet their fiduciary duties and obligations when running a company, with attention being paid to any proposed *pre-packaged Administration sale scenario*. On formal appointment, the Administrator, who is an officer of the Court and an agent of the company, will manage the company's affairs, business and property for the benefit of creditors

The Joint Administrators provide this report in accordance with SIP 16, following their appointment and shortly thereafter completing a sale of the Company's shareholding in EHTCL to the purchaser

In this case the Insolvency Practitioner was instructed by Indigo V S A R L, the Company's secured creditor ("the Secured Creditor") and for the reasons detailed later in this report, the view reached was that a sale of the Company's 100% shareholding in EHTCL a trading subsidiary would be the most beneficial strategy to pursue.

On 20 November 2017, Philip Duffy and Matthew Ingram, both Managing Directors of Duff & Phelps Ltd., were appointed Joint Administrators of the Company by the Secured Creditor

It should be noted that on the same date Philip Duffy and Matthew Ingram were appointed Joint Administrators of Egbert Taylor Group Limited by the Secured Creditor. ETGL acts as the ultimate holding company of the wider group detailed later in this report

Executive Summary

The Company's issued and allotted share capital in EHTCL ("the Shares") were sold to Trent Bidco Limited (CRN 11064970) ("Trent") on 20 November 2017

Trent is a special purpose vehicle set up to acquire the shares in EHTCL by Indigo V L P

Indigo Capital LLP ("Indigo") is the manager of various funds including that of the Secured Creditor and Indigo V L.P and therefore a connected party for SIP 16 purposes

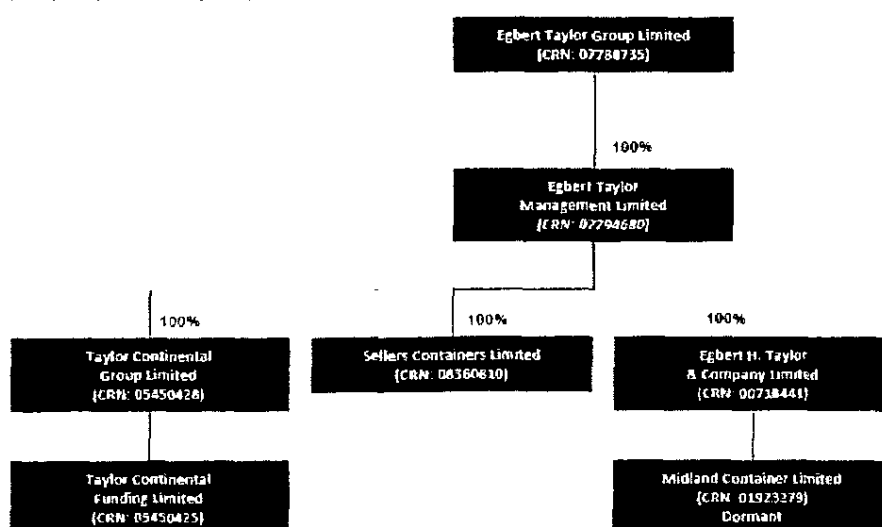
The Joint Administrators have concluded that a sale was appropriate and in the best interests of creditors for the following reasons:

- If no action had been taken by the Secured Creditors it was likely that the Directors of the Company would have had no choice but to put the whole group into administration and any value would have significantly reduced.
- The price achieved is significantly higher than the valuations commissioned,
- Although the Joint Administrators' were made aware of two other parties who had made offers immediately prior to the appointment, both were significantly lower than the offer made by Trent, and both were aware of the level of Trent's offer;
- The immediate sale mitigated a disruption to EHTCL, the main trading company in the group, and any damage to EHTCL's reputation as a result of an insolvency process. This would likely have resulted in a deterioration of value and reduction in the return to creditors;
- If EHTCL was to enter any formal insolvency process, this would result in significant creditor claims and may also result in the redundancy of the employees of EHTCL which would in turn increase preferential and non-preferential creditor claims

It should be noted that based upon current estimates, it is uncertain whether there will be sufficient realisations to enable a distribution to be made to the non-preferential creditors of the Company

Background Information

The Company is part of a group of companies ("the Group") Structured as follows:



The Company was incorporated on 3 October 2011

The appointed directors of the Company during the three years leading up to the date of Administration can be seen below:

Director	Appointed	Resigned
Andrew Davies	17/11/2014	-
Brendan Francis Murphy	1/12/2014	-
Richard Barry Sanders	14/10/2011	-
Layton Gwyn Tamberlin	14/10/2011	-
Tim David Woodcock	14/10/2011	-
Julian Howard Gaynor	31/3/2012	31/5/2015
Andrew Paul Ratigan	21/3/2014	1/11/2016

The Secured Creditor advanced funding to the Group via the Company and held a fixed and floating charge over the Company's assets which was created on 14 October 2011 and delivered on 21 October 2011.

Other Group companies provided cross guarantee security supported by debentures to the Secured Creditor for the Company's borrowing. At the appointment date, the amount due to the Secured Creditor across the Group was c£6.6m.

Although the Company is the principal borrower, it primarily acts as a holding company for EHTCL and SCL the two main trading companies within the Group.

EHTCL is the largest and only profitable trading company within the Group and is the leading supplier of metal industrial waste bins to local authorities and other customers primarily in the UK with a market share of approximately 80%.

EHTCL was incorporated in 1962 and is based in Droitwich, United Kingdom, and has approximately 90 employees.

EHTCL was historically profitable, with profits of £1m and £1.6m in 2014 and 2015 respectively. In 2016 the Company recorded a net loss of £0.5m. Draft financial statements showed those losses continued in 2017 and the 4 months to September 2017.

Being the only profitable trading company in the Group, EHTCL was effectively servicing the debt to the Secured Creditor, including the management fees payable by ETG and the trading losses of Sellers Containers Limited ("SCL"), all of which placed considerable pressure on cashflow.

The cashflow pressures were compounded during 2017. EHTCL experienced a number of trading challenges, including the Administration of a key supplier which resulted in the loss of £1.6m trade credit and a downturn in the market caused by local authority budgeting constraints.

During September 2017, the Company defaulted on its obligations to the Secured Creditor, with no means to remedy the default and a further cash requirement identified by the directors totalling £1.5m, the Secured Creditor took steps to explore the options available.

In order to better understand the ongoing viability of the Group and its ability to service the loan, Duff & Phelps were engaged to undertake a balance sheet review of EHTCL by the Secured Creditor in October 2017.

Following this review and discussions with the Secured Creditor, it was clear that to mitigate its exposure, action to protect the value of EHTCL was required.

The Secured Creditor requested further details of how the shareholders and directors would mitigate the £1.5m funding requirement identified. The Directors responded placing the onus back onto the Secured Creditor to resolve the identified funding requirement. If this was not possible the Directors confirmed they would have no alternative than to take steps to put the Company into Administration.

The Secured Creditor received an offer from a third party to buy out the Secured Creditors position, however, the offer was significantly below par and was not acceptable to the Secured Creditor.

In a final attempt to avoid the need for the appointment of Administrators the Secured Creditor made an offer to the directors of ETM to acquire the shares of EHTCL. It was concluded that this offer did not provide sufficient funding to ensure the ongoing viability of the Group as a whole

Therefore, in the absence of a significant equity investment, the Directors sent a letter to the Secured Creditor confirming that they would have to appoint of Administrators over all Group companies.

All parties agreed that a sale of the shares in EHTCL by the appointed Administrators of the Company would be in the best interests of the Company's creditors and the creditors of the Group as a whole.

On 20 November 2017, a Notice of Appointment of Administrators was filed and Philip Duffy and Matthew Ingram of Duff & Phelps were formally appointed as Joint Administrators of the Company and of ETGL by the Secured Creditor

Initial introduction

Following exploratory discussions, Duff & Phelps were introduced to the Secured Creditor by DLA Piper LLP, who act for Indigo

Duff & Phelps were formally engaged under the terms of a signed engagement letter dated 30 October 2017 to carry out a balance sheet review of EHTCL. The findings of the report were presented to the Secured Creditor along with the Directors cashflow supporting the £1.5m funding requirement

Following the completion of the report, Duff & Phelps engagement was expanded to include restructuring advice to the Secured Creditor under the terms of an engagement letter dated 14 November 2017

On 20 November 2017, a Notice of Appointment of Administrators was filed and Philip Duffy and Matthew Ingram of Duff & Phelps were formally appointed as Joint Administrators by the Secured Creditor

Pre-appointment considerations

Although it was highlighted as part of Duff & Phelps anti-money laundering and conflict checks that other parts of Duff & Phelps had undertaken work for the Secured Creditor and associated companies the Joint Administrators were not involved with and have no knowledge of any previous engagements

Indigo and the Secured Creditor are listed as contacts on Duff & Phelps internal system however no engagements are noted

Attempts to avoid the Administration are discussed above, however, once it was known that further funding was not forthcoming, alternative insolvency processes that were considered are set out below.

Continuing to Trade

The Company acted as a non-trading holding company to the other companies within the Group

The Company had recently defaulted on its loan to the Secured Creditor and the Directors had identified a £1.5m plus funding requirement.

Due to the financial position, the Directors informed the Secured Creditor of their intention to take steps to place the Group into an insolvency process. Therefore, continuing to trade the business was not considered an option

Creditors' Voluntary Liquidation ("CVL")

A CVL would have caused a delay to the sale of the business and assets due to the notice requirements for the convening of a meeting of members and creditors and the likely disruption that would follow in the intervening period as the Group's financial situation became public.

Had the Company entered CVL it is likely to have entered a forced sale scenario in respect of its shareholding and the process would have negatively impacted the value

Further detriment to the value of the shares and position of EHTCL is likely to have been caused due to the prolonged process of a sale via CVL and it is likely that suppliers and customers of EHTCL becoming aware of the CVL would have a detrimental effect of the trading position of EHTCL.

Due to the above, CVL was not considered the best option in the circumstances.

Company Voluntary Arrangement ("CVA")

As the Company is a non-trading holding company any CVA contributions would need to be paid by EHTCL. Due to the funding requirement of £1.5m identified by the Directors and the absence of additional funds to meet this, the viability of EHTCL was uncertain. Therefore a CVA was not considered appropriate.

Administration

Due to the reasons highlighted above, it was not possible to trade the Company in Administration.

Summary

Overall, it was considered that a better outcome could be achieved by selling the shares in EHTCL to allow for a seamless transaction, allowing the Purchaser to take over the running of the trading entity with minimal disruption.

The offer also provided for the significant repayment of the indebtedness to the Secured Creditor and reduced the risk of exposure to the other companies within the Group.

In addition, it was considered that the pre-packaged sale would enable EHTCL to continue to trade with minimal disruption preserving 100 jobs and a large supply chain.

Secured Creditor

As stated above, Duff & Phelps held several discussions with the Secured Creditor to understand the financial position of the Group and their attitude towards the exit options.

To avoid any perceived conflicts the Secured Creditor submitted an offer and allowed the Joint Administrators' to form an opinion on the appropriateness and the benefit to creditors.

The Secured Creditor reviewed the various exit options and offers received from third parties. Ultimately, the Joint Administrators believed the value of the shares in EHTCL was significantly higher than the third party offers received.

The debenture, created on 14 October 2011 and delivered on 21 October 2011 confers a fixed charge over the shares of the subsidiary undertakings and therefore, the proceeds of the sale have been distributed to the Secured Creditor under the terms of their fixed charge security.

Preferential Creditors

The Company had no employees and therefore there are no known preferential creditors of the Company.

Non-Preferential Creditors

Due to the uncertainty surrounding the other liabilities of the Company, it was not possible to consult with any other creditors.

Marketing of the business and assets

The Joint Administrators considered that a portfolio valuation should be obtained in the first instance.

Following consultation with the Secured Creditor and discussions with Directors, the Joint Administrators decided that it was not in the best interests of the Group to market the Shares in EHTCL due to the significant cash flow pressures and the risk of an extended marketing process further impacting the financial position. This meant it was likely there would be a reduction in the enterprise value of EHTCL.

There were a number of parties that had previously expressed an interest and upon receipt of the valuation, these parties could be approached to submit an offer. In the event an offer below the valuation was received, a wider marketing exercise could be undertaken.

However, an offer of sufficient value was received and therefore a marketing process was not undertaken.

Valuation of the business and assets

The proposed Joint Administrators instructed their internal valuation team to provide an independent desktop opinion of the current fair value of the Shares.

Duff & Phelps are the largest independent valuation experts in the world with significant experience and expertise in this area. Whilst it was considered that another party could be instructed, the expertise of Duff & Phelps and the separation of the valuation team meant it could be carried out independently.

The valuation was completed on the shares of EHTCL on a standalone basis rather than as part of the wider Group. EHTCL's obligations as a guarantor to ETM's loan from the Secured Creditor had implications on its net debt position for the purposes of the valuation.

A detailed report was completed which explained the basis and workings of the valuation which considered enterprise valuation assumptions, market approach, consideration of cash flows, EBITDA, previous transactions in EHTCL and comparable transactions.

Based on the EBITDA figures and respective multiples considered in the valuation report the following ranges of Enterprise Value ("EV") on a going concern basis were given

EHTCL Valuation - £m	Historic Multiple		Forward Multiple	
	Low	High	Low	High
EBITDA £m	1.7	1.7	2.1	2.1
EV/EBITDA multiple	7.5x	8.5x	6.5x	7.5x
EV (going concern) £m	12.5	14.1	13.8	15.9

To adjust the above going concern valuation to reflect the "forced" sale of EHTCL's business due to its short-term cash deficit, a calculated discount was applied to the going concern EV ranges listed above

Considering liquidation discounts and based on the agents experience in valuing distressed assets the concluded EV range results in the fair value of EHTCLs enterprise of £8.7m to £9.9m.

EHTCLs net debt position was calculated on a standalone basis based on its balance sheet at September 2017, the contingent liability in respect of the Secured Creditor debt was also added, it was also considered that it is unlikely that the intercompany debtor amounts due to EHTCL would be repaid

When EHTCL's net debt of £9.1 million is subtracted from the total enterprise value, the report concluded a fair value range for the shares of nil to £0.8 million

To ensure the valuation was objective and independent a second opinion was sought. The proposed administrators engaged SIA Group to undertake a review of the report and valuation

SIA group instructed Valuation Consulting LLP ("VC") to complete the review

The Report from VC was completed by Mary Jackets, BA ACA, MRICS ("MJ")

In summary the review concluded that

- On the basis of information available the calculation set out in the Duff & Phelps report shows a reasonable illustration of the potential valuation scenario in the event of EHTCL suffering a funding shortfall. As any funding shortfall would likely trigger a requirement to extricate EHTC from the Group there would be a nil value attributed to the equity;
- However it was noted that in the event sufficient funds to ensure EHTCL and/or the Group could meet its obligations, they would consider a different calculation to be appropriate in order to determine a market value for EHTCL. Such a calculation could potentially produce a different outcome to the illustrative calculation set out in the Duff & Phelps report

Additional funding had been explored and ruled out that for the reasons stated earlier in this report.

NB: Both Duff & Phelps and VC / MJ confirmed that they were competent to undertake the valuation assignment and that they carry adequate levels of professional indemnity insurance

The transaction

A transaction was completed by transfer comprising the whole of the issued and allotted share capital of EHTCL on 20 November 2017 to Trent Bidco Limited (CRN 11064970)

Purchaser and related parties

The purchaser of the assets is Trent Bidco Limited (CRN 11064970) whose registered office is c/o Indigo Capital LLP, Stanage, Gelndene Avenue, East Horsley, Kent, KT24 5AY ("the Purchaser")

Indigo V.L.P. is a connected party to the Company's Secured Creditor as both are managed by Indigo

Following the transaction EHTCL has been recapitalised and is now fully funded which provided a much stronger balance sheet than before

A letter of comfort was received that confirmed Indigo's intention to provide the necessary working capital facilities to Trent. The Joint Administrators were satisfied that this provided sufficient comfort on viability.

Assets

The transaction comprised the whole of the issued and allotted share capital of the EHTCL.

The Company has other subsidiary interests and the Joint Administrators have commenced an open marketing exercise to realise those interests.

Sale consideration

The full sale consideration payable by the Purchaser for the Shares is in the sum of six million five hundred thousand pounds (£6,500,000).

The consideration was paid on completion.

Connected Party Transactions

Duff & Phelps provided the Purchaser with details of the pre-pack pool as part of the signed engagement letter.

We understand that the Purchaser did not approach the pre-pack pool

Although a validity report was not provided, as detailed above, a letter of comfort was received that confirmed Indigo's intention to provide the necessary working capital facilities to Trent. The Joint Administrators were satisfied that this provided sufficient comfort on viability.

Statutory Purpose

The statutory purpose of the Administration is to achieve one of the following hierarchical objectives

- Rescuing the company as a going concern, or
- Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration), or
- Realising property in order to make a distribution to one or more secured or preferential creditors.

The first objective will not be achieved as there are insufficient funds and assets available to enable the Company to be rescued as a going concern

The second objective may not be achievable however, for the reasons stated above the Joint Administrators believe that a better result for the Company's creditors as a whole has been achieved than in comparison with the return if the Company was wound up.

The third objective has been achieved as the Secured Creditor has been paid in full.

Consequently, the transaction has enabled the statutory purpose to be attained.

The Joint Administrators consider that the sale price achieved was the best reasonably obtainable in all the circumstances