

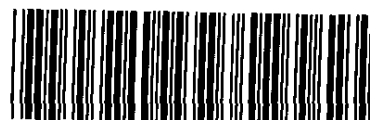
AM03

Notice of administrator's proposals



Companies House

FRIDAY



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A05

25/05/2018

#392

COMPANIES HOUSE

1	Company details		→ Filling in this form Please complete in typescript or in bold black capitals.
Company number	0 7 8 0 7 5 0 9		
Company name in full	Fine Equinity Limited		
2	Administrator's name		
Full forename(s)	Ian William		
Surname	Kings		
3	Administrator's address		
Building name/number	The Axis Building		
Street	Maingate		
Post town	Team Valley Trading Estate		
County/Region	Gateshead		
Postcode	N E 1 1 0 N Q		
Country			
4	Administrator's name ●		
Full forename(s)	Lynn		● Other administrator Use this section to tell us about another administrator.
Surname	Marshall		
5	Administrator's address ●		
Building name/number	The Axis Building		● Other administrator Use this section to tell us about another administrator.
Street	Maingate		
Post town	Team Valley Trading Estate		
County/Region	Gateshead		
Postcode	N E 1 1 0 N Q		
Country			

AM03

Notice of Administrator's Proposals

6

Statement of proposals



I attach a copy of the statement of proposals

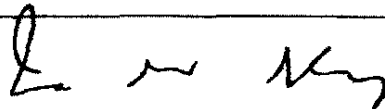
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Sign and date

Administrator's
Signature

Signature

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Signature date

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AM03 Notice of Administrator's Proposals

Presenter information

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

Contact name **Paul Kings**

Company name **KRE (North East) Limited**

Address **The Axis Building**

Maingate

Post town **Team Valley Trading Estate**

County/Region **Gateshead**

Postcode

N	E	1	1		0	N	Q
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Country

DX

Telephone **0191 404 6836**

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

Important information

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

Where to send

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

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

Further information

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

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

**Joint Administrators' Proposals relating to
Fine Equinity Limited ("the Company") – In Administration
Issued on: 18 May 2018**

Lynn Marshall and I are the Joint Administrators of the Company and these are our statutory proposals relating to the Company.

1. STATUTORY INFORMATION

Company Information

Company name:	Fine Equinity Limited
Previous name:	Not Applicable
Trading name:	Not Applicable
Company number:	07807509
Date of incorporation:	12 October 2011
Trading address:	Hampton House, Falcon Court, Preston Farm, Stockton-on-Tees, TS18 3TS
Current registered office:	c/o KRE (North East) Limited, The Axis Building, Maingate, Team Valley Trading Estate, Gateshead, NE11 0NQ
Former registered office:	Hampton House, Falcon Court, Preston Farm, Stockton-on-Tees, TS18 3TS
Principal trading activity:	Equine technology

Appointment Details

Administrators	Ian William Kings and Lynn Marshall
Administrators' address	KRE (North East) Limited, The Axis Building, Maingate, Team Valley Trading Estate, Gateshead, NE11 0NQ
Date of appointment	23 March 2018
Court name and reference	High Court of Justice, Business and Property Courts in Newcastle 0146 of 2018
Appointment made by:	Directors
Actions of Administrators:	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

Officers of the Company:

<i>Directors:</i>	<i>Name:</i>	<i>Shareholding</i>
	Keith Hanson	70%
	Steven Catchpole	30%

Share capital

<i>Authorised</i>	<i>Allotted, called up and fully paid</i>
1,000 ordinary shares of £0.001 each	1000 ordinary shares of £0.001 each

Charges

Not Applicable.

2. CIRCUMSTANCES LEADING TO THE APPOINTMENT OF THE ADMINISTRATORS

The Company began trading in 2011, developing products for the equine industry. The product that was being developed was called EquinlTy, a horse welfare and training tool which was able to provide vital health and other important information about horses to enable horsemen to optimise the effectiveness of their horses' training programmes. The research and development of the product was funded from loans made by both the directors and external funders.

In April 2015, the second generation of the product was released, offering greater diversity due to its compatibility with all leading Apple and Android smart devices.

A summary of the Company's recent trading performance is shown below.

	Statutory Accts 1 October 2016 to 30 September 2017 £'000	Statutory Accts 1 October 2015 to 30 September 2016 £'000
Turnover	155	150
Cost of Sales	<u>(25)</u>	<u>(26)</u>
Gross Profit	130	124
Gross Profit %	84	83
Overheads	<u>(377)</u>	<u>(297)</u>
Net Profit/Loss after tax	<u>(247)</u>	<u>(173)</u>

The Company had incurred high research and development costs and even though there were increases year on year in turnover now that the product was selling, costs continued to rise and losses increased.

The Company was in discussions to make a major acquisition however at the final hour these fell through. With the Company continuing to make losses, the directors sought advice from the Company's accountants and after discussions it was decided that the Company could no longer continue to trade in its present state and administration was proposed to allow time to market and sell the Company.

Prior to the commencement of the Administration KRE (North East) Limited acted as advisors to the Board as a whole acting on behalf of the Company. No advice was given to the individual directors regarding the impact of the insolvency of the company on their personal financial affairs. Whilst not formally in office at that time, KRE (North East) Limited was still required to act in its dealings with the Company in accordance with the Insolvency Code of Ethics.

As required by the Insolvency Code of Ethics, Lynn Marshall and I considered the various threats to our objectivity arising from this prior involvement. We concluded that those threats were at an acceptable level such that we could still act objectively and hence could be appointed Administrators of the Company.

On 23 March 2018, Lynn Marshall and I were appointed by the directors as Joint Administrators of the Company and took over from the Board responsibility for the management of the affairs, business and property of the Company. The appointment permitted the Joint Administrators to take any actions required either jointly or alone, and I have been the Administrator primarily involved in dealing with the Company's affairs.

3. OBJECTIVES OF THE ADMINISTRATION AND THE ADMINISTRATORS' STRATEGY FOR ACHIEVING THEM

As Administrators of the Company, Lynn Marshall and I are officers of the Court, and must perform our duties in the interests of the creditors as a whole in order to achieve the purpose of the Administration, which is to achieve one of the three objectives set out in the insolvency legislation, namely to:

- (a) rescue the Company as a going concern; or
- (b) achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors.

Objective (a) could not be achieved as no purchaser could be found for the shares of the Company and the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement was not appropriate.

As a result, we are seeking to achieve objective (b) for the Company, and will do this by briefly trading the Company in a limited capacity seeking a sale of the business and assets as a going concern.

The insolvency legislation has set a 12 month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. If we are unable to complete the Administration of the Company within 12 months then we will either apply to the Court, or hold a meeting of creditors, in order to seek approval to extending the duration of the Administration.

4. ACTIONS OF THE ADMINISTRATORS FOLLOWING APPOINTMENT

Since I was appointed Administrator I have notified all relevant parties of our appointment as administrators and arranged for the business and assets to be marketed for sale, assisting any interested parties wherever possible. A sale of the business has also been achieved and work has been done throughout the process, from acceptance to agreeing the terms of the transaction. I had to undertake this work either as part of my routine administrative functions, or in order to protect and realise the assets of the Company. In addition, I have undertaken routine statutory and compliance work, such as filing notice of our appointment at Companies House and preparing a gazette notice. These are tasks that are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

Upon appointment, the Company continued to trade in a limited capacity whilst we attempted to find a potential purchaser for the business and assets. Employees were retained in order to continue to service existing customers and retain any goodwill along with taking details of potential new customers. No new orders were being accepted at this stage and as such no costs associated with this were incurred. Funds were deposited in a client account controlled by KRE (North East) Limited solely for the purpose of defraying any essential payments during the marketing period. It was the intention of the administrators to include the cost of the employees during the marketing period as part of any sale agreement and this was achieved, minimising any loss to the administrators.

On 23 April 2018, I sold the assets of the Company to Equinity Technology Limited, a Company connected with the Directors.

On 21 March 2018, a valuation of the assets of the Company was prepared by Gordon Brothers, an independent firm of valuers who have confirmed that they hold Professional Indemnity Insurance.

The assets were sold for £20,000. An outline of the different types of asset sold and the amount for which they were sold, together with a comparison against the valuation realised,

Asset category	Valuation basis & amount (£)		Sale Consideration
	<i>In Situ</i>	<i>Break up basis</i>	£

<u>Uncharged assets</u>			
Stock	16,000	2,250	10,599
Office equipment	11,000	5,000	7,399
Intellectual property	-	-	2,000
Goodwill	-	-	1
Business	-	-	1
Total	27,000	7,750	20,000

The Business and assets were marketed for sale on IPBid.com and although there were two other expressions of interest, with one requesting further information, no other bids were forthcoming by the deadline set by the Administrators. Although the assets have remained in situ, due to the lack of other offers it was concluded that it was in the best interest of the creditors for the administrators to accept the offer from Equinity Technology Limited.

5. FINANCIAL POSITION OF THE COMPANY

A summary of the Company's estimated financial position as at 23 March 2018, which is known as a Statement of Affairs, is attached at Appendix 1.

Comments on the Statement of Affairs

5.1. Book debts

The realisable value given to book debts takes into account known bad debts of £Nil and estimates that all debts will be paid in full.

5.2. Stocks and Plant and Machinery

The Company's stocks, with a book value of £31,878, is expected to realise £2,250 at public auction.

The Company's plant and machinery, with a book value of £10,474, is expected to realise £5,000 at public auction. All plant and machinery is free from finance.

5.3. Cash at bank

There was a balance of £20,000 deposited into a client account controlled by KRE (North East) Limited, with the remainder held in current accounts with HSBC Bank plc

5.4. VAT refund

Although the VAT account is in a repayment position, it is likely that HMRC will offset this with amounts due for PAYE.

5.5. Prescribed part

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property." A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An Administrator has to set aside:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property;

up to a maximum of £600,000.

The Company has not created any floating charges, so the prescribed part provisions will not apply.

6. ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

I attach a summary of the receipts and payments relating to the Company for the period from when it entered Administration, 23 March 2018, to the date of these proposals, at Appendix 2.

The business and assets were sold to Equinity Technology Limited, a company under common control, for £20,000 on 23 April 2018. As explained above, this was the best and only offer received and based on the independent valuation, the value received was greater than would have been achieved through a forced sale.

7. PROPOSED FUTURE ACTIONS OF THE ADMINISTRATORS TO ACHIEVE THE OBJECTIVE OF THE ADMINISTRATION

In order to achieve the objective of the Administration of the Company I propose to market and sell the business and assets.

This was achieved and will enable a distribution to unsecured creditors in due course.

8. ADMINISTRATORS' REMUNERATION AND EXPENSES

I attach at Appendix 3 a copy of my practice fee recovery policy. In this case I am seeking to fix the basis of my remuneration on a fixed fee basis as detailed below:

Fixed fee basis:

There are certain tasks that I have to carry out on nearly every case, namely Administration, Investigations, Realisation of Assets, Trading and Creditors. Although they are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not produce any direct benefit for creditors, but still have to be carried out. There are certain tasks that I only have to carry out where there are assets to recover. They may produce a direct benefit for creditors, but are subject to the costs of the proceedings generally. I undertake the work to protect and then realise the assets, initially at my own cost, suffering the loss if any asset is not realisable. If assets are recovered, I first recover my costs and then distribute any balance.

Administration: This represents the work that is involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder (and their managers delete if practice has no managerial/supervisory grades of staff). It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow. (Add in any case specific reasons why this work needs to be undertaken).

Creditors:

Claims of creditors - the office holder needs maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions. **Dividends** - the office holder has to undertake certain statutory formalities in order to enable him to pay a dividend to creditors. This include writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.

Investigations: The insolvency legislation gives the office holder powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure and also in respect of matters such as misfeasance and wrongful trading. The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then the office holder will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors and approval for an increase in fees will be made as necessary. Such recovery actions will be for the benefit of the creditors and the office holder will provide an estimate of that benefit if an increase in fees is necessary.

The office holder is also required by legislation to report to the Department for Business, Innovation and Skills on the conduct of the directors and the work to enable them to comply with this statutory obligation is of no direct benefit to the creditors, although it may identify potential recovery actions.

Realisation of Assets: This is the work that needs to be undertaken to protect and then realise the known assets in the case. If this work is undertaken, the office holder anticipates that the assets will realise the estimated to realise amounts provided to creditors.

Trading: The office holder has decided to trade the business of the Company in order to achieve a sale of the business as a going concern, which it is anticipated will be for a greater amount than a disposal of assets on a break up basis in order to maximise the recoveries on behalf of creditors. The particular tasks scheduled in this category of work are required to be undertaken in order to enable the office holder to monitor and control the trading of the business, and include statutory functions that are required to be undertaken when running any business.

After taking into account the nature and value of the assets involved and that this is a routine case, as highlighted above, I have concluded that a fixed fee of £18,000 is necessary to cover that work. I have also compared the proposed fixed fee with our past time records for undertaking the work in respect of cases of a similar size and complexity and taken that into account when determining the level of the fixed fee sought, and as a result I believe that this demonstrates why the fixed fee is expected to produce a fair and reasonable reflection of the work that I anticipate will be necessarily and properly undertaken. Full information about the work that I will undertake for the fixed fee is contained in Appendix 4.

I also propose that I am permitted to charge and recover what are known as category 2 expenses. Information about category 2 expenses is set out in our practice fee recovery policy at Appendix 3.

To date no category 2 disbursements have been incurred.

If a Creditors' Committee is appointed, it will be for the Committee to approve the basis of the Joint Administrators' remuneration and category 2 expenses. If a Committee is not appointed, then I will be seeking a decision from the creditors at the same time I seek a decision from them on whether or not to approve these proposals.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <http://www.krecr.co.uk/creditors/>. There are different versions of these Guidance Notes, and in this case please refer to the April 2017 version. Please note that we have also provided further details in the practice fee recovery sheet.

I have incurred total expenses of £12,002.85 since my appointment as Administrator. I have drawn £11,222.85 to date.

I have incurred the following expenses since my appointment as Administrator:

Type of expense	Amount incurred/accrued since appointment	Amount still to be paid
Agents/valuers fees	£195.00	£0.00
Legal fees	£9,015.00	£0.00
Statutory advertising	£84.60	£0.00
Bank charges	£100.00	£0.00
Specific bond	£780.00	£780.00
Repairs and Maintenance	£1,828.25	£0.00

I have used the following agents or professional advisors since my appointment as Administrator:

Professional Advisor	Nature of Work	Basis of Fees
Gordon Brothers	Valuer/Auctioneer	Fixed cost
Eversheds Sutherland	Solicitors	Time costs
IPBid.com	Agents/Valuers	Fixed cost

The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of this case.

IPBid.com provided the platform to advertise the business for sale.

Evershed Sutherlands have assisted in the appointment process and the sale process.

Gordon Brothers provided a valuation of the tangible assets.

In addition to the expenses already incurred, I anticipate that the following expenses totalling £10,000 will arise in these proceedings.

Agents/valuers fees - £5,000

Legal fees - £5,000

Expenses do not have to be approved, but when reporting to the committee and creditors during the course of the Administration the actual expenses incurred will be compared with the original estimate provided and I will explain any material differences (e.g. where legal costs rise due to escalated recovery action).

9. PRE-ADMINISTRATION COSTS

The Board of Directors instructed me to assist them in placing the Company in Administration on 20 March 2018. They agreed that I should be paid my pre-administration costs as a fixed fee of £2,000.

The following work was undertaken: discussions with directors regarding approach to sale of business; information gathered to be able to prepare a sales flyer.

I also assisted the Board take the appropriate steps to place the Company into Administration. This task, together with some of the other tasks mentioned above are required by statute or regulatory guidance, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

The following statement sets out my pre-administration costs incurred. The statement also shows those fees and expenses that were paid prior to the Administration and those where approval is being sought to pay them from Administration funds.

Description	Paid pre-appointment	Unpaid
-------------	----------------------	--------

	£	£
Administrator's pre-appointment remuneration	Nil	2,000.00
Total	Nil	2,000.00

If a Creditors' Committee is appointed, it will be for the Committee to approve payment of the pre-administration costs that have not yet been paid. If a Committee is not appointed, then since the pre-administration costs that have not yet been paid cannot be approved within these proposals, I will be seeking a decision from the creditors at the same time I seek a decision from them on whether or not to approve these proposals.

10. ADMINISTRATORS' INVESTIGATIONS

I have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. I should be pleased to receive from you any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure.

11. EC REGULATION ON INSOLVENCY PROCEEDINGS

I consider that the EC regulation on insolvency proceedings apply to the Administration of the Company. I also consider that they are "main" proceedings since the Company's registered office and its trading address are in the United Kingdom.

12. ADMINISTRATORS' PROPOSALS

In order to achieve the objective set out at section 3 above, Lynn Marshall and I formally propose to creditors that:

- (a) We continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that we:
 - (i) market and sell the Company's business and assets as a going concern;
 - (ii) sell the Company's assets at such time(s) on such terms as we consider appropriate;
 - (iii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company; and
 - (iv) do all such things and generally exercise all their powers as Administrators as we consider desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- (b) the Administration of the Company will end by filing notice of dissolution with the Registrar of companies. The Company will then automatically be dissolved by the registrar of companies three months after the notice is registered.
- (c) the Administration will end by placing the Company into Creditors' Voluntary Liquidation, and propose that Ian William Kings and Lynn Marshall are appointed Joint Liquidators of the Company and that we be authorised to act either jointly or separately in undertaking our duties as Liquidators.

Creditors may nominate a different person(s) as the proposed liquidator(s), but they must make the nomination(s) at any time after these proposals are delivered to them, but before they are approved. Information about the approval of the proposals is set out at section 13; or

- (d) the Administration of the Company will end by giving notice to the Court, creditors and Registrar of Companies that the objective of the Administration has been achieved.

13. APPROVAL OF PROPOSALS

I am seeking decisions by correspondence from the creditors to approve my proposals, approve my pre-administration costs, fix the basis of my remuneration, and to approve my category 2 disbursements. If a creditor wishes to vote on the decisions, they must complete and return the enclosed voting form to me by no later than 23.59 on 08 June 2018, the decision date. If a creditor has not already submitted proof of their debt, they should complete the enclosed form and return it to me, together with the relevant supporting documentation. A vote on the decisions by a creditor will not count unless they have lodged proof of their debt by no later than 23.59 on 08 June 2018.

Creditors are also invited to determine whether to form a Creditors' Committee, and a notice of invitation to form a Creditors' Committee and further instructions are enclosed. To enable the creditors to make an informed decision as to whether they wish to either seek to form a Committee, or to nominate themselves to serve on a Committee, further information about the role of the Committee and what might be expected from its members has been prepared by R3 and can be found is available at the link <http://www.krecr.co.uk/creditors/>.

Please note that I must receive at least one vote by the decision date or the decisions will not be made. I would therefore urge creditors to respond promptly.

Should any creditor or group of creditors wish to request a physical meeting of creditors, they must do so within 5 business days of the delivery of the notice that accompanies this letter. Such requests must be supported by proof of their debt, if not already lodged. I will convene a meeting if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."

14. FURTHER INFORMATION

To comply with the Provision of Services Regulations, some general information about KRE (North East) Limited, including about our complaints policy and Professional Indemnity Insurance, can be found at <http://www.krecr.co.uk/creditors/>.

If creditors have any queries regarding these proposals or the conduct of the Administration in general, or if they want hard copies of any of the documents made available on-line, they should contact Paul Kings on the above telephone number, or by email at paul.kings@krecr.co.uk.



Ian W Kings
Joint Administrator
KRE (North East) Limited

Licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales

Directors and staff acting as Administrative Receivers and Administrators act as agents of the company over which they are appointed and contract without personal liability

STATEMENT OF AFFAIRS

Name of Company Fine Equinity Limited	Company Number 07807509
In the High Court of Justice, Business and Property Courts in Newcastle	Court case number 0146 / 2018

Statement as to the affairs of

Fine Equinity Limited

Hampton House

Falcon Court

Preston Farm

Stockton-on-Tees

on the 23 March 2018, the date that the company entered administration.

Statement of Truth

I believe the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 23 March 2018 the date that the company entered administration.

Full Name K. Harrison

Signed K. Harrison

Dated 24th March 2018

Fine Equinity Limited
Statement Of Affairs as at 23 March 2018

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Assets subject to floating charge:		
Uncharged assets:		
Research & Development	345,975.00	NIL
Plant & Machinery	10,474.00	5,000.00
Stock	31,878.00	2,250.00
Book Debts	3,000.00	3,000.00
VAT Refund	2,902.00	2,902.00
Cash at Bank	86,332.00	86,332.00
Estimated total assets available for preferential creditors		99,484.00

Signature V. Hanson Date 24th April 2018

Fine Equinity Limited
Statement Of Affairs as at 23 March 2018

A1 - Summary of Liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)	99,484.00
Liabilities	
Preferential Creditors:-	
Estimated deficiency/surplus as regards preferential creditors	NIL 99,484.00
Debts secured by floating charges pre 15 September 2003	
Other Pre 15 September 2003 Floating Charge Creditors	NIL 99,484.00
Estimated prescribed part of net property where applicable (to carry forward)	NIL
Estimated total assets available for floating charge holders	99,484.00
Debts secured by floating charges post 14 September 2003	
Estimated deficiency/surplus of assets after floating charges	NIL 99,484.00
Estimated prescribed part of net property where applicable (brought down)	NIL
Total assets available to unsecured creditors	99,484.00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
Trade & Expense Creditors	3,091.00
Directors	1,140,000.00
Banks/Institutions	566.00
HM Revenue & Customs - PAYE	3,331.00
Unsecured Loan	349,787.00
	1,496,775.00
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)	(1,397,291.00)
Estimated deficiency/surplus as regards creditors	(1,397,291.00)
Issued and called up capital	
Ordinary Shareholders	1.00
	1.00
Estimated total deficiency/surplus as regards members	(1,397,292.00)

Signature *[Signature]* Date 24th April 2018

**KRE (North East) Limited
Fine Equity Limited
B - Company Creditors**

Key	Name	Address	£
CB00	British Gas Business	c/o Baker Tilly Creditor Services, 6th Floor Salisbury House, 31 Finsbury Circus, London, EC2M 6SQ	51.13
CE01	Eseye Ltd	8 Frederick Sanger Road, Surrey Research Park, Guildford, GU2 7YD	1,523.64
CE02	EE	Thicket Place, Mosquito Way, Hatfield, AL10 9BW	296.19
CG00	Global Payments	1 De Montfort Street, Leicester, LE1 7BB	39.34
CH01	HSPC Credit Card	PO Box 6201, Coventry, CV3 9HW	566.38
CH02	HM Revenue & Customs	Enforcement & Insolvency, Durrington Bridge House, Barrington Road, Worthing, BN12 4SE	3,330.60
CI00	IT Professional Services Ltd	Axwell House, Waterside Drive, Gateshead, NE11 9HU	576.00
CI01	Irish Payroll Solutions	Riding Court House, Datchet, SL3 9JT	42.80
CM00	Maintel	160 Blackfriars Road, London, SE1 8EZ	197.98
CN01	nPower	Customer Services, PO Box 583, Hull, HU6 1YU	126.86
CN02	NEL Fund Managers Limited	4 Enterprise House, Kingway, Team Valley Trading Estate, Gateshead, NE11 0SR	349,787.34
CS00	Secure Connections	17 Mining Place, Charnington, NE23 5AX	17.50
CT00	Technology Services Group Ltd	One Gosforth Parkway, Gosforth Business Park, Newcastle upon Tyne, NE12 8ET	97.00
CT01	Telefonica O2 Ltd	260 Bath Road, Slough, SL1 4DX	129.20
14 Entries Totalling			396,776.86

Signature

V. Anderson

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IPS SOL Ver. 2015.09

24 April 2018 13:53

KRE (North East) Limited
Fine Equinity Limited
C - Shareholders

Key	Name	Address	Type	Nominal Value	No. Of Called Up Shares	Paid Up
HC00	Mr Steven Leslie Catchpole	Dellbrook, 1 Hubert Road, Winchester, SO23 8RG	Ordinary	0.01	300	0.30
HH00	Mr Keith Hanson	Court House, Stockton Road, Castle Eden, TS27 4SH	Ordinary	0.01	700	0.70
2 Ordinary Entries Totalling				0.01	1,000	1.00

Signature: K. Hanson

**Fine Equinity Limited
(In Administration)**

**Joint Administrators' Summary of Receipts and Payments
To 18 May 2018**

RECEIPTS	Statement of Affairs (£)	Total (£)
Research & Development	NIL	0.00
Intellectual Property		2,000.00
Goodwill		1.00
Business		1.00
Plant & Machinery	5,000.00	10,599.00
Stock	2,250.00	7,399.00
Book Debts	3,000.00	0.00
VAT Refund	2,902.00	0.00
Cash at Bank	86,332.00	20,000.00
		<hr/>
		40,000.00

PAYMENTS

Repairs & Maintenance		1,828.25
Agents/Valuers Fees (1)		195.00
Legal Fees (1)		9,015.00
Statutory Advertising		84.60
Bank Charges		100.00
Trade & Expense Creditors	(3,091.00)	0.00
Directors	(1,140,000.00)	0.00
Banks/Institutions	(566.00)	0.00
HM Revenue & Customs - PAYE	(3,331.00)	0.00
Unsecured Loan	(349,787.00)	0.00
Ordinary Shareholders	(1.00)	0.00
		<hr/>
		11,222.85
		<hr/>
Net Receipts/(Payments)		28,777.15

MADE UP AS FOLLOWS

Bank 1 Current	26,928.23
VAT Receivable / (Payable)	1,848.92
	<hr/>
	28,777.15

PRACTICE FEE RECOVERY POLICY FOR KRE (NORTH EAST) LIMITED

Introduction

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

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://www.krecr.co.uk/creditors>. Alternatively, a hard copy may be requested from KRE (North East) Limited of The Axis Building, Maingate, Team Valley Trading Estate, Gateshead, NE11 0NQ. Please note that we have provided further details in this policy document.

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

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

Time cost basis

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

Chargeout Rates

Grade of staff	Current charge-out rate per hour, effective from 01 August 2015 £
Director – appointment taker	290
Manager/Assistant Manager	150
Case Administrator/Support Staff	50

These charge-out rates charged are reviewed on 01 January each year and are adjusted to take account of inflation and the firm's overheads.

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

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

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and on new appointments we now only seek time costs for the following categories:

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

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

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

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

Percentage basis

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

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

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

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

Fixed fee

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

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

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

Members' voluntary liquidations and Voluntary Arrangements

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

All bases

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

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

- Solicitors/Legal Advisors

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

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

Disbursements

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

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

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

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

Mileage	45p per mile
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Appendix 4 – Details of work to be undertaken in the Administration

Work for which the Administrator is seeking to be remunerated on a fixed fee basis:

Administration:

Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
Setting up physical/electronic case files (as applicable).
Setting up the case on the practice's electronic case management system and entering data.
Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment (as applicable).
Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).
Preparing, reviewing and issuing proposals to the creditors and members.
Filing the proposals at Companies House.
Convening and holding a meeting of creditors to consider the proposals.
Reporting on the outcome of the meeting of creditors to the creditors, Companies House and the Court.
Dealing with all routine correspondence and emails relating to the case.
Opening, maintaining and managing the office holder's estate bank account.
Creating, maintaining and managing the office holder's cashbook.
Undertaking regular reconciliations of the bank account containing estate funds.
Reviewing the adequacy of the specific penalty bond on a quarterly basis.
Undertaking periodic reviews of the progress of the case.
Overseeing and controlling the work done on the case by case administrators.
Preparing, reviewing and issuing 6 month progress reports to creditors and members.
Filing progress reports at Companies House.
Preparing and filing VAT returns.
Preparing and filing Corporation Tax returns.
Seeking closure clearance from HMRC and other relevant parties.
Preparing, reviewing and issuing final reports to creditors and members.
Filing final reports at Companies House.
Insert additional tasks as required so that creditors will understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

Creditors:

Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
Maintaining up to date creditor information on the case management system.
Issuing a notice of intended dividend and placing an appropriate gazette notice.
Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.
Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.

Realisation of assets:

Corresponding with debtors and attempting to collect outstanding book debts.
Liaising with the bank regarding the closure of the account.
Instructing agents to value known assets.
Liaising with agents to realise known assets.
Instructing solicitors to assist in the realisation of assets.

Investigations:

Recovering the books and records for the case.
Listing the books and records recovered.

Submitting an online return on the conduct of the directors as required by the Company Directors Disqualification Act.

Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.

Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors.