

AM03

Notice of administrator's proposals



Companies House

THURSDAY



A15 *A76CJX7V* 11/10/2018 #150
COMPANIES HOUSE

1 Company details

Company number 0 8 5 1 2 9 3 1

Company name in full Canary Care Limited

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

2 Administrator's name

Full forename(s) Sandra Lillian

Surname Mundy

3 Administrator's address

Building name/number The White Building

Street 1-4 Cumberland Place

Post town Southampton

County/Region

Postcode S O 1 5 2 N P

Country

4 Administrator's name ①

Full forename(s) Alan Peter

Surname Whalley

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

5 Administrator's address ②

Building name/number The White Building

Street 1-4 Cumberland Place

Post town Southampton

County/Region

Postcode S O 1 5 2 N P

Country

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

AM03

Notice of Administrator's Proposals

6 Statement of proposals



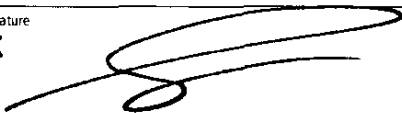
I attach a copy of the statement of proposals

7 Sign and date

Administrator's
Signature

Signature

X



X

Signature date

^d0^d9^m1^m0^y2^y0^y1^y8

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

Andrea Terraneo

Company name

James Cowper Kreston

Address

The White Building

1-4 Cumberland Place

Post town

Southampton

County/Region

Postcode

S O 1 5 2 N P

Country

DX

Telephone

023 8022 1222



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

Canary Care Limited
In Administration

The Joint Administrators' proposals
Pursuant to Schedule B1 of the Insolvency Act 1986 (the Act) and
Part 3 of the Insolvency Rules 2016 (the Rules)



Canary Care Limited in Administration
Joint Administrators' Proposals dated 5 October 2018

Summary Information

The Company	Canary Care Limited (the Company)
Trading name	Canary Care
Registered Number	08512931
Date of incorporation	1 May 2013
Registered Address	James Cowper Kreston, The White Building, 1-4 Cumberland Place, Southampton, SO15 2NP.
Former Registered Office	820 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9YQ
Former trading address	Building D5, Culham Science Centre, Abingdon, OX14 3DB
Activity of the Company	A technology service provider in the care sector
Court Reference number	High Court of Justice 7993 of 2018
Appointees	The directors of the Company
Administrators' Details	Sandra Lillian Mundy and Alan Peter Whalley James Cowper Kreston, The White Building, 1-4 Cumberland Place, Southampton, Hampshire SO15 2NP. Tel: 02380 221 222
IP Numbers	9441 and 6588 (respectively)
Date of Administrators' Appointment	31 August 2018
Changes to Office Holders	N/A
Joint and Concurrent Administrators	The joint administrators for the purpose of para 100(2) of Schedule B1 of the Act will act and exercise any of the powers conferred on them in the Act jointly or individually
Dividend Prospects	There are no secured or preferential creditors. We anticipate that there will be a dividend to unsecured creditors.
Date of delivery of proposals	12 October 2018

Directors

Name	Position	Appointed	Resigned
Mr Stuart Sheehy	Director	1 May 2013	
Mr Christopher John Curry	Director	1 May 2013	
Mr William Andrew Calveley	Director	1 December 2013	
Mr Stuart Butterfield	Director	1 December 2013	
Mercia Fund Management (Nominees) Limited	Director	7 March 2014	
James Rupert John Paton	Director	1 December 2013	17 December 2014
Claire Sandra Vincent	Director	5 January 2015	30 September 2015

The Company has not appointed a Company Secretary

For shareholder details please see Appendix A

Table of Contents

1	Introduction
2	Circumstances Giving Rise to the Appointment of Administrators
3	Statement of Affairs
4	Achieving the Purpose of the Administration
5	Management of the Company's affairs following the Appointment of the Administrators
6	Proposals to achieve the Objective of the Administration
7	Investigation into the Conduct of the Directors
8	Creditors' Claims
9	Creditors' Committee
10	Prescribed Part
11	EC Regulations on Insolvency Proceedings
12	Work Undertaken Pre-Administration and Associated Costs
13	Administrators' Remuneration
14	Approval of Administrators' Proposals
Appendix A	Shareholders Detail
Appendix B	SIP16 Report to Creditors
Appendix C	Statement of Estimated Financial Position and List of Creditors
Appendix D	Administrators' Receipts and Payments Account
Appendix E	Estimated Outcome Statement
Appendix F	Notice inviting creditors to form a creditors committee
Appendix G	Notice of a Virtual Meeting of Creditors
Appendix H	Proxy Form
Appendix I	Proof of Debt Form
Appendix J	Enquiry into Company Insolvency
Appendix K	Notice of use of website to deliver further documents

1 Introduction

- 1.1 We recently wrote to you advising you of our appointment as administrators. We now set out our proposals for achieving the purpose of the administration.

2 Circumstances Giving Rise to the Appointment of the Administrators

- 2.1 The directors initially approached us at the instigation of the Company's financier, Mercia Fund Management ('Mercia'), in May 2018. At that time the Company was looking for an additional round of funding for its next phase of development, being the increase of market penetration. As an alternative the directors were also in discussions with a number of potential purchasers / joint venture partners. Mercia, had funded earlier phases of development but was unwilling to advance further monies as the business was not performing in line with its funding criteria.
- 2.2 In July 2018 the directors received an offer for the shares of the Company. However, in August 2018 it became apparent that the requisite majority of shareholders to approve the sale would not be achieved. As no further funding was available possible, the directors concluded that there was no viable alternative to an insolvency procedure.
- 2.3 Instructions were given to James Cowper Kreston to seek a purchaser for the business via a pre-pack administration on 13 August 2018. The directors identified that the sale would need to be concluded prior to 31 August 2018 as there was insufficient funds to meet liabilities due to at the end of the month.
- 2.4 More information are detailed in the SIP16 Report, sent to all creditors on 6 September 2018 and enclosed to the proposals under Appendix B.

3 Statement of Affairs

- 3.1 The financial records of the Company were made available and were written up to the date of administration, being the 31 August 2018 and this is considered to be the latest practicable date. We were satisfied that the records reflected the financial position of the Company and on that basis we revoked the requirement for the directors to prepare a statement of affairs, as it was considered that this would not provide any additional information that would be helpful to the administration and would involve a cost burden.
- 3.2 We set out as Appendix C a summary of the financial position of the Company along with a schedule of the Company's creditors as at the date of the administration.

4 Achieving the Purpose of the Administration

- 4.1 Paragraph 3(1) of Schedule B1 to the Insolvency Act 1986 provides that the administrator of a company must perform his functions with the objective of:
- a) Rescuing the company as a going concern; or
 - b) 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
 - c) Realising property in order to make a distribution to one or more of the secured or preferential creditors.
- 4.2 The administrator should perform his functions in the interest of the company's creditors as a whole and with the objective specified in subparagraph (1)(a) above unless he thinks either:
- a) That it is not reasonably practicable to achieve the objective, or
 - b) That the objective specified in paragraph (1)(b) would achieve a better result for the company's creditors as a whole.

4.3 The administrator may perform his functions with the objective specified in subparagraph (1)(c) only if:

- a) He thinks that it is not reasonably practicable to achieve either of the objectives specified in subparagraph (1)(a) and (b), and
- b) He does not unnecessarily harm the interests of the creditors of the company as a whole.

4.4 As described above, prior to the administration the directors had sought to either raise additional funding, find a joint venture partner or sell the business none of which ultimately proved possible given the limited timeframe available due to cash constraints. We did not consider, therefore, that the primary objective of rescuing the company as a going concern would be possible.

A sale of the Company's business and assets via administration, however, was likely to achieve a better result than would be possible in a liquidation. This is because a sale of the assets of the Company (including intangible assets) by an administrator is likely to realise a higher value than would be achieved in a liquidation. Additionally, employees would be likely to transfer to a purchaser under Transfer of Employment (Protection of Employment) Regulations ("TUPE"), thereby relieving the Company of employee related claims which would have otherwise been received in a liquidation.

5 Management of the Company's Affairs Following the Appointment of the Administrators

5.1 We did not trade the business in administration as it was sold to Canary Care Global Limited ('the Purchaser') on the day of our appointment. Full details relating to the sale can be found at Appendix B, the SIP16 report (which creditors have already received). Therefore there has been no need to finance the administration and we do not anticipate such a need in the future.

5.2 We complied with our statutory and regulatory duties to notify creditors, including HMRC, members and Companies House of our appointment.

5.3 Pursuant to the sale and purchase agreement we paid a licence fees to the landlord of the premises from which the Company traded and paid the Company's August salaries. The purchaser contributed £5,000 to the August salaries. We arranged for P45s to be issued to employees.

5.4 We secured access to the Company's financial records

5.5 We contacted the Company's pension provider, NEST, to notify them of our appointment and arranged for outstanding pensions contributions to be paid.

5.6 We contacted the Company's bank to notify our appointment, request the credit balance be paid to our estate account and to temporarily keep the Company's bank account open to complete the collection of the debtors.

5.7 We processed the remittances from the Company's debtors who paid into the Company's bank account. We will shortly be writing to the debtors when we have reviewed the outstanding invoices.

5.8 We undertook an initial investigation into the affairs of the Company prior to our appointment details of which can be found at paragraph 7.

6 Proposals to Achieve the Objective of the Administration

6.1 We propose that the following steps now be taken.

- a) Investigate and, if appropriate, pursue any claims that the Company may have.

- b) Release the trust funds to the Purchaser pursuant to the Sale and Purchase Agreement.
- c) Complete the collection of the Company's book debts.
- d) Move the Company from administration to creditors' voluntary liquidation ("CVL") in order that joint liquidators can pay a distribution to unsecured creditors.
- e) All such other actions and general exercise of the administrators' powers as we consider in our discretion necessary to achieve the purpose of the administration.

6.2 Legislation provides for several exit routes from administration, namely:

- a) Automatic end of administration – the appointment of an administrator shall cease to have effect at the end of the period of one year.
- b) Court ending administration on application of the administrator – on application a Court may provide for the appointment of an administrator of the company to cease to have effect from a specified time.
- c) Termination of administration where objective achieved – if the administrator thinks that the purpose of administration has been sufficiently achieved in relation to the company he may file a notice in the prescribed form with the Court and Registrar of Companies and then the appointment shall cease to have effect.
- d) Court ending administration on application of creditor – on application the court may provide for the appointment of an administrator of the company to cease to have effect at a specified time.
- e) Public interest winding-up - this applies where a winding-up order is made for the winding up of a company in administration on a petition presented under either public interest grounds or by the Financial Services Authority.
- f) Moving from administration to creditors' voluntary liquidation – this applies where the administrator thinks that the total amount which each secured creditor of the company is likely to receive has been paid to him or set aside for him and that a distribution will be made to unsecured creditors of the company.
- g) Moving from administration to dissolution – if the administrator of a company thinks that the company has no property, which might permit a distribution to its creditors, he shall send a notice to that effect to the registrar of companies and on registration the appointment shall cease to have effect.

6.3 As mentioned above we expect to realise sufficient funds to enable a distribution to unsecured creditors. Hence, we propose that the Company be placed in liquidation as soon as practicable.

A person is nominated by the creditors as liquidator if either the creditors approve the statement of the proposed liquidator in the joint administrators' proposals (as set out here) or if they nominate an alternative person, through a decision procedure but this must be before the approval of the proposals or revised proposals.

6.4 It is proposed that the joint administrators become joint liquidators without a further resolution of the creditors. If creditors accept our proposals in this regard then, when appointed as joint liquidators, any act required or authorised under any enactment is to be done by any one or more of the joint liquidators for the time being holding office.

6.5 Creditors should be aware that in accordance with Paragraph 83(7)(a) to Schedule B1 of the Insolvency Act 1986 and Rule 3.60 of the Insolvency Rules 2016 ("the Rules"), creditors may nominate a different person as the proposed liquidator. Where creditors nominate an

Canary Care Limited in Administration
Joint Administrators' Proposals dated 5 October 2018

alternative person, the nomination must, where applicable, include a declaration required by Section 231 of the Act being that where there are two or more persons proposed as liquidator they should declare whether any act required or authorised, under any enactment, is to be done by all or any one or more of the persons for the time being holding office.

- 6.6 It is proposed that the administrators shall have their discharge from liability in respect of any action of theirs during the administration at the time their appointment ceases to have effect in accordance with paragraph 98(2) of Schedule B1 of the Act.

7 Investigation into the Conduct of the Directors

- 7.1 We are required to investigate the conduct of the directors and any other person(s) acting as director in the three years preceding the administration and complete a report for the Insolvency Service. This report is not made public.
- 7.2 We also investigate the affairs of the Company in the period prior to the administration in order to identify any claims which could be made to recover assets for the creditors. If such claims are identified, we will then assess whether it is economic to pursue recovery action. We will report on the outcome of such investigations to creditors in future reports pursuant to the SIP2.
- 7.3 As mentioned above, we undertook a preliminary investigation into the Company's business by reviewing the circumstances which led to the insolvency, creditor responses to our request for information on any concern they might have and the financial records.
- 7.3 Our investigations to date have not revealed any matters which give us cause to undertake a more detailed investigation. If, however, creditors have any matters they wish to bring to our attention they should do so by completing the enclosed form, Enquiry Into Company's Insolvency at Appendix J, and returning this to us.

8 Creditors' Claims

8.1 Secured and Preferential Creditors

The Company did not grant any charge on its assets and by virtue of the employee's transferring to the Purchaser under TUPE, no preferential creditors.

8.4 Unsecured Creditors

The Company's records showed unsecured creditor liabilities of £33,545.98. To date we have received seven unsecured creditor claims totalling £35,889.71. In particular, HM Revenue and Customs (HMRC) have claimed £24,718.92 in relation to PAYE and NI contributions.

- 8.6 As you may be aware, it is not usually the duty of the Administrator to adjudicate upon the claims of unsecured creditors as this is the responsibility of the subsequently appointed Liquidator. However, as we anticipate being in a position in the administration to make a distribution to unsecured creditors we invite creditors to complete and return the enclosed proof of debt form. On current indications the return for creditors will be in the region of 38p in £.

9 Creditors' Committee

- 9.1 If required by a resolution of the creditors in accordance with paragraph 57 of Schedule B1 to the Act the joint administrators shall establish a creditors' committee. The purpose of the committee will be to represent the interests of the creditors as a whole, and is required to perform certain statutory functions.
- 9.2 The function of a creditors committee is to meet at appropriate intervals in order to assist and be consulted by the administrators on the conduct of the administration and generally act as a sounding board to obtain views on matters pertaining to the administration. The committee will also decide upon matters such as the administrators' remuneration.

Canary Care Limited in Administration
Joint Administrators' Proposals dated 5 October 2018

- 9.3 In order to form a committee there must be between 3 and 5 creditors willing and able to participate. A creditor is eligible to be a member of a creditors' committee if;
- a) the person has proved for a debt; and
 - b) the debt is not fully secured; and
 - c) neither of the following apply
 - a. the proof has been wholly disallowed for voting purposes, or
 - b. the proof has been wholly rejected for the purposes of distribution or dividend
- 9.4 In our experience a creditors' committee can be extremely helpful where;
- a. An intimate knowledge concerning the running of the business is required, or
 - b. There is substantial dissatisfaction at the directors conduct, or
 - c. It is likely that legal action will be required.
- 9.5 Creditors who serve on the committee will not be paid for their time but are able to reclaim costs in attending meetings.
- 9.6 In this case we are not aware of any significant issues arising in these areas and therefore the costs associated with the administration of a committee may outweigh the benefits it could bring to creditors. Details of how creditors can request a committee are at Appendix F.

10 Prescribed Part

- 10.1 In this case the provision of Section 176A of the Act does not apply as the Company has not granted a charge.

11 EC Regulations on Insolvency Proceedings

- 11.1 We are required under the Rules to state whether and if so the extent to which the above regulations apply to this administration. In this particular case the EC Regulations will apply in respect of the Administration and the proceedings will be main proceedings as provided by Article 3 of the aforesaid Regulations.

12 Work Undertaken Pre-Administration and Associated Costs

- 12.1 As set out above we initially met with the director in May 2018 and discussed the financial position of the Company the fee for this element of the assignment is unpaid and we will not now be paid for this work.

We initially issued the Company with a letter of engagement dated 17 May 2018, terms of which were updated on 12 June 2018, and sets out the scope of our engagement as follows:

- (a) Assist the Company, as required, in its discussions with to previously identified potentially interested parties regarding a sale of the business or its assets,
- (b) Undertake a short marketing campaign for the sale of the business or its assets,
- (c) Provide advice to the Company on the solvency of the entity and the implications for the entity in the event of insolvency, and
- (d) Provide our expertise as qualified insolvency practitioners to advise on insolvency procedures including a pre-packaged administration sale of the business and assets of the Company, and
- (e) To accept an appointment as an officeholder in relation to the insolvency of the Company, and
- (f) Undertake such further work as may be agreed between us as being required.

Canary Care Limited in Administration
Joint Administrators' Proposals dated 5 October 2018

- 12.2 We seek approval for the payment of pre-administration costs from estate funds. In accordance with rule 3.35(10)(a) of the Rules we summarise below the pre-administration costs charged or incurred by us. We are not aware of any costs incurred by any other person qualified to act as an insolvency practitioner.

	Costs	Expenses	Total
	£	£	£
Paid	-	195.00	195.00
Unpaid	35,576.10	9,051.26	44,627.36
	35,576.10	9,246.26	44,822.36

- 12.3 Included in the expenses (exclusive of VAT) are the following:

	£	Comments
Paid		
Marketing costs	195.00	Advertisement on IP-bid.com
Unpaid		
Pre appointment disbursements	51.26	Travel expenses
Legal Fees - Mills & Reeves	9,000.00	Legal fees in respect of appointment of administrators and sale of the business
	9,246.26	

- 12.4 The Company was advised that our fee for both pre-appointment and post appointment work relating to the administration was to be approved by creditors and that our charges the pre-appointment work would normally be derived from applying our prevailing hourly rate (charged in six minute units) to the time expended by the relevant grade of staff for each task. Our prevailing rates at that time were:

Partners and Directors	£425 - £499
Manager	£243 - £342
Other grades of staff	£110 - £135

- 12.5 We have reviewed the work undertaken in relation to the scope of work set out in the engagement letter and can report that the cost of the pre-appointment work has been as follows: our time costs total £35,576.10, of which £28,943.90 incurred in relation to the sale of the business, £1,065 relates to TUPE consultation with the employees, £4,605.70 to administration of the case, £324 to matters pertaining the assets of the Company and £637.50 to investigation.

	£
Sale of the business	28,943.90
Other assets	324.00
Employees	1,065.00
Administration (including setting strategy and securing financial records)	5,243.20
	35,576.10

We are conscious that the Company has limited assets to be distributed for creditors' benefit, and therefore we propose the basis of our pre-appointment fees be fixed as a set amount of £29,000.

- 12.6 We believe that our pre-appointment costs and expenses are a fair and reasonable reflection of the work necessarily and properly undertaken and have delivered genuine benefit to creditors. We believe that the work furthered the achievement of the objective of administration by advising the directors in respect of protecting creditor interests thereby preserving assets. If this work had not taken place prior to administration but rather the Company ceased to trade and was liquidated or 'mothballed' in administration, it is likely that the value achieved for stock (dependent on the intellectual property (IPR) that underpinned it), IPR, contracts and goodwill would have been significantly impaired. By having sold the business as a going concern it also preserved the employment of the entire working force and

Canary Care Limited in Administration
Joint Administrators' Proposals dated 5 October 2018

prevented a significant employee liability arising amounting to some £80k and also allowed for continuity of service for customers which negated any claims for breach of contract.

- 12.7 Save for drafting of the out-of-court appointment documents we did not subcontract out any work that could otherwise have been carried out by us or our staff. It is standard practice for solicitors to prepare the documents of appointment on behalf of insolvency practitioners and in our experience the efficiency with which they are able to prepare such documents makes it cost effective and therefore beneficial to creditors.
- 12.8 Any unpaid pre-administration costs are an expense of the administration subject to the approval under rule 3.52 of the Rules and are not part of the proposal subject to approval under paragraph 53(a) of Schedule B1 of the Act (the creditors' decision to approve administrators' proposals).
- 12.9 If the creditors choose to form a creditors' committee the committee may determine whether and to what extent the unpaid pre-administration costs are approved for payment.

13 Administrators' Remuneration

- 13.1 The basis of Joint Administrators' remuneration must be agreed with creditors in accordance with Chapter 4 and Part 18 of the Rules and permits remuneration to be fixed either;
- a) As a percentage of the value of:
 - a. the property with which the administrator has to deal, or
 - b. the assets which are realised, distributed or both realised and distributed by the liquidator
 - b) by reference to the time properly given by the officeholder and the officeholder's staff in attending to matters arising in the administration or winding up; or
 - c) a set amount.

The basis of remuneration may be one or a combination of the bases set out above and different bases or percentages may be fixed in respect of different things done by the officeholder.

- 13.2 A creditors' guide to administrators' fees can be found by at: <https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>. The guide set out the rules in respect who fixes our fees and the matter which they should consider when setting the fees.
- 13.3 It is for the creditors' committee, if there is one, to determine on which basis, or combination of bases, the fee is to be fixed. Creditors can find at Appendix F a notice inviting them to form a Committee.
- 13.4 If no committee is formed or they fail to come to a conclusion our fees are approved by a decision of the creditors. In this case, we expect to declare and pay a dividend to unsecured creditors and, therefore, if no committee will be established, pursuant to Rule 18.18 of the Insolvency Rules 2016, we will seek creditors' approval of the basis of our fees at a virtual meeting of creditors, full details of which can be found at Appendix G.
- 13.5 It is my intention to seek a resolution from unsecured of a set amount totalling £29,500 as follows:

Canary Care Limited in Administration
Joint Administrators' Proposals dated 5 October 2018

Category of work	£
Compliance (including but not limited to statutory matters and reporting to creditors)	15,000.00
Assets realisation (including debtors)	3,000.00
Investigation	2,000.00
Creditor claims and distribution (after commencement of liquidation)	9,500.00
	29,500.00

The first category, compliance, includes work we are required to undertake by statute including, in this case, reporting to creditors, the court, the Registrar of Companies and other agencies including HMRC and the pensions regulator, conducting periodic case reviews as required by best practice, dealing with general creditor correspondence and queries. These are the aspects of the assignment that cannot be avoided but may not be viewed as directly benefitting creditors.

The second category, assets realisation, includes the work required to complete the collection of the book debts of the Company and reconciling the debtor ledgers with the remittance advices received and the payments received into the Company's bank account and liaising with the Company's bank, once collection is completed, to transfer funds and close the bank account.

The third category, investigation, include the work to be undertaken to comply with the statutory requirement to complete and submit the Directors' Conduct Report to the Insolvency Service.

The fourth category, creditor claims and distribution, comprises the work to be undertaken, once the Company will be moved to creditors voluntary liquidation, by the joint liquidators to agreeing claims and declare and pay a dividend to unsecured creditors.

We believe that the fixed fee basis sought is a fair and reasonable reflection of the work we have undertaken to date and will undertake in the future. Our time costs to date, if we were to seek a time costs resolutions, are currently greater than the fixed fee sought. As we set out in the estimated outcome statement which forms part of our proposals the fixed fee should, on current indications, result in sufficient funds being available to allow a dividend to be made to unsecured creditors, however this will depend in part on the level of realisations achieved from collecting book debts.

Information about the work done and remaining to be done in the administration is detailed at paragraph 5 and 6.

A creditors' guide to administrators' fees is available at the following website <https://www.icaew.com/technical/insolvency/understanding-business-restructuring-and-insolvency/creditors-guides>

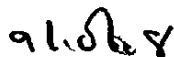
- 13.6 We also intend to seek a resolution approving the drawing of category 2 disbursements as incurred, which are estimated to be £350 for the entire course of the administration.

14 Approval of Administrators' Proposals

- 14.1 As mentioned above, the Company has sufficient assets to enable a dividend to unsecured creditors.
- 14.2 Pursuant to Paragraph 51 of Schedule B1 of the Insolvency Act 1986, we are therefore convening a virtual meeting of creditors to approve the joint administrators' proposals, full details of which can be find at Appendix G.
- 14.3 Should have any queries that we can assist you with please call either Sandra Mundy or Tom Russell who will be happy to help you.



.....
Sandra Mundy
Joint Administrator



.....
Dated

Appendix A

Shareholder Details

Name	Shareholding	Sharer Class
Peter Ball	3,000	Ordinary
William Andrew Calveley Cotton	17,700	Ordinary
Critical Data Limited	30,000	Ordinary
Richard Poynder	5,000	Ordinary
David Rimmer	5,000	Ordinary
Stuart David Sheehy	14,300	Ordinary
Victoria Buckingham	2,300	Ordinary
Elizabeth Butterfield	12,000	Ordinary
Claire Sandra Vincent	12,406	Ordinary
Kevin Brown	384	Ordinary A
Richard Chappell	77	Ordinary A
Davina/Mark Curling/Hunt	651	Ordinary A
Christopher De La Vega	77	Ordinary A
Hussein Fazal	1,036	Ordinary A
Imtiaz Govani	77	Ordinary A
Giles Hadman	600	Ordinary A
Rupert Hague-Holmes	77	Ordinary A
Simon Hall	1,381	Ordinary A
Michael Harriman	5,093	Ordinary A
Christos Ioannu	384	Ordinary A
Nigel King	154	Ordinary A
Roger Leese	116	Ordinary A
Mercia Growth Nominees 3 Limited	10,736	Ordinary A
Mercia Growth Nominees 4 Limited	17,260	Ordinary A
Mercia Growth Nominees 5 Limited	15,510	Ordinary A
Mercia Growth Nominees 6 Limited	8,844	Ordinary A
Mercia Investment Plan LP	2,579	Ordinary A
Mercia Investments Limited	11,564	Ordinary A
Anne Miller	717	Ordinary A
James Morely	116	Ordinary A
Mercia Growth Fund No 2	7,833	Ordinary A
Nicholas Owusu-Kessie	231	Ordinary A
Sushil Parmar	77	Ordinary A
Ronny Rehn	192	Ordinary A
Duncan Ross	931	Ordinary A
Sarah Jane Smith	3,396	Ordinary A
Nicholas Thorne	500	Ordinary A
Jan Thorskov	192	Ordinary A
Anthony and Jane Trotman	1,698	Ordinary A
Robin Tucker	690	Ordinary A
Geoffrey Warren	144	Ordinary A
Piers Wombell	384	Ordinary A
Nicholas Wood	154	Ordinary A
Yogan Yoganandan	384	Ordinary A

SIP16 Report to Creditors

Canary Care Limited in Administration
Company Number: 08512931
("the Company")

Disclosures required by Statement of Insolvency Practice 16 - Pre-packaged sales in Administration ("SIP 16")

Background

The Company traded as a technology led service provider in the care sector, having developed a system of sensors to monitor people in their own homes identifying irregular patterns of behaviour which may require a care intervention. The aim being that people can remain in their own homes for longer without the need for residential care which both fulfils the desire of many vulnerable people to remain independent and can save significant costs in providing residential care.

The Company was founded in 2014 and operated from premises in Abingdon, Oxfordshire. The Company was funded by a national investment group, Mercia Fund Management (Mercia), which is focused on funding and scaling innovative businesses with high growth potential.

Unfortunately the Company was unable, in the timescale available, to sufficiently develop and exploit the market for the product. Mercia, having already invested significant resource, declined to advance further risk monies to develop the market. Early in 2018 it was decided that the Company would either look for a further /new funder or pursue a sale of the entity.

Despite having received an offer for the Company's shares, the directors could not obtain the requisite majority of shareholders to approve a sale. In circumstances where no further funding was available and a share sale was not possible, the directors concluded that there was no viable alternative to an insolvency procedure. The Company having been introduced to James Cowper Kreston by Mercia, instructed us to assist in marketing the business of sale ahead of the appointment of administrators – a process known as a 'pre-pack' administration.

The instruction to seek a purchaser for the business via a pre-pack administration was given to us on 13 August 2018. The directors identified that the sale would need to be concluded ahead of 31 August 2018 as there were insufficient funds to meet liabilities due at the end of the month, including employee salaries.

Actions

We held an initial meeting with the board to discuss the options available to the Company on 14 May 2018. Following this meeting we were engaged by the Company to advise the Company on its solvency and implications in the event of insolvency, assist the Company, as required, with a sale of the Company or its assets to potentially interested parties and, if necessary undertake a marketing campaign for the sale of the Company or its assets. Following this meeting the board continued to pursue active interest from potential acquirers for the shares and as an alternative the directors looked for further funding from a number of sources.

Whilst the directors were pursuing a sale / investment they had regular discussions at which progress with the options were discussed and the financial position of the Company was reviewed. We took part in those discussions.

Mercia were asked whether, in principle, they were prepared to provide bridge funding to enable a longer period to pursue a share sale, and whilst not entirely discounted Mercia needed assurances that providing such funding was financially viable. In the circumstances such funding was not granted. Whilst there were discussions with other potential funders no funding offers were received.

In July and August 2018 the board were progressing an offer from an interested party to acquire the shares. To facilitate the progression of this offer the interested party bought additional stock which provided some limited working capital to fund trading whilst discussions were ongoing.

On Monday 13 August 2018, following a discussion with us, the directors recognised that a share sale of the business was unlikely to be concluded as they only had secured c74% shareholder agreement to a sale but the requisite majority required was 75%. We issued a further letter extending the scope of our assignment to include:

- Provide our expertise as qualified insolvency practitioners to advise on insolvency procedures including a pre-packaged administration sale of the business and assets of the Company, and
- To accept an appointment as an officeholder in relation to the insolvency of the Company.

Discussions continued with the shareholders to see if the requisite majority could be achieved and we also made contact with some of the dissenting shareholders explaining the consequences of not concluding a share sale and the impact for creditors. However, it was not possible to get the support required.

Marketing the business for sale

We are aware that marketing a business is an important element in ensuring the best available consideration is obtained for the interests of creditors, and will be a key factor in providing reassurance to creditors. SIP 16 sets out marketing essentials to be considered when undertaking a pre-packaged sale, namely:

- The business should be marketed as widely as possible but be proportionate to the nature and size of the business. The purpose of the marketing is to make the business' availability known to the widest group of potential purchasers in the time available, using whatever media other sources likely to achieve this outcome. We explain how this was achieved below.
- The proposed administrator should be able to justify the marketing strategy explaining the reasons underpinning the marketing and media strategy used, again see our explanation below.
- Where a business has been marketed by the company prior to the insolvency practitioner being instructed, as in this case, this should not be used as a justification in itself to avoid further marketing. As you will see below we undertook additional marketing and indeed sold to a party not previously identified by the Company. We are satisfied that we undertook adequate independent marketing.
- The proposed administrator should also publicise rather than simply publish and marketing should be undertaken for an appropriate length of time to satisfy the administrator that best outcome the creditors as a whole in the circumstances has been achieved. The limiting factor in this case was the lack of funding to continue trading beyond 31 August 2018 and therefore we believe that in the circumstances the marketing period was justified.
- The proposed administrator should communicate online by default. SIP 16 identifies that the Internet offers one of the widest populations of any medium. As you will see we marketed the business for sale on IP bid.com, an Internet service set up for potential acquirers of distressed businesses to register their interest. Indeed the acquirer first became aware of the opportunity from this website. We also marketed it on our own website and made social media posts to the LinkedIn and Twitter communities.
- And finally, the proposed administrator needs to explain how the marketing strategy has achieved the best available outcome for creditors as a whole in the circumstances and we explain this below.

Marketing activity

On Tuesday 14 August 2018 we contacted all shareholders of the Company to advise them that we had been asked to assist with a sale of the Company or business assets from an insolvency process and that we anticipated a sale would need to take place imminently and that offers were sought by 22 August 2018.

We contacted previously identified potentially interested parties and offered to provide them with a nondisclosure agreement (NDA) if they required additional information.

We placed an advertisement on IP bid.com - which is a website platform specifically designed to advertise assets available from insolvency procedures. Additionally, advertisements were sent to our database of potentially interested parties and we issued details on our own website and on social media including LinkedIn and Twitter.

We produced a business information document giving further details about the business and its assets. This document was sent to the 15 interested parties that had completed and returned an NDA. Potentially interested parties then contacted the Company's management team for additional information that was pertinent to any potential offer.

On 22 August 2018 we received two offers for the business (including an offer from the party that had been interested in a share acquisition). A third offer was received the following day. The offer ultimately accepted was from a third party with no prior involvement with the Company or its directors who had identified the opportunity via our advertisement on IP bid.com

The under bidders were advised that their offers were insufficient however, neither decided to increase their offer. A draft contract was issued to the successful bidder on Monday the 27th August 2018.

Sandra Mundy and Peter Whalley of James Cowper Kreslon, were appointed joint administrators of the Company on 31 August 2018. A sale was concluded shortly after the appointment of administrators.

Marketing and valuations

The Company had instructed an independent corporate financier and had been undertaking a serious marketing campaign to either sell the business or attract new investment since the beginning of 2018. It had received an offer for the shares in July 2018. The directors spent some time trying to obtain the necessary shareholder support but the requisite majority of shareholders was not achieved, and by this time the Company had all but exhausted its working capital. Given that the Company had insufficient financial resources to meet the staff costs and suppliers' invoices that fell due at the end of August 2018 it was not possible to conduct an extended marketing exercise as part of the pre-pack administration process. Our efforts were, therefore, focused on existing interested parties, entities that had already registered an interest in acquiring businesses from a distressed situation (via IP bid.com), and interest elicited from social media posts and other online activities.

We consider that the marketing of the business for sale was adequate and proportionate to the nature and size of the business and made the business' availability known to the widest group of potential purchasers in the time available. The marketing resulted in a total of three offers being received, the offer accepted represented the best outcome for creditors overall (and was for the highest cash sum).

In the circumstances it was considered that the cost of a market valuation was disproportionate to any benefit that it may bring. This is because, in our experience, the valuation of intangible assets in a technology company such as this which is not generating significant revenues is unreliable and realistically market exposure is required to establish whether there is any value in the assets. In this case given a good exposure to the market since the beginning of the year, the nature of the assets involved (being principally the technology developed) and the fact that marketing had elicited three offers the market had been tested sufficiently to allow a judgement to be made on the value of assets.

There were limited physical assets, save for stock which only had any significant value when used in conjunction with the software technology that the Company had developed. The cost of a valuation of the physical assets such as office and computer equipment would be disproportional to their realisable value.

We can confirm that neither the business nor business assets of the Company had been acquired from an insolvency practitioner in the previous 24 months.

Alternative course of action to administration

Before deciding that a pre-packaged sale was in the best interests of creditors we discussed alternative courses of action with the board.

The Company had already been exploring options for further investment, however, Mercia was not prepared to provide additional financial support and no other funders came forward to offer support. The alternative insolvency procedures including a company voluntary arrangement (CVA), a liquidation or an administration without a prepacked sale were discussed, however, it was considered that these would not return as much benefit for creditors as the pre-pack administration route.

Absent additional funding in order to continue to develop the market for the Company's product, a CVA was considered not to be viable and therefore would not obtain the required creditor support.

The disruption that a liquidation was likely to cause, as the business would have had to of been 'mothballed', was likely to have not only impaired any sales value but also to have crystallised additional liabilities such as employment claims, and claims from service users that had paid in advance. It was felt that this would offer a poor, if any, return to creditors.

There were no funds with which to trade the Company in administration whilst seeking a buyer. The appointment of administrators immediately would have resulted in the wider public, including service users and suppliers, becoming aware of the Company's position. In such an eventuality it was very likely that it would have seriously undermined confidence in the services being delivered and hence impaired any value. Therefore it was not considered appropriate or viable to trade the business and offer it for sale as a going concern during an administration. We concluded that in administration the business would have to have been 'mothballed' as there were no funds to trade and any value achieved would have been significantly lower than in a pre-packaged sale. This would have offered little or no return to creditors.

Justification for a pre-pack sale

An administrator of a company must perform his/her functions with the objective of either;

- rescuing the company as a going concern, or
- achieving a better result 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.

In this case the second purpose administration will be achieved for the reasons set out in this report.

As previously outlined the key potential assets of the business comprised intangibles and due to cash constraints it would have been impractical to trade the business during administration. Additionally, we were concerned about the potential impact for the service users of disruption had the Company entered into Administration without the terms of the sale having been negotiated, which could have left vulnerable people without appropriate support. This could have also have resulted in financial claims.

We believe that in concluding a pre-packaged sale we have acted with due regard to the creditors' interests and that the outcome achieved was the best available outcome for creditors as a whole in the circumstances.

Consultation with creditors

The trade and expense creditors are relatively small, both by number (17) and value (approximately £28,000). Mercia, being the largest of these creditors, was appraised of the situation. The employees, as potential creditors, were also consulted concerning the sale of the entity in a pre-pack administration. The Company had also advised HMRC of the financial distress. Contacting the vulnerable service users, who had paid for services in advance, was not considered appropriate in the circumstances as this may have led to distress and potential impairment to any value. However, a trust account was opened following our initial meeting with the Company and receipts after this date for future services was paid into this account. As part of the sale and purchase agreement these trust monies amounting to some £14,000 will be released to the purchaser as and when the services are delivered.

The Company had not granted any charges and therefore there are no secured creditors.

Details of the purchaser, assets sold and consideration.

The majority of the Company's business and assets were sold to Canary Care Global Limited, a newly formed entity, which is a subsidiary of Lifecycle Software Limited, on 31 August 2018. There is no connection, insofar as we are aware, between the purchaser and the directors or shareholders of the Company. As this was not a connected party sale there was no requirement to consider a referral to the Pre-Pack Pool.

The assets sold were such right, title and interest the Company had in the contracts, the goodwill, the intellectual property rights and the know-how, the marketing information, the plant and equipment, the stock and the shares in a dormant wholly owned subsidiary company (with no assets). We believe that the purchaser is intending to honour the service contracts with existing customers.

The consideration for the transaction was £70,000 and in addition the purchaser made a contribution to the outstanding wages for the August payroll of £5,000. The full purchase consideration was received on completion and there was no element of deferred consideration. We are not aware of the financing arrangements the purchaser has in place. There are no options, buy back arrangements or similar conditions attached to the contract of the sale.

As far as we are aware none of the directors of the Company are involved in the management or ownership of the purchaser. We do understand however, that the directors of the Company in their capacity as employees were transferred to the purchaser as a result of Transfer of Undertakings Protection of Employment Regulations (TUPE).

We are not aware that any of the directors have given guarantees for amounts due from the Company to a prior financier and we do not believe that Mercia is financing the new business.

In the event that the Company had been forced to close it is highly likely that they would have been little or no realisation for intangibles; the staff would not have received their full salary entitlements and there would have been no realisation to distribute creditors. We therefore conclude that in the circumstances that this was the best available outcome for creditors.

Appendix C

Statement of Estimated Financial Position
As at 31 August 2018

	Notes	Book Values		Estimated to realise	
		£	£	£	£
Non distributable assets					
Trust funds	1	14,753.30		(14,753.30)	
			14,753.30		(14,753.30)
Assets					
Goodwill		-		4,000.00	
Intellectual Property		20,052.00		20,000.00	
Plant & Machinery		-		800.00	
Furniture & Equipment		1,525.91		100.00	
Stock		120,044.06		40,000.00	
Prepayments		9,919.61		1,000.00	
Other Debtors		1,383.40		830.00	
Contracts / WIP		-		5,000.00	
Book Debts	2	12,588.76		11,332.78	
Share in Subsidiary		-		100.00	
Stripe Account		76.80		76.80	
Cash at Bank	2	12,270.52		12,270.52	
			177,861.06		95,510.10
Available for secured and preferential creditors			177,861.06		95,510.10
Secured and preferential creditors			-		-
Available for unsecured creditors			177,861.06		95,510.10
Unsecured Creditors					
HM Revenue & Customs		(12,920.88)		(24,718.92)	
Trade and Expense Creditors		(20,625.10)		(21,324.72)	
Accruals		(69,199.21)		-	
Expenses and Customers Deposit		(4,240.91)		(4,480.91)	
Other Creditors		(9,063.29)		-	
			(116,049.39)		(50,524.55)
Surplus/(Deficit) to unsecured creditors			61,811.67		44,985.55

Notes

- 1 Trust funds relate to prepayments received by the Company for services to be rendered after the administration being commenced. As a consequence, those funds will be released to the purchaser on a monthly basis once the service will be provided to customers, therefore are not included in the distributable funds.
- 2 Since our appointment some debtors have sent remittances and paid into the Company's bank account, £3,063.36 of which have been allocated as cash at bank to realise.

James Cowper Kreston
Canary Care Limited
B - Company Creditors

Key	Name	Address	£
CA00	Arrival Electronics Ltd	Ford Lane Business Park, Ford, Arundel, BN18 0UZ	1,185.24
CC00	Conundrums	Lawrence Klyne, 2 Priory Cottages, Alton Priors, Marlborough, SN8 4JY	600.00
CC01	CSL DualCom	Salamander Quay West, Park Ln, Herefield, Uxbridge, UB9 6NZ	2,611.70
CD00	Digital Health	Polmally Lodge, Drumnadrochit, Inverness, IV63 6XT	412.00
CE00	Eseye Limited	Surrey Technology Centre, 8 Frederick Sanger Road, Surrey Research Park, Guildford, GU2 7YG	1,132.56
CH01	HM Revenue & Customs	Insolvency Claims Handling Unit, Longbenton, Newcastle upon Tyne, NE98 1ZZ	10,368.00
CH02	HM Revenue & Customs	Enforcement & Insolvency Service (EIS) Worthing, Durrington Bridge House, Barrington Road, Worthing, BN12 4SE	2,552.88
CJ00	James Cowper Kreston LLP	The White Building, 1-4 Cumberland Place, Southampton, SO15 2NP	1,500.00
CM00	Mercia Fund Management	Forward House, 17 High Street, Henley-In-Arden, B95 5AA	6,512.32
CM02	Mercia Investment Limited	Forward House, 17 High Street, Henley-In-Arden, B95 5AA	699.62
CN01	NCC Services Ltd	XYZ, Spinningfields, 2 Hardman Blvd, Manchester, M3 3AQ	1,170.00
CO00	Optalis Ltd	Trinity Court, Molly Millars Ln, Wokingham, RG41 2PY	50.00
CR00	Rock Kitchen Harris	32 Pocklington Walk, Leicester, LE1 6DN	72.00
CS00	Scrutton Bland	Fitzroy House, Crown Street, Ipswich, IP1 3LG	3,367.50
CS01	SRCL Ltd	Indigo House, Sussex Avenue, Leeds, LS10 2LF	1,152.44
CS02	Swift Logistics Solutions Limited	Huntley House, Hambridge Lane, Newbury, RG14 5TU	159.72
16 Entries Totalling			33,545.98

Canary Care Limited in Administration
Joint Administrators' Proposals dated 5 October 2018

Appendix D

Joint Administrators' Receipts and Payments Account
As at 5 October 2018

Statement of affairs £		From 31 August 2018 To 5 October 2018 £
	RECEIPTS	
4,000.00	Goodwill	4,000.00
20,000.00	Intellectual Property	20,000.00
800.00	Plant & Machinery	800.00
100.00	Furniture & Equipment	100.00
40,000.00	Stock	40,000.00
5,000.00	Contracts / WIP	5,000.00
11,332.78	Book Debts	-
100.00	Share in Subsidiary	100.00
1,000.00	Prepayments	-
830.00	Other debtors	-
76.80	Stripe Account	-
12,270.52	Cash at Bank	9,207.16
-	Licence Fee	2,317.62
-	Contribution to Wages	9,588.56
14,753.30	Trust funds	14,753.30
<u>110,263.40</u>		<u>105,866.64</u>
	PAYMENTS	
	Marketing Costs	(195.00)
	Rents Payable	(1,931.35)
	Insurance of assets	(112.00)
	Wages & Salaries	(17,588.56)
		<u>(19,826.91)</u>
	Net Receipts/(Payments)	<u>86,039.73</u>
	MADE UP AS FOLLOWS	
	Interest Bearing Current Account	70,861.16
	Trust Account	14,753.30
	VAT Receivable / (Payable)	425.27
		<u>86,039.73</u>

Appendix E

Estimated Outcome Statement
As at 5 October 2018

	Notes	Realised to date		Estimated Future Realisations		Estimated Outcome	
		£	£	£	£	£	£
Non distributable assets	1						
Trust funds		14,753		(14,753)		-	
			14,753		(14,753)		-
Assets							
Goodwill		4,000		-		4,000	
Intellectual Property		20,000		-		20,000	
Plant & Machinery		800		-		800	
Furniture & Equipment		100		-		100	
Stock		40,000		-		40,000	
Prepayments		-		1,000		1,000	
Other debtors		-		830		830	
Contracts / WIP		5,000		-		5,000	
Book Debts		-		11,333		11,333	
Share in Subsidiary		100		-		100	
Stripe Account		-		77		77	
Cash at Bank		9,207		3,063		12,271	
Licence Fee	2	2,318		-		2,318	
Contribution to Wages	2	9,589		-		9,589	
			91,113		16,303		107,416
Cost of Realisations							
Marketing Costs		(195)		-		(195)	
Rent	2	(1,931)		-		(1,931)	
Insurance of Assets		(112)		-		(112)	
Salaries	2	(17,589)		-		(17,589)	
Joint administrators' pre-appointment fees		-		(29,000)		(29,000)	
Joint administrators' pre-appointment costs		-		(51)		(51)	
Pre- appointment legal costs		-		(9,000)		(9,000)	
Joint administrators fees		-		(29,500)		(29,500)	
Joint administrators' post-appointment costs		-		(350)		(350)	
Bonding		-		(240)		(240)	
			(19,827)		(68,141)		(87,968)
Available for secured and preferential creditors			71,286		(51,838)		19,448
			-		-		-
Available for unsecured creditors			71,286		(51,838)		19,448
Unsecured Creditors							
HM Revenue & Customs		-		(24,719)		(24,719)	
Trade and Expense Creditors	3	-		(21,325)		(21,325)	
Accruals		-		-		-	
Expenses and Customers Deposit	3	-		(4,481)		(4,481)	
Other Creditors		-		-		-	
			-		(50,525)		(50,525)
Deficit to unsecured creditors			71,286		(102,363)		(31,076)

Estimated distribution to unsecured creditors

38 p/£

Notes

- Trust funds relate to prepayments received by the Company for services to be rendered after the commencement of the administration. As a consequence, those funds will be released to the purchaser on a monthly basis once the service will be provided to customers, therefore are not included in the distributable funds.
- Pursuant to the Sale and Purchase Agreement, CCGL made some contribution to the employees salaries of August and in relation to the licence fees payable to the landlord, in order to allow the Company to continue to trade from the same premises without disruption.
- The purchaser of the business, Canary Care Global Limited ('CCGL') has submitted a subrogated claim in relation to: payment of pre-appointment suppliers of £3,346.06; employees expenses of £1,342.20 and customer deposit of £3,660.

Appendix F

Notice Inviting Creditors to Form a Creditors Committee

Canary Care Limited in administration
Company Number: 08512931
In the High Court 7993 of 2018
("the Company")

Notice inviting creditors to form a creditors' committee pursuant to Rule 3.19 of the Insolvency Rules 2016 ("the Rules")

Notice is hereby given that creditors are invited to decide whether to establish a creditors' committee if sufficient creditors are willing to be members of such a committee.

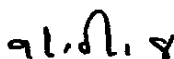
1. Nominations for membership of a creditors' committee must be delivered to Sandra Mundy, joint administrator, at the details below by 23 October 2018.

James Cowper Kreston, The White Building, 1-4 Cumberland Place, Southampton, SO15 2NP
E-mail: skelly@jamescowper.co.uk
Fax: 02380 331 333

2. Nominations can only be accepted if the Convener is satisfied as to the creditor's eligibility under Rule 17.4 of the Rules.
3. In order to be established, a creditors' committee must have at least three and no more than five members.
4. Aside from the functions of the creditors' committee provided for in the Insolvency Act 1986 (including approving the office-holder's remuneration) the committee is to:
 - a. assist the office-holder in discharging the office holder's functions.
 - b. act in relation to the office-holder in such manner as may from time to time be agreed.



Sandra Mundy
Joint Administrator and Convener



Dated

Notice of a Virtual Meeting of Creditors

Canary Care Limited in administration
Company Number: 08512931
In the High Court 7993 of 2018
("the Company")

Notice to creditors of a virtual meeting pursuant to Section 246ZE of the
Insolvency Act 1986 ("the Act"), Part 15 and Rule 3.38 of the Insolvency
Rules 2016 ("the Rules")

Notice is hereby given that a virtual meeting of the Company's creditors is convened by Sandra Mundy, joint administrator ("the Convener").

Company details

1. The Company's current registered office is 1-4 Cumberland Place, Southampton SO15 2NP, the Company's previous registered office was 820 The Crescent, Colchester Business Park, Colchester, CO4 9YQ and trading address Building D5, Culham Science Centre, Abingdon, OX14 3DB.

Virtual Meeting details

2. The arrangements for the virtual meeting are as follows:

Decision date:	24 October 2018
Time:	2:30pm
Form of meeting:	Virtual meeting by telephone conference call

Please contact Sam Kelly on 02380 221 222 or skelly@jamescowper.co.uk for details of how to access the virtual meeting.

Resolutions

3. The joint administrators are proposing the following resolutions at the virtual meeting:
 - a. The approval of the joint administrators' proposals.
 - b. The decision whether to establish a creditors' committee and to appoint persons to serve as creditor members of that committee.

If no creditors' committee is formed, or should it fail to fix the basis of the joint administrators' remuneration, pursuant to Rule 18.18(3) of the Rules

- c. The joint administrators be authorised to draw their pre-appointment costs as set amount of £29,000 plus VAT in relation to fees,
- d. The joint administrators be authorised to pay £9,000 plus VAT in relation to pre-appointment legal fees incurred in relation to the appointment of administrators and the sale of the business and £51.26 in respect of disbursements incurred;
- e. To fix the basis of the joint administrators' post-appointment remuneration and expenses as follows:
 - I. £15,000 plus VAT in respect of work related to compliance;
 - II. £3,000 plus VAT in respect of assets realisation (including debtors);
 - III. £2,000 plus VAT in respect of investigation; and
 - IV. £9,500 plus VAT in respect of agreeing unsecured claims in the subsequent liquidation.

- f. The joint administrators be authorised to draw category 2 disbursements as occurred during the administration.
4. A notice pursuant to Rule 3.19 of the Rules inviting creditors to form a creditors' committee is enclosed. Information relating to the joint administrators' remuneration required by Rule 18.18(3) of the Rules are circulated together with the present Notice.

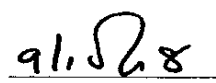
Attendance

5. Creditors must deliver a proof of debt by 4pm on the business day before the decision date, failing which their vote will be disregarded. A proof of debt form is enclosed.
6. Every corporate entity wishing to be represented at the virtual meeting must deliver a proxy form to the Convener before the virtual meeting and any individual not attending and wishing to be represented will also need to deliver a proxy form. A blank proxy form is enclosed.
7. Proof of debt and proxy forms should be delivered to the Convener by post, e-mail or fax at:
- James Cowper Kreston, The White Building, 1-4 Cumberland Place, Southampton, SO15 2NP
E-mail: skelly@jamescowper.co.uk
Fax: 02380 331 333
8. Creditors whose debt is treated as a small debt in accordance with Rule 14.31(1) of the Rules must still deliver a proof of debt if they wish to vote at the virtual meeting.
9. Creditors who have opted out from receiving notices may nevertheless vote if they provide a proof of debt. Creditors will be provided with details of how to opt out following the appointment of a liquidator.
10. The virtual meeting may be suspended or adjourned by the chair of the meeting and must be adjourned if it is so resolved at the meeting.

Creditor Information

11. If within five business days of the date of delivery of this notice sufficient creditors (as defined below) request a physical meeting in accordance with Section 246ZE of the Act, a physical meeting will be called:
- 10% in value of the creditors, or
10% in number of the creditors, or
10 creditors
12. Creditors may appeal a decision made at the virtual meeting not later than 21 days after the decision date in accordance with Rule 15.35 of the Rules.
13. A creditor who is, or claims to be, excluded from the virtual meeting or attends the virtual meeting and claims to have been adversely affected by the actual, apparent or claimed exclusion of another person may make a complaint in accordance with Rule 15.38 of the Rules. A complaint must be made as soon as reasonably practicable and in any event no later than 4pm on the business day following the meeting or where an indication is sought under Rule 15.37 of the Rules, the day on which the complainant received the indication. A complaint must be made to the chair if it is during the virtual meeting and to the Convener if it is made after the virtual meeting.


Sandra Mundy
Joint Administrator and Convener


Dated

Proxy Form

Insolvency Act 1986

Proxy (Administration)

Canary Care Limited in administration

Name of Creditor _____

Address _____

Please insert name of person (who must be 18 or over) or the chairman of the meeting (see note below) if you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well

Name of Proxy Holder

1 _____

2 _____

3 _____

Please delete a or b as necessary

I appoint the above person to be the creditor's proxy holder:

- a. specifically at the meeting of creditors to be held on 24 October 2018 and at any adjournment of that meeting

OR

- b. on a continuing basis for the proceedings.

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion

The proxy holder is to propose or vote as instructed below [and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion].

Voting Instructions for resolutions

Please delete as appropriate *

- a. For the approval of the joint administrators' proposals.

IN FAVOUR/REJECTED*

- b. For the formation of the creditors' committee

IN FAVOUR/REJECTED*

and for the appointment of _____ of
_____ representing _____ as
member of the creditors' committee.

If no creditors' committee is formed, or should it fail to fix the basis of the joint administrators' remuneration, pursuant to Rule 18.18(3) of the Rules

- c. The joint administrators be authorised to draw their pre-appointment costs as set amount of £29,000 plus VAT in relation to fees,

IN FAVOUR/REJECTED*

- d. The joint administrators be authorised to pay £9,000 plus VAT in relation to pre-appointment legal fees incurred in relation to the appointment of administrators and the sale of the business and £51.26 in respect of disbursements incurred;

IN FAVOUR/REJECTED*

- e. For setting the basis of the joint administrators' post-appointment remuneration and expenses as follows:
- I. £15,000 plus VAT in respect of work related to compliance;
 - II. £3,000 plus VAT in respect of assets realisation (including debtors);
 - III. £2,000 plus VAT in respect of investigation; and
 - IV. £9,500 plus VAT in respect of agreeing unsecured claims in the subsequent liquidation.

IN FAVOUR/REJECTED*

- f. For authorising the joint administrators to draw category 2 disbursements as occurred during the administration.

IN FAVOUR/REJECTED*

This form must be signed **Signature** _____ **Date** _____

Name in CAPITAL LETTERS _____

Only to be completed if the creditor has not signed in person

Position with creditor or relationship to creditor or other authority for signature

The Proxy may be completed with the name of the person or the Chair of the meeting who is to be proxy holder

Proof of Debt Form

Rule 14.4**Proof of Debt – General Form****IN THE**

Court name or "Office of Adjudicator"

High Court of Justice**Number:****7993 of 2018****Name of Company in Administration****Canary Care Limited****Company registration number:****08512931****Date of Administration:****31 August 2018****1 Name of creditor**

(If a company, provide the company registration number).

2 Correspondence address of creditor

(including any email address)

3 Total amount of claim (£)

(include any Value Added Tax)

4 If amount in 3 above includes (£)

Outstanding uncapitalised interest, state amount.

5 Details of how and when the debt was incurred.

(If you need more space, attach a continuation sheet to this form)

6 Details of any security held, the value of the security and the date it was given.

7 Details of any reservation of title claimed in respect of goods supplied to which the debt relates.

8 Details of any document by reference to which the debt can be substantiated

9 Signature of creditor
(or person authorised to act on the creditor's behalf)

10 Address of person signing if different from 2 above

11 Name in BLOCK LETTERS:

12 Position with, or relation to, creditor

Admitted to vote for

Amount (£)

Date

Office Holder (trustee / liquidator)

Admitted for dividend for

Amount (£)

Date

Office Holder (trustee / liquidator)

Notes:

1. There is no need to attach them now but the office holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.

2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.

Enquiry into Company Insolvency

Canary Care Limited in Administration
Company Number: 08512931
("the Company")

Enquiry into the Company's Insolvency

Creditor's name and address	
Estimated claim	£
What was the authorised credit limit?	£
If the estimated claim exceeds the credit limit, on what basis or terms was the credit limit increased?	
Please provide details of any comfort, security or assurance given to you to allow continuance of credit.	
When were you first aware that there were difficulties in getting payment and what was the evidence of this?	
Please provide details, including dates, of any writs, summons, decrees or other legal action you took to recover your debt.	
Please provide details of any cheques that were dishonoured, including dates and amounts.	
Are there any particular matters you feel should be reviewed? If so, please provide brief details.	
Signature	
Name	
Position	
Date	

Notice of use of Website to Deliver Further Documents

Canary Care Limited in administration
Company Number: 08512931
In the High Court of Justice n. 7993 of 2018
("the Company")

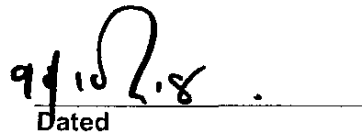
Notice of use of website to deliver further documents pursuant to Rule 1.49 and 1.50 of the Insolvency Rules 2016 ("the Rules")

Notice is hereby given that future documentation from the date of this notice, relating to the above mentioned case will be made available at <https://www.jamescowperkreston.co.uk/reports-to-creditors/>.

1. Future documentation will be made available for viewing or downloading at
Website: <https://www.jamescowperkreston.co.uk/reports-to-creditors/>
Password: cc28pk82qb
2. The Administrator is not obliged to deliver any particular document to any person unless it is specifically requested.
3. Hard copies of all documents currently available on the website and all future documents which may be available on the website can be requested to Sam Kelly by telephone 02380 221222, or by email at Skelly@jamescowper.co.uk; or in writing at James Cowper Kreston, The White Building, 1-4 Cumberland Place, Southampton, SO15 2NP.
4. This notice does not apply to the following circumstances:
 - a. Documents where personal delivery is required;
 - b. A notice of intention to declare a dividend; and
 - c. Documents that are not being generally delivered, i.e. where they are only being sent to one or small number of a particular class of members or creditors.



Sandra Mundy
Joint Administrator


Dated