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

AM03
Notice of administrator's proposals

Companies House

TUESDAY

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A16 19/03/2019 #156
COMPANIES HOUSE

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1 Company details

Company number	0 8 8 6 9 1 5 7
Company name in full	Marvelle Management Limited
	T/as Centric Recruitment

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

2 Administrator's name

Full forename(s)	Christine
Surname	Francis

3 Administrator's address

Building name/number	150 Aldersgate Street
Street	London
Post town	EC1A 4AB
County/Region	
Postcode	
Country	

4 Administrator's name ❶

Full forename(s)	Christopher
Surname	Marsden

❶ **Other administrator**
Use this section to tell us about another administrator.

5 Administrator's address ❷

Building name/number	150 Aldersgate Street
Street	London
Post town	EC1A 4AB
County/Region	
Postcode	
Country	

❷ **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 ✕ Cfrancir ✕
Signature date	d1 d5 m0 m3 y2 y0 y1 y9

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	Christine Francis
Company name	BDO LLP
Address	150 Aldersgate Street
	London
Post town	EC1A 4AB
County/Region	
Postcode	
Country	
DX	
Telephone	+44 (0)20 7334 9191

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

Strictly Private & Confidential

MARVELLE MANAGEMENT LIMITED T/AS CENTRIC RECRUITMENT(IN ADMINISTRATION) ("THE COMPANY")

Statement of joint administrators' proposals pursuant to paragraph 49 of Schedule B1 of the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016

15 March 2019

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Christopher Marsden and Christine Francis are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales in the UK.

1. Statutory information

Company name:	Marvelle Management Limited T/as Centric Recruitment
Registered number:	08869157
Registered office:	Tudor House, Hanbury Road, Pontypool, Gwent, NP4 6JL (Following appointment of the joint administrators, Form AD01 has been sent to the Registrar of Companies changing the registered office to Suite 17, Building 6, Croxley Park, Hatters Lane, Watford, WD18 8YH)
Trading addresses:	• Tudor House, Hanbury Road, Pontypool, Gwent, NP4 6JL • 19 Commercial Street, Aberdare, CF44 7RW • Richmond House, Avonmouth Way, Avonmouth, Bristol, BS11 8DE • Office 17, C5 Business Centre, North Road, Bridgend Industrial Estate, Bridgend, CF31 3TP • 296 North Road, Cardiff, CF14 3BN • 143 Chepstow Road, Newport, NP19 8GE • 6-7 High Street, Pontypridd, CF37 1QJ • Suite 3, J Shed, Kings Road, Swansea, SA1 8PL • 11 Station Road, Queensferry, Flintshire, CH5 1SU
Company directors:	David John Matthews (30 January 2014 to date) Steven James Matthews (1 February 2014 to date)
Company secretary:	-
Authorised share capital:	60 x Ordinary shares of £1 each 5 x Ordinary A shares of £1 each 5 x Ordinary B shares of £1 each 5 x Ordinary C shares of £1 each 5 x Ordinary D shares of £1 each 5 x Ordinary E shares of £1 each 5 x Ordinary F shares of £1 each 5 x Ordinary G shares of £1 each 5 x Ordinary H shares of £1 each
Issued share capital:	All of the authorised share capital has been issued and is held as follows: Phillip Worthing: 40 x Ordinary shares; 5 x each of Ordinary A to H shares David Matthews: 10 x Ordinary shares Steven Matthews: 10 x Ordinary shares
Date of appointment:	8 March 2019
Court reference:	High Court of Justice Chancery Division, Business and Property Courts in Manchester no. CR-2019-MAN-000188
Joint administrators:	Christopher Marsden Christine Francis
Joint administrators' address:	Bridgewater House, Finzels Reach, Counterslip, Bristol BS1 6BX R+,'2 Blagrave Street, Reading, Berkshire, RG1 1AZ

Paragraph 100(2) statement:	The functions and powers of the joint administrators may be exercised by either both of the joint administrators jointly and severally.
Date of delivery of proposals:	These proposals will be deemed delivered to creditors two days after the proposals have been circulated by first class post i.e. on 19 March 2019.
EU Regulation:	The EU Regulation on the Insolvency Proceedings 2000 applies to the administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

2. Background to the administration

2.1. The Company was incorporated in January 2014 and traded since then as a recruitment agency operating from 9 leased premises across South Wales and Avonmouth. It provided temporary staff to businesses within the commercial, construction and trades, contact centres, driving services, food manufacturing, hospitality and catering, industrial and legal sectors. Prior to administration, it employed 37 permanent members of staff and supplied circa 500 temporary staff members to around 180 active customers.

2.2. During late 2018, an under payment to HM Revenue & Customs ("HMRC") of circa £379,000 was identified. The Company arranged to repay this debt under a Time to Pay ("TTP") arrangement at a rate of £38,000 per month from December 2018.

2.3. Trading in December 2018 was significantly reduced in comparison to previous years. The Company usually achieved sales of circa £150,000 during December, but in 2018 sales were circa £38,000. At around the same time, the Company identified several bad debts from customers totalling circa £235,000, of which £171,000 relates to customers who had entered insolvency processes. This situation, alongside the TTP arrangement, placed significant pressure on the Company's cash flow.

2.4. The Company's debtor ledger was operated via an invoice discounting facility with Bibby Financial Services Limited ("Bibby"). Bibby supported the Company during the difficult Christmas period and enabled drawdowns over and above agreed facility limits to facilitate the ongoing payment of necessary costs including salaries.

2.5. The directors formed the view that whilst the Company was under significant cash flow pressure, the core business could be viable if restructured. However, at our initial meeting on 4 February 2019, the directors identified that the Company's funding requirement to trade beyond the week of 4 March 2019 was in excess of £200,000 and this was forecast to rise to a peak of £484,000 as trading progressed throughout the year. This funding requirement was in addition to funding support that Bibby were providing over and above agreed facility levels which at that time was circa £196,000.

2.6. During January 2019, options to refinance the business were considered by the directors. However, they recognised that given the limited asset base of the business, options to refinance would likely require personal guarantees. They concluded that neither they nor the majority shareholder were willing to pledge additional monies directly or provide personal assets as security in support of further funding.

2.7. It is understood that during late January 2019, the directors held preliminary discussions with several interested parties with a view to ascertaining whether a sale of the Company or business and assets could be achieved. Following a referral from Bibby, they sought the advice of BDO LLP and after an initial meeting on 4 February 2019 concluded that this process needed to be formalised. Instructions were subsequently issued to BDO LLP on 8 February 2019 to provide assistance in an accelerated marketing process ("AMA process") to identify potential interested parties.

2.8. The AMA process involved marketing the business and assets as fully as possible over a three week period. The AMA process could not be extended beyond this three week period due to the Company's funding requirements which would become unmanageable (with available facilities) during week commencing 4 March 2019.

2.9. At the commencement of the AMA process, potential interested parties were identified and approached directly by both BDO LLP and the directors. These included trade parties, private equity funds and other individuals who were known to be active in the sector. To further widen the marketing process, details were also placed on two online forums (Deal Opportunities and Businesses for Sale) advertising the Company/business for sale. This combined approach ensured that the business was marketed to a wide audience and resulted in contact with over 80 parties.

2.10. A data room was created to provide financial and operational information to those parties who expressed an interest in the business and who signed a non-disclosure agreement. A deadline was set for indicative offers to be received by 12 noon on 18 February 2019.

2.11. The Company did not have sufficient funds available to pay the TTP instalment due in January 2019, together with PAYE liability for that month. A letter was received from HMRC on 12 February 2019 advising that if payment of the balances owed was not received by 20 February 2019, winding up proceedings would be commenced.

2.12. Shortly after the deadline on 18 February 2019, three indicative offers were received for the purchase of the business and assets of the Company subject to certain terms and conditions. These offers can be summarised as follows:

Offer 1: Purchase of the business and assets of the Company for an upfront payment of £50,000, to include the transfer of all bar 2 employees (permanent and temporary) and licences to occupy all bar 1 location with a view to achieving assignments of the lease agreements. It also included an offer to collect the outstanding debtor ledger on behalf of Bibby for a fee of 5% on collections achieved. The offer was supported by proof of funding, but was conditional upon the directors being employed by the purchaser for a period of at least 2 years following purchase.

Offer 2 from Vibe Recruit Limited: Purchase of the business and assets of the Company for an upfront payment of £20,000, to include the transfer of all permanent and temporary staff members but with no interest in any of the leased premises. It also included an offer to collect the Company's debtor ledger on behalf of Bibby for no fee. The offer was supported by proof of funding, but was conditional upon the Vibe Recruit Limited obtaining additional funding and it was understood that discussions were being held with Bibby in this regard.

Offer 3: Purchase of the business and assets of the Company for an upfront payment of £10,000 plus deferred consideration of 5% on turnover to be paid monthly in arrears for the first 12 months of trading. The offer included the transfer of all permanent and temporary staff members and licences to occupy all locations with a view to achieving assignments of the lease agreements. Subsequent discussions with this party led the purchaser to directly approach the shareholders of the business with a view to acquiring the share capital of the Company for a nominal sum. It is understood that this offer was rejected by the majority shareholder.

2.13. Based on the indicative offers and taking account of the threat from HMRC to commence wind up proceedings, a notice of intention to appoint administrators ("NOI") was filed in Court on 21 February 2019 to provide protection whilst the offers were explored further with the intent that a sale of the business and assets via a pre-pack administration process would be completed.

2.14. Further discussions with the prospective purchasers resulted in Offer 1 being withdrawn as the directors would not commit to a 2 year minimum employment contract. During the period we were discussing Offer 1, Vibe Recruit Limited increased its offer to an upfront payment of £50,000. Discussions in relation to Offer 3 were drawn to a close after evidence of funding was not provided.

2.15. Whilst the above discussions were ongoing, the AMA process was continued in order to ascertain whether there was any other interest in acquiring the Company or business. A subsequent offer was received as summarised below:

Offer 4: Purchase of the business and assets of the Company for an upfront payment of £25,000, to include the transfer of all permanent and temporary staff members and licences to occupy all locations with a view to achieving assignments of the lease agreements. The offer also included further deferred consideration of £75,000 if turnover in the first 6 months exceeded £5 million, and an additional £50,000 if turnover exceeded £12 million in the first 12 months.

2.16. The above offer was regarded as very credible, but after consideration a number of risks were identified in respect of the deferred consideration element of the offer. These include the following:

- The directors were unwilling to commit to any involvement with the subsequent purchaser of more than 3 months.
- The directors advised that they control the Centric trading name and brand via a separate legal entity. They were not willing to sell this to another party as they may use it if they decide to re-enter the market at a later date.
- If the directors did re-enter the market there was a risk that they would be able to attract some of the Company's current client base.
- The directors may consider employment with a local competitor (who had not made an offer in the marketing process) and if they did so, would approach current customers.

2.17. The party which made Offer 4 recognised the above risks and advised that they had set the upfront consideration in their offer accordingly. They did indicate that they would be willing to increase the upfront consideration to £50,000 if it included control of the Centric trading name and branding. As noted above, the directors were unwilling to agree to this.

2.18. Whilst the Company has a registered trademark for Centric Recruitment, the directors advised that this related to the historic logo and branding that was no longer used. The party which made Offer 4 considered this trademark and concluded that even if it was part of a sale, there was still a high risk that another party could commence trading using the Centric name. They were therefore not willing to increase their upfront consideration on this basis.

2.19. Taking account of the risks associated with the deferred consideration element, it was concluded that this additional value could not be relied upon and should be fully discounted for valuation purposes. Consequently, the offer from Vibe Recruit Limited was considered the best offer available.

2.20. Given the above, steps were taken to agree a pre-pack sale of the business and assets with Vibe Recruit Limited. Negotiations were commenced over the specific terms and conditions of sale which included a licence to occupy the Company's trading premises for a short period in exchange for a fee of £2,000 plus VAT. This licence enabled the purchaser to occupy the trading premises whilst arranging clearance of the Company's assets and records.

2.21. The original NOI filed in court on 21 February 2019 created an interim moratorium protecting the Company from proceedings whilst a pre-pack sale was negotiated. The interim moratorium came to an end 10 business days after it was filed on 6 March 2019. At this point, whilst negotiations concerning the sale to Vibe Recruit Limited were at an advanced stage they were still being finalised and as such, a further NOI was filed in court on 7 March 2019.

2.22. Following completion of the negotiations, the appropriate resolutions were passed by the board of directors on 8 March 2019 and the Company entered into administration on the same day. A pre-pack sale was completed immediately following appointment to Vibe Recruit Limited.

2.23. As noted above, the offer from Vibe Recruit Limited was conditional on securing additional funding to support the transaction. It should be noted that Bibby were approached in this respect and have confirmed that they will be providing funding to Vibe Recruit Limited via an invoice discounting agreement.

3. Statement of affairs

3.1. Paragraph 47 of Schedule B1 to the Insolvency Act 1986 requires the directors, if requested, to submit to the joint administrators a statement of affairs detailing the particulars of the Company's assets, debts and liabilities.

3.2. A statement of affairs has not yet been received as the appointment of the administrators has only recently occurred. An estimate of the financial position of the Company is attached at Appendix V, together with a list of the Company creditors' names and addresses, along with details of their debts (including details of any security held by them).

3.3. The Company's principal asset is the debtor ledger which as at the date of appointment had a book value of £2,001,182. The estimated to realise value includes a specific provision for known bad or doubtful debts, together with an additional general provision of 1%. The balance owed to Bibby in Appendix V excludes charges incurred upon closure of the invoice discounting facility. These charges include a termination fee and audit charges incurred prior to appointment and are reflected in the estimated outcome statement at Appendix VII. Based upon the current position it is anticipated that Bibby will receive payment in full from the collection of the debtor ledger and other asset realisations secured by its fixed charge.

3 4. The book value for the Company's intangible assets has been taken from management accounts to 31 January 2019 and relates solely to goodwill. However, it should be noted that the directors have to date been unable to identify the exact nature of this balance in the accounts. Prior to the administration we contacted Metis Partners, an intellectual property ("IP") valuation firm, to establish if there was any IP that could be valued. They concluded that there was very little which would justify their involvement, but did identify the Company owns the registered trademark for the historic Centric Recruitment logo mentioned at 2.17 above. We do not consider that this trademark has any significant value and it should be noted that it was excluded from the sale to Vibe Recruit Limited. Given the above we

have included a notional £1 in relation to the asset realisations in relation to the Company's goodwill.

3.5. Excluding goodwill and the identified IP, the Company's other intangible assets relate to relationships and contracts with the customers and associated underlying business information. Given the nature of these assets, we consider that the value of these assets has been determined by exposure to the market which occurred during the AMA process. Consequently, the estimated to realise value of £46,999 reflects the consideration allocated to these assets as per the sale and purchase agreement.

3.6. The Company's chattel assets have been inspected and valued by Gordon Brothers, a firm of independent agents who have indicated that these items are worth £3,000 on a going concern basis and £500 on a break up basis. As above, the estimate of the financial position reflects the consideration allocated to these items in the sale and purchase agreement.

3.7. Avison Young, a firm of commercial real estate agents, have reviewed the leases for each of the trading premises and confirmed that in their opinion, no premium value is available.

3.8. The Company's accounts with HSBC Bank plc currently hold a balance of £3,370. This balance will be transferred to the administration estate.

3.9. The pre-pack sale included the transfer of all employees to the purchaser and therefore under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPER"), there are no liabilities owed by the Company in this respect. In the event, employees had been made redundant it is estimated that they would have preferential claims in respect of arrears of wages and accrued holiday pay of circa £40,888. It is also estimated that they would have unsecured claims in respect notice and redundancy pay of £82,378.

3.10. The balances owed to other unsecured creditors including HMRC have been taken from the Company's records to date. Creditors are not prejudiced if they do not agree with the amounts contained in the statement as it will be for the joint administrators to deal with the admission of claims for dividend purposes (if applicable). In addition, entry on the list does not imply that the claim has been admitted.

4. Objective of the administration

4.1. Christopher Marsden and I were appointed joint administrators on 8 March 2019 by the board of directors.

4.2. An administrator of a Company must perform his functions with the objective of:-

(i) rescuing the Company as a going concern; or

(ii) 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

(iii) realising property in order to make a distribution to one or more secured or preferential creditors.

4.3. Administrators must perform their functions with objective (i) unless they think that:

- it is not reasonably practicable to achieve that objective, or
- objective (ii) would achieve a better result for the Company's creditors as a whole.

4.4. Administrators may perform their functions with objective (iii) only if:

- they think that it is not reasonably practicable to achieve either of the objectives (i) or (ii), and

- they do not unnecessarily harm the interests of the creditors as a whole.

4.5. The pre-pack sale of the Company's business and assets has been completed under the terms and conditions detailed above in order to achieve objective (ii), in that it is 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). The reasons for this are as follows:

(a) The realisations achieved are greater than those values that are estimated would be realisable in the event the Company ceased trading and was placed into liquidation as per the valuation report of Gordon Brothers.

(b) The sale includes the transfer and continuity of all employee contracts. In the event a sale of the business and relevant transfer had not been completed resulting in all employees being made redundant, it is estimated that their claims would total circa £123,000. This would significantly increase the overall deficiency and reduce the rate of any distribution available to creditors.

(c) The collection of the debtor ledger by the purchaser negates the requirement for Bibby to employ independent agents for this process, reducing their estimated costs by circa £110,000 inclusive of VAT. The continuity of supply to the customers also improves the recoverability of sums owed to the Company. These factors are likely to reduce the level of any shortfall suffered by Bibby in respect of its facility and over-advanced position.

5. Realisations to date

5.1. A summary of the joint administrators' receipts and payments account for the period from 8 March 2019 to 15 March 2019 is attached at Appendix I. The consideration from the sale and purchase agreement and licence fee are currently held by joint administrators solicitors.

5.2. SIP 16, 'Pre-packaged sales in administrations', requires an Insolvency Practitioner to disclose to creditors and parties who might be affected the reasoning behind the decision to undertake a pre-packaged sale and justify why such a course of action was considered appropriate.

5.3. A copy of our SIP 16 report is attached as Appendix II.

5 4. SIP 13, 'Disposal of assets to connected parties in an insolvency process', requires an Insolvency Practitioner to disclose to creditors transactions involving the disposal of assets of the insolvent company to connected parties.

5.5. The statement was produced in recognition of the fact that the disposal of assets of an insolvent company by directors may give rise to concerns that assets may have been disposed of at less than market value and that those who have been prejudiced by the insolvency of the disposing company may be exposed to further risk.

5.6. The statement also recognises that connected party transactions may be in the best interests of creditors but requires such transactions to be conducted with the greatest degree of propriety and with disclosure to those interested as soon as reasonably practicable.

5.7. In this matter, none of the Company's assets have been sold to connected parties. As detailed at point 2.22, Bibby are providing funding to Vibe Recruit Limited.

5.8. As a result of the pre-pack sale, realisations of £50,000 have been received by my solicitors in respect of the upfront consideration due, together with a further balance of £2,000 plus VAT in respect of the fee for the licence to occupy the trading premises. The purchaser is assisting in the collection of the outstanding debtor ledger which is being monitored by Bibby. Should sufficient funds be realised from these collections to discharge the indebtedness owed to Bibby in full (including any collection or closure fees), any surplus balance will be paid into the administration.

5 9. As the joint administrators have only recently been appointed, a review of the Company's affairs and directors conduct has not yet been completed. If any actions arise from this review that may be pursued for the benefit of the estate, I will notify creditors accordingly in my next progress report.

6. Pre-administration fees and expenses

6.1. BDO LLP incurred time costs and expenses totalling £77,286.17 plus VAT prior to appointment, as detailed below. A full breakdown of the time costs is included at Appendix III.

Pre appointment time

	Hours	£
Partner	39.90	20,721.00
Associate director / manager	129.10	43,736.25
Administrator	0.00	0.00
Support staff	6.50	715.75
	175.50	65,173.00

Pre appointment expenses

	£
Online advertising costs	85.00
Travel expenses	28.17
Solicitor's fees	13,000.00
Agent's fees	2,000.00
	15,113.17

6.2. The engagement of BDO LLP by the directors provided for pre appointment costs to be capped at £7,000 plus VAT per week and disbursements. Pre appointment time costs incurred arose primarily as a result of work undertaken in the following areas:

- Completing an accelerated marketing process in order to identify prospective parties interested in purchasing either the Company or its business and assets;
- Negotiations with parties identified during the above process concerning the sale of the business and assets;

- Preparing the necessary documents to place the Company into administration and achieve a sale of the business and assets upon appointment,
- Meetings, calls and correspondence with the directors and other stakeholders.
- Liaising with other agents and professionals.

6.3. This work was undertaken in order to achieve a sale of either the Company or its business and assets that would provide the best outcome for creditors as a whole. By achieving the pre-pack sale detailed above, realisation of the Company's assets were maximised for the benefit of creditors. The level of liabilities was also reduced by securing the transfer of the employees to the purchaser and completing collection of the outstanding debtor ledger at no cost.

6.4. Solicitor's fees incurred arose primarily as a result of preparing the documents to place the Company into administration and achieving a sale of the business and assets.

6.5. Agent's fees arose from inspecting and valuing the Company's chattel assets, providing an opinion on any premium value in the leased premises and reviewing the Company's intangible assets and intellectual property rights.

6.6. Pre appointment costs of £21,000 plus VAT and disbursements of £113.17 were discharged by the Company prior to appointment. As our engagement up to appointment took 4 weeks, subject to the capped limit noted at 6.2 above, a balance of £7,000 plus VAT remains outstanding.

6.7. The payment of the unpaid pre appointment costs and expenses as an expense of the administration is subject to the approval under Rule 3.52 of the Insolvency (England and Wales) Rules 2016 and is not part of these proposals subject to approval under Paragraph 53, Schedule B1 of the Insolvency Act 1986.

6.8. As it is envisaged that the Company has insufficient property to enable a distribution to be made to unsecured creditors, other than by virtue of Section 176A(2)(a) of the Insolvency Act 1986, authorisation will be obtained from the secured charge holder(s) for the approval of the unpaid pre-administration fees and expenses.

7. Joint administrators' remuneration and category 2 disbursements

7.1. To date, in the relatively short period since appointment the work undertaken by the joint administrators has primarily focussed on completing the sale of the business and assets and issuing the relevant notices confirming their appointment.

7 2. In addition, all other statutory matters and administrative work in relation to the administration and either required by legislation or necessary to perform the basic duties of an administrator has been dealt with.

7.3. To date, time costs of £19,614.65 have been incurred over 50 hours at an average rate of £392.29 per hour. A detailed breakdown of the time costs of the joint administrators, is attached in Appendix III.

7.4. The joint administrators will continue to realise any remaining Company assets, including any surplus balance available from the debtor ledger and any deposits or prepayments that can be claimed. They will also undertake a review of the Company's affairs and the conduct of the directors to establish whether any claims can be brought for the benefit of estate. Should this work result in sufficient funds becoming available for creditors, they will take steps to review and agree those claims received in order to effect a distribution.

7.5. A summary of the anticipated work in attending to matters arising in the administration is set out in Appendix VI, together with the proposed basis of remuneration, a fees estimate and a schedule of expenses anticipated to be incurred.

7.6. It is proposed that the remuneration of the joint administrators will be drawn from the Company's assets and in accordance with Rule 18.16 of the Insolvency (England and Wales) Rules 2016 will be fixed as follows:

- by reference to the time properly given by the joint administrators and their staff in attending to matters as set out in the fees estimate.

7.7. In addition, it is proposed that the joint administrators shall be authorised to draw their firm's internal costs and expenses in dealing with the estate, specifically business mileage at a rate of 45p per mile as and when funds permit.

7.8. Should you wish to receive a copy of "A Creditors' Guide to Administrators' Fees" this is available on the following R3 website or by requesting a copy from this office in writing or by telephone (https://www.r3.org.uk/what-we-do/publications/professional/fees).

7.9. As it is envisaged that the administration will have insufficient property to enable a distribution to be made to unsecured creditors, other than by virtue of Section 176A(2)(a) of the Insolvency Act 1986, authorisation will be obtained from the secured charge holder for the approval of the remuneration of the joint administrators.

8. Joint administrators' expenses

8.1. A schedule of all expenses incurred in the period has been detailed in Appendix IV.

8.2. No payments have been made to date.

9. Prescribed part

9.1. The Company granted a floating charge to Bibby on 28 November 2016. Accordingly, I am required to create a fund out of the Company's net floating charge property for unsecured creditors (known as the Prescribed Part).

9.2. Based on present information, I estimate that the Company's net floating charge property has no value. As such, the Prescribed Part provisions do not apply. Please note that this estimate is subject to fluctuation and the final outcome can only be determined once all asset realisations have been made.

10. Estimated outcome

10.1. The estimated outcome statement at Appendix VII illustrates the likely funds available to the various classes of creditors.

10.2. At this stage, there is no prospect of a dividend becoming available to unsecured creditors.

11. Joint administrators' proposals

11.1. It is proposed that the joint administrators will continue to manage the affairs of the Company in order to achieve the objective of the administration.

11.2. That the joint administrators will continue to realise the Company's assets, including any surplus collections available from the debtor ledger and any deposits or prepayments that can be claimed. They will also undertake a review of the Company's affairs and conduct of the directors to establish whether any claims can be brought for the benefit of estate. Should sufficient funds become available for unsecured creditors via the prescribed part provisions, they will take steps to review and agree those claims received in order to effect a distribution.

11.3. That in the event a distribution can be made to the unsecured creditors of the Company (other than by way of the prescribed part provisions), the Company will be placed into creditors' voluntary liquidation. It is proposed that the joint administrators, currently Christopher Marsden and Christine Francis of BDO LLP, or their successors in title, be appointed joint liquidators of the Company pursuant to Rule 3.60 of the Insolvency (England and Wales) Rules 2016. The joint liquidators are to act either alone or jointly. In accordance with paragraph 83(7), Schedule B1 of the Insolvency Act 1986 and Rule 3.60(6)(b) of the Insolvency (England and Wales) Rules 2016, creditors may nominate different insolvency practitioners as to the proposed joint liquidators, provided that the nominations are made after the receipt of the proposals and before the proposals are approved.

11.4. That in the event there are insufficient funds to pay a dividend to the unsecured creditors of the Company (other than by way of the prescribed part provisions), the Company should be dissolved in due course.

11.5. That in accordance with Rule 18.16 of the Insolvency (England and Wales) Rules 2016 the remuneration of the joint administrators be fixed as follows:

- by reference to the time properly given by the joint administrators and their staff in attending to matters as set out in the fees estimate.

11.6. That the joint administrators shall be authorised to draw their firm's internal costs and expenses in dealing with the estate, specifically business mileage at a rate of 45p per mile as and when funds permit.

11.7. It is not intended that any work will be subcontracted out which could otherwise be carried out by the joint administrators and their staff.

11.8. That the joint administrators be given their release 14 days after filing of either Form AM22 (move to creditors' voluntary liquidation) or Form AM23 (move to dissolution) with the registrar of companies, whichever is applicable.

12. Approval of the joint administrators' proposals

12.1. Pursuant to paragraph 52(1) of Schedule B1 of the Insolvency Act 1986, I am not required to seek a decision from the unsecured creditors on the approval of the joint administrators' proposals because it is envisaged that the Company has insufficient property to enable a distribution to be made to unsecured creditors, other than by virtue of Section 176A(2)(a) of the Insolvency Act 1986.

12.2. However, creditors whose debts amount to at least 10% of the total debts of the Company may request a decision be sought from the unsecured creditors as to whether to approve the joint administrators' proposals.

12.3. Creditors are reminded that the costs of any decision procedure shall be paid by them and that a deposit will be required for such purpose. Such costs may be ordered to be paid as an expense of the administration if the creditors so decide. Furthermore, any secured creditor is entitled to vote in respect of the full value of his debt without any deduction of the value of his security.

12.4. The joint administrators' proposals will be deemed to have been approved pursuant to Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 unless a decision of creditors has been requested within eight days of delivery of these proposals.

CFrancis

Christine Francis
Joint Administrator

Appendix I

Joint Administrators' receipts and payments account

Marvelle Management Limited T/as Centric Recruitment (In Administration)

	Statement of affairs £	From 08/03/2019 To 15/03/2019 £	From 08/03/2019 To 15/03/2019 £
RECEIPTS			
		0.00	0.00
PAYMENTS			
		0.00	0.00
Net Receipts/(Payments)		0.00	0.00
MADE UP AS FOLLOWS			
			0.00

Statement of Insolvency Practice 16 ("SIP 16")

Where a pre-packaged sale has been completed, the administrators should provide a statement explaining the statutory purpose pursued, confirming that the transaction enables the statutory purpose to be achieved and that the outcome was the best that could be reasonably obtained for creditors as a whole in all the circumstances.

As detailed in the proposals, the sale of the Company's business and assets has been completed in order to achieve the statutory purpose set out in objective (ii), that it is 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). The reasons for this are as follows:

(a) The realisations achieved are greater than those values that are estimated would be realisable in the event the Company ceased trading and was placed into liquidation as per the valuation report of Gordon Brothers.

(b) The sale includes the transfer and continuity of all employee contracts. In the event a sale of the business and relevant transfer had not been completed, the business would have entered liquidation with all employees being made redundant. In this situation it is estimated that employee claims would total circa £123,000. This would significantly increase the overall deficiency and reduce the rate of any distribution available to creditors.

(c) The collection of the debtor ledger by the purchaser negates the requirement for Bibby Financial Services Limited ("Bibby") to employ independent agents for this process, reducing their estimated costs by circa £110,000. The continuity of supply to the customers also improves the recoverability of sums owed to the Company. These factors are likely to reduce the level of any shortfall suffered by Bibby in respect of its facility and over-advanced position.

SIP 16 also provides for the following information to be included in the administrators' explanation of a pre-packaged sale, as far as the administrators are aware after making appropriate enquiries:

Initial introductions

The Company was referred to BDO LLP ("BDO") by Bibby on 31 January 2019. Following an initial meeting with the directors on 4 February 2019, BDO were engaged on 8 February 2019 to assist the Company with an accelerated marketing process.

In summary, the engagement with BDO was to run a structured marketing process for a three week period in order to identify potential buyers of the business. It was also to advise the directors so as to achieve the best possible sale price on behalf of the creditors as a whole. In the event that a buyer was found, BDO would assist the directors of the Company with the negotiation of a sale agreement with the interested party. Where an offer was for the business and assets of the Company, BDO would assist the directors to get the Company to a position so that a transaction could be completed at the outset of administration.

Bibby were supportive of the Company engaging in the above accelerated marketing process and continued to provide additional funding of between £150,000 to £200,000 over and above the agreed invoice discounting facility level.

Pre-appointment matters

The extent of the administrators' (and that of their firm, and/or any associates) involvement prior to appointment.

Before being engaged to conduct the accelerated marketing process, neither the administrators, BDO or any associates had a prior relationship with the Company.

As discussed, from 8 February 2019 BDO worked with the directors to run a structured marketing process for the business. After receiving indicative offers, BDO assisted in further negotiations with interested parties to identify which offer could be progressed to provide the best available outcome for creditors as a whole. After identifying the respective purchaser, work was undertaken to negotiate a suitable sale and purchase agreement that could be effected immediately following appointment

The alternative options considered, both prior to and within formal insolvency by the insolvency practitioners and the Company, and on appointment the administrators with an explanation of the possible outcomes.

At the initial meeting on 4 February 2019, the directors stated that the Company's funding requirement to trade beyond the week of 4 March 2019 was in excess of £200,000 and this was forecast to rise to a peak of £484,000 as trading progressed throughout the year. This funding requirement was in addition to funding support that Bibby were providing over and above agreed facility levels which at that time was circa £196,000. In addition to the above, the directors also identified that the Company had a time to pay arrangement in place with HM Revenue & Customs ("HMRC") for circa £350,000 and that the January 2019 instalment was missed due to cash flow pressures in the business.

The option of seeking additional finance to support the business was discussed and the directors indicated that they had had a number of discussions concerning potential funding during January 2019, including with the Development Bank of Wales. The conclusion from these discussions was that a funder would require additional security and personal guarantees given the lack of security available within the business. Both the directors and the major shareholder were unwilling to provide any additional security. We understand that the major shareholder was also unwilling to directly provide additional funding.

Given the above, the option of a Company Voluntary Arrangement ("CVA") was discussed with the directors. However, it was concluded that a CVA would not be viable given the quantum of the funding requirement, the low level of trade creditors (circa £39,000) and the fact that a time to pay arrangement was already in place with HMRC.

The option of also winding down the Company's affairs was considered with it being placed into creditors' voluntary liquidation. As highlighted in the proposals, the directors believed that the core business was still viable if restructured and that a sale of the business and assets through an administration would provide a better outcome for the creditors as a whole.

Whether efforts were made to consult with major or representative creditors and the upshot of any consultations.

HMRC are the largest unsecured creditor of the Company representing over 90% of the total liabilities. Prior to appointment, HMRC were notified of the intention to appoint administrators. They were also provided with details concerning the marketing process undertaken, the offers received for the business and assets, the consideration of these offers, negotiations with the identified purchaser and the likely outcome for each class of creditor. Whilst it was observed that there was unlikely to be funds available for unsecured creditors, no concerns were noted by HMRC to the pre-pack sale based on the information provided.

Why it was not appropriate to trade the business and offer it for sale as a going concern during the administration.

In an administration of the Company, the ability to trade would be dependent upon the secured lender providing ongoing funding. Bibby indicated that they would not have an appetite to fund the business in administration given the level of additional funding already provided.

Given the nature of the business, it was also concluded that trading in administration created a risk that key staff and customers would be lost in the trading period. It was considered that this risk was significant and would likely impact the underlying value of the business and the level of asset realisations.

Details of requests made to potential funders to fund working capital requirements. If no such requests were made, explain why.

Due to Bibby's over-advanced position, they did not have an appetite to fund the business during administration.

Prior to the administration, the directors also made enquiries with alternative funders such as the Development Bank of Wales. As detailed in the proposals, the directors concluded that neither they nor the majority shareholder were willing to pledge additional monies directly or provide additional assets as security in support of further funding.

Details of registered charges with dates of creation.

The invoice discounting facility provided by Bibby is supported by a fixed and floating charge which was created on 28 November 2016 and registered on 29 November 2016.

If the business or business assets have been acquired from an insolvency process within the previous 24 months, or longer if the administrator deems that relevant to creditors' understanding, the administrator should disclose both the details of that transaction and whether the administrator, administrator's firm or associates were involved.

The business and assets of the Company were not previously acquired from an insolvency process.

Marketing of the business and assets

In order to market the business and assets as fully as possible an accelerated sales and marketing process was undertaken over a three week period. The sales and marketing period could not be extended beyond this three week period due to the Company's funding requirements which would become unmanageable (with available facilities) during week commencing 4 March 2019. After this point, continued trading would likely worsen the position for creditors. HMRC also issued a letter on 12 February 2019 advising the Company that if outstanding payments were not brought up to date by 20 February 2019, winding up proceedings would be commenced. If a winding up petition had been issued, it is likely that the Company would have ceased trading having a detrimental impact on the achievable value for the business and assets.

At the commencement of the sales and marketing process, potential interested parties were identified and approached directly by both BDO and the directors. These included trade parties, private equity funds and other individuals who were known to be active in the sector. To widen the marketing process, details were also placed on two online forums (Deal Opportunities and Businesses for Sale) advertising the Company/business for sale. This combined approach ensured that the business was marketed to a wide audience and resulted in contact with over 80 parties.

A data room was created providing further information to those parties who expressed an interest in the business and who signed a non-disclosure agreement. From this process the four offers detailed in the proposals were received. Of these four offers, one was withdrawn on the basis that it required continued support by the directors over a prolonged period which they were unwilling to commit to. A second offer was discounted as no evidence of funding was supplied.

The two remaining offered were considered in detail, one which provided a total upfront consideration of £50,000 from Vibe Recruit Limited and another which provided upfront consideration of £25,000, together with the potential for further consideration of £125,000 on a deferred basis linked to future turnover. We considered the risks associated with the deferred consideration offer and concluded that these were significant due to the following:

- The directors were unwilling to commit to any involvement with the subsequent purchaser of more than 3 months. The directors hold key customer relationships within the business and if they were to leave then there is a risk that they would take some of the Company's current client base.

- The directors advised that they controlled the Centric trading name and brand via a separate legal entity. They were not willing to sell this to another party as they may use it if they decide to re-enter the market at a later date. If the directors did re-enter the market there is a risk that they would be able to attract some of the Company's current client base.

- The directors indicated that they may consider employment with a local competitor (who had not made an offer in the marketing process) and if they did so, may look to attract the Company's current client base.

The deferred consideration party recognised these risks and advised that they had set the upfront consideration in their offer accordingly. They did indicate that they would be willing to increase the upfront consideration to £50,000 if it included control of the Centric trading name and branding.

Whilst the Company has a registered trademark for Centric Recruitment, the directors advised that this relates to the historic logo and branding that is no longer used. The deferred consideration party reviewed this trademark and concluded that even if this was part of a sale, they would still require the directors to enter a non-compete arrangement. They were therefore not willing to increase their upfront consideration on this basis.

Following consideration of these offers, it was concluded that whilst there was the prospect of greater realisations from deferred consideration, this additional value could not be relied upon and should be fully discounted for valuation purposes.

As such, it was concluded that the offer from Vibe Recruit Limited provided the greatest upfront consideration available and the best outcome for creditors as a whole. There is no connection between Vibe Recruit Limited, the directors or shareholders of the Company.

The offer from Vibe Recruit Limited was conditional on securing additional funding to support the transaction. It should be noted that Bibby were approached in this respect and have confirmed that they will be providing funding to Vibe Recruit Limited via an invoice discounting agreement.

Valuation of the business and assets

The names and professional qualifications of any valuers and / or advisors and confirmation that they have confirmed their independence and that they carry adequate professional indemnity insurance.

The chattel assets of the Company were inspected and valued by the experienced professionals detailed below form Gordon Brothers, a firm of independent valuation agents:

Role	Name	Valuation qualifications	Year of qualification
Director	Neal Weakes	30+ years' experience	-
Director	Simon Bamford	Member of the Royal Institute of Chartered Surveyors ("RICS")	2012

Gordon Brothers have confirmed their independence in respect of the opinions expressed and valuation advice provided and that they carry adequate professional indemnity insurance of up to £5 million in respect of the valuation.

The Company's leased premises were reviewed and valued by Robert Andrew Capes from Avison Young, a firm of commercial real estate agents. Mr Capes is a Fellow of RICS, having first qualified in 1980 and is also a RICS registered valuer. Avison Young have confirmed their independence in this matter and that they carry adequate professional indemnity insurance for their opinion.

The valuations obtained for the business or its underlying assets. Where goodwill has been valued, an explanation and basis for the value given.

The valuations provided by Gordon Brothers and Avison Young are set out below:

Asset	Valuation by	Estimated market value	
		In-situ (£)	Ex-situ (£)
Office furniture	Gordon Brothers	£1,000	Nil
IT equipment	Gordon Brothers	£2,000	£500
Leased premises	Avison Young	Nil	Nil

The Company's previously filed accounts noted intangible assets with a book value as at 31 January 2018 of circa £152,000. Metis Partners, an intellectual property ("IP") valuation firm, were contacted to establish whether there was any identifiable IP that could be valued. They completed some very limited research and concluded that there was very little in terms of IP assets that would justify their involvement in carrying out a valuation exercise. They did however highlight that:

- The Company appeared to own a registered trade mark for the Centric Recruitment logo which was the only registered IP they could identify.
- Whilst they were unable to verify what the value shown in previous accounts related to, it is often the case that such figures represent the capitalisation of various costs.

As detailed above, the directors advised that the registered trade mark related to the historic logo and branding that is no longer used. Although this trademark is considered of little or no value, it should be noted that it has been specifically excluded from the sale to Vibe Recruit Limited.

In respect of the goodwill in the accounts, neither the directors or the majority shareholder could provide details as to the nature of the balance. However, the majority shareholder commented that it may relate to previous funds originally introduced by him to cover certain costs.

Excluding goodwill and the identified IP, the Company's other intangible assets relate to the relationships and contracts with the Company's customers and any underlying business information. Given the nature of the business, it was considered that the value of these assets was best determined by exposure to the market which occurred during the accelerated marketing process.

The relationships with customers are primarily held by the two directors, the majority shareholder and certain key staff members. By exposing the Company to the market, it was identified that potential purchasers considered the risk of losing clients after a sale had been completed to be high. Two of the interested parties attempted to mitigate this risk by requesting lock in periods or non-compete arrangements from the directors. The directors were unwilling to agree to such arrangements and as noted above, have indicated that they may wish to re-enter the market at some point in the future.

Given the above considerations, and after exposure to the market, we consider that the business relationships, contacts and underlying business information are valued at circa £47,000 on the basis of market exposure.

The transaction

The date of the transaction

The sale of the business and assets completed on 8 March 2019.

Purchaser and related parties

The identity of the purchaser

Vibe Recruit Limited

Any connection between the purchaser and the directors, shareholders or secured creditors of the Company or their associates.

There is no connection between the purchaser, the directors or the shareholders.

The offer from Vibe Recruit Limited was conditional on securing additional funding to support the transaction. It should be noted that Bibby were approached in this respect and have confirmed that they will be providing funding to Vibe Recruit Limited via an invoice discounting agreement.

As the purchaser is not a connected party, they were not advised to approach the pre-pack pool for comments concerning the proposed sale.

The names of any directors, or former directors (or their associates), of the Company who are involved in the management, financing, or ownership of the purchasing entity, or of any other entity into which any of the assets are transferred.

No directors, former directors (or their associates) are involved in the management, financing or ownership of the purchasing entity. The directors have transferred to Vibe Recruit Limited as employees.

Whether any directors had given guarantees for amounts due from the Company to a prior financier and whether that financier is financing the new business.

Phillip Worthing has provided a personal guarantee limited to £50,000 and an unlimited warranty to Bibby in respect of any shortfall due. Bibby are providing an invoice discount facility to Vibe Recruit Limited.

Assets

Details of the assets involved and the nature of the transaction.

The transaction is a sale of the Company's business and assets and includes the following items:

- the Business Information and Customer Contracts;
- the Equipment;
- the Goodwill;
- the Information Technology.

It excludes the Company's registered trademark, book debts, prepayments, cash balances and any cause of actions against a third party by the Company.

The sale agreement also includes a licence to the purchaser to occupy the Company's trading premises for a short period so that a practical transfer of the business can be completed. The licence provides for a fee to be paid by the purchaser to cover any sums which become due during the period of their occupation.

<u>*Sale consideration*</u>

The consideration for the transaction, terms of payment and any condition of the contract that could materially affect the consideration.

The consideration for the transaction is an upfront payment of £50,000 which was received in full on completion. In addition, the licence fee of £2,000 plus VAT has been received. There are no conditions within the contract which could materially affect the consideration.

The consideration disclosed under broad asset valuation categories and split between fixed and floating charge realisations (where applicable) and the method by which this allocation of consideration was applied.

The consideration has been allocated as follows:

	Fixed charge	Floating charge
• the Business Information and customer contracts	£46,999	
• the Equipment		£1,000
• the Goodwill	£1	
• the Information Technology		£2,000

The equipment and information technology relates to the chattels assets (including the Company's information technology equipment and systems) that were inspected and valued by Gordon Brothers and are floating charge realisations. The consideration values allocated to these assets reflects the agents in-situ valuations.

The remaining assets represents the Company's goodwill, business information and customer contracts, which are fixed charge realisations.

Any options, buy-back agreements, deferred consideration or other conditions attached to the transaction.

There are no options, buy-back agreements, deferred consideration or other conditions contained within the sale agreement.

Details of any security taken by the administrator in respect of any deferred consideration. Where no such security has been taken, the administrator's reasons for this and the basis for the decision that none was required.

No deferred consideration is due and therefore no security has been taken by the administrators.

If the sale is part of a wider transaction, a description of the other aspects of the transaction.

The sale is not part of a wider transaction.

Breakdown of time costs pre-appointment

	Partner / Director	Associate Director / Manager	Administrator	Support staff	Total hours	Time cost (£)	Av. Rate £/h
Pre-appointment matters	4.00	8.65	0.00	0.00	12.65	5,199.00	410.99
Planning and strategy	15.90	16.20	0.00	0.00	32.10	14,324.50	446.25
General administration	1.50	10.75	0.00	2.35	14.60	5,022.65	344.02
Assets realisation	17.50	86.85	0.00	0.00	104.35	36,755.65	352.23
Employee matters	1.00	1.10	0.00	4.15	6.25	1,390.00	222.40
Reporting	0.00	3.80	0.00	0.00	3.80	1,193.20	314.00
Tax advice	0.00	1.75	0.00	0.00	1.75	1,288.00	736.00
Total hours	**39.90**	**129.10**	**0.00**	**6.50**	**175.50**		
Total time costs £	**20,721.00**	**43,736.25**	**0.00**	**715.75**		**65,173.00**	

Total remuneration drawn on account: £21,000 plus VAT

Charge out rates

Rates effective from 29 October 2017

Partner / Director	£440 - £550
Associate director / Manager	£275 - £400
Administrator	£110 - £245
Support staff	£110 - £180

Breakdown of time costs post appointment

For the period from 08/03/2019 to 15/03/2019	Partner / Director	Associate Director / Manager	Administrator	Support staff	Total hours	Time cost (£)	Av. Rate £/h
Statutory compliance, administration and planning (including investigations)	9.25	39.80	0.00	0 00	49.05	19,316.35	393.81
Asset realisations	0.00	0.50	0.00	0.00	0.50	157.00	314.00
Trading related matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditor claims	0.00	0.45	0.00	0.00	0.45	141.30	314.00
Case specific matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total hours	9.25	40.75	0.00	0.00	50.00		
Total time costs £	4,763.75	14,850.90	0.00	0.00	0.00	19,614.65	

Total remuneration drawn on account: £Nil

Charge out rates

Rates effective from 29 October 2017

Partner / Director	£440 - £550
Associate director / Manager	£275 - £400
Administrator	£110 - £245
Support staff	£110 - £180

Appendix IV

Schedule of expenses

For the period from 08/03/2019 to 15/03/2019	Cost incurred (£)	Cost drawn (£)
Specific bond	200.00	0.00
Total	**200.00**	**0.00**
Total undrawn costs carried forward		**200.00**

Appendix V

Estimate of the financial position as at 8 March 2019

	Book Value (£)		Estimated to Realise (£)	
ASSETS SPECIFCIALLY PLEDGED				
Trade debtors	2,001,182		1,748,520	
Less: Bibby Financial Services Ltd	(1,648,235)		(1,648,235)	
		352,947		100,285
Intangible assets		119,063		47,000
		472,010		147,285
ASSETS NOT SPECIFICALLY PLEDGED				
Cash at bank	3,370		3,370	
Office furniture and IT equipment	42,347		3,000	
		45,717		6,370
		517,727		153,655
PREFERENTIAL CREDITORS				Nil
				153,655
FLOATING CHARGE CREDITORS				Nil
				153,655
UNSECURED CREDITORS				
Trade creditors			39,420	
H M Revenue & Customs			506,411	
				(545,831)
Estimated total deficiency				**(392,176)**

Notes

The figure shown for Bibby Financial Services does not include termination charges and other costs associated with collection of the ledger.

The estimated financial position does not include provisions for employee claims due to their transfer to Vibe Recruit Limited.

BDO LLP
Marvelle Management Limited T/as Centric Recruitment
B - Company Creditors

Key	Name	Address	£
CB0001	Bond International Software Ltd	Courtlands, Parklands Avenue, Goring, West Sussex, BN12 4NG	3,024.00
CB0002	British Gas - Queensferry	SP Energy Networks, PO Box 168, Prenton, CH26 9AY	230.09
CB0003	Broadbean Technology Ltd	6th Floor, The South Quay Building, 189 Marsh Wall, London, E14 9SH	1,000.01
CB04	Mr M Bashir	c/o Murdoch's Solicitors, 45 High Street, Wanstead, London, E11 2AA	1.00
CB06	Bibby Financial Services Limited	2nd Floor, Forest View, Chineham Park, Basingstoke, Hampshire, RG24 8QZ Security Given: Fixed and floating charge debenture; Date Given: 28/11/2016; Amount: 1648235	1,648,235.00
CC0001	Cabot Properties Ltd	Monarch House, Smyth Road, Bedminster, Bristol, BS3 2BX	1,625.00
CC0002	Cardiff CBC - Rates	Cardiff Council, PO Box 9000, Cardiff, CF10 3WD	205.00
CC0003	Cathedral Leasing Ltd	300 Relay Point, Relay Drive, Tamworth, B77 5PA	207.47
CC0004	Coface UK Services Limited	Egale 1, 80 St Albans Road, Watford, Hertfordshire, WD17 1RP	14,516.18
CG0001	Gazprom Energy	5th Floor Bauhaus, 27 Quay Street, Manchester, M3 3GY	882.46
CH00	H M Revenue & Customs	Enforcement & Insolvency Service (EIS), Durrington Bridge House, Barrington Road, Worthing, BN12 4SE	506,411.00
CI0001	Intercity Telecom Ltd	101-114 Holloway Head, Birmingham, B1 1QP	5,018.95
CM0001	Messrs Evans & Clement	13 Cherry Grove,, Sketty, Swansea, SA2 8AS	1.00
CO0001	Office Beverages	Unit 5 Rivermead, Dean Road, Yate, Bristol, BS37 5NH	484.34
CP0001	Penguin Wealth Ltd	2 Raleigh Walk, Brigantine Place, Cardiff, CF10 4LN	1,000.00
CS0001	Sage Ltd	North Park, Newcastle Upon Tyne, NE13 9AA	376.82
CS0002	Storewithus	C5 North Road, Bridgend Industrial Estate, Bridgend, Mid Glamorgan, CF31 3TP	1.00
CT0001	Thomas Caroll Management Services	Pendragon House, Crescent Road, Caerphilly, CF83 1XX	5,736.24
CT0002	Torfaen CBC	Civic Centre, Pontypool, NP4 6YB	92.52
CT0003	Total Gas & Power	Bridge Gate, 55-57 High Street, Redhill, Surrey, RH1 1RX	212.13
CT0004	Total Jobs Group	Holden House, 57 Rathbone Place, London, W1T1JU	2,700.00
CU0001	Utility Warehouse	Network HQ, 508 Edgware Road, The Hyde, London, NW9 5AB	480.01
CV0001	V Balloqui	2 St Chads Way, Prestatyn, Denbighshire, LL19 8SN	1,625.00
CW0001	Mr P Worthing	Oakridge House, 44 Castle Oak, Usk, NP15 1SG	1.00
24 Entries Totalling			**2,194,066.22**

Signature _ _ _ _ _ _ _ _ _ _

Appendix VI

MARVELLE MANAGEMENT LIMITED T/AS CENTRIC RECRUITMENT (IN ADMINISTRATION) ("THE COMPANY")

IN THE HIGH COURT OF JUSTICE, CHANCERY DIVISION, BUSINESS & PROPERTY COURTS IN MANCHESTER NO. 000108 OF 2019

COMPANY REGISTERED NUMBER: 08869157

Proposed basis of remuneration and schedule of expenses anticipated to be incurred

That in accordance with Rule 18.16 of the Insolvency (England and Wales) Rules 2016 the remuneration of the joint administrators be fixed as follows:

- by reference to the time properly given by the joint administrators and their staff in attending to matters as set out in the fees estimate.

That the joint administrators shall also be authorised to draw their firm's internal costs and expenses in dealing with the estate, specifically business mileage at a rate of 45p per mile as and when funds permit.

The joint administrators' current charge out rates effective from 29 October 2017 are:

Grade	Hourly rate
Partner / Director	£440 - £550
Associate director / Manager	£275 - £400
Administrator	£110 - £245
Support staff	£110 - £180

Time is charged in three minute units or multiples thereof and the charge out rates are subject to review.

Statutory compliance, administration and planning

I estimate that a total of 68 hours at an average hourly charge out rate of £363.97 and a total cost of £24,750 will be spent in dealing with all statutory matters and administrative work in relation to the administration and represents the work which is anticipated to be undertaken, either required by legislation or necessary to perform the basic duties of an administrator (but may not necessarily provide a direct financial benefit to creditors) on the basis that the case is progressed to closure within 12 months.

Should the case not be able to be closed within this time, authorisation for a further fee may be sought from creditors.

This work includes the initial investigations and enquiries that will be completed by the joint administrators into the affairs of Company and the directors conduct to establish whether there are any claims or actions that may be brought for the benefit of creditors. Our work will include the review of the Company's books and records, accounts and bank statements. Following the aforementioned review, in the event that it is considered further investigative work should provide for realisations to the administration estate that will result in a direct financial benefit to the Company, a further decision regarding remuneration will be sought at that time.

Examples of work which is generally undertaken but which is not limited to, include:

- Setting up and maintenance of internal hard copy files and case file on the Insolvency Practitioners System (IPS)
- Data input including basic details of case, assets, creditor names and addresses and employee names and addresses
- Obtaining specific penalty bond
- Setting up of the administration bank account including inputting details on the IPS system
- Preparation and filing (with the Registrar of Companies) of various statutory forms including statement of affairs, change of registered office form and notice of appointment
- Advertisement of notice of appointment and the notice to creditors to claim in The Gazette
- Notification to the Registrar of Companies of the formation of a creditors committee (if applicable)
- Convening and holding meetings of creditors
- Holding meetings and reporting to the creditors' committee (if applicable)
- Letters to directors regarding the provisions of sections 216 and 217 of Insolvency Act 1986, enclosing directors questionnaires
- Obtaining approval for the basis of fees from creditors
- Initial notification to HM Revenue & Customs
- Enquiries as to any pension schemes and the auto-enrolment staging dates and subsequent notification of appointment (if applicable)
- Preparation and distribution of the administrators' proposals to members and creditors
- Preparation and distribution of progress reports to members and creditors
- Preparation and submission of statutory receipts and payments accounts
- Applying for the extension of the administration (If applicable)
- General administration of case including case planning and strategy
- Completion of internal reviews including asset realisation review, 6 month review and annual reviews
- Collection, preservation and review of the Company's book and records
- Review of the Company's redirected post
- Completion of the internal investigation checklist
- Written and verbal communications with the unsecured creditors
- Written and verbal communication with employees
- Dealing with lease and hire purchase creditors in conjunction with our agents
- Land Registry and Companies House searches
- Consideration of legislation relating to, but not limited to, wrongful trading, fraudulent trading, antecedent transactions, preferences, transactions at undervalue.
- Liaising with the Company's former professional advisors and bankers
- Review work pursuant to the Statement of Insolvency Practice 2
- Review of creditor questionnaires and other information received in relation to the affairs of the Company
- Review of director questionnaires
- Review of Company's bank statements
- Preparation of the administrators' submission on the actions of the directors to the disqualification unit of the Department for Business, Energy & Industrial Strategy
- Correspondence with compliance department in respect of on-going case issues/matters.
- Complying with money laundering regulations
- Completing bill requisitions and raising invoices against time incurred in respect of work carried out and outlays incurred
- Reconciliation of post appointment bank accounts to the administration records
- Maintaining time-costs and disbursement schedules on firm's PMS system (including timesheet entries)
- Dealing with pension issues
- Arrangement and review of insurance policies in relation to the Company's assets

- Preparation and submission of corporation tax returns
- Preparation and submission of VAT returns
- Chargeable gains tax calculations
- Closure formalities.

Asset realisations

The known assets as detailed in the estimated financial position are:

Trade debtors

The Company's current ledger totals £2,001,182 and is estimated to realise £1,748,520. The ledger is subject to an invoice discounting facility with Bibby Financial Services Limited ("Bibby"). As part of the sale and purchase agreement, the ledger will be collected on behalf of Bibby by Vibe Recruit Limited and the administrators will monitor this collection process.

Intangible assets

This consists of the Company's contracts, records, intellectual property and goodwill. This has a book value of £119,063 and based on the sale and purchase agreement has been realised for £47,000.

Office furniture and IT equipment

The Company's chattel assets have been inspected and valued by Gordon Brothers, a firm of independent valuation agents. These items were included in the sale and purchase agreement for consideration of £3,000.

Licence to occupy fee

In addition to the consideration from the sale of the business and assets, the sum of £2,000 plus VAT has been received in respect of the licence fee for Vibe Recruit Limit to occupy the trading premises for a short period in order to effect a handover of the business. These funds will be used to cover any costs incurred whilst these premises are occupied.

I estimate that a total of 6 hours at an average hourly charge out rate of £438.33 and a total cost of £2,630 will be spent in realising the assets which will result in a direct financial benefit to the administration. The work undertaken will primarily involve giving effect to the terms of the sale and purchase agreement and monitoring the collection of the trade debtor ledger.

Examples of the work which may be undertaken if specifically required but which is not limited to, include:

- Identifying, securing and insuring the assets
- Liaising with solicitors regarding the realisation of assets
- Liaising with secured creditors regarding the realisation of charged assets
- Liaising with pre-appointment bankers regarding the closure of the Company's bank accounts
- Dealing with retention of title claims in conjunction with our agents
- Written and verbal correspondence with debtors.
- Monitoring and collection of outstanding debtors, retentions and work in progress.
- Property, business and asset sales.
- Tax reclaims
- Review of interest rate hedging products

Creditor claims

I estimate that a total of 26.50 hours at an average hourly charge out rate of £208.02 and a total cost of £5,512.50 will be spent in dealing with creditor claims and any relevant distributions.

Work will be undertaken in determining the level of costs and charges associated with Bibby's invoice discounting facility and that relevant asset realisations due to them are appropriately accounted for. It is also anticipated that work will be undertaken in issuing initial correspondence to the Company's permanent and temporary staff regarding the transfer of their contracts to Vibe Recruit Limited. The fee estimate includes a provision for dealing with any queries that may be received from the staff members regarding their position.

The joint administrators will also correspond with the landlords of the leased premises to arrange for the properties to be handed back and to deal with any resulting costs covered by the licence fee.

There are also 26 known unsecured creditors with an estimated total liability of £545,831 as detailed in the estimated financial position that the joint administrators will deal with.

Examples of the work to be undertaken but which is not limited to, include:

- Processing of creditors' proof of debt forms and entering onto IPS system.
- Liaising with agents in relation to the agreement of creditor claims
- Liaising with solicitors in relation to contentious proof of debt forms
- Agreement of creditors' claims (including any historic employee claims not transferred to the purchaser)
- Calculation and payment of dividends
- Preparation of distribution paperwork including the notice of declaration.

Based on current information, there is no prospect of a dividend becoming available to the unsecured creditors.

Fees are stated net of VAT. It is also anticipated that the following expenses will be incurred:

	£
Legal fees & expenses	4,000.00
Insurance	500.00
Postage	500.00
Statutory advertising	158.50
Specific penalty bond	200.00
Storage costs	250.00
Category 2 disbursements - mileage at 45p per mile	250.00

It is anticipated that legal advice will be sought in determining the level of costs and charges associated with Bibby's invoice discounting facility. Legal advice will also be sought in dealing with the surrender of the trading premises to the relevant landlords once the purchaser is no longer in occupation. The above is an estimate of the time costs that will be incurred by the solicitors in assisting us with this process.

The cost of insurance represents an estimate of the premium that will be incurred in covering the short period during which the purchaser occupies the trading premises.

The cost of postage is estimated and includes a provision for sending an initial notification to all permanent and temporary employees regarding the transfer of their contracts to Vibe Recruit Limited.

We are required to advertise various notices in the London Gazette at a cost of £79.25 plus VAT. This cost is based on two notices being advertised throughout the administration process.

We are also required to hold a bond on every matter where we are appointed to act.

Storage and travel costs are estimated and represent the expenses that will be incurred in dealing with the handover of the business and assets to Vibe Recruit Limited and retaining any relevant books or records of the Company (including electronic records).

Appendix VII

Estimated outcome statement as at 15 March 2019

	Book Value (£)	Administration (£)
Bibby Financial Services Ltd: Invoice Discounting facility		
Trade debtors	2,001,182	1,748,520
Collection fees		-
Bibby - Funds In Use		(1,648,235)
Other debt collection costs		(5,000)
Bibby termination fee covered by debtor realisations		(95,285)
Bibby termination fee not covered by debtor realisations		(10,675)
Surplus/(deficit)		(10,675)
Fixed charge assets		
Intangible assets (contracts/records/IPR/goodwill)	119,063	47,000
VAT recovery on Bibby termination fees covered by realisations		15,881
Others		-
Total		62,881
Costs of Realisations		
Joint Administrators' pre-appointment fees		(7,000)
Joint Administrators' post-appointment fees		(30,000)
Legal - pre-appointment fees		(11,000)
Legal - post appointment fees		(3,000)
Agents' fees - Metis / GVA		(1,000)
Other costs		(206)
		(52,206)
Sum available to Bibby		10,675
Bibby deficit carried down		(10,675)
Fixed charge surplus / (deficit)		-
Floating charge assets		
Office furniture and IT equipment	42,347	3,000
Trade debtor surplus		-
VAT recovery on Bibby termination fees		1,779
Cash in hand/at bank	8,980	3,370
Total		8,149
Costs of Realisations		
BDO LLP pre-appointment fees		
Joint Administrators' post-appointment fees		(3,000)
Legal - pre-appointment fees		(2,000)
Legal - post-appointment fees		(1,000)
Agent's fees - Gordon Brothers Europe		(1,000)
Sundries, others		(1,149)
Total Costs		(8,149)
Funds available to preferential creditors		-
Less: Preferential claims		-
Net Property		
Estimated Unsecured Creditors		
Bibby shortfall		
Trade creditors		39,420
Employees		-
H M Revenue & Customs		506,411
Total unsecured creditors		545,831
Return to unsecured creditors (p in £)		