

The Insolvency Act 1986

**Statement of joint administrators'  
proposals**

Name of Company Ezi Collections Limited	Company number 09288563
In the High Court of Justice, Chancery Division, Manchester District Registry	Court case number 2527 of 2016

(a) Insert full name(s) and  
address(es) of  
administrator(s)

We (a) Jason Mark Elliott and Craig Johns of Cowgill Holloway Business Recovery LLP, Regency House, 45-53 Chorley New Road, Bolton, BL1 4QR

attach a copy of our proposals in respect of the Administration of the above Company

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 22 July 2016

Signed

  
Craig Johns - Joint Administrator

Dated 22 July 2016

**Contact Details**

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

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When you have completed and signed this form please send it to the Registrar of Companies at  
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**Joint Administrators' Report and Statement of Proposals  
Pursuant to  
Paragraph 49 of Schedule B1**

**Ezi Collections Limited -  
In Administration**

**18 July 2016**



## **EZI COLLECTIONS LIMITED - IN ADMINISTRATION**

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**1      Introduction and Background**

- 1.1      Ezi Collections Limited ("the Company") was incorporated on 30 October 2014 and commenced trading in March 2015. The Company provided Small and Medium Enterprises ("SME") (initially across the North West) with access to a carriage service for their products to match those offered by the major carriers to blue chip customers.
- 1.2      The strategic aim of the Company was to provide a national delivery service (by replicating the development of the north west region) covering every possible customer requirement from a small packet to large parcel, untracked, tracked or signed for deliveries, within the UK and internationally. The Company was able to offer a complete service proposition to its customer through a number of strategic partnerships with the largest UK parcel delivery companies.
- 1.3      To assist with its working capital requirements, the Company entered into an Invoice Discounting facility with Bibby Financial Services Limited ("Bibby"). Accordingly, Bibby were granted a debenture incorporating a fixed and floating charge over the Company's assets which was created on 25 February 2015 and registered on 6 March 2015.
- 1.4      The Company hoped to be able to offer its customer base significant buying power that they would not ordinarily achieve from the network of contacts and relationships held by the current senior management team, as well as offering the benefits of an 'in-house' developed IT platform which allowed the customer access to delivery tracking information as well as integrating directly with eBay and Amazon. To date the Senior Management estimate that they have invested in excess of £400,000 in the current IT infrastructure.
- 1.5      The Company targets SME businesses with a need for a guaranteed collection and delivery of their products. The majority of its customers were internet based sales businesses with a presence on either eBay, Amazon or both.
- 1.6      The Company uses a third party ("the Courier") to collect the product from the customers' premises and deliver to a local depot of either Yodel, 13-Ten and One Post. The Company makes a margin on the price paid by the customer and that paid to the ultimate delivery company.

## **EZI COLLECTIONS LIMITED - IN ADMINISTRATION**

- 1.7 In May 2016, Cowgill Holloway LLP ("CH") were instructed by Bibby to undertake a review of the Company. CH reported to Bibby that the Company had a strong hands on management team intent on delivering a successful business, however, CH advised that due to the investment required to develop the infrastructure and software, the Company had significant weekly losses. As at 31 March 2015, the accumulated losses stood at approximately £1.4 Million, of which £1.3 Million was in respect of funds injected by the directors.
- 1.8 CH advised that, due to the forecast losses continued trading of the Company was dependent on the continued support of the directors in line with their current financial support. Forecasts for the Company indicated that the Company would only start to generate sufficient turnover to cover all costs in September 2016.
- 1.9 In May 2016, one of the directors fell ill and was admitted to hospital. A business advisor acting on behalf of this director advised the remaining directors of the Company no further funds should be invested into the business. An injection of £75,000 had been expected to cover the anticipated overheads for the week commencing 30 May 2016.
- 1.10 Without the continued investment from the directors, the Company was no longer viable and it was decided that on 31 May 2016, the Company was ceasing to trade with immediate effect, and that all staff were to be made redundant as at that date.
- 1.11 At the time of cessation, the Company held a significant number of parcels at the Company's warehouse which had been collected from customers by the Courier but were yet to be delivered onto the local depots of the national carriers.
- 1.12 On 1 June 2016, Cowgill Holloway Business Recovery LLP ("CHBR") held a meeting with one of the directors at which it was confirmed that there was no intention to recommence trading the Company. Following a review of the financial position of the Company, CHBR advised that the Company was irrecoverably insolvent and steps should be taken to place the Company into a formal insolvency process.
- 1.13 Following the meeting 1 June 2016, CHBR, advised Bibby, of the financial position of the Company.

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- 1 14 On 6 June 2016, Bermans Solicitors LLP ("Bermans") acting on behalf of Bibby, formally demanded that the Company repay the liability to Bibby by 7 June 2016. On the 7 June 2016, the Company confirmed that it was unable to repay Bibby and formally invited Bibby to appoint an Administrator under the terms of its qualifying floating charge.
- 1 15 On 7 June 2016, Bermans served Form 2.5B, a Notice of Intention to Appointment an Administrator, on the Company and North West Mezzanine Loans LP acting by FW Development Capital (North West) GP Limited ("NWML"), who also hold a debenture incorporating fixed and floating charges over the assets of the Company which was created on 25 February 2015 and registered on 6 March 2015
- 1.16 On 7 June 2016, the director advised that the Company's trading premises had been entered without consent, and that undelivered parcels and Company owned scanner terminals had been removed
- 1.17 On 7 June 2016, NWML consented to the appointment of Joint Administrators and on 8 June 2016, Form 2 6B, a Notice of Appointment of an Administrator by Holder of Qualifying Floating Charge, was filed in the High Court of Justice, Chancery Division, Manchester District Registry under court reference 2527 of 2016
- 1 18 As a result, Jason Mark Elliott and Craig Johns of CHBR, Regency House, 45-53 Chorley New Road, Bolton, BL1 4QR, Insolvency Practitioners licensed in the UK by the Insolvency Practitioners Association, were appointed Joint Administrators of the Company
- 1 19 The Joint Administrators will act jointly and severally.
- 1 20 The EC Regulation on 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     Administration Strategy and Objective**

2.1     The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives

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

2.2     Further information on the pursuance of the above objectives is detailed below.

**Progress Since Appointment**

2.3     At the meeting with one of the directors on 1 June 2016, and following a review of the work undertaken by CH, it became apparent that the Company was irrecoverably insolvent, had ceased to trade and could not restart trading without a significant injection of funds, which the directors were unwilling to provide

2.4     At this meeting, a Company Voluntary Arrangement ("CVA") was discussed but this was not seen as appropriate, as the Company had already ceased to trade on 31 May 2016 and therefore the Company customers were required to seek additional collection and delivery services at further expense to them. Furthermore, the Company's workforce had been made redundant and therefore continued trading was not an option. The Company had been historically loss making, and whilst turnover of the business had been growing through the second quarter of 2016, the Company was still requiring significant personal investment from the directors

2.5     In addition, CHBR considered that the loss of goodwill arising from the way in which the Company had already ceased to trade would further reduce turnover and stop the Company from achieving sufficient revenue to generate a surplus to allow contributions to be paid into a CVA

2.6     As a result, a CVA or restarting trade were not considered viable options

## **EZI COLLECTIONS LIMITED - IN ADMINISTRATION**

- 2 7 As such, it was considered that we would be unable to satisfy the first purpose of Administration, namely rescuing the Company as a “going concern”
- 2 8 CHBR, presented a report to Bibby on the options available to Bibby as the holders of a qualifying floating charge holder.
- 2 9 On 6 June 2016, Bibby confirmed that they wished to seek the appointment of Joint Administrators, in order to protect their position and to allow control of the Company’s book debt ledger
- 2 10 Bibby engaged Brabners, who formally demanded that the Company repay the outstanding balance On 7 June 2016, the Company confirmed that it was unable to repay the liability due to Bibby, the Company confirmed that it was unable to repay Bibby and formally invited Bibby to appoint an Administrator
- 2.11 As stated in Section 1, Bermans served Form 2.5B Notice of Intention to Appointment an Administrator on the Company and NWML and NWML consented to the appointment on 7 June 2016
- 2 12 Form 2 6B, a Notice of Appointment of an Administrator by Holder of Qualifying Floating Charge, was filed in the High Court of Justice on 8 June 2016 and as a result Jason Mark Elliott and Craig Johns were appointed Joint Administrators
- 2 13 As noted in Section 1 of this report, the Joint Administrators were made aware that a theft of a significant number of parcels had occurred from the Company’s trading premises. The Joint Administrators reported this matter to the Police, however, the Police have advised that it is a civil matter and no further action would be taken by them.
- 2 14 Following formal appointment as Joint Administrators, independent valuation agents, Auctus Limited t/a Cerberus Asset Management (“CAM”) were instructed to attend the Company’s trading premises to conduct an inventory and valuation of the physical and intangible assets and report back to CHBR CAM were also instructed to provide their opinion in respect of marketing the business opportunity
- 2 15 CAM advised that due to the way in which the Company had ceased to trade on 31 May 2016, that too much time had passed to resurrect the customer relationships



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- 2 16 CAM advised that due to the erosion of goodwill and the time that had passed since the Company ceased trading, it did not see any benefit in marketing the business. Furthermore, the Company no longer had a workforce to facilitate trading going forward.
- 2 17 Bibby instructed Auctus Limited t/a Cerberus Receivables Management ("CRM") to undertake a review of the debtor ledger and assist with collections.
- 2 18 CRM have advised that due to the abrupt closure of the business and the theft of parcels, the book debt ledger had a large number of bad and disputed debts. CRM are continuing to liaise with Bibby in respect to the ongoing collections of the ledger.
- 2 19 The Joint Administrators consider that the second objective of Administration, namely, 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), cannot be satisfied, as the Joint Administrators do not believe sufficient assets will be realised in order to make a distribution to the unsecured creditors. This is because, CAM believe that the business cannot be marketed for sale, thus increasing its value as opposed to an asset sale.
- 2.20 The Joint Administrators believe that the third objective, namely, realising property in order to make a distribution to one or more secured or preferential creditors will be achieved, as the appointment of Joint Administrators has protected Bibby's position and allowed them to start collecting the book debt ledger and therefore, recovering part of its liability via its fixed charge.
- 2 21 Attached at Appendix D is a time matrix outlining the time spent by the Joint Administrators and their staff since the date of appointment. Further information about the basis of remuneration being proposed by the Joint Administrators can be found in Section 8 of this report. Below is information about the work performed by the Joint Administrators and their staff since the Company entered Administration.

### **3 Joint Administrators' Receipts and Payments**

- 3 1 A summary of receipts and payments for the Administration period from the date of our appointment to 18 July 2016 is attached at Appendix B.

## **EZI COLLECTIONS LIMITED - IN ADMINISTRATION**

- 3.2 To date, no realisations have been made by the Joint Administrators. Bibby have advised that since the date of appointment that funds have been received under the terms of its fixed charge.

### **4 Financial Position**

- 4.1 A Statement of the Company's Affairs has not yet been received. Attached at Appendix C is a summary of the Estimated Financial Position ("EFP") of the Company as at 8 June 2016, together with a list of creditors' names and addresses along with details of their debts (including details of any security held by them).

- 4.2 I have the following observations to make in relation to the EFP of the Company:

#### ***Assets Subject to Fixed Charge***

- 4.3 Bibby hold the benefit of a fixed and floating charge over the assets of the Company which was created on 19 March 2015 and registered on 20 March 2015, the charge incorporates a fixed charge over the book debts of the Company and a floating charge over the remaining assets of the Company.
- 4.4 Bibby have advised that the sum of £249,931 was outstanding to them as at the date of Administration.
- 4.5 According to the Company's books and records, the book debt ledger was in the sum of £440,676, however, for the sake of prudence, and due to historic bad debts and disputes and accounting for the abrupt way in which the Company ceased to trade, a 90% provision has been applied to account for any further bad and disputed book debts. It is therefore anticipated that £44,068 will be realised from book debt realisations.
- 4.6 Therefore, based upon the EFP, it is anticipated that Bibby will suffer an estimated shortfall of £205,863 in respect to its fixed charge.

***Assets Subject to Floating Charge***

**Parcel Scanners**

- 4.7 According to the Company's books and records, the Company owned a number of parcel scanner with a book value of £5,357. However, due to the theft of the scanner, there is no attributable value which is reflected in the EFP.

**Office and Computer Equipment**

- 4.8 The Company's books and records indicate that the Company owned office and computer equipment with a book value of £2,398. CAM have advised that anticipated auction realisations would be in the region of £500, however, CAM have advised that costs of uplifting, securing and storing these assets ahead of an auction would outweigh any realisations and, accordingly, this asset is reflected as 'Nil' in the EFP.

**Platform Software**

- 4.9 The directors of the Company have advised that significant sums of money have been invested in the development of an online parcel portal for deliveries, tracking and invoicing. CAM have reviewed that software and confirmed that it may generate some interest from competitors, however, CAM have advised that the ongoing maintenance and hosting costs of the platform are likely to outweigh any realisations and, as such, included in the EFP as 'Nil'.

**Domain Names**

- 4.10 The Company owns a number of Domain Names which the books and records indicate have a book value of £1,667. Due to the Company ceasing to trade and the loss of goodwill, CAM have advised that the domain names are of no value.

**VAT Refunds**

- 4.11 According to the books and records of the Company a VAT refund is due to the Company in the sum of approximately £32,000. HM Revenue & Customs ("HMRC") has advised the Company that prior to it releasing a refund HMRC intend to undertake an inspection of the Company's books and records and therefore realisations are 'Uncertain' pending the outcome of the review.

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### **Research & Development Tax Reclaim**

- 4.12 The Company has instructed Pareto Financial Planning Limited ("Pareto") to submit a claim to HMRC in respect to the research and development undertaken by the Company. Pareto have confirmed that the claim is in the sum of approximately £121,000. Pareto have confirmed that the claim has been acknowledged by HMRC and are in correspondence regarding the contents of the claim.
- 4.13 As at 8 June 2016 it was unknown whether the claim submitted by Pareto will be successful.

### **Preferential Creditors**

- 4.14 On 31 May 2016, all employees of the Company were made redundant. Employees are entitled to submit claims to the Department for Business, Innovation and Skills ("BIS") in respect of arrears of pay which are capped at a maximum of £800 per employee and holiday pay.
- 4.15 The Company books and records indicated that arrears of pay and holiday in the sum of £20,760 are due to the employees in respect to the wages which would have been due for May 2016 and a provision of £800 per employee has also been included in respect to unpaid holiday pay.

### **Floating Charge Creditors**

- 4.16 The Company granted NWML the benefit of a fixed and floating charge over the assets of the Company which was created on 25 February 2015 and created on 6 March 2015. The Company's records indicate that £216,521 was due to NWML as at the date of Administration.
- 4.17 As noted above, Bibby were granted a fixed and floating charge over the assets of the Company, which was created on 19 March 2015 and registered on 20 March 2015. It is anticipated that Bibby will have a floating charge liability of £205,863 after accounting for fixed charge realisations.

## **EZI COLLECTIONS LIMITED - IN ADMINISTRATION**

- 4 18 As the charges in favour of Bibby and NWML were registered after 15 September 2003, the Joint Administrators are required to create a fund out of the net property for the benefit of the unsecured creditors, known as the 'Prescribed Part'. However, at present the Joint Administrators believe that the net property will be less than £10,000 and are therefore not required to set aside a 'Prescribed Part'.

### **Unsecured Creditors**

- 4 19 The figures for the unsecured creditors, including HMRC have been taken from the books and records of the Company.
- 4.20 The books and records of the Company indicate that £1,327,187 has been injected by the Directors and these are shown on the EFP as Director's Loan Accounts
- 4 21 Employees are entitled to claim for Redundancy and Pay in Lieu of Notice. As per the Company's books and records, all staff were made redundant on 31 May 2016. The calculations for Redundancy and Pay in lieu of are based on employee's age and length of service extracted from the Company's books and records.
- 4 22 Please note the EFP is calculated without consideration to the costs of the Administration

## **5 Proposals**

- 5.1 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. In the circumstances it is proposed that
- 5 2 The Joint Administrators will continue to manage the assets of the Company in order to achieve the intended objective(s) outlined above
- 5 3 If having realised the assets of the Company, the Joint Administrators think that a distribution will be made to the unsecured creditors from the fund created out of the Company's net floating charge property (known as the **Prescribed Part**) by virtue of section 176A(2)(a), this will be distributed by the Joint Administrators in the Administration and the Company will thereafter proceed to dissolution

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- 5.4 If, however, having realised the assets of the Company the Joint Administrators think that a distribution will be made to the unsecured creditors other than by virtue of section 176A(2)(a) as noted above, they propose filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the Joint Administrators to an end and will move the Company automatically into Creditors' Voluntary Liquidation (CVL) in order that the distribution can be made. In these circumstances, it is proposed that the Joint Administrators in office at the date of conversion to CVL will become the Joint Liquidators in the CVL. The acts of the Joint Liquidators may be undertaken by either or both of them.
- 5.5 Court approval is not required to enable the Joint Administrators to make a distribution to the unsecured creditors of the Prescribed Part. If however, a distribution to unsecured creditors not limited to the Prescribed Part is anticipated, the Joint Administrators may consider making an application to Court to seek permission to distribute this in the Administration. If permission is granted, the Company will exit into dissolution once the distribution has been made and the Administration is concluded.
- 5.6 If the Joint Administrators think that the Company has no property which might permit a distribution to its creditors, they will file a notice with the Court and the Registrar of Companies for the dissolution of the Company.
- 5.7 See Section 6 below on **Exit Routes** for further information on the exit routes available from Administration.
- 5.8 The Joint Administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as they consider desirable or expedient to achieve the statutory purpose of the Administration.
- 5.9 If the Joint Administrators consider it necessary to extend the period of the Administration, they will seek the consent of creditors or the approval of the Court to the extension. Creditors may consent to an extension for a period of up to one year and the Court can order that the Joint Administrators' term of office be extended for a specified period determined by it.

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- 5 10 The creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Joint Administrators' remuneration and disbursements and any proposed act on the part of the Joint Administrators without the need to report back to a further meeting of creditors generally, to include any decision regarding the most appropriate exit route from the Administration
- 5.11 The basis of the Joint Administrators' remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by them
- As a percentage of the value of the assets they have to deal with, or
  - By reference to time properly spent by the Joint Administrators and their staff managing the Administration, or
  - As a set amount
- 5 12 In accordance with Statement of Insolvency Practice 9, issued by the Association of Business Recovery Professionals, the Joint Administrators be authorised to draw Category 2 disbursements as and when funds are available, in accordance with his firm's published tariff Details of Category 2 disbursements charged by the firm can be found at Appendix E
- 5.13 Where no Creditors' Committee is appointed the remuneration and disbursements of the Joint Administrators shall be fixed by resolution of a meeting of creditors or where the Joint Administrators think that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with R2.106 of the Insolvency Rules 1986. The Joint Administrators will also seek approval for any unpaid pre-administration costs detailed in this report and his discharge from liability in the same manner.
- 5 14 In this case, the Joint Administrators are seeking to approve the basis of their remuneration as follows
- As a set amount of £15,000 plus VAT

## **EZI COLLECTIONS LIMITED - IN ADMINISTRATION**

5.15 Further details about the proposed fee basis can be found in Section 8 below and Appendix E.

5.16 The Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect.

## **6 Exit Routes**

### **Dissolution of the Company**

6.1 Based on present information, the Joint Administrators think that the Company has no property which might permit a distribution to its unsecured creditors. After conclusion of all matters within the Administration, the Joint Administrators will thereafter file Notice at Court and with the Registrar of Companies with the Joint Administrators' final report, for the dissolution of the Company.

6.2 If an unsecured creditor distribution is available via the Prescribed Part, the Joint Administrators will also use this exit route once the Prescribed Part distribution has been made.

6.3 A copy of these documents will be sent to the Company and its creditors.

6.4 The Joint Administrators' appointment will end following the registration of the notice by the Registrar of Companies.

### **Creditors Voluntary Liquidation**

6.5 If the Joint Administrators believe that the Company will have sufficient funds to enable a dividend to be paid to the Unsecured Creditors other than by virtue of the Prescribed Part, the Joint Administrators will either make an application to Court to enable them to make a distribution to unsecured creditors in the Administration or they will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into CVL to facilitate this distribution. It is proposed that the Joint Administrators in office at the date of conversion to CVL will become the Joint Liquidators of the CVL.



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- 6.6 It is proposed that the Joint Liquidators will be authorised to act jointly and severally in the subsequent Liquidation
- 6.7 Creditors have the right to nominate an alternative liquidator of their choice. To do this, creditors must make their nomination in writing to the Joint Administrators prior to these Proposals being approved. Where this occurs, the Joint Administrators will advise creditors and provide the opportunity to vote. In the absence of a nomination, the Joint Administrators will automatically become the Joint Liquidators of the subsequent CVL

### **Compulsory Liquidation**

- 6.8 If a move to Creditors' Voluntary Liquidation is not possible because a dividend to the unsecured creditors (other than by virtue of the Prescribed Part) is not anticipated, but the Joint Administrators conclude that an exit into Liquidation is appropriate so that further investigations into the Company's affairs may be carried out for example, an application to Court may be made to exit into Compulsory Liquidation instead. If this exit route is appropriate, at this stage it is anticipated (but is not mandatory) that the Joint Administrators will become the Joint Liquidators in the subsequent liquidation

## **7 Pre-administration Costs**

- 7.1 Pre-administration costs are defined as

- (i) Fees charged, and
- (ii) Expenses incurred

by the Joint Administrators, or another person qualified to act as an insolvency practitioner before the Company entered Administration (but with a view to its doing so), and "unpaid pre-administration costs" are pre-administration costs which had not been paid when the Company entered Administration.

## EZI COLLECTIONS LIMITED - IN ADMINISTRATION

- 7.2 Below is information on the pre-administration costs incurred in this case, together with details of any amounts which remain unpaid, where applicable

Charge to	Brief description of services provided	Total amount charged £	Amount paid £	Amount unpaid £
Cowgill Holloway Business Recovery LLP	Meeting with one of the Directors regarding the financial position of the Company and reporting to Bibby in respect to the options available to them	£563 plus VAT	Nil	£563 plus VAT

- 7.3 The payment of unpaid pre-administration costs set out above as an expense of the Administration is subject to the approval of creditors, separately to the approval of the Joint Administrators' Proposals. As the Joint Administrators think that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with R2.67A

## 8 Joint Administrators' Remuneration

- 8.1 As Joint Administrators, under the provisions of R2.106 of the Insolvency Rules 1986, we are required to provide creditors with details of the work we propose to undertake in the Administration and the expenses we consider will be, or are likely to be, incurred in dealing with the Company's affairs, prior to determining the basis upon which our remuneration will be fixed
- 8.2 In addition to this, where the Joint Administrators seek to pass a resolution to agree the basis of their remuneration by reference to time properly spent by them and their staff in attending to matters arising in the Administration, a fees estimate outlining the time and estimated cost of the work to be done must also be provided

## **EZI COLLECTIONS LIMITED - IN ADMINISTRATION**

- 8.3 In this case, we are seeking to agree that our remuneration be fixed at £15,000 plus VAT based. Details of the work we propose to undertake can be found at Appendix E. Please note that where appropriate, the fees estimate may be to a particular stage of the case only and if we consider the estimate will be exceeded during the Administration, we are obliged to seek further approval for any increase in our remuneration. The fees estimate provides details of these matters where relevant and appropriate approval to the basis of our remuneration will be sought as outlined in Section 5 of this report.
- 8.4 We will provide updates on the expenses we consider will be, or are likely to be, incurred during this case with our progress reports in due course.
- 8.5 A copy of "A Creditors' Guide to Administrators' Fees" is available on request or can be downloaded from <http://www.cowgills.co.uk/services/business-recovery/creditors-guides-to-fees/>. If you would prefer this to be sent to you in hard copy please contact Charles Everitt of this office on 0161 827 1200.

## **9 Estimated Outcome**

- 9.1 An estimate of the outcome ("EoS") of the Administration as at 18 July 2016 is attached as Appendix F.

### ***Assets Subject to Fixed Charge***

- 9.2 Bibby hold the benefit of a fixed and floating charge over the assets of the Company which was created on 19 March 2015 and registered on 20 March 2015, the charge incorporates a fixed charge over the book debts of the Company and a floating charge over the remaining assets of the Company.
- 9.3 Bibby have advised that the sum of £235,000 is outstanding as at the date of the EoS.
- 9.4 Bibby have advised that the book debt ledger is in the sum of approximately £384,000. Bibby have advised that they are aware of a number of however, due to historic bad debts, disputes and abrupt way in which the Company ceased to trade, Bibby have advised that it anticipates suffering a significant shortfall.

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## **EZI COLLECTIONS LIMITED - IN ADMINISTRATION**

- 9 5 CRM, have been instructed to review the debtor ledger and provide a report to both Bibby and the Joint Administrators, which is anticipated to be received shortly, however, CRM have advised that they also anticipate a significant shortfall and, for prudence, a provision of 80% has been applied to the outstanding book debt ledger.
- 9 6 The ledger is made up of approximately 280 separate debtors, the majority of which owe small amounts to the Company CRM have advised that the anticipated costs involved in pursuing these small debtors may outweigh the anticipated benefits
- 9.7 It is anticipated that Bibby will recover approximately £76,800 and therefore, Bibby anticipate suffering a shortfall of £158,200 in respect to its fixed charge

### ***Assets Subject to Floating Charge***

#### **Parcel Scanners**

- 9.8 According to the Company's books and records, the Company owned a number of parcel scanners with a book value of £5,357. However, as noted above prior to the appointment of the Joint Administrators the parcel scanners were removed from the Company's trading premises Therefore no realisations are anticipated from this source.

#### **Office and Computer Equipment**

- 9.9 The Company's books and records indicate that the Company owned office and computer equipment with a book value of £2,398 CAM have advised that anticipated auction realisations would be in the region of £500; however, due to the costs of securing, uplifting and storing these items ahead of an auction the anticipated costs will outweigh the asset realisations and CAM have advised that the office and computer equipment should be abandoned 'in-situ'.

#### **Platform Software**

- 9 10 CAM have reviewed that software, developed by the Company and confirmed that it may generate some interest from competitors, however, CAM have advised that the ongoing maintenance and hosting costs of the platform are likely to outweigh any realisations Following appointment of the Joint Administrators, the hosting company has withdrawn access due to unpaid invoices, hampering the Joint Administrators and CAM's ability to conduct a full valuation of the software.

## **EZI COLLECTIONS LIMITED - IN ADMINISTRATION**

### **Domain Names**

- 9.11 The Company owns a number of Domain Names which the books and records indicate have a book value of £1,667. Due to the Company ceasing to trade and the loss of goodwill, CAM have advised that the domain names are of no value.

### **VAT Refunds**

- 9.12 According to the books and records of the Company a VAT refund is due to the Company in the sum of approximately £32,000. HMRC has advised the Company that prior to it releasing the refund HMRC intend to undertake an inspection of the Company's books and records. HMRC has confirmed this inspection will take place on 21 July 2016. To date, limited records have been provided to the Company and the Joint Administrators continue to pursue the remaining records.

### **Research & Development Tax Reclaim**

- 9.13 As advised above, the Company has instructed Pareto to submit a claim to HMRC in respect to the research and development undertaken by the Company. Pareto have confirmed that the claim is in the sum of approximately £121,000. Pareto have confirmed that the claim has been acknowledged by HMRC and are in correspondence regarding the contents of the claim.
- 9.14 Pareto have advised that based on the initial correspondence with HMRC the claim, Pareto believe the claim has a negligible chance of success. Pareto have been asked to place all actions on hold by the Joint Administrators.
- 9.15 The Joint Administrators are continuing to liaise with HMRC in respect to their claim following which a decision will be taken to reinstruct Pareto.

### **Preferential Creditors**

- 9.16 On 31 May 2016, all employees of the Company were made redundant. Employees are entitled to submit claims to the Department for Business, Innovation and Skills ("BIS") in respect of arrears of pay which are capped at a maximum of £800 per employee and holiday pay.

## **EZI COLLECTIONS LIMITED - IN ADMINISTRATION**

- 9 17 The Company has estimated that arrears of pay and holiday in the sum of £20,760 are due to the employees in respect to the wages which would have been due for May 2016 and a provision of £800 per employee has also been included in respect to unpaid holiday pay

### **Floating Charge Creditors**

- 9 18 As noted above, Bibby were granted a fixed and floating charge over the assets of the Company, which was created on 19 March 2015 and registered on 20 March 2015. It is anticipated that Bibby will have a floating charge liability of £158,200 after accounting for fixed charge realisations
- 9.19 The Company granted NWML the benefit of a fixed and floating charge over the assets of the Company which was created on 25 February 2015 and created on 6 March 2015. NWML have advised that £221,539 is currently outstanding. NWML have advised that Mr G Monk, a director, has signed a personal guarantee in respect to this liability
- 9 20 As the charges in favour of Bibby and NWML were registered after 15 September 2003, the Joint Administrators are required to create a fund out of the net property for the benefit of the unsecured creditors, known as the 'Prescribed Part'. However, at present the Joint Administrators believe that the net property will be less than £10,000 and are therefore not required to set aside a 'Prescribed Part'

### **Unsecured Creditors**

- 9 21 The figures for the unsecured creditors have been taken from the books and records and claims provided by the Unsecured Creditors.
- 9 22 The liability due to HMRC is based on the Company's books and records. HMRC have advised that a formal claim will not be submitted until after the VAT inspection due to take place at the end of July 2016
- 9 23 The liabilities due in respect to the Director's Loan Accounts is based on the amounts in the Company's books and records.
- 9 24 As previously advised, all employees were made redundant on 31 May 2016. Arrears of pay in excess of the £800 preferential maximum will be an unsecured claim in the Administration

## **EZI COLLECTIONS LIMITED - IN ADMINISTRATION**

- 9.25 Employees are also entitled to claim for Redundancy and Pay in Lieu of Notice. This figure is calculated on each employee's age and length of service, based on the information held in the Company's books and records.
- 9.26 Based on the Directors' EFP attached to this report, the estimated value of the preferential creditors is £42,360 and the unsecured creditors is £1,620,913.
- 9.27 As the security granted to Bibby and NWML was registered after 15 September 2003, the Joint Administrators are required to create a fund out of the Company's net floating charge property for the benefit of unsecured creditors (known as the 'Prescribed Part').
- 9.28 However, based on present information, we estimate the value of the Company's net floating charge property to be Nil. Therefore, the Joint Administrators will not be required to set aside a Prescribed Part.
- 9.29 The Joint Administrators do not anticipate being in a position to pay a dividend to any class of creditor.

### **10 Next Report**

- 10.1 The Joint Administrators are required to provide a progress report within one month of the end of the first six months of the Administration and we will report to you again at this time.

### **11 Meeting of Creditors**

- 11.1 The Joint Administrators think that neither objective (a) or (b) above can be achieved. In accordance with Paragraph 52(1)(c) of Schedule B1 of the Insolvency Act 1986, the Joint Administrators are therefore not required to convene an initial meeting of the Company's creditors.

**EZI COLLECTIONS LIMITED - IN ADMINISTRATION**

- 11.2 However, there are certain matters which require the specific approval of creditors. We therefore propose to deal with these by correspondence rather than by calling a meeting of creditors to save costs, under the provisions of Rule 2.48 of the Insolvency Rules 1986. Further details on this procedure are contained in the letter which accompanies this report.

For and on behalf of  
Ezi Collections Limited

A handwritten signature in black ink, appearing to be 'Craig Johns', written over a horizontal line.

**Craig Johns**  
**Joint Administrator**

Enc



## Appendix A

## Statutory Information

1 Company Information

Company Information	
Company name	Ezi Collections Limited
Trading name(s)	Ezi Collections Limited
Registered number	09288563
Registered office address	c/o Cowgill Holloway Business Recovery LLP, Regency House, 45 – 53 Chorley New Road, Bolton, BL1 4QR
Former registered office address	Holland House, 1-5 Oakfield, Sale, Greater Manchester, M33 6TT
Trading address(s)	Multiple – Across the North West of England
Court details	High Court of Justice, Chancery Division, Manchester District Registry
Court reference number	2527 of 2016

2 Details of the Company's Directors, Secretary and Shareholdings

	First Appointment	First Resignation	Shareholdings
<b>Director(s)</b>			
Anthony Ford	17 December 2014	26 February 2016	30,000 A1 Ordinary £1 shares  3,125 C Ordinary £1 Shares
David Gardner	30 October 2014	16 December 2014	Nil
John Gray	30 October 2014	Still in Office	625 B Ordinary £1 shares
Paul Keary	16 December 2014	Still in Office	1,250 B Ordinary £1 shares
Gary Monk	16 December 2014	Still in Office	15,000 A2 Ordinary £1 shares

**3      Joint Administrators' Details**

Name of Administrator	Jason Mark Elliott and Craig Johns
Address	Cowgill Holloway Business Recovery LLP, Regency House, 45 – 53 Chorley New Road, Bolton, BL1 4QR
Telephone Number	0161 827 1200
Fax Number	0161 827 1211
Administrator's IP Number	009496 and 013152
Authorising Body	Insolvency Practitioners Association

## Appendix B

### Receipts and Payments Account for the Period from 8 June 2016 to 18 July 2016

	Statement of Affairs	For the Period From 8 June 2016 to 18 July 2016
	£	£
<b>INCOME</b>		
	-	-
	-	-
<b>EXPENDITURE</b>		
		-
		-
		-
<b>Balance</b>		-
<b>MADE UP AS FOLLOWS</b>		
Cash at Bank (Non Interest Bearing)		-
		-

Note 1 - A Statement of Affairs is yet to be provided by the Directors

## Appendix C

## Summary of the Estimated Financial Position of the Company as at 8 June 2016

Administration	
<b>Assets Subject to Fixed charge</b>	
Debtors	44,068
Less Bibby Financial Services Limited	(249,931)
<b>Estimated Surplus / (Deficiency) c/d</b>	<b>(205,863)</b>
<b>Assets Subject to Floating Charge</b>	
Parcel Scanners	Nil
Office and Computer Equipment	Nil
Platform Software	Nil
Domain Name	Nil
VAT Refund	Uncertain
Research & Development Tax Reclaim	Uncertain
<b>Estimated Surplus Available for Preferential Creditors</b>	<b>Nil</b>
Less Estimated Preferential Creditors	(42,360)
<b>Estimated Net Property Surplus / (Deficiency)</b>	<b>(42,360)</b>
Estimated prescribed part of net property where applicable c/d	n/a
<b>Surplus / (Deficiency) Available for Floating Charge Creditor</b>	<b>(42,360)</b>
Less North West Mezzanine Loans LP	(216,521)
Less Bibby Financial Services Limited Deficiency b/d	(205,863)
<b>Estimated Surplus / (Deficiency) to Floating Charge Creditor</b>	<b>(464,744)</b>
Add Prescribed Part Fund	n/a
<b>Less: Unsecured Creditors</b>	
Trade & Expense creditors	(201,085)
Director's Loan Accounts	(1,270,694)
HM Revenue & Customs (NIC and PAYE)	(73,902)
Employees (Arrears of Pay)	(32,175)
Employees (Redundancy and Pay in Lieu of Notice)	(22,297)
<b>Estimated (Shortfall) to Unsecured Creditors</b>	<b>(1,642,513)</b>
Less North West Mezzanine Loans LP b/d	(216,521)
Less Bibby Financial Services Limited Deficiency b/d	(205,863)
<b>Estimated (Shortfall) to Unsecured Creditors</b>	<b>(2,064,897)</b>
Shareholders	(50,000)
<b>Total Deficiency to shareholders</b>	<b>(2,114,897)</b>

**Cowgill Holloway Business Recovery LLP**  
**EZI Collections Limited**  
**B - Company Creditors**

Key	Name	Address	£
C100	13 Ten	Unit 1 langham Park, Berristow Lane, South normanton, Derbyshire, DE55 2ED	29,589 48
CB00	Mr W Bailey	The Glades	1,000 00
CB01	Bibby Financial Services Limited	, Festival Way, Festival Park, Stoke on Trent	249,931 00
CC00	CallPro CRM	Suite D, Laser House, Salford Quays, Waterfront Quay, Manchester, M50 3XW	2,700 00
CC01	Chapter One Design & Marketing	Unit 8 Lansdowne Court, Bumpers Way, Chippenham, SN14 6RZ	196 80
CC02	Credit Indemnity Financial Services Ltd	Beehive Mill, Jersey St, Manchester, Lancashire, M4 6JG	5,173 87
CC03	Connections Recruitment	150 Leadenhall Street, London, EC3V 4QT	3,594 00
CC04	Mr K Coles	Suite B, 19-23 King Street, Manchester, M2 6AW	413 44
CD00	Daisy Communications Limited	111 Clayton Road, Staffordshire, ST5 3EW	0 00
CE00	Evans Easyspace	Ashland House, Dobson Park Way, Ince, Wigan, WN2 2DX	4,396 11
CE01	Mr C Evans	Manchester Rd, Bolton, BL3 2NZ	453 12
CE02	Miss Hayley Hassey	7 Home Close, Christleton, Chester, CH3 7BJ	0 00
CE03	Employees - Preferential Claim	Statutory Maternity Pay, 158 Medlock Road, Woodhouses, Failsworth, M35 9WP	42,360 00
CE04	Employees - Unsecured Residual Claim	Arrears of Wages	32,175 00
CE05	Employees - Unsecured Claim	Redundancy Pay and Pay in Lieu of Notice	22,297 00
CF00	Mr T Ford		217,581 00
CF01	FW Capital	The Plaza, 100 Old Hall Street, Liverpool, L3 9QJ	216,521 36
CG00	Mr J Gray (Expenses)		788 90
CH00	HR Department		2,040 00
CH01	Harold Sharp	Holland House, 1-5 Oakfield, Sale, Cheshire, M33 6TT	132 00
CH02	HM Revenue & Customs	Enforcement & Insolvency Service (EIS) Worthing, Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4SE	73,902 00
CI00	Input Squared Ltd	Riverside 3, First Wood Street, Nantwich, Cheshire, CW5 5EG	3,600 00
CK00	Link Print & Package Ltd	Centurion Way Industrial Estate, Farington, Leyland, PR25 4GU	0 00
CL00	My Mobile Work Solutions		1,762 80
CM00	Mr G Monk	12 Broadway, Bramhill, Stockport, SK7 3BR	2,402 40
CN00	NBM Logistics Ltd	70 St Georges Avenue, Westhoughton, Bolton, BL5 2EU	1,053,113 08
CO00	Onepost	Postal Choices Ltd, 42 Martingale Way, Portishead, BS20 7AW	34,000 00
CR00	Regus	120 Bark St, Bolton, BL1 2AX	59,659 05
			3,788 15

Signature

**Cowgill Holloway Business Recovery LLP**  
**EZI Collections Limited**  
**B - Company Creditors**

Key	Name	Address	£
CR01	RBD Trading	67 Heights Avenue	0 00
CS00	Sage	Building 3, Exchange Quay, Salford, M5 3ED	332 25
CS01	STA International	STA International, 3rd Floor Colman House, King street, Maidstone, Kent, ME14 1DN	1,321 13
CS02	Synety Smarter Communications	Synety smarter communications, Studio 4, Phoenix Square, 1 Burton Street, Leicester, LE1 1QH	837 84
CT00	The Barcode Warehouse Ltd	The Barcode Warehouse Ltd, Enterprise House, Glenholm Park, Newark	515 64
CU00	UK Fast	UKFast Campus, Manchester, M15 5QJ	147 00
CV00	Vodafone	Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN	823 73
CW00	Worldpay	3 Hardman Square, Spinningfields, Manchester, M3 3EB	23 94
CY00	Mr J Young (Expenses)	16 Ollerton Avenue, Sale, Cheshire, M33 2JH	232 71
CY01	Yorkshire Bank Plc	Customer Banking Centre, Bolton, BL1 1RD	30 95
CY02	Yodel	Atlantic Pavillion, Albert Dock, LIVERPOOL, L3 4AE	40,948 48
CZ00	Zen Office		180 65
<b>41 Entries Totalling</b>			<b>2,108,964 88</b>

Signature \_\_\_\_\_

## Appendix D

### Time Analysis for the Period from 8 June 2016 to 18 July 2016

	Partner	Director	Senior Manager	Manager	Senior Administrator	Administrator	Cashier	Total Hours	Total Cost £	Average Cost £
Administration (Including Statutory)	1 60	-	-	-	22 80	-	0 60	25 00	4,776 00	191 04
Creditor (Claims & Distribution)	-	-	-	-	4 80	-	-	4 80	864 00	180 00
Investigations	-	-	-	-	1 30	-	-	1 30	234 00	180 00
Realisation of Assets	-	-	0 80	-	11 70	-	-	12 50	2,306 00	184 48
<b>TOTAL</b>	<b>1 60</b>	<b>0 00</b>	<b>0 80</b>	<b>0 00</b>	<b>40 60</b>	<b>0 00</b>	<b>0 60</b>	<b>43 60</b>	<b>8,180 00</b>	<b>187 61</b>

## Appendix E

### Additional Information in Relation to Joint Administrators' Fees

#### 1 Fee Basis

- 1.1 The Joint Administrators are seeking to agree the basis of their remuneration in this case as a fixed fee of £15,000 plus VAT. Attached to this appendix are details of the work the Joint Administrators propose to undertake and the expenses the Joint Administrators consider will be, or are likely to be, incurred. Information about the work done to date can be found in the body of the Joint Administrators' Report and Statement of Proposals at Section 2.
- 1.2 The fees estimate is based on information about the Company's affairs available to the Joint Administrators at the present time. Should any matters arise which impact on this estimate, such as additional investigatory matters or potential realisable assets, further time or cost will be incurred and it may be necessary to revise the Joint Administrators' estimate of fees.
- 1.3 In this case, we do not anticipate that it will be necessary to seek further approval to increase the level of the fees estimate if the time incurred is in excess of the fees estimate enclosed with this report.
- 1.4 Below are details of the work we propose undertaking in support of the above fees estimate for the Administration.

#### **Administration (including statutory compliance & reporting)**

- 1.5 Under insolvency legislation the Joint Administrators must comply with certain statutory compliance requirements which may not bring any direct financial benefit to the creditors of the Company.
- 1.6 This work includes but is not limited to
- Notifying creditors of the Joint Administrators' appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House,
  - Preparing and issuing progress reports to members and creditors,
  - Lodging periodic returns with the Registrar of Companies for the Administration,



## **EZI COLLECTIONS LIMITED - IN ADMINISTRATION**

- Complying with statutory duties in respect of the Joint Administrators' specific penalty bond,
- Creation and update of case files on the firm's insolvency software,
- Securing the Company's books and records;
- Pension regulatory reporting and auto-enrolment cancellation,
- Completion and filing of the notice of the Company's insolvency to HMRC,
- Initial assessment required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 (CDDA) including the review of the Company's books and records and the identification of potential further asset realisations which may be pursued in the Administration;
- Filing a statutory return to the Department for Business, Innovation and Skills under the CDDA;
- Periodic case progression reviews (typically at the end of Month 1 and every 6 months thereafter),
- Opening, maintaining and managing the Administration estate cashbook and bank account(s),
- Dealing with all post-appointment VAT and corporation tax compliance,
- Liaison with secured creditors, obtaining charge documents and validating the security;
- Dealing with former employees to provide support and assistance in lodging any claims they may be entitled to make for unpaid wages, holiday pay and other statutory entitlements from the National Insurance Fund and the Company.

### **Creditors (claims and distributions)**

- 1 7 As Joint Administrators, we will deal with all secured, preferential and unsecured creditor correspondence and claims as received, including any claims of creditors under retention of title. Based on the Proposals, we think that a distribution to creditors will become available to the secured, preferential and unsecured creditors in this case. We will deal with the review and adjudication of creditors' claims as appropriate, if and when it is determined that a dividend is to be declared to that class of creditor.
- 1 8 It should be noted that the above is based on the estimated outcome statement contained within the Proposals. We will undertake appropriate investigations into and obtain

## **EZI COLLECTIONS LIMITED - IN ADMINISTRATION**

valuations of, the Company's assets and will confirm the likely return to creditors in our first progress report

### **Realisations of Assets**

1 9 Time spent in this matter includes but is not limited to -

- Liaising with the secured creditors regarding the collection of the book debt ledger
- Liaising with CRM regarding the collection of the book debt ledger.
- Liaising with CAM and the Police in respect to the Company physical assets

### **Investigations**

1 10 As Joint Administrators, we are required to conduct investigations into the conduct of the Director(s) of the Company and transactions entered into prior to the Company's insolvency, as required by the Company Directors Disqualification Act 1986 and Statement of Insolvency Practice 2 (Investigations by Office Holders in Administrations and Insolvent Liquidations)

1.11 This work may not necessarily lead to any financial benefit to creditors yet is work we are required to undertake by statute. We have included the time we consider will be needed to comply with the above legislation within Administration above.

1 12 If however, our initial investigations reveal that further recoveries may be available for the insolvent estate, all work undertaken to pursue these recoveries will be estimated within this time category

1 13 At this stage, we do not foresee any substantial investigation work will be required but if following the conclusion of our initial investigations we consider that further investigation work is then required to pursue assets of the Company, we will provide creditors with an update on our fees estimate in due course.

## **2 Expenses**

2 1 Below is a table which outlines the expenses that we consider at this stage will be, or are likely to be, incurred in dealing with the Company's affairs. We will provide an update to creditors in our future progress reports

## EZI COLLECTIONS LIMITED - IN ADMINISTRATION

Item	Supplier	Details of the services provided	Cost to the Administration
Book debt collection	Auctus Limited t/a Cerberus Receivables Management	Engaged by Bibby Financial Services Limited	No cost to the Administration
Agent's costs in dealing with chattel asset sales	Auctus Limited t/a Cerberus Asset Management	Engaged by Bibby Financial Services Limited	No cost to the Administration
Solicitor's costs	Bermans LLP	Engaged by Bibby Financial Services Limited	No cost to the Administration
Statutory advertising	Courts Advertising Limited	Fixed fee per advertisement	68 plus VAT
Joint Administrators' bond	Insolvency Risk Services Limited	Insurance risk based premium	28
Document storage	Restore Plc	Fixed fee per box per month	150 plus VAT
Staff related travel expenses	The Joint Administrators and their staff	Repayment of the expenses incurred and mileage at 40p per mile	100 plus VAT

### 3 Staff Allocation and the Use of Sub-Contractors

- 3.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case
- 3.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. Where the basis of the Joint Administrators' remuneration is being proposed on a time cost basis, details of our current charge-out rates can be found below.
- 3.3 We are not proposing to utilise the services of any sub-contractors in this case

#### **4 Joint Administrators' Disbursements**

4.1 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. Any Category 1 disbursements we anticipate being incurred in this case are included in the table of expenses above.

4.2 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

4.3 We would confirm that this firm does not seek to charge any Category 2 disbursements.

#### **5 Charge-out Rates**

5.1 A schedule of Cowgill Holloway Business Recovery LLP's charge-out rates for this assignment effective from 1 March 2012 is detailed below. Please note this firm records its time in minimum units of 6 minutes.

Staff Grade	Rate per Hour
Partner	£375
Consultant	£300
Director	£300
Manager	£250
Senior Administrator	£180
Administrator	£150
Cashier/Support	£120
Junior Administrator	£100

## Estimated Outcome Statement as at 18 July 2016

	Notes	Administration £
<b>Assets Subject to Fixed charge</b>		
Debtors	1	76,800
Less Bibby Financial Services Limited	2	(235,000)
Estimated Surplus / (Deficiency) c/d		(158,200)
<b>Assets Subject to Floating Charge</b>		
Parcel Scanners	3	Nil
Office and Computer Equipment	4	Nil
Platform Software	5	Nil
Domain Name	6	Nil
VAT Refund	7	Uncertain
Research & Development Tax Reclaim	8	Uncertain
Estimated Surplus Available for Preferential Creditors		Nil
<b>Cost of the Administration</b>		
Administrators Costs (Estimate)	9	Nil
Less Estimated Preferential Creditors	10	(42,360)
Estimated Net Property Surplus / (Deficiency)		(42,360)
Estimated prescribed part of net property where applicable c/d	11	n/a
Estimated Surplus / (Deficiency) Floating Charge Creditor		(42,360)
Less North West Mezzanine Loans LP c/d	12	(221,539)
Less Bibby Financial Services Limited Deficiency b/d	1	(158,200)
Estimated Surplus / (Deficiency) to Secured Creditors c/d		(422,099)
Add Prescribed Part Fund b/d		n/a
<b>Less: Unsecured Creditors</b>		
Trade & Expense creditors	13	(165,352)
Director's Loan Accounts	14	(1,327,187)
HM Revenue & Customs (NIC and PAYE)	15	(73,902)
Employees (Arrears of Pay)	16	(32,175)
Employees (Redundancy and Pay in Lieu of Notice)	16	(22,297)
Total Unsecured Creditors		(1,620,913)
Less Shortfall to Secured Creditors b/d	12	(422,099)
Estimated (Shortfall) to Creditors		(2,043,012)
		<b>Dividend to Unsecured Creditors</b>
		Nil