

# AM03

## Notice of administrator's proposals



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 1 0 5 9 5 0 6 4

Company name in full Bike Taxi Limited

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

### 2 Administrator's name

Full forename(s) Edward M

Surname Avery-Gee

### 3 Administrator's address

Building name/number 27 Byrom Street

Street

Post town Manchester

County/Region

Postcode M 3 4 P F

Country

### 4 Administrator's name

Full forename(s) Daniel

Surname Richardson

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

### 5 Administrator's address

Building name/number 27 Byrom Street

Street

Post town Manchester


County/Region

Postcode M 3 4 P F

Country

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

# AM03 Notice of Administrator's Proposals

6	<b>Statement of proposals</b>	
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	
7	<b>Qualifying report and administrator's statement <sup>①</sup></b>	
	<input checked="" type="checkbox"/> I attach a copy of the qualifying report <input type="checkbox"/> I attach a statement of disposal	<sup>①</sup> As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)
8	<b>Sign and date</b>	
Administrator's Signature	<div>Signature</div> <div>X  X</div>	
Signature date	<div><div><div>d</div><div>1</div><div>d</div><div>2</div></div><div><div>m</div><div>0</div><div>m</div><div>2</div></div><div><div>y</div><div>2</div><div>y</div><div>0</div><div>y</div><div>2</div><div>y</div><div>4</div></div></div>	

# 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	Stephanie Adams
Company name	CG&Co
Address	27 Byrom Street
Post town	Manchester
County/Region	
Postcode	M 3 4 P F
Country	
DX	
Telephone	0161 358 0210



### 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

**Joint Administrators' Report and Statement of  
Proposals Pursuant to  
Paragraph 49 of Schedule B1 of the  
Insolvency Act 1986**

**Bike Taxi Limited t/a Pedal Me -  
In Administration**

**7 February 2024**

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**1 Introduction and Background**

- 1.1 The Company was incorporated on 1 February 2017 by Robert Frank Sargent and Benjamin Robert Knowles, who were the Directors of the Company. On 28<sup>th</sup> April 2017 it began trading as Pedal Me.
- 1.2 The Company was incorporated to carry our business as a same day courier service. The Company employs staff that travel, via e-cargo bikes, within a nine-mile radius of central London, Monday to Friday throughout the working day and slightly reduced hours at the weekend. Bookings being available via the internet or through an app.
- 1.3 The Company has traded from leased premises at 52-53 Ewer Street, London. The Company employed in excess of 50 people to ride, carry our administration and management tasks. The current directors are Benjamin Knowles, Andrew Boulanger and Christopher Dixon.
- 1.4 The business model employed by the Company has to fund raise via equity being given to investors to support grow.
- 1.5 The business was forecast to start generating profit by 2020; however, as a result of the Covid-19 Pandemic, despite being able to continue trading through the periods of 'lockdown', many of the Company's customers were not trading which had a negative impact on sales and income. However, as the business continued to trade in 2020, the Company was able to gain more new customers.
- 1.6 In 2021, the Company undertook another fundraise and raised in excess of another £500,000 and in the final three months of 2021, the Company experienced its highest level of sales since incorporation.
- 1.7 As a result, in early 2022, the Company had to employ and train additional staff and purchase more courier bikes to be able to meet demand. However, the growth seen towards the end of 2021 was not sustained and the Company discussed further support with its shareholders.
- 1.8 Throughout 2022 and 2023, the Company continued to search for further financial support to enable its growth. In early 2023, the Company provisionally agreed a deal with an investment fund but despite ongoing dialogue, this failed to materialise and toward the end of the year, having reviewed its financial position, it was apparent that it needed to engage with its largest creditor, HM Revenue & Customs ("HMRC2) to discuss the possibility of a Time to Pay Arrangement for VAT and PAYE/NIC arrears. Based upon the forecasts prepared by the Company, it was able to propose a repayment plan with HMRC lasting 18 months. However, this was not acceptable to HMRC and the Company was forced to seek professional advice.
- 1.9 The Company initially sought advice from Mercer & Hole and then subsequently from CG&Co. Options were presented to the Company by CG&Co with Administration being the appropriate route for the Company.
- 1.10 A moratorium under Part A1 of the Insolvency Act 1986 has not been in force for the Company at any time within the period of 2 years ending with the day on which the Company entered Administration.
- 1.11 As a result of the Company's financial position, Edward M Avery-Gee and Daniel Richardson of CG&Co, 27 Byrom Street, Manchester, M3 4PF were appointed Joint Administrators of the Company by the court. The Administrators are authorised to act jointly and severally in the Administration.
- 1.12 Information about the way that we will use and store personal data on insolvency appointments can be found at <https://cg-recovery.com/privacy-policy-2/>. If you are unable to download this, please contact us and a hard copy will be provided to you.

- 1.13 This report incorporates the Administrators' statement of proposals made under paragraph 49 of Schedule B1 of the Insolvency Act 1986, which will be treated as delivered to creditors on 9 February 2024.

*Type of proceedings*

- 1.14 The EU Regulation on Insolvency Proceedings 2015 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. This means that the administration will be conducted according to English insolvency legislation and is not governed by the insolvency law of any other European Union Member State.
- 1.15 The proceedings flowing from the Administration appointment will be COMI proceedings.

## 2 Administration Strategy and Objective

- 2.1 The 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 The Administrators did not believe that the Company was able to be rescued as a going concern due to the level of debt owed by it and the value of the business and assets being a lower sum. As such, the first objective, above, could not be satisfied.
- 2.3 The Administrators do believe that the second objective can be satisfied, 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)'. This is because the business sale made by the Administrators has raised approximately £50,000 more for the Administration 'estate' as well as eliminating any preferential and non-preferential employee claims. This will result in a distribution to secondary preferential creditors, which would not have been anticipated in Liquidation.
- 2.4 Finally, the Administrators believe that the third objective can also be achieved via the anticipated distribution to preferential creditors.

### Pre-Packaged sale

- 2.5 A *substantial disposal* of the Company's business and assets to a connected party has taken place in the Administration. Further details about this disposal can be found at Appendices H and I.

### Sale to a connected person

- 2.6 Regulations were made by the UK government in 2021 (*The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021* (the Regulations)) with the aim of improving transparency and increasing confidence in sales to connected parties in Administrations.
- 2.7 The result of this is that an Administrators are prohibited from entering into an agreement (which may include a series of transactions) for the disposal, hiring out or sale, of all or a substantial part of a company's business or assets with a connected person, within the first 8 weeks of an Administration, unless either prior creditor approval is obtained, or the proposed purchaser

## BIKE TAXI LIMITED T/A PEDAL ME - IN ADMINISTRATION

obtains a *qualifying report* from an independent Evaluator. Such a disposal is known as a *substantial disposal* in the context of the Regulations, and it is the Administrators' responsibility to decide whether the Regulations apply to the proposed transaction and whether the purchaser is a connected person or not.

- 2.8 The nature of the transaction and purchaser's connection with the Company mean that in this case, the Regulations apply. In the circumstances, it was considered appropriate to obtain a *qualifying report*, full details of which are included below.

### ***Qualifying Report***

- 2.9 The *qualifying report* was obtained from the connected purchaser on 1 February 2024. The substantial disposal was made on 1 February 2024 to The Future Vehicles Company Limited.
- 2.10 The nature of the transaction meant that it was necessary to complete the transaction upon or shortly after our appointment and therefore, in accordance with government guidelines, the purchaser obtained the *qualifying report* prior to our appointment as Joint Administrators.
- 2.11 Full information on the disposal pursuant to the requirements of Statement of Insolvency Practice 16 can be found at Appendix H and should be read in conjunction with the remainder of this report. A copy of the *qualifying report* provided by an independent Evaluator is also included at Appendix I.
- 2.12 The *qualifying report* contains the Evaluator's statement that they are satisfied that the consideration for the relevant property, and the grounds for the *substantial disposal* are reasonable in the circumstances (ie, that the case has been made for the disposal). The Evaluator's principal reasons for making this statement are detailed in the *qualifying report*.
- 2.13 Although the Administrators made the connected person purchaser aware of the desirability of producing a *viability report*, the Evaluator was not provided with one in this instance.

### **Consideration of Proposals by Creditors**

- 2.14 Under Para 52(1) of Schedule B1 to the Insolvency Act 1986, where an Administrator thinks that:
- (a) The Company has sufficient property to enable each creditor of the Company to be paid in full,
  - (b) The Company has insufficient property to enable a distribution to be made to the unsecured creditors other than from the Prescribed Part, or
  - (c) The Company cannot be rescued as a going concern, or a better result as a whole than would be likely if the Company were wound up (without first being in Administration) cannot be achieved
- 2.15 Then the Administrator is not required to seek a decision from the Company's creditors as to whether they approve these Proposals.
- 2.16 In this case, we do not think any of the above provisions apply and we are therefore required to seek approval from creditors to our Proposals.



## Progress Since Appointment

### Administration (including statutory compliance and reporting)

- 2.17 Following our appointment, the strategy for the Administration was carefully assessed to ensure that a coherent planned process for the case could be achieved. This work may, where appropriate, have included liaison with solicitors to deal with any legal considerations surrounding the Company's insolvency (such as assessing the validity of any 3<sup>rd</sup> party security in relation to the assets) and liaising with valuation agents about the most appropriate means of realising the value in the Company's business and assets.
- 2.18 We have also dealt with a number of statutory formalities which are required of me under related legislation. Typically, this includes issuing and filing all appointment notices with creditors and the Registrar of Companies and advertising my appointment in the London Gazette, together with preparing these proposals to creditors outlining how the purpose of the Administration may be achieved.
- 2.19 As a pre-packaged sale of the Company's assets and business has taken place, we have also prepared and issued the report on the transaction as required by Statement of Insolvency Practice 16.
- 2.20 Other statutory duties performed are outlined in further detail in the fees estimate/fees information which can be found at Appendix F. Please note that much of this work will have been performed to comply with statutory requirements and as such may not necessarily add any value to the insolvent estate.

### Realisation of assets

- 2.21 Immediately following our appointment, we have completed the pre-packaged sale of the business and assets detailed in Appendix H.
- 2.22 We have also made arrangement to take possession of the cash held in the Company's bank accounts, which has been duly realised.
- 2.23 The work undertaken by the Administrators and their staff to date in realising the Company's assets has been necessary in order to maximise the likelihood of a return to creditors being made. Where assets remain to be realised, these will be dealt with as the Administration progresses and further updates will be provided to creditors in our progress reports.
- 2.24 Further information on the estimated outcome of the Administration can be found in section 9 below.

### Creditors

- 2.25 Since 1 December 2020, claims from preferential creditors now fall into one of two categories, either ordinary (typically involving employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal, which rank equally among themselves), or secondary (which are claims by HMRC for VAT or other relevant tax deductions such as PAYE and employee NIC deductions, together with student loans and CIS deductions, which also rank equally among themselves). Ordinary preferential claims rank ahead of secondary preferential claims and all preferential creditors must be paid in full before any distribution can be made to the unsecured creditors of a company.
- 2.26 Work undertaken by an Administrator in dealing with a company's creditors may only therefore bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, however an Administrator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and

## BIKE TAXI LIMITED T/A PEDAL ME - IN ADMINISTRATION

process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Administrator in dealing with those claims.

### Investigations

- 2.27 Some of the work the Joint Administrators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 ("CDDA 1986") and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that can be pursued for the benefit of creditors.
- 2.28 Our report on the Conduct of the directors of the Company to the Department for Business, Energy and Industrial Strategy under the CDDA 1986 is due to be submitted within three months of our appointment. This report is confidential.
- 2.29 To date, we have asked the directors to provide books and records and a completed director's questionnaire. We have also asked the banks to provide bank statement to allow us to review the same.
- 2.30 In addition, we have requested that the directors complete a statement of affairs.

### Sale of Assets to Connected Parties

- 2.31 In accordance with Statement of Insolvency Practice 13, I would advise you that the following assets were sold to a party connected with the Company:

Date of transaction	Assets involved & nature of transaction	Consideration paid & date	Sold to	Relationship
01.02.2024	Sale of: <ul style="list-style-type: none"><li>• Bike Fleet</li><li>• Intellectual Property Rights and Goodwill</li><li>• Customer Database</li><li>• Equipment</li><li>• Seller's records</li></ul>	£104,000 on 1 February 2024	The Future Vehicles Company Limited	Benjamin Knowles acts as a director and shareholder of the Company and the purchaser

- 2.32 The assets were sold as part of a 'pre-packaged' sale and we refer creditors to the SIP16 statement at Appendix H for further information.

## 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 6 February 2024 is attached at Appendix B.

## 4 Financial Position

- 4.1 A Statement of the Company's Affairs has not yet been received but I am advised that this will be forthcoming shortly. Furthermore, the deadline set for the return of the statement of affairs has not yet elapsed. Attached at Appendix C is a summary of the Estimated Financial Position of the Company as at 1 February 2024, together with a list of creditors names and addresses along with details of their debts (including details of any security held by them). Creditors should note that the estimated financial position is before the costs of the Administration procedure are considered.

## 5 Administrators' Proposals

- 5.1 It is proposed that the Administrators will continue to manage the affairs of the Company in order to achieve the objective of the Administration as set out in section 2 of this report. A Summary of the Administrators' Proposals in relation to the pursuance of this objective can be found at Appendix D.

## 6 Exit Routes

- 6.1 All Administrations automatically come to an end after the period of one year, unless the Company's creditors agree to extend this period, or the Court orders the Administrator's term of office be extended for a specified period of time.
- 6.2 At the time of drafting these Proposals we do not believe that an extension to the period of Administration will be necessary, however will confirm the position to creditors in a subsequent progress report in due course.
- 6.3 Based on information currently available, the information on the exit route(s) we believe may be appropriate in this Administration is/are set out below.

### *Dissolution of the Company*

- 6.4 Based on present information, the Administrators think that the Company has insufficient property to permit a distribution to the unsecured creditors and that there may only be a distribution available to the preferential creditors of the Company. As a result, once these distributions have been made, a notice will be filed at Court and with the Registrar of Companies with the Administrators' final report, for the dissolution of the Company.
- 6.5 The Administrators' appointment will end following the registration of the notice by the Registrar of Companies.

### *Compulsory Liquidation*

- 6.6 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 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 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 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.

- 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.

## BIKE TAXI LIMITED T/A PEDAL ME - IN ADMINISTRATION

7.3 The pre-appointment fees charged and expenses incurred by the Administrators are as follows:

Fees or Expenses charged by	Brief description of services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
CG&Co	Initial review of the financial position and options available to the Company. Meetings with the Company to discuss the options available and practicalities involved. Discussions with Valuation Agents and an Evaluator in relation to the value of the business and assets and marketing of the same. Liaising with solicitors in relation to statutory notices and appointment documents. Negotiating and agreement of a sale and purchase agreement and licence to occupy.	£15,000	Nil	N/a	£15,000
Robson Kay Associates Ltd	Report on valuation and marketing recommendations. Conducting a marketing campaign and liaising with interested parties. Recommendation of an offer to the proposed administrators and evaluator.	£10,000	Nil	The Future Vehicles Company Limited	£10,000
Bermans Solicitors	Preparing board minutes, consent to acts and a Notice of Appointment. Preparing and amending a Sale and Purchase Agreement and Licence to Occupy.	£5,375 plus £60 disbursements	Nil	n/a	£5,375 plus £60 disbursements

In addition to the above, the Company has paid Robson Kay £2,500 plus VAT to attend its premises to conduct a review and valuation of the assets.

7.4 The pre-appointment fees and expenses above were charged in accordance with the terms of an engagement letter dated 9 January 2024 between the Administrators' firm and the Company, acting by way of its director(s).

7.5 In this case, the above work was considered necessary to be carried out prior to the appointment of the Administrators because it has allowed the correct strategy to be agreed and implemented. This strategy allowed for a marketing exercise to achieve the best possible realisations resulting from the business and assets to benefit the outcome for creditors. In addition, this has enabled 56 jobs to be preserved, significantly reducing creditor claims.

## BIKE TAXI LIMITED T/A PEDAL ME - IN ADMINISTRATION

7.6 Accordingly, the second statutory objective will be achieved as a result of the strategy employed.

7.7 Pre-appointment fees charged, and expenses incurred by Mercer & Hole LLP are as follows:

Fees or Expenses charged by	Brief description of services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
Mercer & Hole LLP	Review of options available to the Company and review of cashflow forecast in view of insolvency, Proposed sale of business under a 'pre pack scenario'	£4,000	Nil	N/a	£4,000

7.8 We understand that the pre-appointment fees and expenses above were charged in accordance with the terms of an engagement letter dated 25 October 2023 between Mercer & Hole LLP and the Company, acting by way of its director(s). Mercer & Hole, reviewed the cashflow forecast and had discussions with the directors in relation to solvency of the company, in light of the cashflow position and forecast losses. Options available to the company were discussed, including seeking funding from existing shareholders, and time to pay arrangements. Other insolvency options were discussed and why unlikely to be feasible/in the best interests of creditors vs an administration. Discussion also took place setting out why a pre-pack administration was feasible, the process of running a pre-pack sale, why it is in the interests of the creditors in this particular circumstances, and the directors responsibility to ensure interest parties are identified to participate in the offer process.

7.9 The payment of the 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 Administrators' proposals. This approval will be the responsibility of the Creditors' Committee if one is appointed or alternatively by a decision of the creditors where there is no Committee.

## 8 Joint Administrators' Remuneration

8.1 As Joint Administrators, 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 is 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 Administrators seek agreement to 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.

8.3 In this case, we are seeking to agree that our remuneration be based on the time properly spent by us and our staff in dealing with the affairs of the Company. Our fees estimate and details of the work we propose to undertake, and the expenses we anticipate will be, or are likely to be, incurred in the Administration can be found at Appendix F. Further information on the work done since our appointment to the date of this report can be found in Section 2 of this report.

8.4 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

## BIKE TAXI LIMITED T/A PEDAL ME - IN ADMINISTRATION

these matters where relevant and appropriate approval to the basis of our remuneration will be sought as outlined in Section 5 of this report.

- 8.5 For information, attached at Appendix E is a time matrix outlining the time spent by us and our staff since the date of our appointment as Administrator. This time is included within the overall fees estimate provided with this report.
- 8.6 A copy of "A Creditors' Guide to Administrators' Fees" is available on request or can be downloaded from <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/>. If you would prefer this to be sent to you in hard copy please contact Stephanie Adams of this office on 0161 358 0210.

### 9 Estimated Outcome

- 9.1 An estimate of the outcome of the Administration as at 7 February 2024 is attached as Appendix F.
- 9.2 The funds held by the administrators represents the business sale of £104,000 and the cash at bank that has been received from the company's bankers.
- 9.3 There are no secured creditors in this matter. As such, there is no prescribed part fund.
- 9.4 The employees have been transferred to a purchaser and therefore there is not expected to be any 'ordinary' preferential creditors.
- 9.5 Amounts due to HMRC of both a preferential and non-preferential matter have been extracted from the Company's records. This is also the case with the amounts included for the unsecured creditors.
- 9.6 Based upon current information, we believe that it will be possible to make a distribution to preferential creditors. However, it is not anticipated that there will be sufficient funds available to make a distribution to unsecured creditors.
- 9.7 The amounts due to creditors in general are subject to change, any additional creditors due to general omission can prove in the Administration.

### 10 Proposals approval and next report

- 10.1 We are seeking a decision of creditors on the approval of our proposals by correspondence. The letter issued to creditors with this report (or the link to this report) contains further information about this decision process.
- 10.2 The 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.

For and on behalf of  
Bike Taxi Limited t/a Pedal Me



**Daniel Richardson**  
Joint Administrator

## Appendix A

## Statutory Information

## 1 Company information

Company name	Bike Taxi Limited
Trading name(s)	Pedal Me
Registered number	10595064
Registered office address	52/53 Ewer Street Bankside London SE1 0NR
Registered office address upon appointment of Administrators	c/o CG&Co Greg's Building 1 Booth Street Manchester M2 4AD
Trading address(s)	52/53 Ewer Street Bankside London SE1 0NR
Court details	High Court of Justice, The Business and Property Courts Manchester
Court reference number	CR-2024-MAN-000163

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

	Date appointed	Date resigned	Shares held
Director(s)			
Andrew Boulanger	1 February 2021	-	201,158 A
Christopher James Dixon	1 October 2017	-	2,000,000 A
Benjamin Robert Knowles	24 November 2023	-	5,000,000 A
Olivier Nepomucene Marie Rousseau	11 August 2022	28 August 2023	
Robert Frank Sargent	1 February 2017	31 December 2019	
Secretary			
None			

## 3 Joint Administrators' Details

Name of Administrators	Edward M Avery-Gee	Daniel Richardson
Address	27 Byrom Street Manchester M3 4PF	27 Byrom Street Manchester M3 4PF
Telephone Number	0161 358 0210	0161 358 0210
Administrator's IP Number	12410	12650
Authorising Body	ICAEW	ICAEW
Date of Appointment	1 February 2024	1 February 2024

Appendix B

Receipts and Payments Account for the Period from to 7 February 2024



**Bike Taxi Limited t/a Pedal Me**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

S of A £		£	£
	<b>ASSET REALISATIONS</b>		
Uncertain	Business IPR & Goodwill	45,000.00	
2,500.00	Furniture & Equipment	3,999.00	
55,000.00	Bike Fleet	50,000.00	
6,083.19	Cash at Bank	6,083.19	
Uncertain	Customer Database	5,000.00	
Uncertain	Records	1.00	
	Licence Fee	5,833.33	
			115,916.52
	<b>2nd PREFERENTIAL CREDITORS</b>		
(416,799.36)	HM Revenue & Customs: VAT	NIL	
(133,713.28)	HM Revenue & Customs: PAYE	NIL	
			NIL
	<b>UNSECURED CREDITORS</b>		
(349,603.91)	Trade & Expense Creditors	NIL	
(17,260.09)	Directors Loan Account	NIL	
(191,825.29)	Loans	NIL	
(71,891.99)	HM Revenue & Customs: Employers N	NIL	
			NIL
	<b>DISTRIBUTIONS</b>		
(203,844.97)	A Ordinary Shareholders	NIL	
(38,896.29)	B Ordinary Shareholders	NIL	
			NIL
<b>(1,360,251.99)</b>			<b>115,916.52</b>
	<b>REPRESENTED BY</b>		
	Client		117,083.19
	Vat Payable		(1,166.67)
			<b>115,916.52</b>

Appendix C

Summary of the Estimated Financial Position of the Company as at 1 February 2024

Insolvency Act 1986

Bike Taxi Limited t/a Pedal Me  
Company Registered Number: 10595064

Estimated Financial Position as at 1 February 2024

	Book Value £	Estimated to Realise £	£
<b>ASSETS</b>			
Business IPR & Goodwill	Uncertain	Uncertain	
Furniture & Equipment	Uncertain	2,500.00	
Bike Fleet	Uncertain	55,000.00	
Cash at Bank	6,083.19	6,083.19	
Customer Database	Uncertain	Uncertain	
Records	Uncertain	Uncertain	
			<u>63,583.19</u>
<b>LIABILITIES</b>			
<b>PREFERENTIAL CREDITORS:-</b>			
			<u>NIL</u>
			63,583.19
<b>2nd PREFERENTIAL CREDITORS:-</b>			
HM Revenue & Customs: VAT		416,799.36	
HM Revenue & Customs: PAYE		133,713.28	
			<u>550,512.64</u>
			(486,929.45)
<b>DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003</b>			
<b>OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS</b>			
			<u>NIL</u>
			(486,929.45)
<b>Estimated prescribed part of net property where applicable (to carry forward)</b>			
			<u>NIL</u>
			(486,929.45)
<b>DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003</b>			
			<u>NIL</u>
			(486,929.45)
<b>Estimated prescribed part of net property where applicable (brought down)</b>			
			<u>NIL</u>
			(486,929.45)
<b>Unsecured non-preferential claims (excluding any shortfall to floating charge holders)</b>			
Trade & Expense Creditors		349,603.91	
Directors Loan Account		17,260.09	
Loans		191,825.29	
HM Revenue & Customs: Employers NICs		71,891.99	
			<u>630,581.28</u>

Insolvency Act 1986

Bike Taxi Limited t/a Pedal Me  
Company Registered Number: 10595064

Estimated Financial Position as at 1 February 2024

	Book Value £	Estimated to Realise £
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		<u>(1,117,510.73)</u> <u>(1,117,510.73)</u>
Issued and called up capital		
A Ordinary Shareholders		203,844.97
B Ordinary Shareholders		38,896.29
		<u>242,741.26</u>
<b>TOTAL SURPLUS/(DEFICIENCY)</b>		<u><u>(1,360,251.99)</u></u>

**CG&Co****Bike Taxi Limited t/a Pedal Me****Company Registered Number: 10595064****B - Company Creditors**

Key	Name	Address	£
CA0000	A Little Bit of HR Ltd	5th Floor, The Grange, 100 High St, London, N14 6BN	5,490.00
CA0001	Autofleet	HaMelacha St 3, Tel Aviv-Yafo, Israel	15,764.16
CB0000	Bicycle Association of Great Britain	Weavers, 6 Hamlet Road, Haverhill, Suffolk, CB9 8EE	1,098.00
CC0000	City & Guilds	Giltspur House, 5-6 Giltspur Street, London, EC1A 9DE	2,000.00
CC0001	CMS Cameron McKenna Nabarro Olswang LLP	Cannon Place, 78 Cannon Street, London, EC4N 6AF	5,152.12
CC0002	Cycling Industries Europe	Tribes European Quarter 17, Avenue Marnix, Brussels, B-1000	852.37
CC0003	Capital on Tap	7th Floor, The Tea Bldg, 56 Shoreditch High St, London, E1 6JJ	29,699.02
CF0000	Foundation for Integrated Transport	The Warehouse, 54-57 Allison Street, Birmingham, B5 5TH	200,000.00
CG0000	Grantify Ltd	Linley House Floor 8 - Office 8.25, Dickinson Street, Manchester, England, M1 4LF	31,175.13
CG0001	GotCapital	5 Elstree Gate, Elstree Way, Borehamwood, Hertfordshire, WD6 1JD	24,176.00
CH00	HM Revenue & Customs - VAT	EIS Debt Management, BX9 1SH	416,799.36
CH01	HM Revenue & Customs - PAYE	Debt Management -EIS, BX9 1SH	133,713.28
CH02	HM Revenue & Customs - NIC	Debt Management-EIS C, BX9 1SH	71,891.99
CJ0000	James Holloway	Flat 3 Angelis Apartments, 69 Graham Street, London, N1 8LH	2,310.00
CL0001	Living Wage Foundation	Jacquard Point 1 and 3, Tapestry Way, London, E1 2FJ	316.80
CL0002	London Borough of Southwark	160 Tooley Street, London, SE1 2QH	12,150.00
CM0002	Mercer & Hole	21 Lombard Street, London, EC3V 9AH	4,305.00
CN0000	NatWest - Credit Card	Parklands, 3 De Havilland Way, Horwich, Bolton, BL6 4YU	3,786.62
CO0001	Orkestro	6 Yorkton St, London, E2 8NH	319.77
CP0000	PowUnity GmbH	Feldstraße 9d 6020, Innsbruck, Tyrol, Austria	1,755.45
CP0001	Pomo Corp Ltd	27 Mortimer Street, London, W1T 3BL	112,400.38
CP0002	Pest 2 Kill	39 Laburnham Garden, Upminster, RM14 1HX	200.00
CR0001	Regional Contract Services Ltd	1 Bethwin Rd, London, SE5 0SN	1,543.47
CS0001	Smart Urban Mobility B.V.	Gyroscoopweg 6, 1042 AB Amsterdam, Netherlands	23,896.49
CS0002	Stripe	7th Floor, The Bower Warehouse, 211 Old Street, London, EC1V 9NR	21,763.27
CT0000	TAREK EL-YAFI	2nd Floor, 3 Hornton Place, London, W8 4LZ	1,720.00
CT0001	The Arch Co	Walling House, 33 Cannon Street, London, EC4M 5SB	31,449.97
CT0002	Three Business Services	7 Thame Rd, Aylesbury, HP18 9AS	3,667.74
CV0000	Vodafone - Via New Image Communications	284 Kingshill Ave, Hayes, UB4 8BY	4,437.44

**CG&Co**  
**Bike Taxi Limited t/a Pedal Me**  
**Company Registered Number: 10595064**  
**B - Company Creditors**

Key	Name	Address	£
29 Entries Totalling			1,163,833.83

**CG&Co**  
**Bike Taxi Limited t/a Pedal Me**  
**B1 - Company Creditors - Employees & Directors**

Key	Name	Address	Pref £	Unsec £	Total £
RB00	Andrew Boulanger	52/53 Ewer St, Bankside, London, SE1 0NR		17,260.09	17,260.09
1 Entries Totalling			0.00	17,260.09	17,260.09

Appendix D

Summary of Joint Administrators' Proposals

It is proposed that the 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:

- 3.1 Survival of the existing Company is not achievable, the Administrators are of the opinion that the second objective can be satisfied, 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). This is because the "pre pack" sale of the business will produce a distribution to the secondary preferential creditors. A liquidation of the Company would not have produced any distribution. This also meets with the criteria of the third objective.
- 3.2 A qualifying report has not been obtained which is disclosed within the Proposal.
- 3.3 Based on present information, the Administrators think that the Company has insufficient property to permit a distribution to the unsecured creditors and that there may only be a distribution available to the secondary preferential creditors of the Company. As a result, once these distributions have been made, a notice will be filed at Court and with the Registrar of Companies with the Administrators' final report, for the dissolution of the Company. The Administrators' appointment will end following the registration of the notice by the Registrar of Companies.
- 3.4 As based on the estimated outcome statement 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, the alternative is to place the Company into Liquidation so the affairs of the Company can be further investigated. 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 Administrators will become the Joint Liquidators in the subsequent Liquidation.
- 3.5 The 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.
- 3.6 At present it is not considered that the Administration will required to be extended: however should this prove necessary we 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 Administrators' term of office be extended for a specified period determined by it.
- 3.7 The creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Administrators' remuneration, Category 2 expenses (where charged) and any proposed act on the part of the Administrators without the need to report back to creditors generally, to include any decision regarding the most appropriate exit route from the Administration.
- 3.8 The basis of the 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 Administrators and their staff managing the Administration, or



➤ As a set amount

- Where no Creditors' Committee is appointed, the remuneration and Category 2 expenses of the Administrators shall be fixed by a decision of creditors or where the 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 insolvency legislation. The Administrators will also seek approval from creditors for any unpaid pre-administration costs (such that they exist) and their discharge from liability in the same manner.
- In this case, the Administrators are seeking to approve the basis of their remuneration as follows:  
  
Pre appointment as a set amount of £15,000 plus VAT and by reference to the time properly spent by the Administrators and their staff in attending to matters arising in the Administration
- The Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.

**Appendix E**

**Time Analysis for the Period from 1 February 2024 to 7 February 2024**

Time Entry - Detailed SIP9 Time & Cost Summary

B0173 - Bike Taxi Limited  
From: 01/02/2024 To: 07/02/2024  
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Assistant Manager	Total Hours	Time Cost (£)	Average Hourly Rate (£)
700 : Formalities	0.00	5.20	0.00	1.40	0.00	6.60	2,486.00	376.67
Admin & Planning	0.00	5.20	0.00	1.40	0.00	6.60	2,486.00	376.67
504 : Statutory Reporting to Creditors	19.10	6.00	0.00	0.00	0.00	25.10	12,160.00	484.46
Creditors	19.10	6.00	0.00	0.00	0.00	25.10	12,160.00	484.46
Total Hours	19.10	11.20	0.00	1.40	0.00	31.70	14,646.00	462.02
Total Fees Claimed							0.00	

## Appendix F

## Additional Information in Relation to the Joint Administrators' Fees, Expenses &amp; the use of Subcontractors

## Fee Basis and Proposed Expenses

The Administrators are seeking to agree the basis of their remuneration in this case as [time properly spent by him and his/them and their staff in dealing with the affairs of the Company. Information about the work done to date can be found in the body of the Administrators' Report and Statement of Proposals at Section 2.

As a time cost basis is being sought in this case, the Administrators' fees estimate is attached to this report, which provides details of the rates the Administrators and their staff propose to charge for each part of that work and the time it is anticipated each part of that work will take.

The fees information provided is based on information about the Company's affairs available to the Administrators at the present time. Should any matters arise which impact on the proposed remuneration basis, such as additional investigatory matters or potential realisable assets, further time or cost may be incurred, and it may be necessary to revise the Administrators' estimate of costs.

In this case, I do not currently anticipate that it will be necessary to seek further approval to increase the level of the fees proposed.

Also included within the fees information attached are details about the Administrators' anticipated expenses, which includes any *Category 1 expenses*, which generally comprise of external supplies of incidental services specifically identifiable to the case and do not require prior creditor approval to be paid. The information about expenses also outlines any *Category 2 expenses* charged by this firm which do require prior approval by creditors and are costs which are directly referable to the appointment but are not payments to an independent third party and may therefore include payments to associates of the Administrators or shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis.

*Category 1 expenses*

The following Category 1 expenses are currently anticipated on this assignment:

<b>Expense</b>	<b>Basis of remuneration/cost</b>	<b>Service to be provided</b>	<b>Estimated cost (plus applicable VAT) £</b>
Accountancy assistance	Fixed costs	General analysis of records and bank statements	400.00
Statutory advertising	Fixed cost	Statutory advertising in London Gazette (if other, state)	200.00
Specific Penalty Bond	Fixed cost	Statutory bond required in all insolvency appointments for each office holder appointed	300.00
Bank charges	Fixed cost	Charges incurred for operating the insolvent estate account(s)	50.00

*Category 2 expenses*

Category 2 expenses are currently not anticipated to be charged.

### Staff Allocation and the use of Subcontractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

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.

On this case we have used, or anticipate using, the services of the following subcontractors. It is considered that the cost of subcontracting this work to specialist contractors will be less than, or equivalent to, the cost of these services being undertaken by the office holder(s) or their staff and the outsourcing of this work will bring greater efficiency to this element of the work necessary in the liquidation.

Service (s)	Provider	Work to be done	Basis of fee arrangement	Cost to date £	Anticipated total cost (plus applicable VAT) £
Bank statement analysis	Prism 365 Limited	Bank statement analysis	Fixed cost	nil	400.00

### Professional Advisors

On this assignment we have used, or are proposing to use, the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Bermans Solicitors (legal advice)	Time costs & expenses
Robson Kay Associated Ltd (Valuation and Marketing Advice)	Agree fixed fee plus disbursements

At the present time, it is considered that there is no such requirement to engage solicitors further in respect of the ongoing Administration. This will be reviewed as necessary and should solicitors be required this will be advised to creditors at the first available opportunity.

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

### Charge-Out Rates

CG&Co's current charge-out rates effective from 1 November 2023 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

	From 1 November 2023 (Per hour) £
Partner	500.00
Director	435.00
Senior Managing Associate	415.00
Managing Associate	375.00
Managing Associate	280.00
Senior Associate	190.00
Associate	160.00
Support Staff	95.00

## **Bike Taxi Limited t/a Pedal Me (the Company)**

### **Fees Information in accordance with The Insolvency (England and Wales) Rules 2016 and Statement of Insolvency Practice 9**

#### **Fees Overview**

Prior to an office holder agreeing the basis of remuneration, details of the work proposed to be done and the expenses it is considered will be, or are likely to be, incurred in dealing with an insolvent's affairs must be provided to creditors.

In addition, where an office holder proposes to take all or any part of this remuneration based on the time spent in dealing with the insolvent's affairs, a *fees estimate* must also be provided. This will outline the anticipated cost of that work, how long it is anticipated the work will take and whether any further approvals may be needed from creditors in due course.

It should be noted that a *fees estimate* may be provided to a particular milestone or for a designated period in a case, where it is not possible to accurately estimate the work that will need to be done at the outset.

Creditors should be aware that the *fees estimate* is based on all of the information available now and may be subject to change due to unforeseen circumstances that may arise during the assignment. If it is considered that this estimate will be exceeded, the office holder will provide an update and seek approval to increase the previously agreed estimate.

#### **Work anticipated and the likely outcome to creditors**

Some of the work undertaken by an office holder is required by statute and may not necessarily provide a financial benefit to creditors. Examples of this work include investigations required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 or dealing with the claims of former employees via the National Insurance Fund.

It may also be necessary for an office holder to instruct other parties to assist with the assignment because of a particular expertise that they may bring, such as asset valuation, tax or legal advice. Details of any anticipated expenses can be found at the end of this document, although it should be noted that this may change during the course of an assignment where it is necessary to seek additional expertise or specialist support.

Office holders are also required to comment on whether the work they anticipate doing will provide a financial benefit to creditors and to give an indication of the likely return to creditors when seeking approval for the basis of their remuneration. Due to the complex nature of the work undertaken by insolvency practitioners and the uncertainties that may exist in relation to the realisation of an insolvent's assets at the outset of a case, this position may change during an assignment, therefore updates will be provided in periodic progress reports to creditors.

In this case, it is anticipated that a distribution may become available for the *preferential creditors*. Further information on this can be found below in the section on 'Creditors (claims and distributions)'.

## **Proposed Fee Basis**

In this case, it is being proposed that the basis of my remuneration as office holder will be based on the time spent by me and my staff in dealing with the insolvent's affairs. My *fees estimate* is attached to this document which totals £54,995 and is based on all the work I currently propose will be necessary in this assignment. If I consider this estimate will be exceeded, I will notify creditors, provide a revised estimate and seek further approval for my increased fees. Similarly, I will update creditors in my future progress reports on the amount I anticipate being paid against this estimate.

The remainder of this document contains an explanation of the work I propose undertaking. Each part of the work to be undertaken will necessarily require different levels of expertise and therefore related cost. To aid understanding, for the purposes of my *fees estimate*, I have indicated the rates and grades of staff such as myself, the case manager, the case administrator and cashier when estimating the total hours to be spent on each part of the work.

## **Outline of work to be done by the office holder**

Below are details of the work I propose undertaking in support of my *fees estimate* for the assignment:

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

Office holders are required to carry out certain tasks in nearly every insolvency assignment, namely administrative duties and dealing with the claims of creditors. Whilst these tasks are required by statute or regulatory guidance or are necessary for the orderly conduct of the proceedings, they do not necessarily produce any direct financial benefit for creditors, but nonetheless still have to be undertaken.

This work may include:

- Notifying creditors of the office holder's appointment and other associated formalities including statutory advertising and filing relevant statutory notices
- Preparing the Joint Administrators report
- Securing the Insolvent's assets and placing insurance where appropriate
- Preparing and issuing annual progress reports to creditors (and members where applicable)
- Lodging periodic returns with the Registrar of Companies
- Complying with statutory duties in respect of the office holder's specific penalty bond
- Creation and update of case files on the firm's insolvency software
- Redirection of mail to the office holder's premises
- Establishing and holding periodic meetings of any committee formed and associated filing formalities
- Securing the insolvent's books and records
- Pension regulatory reporting and auto-enrolment cancellation
- Completion and filing of the notice of the insolvency with HMRC
- Periodic case progression reviews (typically at the end of Month 1, month 3 and every 6 months thereafter)
- Opening, maintaining and managing the insolvent estate cashbook and bank account(s)
- Dealing with all post-appointment VAT and corporation tax compliance as applicable to the proceedings
- Closing the case and preparing and issuing the office holder(s) final account to prescribed parties

### ***Realisation of assets***

#### **Prepack sale**

As outlined in the Proposal to creditors, the assets of the Company have been sold as a prepack sale to The Future Vehicle Company Limited. The sale has consisted of all the Company's physical assets consisting of the bike fleet, customer database, records, furniture and equipment, the businesses' intellectual property and goodwill. The sale of these assets in respect of the format of the sale and the associated valuation reports formed part of the pre appointment costs. Once appointed it has been necessary for the Joint Administrators to realise the agreed amounts. It has been necessary to open a specific insolvency bank

account to enable the cashiering function of the Administration and to request these funds from the solicitors instructed and to categorise the asset realisations in accordance with the agreed apportionment.

### **Cash at bank**

The Company operated its banking functions via two bank accounts. It has been necessary to request the credit balances in those accounts and to realise the amounts due as at the date of the appointment and to hold those funds in the designated case bank account.

Work done by the office holder(s), their staff and any third parties engaged to assist the office holder in realising the insolvent's assets will, it is anticipated, provide a financial benefit to creditors. This may involve realising assets to facilitate a distribution to secured or preferential creditors only, or may, depending on realisations and the extent of any 3<sup>rd</sup> party security, result in a distribution to the unsecured creditors. If there are no assets to be realised and the costs of the proceedings are to be met by way of a contribution from the directors or another third party, then there will be no direct financial benefit to creditors.

The Estimated Outcome Statement provides an illustration of what the outcome for creditors may be at this time, however this is subject to fluctuation during the proceedings, depending on actual realisations made, costs incurred and the eventual claims submitted by creditors, all of which cannot be predicted with any certainty at this stage.

Creditors will be updated on the anticipated outcome in future progress reports issued by the office holder.

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

As office holder, I 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 estimated statement of affairs, I currently think that after taking into consideration the costs of realising the assets and dealing with the statutory formalities of the insolvency process and the related costs and expenses, a distribution may become available to the preferential creditors. I 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.

It should be noted that the above is based on the estimated financial position and the projected realisable value of the assets together with the anticipated costs of the proceedings. I will undertake appropriate investigations into the affairs of the Company prior to appointment and I will update the likely return to creditors in my future progress reports.

### ***Investigations***

As office holder, I am 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).

This work may not necessarily lead to any financial benefit to creditors yet is work I am required to undertake by statute. My initial investigations may reveal that further recoveries could be available for the insolvent estate and if this proves to be the case and I consider that further work will be required to pursue these assets, I will refer back to creditors about the likely costs involved in pursuing such recoveries.

This will include:

- Initial assessment required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 (CDDA) including the review of the insolvent's books and records and the identification of potential further asset realisations which may be pursued in the proceedings
- Submitting a statutory report to the Insolvency Service under the CDDA



## Office Holder's Expenses

Expenses are payments from an insolvent estate which are neither an office holder's remuneration nor a distribution to a creditor or shareholder. Some expenses can be paid without prior approval from creditors (**Category 1 expenses**) and other expenses which may have an element of shared costs or are proposed to be paid to an associate of the office holder, require approval before they can be paid (**Category 2 expenses**).

Examples of expenses include agent's costs for assisting in the disposal and realisation of assets, legal costs, specialist pensions advice, tax services or other routine expenses associated with an insolvency appointment such as statutory advertising costs, the office holder's specific penalty bond and costs associated with storing books and records. Expenses also include expenses which are payments that are first met by the office holder and then reimbursed at a later date from the estate, usually when realisations permit

**Bike Taxi Limited - Estimate of time to be incurred Post Appointment**

Staff Grade	Hours							Total hours	Time cost £	Average hourly rate
	Partner	Director	Senior Manager	Manager	Assistant Manager	Senior Administrator	Administrator	Junior Administrator		

**Administration and planning**

Appointment and case planning

Administration and banking

Statutory reporting and statement of affairs

**Investigations**

CDDA and investigations

**Realisation of assets**

Debt collection

Property, business and asset sales

Retention of Title/Third party assets

**Trading**

Trading

**Creditors**

Secured

Others

Creditors' committee

**Other matters**

Meetings

Tax

Litigation

Other

**Total hours by staff grade**

**Total time cost by staff grade**

**Average hourly rate £**

**Total fees drawn to date**

1.00	7.00	-	-	-	-	-	-	-	8.00	3,545	443.13
0.50	14.00	-	0.50	-	-	-	6.00	-	21.00	7,488	356.55
21.00	52.00	-	-	-	-	-	-	-	73.00	33,120	453.70

2.50	4.00	-	7.50	-	-	-	-	-	14.00	5,803	414.46
------	------	---	------	---	---	---	---	---	-------	-------	--------

-	-	-	-	-	-	-	-	-	-	-	-
3.00	2.00	-	-	-	-	-	-	-	5.00	2,370	474.00
-	-	-	-	-	-	-	-	-	-	-	-

-	-	-	-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---	---	---	---

-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	4.00	-	-	-	7.00	-	11.00	2,620	238.18
-	-	-	-	-	-	-	-	-	-	-	-

-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-

28.00	79.00	-	12.00	-	-	-	13.00	-	132.00	-	-
14,000	34,365	-	4,500	-	-	-	2,080	-	-	54,945	416.25
500.00	435.00	-	375.00	-	-	-	160.00	-	-	-	-

Appendix G

Estimated Outcome Statement as at 7 February 2024

**Administration**  
**£**

Cash Held by Administrators	110,083
	<u>110,083</u>
Less: Estimated Costs of Administration	(88,479)
	<u>21,604</u>
Less: Ordinary Preferential Creditors	-
(Shortfall)/Surplus Available for Secondary Preferential Creditors	<u>21,604</u>
Less: Secondary Preferential Creditors	(550,513)
Shortfall to Secondary Preferential Creditors	<u>(528,909)</u>
Less: Prescribed Part Fund	N/a
Available for Floating Charge Holder	<u>N/a</u>
Less: Amount Due to Floating Chargeholder (HSBC)	N/a
Shortfall to Floating Chargeholder (HSBC)	<u>N/a</u>
Add: Prescribed Part Fund	N/a
Available for unsecured creditors	<u>-</u>
Less: Unsecured Employee Claims	Nil
Less: Business Loan	(191,825)
Less: HM Revenue & Customs (Non-preferential)	(71,892)
Less: Director's Loan	(17,260)
Less: Unsecured Creditors	(349,603)
Surplus/(Defecit) Available to Creditors	<u><u>(630,580)</u></u>

**Estimated Costs of Administration** **(£)**

1. Pre-Appointment Costs	(30,485)
2. Office Holders' Fees	(54,594)
3. Legal Fees	(2,500)
4. Disbursements	(900)
	<u>(88,479)</u>

Appendix H

Joint Administrators' Statement on Pre-Packaged Sale

## Appendix A

### Joint Administrators' Statement on Pre-Packaged Sale

Prior to the appointment of an Administrator, an insolvency practitioner may act in an advisory capacity to the Company. During this time the insolvency practitioner's role is not to advise the directors personally or any parties connected with any eventual purchaser of the Company's business or assets. We would confirm that the directors were advised to take their own independent advice on their position in this regard. It is also possible that a different insolvency practitioner may be the eventual Administrator and not the insolvency practitioner who provided the advice to the Company before any formal appointment was made.

Where a sale of all or part of a company's business or assets is negotiated with a purchaser prior to the appointment of an Administrator and the Administrator effects the sale immediately on, or shortly after appointment, this is known as a pre-packaged sale.

The statutory purpose of Administration is for an Administrator to perform his functions with the objective of either 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 rather than being placed into Administration first. If neither of these objectives is reasonably practicable, the third objective of realising property in order to make a distribution to one or more secured or preferential creditors of the company may be pursued providing the Administrator avoids unnecessarily harming the interests of the creditors as a whole.

In this case, the Administrators have pursued the 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) and considers that the pre-packaged sale enables the statutory purpose of Administration to be achieved. Set out below is further information containing a summary of the circumstances relevant to the pre-packaged sale of the Company's business and assets to The Future Vehicles Company Limited in accordance with the provisions of Statement of Insolvency Practice 16. In agreeing to the pre-packaged sale, we can confirm that we have considered the purpose of the Administration and the fulfilment of our statutory obligations to creditors under paragraphs 3(2) and 3(4) of Schedule B1 to the Insolvency Act 1986.

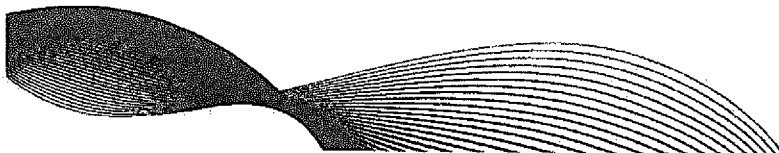
### Background

The Company was incorporated on 1 February 2017 by Robert Frank Sargent and Benjamin Robert Knowles, who were the Directors of the Company. On 28<sup>th</sup> April 2017 it began trading as Pedal Me. There have been various changes to the Directorship since incorporation. The current Directors being Benjamin Knowles, Andrew Boulanger and Christopher Dixon.

The Company traded from leased premises at Arches, 52-53, Ewer Street, London, SE1 0NR. The company traded as a same day courier service and staff travel, via e-cargo bikes within a nine-mile radius of central London delivering goods for their customers. Bookings being available via the internet or through an app.

The Company's turnover was derived from:

- Courier services
- Warehousing
- Training
- Consultancy





Since commencing to trade, the business has required investment to grow throughout its history. Growth had been continuous in the business since incorporation and the business was forecasted to be profitable in 2020.

Whilst the Covid-19 had a detrimental effect on the business as many of its customers were unable to trade, as an 'essential service,' the business could continue trading, in the periods of 'lockdown'. It actually acquired new customers during this period as alternative services were not available.

Following the Covid lockdowns, in May 2021, the Company embarked on a campaign to raise funding to assist the Company's growth. The Company raised over £500k. Quarter four of 2021 produced the busiest and most lucrative period, as turnover rapidly increased. At that time the business had to halt all non-riding/revenue generating activities in an attempt to capture as much of the demand as possible.

In early 2022, the Company purchased additional bikes and trained additional riders in anticipation of the growth. However, this growth failed to materialise which resulted in cash flow issues. As a result, the Company engaged with investors to secure additional investment into the Company in order to stabilise the position.

In January 2023, the Company found an investment fund that was interested in providing investment and a deal was agreed in principle in March 2023. However, this was followed by a period of several months in which the terms remained unsigned and investment was not received.

The Directors prepared further forecasts which demonstrated that the Company would be profitable in 2024. Based on that information the Directors approached sources to secure funding to assist with reaching profitability.

The Directors secured enough by way of expressions of interest to invest, alongside new debt (as part of debt restructuring) to continue to trade. However, the Directors tried to agree a Time to Pay ("TTP") with HM Revenue & Customs ("HMRC"). The proposal was for repayment of existing arrears over an 18-month period. HMRC rejected this proposal.

As a result, the directors reviewed the position and tried to raise further funding. However, based upon the financial position, this was unsuccessful.

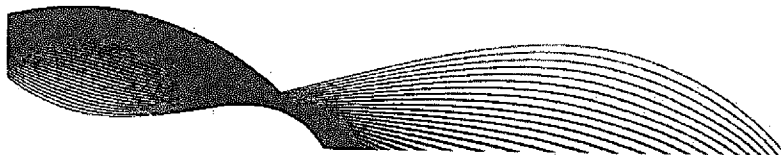
As a result, the Company sought advice from an insolvency practitioner and consider the options available. The Company then sought further advice from CG&Co and a strategy of Administration was agreed upon being suitable.

A moratorium under Part A1 of the Insolvency Act 1986 has not been in force for the Company at any time within the period of 2 years ending with the day on which the Company entered Administration.

As a result of the Company's financial position, Daniel Richardson and Edward M Avery-Gee of CG&Co, Greg's Building, 27 Byrom Street, Manchester M3 4PF were appointed Joint Administrators of the Company by the Directors on 1 February 2024. The Administrators are authorised to act jointly and severally in the Administration.

#### **Initial introduction**

CG&Co. were initially contacted by the Directors, following a recommendation from a business contact in late December 2023 and an initial discussion was held to consider the financial position and solvency of the Company. There have been further discussions with the Directors since 4 January 2024, with a further final meeting prior to the engagement of CG&Co on 9 January 2024.





The Administrators do not believe that there is any significant personal or professional relationship between the Company or its Directors and CG&Co and have carried out the appropriate conflict review prior to accepting the appointment.

#### **Pre-appointment considerations**

As previously mentioned, CG&Co have not had any prior involvement with the Company or its current or past Directors prior to being approached to provide initial advice to the Company.

The following courses of alternative action were considered with management prior to the Administrators' appointment and the pre-packaged sale:

##### **Trading the Business**

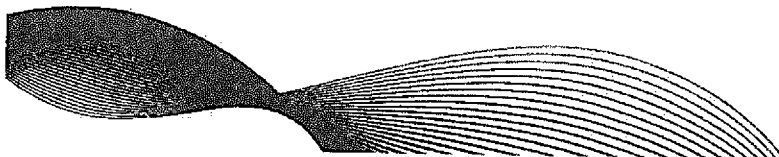
- Continue to trade both with, or outside of, a formal Company Voluntary Arrangement ("CVA"). The Company is heavily insolvent, with the main creditor being HMRC. A time to pay arrangement (based on financial information) with HMRC has already been rejected. On this basis, it is considered that this action will be of little benefit to the Company and will not resolve the current position. There was the threat of enforcement action from HMRC and it was unlikely that HMRC would support.

##### **A moratorium pursuant to Part A1 of the Insolvency Act 1986**

- Whilst the Company would benefit from the breathing space afforded by a Part A1 Moratorium, given the Company's current financial difficulties it was not considered possible that the Company would be able to be rescued whilst still servicing the required pre-moratorium debts, which include, rents, wages, and the monitor's remuneration. Accordingly, it was not considered possible to certify that the Company could be rescued as a going concern.

##### **Other alternative courses of action**

- The Directors personally have no capital to introduce and whilst other funding options could be potentially viable, the Directors are of the opinion that enforcement action by HMRC is pending and the diligence that would be required by investors would be too time prohibitive and HMRC would be likely to petition.
- The Directors believe that the business is not an attractive proposition for any third party to purchase the business in its current financial position. Therefore, this course of action was considered as not feasible.
- Distressed sale of the business and assets as a going concern by the Administrator. This option was considered by the proposed Administrators, however the large debt owed to HMRC would discourage third-party interest in anyone purchasing the business in its current financial position.
- It was considered that a Liquidation could be pursued and subsequently a forced sale of the Company's assets could be undertaken. However, the realisations from such a sale would be less than the pre-pack sale and would also result in the redundancy of 56 employees. In addition, for the reasons stated below, it is considered that the pre-pack administration would create a better outcome for creditors than a liquidation, as the purchaser is assuming all the employee liabilities, as employees are transferred under the sale purchase agreement and under the Transfer of Undertakings (Protection of Employment) Regulations ("TUPE").







- Sale of assets by the Administrator after a period of marketing to third parties. A marketing campaign was undertaken by the duly appointed agents which is referred to below.

#### **Consultation with Creditors**

The largest creditor is HMRC who are owed a sum of circa £622,000. There has been no further dialogue entered into with HMRC as it is considered that it could have the detrimental effect of the action of a Winding Up Petition.

Given that the Directors had already engaged with current investors it was not considered appropriate for CG&Co to engage as they were already acutely aware of the position. In addition the agent instructed had sent notification of the marketing particulars to investors.

#### **Valuation of the business and assets**

The assets of the Company were professionally valued on 17 January 2024 on an estimated restricted realisation value by Jonathan Kay of Robson Kay Associates Ltd ("Robson Kay") who is a Fellow of the National Association of Valuers and Auctioneers and a Member of the Association of Business Recovery Professionals and is suitably experienced to carry out valuations of this type. The valuation is based on an estimated restricted realisation value and a prepackaged sale, with the comparison details shown below. Robson Kay have confirmed their independence and that they carry adequate professional indemnity insurance.

#### **Comparative outcome**

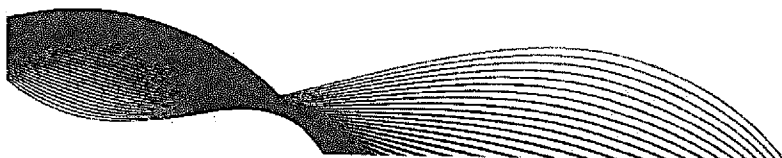
The Administrators are satisfied that the sale of the Company's assets under the terms of the pre-packaged sale has resulted in the best outcome reasonably obtainable for creditors in the circumstances. The following table provides a comparative outcome with a sale of the Company's assets in liquidation or through a restricted marketing period post Administration as against the outcome obtained via the pre-packaged sale:

Details of Assets	Sale in Liquidation/under Restricted Marketing conditions £	Pre-packaged sale in Administration £
Office furniture and IT equipment, phones, workshop equipment & bike components	4,000	4,000
Bike Fleet	55,000	50,000
Sellers Records, Goodwill & Intellectual Property, trading name	Nil	45,000
Customer List	Nil	5,000
Total	59,000	104,000

#### **Notes**

##### ***Book Debts***

The Company has no outstanding book debts.





***Office furniture and IT equipment, phones, workshop equipment & bike components***

Robson Kay advised that there would be no material difference in the sales value of this asset in Liquidation or Administration.

***Bike fleet***

Robson Kay advised that there would be no material difference in the sales value of this asset in Liquidation or Administration.

***Good will, intellectual property including website and trading name***

Robson Kay advised that in a shut down scenario in Liquidation, there would be no value in the Goodwill and Intellectual Property Rights.

***Customer list***

Robson Kay advised that in a shut down scenario in Liquidation, there would be no value in the Goodwill and Intellectual Property Rights.

***Lease***

The Company held a tenancy agreement to the premises at Arches, 52 and 53 Ewer Street, London, SE1 0NR. The tenancy agreement commenced on 2 December 2020 for a three-year term, which has ended. There is considered to be no value to the lease.

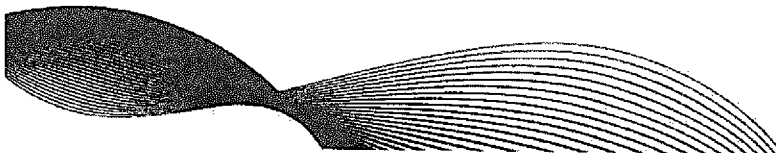
***Charges***

The Charge that was created on 17 September 2011 in favour of H&R Knowles was satisfied on 19 October 2022.

**Marketing of the business and assets**

Marketing a business is an important element in ensuring that the best available consideration is obtained for it in the interests of the Company's creditors as a whole. The Administrators advised the Company prior to their appointment, that any marketing should conform to the marketing essentials set out in SIP16 which includes the following key considerations:

- The business should be marketed as widely as possible, proportionate to its nature and size in the time available using whatever media or other sources that are likely to achieve this outcome.
- Previous marketing of the business prior to the Administrator's involvement may not provide justification to avoid further marketing. The Administrator must be satisfied as to the adequacy and independence of any prior marketing undertaken by the Company.
- Marketing should have been undertaken for an appropriate length of time to satisfy the Administrator that the best outcome for creditors as a whole has been achieved.
- Any marketing attempts must by default, include the use of the internet.





Robson Kay proposed and implemented a marketing strategy of an advertisement on their website with reference to the business for sale and produced a mailshot to their database of over 15,000 contacts. The advert read as follows:

***"The total assets from a Courier/Logistics company based in London, as a result of impending insolvency.***

***Guide Price £100k - £200k***

***Must be in a position to move immediately and TUPE across approx. 60 staff***

***Please send details of the interested party, proof of funds and confirmation of the ability to bid within 48 hours and we will send an NDA. We will only deal with principals not agents."***

The email was sent to 15,315 unique contacts and was opened by an exceedingly high percentage of the recipients, namely 30.11% which equates to 4,765 contacts.

Of those that opened the email, 6.65% (317 unique contacts) clicked for more information on at least one of several opportunities referenced in the email. This opportunity was accessed by 75 parties.

A second potential purchaser contacted Robson Kay and requested and received a Non-Disclosure Agreement ("NDA"). The potential interested party returned the signed NDA. The Agent entered into further discussion with the potential purchaser but did not receive an offer.

The Agents received one bid in the sum of £104,000 from The Future Vehicles Company Limited, an associated Company details of which are set out below.

#### **Details of the assets sold and the nature of the transaction**

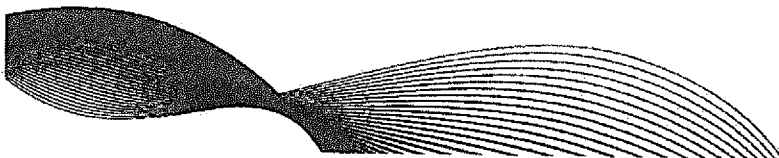
##### ***Purchaser and related parties***

- The Purchaser is The Future Vehicles Company Limited of which Benjamin Knowles a current Director of this Company is also the Directors of the purchasing Company.
- The date of the transaction is 1 February 2024.
- We understand that Christopher Dixon and Andrew Boulanger are to become involved in the management of The Future Vehicles Company Limited

##### ***Recommendation by agent***

Robson Kay & Associates recommended the acceptance of the offer on the following basis:

- The offer was a higher net asset realisation than forced sale
- The offer allowed for the transfer of all staff and eliminate preferential and non-preferential employee claims
- The offer would result in lower creditor quantum due the staff transfer





### **Assets**

The entirety of the Company's assets were sold as part of the pre-pack as follows:-

<b>Asset Category</b>	<b>£</b>
Office Furniture, IT Equipment/Phones & Equipment	4,000
Bike Fleet	50,000
Intellectual Property, Name and Goodwill	45,000
Customer List	5,000
<b>Total</b>	<b>104,000</b>

As the sale was for the full amount and there were no deferred terms there was no requirement to obtain any personal guarantees or other forms of security against the purchasing company.

### **Transactions with connected persons**

Where a buyer meets the legal definition of a connected person, and the sale of the Company's assets falls within the meaning of a *substantial disposal* in government regulation, additional obligations are placed on the Administrator to ensure transparency and creditor confidence in the sale.

A *substantial disposal* occurs where the disposal, hiring out or sale is to one or more connected persons, during the period of 8 weeks beginning with the day on which the Company enters Administration of what is, in the Administrator's opinion all, or a substantial part, of the Company's business or assets and includes a disposal which takes place through a series of transactions.

Additional obligations require the Administrator to obtain either a *qualifying report*, or *creditor approval*, as a condition for making the sale to the connected person, as the Administrator considers appropriate in the relevant circumstances. A *qualifying report* may be sought before an Administrator is appointed in circumstances where the sale is arranged prior to a company entering Administration but is planned to be completed very shortly thereafter.

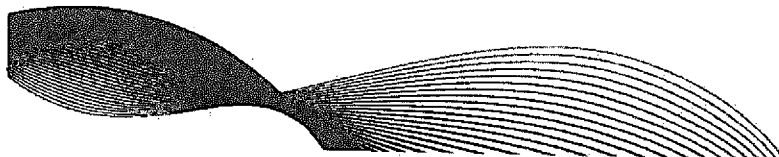
A *qualifying report* is a report made by an independent evaluator, who must meet certain legal requirements relating to the relevant skills and knowledge to make such a report, including the absence of conflict of interest with either the Company or the Administrator.

The responsibility to obtain this report lies with the connected person who wishes to enter into the *substantial disposal*, however it is then the Administrator's responsibility to ensure that the evaluator's report complies with all relevant legal requirements in order that it may be treated as a *qualifying report*, which then permits the Administrator to complete the transaction. The alternative is obtaining creditor approval for the transaction before proceeding.

### **Viability statement**

The purchasing entity were also made aware of the potential for further enhanced confidence should a viability statement be prepared by the purchasing entity in support of the continued trade.

A viability review can be drawn up by a connected party wishing to make a pre-packaged purchase which covers the greater of 12 months, or the period over which any consideration is to be deferred in order to





demonstrate how the purchasing entity will survive for this period from the date of the proposed purchase and may include details of what the purchasing entity will do differently to avoid a future failure of the business.

As Administrators, we requested that the connected party provide us with a copy of their viability statement. The connected party has provided a 12-month cash flow forecast to the evaluator.

#### **Qualifying Report from an Independent Evaluator**

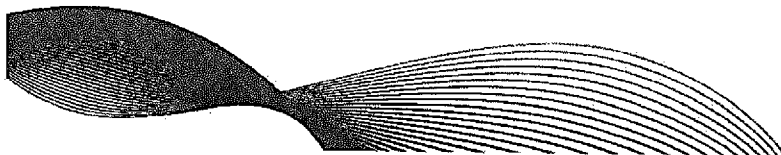
The nature of the transaction meant that it was necessary to complete the transaction upon or shortly after our appointment and therefore, in accordance with government guidelines, the purchaser obtained the *qualifying report* prior to our appointment as Joint Administrators. The *qualifying report* was obtained by the connected purchaser on 1 February 2024. The evaluator formed the opinion that a case had been made for the substantial disposal and this proceeded accordingly, as detailed within this report. A copy of this report is attached.

This sale is not part of a wider transaction.

It should be noted that the 56 employees with estimated redundancy and associated claims totalling £134,525.05 will be transferred to the purchaser under TUPE Regulations thus saving their employment and also reducing the overall indebtedness of the Company by this amount.

There are no conditions that could materially affect the consideration.

There are no options; buy-back arrangements; or similar conditions attached to the contract of sale.



Appendix I

Qualifying Report from an Independent Evaluator



# EVALUATOR'S REPORT

Pursuant to The Administration (Restrictions on Disposal etc. to  
Connected Persons) Regulations 2021

## **Bike Taxi Limited**

Date of Report: 1 February 2024

Prepared by:  
Compass Evaluator Reports Limited  
James House, Yew Tree Way  
Golborne, Warrington  
WA3 3JD

Company Number 13288603

Kevin Murphy  
[kevin@compassvaluatorreports.co.uk](mailto:kevin@compassvaluatorreports.co.uk)



## **Contents & Abbreviations**

### **Contents**

1. Introduction and Background
2. Executive Summary
3. The Requirements for Acting as Evaluator
4. The Connected Person(s)
5. The Relevant Property
6. The Evaluator's Decision
7. Information Relied Upon
8. Previous Evaluator Reports

### **Appendices**

- Appendix I                      Evaluator Bio

### **The following abbreviations or references are used in this report:**

- The Act:                              The Insolvency Act 1986 (as amended)
- The Regulations:                      The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021. Unless otherwise stated, any reference to 'Regulation' within this document is a reference to this legislation.
- The Company:                              Bike Taxi Limited.
- Substantial disposal:                      This has the meaning given to it in Regulation 3, i.e., a disposal, hiring out or sale to one or more connected persons during the period of 8 weeks beginning with the day on which the company enters administration of what is, in the administrator's opinion, all or a substantial part of the company's business or assets and includes a disposal which is effected by a series of transactions.
- Relevant property:                      This means the property being disposed of, hired out or sold as part of the substantial disposal as defined in Regulation (See Section 5.)
- Connected Person(s):                      As defined in paragraph 60A (3) of Schedule B1 of the Act. (See Section 4.)
- Proposed Administrators:                      Edward Avery-Gee and Daniel Richardson from CG Recovery who are licenced Insolvency Practitioners, authorised and regulated by the ICAEW.
- Valuation agents:                      Jonathan Kay from Robson Kay – an industry specialist valuation and asset realisation business – valued the Company assets.
- The valuation agents possess the requisite knowledge of the market for the type of asset being valued and the skills and understanding necessary to undertake the valuation competently.
- Purchaser:                              The Future Vehicles Company Limited.
- TUPE:                                      Transfer of Undertaking (Protection of Employment) Regulations 2006.



## 1. INTRODUCTION AND BACKGROUND

- 1.1. I, Kevin Murphy, Managing Director of Compass Evaluator Reports Limited, confirm that I meet the requirements for acting as an Evaluator specified in Part 3 of the Regulations.
- 1.2. This report has been requested by the Purchaser (via Benjamin Robert Knowles as director). The Purchaser is considered a connected person in relation to the substantial disposal of the Company.
- 1.3. I am required to determine whether I am satisfied that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.
- 1.4. The Company was incorporated in February 2017, and commenced to trade in April 2017 operating in the logistics industry, using specialised bikes to transport cargo across London. The Company was initially financed through Crowdfunding and had a range of investors.
- 1.5. The Company has experienced a number of challenges in recent years. The Company had all of its business-to-business trade significantly impacted in March 2020 as a result of the government's strict Covid lockdown, which effected the turnover for this part of the business. The business was able to continue trading as an essential service, and much of its business to consumer work continued and expanded during lockdown. A decision was taken not to furlough staff in an attempt to continue to grow the business and search for new opportunities.
- 1.6. The Company needed additional investment and was in discussions with an investment fund during 2023 but was advised in August 2023 that the investment would not be forthcoming due to difficulties in the financial markets and the increasing interest rates. The Company had accumulated arrears with HMRC and sought to agree a Time To Pay agreement over an 18 month period, but this could not be agreed.
- 1.7. The directors have sought professional advice on the options available to the Company. The Company is currently unable to pay its debts as and when they fall due, and the directors of the Company have concluded that the Company is no longer able to continue trading as a going concern. The appointment of the Proposed Administrators is understood to be imminent.
- 1.8. The Proposed Administrators and their valuation agents have been seeking to maximise realisations from the assets of the Company and maximise the funds available to creditors of the Company. Whilst the opportunity to acquire the business and assets has been marketed for sale, one offer – from a Connected Person – has been recommended for acceptance by the valuation agents as being in the interests of creditors.

## 2. EXECUTIVE SUMMARY

- 2.1. I have formed the following opinion in this case:

### CASE MADE

I AM SATISFIED that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.

- 2.2. The factors considered in forming this opinion are detailed in full within my report at section 6.

### 3. THE REQUIREMENTS FOR ACTING AS EVALUATOR

- 3.1. I confirm that I meet the requirements for acting as an Evaluator set out in Part 3 of the Regulations.
- 3.2. I am satisfied that I have the relevant knowledge and experience required to act as Evaluator and I include a summary of my qualifications and experience at Appendix 1.
- 3.3. The Proposed Administrators have not raised any objections to my suitability as an Evaluator.
- 3.4. I confirm that I meet the requirements of independence within Regulation 12, as follows:
- I am not connected with the Company.
  - I am not an associate of the connected person or connected with the connected person.
  - I do not know of or have reason to believe that I have a conflict of interest with respect to the substantial disposal.
  - I have not, at any time during the period of 12 months ending with the date on which this report is made provided advice to, and in respect of, the Company or a connected person in relation to the Company –
    - In connection with, or in anticipation of, the commencement of an insolvency procedure under Parts A1 to 5 of the Act, or
    - In relation to corporate rescue or restructuring.
- 3.5. I am not excluded from acting as an Evaluator for any of the reasons outlined in Regulation 13.
- 3.6. I confirm that I meet the requirements as to insurance specified in Regulation 11.
- 3.7. Details of the professional indemnity insurance for Compass Evaluator Reports Limited are as follows:
- Axa Insurance Plc.
  - Policy number AC SPI 4331301.
  - Expiry date 22 August 2024.
  - Professional indemnity cover limit of £1,000,000 for any one claim.
  - Risks covered: Misc Professional Indemnity breach of professional duty.
  - Exclusions from cover: Misc to include Directors' and Officers' liabilities, deliberate acts and omissions, virus exclusion, dishonesty, and fraud. (Full details available on request.)

### 4. THE CONNECTED PERSON(S)

- 4.1. Connected persons include the following:

Name of connected person	Nature of the connection
The Future Vehicles Company Limited	Purchaser.
Benjamin Robert Knowles	Director and shareholder of both the Purchaser and the Company.
Andrew Boulanger	Director and shareholder of the Company and is a shareholder in the Purchaser and will have a senior leadership role at the Purchaser.
Christopher James Dixon	Director and shareholder of the Company and is a shareholder in the Purchaser and will have a senior leadership role at the Purchaser.

## 5. THE RELEVANT PROPERTY

- 5.1. The assets being sold are considered to constitute a substantial disposal and they have been professionally valued by the Proposed Administrator's appointed valuation agents.
- 5.2. The Purchaser is acquiring whatever right, title and interest the Company has in the following assets:
- Stock (subject to retention of title claims)
  - Goodwill (including IPR, Business name, brands, and website)
  - Plant and equipment, vehicles, fixtures and fittings, office furniture
  - Equity, if any, in financed assets
- 5.3. Total consideration is stated to be £104,000 payable in full upon completion.

## 6. THE EVALUATOR'S DECISION

6.1 In accordance with Regulation 7, I am satisfied that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.

6.2 My principal reasons for this opinion are as follows:

- 6.2.1 The assets have been professionally valued by the Proposed Administrator's appointed valuation agents, who possess the requisite knowledge of the market for the type of asset being valued. The offer has been recommended for acceptance by the valuation agents. The valuation agents are recognised professionals in the industry and are regulated by the industry professional bodies.
- 6.2.2 The Proposed Administrators and the valuation agents have been seeking to maximise realisations from the Company assets. The Proposed Administrators and their valuation agents have carried out a marketing exercise in relation to the business and assets in accordance with the guidance issued in SIP 16. In the timescale available to the Proposed Administrators, necessitated by the Company financial position and the need to provide certainty to all stakeholders, an offer has been received - from a connected party - which is considered the best achievable in the circumstances by the valuation agents and the Proposed Administrators.
- 6.2.3 The consideration offered for all the assets is in excess of the valuation agents' opinion of the market value of the assets on an ex-situ / cessation of trading basis, but prior to any costs of sale. In the event of a piecemeal disposal of all assets, the realisations from all categories of assets would be reduced. The proposed connected party sale therefore provides for better realisations than would be the case on a break-up. Based on a review of the Proposed Administrators Estimated Outcome Statement, the connected party deal provides a better outcome for the preferential creditors, as well as the employees and finance creditors.
- 6.2.4 The 56 employees associated with the business being acquired will transfer under TUPE to the Purchaser, avoiding a significant claim (est £134k) against the National Insurance Fund.
- 6.2.5 The alternative to the current sale is for the assets to be sold piecemeal at auction and the Company placed into Liquidation. That will however result in a significant reduction in value for the business and assets of the Company, given the nature of the Company activities, and will also lead to increased holding and disposal costs, and increased claims against the Company.
- 6.2.6 By continuing to use the Company's financed assets, this should mitigate a potential shortfall which would otherwise be a creditor of the Company and increase creditor claims.

6.2.7 I have been provided with projections for the Purchaser which indicates that the Purchaser has secured the necessary investment and should be viable. The Purchaser has indicated that it will make a number of operational changes and it has secured additional investment that will provide the funds for the acquisition and provide the necessary working capital going forwards. The Purchaser has also indicated that it will implement improved operational and financial governance at board level, will look to focus on improved sales and high margin work, higher productivity rates and will not be liable to pay the historic loans.

6.2.8 I offer no opinion on the viability of the Purchaser.

## **7. INFORMATION RELIED UPON**

7.1. In forming my opinion, I have relied on my discussions with, and information provided by, the connected persons, the Proposed Administrators, and the valuation agents instructed by the Proposed Administrators. This includes the following:

- Compass Evaluator Reports application/information request form
- Valuation report from the agents
- Offer
- Recommendation from the agents
- Company financial information
- Financial information for the Purchaser
- Correspondence with the Proposed Administrators
- Estimated Outcome Statement and draft SIP 16 statement.
- The Company's Website

7.2. I have also relied on information freely available in the public domain.

7.3. I have relied upon the accuracy of the information as provided to me in forming my opinion. I have not carried out an audit or other verification of the information received. The Proposed Administrators are licenced Insolvency Practitioners with legal duties and obligations to creditors and their regulatory body, as such the decision whether to enter into the sale is for them to determine. As such, I offer no opinion on the decision to enter into the sale.

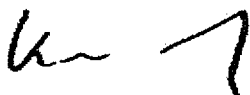
7.4. In addition to the sale of the business and assets, the Proposed Administrators have investigative powers available to them post appointment that may further enhance asset realisations.

7.5. The extent of my work is limited to providing the opinion specified in the Executive Summary.

**8. PREVIOUS EVALUATOR REPORTS**

8.1 Regulation 8 does not apply, as I am advised that no previous report exists in relation to this substantial disposal, and I have no reason to believe that this statement is incorrect.

For and on behalf of  
Compass Evaluator Reports Limited

A handwritten signature in black ink, appearing to read 'Kevin Murphy', with a stylized flourish at the end.

Kevin Murphy  
Evaluator

Date: 1 February 2024

**EVALUATOR BIO: KEVIN MURPHY**

Before entering the insolvency profession, Kevin trained as a lawyer, undertaking a law degree (achieving a 2:1 classification) and successfully completing the Law Society's Final Exam. Kevin is a licensed Insolvency Practitioner (currently non-appointment-taking), with over 25 years of experience of dealing with a wide range of insolvency matters, including extensive experience of turnaround work, focusing on Company Voluntary Arrangements and Administration.

He has spent much of his career with a national firm of insolvency specialists, where he progressed to Director of Insolvency, heading up the firm's Administration Team in the Manchester Office. Responsible for many complex and challenging matters, Kevin developed practical skills in dealing with cases in an efficient, commercial, and pragmatic manner alongside the technical demands of compliance with regulation and legislation, to achieve the best outcome for stakeholders.

In more recent times, Kevin has utilised the extensive skill set developed because of his experience of turnaround and insolvency work in dealing with solvent acquisitions. Since 2017, Kevin has been an advisor to a buy and build acquisitions group.

Kevin is a member of the Turnaround and Management Association and R3, the Association of Business Recovery Professionals.

For more information, please visit <https://compassevaluatorreports.co.uk/>