

# AM07

## Notice of creditor's decision on administrator's proposals



Companies House

WEDNESDAY



A15 \*A7BFY6XN\* #308  
01/08/2018  
COMPANIES HOUSE

### 1 Company details

Company number 1 1 1 8 8 8 9 2

Company name in full Edge 1 Limited

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

### 2 Administrator's name

Full forename(s) Michael

Surname Chamberlain

### 3 Administrator's address

Building name/number Resolution House

Street 12 Mill Hill

Post town Leeds

County/Region West Yorkshire

Postcode L S 1 5 D Q

Country United Kingdom

### 4 Administrator's name <sup>①</sup>

Full forename(s)

Surname

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

### 5 Administrator's address <sup>②</sup>

Building name/number

Street

Post town

County/Region

Postcode

Country

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

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**Purpose of procedure or meeting**

To approve administrator's proposals

7

**Description of procedure or meeting<sup>③</sup>**

Virtual Meeting

③ Whether it was a virtual or physical meeting, some other decision procedure (please describe), or deemed consent.

8

**Address of meeting**

If a meeting was held at a physical location, give the address below.

Building name/number

Street

Post town

County/Region

Postcode

Country

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<b>9</b>	<b>Other platform for decision procedure or meeting<sup>1</sup></b>	
		<p><sup>1</sup> If a meeting was not held at (or the decision procedure was not undertaken at) a physical location, tell us what means were used—for example email, videolink</p>
<b>10</b>	<b>Meeting</b>	
	<p>If a meeting was held was the required quorum met?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	
<b>11</b>	<b>Details of creditors' decisions</b>	
	<p>Details of decisions including any modifications to the proposals approved by the creditors are as follows:</p> <div style="border: 1px solid black; height: 200px; width: 100%;"></div>	
<b>12</b>	<b>Details of any resolutions passed</b>	
	<p>Give details of any resolutions which were passed.</p> <div style="border: 1px solid black; padding: 5px;"> <p>In the absence of a Creditors' Committee, the remuneration of the Administrator be fixed on the basis of time properly spent by him and his staff in managing the Administration as detailed in the Administrator's Report and Proposals. The Administrator be authorised to draw remuneration on account of costs incurred as and when funds permit.</p> <p>In the absence of a Creditors' Committee, the unpaid pre-administration costs as outlined in the Administrator's proposals be approved.</p> <p>That the Administrator be authorised to draw Category 2 disbursements in accordance with his firm's published tariff.</p> <p>The Administrator will be discharged from liability under Paragraph 98(2)(b) of Schedule B1 of the Insolvency Act 1986 immediately upon his appointment as Administrator ceasing to have effect.</p> </div>	

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Date and time of decision made or resolution passed

Date

d 2 7 m 0 7 y 2 0 1 8

Time

h 1 5 : m 0 0

14

Sign and date

Administrator's  
signature

Signature

X

M Chamber

X

Signature date

d 2 7 m 0 7 y 2 0 1 8

# **Administrator's Report and Statement of Proposals Pursuant to Paragraph 49 of Schedule B1**

**Edge 1 Limited -  
In Administration  
("the Company")**

**12 July 2018**

## **EDGE 1 LIMITED - IN ADMINISTRATION**

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## EDGE 1 LIMITED - IN ADMINISTRATION

### 1 Introduction and Background

- 1.1 The Company was incorporated on 6 February 2018, with Jason Granite ("JG") and Hugh Minnock ("HM") appointed as directors. FCFM Group Limited ("FCFM") was the sole shareholder upon incorporation. Prior to incorporation the directors had through FCFM expressed an interest in purchasing the assets of Cheshire Classic Cars Limited ("CCCL"), a long established business specialising in the repair and restoration of high performance classic cars. The company was incorporated to complete the purchase. On 21 February 2018 Timothy Jones ("TJ") was appointed as a director. On 28 February 2018, CCCL entered into Administration and a sale of the assets was agreed to the Company by the Administrator. On 28 February 2018, Iain Tyrrell ("IT") a former director of CCCL and Iain Burt ("IB") the general manager were appointed as directors, JG, HM and TJ resigned.
- 1.2 The agreed consideration for the purchase of the assets comprising of Goodwill (including name and intellectual property rights), Marquee, Plant and Machinery, Motor Vehicle, Office Equipment and Book Debts/ Work in Progress was £75,000 and it was paid upon completion. The Company granted a debenture in favour of FCFM dated 28 February 2018 which purported to create a fixed and floating charge over all the assets of the Company. There is an estimated liability in relation to this debenture of £216,975 which includes the initial consideration and further advances.
- 1.3 Following the purchase of the assets the Company contacted the landlord of the trading premises at Aviation Park Flint Road, Saltney Ferry, Chester, with a view of entering into a new lease at more favourable terms. The Company also obtained further advances from FCFM under the terms of the debenture to meet payments to employees and suppliers to restart client projects.
- 1.4 On 13 March 2018 IT tendered his resignation and IB remained as the sole director. Shortly thereafter the company reviewed one debtor balance bought, and consideration was given whether legal proceeding would be required to recover the outstanding debt or alternatively whether settlement could be mutually agreed. The Company issued its first letter to the debtor on 23 March 2018 seeking repayment. The debtor subsequently responded advising that he disputed that any balance was outstanding and he was considering issuing a counter claim.
- 1.5 In late March the company agreed a sale of a vehicle on behalf of a customer and generated £10,000 of commission. The funds were utilised to maintain payments to suppliers.
- 1.6 In April it became apparent that the Company had lost its momentum and steps were identified to increase turnover. A decision was taken to look to recruit a sales and marketing manager to generate new clients and also to increase its workshop revenue through its existing customer database.
- 1.7 FCFM provided a further advance on 25 April 2018 to meet the payroll costs. At this time the company expressed an interest in the purchase of 4 vehicles from a private individual although this was not pursued due to the lack of operating funds. IB considered that the company hadn't progressed in the 2 months following the purchase of the assets from CCCL and requested a meeting with FCFM to discuss future investment to purchase new stock and to progress existing contracts. At meetings and further discussions it became apparent that FCFM were not prepared to provide any further funds as they were concerned at the lack of progress being made by the Company and its viability generally. On 13 May 2018 IB advised FCFM that as the Company was unable to meet its current liabilities and potentially the payroll costs for May, he would be seeking advice from an Insolvency Practitioner.

## EDGE 1 LIMITED - IN ADMINISTRATION

- 1.8 As a result, Michael Chamberlain of Chamberlain & Co, Resolution House, 12 Mill Hill, Leeds, LS1 5DQ met IB and provided relevant advice concerning potential options including Administration, Liquidation and Company Voluntary Arrangement. Consequently he was appointed Administrator by the Company on 21 May 2018. Michael Chamberlain is licensed to act as an insolvency practitioner in the UK by the ICAEW.
- 1.9 Information about the way that we will use, and store personal data in relation to insolvency appointments can be found on our website [www.chamberlain-co.co.uk](http://www.chamberlain-co.co.uk) and is located in General Data Protection Regulation (GDPR) in the Resources section. If you are unable to download this, please contact my office and a hard copy will be provided to you
- 1.10 The EU Regulation on Insolvency Proceedings 2000 applies to the Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.
- 1.11 This report incorporates the Administrator's statement of proposals made under paragraph 49 of Schedule B1, which will be treated as delivered to creditors on 16 July 2018.

## 2 Administration Strategy and Objective

- 2.1 The Administrator must perform his 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 Administrator's functions are being carried out with the objective of achieving a better realisation for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in liquidation). The Administrator believes this will result in realisations being available to the secured creditors of the Company which also fulfils a purpose of the Administration under Paragraph 3 of Schedule B1 of the Insolvency Act 1986.

### Progress Since Appointment

- 2.3 Upon my appointment I made an assessment of the company's position and it was evident that there were no funds available to meet the costs of payroll and other essential costs and therefore the employees were made redundant immediately. The company director agreed to assist in an orderly close down of the business.
- 2.4 I instructed M A Steel (MRICS) of Michael Steel & Co Chartered Surveyors of Leeds ("The Agents") to undertake a valuation of the assets of the company and advise upon the options of sale. The valuation was prepared on an in situ and ex situ basis. The Agents attended on site and considered that a sale of the business was unlikely given the previous administration and that offers should be invited for the assets only. They considered that the assets would have an in situ value of between £14,000 and £19,000 and an ex situ value of £8,000 and £11,000. The difference relates mainly to the value of the marquee showroom installed on a concrete pad, the costs of removal of which would be significant.
- 2.5 In addition I reviewed the documentary evidence provided by the director in relation to the book debts which comprised one debt amounting to £29,000 plus VAT. The debtor had disputed the debt prior to my appointment and continues to do so. In view of the nature of the dispute I do not propose to comment further at this time.



## **EDGE 1 LIMITED - IN ADMINISTRATION**

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

- 2.6 Following my appointment, the strategy for the Administration was carefully assessed to ensure that a coherent planned process for the case could be achieved. This work will, where appropriate, have included dealing 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.
- 2.7 I 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 also advertising my appointment in the London Gazette.
- 2.8 Other statutory duties performed are outlined in further detail in the fees estimate/fees information which can be found at Appendix E. 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**

#### **Marquee, Office Equipment, Motor Vehicle and Stock**

- 2.9 As detailed above my agents attended the site and provided a valuation of the chattel assets. They contacted a number of companies with a similar business interest and also held discussions with a number of companies that the director advised may have an interest. In addition the landlord provided details of several tenants who expressed an interest in certain assets. Offers were invited from all parties and a deadline of 4 June 2018 was set for best and final offers. An extension to 13 June was granted as further interest was generated via the landlord. On 14 June 2018 a sale of the majority of assets to 3 separate parties was agreed upon my agent's advice for the consideration of £12,750. A sale of the motor vehicle has been agreed in the sum of £2,500 however the agents have yet to receive the funds from the purchaser. My agents are currently holding the sale proceeds to meet the costs associated with the sale and the repair of the vehicle.

### **Book Debt**

- 2.10 As detailed above upon my appointment I determined that 1 debt from a customer remained outstanding with a balance outstanding of some £29,000 plus VAT. The debt was disputed by the customer via his solicitors prior to my appointment. Shortly after my appointment, having reviewed all the documentary evidence I wrote to the debtor's solicitors setting out the basis of the claim. However I was informed that he was no longer acting and the debtor was representing himself.
- 2.11 I can also confirm that upon appointment I collected a cheque from the company from a debtor in the sum of £2,626.09 in relation to works undertaken in the trading period. In addition I have also received a DVLA refund in the sum of £30.30. I am not aware of any other debtors other than the disputed debt detailed above.

### **Intellectual Property and Goodwill**

- 2.12 The intellectual property and goodwill of the Company have not yet been realised and it is currently unknown whether any realisation will be made from these assets.
- 2.13 The work undertaken by the Administrator and his 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 my progress reports.
- 2.14 Further information on the estimated outcome of the Administration can be found in section 9 below.

## EDGE 1 LIMITED - IN ADMINISTRATION

### Creditors

- 2.15 I consider that the following matters worth noting in my report to creditors at this stage;
- FCFM hold a fixed and floating charge under the terms of their debenture dated 28 February and the balance outstanding is approximately £216,975,
  - Preferential creditors' claims are estimated at £7,810 relating to claims from former employees for arrears of wages and holiday pay
  - In addition there are approximately 15 unsecured creditor claim in this case with an estimated value of 19,081
- 2.16 At present it is uncertain as to whether a dividend will become payable to creditors due to the uncertainty of realisations from the book debt.

### Investigations

- 2.17 Some of the work the Administrator is 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 the Liquidator can pursue for the benefit of creditors.
- 2.18 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account any information provided by creditors. I can confirm that I am not aware of any matters that will require further investigation.
- 2.19 I can confirm that I have yet to submit my report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I will be unable to disclose the contents.

### 3 Administrator's Receipts and Payments

- 3.1 A summary of receipts and payments for the Administration period from the date of my appointment to 13 July 2018 is attached at Appendix B

### 4 Financial Position

- 4.1 A Statement of the Company's Affairs has not yet been received. Attached at Appendix C is a summary of the Estimated Financial Position of the Company as at 13 July 2018 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 Proposals

- 5.1 It is proposed that the Administrator will continue to manage the affairs of the Company in order to achieve the objective of the Administration. In the circumstances it is proposed that:
- 5.2 If the Administrator thinks that the Company has no property which might permit a distribution to its creditors, he will file a notice with the Court and the Registrar of Companies for the dissolution of the Company.

## EDGE 1 LIMITED - IN ADMINISTRATION

- 5.3 The Administrator shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration
- 5.4 If the Administrator considers it necessary to extend the period of the Administration, he 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 Administrator's term of office be extended for a specified period determined by it.
- 5.5 The creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Administrator's remuneration and disbursements and any proposed act on the part of the Administrator without the need to report back to creditors generally, to include any decision regarding the most appropriate exit route from the Administration.
- 5.6 The basis of the Administrator's 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 him:
- As a percentage of the value of the assets he has to deal with. or
  - By reference to time properly spent by the Administrator and his staff managing the Administration
  - As a set amount
- 5.7 Where no Creditors' Committee is appointed the remuneration and disbursements of the Administrator shall be fixed by a decision of creditors or where the Administrator thinks 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 Administrator will also seek approval for any unpaid pre-administration costs detailed in this report and his discharge from liability in the same manner.
- 5.8 In this case, the Administrator is seeking to approve the basis of his remuneration as follows:
- By reference to the time properly spent by the Administrator and his staff in attending to matters arising in the Administration
- 5.9 Further details about the proposed fee basis can be found in Section 8 below and Appendix E.
- 5.10 The Administrator will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon his appointment as Administrator ceasing to have effect.

## 6 Exit Routes

- 6.1 All Administrations automatically comes 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 I do not believe that an extension to the period of Administration will be necessary, however I will confirm the position to creditors in a subsequent progress report in due course.
- 6.1 Based on information currently available, the following information is provided on the exit route(s) we believe may be appropriate in this Administration.

## **EDGE 1 LIMITED - IN ADMINISTRATION**

### ***Creditors Voluntary Liquidation***

- 6.2 Based on present information, the Administrator thinks a dividend will not be paid to the unsecured creditors other than by virtue of the Prescribed Part. However, should a dividend become available to unsecured creditors other than by virtue of the Prescribed Part, the Administrator will either make an application to Court to enable him to make a distribution to unsecured creditors in the Administration or he will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation (CVL) to facilitate this distribution. It is proposed that the Administrator in office at the date of conversion to CVL will become the Liquidator of the CVL.
- 6.3 Creditors have the right to nominate an alternative liquidator of their choice. To do this, creditors must make their nomination in writing to the Administrator prior to these proposals being approved. Where this occurs, the Administrator will advise creditors and provide the opportunity to vote. In the absence of a nomination, the Administrator will automatically become the Liquidator of the subsequent CVL.

### ***Dissolution of the Company***

- 6.4 Based on present information, the Administrator thinks 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 secured and/or 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 Administrator's final report, for the dissolution of the Company.
- 6.5 The Administrator's 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 Administrator concludes 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 Administrator will become the Liquidator 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 Administrator, 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 I can confirm that there are no pre appointment costs in this matter

## **EDGE 1 LIMITED - IN ADMINISTRATION**

### **8 Administrator's Remuneration**

- 8.1 As Administrator, I am required to provide creditors with details of the work I propose to undertake in the Administration and the expenses I consider will be, or are likely to be, incurred in dealing with the Company's affairs, prior to determining the basis upon which my remuneration will be fixed.
- 8.2 In addition to this, where an Administrator seeks agreement to the basis of his remuneration by reference to time properly spent by him and his 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, I am seeking to agree that my remuneration be based on the time properly spent by me and my staff in dealing with the affairs of the Company. My fees estimate and details of the work I propose to undertake in the Administration can be found at Appendix E and further information on the work done since my appointment to the date of this report can be found in section 2.
- 8.4 Please note that where appropriate, the fees estimate may be to a particular stage of the case only and if I consider the estimate will be exceeded during the Administration, I am obliged to seek further approval for any increase in my remuneration. The fees estimate provides details of these matters where relevant and appropriate approval to the basis of my remuneration will be sought as outlined in section 5 of this report.
- 8.5 For information, attached at Appendix D is a time matrix outlining the time spent by me and my staff since the date of my appointment as Administrator. This time is included within the overall fees estimate provided with this report.
- 8.6 In circumstances where my initial investigations reveal matters for further detailed investigation or previously unknown assets to be realised, I reserve the right to refer back to creditors to establish how I am to be remunerated for such additional work, which may be proposed on a time cost basis. If such work proves necessary, I will revert to creditors with my fees estimate for approval.
- 8.7 I will provide updates on the expenses I consider will be, or are likely to be, incurred during this case with my progress reports in due course.
- 8.8 An Administrator may include details of the remuneration he anticipates will be charged and the expenses he anticipates will be incurred if he becomes the Liquidator in the subsequent CVL. This can be done when seeking approval to the basis of his remuneration as Administrator, or alternatively his fees estimate for the CVL can be provided once the Company has moved into CVL. Please refer to Appendix E to this report for further information.
- 8.9 A copy of "A Creditors' Guide to Administrators' Fees, Version 4" is available on request or can be downloaded from our website [www.chamberlain-co.co.uk](http://www.chamberlain-co.co.uk) and is located in Creditors Guides to Fees in the Resources section. If you would prefer this to be sent to you in hard copy please contact David Render of this office on 0113 2420808.

### **9 Estimated Outcome**

- 9.1 An estimate of the outcome of the Administration as at 13 July 2018 is attached as Appendix C.
- 9.2 Based on the directors' Estimated Statement of Affairs attached to this report the estimated value of the preferential creditors is £7,810, the amount due to FCFM under the terms of the debenture is £216,975 and the unsecured creditors is £47,782.

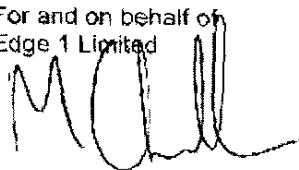
## EDGE 1 LIMITED - IN ADMINISTRATION

- 9.3 The Company granted a floating charge to FCFM Group Limited on 28 February 2018. Accordingly, I am required to create a fund out of the Company's net floating charge property for the benefit of unsecured creditors (known as the **Prescribed Part**).
- 9.4 Based on present information, I estimate the value of the Company's net floating charge property to be NIL. Arising from this, the value of the unsecured creditors' fund is estimated to be NIL. Please be aware that the value of this fund is likely to fluctuate during the course of the Administration and further updates will be provided in my progress reports in due course.

### 10 Proposals approval and next report

- 10.1 I am seeking a decision of creditors on the approval of my proposals by a virtual meeting this information is required in the proposals by R3.35(k). The letter issued to creditors with this report (or the link to this report) contains further information about this decision process.
- 10.2 An Administrator is required to provide a progress report within one month of the end of the first six months of the Administration and I will report to you again at this time.

For and on behalf of  
Edge 1 Limited



**Michael Chamberlain**  
Administrator

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## EDGE 1 LIMITED - IN ADMINISTRATION

### Appendix A

#### Statutory Information

##### 1 Company information

Company name	Edge 1 Limited
Trading name(s)	Cheshire Classic Cars
Registered number	11188892
Registered office address	Resolution House 12 Mill Hill Leeds LS1 5DQ
Former registered office address	39 Sloane Street London SW1X 9LP
Trading address(es)	Aviation Park Flint Road Saltney Ferry Chester CH4 0G2
Court details	Leeds District Registry
Court reference number	427 of 2018

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

	Date appointed	Date resigned	Shares held
Director			
Iain James Burt	28 February 2018		0
Iain Lawrence Tyrrell	28 February 2018	23 March 2018	0
Secretary			
None			

##### 3 Administrator's Details

Name of Administrator	Michael Chamberlain
Address	Resolution House 12 Mill Hill Leeds LS1 5DQ
Telephone Number	0113 2420808
Fax Number	0113 2420866
Administrator's IP Number	0/008735/01
Authorising Body	ICAEW
Date of Appointment	21 May 2018

**EDGE 1 LIMITED - IN ADMINISTRATION**

**Appendix B**

**Receipts and Payments Account for the Period from 21 May 2018 to 12 July 2018**



**Edge 1 Limited**  
**(In Administration)**  
**Administrator's Summary of Receipts & Payments**

Statement of Affairs £		From 21/05/2018 To 12/07/2018 £	From 21/05/2018 To 12/07/2018 £
	<b>SECURED CREDITORS</b>		
(216,973.00)	Due to Chargeholder (1)	NIL NIL	NIL NIL
	<b>ASSET REALISATIONS</b>		
	Book Debts	2,626.09	2,626.09
	DVLA Refund	30.30	30.30
	Bank Interest Gross	0.13	0.13
		2,656.52	2,656.52
	<b>COST OF REALISATIONS</b>		
	Specific Bond	150.00	150.00
	Statutory Advertising	71.00	71.00
	Court Fee	50.00	50.00
		(271.00)	(271.00)
	<b>PREFERENTIAL CREDITORS</b>		
(4,915.07)	Employees - Wage Arrears	NIL	NIL
(2,895.50)	Employees - Holiday Pay	NIL NIL	NIL NIL
	<b>UNSECURED CREDITORS</b>		
(13,375.31)	Trade & Expense	NIL	NIL
(13,197.04)	Employees - Redundancy	NIL	NIL
(8,578.27)	Employees - Pay in Lieu of Notice	NIL	NIL
(5,656.49)	H M Revenue & Customs	NIL	NIL
(6,977.62)	Employees - Arrears of Wages	NIL NIL	NIL NIL
<b>(272,568.30)</b>		<b>2,385.52</b>	<b>2,385.52</b>
	<b>REPRESENTED BY</b>		
	VAT Receivable		14.20
	Current A/c		2,421.32
	Office		(50.00)
			<b>2,385.52</b>



Michael Chamberlain  
Administrator

**EDGE 1 LIMITED - IN ADMINISTRATION**

**Appendix C**

**Summary of the Estimated Financial Position of the Company as at 12 July 2018**

EDGE 1 LIMITED

ESTIMATED OUTCOME STATEMENT  
AS AT JULY 2018

	Notes	Administration £
<u>Assets not specifically pledged</u>		
Book Debts	1	1
Book Debts - Realised		2,626
Tangible Assets	2	15,250
DVLA Refund	30	30
<b>Total assets available</b>		<b>17,907</b>
Less: estimated costs incurred in insolvency proceedings		17,907
<b>Balance available for preferential creditors</b>		<b>0</b>
Accruals of Wages Holiday Pay		(4,915) (2,807)
<b>Balance available to floating charge holders</b>		<b>(7,810)</b>
ECFM Limited		(216,973)
Prescribed Part	3	0
<b>Balance available to floating charge holders after prescribed part</b>		<b>(224,783)</b>
Prescribed Part	3	0
<b>Balance available for unsecured creditors</b>		<b>(224,783)</b>
Trade Creditors		(12,375)
H M Revenue & Customs		(5,556)
Employees - Accruals of Wages		(6,970)
Employees - Pay in Lieu of Notice		(1,776)
Employees - Redundancy Pay		(1,419)
<b>Estimated surplus/(deficit)</b>		<b>(371,507)</b>

Notes:

1) The company's book debt of £25,729 is disputed and subject to current legal proceedings and for purpose of estimated outcome we have estimated to realise £1

2) Assets sold and funds held by agents

3) no amounts due under prescribed part as net assets are estimated to be less than £10,000

**EDGE I LIMITED**

**ESTIMATED COSTS**

	Administration £
Statutory Advertising	142
Specific Bond	150
Court Fee	50
Agent's Fee	2,000
Rent	5,000
Rates	1,500
IT Costs	695
Administrator's Remuneration	8,370
	17,907

**Chamberlain & Co**  
**Edge 1 Limited**  
**B - Company Creditors**

Key	Name	Address	£
CA00	Aviva Credit Services UK Limited	Pitheavils, Perth, Scotland, PH2 0TQ	0.00
CB00	Bespoke Car Interiors	Unit 3 Brook Farm Swineyard Lane, High Legh, Knutsford, WA16 0SD	4,500.00
CB01	Birchills Telecom	200 Rookery Lane, Aldridge, Walsall, WS9 8NP	90.56
CC00	CCB Property Partnership LLP	International House, Aviation Park, Flint Road, Chester, CH4 0GZ	5,399.96
CE00	Euro Car Parts	2 & 4 Talbot Way, Sealand ind Estate, Chester, CH1 4LX	403.85
CE01	Employee - Arrears of Wages		11,892.69
CE02	Employees - Holiday Pay		2,895.50
CE03	Employees - Pay in Lieu of Notice		8,578.27
CE04	Employees - Redundancy Pay		13,197.04
CF00	Flintshire County Council		0.00
CF01	FCPM Limited	Revenue Services, County Hall, Mold, Flintshire, CH7 6NA	216,973.00
CH00	H M Revenue & Customs	29 Sloane Street, London, SW1X 9LP	5,656.49
CJ00	Gareth Jones	Worthing Enforcement Office, Barrington Road, Worthing, West Sussex, BN12 4XH	153.74
CJ01	Jackson Fire & Safety	Bayonne, Haford Moor, Hafod Road, Gwernaffield, Mold, CH7 5ET	352.20
CK00	KBH Accountants	St David's House, 6 Queens Lane, Bromfield Industrial Estate, Mold, Flintshire, CH7 1JR	1,036.50
CO00	Office Watercolours	255 Poulton Road, Wallasey Wirral, CH44 4BT	85.90
		Waterloo House, 112-116 Anglesey Court, Towers Business Park, Rugeley, Staffs, WS15 1UL	
CR00	RED Fabrication & Preparation	Unit 7, Rectors Lane,, Pentre, Deeside, CH5 2DH	815.00
CS00	SAS Daniels	30 Greek Street, Stockport, Cheshire, SK3 8AD	360.00
CT00	Talk Talk Business	PO Box 674, Salford, M5 0NJ	0.00
CW00	Wrexham Radiators	Bridge Street, Wrexham, LL13 7HP	177.60
<b>20 Entries Totalling</b>			<b>272,568.30</b>

Signature

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**EDGE 1 LIMITED - IN ADMINISTRATION**

**Appendix D**

**Time Analysis for the Period from 21 May 2018 to 12 July 2018**

**Chamberlain & Co****TIME & CHARGEOUT SUMMARIES**

Edge 1 Ltd

21/05/2018 to 12/07/2018

**HOURS**

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	0.00	5.95	0.00	1.40	7.35	1,364.50	185.65
Investigations	0.00	0.80	0.00	0.00	0.80	196.00	245.00
Realisation of Assets	0.00	15.30	0.00	0.00	15.30	3,897.00	254.71
Trading	0.00	0.50	0.00	0.00	0.50	130.00	260.00
Creditors	0.00	12.10	0.00	0.00	12.10	2,960.00	244.63
Total Time Cost	0.00	8,450.00	0.00	97.50		8,547.50	
Total Hours	0.00	34.65	0.00	1.40	36.05		
Average Rate	0.00	243.87	0.00	68.64			
Total Fees Claimed						0.00	

## EDGE 1 LIMITED - IN ADMINISTRATION

### Appendix E

#### Additional Information in Relation to Administrator's Fees

##### 1 Fee Basis

- 1.1 The Administrator is seeking to agree the basis of his remuneration in this case as time properly spent by him and his staff in dealing with the affairs of the Company. Attached to this appendix are details of the work the Administrator proposes to undertake and the expenses the Administrator considers will be, or are likely to be, incurred. Information about the work done to date can be found in the body of the Administrator Report and Statement of Proposals at Section 2
- 1.2 Where a time cost basis is being sought, the Administrator's fees estimate will be included in this information, which also provides details of the rates the Administrator and his staff propose to charge for each part of that work and the time he anticipates each part of that work will take.
- 1.3 The fees estimate is based on information about the Company's affairs available to the Administrator at the present time. Should any matters arise which impact on this estimate such as additional investigatory matters or potential realisable assets, further time or cost will be incurred and it may be necessary to revise the Administrator's estimate of fees.
- 1.4 In this case, I do not anticipate that it will be necessary to seek further approval to increase the level of the fees estimate if the time incurred is in excess of the fees estimate enclosed with this report.

##### 2 Expenses

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

Expense	Provider	Basis of the arrangement	Cost to date £
Book debt collection	FCFM Group Limited	Basis still to be agreed	
Agent's costs in dealing with property/chattel asset sales	Michael Steel & Co	SA to advise on basis agreed	
Statutory advertising	EPE Reynell Advertising Limited	Cost = £71 per advert	71.00
Administrator's bond	Marsh Limited	Specific Premium	150.00
Court Fee	H M Courts & Tribunal Service	Cost = £50.00	50.00

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

- 3.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 3.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. Where the basis of the Administrator's remuneration is being proposed on a time cost basis, details of our current charge-out rates can be found below.



## EDGE 1 LIMITED - IN ADMINISTRATION

3.3 I am not proposing to utilise the services of any sub-contractors in this case.

### 4 Administrator's Disbursements

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

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

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

### 5 Charge-out Rates

5.1 A schedule of Chamberlain & Co charge-out rates for this assignment effective from 1 September 2017 is detailed below. Please note this firm records its time in minimum units of 6 minutes.

5.2

Grade	£ per hour 01/09/17
Directors	300-350
Managers	205-295
Other Senior Professionals	105-200
Assistants and Support Staff	30-100

## **Edge 1 Limited (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 insolvency practitioner agreeing the basis of his remuneration as Administrator, 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 a company's affairs must be provided to creditors.

In addition, where the Administrator proposes to take all or any part of this remuneration based on the time he and his staff will spend dealing with the affairs of the insolvent company, 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 Administration. If it is considered that the **fees estimate** will be exceeded, the Administrator will provide an update and seek approval to increase the previously agreed **fees estimate**.

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

Some of the work undertaken by an insolvency practitioner 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.

Where the work to be done is anticipated to produce a financial benefit to creditors, this will be stated and it may be necessary for the Administrator to instruct third parties to assist in this process because of a particular expertise that the third party may bring such as valuation, tax or legal advice.

Where it is practical to do so, an Administrator will provide an indication of the likely return to creditors when seeking approval for the basis of his remuneration. Again due to the complex nature of the work undertaken by insolvency practitioners and the uncertainties that may exist in relation to the realisation of a company's assets at the outset of a case, this may not be possible. An Administrator is however, required by statute to provide periodic reports to creditors on the progress of a case which will include an update as to the likely return creditors may expect.

#### ***Proposed Fee Basis***

In this case, it is being proposed that the basis of my remuneration as Administrator will be based on the time spent by me and my staff in dealing with the Company's affairs. Attached to this document is my **fees estimate**, together with 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. In order to aid understanding, for the purposes of my **fees estimate**, I have indicated an average blended rate of the 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.

This *fees estimate* is produced on the basis of all the work I currently propose will be necessary in the Administration. If I consider the *fees estimate* will be exceeded I will notify creditors accordingly, provide a revised estimate and seek further approval for my increased fees

### ***Outline of work to be done by the Administrator***

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

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

Administrators are required to carry out certain tasks in nearly every insolvency assignment, namely administrative duties and dealing with the Company's 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 includes:

- Notifying creditors of the Administrator's appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House
- Preparing and issuing the Administrator's statement of proposals for achieving the purpose of the Administration and thereafter providing periodic progress reports to members and creditors (typically every 6 months)
- Lodging periodic returns with the Registrar of Companies for the Administration
- Complying with statutory duties in respect of the Administrator's specific penalty bond
- Creation and update of case files on the firm's insolvency software
- Redirection of the Company's mail to the Administrator's office where necessary
- Establishing and holding periodic meetings of the creditors' committee and associated filing formalities (if a committee is appointed)
- Securing the Company's books and records
- Pension regulatory reporting and auto-enrolment cancellation
- Completion and filing of the notice of the Company's insolvency to HMRC
- Initial assessment required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 (CDDA) including the review of the Company's books and records and the identification of potential further asset realisations which may be pursued in the Administration
- Submitting a statutory report to the Insolvency Service under the CDDA
- Periodic case progression reviews (typically at the end of Month 1 and every 6 months thereafter)
- Opening, maintaining and managing the Administration estate cashbook and bank account(s)
- Dealing with all post-appointment VAT and corporation tax compliance
- Liaison with secured creditors, obtaining charge documents and validating the security
- Dealing with employees to provide support and assistance in lodging any claims they may be entitled to make for unpaid wages, holiday pay and other statutory entitlements from the National Insurance Fund and the Company. Liaising with (or appointing) union representatives and payroll providers and reviewing employment contracts as necessary

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

As outlined in the Administrator's proposals, since appointment the Administrator and his staff have pursued the realisation of the Company's assets via the sale of its assets with the assistance of nominated agents, together with the collection of the Company's report. Details of the strategy is included in the body of the Administrator's proposals.

Work done by the Administrator, his staff and any third parties engaged to assist the Administrator in realising the Company's assets will, not provide a financial benefit to creditors.

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

As Administrator, 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 director's 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 Administration process and the related costs and expenses, a distribution will not be available to creditors. I will either deal with the review and adjudication of creditors' claims in the Administration or if appointed liquidator, in the subsequent liquidation, if a dividend is to be declared to creditors.

It should be noted that the above is based on the directors estimated statement of affairs and the projected realisable value of the Company's assets which at this stage is unconfirmed, together with the anticipated costs of the Administration. I will confirm the likely return to creditors in my future progress reports.

### ***Investigations***

As Administrator, I am required to conduct investigations into the conduct of the director 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. I have included the time I consider will be needed to comply with the above legislation within *Administration* above.

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

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

### ***Administrator's Expenses***

As also noted, I am required to provide creditors with details of the expenses I consider will be, or are likely to be, incurred in the Administration. These may include expenses such as agent's costs for assisting in the disposal and realisation of the company's physical assets or other routine expenses associated with an insolvency case such as statutory advertising costs or the office holder's specific penalty bond.

Below is a summary of the expenses I consider will be, or are likely to be, incurred in this case. I will provide a further update to creditors in my subsequent progress reports.

Expense	Estimated cost
Agents' costs for Michael Steel & Co	1,000.00
Statutory advertising	142.00
Specific penalty bond	150.00
Legal Fees	2,000.00

### ***Chamberlain & Co's Charge-out rates and Category 2 disbursements policy***

Attached to this document are details of my firm's current charge out rates and policy regarding the re-charge of Category 2 disbursements.

Category 2 disbursements require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Any Category 2 disbursements which this firm proposes to charge in this case are reflected in the table of expenses above. Approval to charge these will be sought from creditors when the basis of my remuneration as Administrator is fixed.

It should be noted that my firm's charge-out rates may increase periodically. If any such increases impact on the *fees estimate* for the Administrator, creditors will be notified accordingly.

### **Administrator's Fees Estimate**

Below is my *fees estimate* for the Administration. The work the Administrator anticipates undertaking in relation to this estimate has been outlined above. If I consider this estimate will be exceeded, I will advise creditors and seek approval for my revised *fees estimate* as appropriate.

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Administration (inc statutory compliance & reporting)	23.00	260.43	5,990.00
Realisation of assets	22.00	282.95	6,225.00
Creditors (claims & distributions)*	19.00	265.79	5,060.00
Investigations	12.00	223.33	2,680.00
<b>Total estimated fees</b>			<b>£19,945.00</b>

Chamberlain & Co

Time & Chargeout Summaries

Edge 1 Ltd

Classification of work function	ESTIMATED			ACTUAL		
	Total Hours	Time Cost	Average Hourly Rate	Total Hours	Time Cost	Average Hourly Rate
		£	£		£	£
Administration and planning	23.00	5,990.00	260.43	7.60	1,405.00	184.87
Investigations	12.00	2,680.00	223.33	0.80	196.00	245.00
Realisation of assets	22.00	6,225.00	282.95	15.30	3,897.00	254.71
Trading	0.00	0.00	0.00	0.50	130.00	260.00
Creditors	19.00	5,050.00	265.79	12.80	3,139.00	245.23
Total	<b>76.00</b>	<b>19,945.00</b>		<b>37.00</b>	<b>8,767.00</b>	

Category 1 & 2 Disbursements

Type & Purpose	ESTIMATED	ACTUAL
Agents' Fees	1,000.00	0.00
Bordereau	150.00	0.00
Legal Fees	2,000.00	0.00
Statutory Advertising	142.00	0.00
Total	<b>3,292.00</b>	<b>0.00</b>