

AM10

Notice of administrator's progress report



Companies House

SATURDAY



A47 *A7LC1P0J* 22/12/2018 #277
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

Postcode L S 1 5 D Q

Country

4 Administrator's name ①

Full forename(s)

Surname

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

5 Administrator's address ②

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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Notice of administrator's progress report

6 Period of progress report

From date	d	2	d	1	m	0	m	5	y	2	y	0	y	1	y	8
To date	d	2	d	0	m	1	m	1	y	2	y	0	y	1	y	8

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

M Chamber

X

Signature date

j	1	d	9	m	1	m	2	y	2	y	0	y	1	y	8
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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	Michael Chamberlain
Company name	Chamberlain & Co
Address	Resolution House 12 Mill Hill
Post town	Leeds
County/Region	
Postcode	L S 1 5 D Q
Country	
DX	
Telephone	0113 2420808



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 the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

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

Statement of Affairs £		From 21/05/2018 To 20/11/2018 £	From 21/05/2018 To 20/11/2018 £
	SECURED CREDITORS		
(216,973.00)	FCFM Group Limited	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
	Book Debts	2,626.09	2,626.09
	Cash at Bank	263.35	263.35
	DVLA Refund	30.30	30.30
	Bank Interest Gross	0.28	0.28
		2,920.02	2,920.02
	COST OF REALISATIONS		
	Specific Bond	150.00	150.00
	Statutory Advertising	142.00	142.00
	Rates	1,914.83	1,914.83
	Advertisement re Business	195.00	195.00
	Court Fee	50.00	50.00
		(2,451.83)	(2,451.83)
	PREFERENTIAL CREDITORS		
(4,915.07)	Employees - Wage Arrears	NIL	NIL
(2,895.50)	Employees - Holiday Pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(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
(272,568.30)		468.19	468.19
	REPRESENTED BY		
	Current A/c		450.79
	Office		(50.00)
	Vat Control Account		67.40
			468.19



Michael Chamberlain
Administrator

Administrator's Progress Report

Edge 1 Limited - In Administration

Period Ended: 20 November 2018

Dated: 19 November 2018

Edge 1 Limited - IN ADMINISTRATION

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- A** Receipts and Payments Account from 21 May 2018 to 20 November 2018.
- B** Time Analysis for the period 21 May 2018 to 20 November 2018.
- C** Additional Information in Relation to the Administrator's Fees, Expenses & Disbursements.

THE ADMINISTRATOR'S PROGRESS REPORT

1 Introduction

- 1.1 I was appointed Administrator of Edge 1 Limited (the **Company**) on 21 May 2018. The appointment was made by the director of the Company.
- 1.2 This Administration is being handled by Chamberlain & Co at Resolution House, 12 Mill Hill, Leeds, LS1 5DQ. The Administrator's contact details are by phone on 0113 2420808 or via email at mail@chamberlain-co.com. The Administration is registered in the Leeds District Registry, reference number 427 of 2018.
- 1.3 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 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 copy will be provided to you.
- 1.4 The trading address of the Company was Aviation Park, Flint Road, Saltney Ferry, Chester, CH4 0G2. The business traded under the name Cheshire Classic Cars.
- 1.5 The former registered office of the Company was 39 Sloane Street London SW1X 9LP. This has been changed to Resolution House, 12 Mill Hill, Leeds, LS1 5DQ. Its registered number is 11188892.
- 1.6 As Administrator, I am required to provide a progress report covering the period of six months commencing from the date the Company entered Administration and every subsequent period of six months. This progress report covers the period from 21 May 2018 to 20 November 2018 (**the Period**) and should be read in conjunction with my earlier proposals report.

2 Receipts and Payments

- 2.1 My Receipts and Payments Account covering the Period of this report is attached at Appendix A.
- 2.2 In addition to asset realisations, 28p has been received in respect of interest during the Period.

3 Progress of the Administration

- 3.1 You may recall that the statutory objective being pursued in the Administration was 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 administration). 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 ("the Act").
- 3.2 In addition to the pursuance of this statutory objective, the Administrator has duties imposed by insolvency and other legislation, some of which may not provide any financial benefit to creditors.
- 3.3 This section of the report provides creditors with an update on the progress made in the Period, both in terms of the achievement of the statutory objective, but also work which is required of the Administrator under other related legislation.
- 3.4 At Appendix A is my Receipts and Payments Account covering the period of this report.

Edge 1 Limited - IN ADMINISTRATION

- 3.5 Attached at Appendix B is a time analysis outlining the time spent by the Administrator and his staff during the Period.
- 3.6 Further information about the basis of remuneration agreed in this case and the Administrator's fees estimate can be found in section 4 of this report, together with any relevant information about revisions to my initial estimate, where applicable.

Administration (including statutory compliance & reporting)

- 3.7 As noted above, the Administrator must comply with certain statutory obligations under the Act and other related legislation. Details about the work that I anticipated would need to be done in this area was outlined in my initial fees estimate/information.
- 3.8 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Administrator.
- 3.9 As noted in my initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.
- 3.10 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.

Realisation of Assets

- 3.11 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.

Marquee, Office Equipment, Motor Vehicle and Stock

- 3.12 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 sales of the majority of assets to 3 separate parties was agreed upon my agent's advice for the total consideration of £15,500 plus VAT.
- 3.13 One of the purchasers was a connected party by virtue of them being a former director of the Company, further details in relation to this transaction can be found in later in this report.
- 3.14 My agents are currently holding the sale proceeds from which they have met the costs associated with the sale totalling £8,370. This included a payment of £5,881 to the landlord in relation to rent for the period during which the assets of the Company were being marketed prior to the completion of the above sales.
- 3.15 The Agents will be accounting to me for the remaining balance of the sale proceeds after deduction of their fees. Further details of the fees incurred by the Agents can be found in Appendix C.

Edge 1 Limited - IN ADMINISTRATION

Book Debts

- 3.16 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.
- 3.17 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.
- 3.18 I then wrote to the debtor who continued to dispute the debt and continues to do so. In view of the nature of the dispute I do not propose to comment further at this time. However, I anticipate the matter will be resolved in the near future and I will provide further details in my next report to creditors.
- 3.19 Additional costs of £1,109 have been settled by the Agents from the above asset sale proceeds in relation to the storage of the vehicle subject to the disputed book debt. Monthly storage costs continue to be incurred at £132 plus VAT per month.
- 3.20 Additional time has been incurred in relation to the realisation of assets above the estimate provided to in my fee estimate. This is mainly due to the ongoing correspondence in relation to the disputed debt. Further details on the impact on my initial fees estimate is provided in section 4 below.
- 3.21 Upon my appointment, the Company was in possession of a cheque from a customer for £2,626 in relation to works undertaken prior to my appointment. The cheque was banked and realised in the Administration.
- 3.22 A refund of £30 was received from the DVLA.
- 3.23 I am not aware of any other debts and the only potential for further book debt realisations would be from the disputed debt mentioned above.

Intellectual Property and Goodwill

- 3.24 There has been no interest in relation to the acquisition of the intellectual property and goodwill of the Company. It is anticipated that no realisation will be achievable in this regard.

Cash at Bank

- 3.25 Following my appointment and the closure of the Company's bank account a credit balance of £263 was received in the Administration.
- 3.26 It is considered that the work the Administrator and his staff have undertaken to date will not bring a financial benefit to creditors due to insufficient realisations.

Connected party transactions

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

Transaction	Description of assets	Value	Buyer	Relationship
14 June 2018	Garage equipment, furnishings & stock	4,000 plus VAT	Ian Tyrrell	Former director

- 3.28 The sale was agreed on my agent's advice who also had the responsibility for the completion of the sale and collection of the proceeds.

Creditors (claims and distributions)

- 3.29 Further information on the anticipated outcome for creditors in this case can be found at section 5 of this report. An Administrator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 3.30 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 3.31 The above work will not necessarily bring any financial benefit to creditors generally, 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 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.
- 3.32 I consider the following matters worth noting in my report to creditors at this stage:
- There are approximately 22 unsecured creditor claims in this case with a value per the estimated outcome statement contained in the Administrator's report and statement of proposals of £47,784. To date claims have been received from 12 unsecured creditors totalling £19,948.
 - There were 7 employees who have preferential creditor claims in this case with a value per the estimated outcome statement contained in the Administrator's report and statement of proposals of £7,810. I have yet to receive the claim from the Redundancy Payment Services ("RPS") in relation to their subrogated claim for any preferential payments made from the National Insurance Fund to employees. Until such a claim is received, I am unable to ascertain the true level of preferential claims including whether any employees have preferential claims in addition to the statutory amounts paid out by the RPS.
 - There is one secured creditor who is owed £216,973.

Investigations

- 3.33 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 Administrator can pursue for the benefit of creditors.
- 3.34 I can confirm that I have submitted a 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 am unable to disclose the contents.
- 3.35 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 information provided by creditors either at the initial meeting (where held) or as a response to my request to complete an investigation questionnaire. My investigations have not revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors.

Edge 1 Limited - IN ADMINISTRATION

4 Pre-administration Costs

- 4.1 As reported in my proposals dated 12 July 2018. I can confirm that there are no pre appointment costs in this matter.

5 Administrator's Remuneration

- 5.1 The basis of the Administrator's fees has been fixed in the Administration by reference to the time properly spent by me and my staff in managing the Administration. My fees estimate/information was originally provided to creditors when the basis of my remuneration was approved and was based on information available to me at that time.

- 5.2 A copy of that estimate is reproduced below:

			Estimated cost
Administration (inc statutory compliance & reporting)	23.00	260.43	5,990
Realisation of assets	22.00	282.95	6,225
Creditors (claims & distributions)	19.00	265.79	5,050
Investigations	12.00	223.33	2,680
Total estimated fees			£10,045

- 5.3 My time costs for the Period are £19,855. This represents 76 hours at an average rate of £262 per hour. Attached at Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent in managing the Administration. To date no remuneration has been drawn on account.
- 5.4 I would confirm that it is clear my incurred time cost will exceed the fees estimate previously provide for the Administration. This is as a result of:
- The Company's asset realisations have proved more protracted than was initially anticipated. This is due to the complexity of the disputed debt and resulted in more time being incurred in corresponding with the debtor and the director in this regard.
- 5.5 However, as anticipated realisations will be insufficient to discharge my fees at the level of my initial fee estimate, I will not be seeking creditors' approval to increase my fee estimate at this time. The Administrator's time costs to be drawn from the estate will not exceed original fee estimate and as a result, any time costs incurred in excess of this amount will not be borne by creditors.
- 5.6 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 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.
- 5.7 Attached at Appendix C is additional information in relation to the Administrator's fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

Edge 1 Limited - IN ADMINISTRATION

6 Estimated Outcome for Creditors

Secured Creditors

- 6.2 FCFM Group Limited ("FCFM") holds a fixed and floating charge over the Company's assets. At the date of the Administration, the indebtedness to the secured creditor was estimated at £216,973 and FCFM have submitted a claim in this amount which has yet to be agreed.
- 6.3 As there are no fixed charge asset realisations FCFM would have to rely on their floating charge security. It is currently anticipated that there will be insufficient realisations to allow a distribution to FCFM under their floating charge security.

Preferential Creditors

- 6.4 A summary of preferential claims is detailed below.

Preferential claim	Agreed claim	Statement of Affairs Claim	Dividend paid in the £1
Employee claims (Total number of claims = 7)	Not yet agreed	7,810	-
Department for Business, Energy & Industrial Strategy (BEIS)	Claim not received	N/A	-

- 6.5 It is currently anticipated that there will be insufficient realisations to allow a distribution to preferential creditors

Unsecured Creditors

- 6.6 I have received claims totalling £19,948 from 12 creditors. I have yet to receive claims from 10 creditors whose debts are estimated to total £27,836 as per the Company's statement of affairs.
- 6.7 The Company granted a floating charge to FCFM on 28 February 2018. Accordingly under Section 176A of the Act, I am required to create a fund out of the Company's net floating charge property for unsecured creditors (known as the **Prescribed Part**).
- 6.8 Based on present information, I estimate the value of the Company's net floating charge property to be nil and therefore no Prescribed Part would arise. Please note that this estimate is subject to fluctuation and the final outcome can only be determined once all asset realisations have been made.
- 6.9 However, should the Company's net floating charge be less than £10,000 and given that I believe the costs of making a distribution to unsecured creditors from this fund would be disproportionate to the benefit, I intend to use my discretion to disapply s176A(2).
- 6.10 It is currently anticipated that there will be insufficient realisations to allow a distribution to unsecured creditors.

7 Ending the Administration

- 7.1 At the time of drafting this report 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.
- 7.2 Based on information currently available, the following information is provided on the exit route we believe will be appropriate in this Administration.

Dissolution of the Company

- 7.3 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.
- 7.4 The Administrator's appointment will end following the registration of the notice by the Registrar of Companies. The Administrator will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Act immediately upon his appointment as Administrator ceasing to have effect.

8 Creditors' Rights

- 8.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrator provide further information about his remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 8.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Administrator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Administrator, as set out in this progress report, are excessive.

9 Next Report

- 9.1 The Administrator is required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised or he wishes to extend it.

For and on behalf of
Edge 1 Limited



Michael Chamberlain
Administrator

Edge 1 Limited - IN ADMINISTRATION

Appendix A

Receipts and Payments Account from 21 May 2018 to 20 November 2018

Edge 1 Limited - IN ADMINISTRATION

Appendix B

Time Analysis for the Period from 21 May 2018 to 20 November 2018

Appendix C

Additional Information in Relation to the Administrator's Fees, Expenses & Disbursements

1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 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.
- 1.3 We are not proposing to utilise the services of any sub-contractors in this case.

2 Professional Advisors

- 2.1 On this assignment we have used 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.

Professional Advisors	
Michael Steel & Co (valuation and disposal advice)	Hourly rate and disbursements

- 2.2 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.

3 Administrator's Expenses & Disbursements

- 3.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the Administration was provided to creditors in the Administrator's Proposals Report a copy of which is set out below:

	Estimated cost
Agents' costs	1,000
Solicitors' costs	2,000
Statutory advertising	142
Specific penalty bond	150

Current position of Administrator's expenses

- 3.2 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

Agents' costs	-	2,500	2,500
Agents' Disbursements	-	9,320	9,637*
Statutory advertising	142	-	142
Specific penalty bond	150	-	150
Court Fee	50	-	50
Business Rates	1,915	-	1,915**

Edge 1 Limited - IN ADMINISTRATION

* Agents' disbursements relate to the costs associated with the sale of the Company's assets totalling £8,370, this included a payment of £5,881 to the landlord in relation to rent. Additionally £950 has been settled by the Agents in relation to the ongoing storage of the vehicle subject to the disputed book debt. Monthly storage costs of £158 continues to be incurred.

** It was necessary for the Administrator to incur business rates for the Company's former trading premises to ensure that the assets of the Company could be securely stored while they were marketed and sales completed.

3.3 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. These disbursements are included in the tables of expenses above.

3.4 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. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidator's fees were approved by creditors. It is my firm's current policy not to charge category 2 disbursements. However, if this were to change, I would seek approval before they were drawn.

4 Charge-Out Rates

4.1 Chamberlain & Co's charge-out rates effective from 1 September 2017 are detailed below. Were rates have changed during the Liquidation, the new charge-out rates are also detailed below. Please note this firm records its time in minimum units of 6 minutes.

Director	300-350	315-395
Manager	205-295	215-310
Administrator	105-200	105-210
Support	30-100	30-100