

# AM03

## Notice of administrator's proposals



Companies House

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03/08/2019

#363

COMPANIES HOUSE

### 1 Company details

Company number 03527965

Company name in full CGPM Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Andrew

Surname Beckingham

### 3 Administrator's address

Building name/number Leonard Curtis

Street 2nd Floor

40 Queen Square

Post town Bristol

County/Region

Postcode BS14QP

Country

### 4 Administrator's name ①

Full forename(s) Siann

Surname Huntley

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number Leonard Curtis

Street 2nd Floor

40 Queen Square

Post town Bristol

County/Region

Postcode BS14QP

Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

AM03

## Notice of Administrator's Proposals

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### Statement of proposals



I attach a copy of the statement of proposals

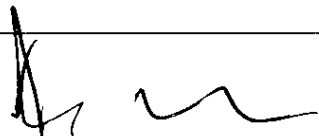
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### Sign and date

Administrator's  
Signature

Signature

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**LEONARD CURTIS**  
BUSINESS RESCUE & RECOVERY

**CGPM LIMITED t/a ESPRESSO ESSENTIAL  
(IN ADMINISTRATION)**

Registered Number: 03527965  
Court Ref: BR-2019-BRS-000002  
Bristol County Court

**Joint Administrators' Report and Statement of Proposals in accordance  
with Para 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of  
the Insolvency (England and Wales) Rules 2016**

**Report date: 1 August 2019  
Date report deemed to be delivered to creditors: 5 August 2019**

**Leonard Curtis contact details:**

**2nd Floor, 40 Queen Square,  
Bristol BS1 4QP  
Tel: 0117 929 4900 Fax: 0117 927 0000  
General email: [recovery@leonardcurtis.co.uk](mailto:recovery@leonardcurtis.co.uk)  
Email for requests for a physical meeting: [Bristol.meetingreq@leonardcurtis.co.uk](mailto:Bristol.meetingreq@leonardcurtis.co.uk)  
Ref: S/41/TST/CL40B/1040**

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**TO: THE REGISTRAR OF COMPANIES  
ALL CREDITORS  
ALL EMPLOYEES  
ALL MEMBERS**

## **1 INTRODUCTION**

### **General information**

- 1.1 I refer to the appointment of Siann Huntley and I as Joint Administrators ("the Joint Administrators") of CGPM Limited ("the Company") on 8 July 2019 and now write to present the Joint Administrators' proposals ("the Proposals") (Appendix A) for the Company pursuant to the Insolvency Act 1986 ("the Act").
- 1.2 Para 3 of Schedule B1 to the Act requires the administrators to perform their functions with the objective of:
- a) Rescuing the company as a going concern; or
  - b) 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
  - c) Realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.3 Para 51(1) of Schedule B1 to the Act ordinarily requires the administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. However, this does not apply where the administrators state that they think:
- a) That the company has sufficient property to enable each creditor of the company to be paid in full; or
  - b) That the company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of a distribution of the prescribed part fund; or
  - c) That neither of the objectives specified in 1.2(a) and 1.2(b) above can be achieved.
- 1.4 I can confirm that in this case the administrators are of the opinion that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of a distribution of the prescribed part fund. A dividend is, however, expected to be paid to secured and preferential creditors. As a result, there is no requirement to seek a decision from the Company's general body of creditors as to whether they approve the Proposals.
- 1.5 Creditors whose debts amount to at least 10% of the total debts of the Company may however request the administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. Such a request must be delivered to the administrators within 8 business days of the date on which this report was delivered and comprise the following:
- A statement of the purpose of the proposed decision; and EITHER
  - A statement of the requesting creditor's claim, together with:
    - A list of the creditors concurring with the request and the amount of their respective claims or values; and
    - Confirmation of concurrence from each creditor concurring. OR
  - A statement of the requesting creditor's debt and that that alone is sufficient without the concurrence of other creditors.

The deemed date of delivery of this report is given on the front page of this report. Please note that security must be given for the costs of convening the requisitioned decision.

- 1.6 In the event that no such request is received, the Proposals will be deemed to have been approved in accordance with Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 ("the Rules"). Where this is the case, notification of the date on which the Proposals were deemed to have been approved will be given to creditors as soon as reasonably practicable after the expiry of the period for requisitioning a decision referred to in 1.5 above.

## 2 STATUTORY INFORMATION

- 2.1 The Administration proceedings are under the jurisdiction of the Bristol County Court under Court reference BR-2019-BRS-000002.
- 2.2 During the period in which the Administration Order is in force, any act or function required or authorised to be done by the Joint Administrators may be exercised by both or either of them.
- 2.3 The Company's registered office was changed from Unit 2 Oakleigh Green Nursery, Westerleigh Hill Road, Westerleigh, South Gloucestershire, BS37 8QZ, to 2nd Floor, 40 Queen Square, Bristol, BS1 4QP on 25 July 2019. The registered number is 03527965. The Company traded as Espresso Essential.
- 2.4 The Company primarily operated from leasehold premises at Unit 2 Oakleigh Green Nursery, Westerleigh Hill Road, Westerleigh, South Gloucestershire, BS37 8QZ.
- 2.5 The Company's directors are:

Name	Role	Date Appointed
Mr David Marshall	Director	24 January 2008
Mr Paul Dyson	Director	20 October 2016

- 2.6 The Company's authorised share capital is £100. The issued share capital comprises 80 Ordinary A and 20 Ordinary B shares, being owned as follows:

Name	Class of Share	No. of Shares	% of Total Owned
Mr David Marshall	Ordinary A	80	80
Mr Paul Dyson	Ordinary B	10	10
Miss Ellie Marshall	Ordinary B	10	10
		100	100%

- 2.7 According to the information registered at Companies House, the Company has the following registered charges:

Charge holder	Date created	Description	Amount secured £	Assets Charged
Clydesdale Bank Plc	4 May 2016	Debenture	256,473	Fixed and floating charges of property, assets and rights.
RBS Invoice Finance Limited	30 November 2008	Debenture	5,500	Fixed and floating charges of property, assets and rights.

- 2.8 The EC Regulation on Insolvency Proceedings 2015 applies to this Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

**3 HISTORICAL BACKGROUND AND EVENTS LEADING UP TO ADMINISTRATION**

- 3.1 The Company was incorporated on 16 March 1998 and commenced to trade immediately under the management of the sole director at that time Mr David Marshall.
- 3.2 The Company latterly traded from leasehold premises at Unit 2 Oakleigh Green Nursery, Westerleigh Hill Road, Westerleigh, South Gloucestershire, BS37 8QZ. The business model of the Company was to sell and maintain coffee machines to various businesses and provide ongoing consumable supplies.
- 3.3 In the early years the Company was run primarily as a family business to facilitate a growing demand for commercial coffee machines to smaller vendors, especially within the convenience store sector. Various members of Mr Marshall's family were appointed as directors over the two decades of trading but at the date of the Administrators' appointment, Mr David Marshall and Mr Paul Dyson were the only remaining directors.
- 3.4 In the first few years of trading the business experienced modest levels of revenue in the region of £15,000 to £50,000 per annum. Following a dormant period between 2002 and 2004 the business began to grow at a moderate pace and between 2005 and 2015 revenue reached £1 million and profits of £125,497 were achieved. It was in 2004 that the business started to trade under its currently known trading name of Espresso Essential.
- 3.5 In 2016 the business concentrated on sale and buy-back agreements for coffee machines and subsequently revenue increased to £3.4 million. The business decided to register with the Financial Conduct Authority to enable them to act as a broker in relation to these agreements. Under the arrangement, the Company sold machines to third parties which were funded by an external financial institution whose contractual arrangements were made directly with the end customer.
- 3.6 A considerable investment into sales and marketing also took place in 2016 as the business entered into a number of expensive vehicle hire purchase agreements valued at £750,000 in order to support the Company's marketing strategy. In 2017 and 2018 the business experienced further growth as revenue grew to over £5 million.
- 3.7 To meet ongoing cash flow requirements the business entered into an invoice discounting facility with RBS Invoice Finance in 2008. The business also operated an overdraft facility with Clydesdale Bank Plc limited to £150,000 and took on a loan of similar value to assist in meeting ongoing sales and marketing expenditure.
- 3.8 Following a number of years of growth the business experienced cash flow issues in 2018 and 2019. The issues primarily arose from the business model of offering ongoing maintenance and ancillary consumable supplies within an initial sale agreement which turned out to be onerous. These cash flow issues were compounded by trading losses. Considerable creditor pressure began to grow and the business struggled to meet ongoing wage payments.
- 3.9 In early 2019 a number of unencumbered motor vehicles were sold to raise capital in the region of £250,000 to meet ongoing wage requirements and other creditor demands. Towards the end of June 2019 the business was introduced to Leonard Curtis by the Company's accountant to discuss the options available albeit by this time a number of staff had ceased to be employed.
- 3.10 On 3 July 2019, the Director of the business filed a Notice of Appointment of an Administrator in the High Court of Justice, Business and Property Courts, in Bristol. On 8 July 2019 Andrew Beckingham and Siann Huntley were appointed Joint Administrators of the Company having received due consent from the FCA and the holders of qualifying floating charge security.

#### 4 RECENT TRADING RESULTS AND CURRENT FINANCIAL POSITION

4.1 The Company's trading results for the year ended 31 May 2016, 2017 and 2018 are detailed below:

	Signed Year ended 31 May 2018 £'000	Signed Year ended 31 May 2017 £'000	Signed Year ended 31 May 2016 £'000
Turnover	5,525	5,839	3,376
Gross Profit	2,376	2,830	1,859
Gross Profit %	43%	48%	55%
Administrative expenses	(2,404)	(2,187)	(1,192)
Operating Profit/(Loss)	(28)	643	667
Interest and charges	(43)	(37)	(39)
Profit/(Loss) before tax	(71)	606	628
Taxation	12	(123)	(120)
<b>Profit for the year</b>	<b>(59)</b>	<b>483</b>	<b>508</b>
Dividends	(108)	(479)	(279)
<b>Retained profit</b>	<b>(167)</b>	<b>4</b>	<b>229</b>

4.2 The balance sheets as at 31 May 2016, 2017 and 2018 are detailed below:

	Signed as at 31 May 2018 £'000	Signed as at 31 May 2017 £'000	Signed as at 31 May 2016 £'000
<b>Fixed Assets</b>			
Intangible Assets	2	1	1
Tangible Assets	744	929	798
	<u>746</u>	<u>930</u>	<u>799</u>
<b>Current Assets</b>			
Stocks	610	405	130
Debtors	431	273	184
Cash	4	141	298
	<u>1,045</u>	<u>819</u>	<u>612</u>
Creditors: Amounts falling due < 1 year	(1,250)	(1,015)	(734)
<b>Net Current Assets/(Liabilities)</b>	<b>(205)</b>	<b>(196)</b>	<b>(122)</b>
 Total Assets less Current Liabilities	 541	 734	 677
Creditors: Amounts falling due > 1 year	(455)	(481)	(429)
<b>Net Assets</b>	<b><u>86</u></b>	<b><u>253</u></b>	<b><u>248</u></b>
 <b>Represented by</b>			
Called up share capital (£100)	0	0	0
Profit and Loss account	86	253	248
<b>Shareholders' Funds</b>	<b><u>86</u></b>	<b><u>253</u></b>	<b><u>248</u></b>



### Statement of Affairs

- 4.3 The directors are required to lodge a statement of affairs as at 8 July 2019 which has to be filed with the Registrar of Companies. This document has not yet been received. In the meantime, an estimate of the financial position as at the date of the Joint Administrators' appointment is enclosed at Appendix B, together with a list of creditors including their names, addresses and details of their debts, including any security held.

Please note that no provision has been made in the Estimated Financial Position for costs and expenses of realisation, the costs of the Administration and any corporation tax which may be payable. The following comments are considered to be relevant and should be borne in mind when reading the figures:

### Secured Creditor

- 4.4 As detailed above the Company granted a debenture to Clydesdale Bank Plc ("the Bank") on 4 May 2016 providing fixed and floating charges over all property or undertaking of the Company to secure a loan of some £150,000 and an overdraft facility at around the same level. The liability outstanding to the Bank at the date of appointment is understood to total £256,473. These facilities are understood to be subject to a personal guarantee from a director, Mr D Marshall.
- 4.5 RBS Invoice Finance were granted a fixed and floating charge debenture on 30 November 2008 to secure an invoice discounting facility. At the date of appointment the sum owed to RBS was £5,500. There are currently invoiced debtors of £31,962 which are subject to this facility and it is anticipated the debt due to RBS may be repaid in full from debtor realisations.
- 4.6 As detailed at paragraph 3.6 the Company entered into various vehicle hire purchase agreements with a number of different financiers as listed below:
- Aldermore
  - BMW Financial Services
  - Clydesdale Bank Plc
  - Ford Finance
  - Henry Howard Finance

It is anticipated that vehicle realisations will be sufficient to repay each of the respective agreements with the exception of Ford Finance and Henry Howard where balancing claims are likely to rank as unsecured creditors in the Administration.

### Prescribed Part

- 4.7 The Insolvency Act 1986 provides that, where a company has created a floating charge after 15 September 2003, the administrator must make a *prescribed part* of the company's net property available to the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims.

The method of calculating the prescribed part and additional notes as regards its application are detailed in the notes at Appendix B.

Based upon the information currently available, it is estimated that there may be a prescribed part fund available in this case. In instances where there will be no dividend to unsecured creditors, as is the case here, the prescribed part fund will be distributed at the appropriate time by the Joint Administrators.

### **Preferential Claims**

- 4.8 The only categories of claims which have preferential status are those of employees in respect of wages (capped at £800 per employee), accrued holiday pay and certain pension contributions. It is understood that employees' wages were paid in full up to the date of redundancy, however, preferential claims for holiday pay are expected based on accrued holiday entitlement up to the date of redundancy.

### **Unsecured Claims**

- 4.9 At present, the dividend prospect for unsecured creditors is uncertain. Creditors should however please submit details of their claims using the proof of debt form attached at Appendix G.

### **Receipts and Payments**

- 4.10 A receipts and payments account for the period of Administration to date is enclosed at Appendix C.

## **5 EVENTS FOLLOWING THE JOINT ADMINISTRATORS' APPOINTMENT**

### **Sale of Assets**

- 5.1 Shortly prior to the Administrator's appointment agents Gordon Brothers Europe ("GBE") were instructed to complete a valuation of the business assets and vehicles of the Company.

Following their appointment, the Administrators investigated the possibility of concluding a sale of what remained of the business and assets as it was considered that a sale of all or part of the business assets would allow for enhanced asset values and mitigate contingent liabilities. GBE assisted with marketing the business assets of the Company through their database. The opportunity was also advertised using Leonard Curtis' media platforms and interested parties list.

An offer of £60,000 was received from Phoenix Coffee & Equipment Limited for certain business assets comprising the Customer Lists, Stock and Work in Progress, Furniture and Equipment and four of the Motor Vehicles.

Following advice from our appointed agents, this offer was accepted and the asset sale was concluded on 12 July 2019. The remaining assets have continued to be marketed.

### **Motor Vehicles**

- 5.2 The Company's most valuable fixed assets were its various high-end motor vehicles which had a book value in the 2018 accounts of £876,798 (subject to secured liabilities in the region of £155,922). As explained at paragraph 3.10 the business sold a number of these vehicles shortly prior to our appointment for the sum of circa £250,000.

As a result, at the date of the Administrators' appointment the Company owned 8 unencumbered vans and 13 motor vehicles that were subject to hire purchase agreements. GBE were instructed to complete asset valuations for the various vehicles.

Four of the vans were sold as part of the above asset sale. The remaining unencumbered vehicles are expected to realise an additional £10,000. As for the encumbered vehicles, these are likely to be sold by our agents and it is estimated that there will be a surplus of circa £21,000.

### Book Debts

- 5.3 The Company's book debt ledger was subject to a discounting agreement with RBS Invoice Finance as detailed above at paragraph 4.5. As at the date of administration the gross value of the outstanding ledger was £31,962 with a corresponding balance of £5,500 due to RBS. It is anticipated that the sums due to RBS may be repaid in full out of debtor realisations and the ledger will be subsequently reassigned to the Administrators for ongoing collections.

### Director's Loan Account

- 5.4 The Directors, who were also shareholders of the business, ordinarily sought to receive reward for their services primarily by way of dividends as opposed to salary. However, in early 2019 it was apparent that the level of profit reserves were not sufficient to enable dividends to be paid in full. As a result any dividends paid in excess of the available reserves were transferred to Directors Loan Accounts and at the date of Administration there were recorded overdrawn loan accounts of £285,778.

The book value of the director's loan accounts are as stated in the Company's management accounts as at 3 July 2019. The Administrators will liaise with the Directors and seek their proposals for repayment of the balances due. At the present time, the director's personal financial positions have yet to be established and therefore no estimate of the likely recovery has been made. It is however, understood that the Directors entered into a number of personal guarantees in relation to the Company's debts and therefore this will be considered when assessing the likely recoverability of these debts.

### Professional Advisors Used

- 5.5 On this assignment the Joint Administrators have used the professional advisors listed below.

Name of Professional Advisor	Service Provided	Basis of Fees
Clarke Willmott	Legal advice	Time costs
Gordon Brothers Europe	Asset valuation advice	Time costs

Details of this firm's policy regarding the choice of advisors and the basis for their fees are given in Appendix F.

## 6 ACHIEVING THE PURPOSE OF ADMINISTRATION

- 6.1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:
- (a) rescuing the Company as a going concern, or (if this cannot be achieved);
  - (b) 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 (if (a) and (b) cannot be achieved);
  - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- 6.2 The first objective is not capable of being achieved given the extent of historic liabilities.
- 6.3 The second objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in Administration). It is considered that this objective will be achieved as, although there is little prospect of a dividend to unsecured creditors other than by way of a distribution of the prescribed part, enhanced asset recoveries have been achieved in view of the immediate steps that were able to be taken to negotiate asset sales and locate and market the vehicle fleet.

- 6.4 The third objective is to realise property in order to make a distribution to secured and / or preferential creditors. This objective is likely to be achieved as preferential creditors are expected to be paid in full and RBS Invoice Finance is likely to be repaid in full from fixed charge realisations. Clydesdale Bank Plc is also likely to receive a distribution under its floating charge security.

## **7 JOINT ADMINISTRATORS' PROPOSALS AND EXIT ROUTE**

- 7.1 The Joint Administrators' Proposals for achieving the objective of Administration are attached at Appendix A.
- 7.2 Ordinarily the Joint Administrators would seek a decision from the Company's creditors as to whether they approve the Proposals. However, in this case, as there is little likelihood of a dividend being available for unsecured creditors other than by way of the Prescribed Part, there is no requirement to seek such a decision from creditors.
- 7.3 Creditors whose debts amount to at least 10% of the total debts of the Company may however request the administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. Such a request must be delivered to the administrators within 8 business days of the date on which this report was delivered. The deemed date of delivery of this report is given on the front page of this report. Please note that security must be given for the costs of convening the requisitioned decision.
- 7.4 If such a decision is requisitioned, creditors will be invited to consider the appointment of a creditors' committee and to vote on the Joint Administrators' Proposals as set out at Appendix A.
- 7.5 In the event that no such request is received, the Proposals will be deemed to have been approved in accordance with Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 ("the Rules"). Where this is the case, notification of the date on which the Proposals were deemed to have been approved will be given to creditors as soon as reasonably practicable after the expiry of the period for requisitioning a decision referred to in 1.5 above.
- 7.6 Once approved, the affairs of the Company will be managed in accordance with the Proposals and financed out of asset realisations.
- 7.7 Once the Administration has been finalised, and if there are insufficient funds available to allow a distribution to unsecured creditors, the Joint Administrators will file a Notice with the Registrar of Companies that the Company be dissolved. Alternatively, if there are assets still to be realised or investigations concluded but there will be no return to unsecured creditors, the Company may be placed into Compulsory Liquidation.

## **8 EXTENSION OF ADMINISTRATION**

- 8.1 The appointment of administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.
- 8.2 In certain circumstances it may be necessary to extend the Administrators' term of office. In the circumstances of this case, this may be done for a specified period not exceeding twelve months with the consent of:
- each secured creditor of the Company; and
  - the preferential creditors of the Company.
- 8.3 We do not believe that an extension to the administration will be necessary in this case but will revert to creditors should circumstances change.

## 9 PRE-ADMINISTRATION COSTS

9.1 Pre-administration costs are defined as:

- Fees charged; and
- 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). "Unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.

9.2 Time charged and expenses incurred by the Joint Administrators and their agents and solicitors in the period prior to their appointment are summarised below:

Charged by	Services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
Leonard Curtis	Providing advice in relation to insolvency strategy and assisting the Directors with holding the relevant meetings and drafting the appropriate documents leading to the appointment. Initial marketing of assets.	7,650.00	Nil	n/a	7,650.00
Clarke Willmott	Dealing with appointment filing and company searches and associated expenses. Drafting asset sale contracts.	4,503.80	Nil	n/a	4,503.80
<b>Total</b>		<b>12,153.80</b>			<b>12,153.80</b>

9.3 Enclosed at Appendix D is an analysis of the Joint Administrators' pre-administration costs. The analysis shows that total pre-administration time costs of £7,650 have been incurred which represents 17.2 hours at a rate of £444.77 per hour.

9.5 In an initial letter of engagement as endorsed by the Director of the Company, it was agreed that the pre-administration fees of Leonard Curtis would be fixed by reference to time spent in accordance to advising the Directors on the options available to them and supervision of the business between the date of instruction and the date of appointment of Administrators, dealing with the formalities relating to the appointment of Administrators, advising on the possibility of an early sale of the Company's business and trading assets.

9.7 It was necessary for Leonard Curtis to carry out the above works to ensure the best outcome is provided for the creditors. In doing so, maintaining the maximum value of company assets and limiting ongoing liabilities.

9.8 The payment of unpaid pre-administration costs (set out above) as an expense of the Administration is subject to the approval of the appropriate class of creditors, separately to the approval of the Administrators' Proposals. In this case, the Joint Administrators are required to seek the approval of the secured and preferential creditors to this resolution.

## 10 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

### General

- 10.1 The basis of the Joint Administrators' remuneration may be fixed either as a percentage of the value with which they have to deal ('a percentage basis'), as a set amount, or by reference to the time properly given by the Joint Administrators and their staff in attending to matters as set out in a Fees Estimate. A combination of these bases may be fixed, with different bases being fixed in respect of different things done by the Joint Administrators. Additionally, where a percentage basis is fixed, different percentages may be fixed in respect of different things done by the Joint Administrators.

### Approval by appropriate body

- 10.2 The Joint Administrators think that the Company has insufficient property to enable a distribution to be made to unsecured creditors. In such circumstances, responsibility for approving the basis of the Joint Administrators' remuneration lies with the Creditors' Committee (if there is one); or if none (or the Committee does not make the requisite determination): each secured creditor of the Company; or where the Joint Administrators intend to make a distribution to preferential creditors: each secured creditor of the Company and a decision of the preferential creditors.
- 10.3 In the absence of a Creditors' Committee being established in this case, approval will be sought from the secured and preferential creditors and the outcome will be reported to all creditors in due course.

### Information to be given to creditors

- 10.4 The Joint Administrators wish, in this case, to seek the secured and preferential creditors' agreement to their remuneration being fixed by reference to the time properly given by them and their staff in attending to matters as set out in a Fees Estimate. Prior to seeking approval of this basis, the Joint Administrators are required to provide all known creditors with their Fees Estimate and details of the expenses that they consider will be, or are likely to be, incurred during the administration ("Statement of Likely Expenses").

### The Fees Estimate

- 10.5 The Joint Administrators' Fees Estimate for the whole of the Administration is set out at Appendix E. It includes the following:
- Details of the work that the Joint Administrators and their staff propose to undertake;
  - The hourly rate or rates that the Joint Administrators and their staff propose to use; and
  - The time that the Joint Administrators anticipate that each part of the work will take.

Details of the Joint Administrators' time costs to date have also been included for comparison purposes. In summary, time costs of £23,996 have been incurred to date which represents 73.6 hours at an average rate of £326.03 per hour.

- 10.6 The total amount of time costs as set out in the Fees Estimate is £49,979. Once approved by the appropriate body of creditors, the remuneration drawn by the Joint Administrators must not exceed this total amount without prior approval. It should be noted that in some instances payment of these costs will be limited to the amount of realisations available in the administration.
- 10.7 The Fees Estimate is based upon information currently available to the Joint Administrators. Based upon this information, the Joint Administrators do not anticipate that the Fees Estimate will be exceeded. However should information come to light during the course of the administration which means that the Joint Administrators will be required to undertake work not envisaged at the time that the Fees Estimate was provided, it may be necessary for the Joint Administrators to revert to secured and preferential creditors for further approval.

- 10.8 Details of the firm's charge-out rates and policy regarding the recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix H. Please be aware that the firm's charge out rates have been amended with effect from 1 August 2019.

- 10.9 Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which may be downloaded using the following link:

<https://www.r3.org.uk/what-we-do/publications/professional/fees>

If you would prefer this to be sent to you in hard copy please email [recovery@leonardcurtis.co.uk](mailto:recovery@leonardcurtis.co.uk) or contact Taylor Stevens of this office on 0117 929 4900.

#### **Statement of Likely Expenses**

- 10.10 The Joint Administrators' Statement of Likely Expenses is set out for creditor information at Appendix F. To assist creditors' understanding of this information, it has been separated into the following categories:

- (i) **Standard Expenses:** this category includes expenses payable by virtue of the nature of the Administration process and / or payable in order to comply with legal or regulatory requirements.
- (ii) **Case Specific Expenses:** this category includes expenses likely to be payable by the Joint Administrators in carrying out their duties in dealing with issues arising in this particular case. Also included within this category are costs that are directly referable to the administration but are not paid to an independent third party (and which may include an element of allocated costs). These are known as "Category 2 disbursements" and they may not be drawn without the approval of the secured and preferential creditors in the same way as fees and the secured and preferential creditors will be contacted directly in this respect. The basis of the calculation of their recharge is detailed in Appendix H.

#### **Further Updates**

- 10.11 The Joint Administrators will provide creditors with an indication of whether the remuneration anticipated to be charged by them is likely to exceed the Fees Estimate, and if so the reasons for this, in their subsequent reports. Information will also be provided in subsequent reports on whether the expenditure detailed in the Statement of Likely Expenses has been or is likely to be exceeded and the reasons why.

### **11 ESTIMATED OUTCOME FOR CREDITORS**

- 11.1 In order to assist the various classes of creditors in assessing the quantum of any dividend which may or may not be payable to them, we have produced an Estimated Outcome Statement. This is attached at Appendix G.

- 11.2 The Estimated Outcome Statement assumes the following:

- a) That asset realisations are in line with those estimated at Appendix B;
- b) That the Joint Administrators' fees estimate (as detailed at Appendix E) is approved and is not exceeded; and
- c) That the expenses of the administration are as set out in the Statement of Likely Expenses at Appendix F and are not exceeded.

- 11.3 In summary:

- Secured creditors – RBS Invoice Finance may expect to be repaid in full from debtor realisations and Clydesdale Bank Plc may expect a small return on its claim prior to any recovery under its personal guarantee security.
- Preferential creditors – This class of creditor is expected to be paid in full from asset realisations.
- Unsecured creditors – This class of creditor may expect a distribution only by way of the prescribed part as mentioned at paragraph 4.7 and 4.9.

**12 RELEASE OF ADMINISTRATORS FROM LIABILITY**

- 12.1 As soon as all outstanding matters in the Administration have been attended to it is anticipated that we will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically to dissolution.
- 12.2 The appointment of the Joint Administrators will cease as soon as this notice is issued.
- 12.3 It is ordinarily for the creditors to fix the date upon which the Joint Administrators are discharged from liability in respect of any action of theirs during the Administration. However, as it is considered that there is little prospect of a dividend to unsecured creditors in this case, we are required to obtain approval to this resolution from the secured and preferential creditors. The appropriate class of creditor will be contacted directly in this respect.

**13 CONCLUSION**

- 13.1 It is important that you give careful attention to this report and its Appendices.
- 13.2 Creditors will be advised of the outcome on the deemed approval of the Proposals in due course.

Should you have any queries or require any further clarification please contact Taylor Stevens at my office, **in writing**. Electronic communications should also include a full postal address.

for and on behalf of  
**CGPM LIMITED**



**ANDREW BECKINGHAM**  
**JOINT ADMINISTRATOR**

Andrew Beckingham is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 8683 and Siann Huntley is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 19130.

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.



**JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS**

It is proposed that:

1. The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration.
2. If appropriate, the Joint Administrators apply to Court under Para 65 (3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration.
3. Alternatively, if appropriate, the Joint Administrators 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. It is further proposed that Andrew Beckingham and/or Siann Huntley be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved.
4. In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved.
5. The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.
6. The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that Andrew Beckingham and/or Siann Huntley be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.
7. The Joint Administrators 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.

## APPENDIX B

## ESTIMATED FINANCIAL POSITION AS AT 8 JULY 2019

	Notes	Book value £	In Administration £
<b>Assets specifically pledged</b>			
Trade Debtors	1	31,962	10,000
Customer Lists	2	Nil	5,000
less: RBS Invoice Finance	3	(5,500)	(5,500)
<b>Surplus as regards fixed charge holder</b>		<b>26,462</b>	<b>9,500</b>
<b>Assets subject to finance</b>			
Motor Vehicles	4	398,120	86,950
less: Amount due to finance company		(155,000)	(65,950)
<b>Surplus as regards finance company</b>		<b>243,120</b>	<b>21,000</b>
<b>Assets not specifically pledged</b>			
Surplus from fixed charge holder		26,462	9,500
Surplus from financed assets		243,120	21,000
Stock and Work in Progress	2	470,000	25,000
Furniture and Equipment	2	24,798	15,000
Unencumbered Motor Vehicles	4	65,000	25,000
Director's Overdrawn Loan Account	5	285,778	Uncertain
		<b>1,115,158</b>	<b>95,500</b>
Preferential creditors	6		(12,500)
<b>Net property available for prescribed part</b>			<b>83,000</b>
Less prescribed part fund	7		(19,600)
<b>Available for floating charge creditor</b>			<b>63,400</b>
Clydesdale Bank Plc	8		(256,473)
<b>Surplus/ (Deficit) as regards floating charge holder</b>			<b>(193,073)</b>
Add back prescribed part	7		19,600
<b>Available for unsecured creditors</b>			<b>(173,473)</b>
<b>Unsecured creditors</b>			
H M Revenue & Customs	9		(200,000)
Estimated Shortfall on other Financed Assets	4		(10,000)
Trade and Expense Creditors	10		(593,480)
Banks and Institutions	11		(447,685)
Contingent Creditors	12		Uncertain
Employees Claims	13		(20,000)
<b>Total value of unsecured creditors</b>			<b>(1,271,165)</b>
<b>Estimated deficiency as regards unsecured creditors</b>			<b>(1,444,638)</b>

### NOTES TO THE ESTIMATED FINANCIAL POSITION

All book values have been taken from the Company's latest financial information or from valuations obtained upon administration by independent valuers. It should be noted that no provision has been made for the costs and expenses of the administration.

**1. Trade Debtors**

At the date of the Administrators' appointment book debts totalled £31,962. These book debts relate to sales of coffee machines, maintenance contracts and consumable supplies. The recoverability of these debtors is uncertain due to cessation of trade, and therefore a general provision has been made against these debtors. These debtors are held under fixed charges with RBS Invoice Finance who are continuing collections at this stage. At the stage where their debts are paid in full, the Administrators will request for the ledger to be re-assigned to them.

**2. Sale of Assets**

As detailed in the main body of the report at paragraph 5.1 a sale of certain assets was concluded on 12 July 2019, shortly following the Administrators' appointment. The asset sale consisted of *Customer Lists, Stocks and Work in Progress, Furniture and Equipment* and four *Motor Vehicles*.

**3. RBS Invoice Finance**

The Company granted RBS Invoice Finance a fixed and floating charge debenture over all assets of the Company. At the date of the Administrators' appointment the level of debt outstanding to RBS was £5,500. It is anticipated that once RBS have been repaid in full from debtor realisations the ledger will be re-assigned to the Administrators for further collections.

**4. Motor Vehicles**

The book value is stated prior to the recent pre-Administration disposals which were made to fund wage and other costs. The Company's most valuable assets were their vans and high-end motor vehicles. At the date of the Administrators' appointment there were 21 Motor Vehicles consisting of 9 vans and 12 motor vehicles. 8 of the vans were unencumbered and the remaining vehicles are held under hire purchase agreements with various financiers.

Following an initial assessment carried out by our instructed agents GBE, it was established that two of the motor vehicles would have no surplus value for the Administration as the value was exceeded by the outstanding finance. These vehicles were handed back to the respective finance companies and the shortfall estimated at £10,000 ranks as an unsecured creditor.

It is anticipated that the various encumbered vehicles, after settlement of the respective finance agreements may result in a surplus of circa £21,000 to the Administration.

**5. Directors Overdrawn Loan Accounts**

Please refer to paragraph 5.4 of the main body of this report.

**6. Preferential Creditors**

It is anticipated that employee claims for unpaid holiday pay will be received and these are estimated at £12,500. It is not anticipated that there will be any claims for arrears of wages or pension contributions.

**7. Prescribed Part**

The prescribed part provisions are explained in detail at paragraph 4.7 of the main body of the report. In this instance the prescribed part has initially been calculated on a preliminary basis by taking the net property (£78,000) and applying the appropriate calculations as set out below:

- 50% of the first £10,000 = £5,000
- 20% of the balance (up to £600,000) = £14,600

Giving a prescribed part balance of £19,600. The final level of net property and hence the prescribed part will be reduced by the costs of the proceedings so this whole balance will not be distributed.

**8. Clydesdale Bank Plc**

The value of debt outstanding to Clydesdale Bank at the date of the Administrators' appointment is £256,473.

**9. HM Revenue & Customs**

Based on the information provided to the Administrators the debt to HMRC is estimated at £200,000. The VAT liability is estimated at £130,000 and liability owing for PAYE/NIC is estimated at £70,000.

**10. Trade and Expense Creditors**

There are 63 trade and expense creditors estimated to total £593,480.

**11. Bank and Institutions**

These debts relate to the loans and agreements with finance companies and are currently estimated at £447,685.

**12. Contingent Creditors**

In addition to selling the coffee machines to customers the business undertook to provide consumable supplies as part of a package deal. Some customers of the Company did not receive their full entitlement of supplies and therefore it is anticipated claims may be received from customers for any shortfall. Further, the business entered into maintenance agreements with their customers, many of which have a number of months of warranty left which will not be honoured. These customers may also have an unsecured claim in this regard. We are seeking to contact the customers concerned.

**13. Employee Claims**

It is estimated that claims of circa £20,000 will be received in relation to redundancy and payments in lieu of notice.

**APPENDIX B (CONTINUED)**

**CREDITORS LIST FOR THE ESTIMATED FINANCIAL POSITION**

**(Please see attached schedules)**

CGPM Limited  
STATEMENT OF AFFAIRS AS AT 08 July 2019  
B - Company Creditors

Code	Name & Address	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
C0002	Evenlode Foods Ltd Unit 3 Worton Park Worton Witney OX29 4SX	£105,508.90			
C0003	Dr Wakefield and Co Thompson House 42-44 Dolben Street London SE1 0UQ	£76,376.47			
C0004	Henry Howard Finance No1 Limited Unit 5 Langstone Park Langstone Newport NP18 2LH	£97,685.00			
C0005	Go Pak Uk Mercian House 1 Oaklands Business park Yate Bristol BS37 5NA	£38,095.07			
C0006	PJY Fabrications Foregay Chruch Road South Portishead Bristol BS20 6PU	£15,192.00			
C0007	Scottish Grocers Federation Federation House 222 Queensferry Road EH4 2BN	£3,764.00			
C0008	Quality Products General Engineering The Green Badminton Road Old Sodbury Bristol BS37 6LY	£5,356.80			
C0009	Maxilla Packaging Ltd (Foil Bags) Adelphi Mill Bollington Cheshire SK10 5JB	£3,584.40			
C0010	Fleet & Distribution Management Limited Oakfield Industrial Estate Stanton Harcourt Road Oxon OX29 4TJ	£8,604.38			
C0011	Mitchell & Cooper 138-140 Framfield Rd Uckfield TN22 5AU	£8,001.00			
C0012	Smart Packaging Ltd Units 19-22 Lavenham Road Beeches Industrial Estate Yate BS37 5QX	£7,711.24			

CGPM Limited  
 STATEMENT OF AFFAIRS AS AT 08 July 2019  
 B - Company Creditors

Code	Name & Address	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
C0013	Costcutter Harvest Mills Common Road York YO19 5RY	£2,618.00			
C0014	ACEM SRL Via XXV Aprile, 36 24050 Grassobbio GB Italy	£6,151.32			
C0015	Avison Young St Catherine's Court Berkeley Place Bristol BS8 1BQ	£5,972.80			
C0016	Grange Controls Ltd Unit 3 Midland Way Thornbury Industrial Est. Thornbury Bristol BS35 2BS	£5,845.92			
C0017	Siemens Sefton Park Bells SL2 4JS	£5,208.50			
C0018	Prysm Farm Business Ltd 4 Colston Avenue Bristol BS1 4ST				
C0019	Signwaves Ltd Lefevre Way Gapton Hall Industrial Estate Great Yarmouth NR31 0NW	£3,540.00			
C0020	One PM Finance 2nd Floor, St James House The Square, Lower Bristol Road Bath BA2 3BH	£2,802.20			
C0021	GVA Grimley PO Box 8790 Birmingham B1 2JJ	£2,753.10			
C0022	NFRN West Midlands DVFA 8 Sentry Way Sutton Coldfield Birmingham B75 7HT	£2,213.08			
C0023	Bedminster Road Garage 228-230 Bedminster Road Bedminster Bristol BS3 5NQ	£7,625.43			

CGPM Limited  
STATEMENT OF AFFAIRS AS AT 08 July 2019  
B - Company Creditors

Code	Name & Address	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
C0024	Frampton Garage 76 Woodend Road Coalpit Heath Bristol BS36 2LH	£1,719.91			
C0025	S&T Electro Plate 15/16 The Alpha Centre Armstrong Way Great Western Business Park Yate BS37 5NG	£1,440.00			
C0026	Auto Bodyshop 86 Woodend Road Frampton Cotterell Bristol BS36 2LQ	£1,380.00			
C0027	AMG Service (SW) Ltd Stanley Joseph Suite 1 Liberty House Bristol BS3 2ST	£1,299.22			
C0028	Abbey Chart Unit 1B Whitehouse Business Park Stanford in the vale Faringdon Oxon SN7 8NY	£661.97			
C0029	Sprint Print & Design 22 Station Road Yate Bristol BS37 4PS	£748.80			
C0030	Kalas Sportswear 2 Somerton House Broad Street Somerton TA11 7ND	£598.25			
C0031	Exact Exhibitions 27 Fairlyn Drive Bristol BS15 4PX	£456.60			
C0032	UK Point of Sales Group Horsefield Way Bredbury Park Industrial Estate Stockport SK6 2DT	£384.60			
C0033	Holden Media 12A High Street East Glossop Derbyshire SK13 8DA	£326.40			
C0034	Print Setters 303 Two Mile Hill Road BS15 1AP	£277.50			



CGPM Limited  
STATEMENT OF AFFAIRS AS AT 08 July 2019  
B - Company Creditors

Code	Name & Address	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
C0035	Suzo Happ Unit 1-2, King Georges Trading Est Davis Rd Chessington KT9 1TT	£212.34			
C0036	Kendleshire Kendleshire Golf Club Henfield Road Coalpit Heath Bristol  BS36 2UY	£209.50			
C0037	UK Saftey Management Unit 5, Temple Point Bullerthorpe Lane Colton Leeds LS15 9JL	£203.33			
C0038	ADT Fire and Security Plc PO Box 69 Manchester M40 4BH	£167.08			
C0039	National Windscreens Kingsland Trading Estate St Phillips Rd Bristol BS2 0HL	£226.80			
C0040	Peac UK Administrative Office Block 2 blackrock Business Park Carysfort Avenue Blackrock A94 H2X4	£120.77			
C0041	BT BT UK Business Accounts Providence Road Durham DH98 1BT	£2,029.08			
C0042	Showcase Events Ltd Kestrel Court Harbour Road Portishead Bristol BS20 7AN	£36.00			
C0043	Clydesdale Bank PLC 4th Floor 51 West George St Glasgow G1 2HL	£256,473.43		04/06/2016	
C0044	RBS Invoice Finance Limited PO Box 16336 6th Floor 7 Brindley Place Birmingham B2 2YG	£5,500.00		30/11/2008	

CGPM Limited  
STATEMENT OF AFFAIRS AS AT 08 July 2019  
B - Company Creditors

Code	Name & Address	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
C0045	Arcade Holding The Bungalow Durley Lane Keynsham Bristol BS31 2AJ	£4,880.00			
C0046	Brigadoon Book-keeping 30-31 St James Place Mangotsfield Bristol BS16 9JB	£605.22			
C0047	City Sound Entertainment 35 Knapdale St Glasgow G22 6PN	£600.71			
C0048	Colour Display Concept House Victoria Industrial Park Leeds LS14 2LA	£894.00			
C0049	Ite Events The Studio W2 6JG	£3,358.80			
C0050	KDP Trading 41 Riverview Long Bennington Newark NG23 5JF	£486.33			
C0052	SHP 14 Kings Cres East Boughton Chester CH3 5TH	£6,000.00			
C0053	SPS Management 12 Pilgrims Gate SO32 1NN	£0.94			
C0054	Todays Wholesale 3 Carolian Court DN4 5RA	£3,283.20			
C0055	Total Fire & Security The Barn Stonewood Offices West Yatton Lane Chippenham SN14 7EY	£76.80			
C0056	Yazmo Ltd 22 Benny Parr Close Bailey WF17 OPW	£5,277.94			
C0057	Zaila Promociones Peñas Street, 22 Alhama of Granada 18120 Pomegranate	£233,897.62			

CGPM Limited  
 STATEMENT OF AFFAIRS AS AT 08 July 2019  
 B - Company Creditors

Code	Name & Address	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
C0058	Funding Circle Ltd 71 Queen Victoria Street London EC4V 4AY	£350,000.00			
C0059	Ford Lease Oakwood Drive Emersons Green Bristol BS16 7LB				
C0060	Chartered Financial Management (UK) Limited 1 King Square Bridgwater Somerset TA6 3DG				
C0061	SH Essential (UK) Ltd 4 Pretoria Road Patchway Bristol BS34 5PT				
C0062	Essential Coffee Pty Ltd c/o Harley Leagal & Collections Ltd 91 Wimpole Street London W1G 0EF				
C0081	HMRC - Enforcement & Insolvency Service (EIS) Durrington Bridge House Barrington Road Worthing BN12 4SE	£200,000.00			
C0082	Premier Speke Town Lane Convenience 1A Speke Town Lane Speke Liverpool L24 3TD				
C0083	Matthew Williamson 7 Glebe Close Strensall York YO32 5WZ				
C0084	Greenpost Oakley Green Oakleigh Green Farm Ln Westerleigh BS37 8QZ				
C0085	Cupcake Fashion Tea Rooms 13 Prescott Yate Bristol BS37 4LA				
C0086	Wilsden Community Post Office Kits Cottage 18 Club Row Wilsden Bradford West Yorkshire BD15 0AR				

CGPM Limited  
STATEMENT OF AFFAIRS AS AT 08 July 2019  
B - Company Creditors

Code	Name & Address	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
C0087	Hazrat Sultan Bahu Trust 17-21 Ombersley Rd Birmingham B12 8UR				
C0088	Redundancy Payments Office PO Box 16685 Birmingham B2 2LX				
C0089	Prysm Food and Drink Ltd 4 Colston Avenue Bristol BS1 4ST				
	18 Employees				
	TOTAL CREDITORS' CLAIM	£1,498,440.75			

## APPENDIX C

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS FROM  
8 JULY 2019 TO 1 AUGUST 2019

	Statement of Affairs £	Received to date £
<b>RECEIPTS</b>		
Customer Lists	5,000	5,000
Stocks and Work in Progress	25,000	25,000
Furniture and Equipment	15,000	15,000
Unencumbered Motor Vehicles	25,000	15,000
Debtors not subject to Fixed Charge	Nil	585
Sundry Refunds	Nil	370
Rent Deposit	Nil	2,000
		<u>62,955</u>
<b>PAYMENTS</b>		Nil
<b>BALANCE IN HAND</b>		<u>62,955</u>

APPENDIX D

SUMMARY OF JOINT ADMINISTRATORS PRE-ADMINISTRATION COSTS

	Total		Average
	Units	Cost	hourly rate
	No	£	£
Strategy and purpose evaluation	30	1,350	450.00
Preparation of documents	51	2,250	441.17
Charge holder and asset sale negotiations	90	4,050	450.00
	<b>171</b>	<b>7,650</b>	<b>444.77</b>

**DETAILED ANALYSIS OF PRE-ADMINISTRATION COSTS**

**Strategy & Purpose Evaluation**

- Meetings and conference calls with the Directors to establish the Company's financial position and to determine the most appropriate strategy for the Company and its creditors.
- Corresponding with the directors in respect of the options available for the Company and planning a strategy to achieve the best outcome for the creditors
- Assessment that a statutory purpose of Administration could be achieved and formulating a strategy for realisation of Company assets

**Preparation of Documents**

- Preparing the engagement letter and verifying the director's identities in compliance with money laundering obligations. This also included setting up the case file and ensuring statutory requirements were met.
- Dealing with the formalities relating to the appointment of Administrators including preparing the Notice of Appointment and associated documentation and liaising with the directors to arrange swearing of these documents.
- Liaising with solicitors Clarke Willmott in respect of the review and filing of the necessary documents at Court and serving these on the relevant parties.

**Charge holder and Asset Sale Negotiations**

- Consultation with the Company's secured creditors in respect of proposed appointment of Administrators and the administration strategy.
- Meeting with parties interested in acquiring certain assets of the Company and ancillary sale negotiations.

## JOINT ADMINISTRATORS' FEES ESTIMATE INCORPORATING TIME INCURRED TO DATE

	FEES ESTIMATE			INCURRED TO DATE		
	Total			Total		
	Units	Cost	Average hourly rate	Units	Cost	Average hourly rate
	No	£	£	No	£	£
Statutory and review	100	2,610	261.00	27	592	219.26
Receipts and payments	140	970	242.50	10	194	194.00
Insurance, bonding and pensions	55	1,415	257.27	27	702	260.00
Assets	345	11,655	337.83	250	8,549	341.96
Liabilities	271	8,456	312.14	136	4,695	345.22
Landlords	50	1,965	393.00	31	1,395	450.00
Debenture Holder	80	3,505	438.13	56	2,520	450.00
General Administration	120	3,225	268.75	54	1,294	239.63
Appointment	145	4,055	279.66	145	4,055	279.66
Post Appointment Creditors Meetings	275	8,025	291.82			
Investigations	160	4,095	255.94			
	<b>1,741</b>	<b>49,979</b>	<b>287.07</b>	<b>736</b>	<b>23,996</b>	<b>326.03</b>



**APPENDIX E (CONTINUED)**

**JOINT ADMINISTRATORS' FEES ESTIMATE**

**DETAILS OF WORK PROPOSED TO BE UNDERTAKEN**

**Statutory and Review**

This category of activity encompasses work undertaken for both statutory and case management purposes. Whilst this work will not directly result in any monetary value for creditors, it will ensure that the case is managed efficiently and resourced appropriately, which will be of benefit to all creditors. The work to be carried out under this category will comprise the following:

- Case management reviews. These will be carried out periodically throughout the life of the case. In the early stages of the case this will involve weekly team meetings to discuss and agree case strategy and a month 1 review by the firm's Compliance team to ensure that all statutory and best practice matters have been dealt with appropriately. As the case progresses we will as a minimum carry out three monthly and six monthly reviews to ensure that the case is progressing as planned. It is anticipated that the team will get together in the early stages of the Administration at least once a week to discuss the progress. This is likely to fall to once a month after asset realisations have concluded.
- Allocation of staff, management of staff, case resourcing and budgeting – It is anticipated that a Director, Manager and Administrator shall vest time in this case on a full-time basis. Further resource may be called upon when dealing with investigations due to the complex nature of this case.
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9;
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice;
- The team is required under the Company Directors' Disqualification Act 1986 to review the Company's records and consider information provided by creditors on the conduct of the all directors involved in the Company during the three years leading up to the insolvency. This will result in the preparation and submission of statutory returns or reports on all directors to the Insolvency Service. Evidence of unfit conduct can result in directors being disqualified for periods of up to 15 years;
- Review of directors' sworn statement of affairs and filing of document at Companies House in accordance with statutory requirements; and
- Completion of case closing procedures at the end of the case.

**Receipts and Payments**

This category of work will not result in a direct financial benefit for creditors. However, close monitoring of case bank accounts is essential to ensure that bank interest is maximised where possible, estate expenses are properly managed and kept to a minimum and amounts payable to creditors are identified and distributed promptly.

- Opening of case bank accounts;
- Management of case bank account(s) to ensure compliance with relevant risk management procedures;
- Regular review of case bank account by senior member of staff to ensure that fixed and floating charge assets have been properly identified and prescribed part funds have been set aside where appropriate;
- Preparation of periodic receipts and payments accounts for inclusion in statutory reports – it is anticipated that there will be three reports to creditors for this purpose, the initial proposal document, the first six month progress report and the Administrators closure report.
- Timely completion of all post appointment tax and VAT returns; and
- Managing estate expenses.

## **Insurance, Bonding and Pensions**

Insolvency Practitioners are obliged to comply with certain statutory requirements when conducting their cases. Some of these requirements are in place to protect company assets (see insurance and bonding matters below), whilst requirements in respect of company pension schemes are there to protect the pension funds of Company employees. Whilst there is no direct financial benefit to Company creditors in dealing with these, close control of case expenditure is crucial to delivering maximum returns to the appropriate class of creditor.

- Notification and progression of post-appointment insurance claims;
- Periodic review of insurance requirements over physical assets, to minimise costs to the estate;
- Calculation and request of joint administrators' bond in accordance with the Insolvency Practitioners' Regulations 2005. A Bond is a legal requirement on all administrations and is essentially an insurance policy to protect creditors against the fraud or dishonesty of the Insolvency Practitioner. The bond is calculated by reference to the value of assets which are estimated before costs to be available to unsecured creditors;
- Periodic review of bonding requirements to ensure that creditors are appropriately protected. The bond is reviewed upon each large receipt of monies into the case and also at three month intervals in accordance with best practice;
- Completion and submission of statutory notifications under the Pensions Act 2004. This includes liaising with the Company directors to establish the existence of Company pension schemes, making the statutory notifications under s22 and s120 of the pensions legislation; and liaising with pensions providers to understand the nature of the scheme.
- Liaising with pension companies to arrange for prompt wind up of schemes.

## **Assets**

- Agreeing strategy for realisation of Company assets – The main strategy for realisations has already been agreed with our agents Gordon Brothers Europe and is explained in greater detail in the main body of the report.
- Instruction of and liaising with agents as required – As detailed in the main body of the report, agents Gordon Brothers Europe were instructed to assist with ongoing realisations.
- Liaising with Company's bankers re pre-appointment bank accounts;
- Identification and return of third party assets. Many clients have identified that their machines were sent in for maintenance with the Company shortly prior to our appointment. It will be the Administrators responsibility to recover any third party assets possible.
- Identification and dealing with any assets subject to retention of title – At this stage three retention of title claims have been received. There will be further time spend in reviewing the validity of these claims and providing the claimant with appropriate time to collect their goods.

## **Liabilities**

This category of time includes both statutory and non-statutory matters.

### **Statutory**

- Processing of claims from the Company's creditors – There are 67 unsecured creditors in this matter, however it is not anticipated that a distribution, other than by way of the prescribed part, will be paid. In this instance, the same level of detailed claims analysis will be required in payment of the prescribed part.
- Processing of claims from the Company's employees – there were 17 employees entitled to claim redundancy at the date of our appointment. It will be the Administrators responsibility to report accordingly to the Redundancy Payments Office for the correct allocation of entitlements for each employee; and
- Preparation and submission of periodic progress reports to creditors - It is anticipated that two creditors reports will be drafted in this instance, first six month report and the closure report.

*Non-statutory*

- Dealing with enquiries from the Company's creditors – As explained in the notes to appendix B, we anticipate there to be a considerable number of contingent creditors due to the business model of the Company. This will take up a considerable amount of time for the Administrators to discuss with each customer.
- Dealing with enquiries from the Company's employees

**Landlords**

- Review of current leases in respect of Company premises.; and
- Liaising with landlords in respect of premises.

**General Administration**

This category of work does not result in a direct financial benefit for creditors; however it is necessary for these tasks to be completed in order to ensure the smooth and efficient progression of the administration:

- General planning matters;
- Setting up and maintaining the liquidators' records;
- Arranging collection and storage of company records. and
- Dealing with general correspondence and communicating with directors and shareholders.

**Appointment**

There are certain tasks which the Joint Administrators have a statutory obligation to undertake during the administration process. Other tasks are completed in order to ensure the administration is progressed to the benefit of all creditors and stakeholders. Actions completed to date are both statutory and non-statutory and include the following:

- Statutory notifications to creditors and other interested parties following the administrators' appointment;
- Preparation of case plan; and
- Formulation of case strategy, including recording of any strategic decisions.

**Post Appointment Creditors' Decisions**

- Preparation of Joint Administrators' Proposals for achieving a statutory purpose of the administration;
- Preparation of Fees Estimate and Statement of Expenses in accordance with Insolvency (Amendment) Rules 2015; and
- Convening a decision by correspondence to agree Fees Estimate with appropriate body of creditors;
- Reporting on outcome of voting.

**Investigations**

- Collecting and reviewing the Company's records
- Conducting initial investigations into the Company's affairs/records to identify the possibility of further realisations and enable the submission of returns due under the Company Directors Disqualification Act 1986 – further information on this will be reported at the first progress report to creditors.

## JOINT ADMINISTRATORS' STATEMENT OF LIKELY EXPENSES

## Standard Expenses

Type	Description	Amount £
AML Checks	Electronic client verification	15.00
Bond Fee	Insurance bond	135.00
Document Hosting	Hosting of documents for creditors	42.00
Software Licence Fee	Case management system licence fee	87.00
Statutory Advertising	Advertising	171.90
Storage Costs	Storage of books and records	1,500.00
	<b>Total standard expenses</b>	<b>2,122.80</b>

## Case Specific Expenses

Type	Description	Amount £
Agents' Fees	Costs of valuing and realising assets	10,000.00
Debt Collection Fees	Costs of collection of debts as a provision for when the debtors are reassigned to the Administrators	1,000.00
Legal Fees	Costs of appointed solicitors and assisting with drafting the sale agreement	5,000.00
Insurance	Cost of insuring assets	1,000.00
Staff Mileage	Category 2 disbursement requiring specific creditor / committee approval	250.00
	<b>Total case specific expenses</b>	<b>17,250.00</b>

## APPENDIX E

## ESTIMATED OUTCOME STATEMENT

	RBS IF	Clydesdale	Finance Co's	Preferential	Unsecured
	£	£	£	£	£
Amount estimated available to class of creditor	15,000	489	86,950	13,477	489
Amount due to creditor per Appendix B	5,500	256,473	65,950	12,500	1,271,165
Estimated dividend rate (as a %)	100%	0.1%	100%	100%	0.1%

**LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS**

The following Leonard Curtis policy information is considered to be relevant to creditors:

**Staff Allocation and Charge Out Rates**

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

The following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

<b>6 Jan 2014 onwards</b>	<b>Standard</b>	<b>Complex</b>	<b>1 Aug 2019 onwards</b>	<b>Standard</b>	<b>Complex</b>
	£	£		£	£
Director	450	562	Director	525	656
Senior Manager	410	512	Senior Manager	445	556
Manager 1	365	456	Manager 1	395	494
Manager 2	320	400	Manager 2	345	431
Administrator 1	260	325	Administrator 1	280	350
Administrator 2	230	287	Administrator 2	250	313
Administrator 3	210	262	Administrator 3	230	288
Administrator 4	150	187	Administrator 4	165	206
Support	0	0	Support	0	0

Office holders' remuneration may include costs incurred by the firm's in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment.

**Subcontractors**

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

**Professional Advisors**

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

## Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

Type	Description	Amount																								
AML checks	Electronic client verification in compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	£5.00 plus VAT per search																								
Bond / Bordereau fee	Insurance bond to protect the insolvent entity against and losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case																								
Company searches	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting	Hosting of documents for creditors/shareholders. Cost per upload, plus VAT.	<table><tr><th>Type</th><th>First 100</th><th>Every addtl 10</th></tr><tr><td>ADM</td><td>£14.00</td><td>£1.40</td></tr><tr><td>CVL</td><td>£7.00</td><td>£0.70</td></tr><tr><td>MVL</td><td>£7.00</td><td>£0.70</td></tr><tr><td>CPL</td><td>£7.00</td><td>£0.70</td></tr><tr><td>CVA</td><td>£10.00</td><td>£1.00</td></tr><tr><td>BKY</td><td>£10.00</td><td>£1.00</td></tr><tr><td>IVA</td><td colspan="2">£10 p.a. or £25 for life of case</td></tr></table>	Type	First 100	Every addtl 10	ADM	£14.00	£1.40	CVL	£7.00	£0.70	MVL	£7.00	£0.70	CPL	£7.00	£0.70	CVA	£10.00	£1.00	BKY	£10.00	£1.00	IVA	£10 p.a. or £25 for life of case	
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BKY	£10.00	£1.00																								
IVA	£10 p.a. or £25 for life of case																									
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £204.00 3-6 months £303.00 6-12 months £490.00																								
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case																								
Statutory advertising	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£85.95 plus VAT per advert Dependent upon advert and publication																								
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges																								

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT

Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See <b>disbursements</b> section below	See <b>disbursements</b> section below

### Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements.

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£81.25 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.



**Proof of Debt – General Form**

**Relevant date:**

**Name of Company in Administration:**

CGPM Limited

**Company registered number:**

03527965

1. Name of creditor (if a company, provide registration number)

2. Correspondence address of creditor (including email address)

3. Total amount of claim (£) at relevant date (include any Value Added Tax)

4. If amount in 3 above includes outstanding uncapitalised interest, state amount (£)

5. Details of how and when the debt was incurred (if you need more space attach a continuation sheet to this form)

6. Details of any security held, the value of the security and the date it was given

7. Details of any reservation of title claimed in respect of goods supplied to which the debt relates

8. Details of any document by reference to which the debt relates

9. Signature of creditor (or person authorised to act on the creditor's behalf)

10. Date of signing:

11. Address of person signing (if different from 2 above)

12. Name in BLOCK LETTERS

13. Position with, or relation to, creditor

**Notes:**

1. There is no need to attach them now but the office-holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office-holder. If completing on behalf of the company, please state your relationship to the company.

# 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	Taylor Stevens
Company name	Leonard Curtis
Address	2nd Floor
	40 Queen Square
	Bristol
Post town	
County/Region	
Postcode	B S 1 4 Q P
Country	
DX	
Telephone	0117 929 4900



### 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)