

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company

Cashflow Acceleration Limited

Company number

04430683

In the

Leeds District Registry

(full name of court)

Court case number

1160 of 2013

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

I/We (a)

Lisa Jane Hogg
 Wilson Field Limited
 The Manor House
 260 Ecclesall Road South
 Sheffield
 S11 9PS

Gemma Louise Roberts
 Wilson Field Limited
 The Manor House
 260 Ecclesall Road South
 Sheffield
 S11 9PS

*Delete as applicable

attach a copy of our proposals in respect of the administration of the above company

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

(b) 11 November 2013

Signed


 Joint / Administrator(s)

Dated

11/11/13

Contact Details.

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to researchers of the

Lisa Jane Hogg
 Wilson Field Limited
 The Manor House
 260 Ecclesall Road South
 Sheffield
 S11 9PS

DX Number

01142356780

DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

THURSDAY



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14/11/2013

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COMPANIES HOUSE

**In the Leeds District Registry
Court Number 1160 of 2013**

**In the matter of
Cashflow Acceleration Limited**

and

**In the matter of the Insolvency Act 1986
as amended by the Enterprise Act 2002**

Statement of Joint Administrators Proposals

**Pursuant to Paragraph 49 of Schedule B1 of the
Insolvency Act 1986 as applied by Section 248
of the Enterprise Act 2002**

Cashflow Acceleration Limited – In Administration

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1. Introduction

This Statement is made pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986

Paragraph 49(2) of Schedule B1 to the Insolvency Act 1986 requires this Statement to deal with the matters set out in Rule 2.33(2) of the Insolvency (Amendment) Rules 2010 ("the Rules")

A copy of this statement has been sent to,

- the Registrar of Companies,
- every creditor of the Company whose claim and address the Joint Administrators are aware of,
- every member of the Company whose address the Joint Administrators are aware of

It is considered that the EC Regulation on insolvency proceedings will apply and that these proceedings will be main proceedings as defined in Article 3 of the EC Regulation

The purpose of an Administration is to achieve one of the following hierarchical objectives,

- 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 of more secured or preferential creditors

2 Statutory Information

Company name	Cashflow Acceleration Limited		
Registered address	The Manor House, 260 Ecclesall Road South, Sheffield, South Yorkshire S11 9PS		
Former registered address	The Balaclava, Pell Green, Wadhurst, East Sussex TN5 6EE		
Other trading names of the Company	-		
Company number	04430683		
Date of incorporation	3 May 2002		
Objects	Factoring and Invoice Discounting broker		
Authorised share capital	200 ordinary shares of £1		
Issued share capital	100 ordinary shares of £1 100 ordinary A shares of £1		
Shareholders	Name Glenn Blackman Sean Morrow Julie Blackman	Amount 51 ordinary 60 ordinary A 40 ordinary A & 49 ordinary	
Debenture holder	None		
Directors	Name Rita Blackman	Appointment 3 Sep 2013	Resigned -

	Julie Blackman Glenn Blackman Sean Morrow Claire Willett	26 Aug 2003 3 May 2002 26 Aug 2003 19 Aug 2013	19 Aug 2013 2 Nov 2009 2 Nov 2009 27 Aug 2013
Company Secretary	Julie Blackman		

3 Court Details and Joint Administrators appointment

The Leeds District Registry is the Court seized of the Administration proceedings. The Court reference number is 1160 of 2013.

A Notice of Intention to Appoint Administrators was filed on 6 September 2013, with a hearing scheduled for 13 September 2013. This was subsequently adjourned to 20 September and 27 September 2013 to allow HM Revenue & Customs ("HMRC") to respond.

A winding up petition was presented by HMRC on 25 July 2013 and due to be heard on 9 September 2013. This hearing was further adjourned to 7 October 2013. At the hearing on 27 September 2013, an Administration Order was granted. The petition presented by HMRC was subsequently dismissed as a result of this order.

Lisa Jane Hogg and Gemma Louise Roberts are Insolvency Practitioners licensed by The Secretary of State for Business Innovation and Skills ("BIS").

The Joint Administrators considered the position prior to accepting the appointment, and having regard to their ethical guidelines, considered that there were no circumstances preventing them from accepting the appointment.

On 1 October 2013, Robert Dymond and Gemma Louise Roberts of this firm were appointed Joint Liquidators of Improvia Limited, a connected company by virtue of common directors. Consideration has been given as to whether there is a conflict of interest. However, in this case it is not perceived that a conflict has arisen.

Lisa Jane Hogg and Gemma Louise Roberts of Wilson Field Limited, The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS were appointed Joint Administrators of the Company.

In accordance with Paragraph 100(2) of Schedule B1 Insolvency Act 1986 both of the Joint Administrators may exercise any or all of the functions of the Joint Administrators jointly or alone.

4 Background

The information provided in this section is based upon the Company records, the accuracy of which the Joint Administrators are unable to vouch for. The Joint Administrators cannot therefore be held personally liable for errors or misstatement of fact contained therein.

The Company was incorporated on 3 May 2002 under the name of Cashflow Acceleration Limited and commenced trading from leased premises at The Balaclava, Pell Green, Wadhurst, East Sussex TN5 6EE. The Company operated as a financial intermediary, providing introductions of commercial funding to small and medium sized enterprises in the United Kingdom and Ireland.

The Company banked with Santander UK plc. No formal overdraft facility was in place and at the date of our appointment, the account remained in credit.

From 2003 onwards Julie Blackman acted as Finance Director. In recent years, a number of personal issues affected her health, leaving her unable to file any statutory accounts or effectively manage the day to day running of the company. This subsequently led to the Company falling behind with its VAT returns and liability thereon, with payments outstanding from 2008. Paperwork provided by HMRC indicates that an amount of £156,667 remains outstanding, although this remains to be confirmed. This figure includes a number of assessments, the claim is likely to be reduced once the returns are completed.

In addition to this, without the statutory accounts, the distributable profit of the Company was over estimated, leading to an overpayment of dividends. On reconciliation of the accounts these drawings were reclassified as directors' loans due for repayment to the Company.

On 30 May 2013, Julie Blackman was subject to a director's disqualification order for failure to file statutory information and statutory accounts for Improvia Limited. Julie Blackman has advised that she was unaware of the action taken by Companies House and did not have an opportunity to defend the action. She resigned as director on 27 August 2013 but remained both an employee and shareholder of the Company.

On 25 July 2013, a winding up petition was presented at Royal Courts of Justice, London by HMRC. A hearing was scheduled for 9 September 2013. Consequently, advice was taken from the 4R Business Group Limited who referred the Company to Wilson Field Limited, The Manor House, 260 Ecclesall Road South, Sheffield, South Yorkshire S11 9PS.

Following a review of the Company's financial circumstances the decision was taken to propose a Company Voluntary Arrangement ("CVA"). A CVA proposal was sent to all creditors on 23 August 2013 and a meeting of creditors convened for 9 September 2013 to consider the same. Given the timing of the petition hearing and our conversations with HMRC, it was anticipated that the CVA would be rejected and was therefore subsequently withdrawn.

Accordingly, the directors instructed Wilson Field Limited to assist in placing the Company into Administration with a view to saving the business as a going concern as a CVA was no longer viable. As detailed above, an application to place the Company into Administration was filed on 6 September 2013.

Financial Information

Period	Year Ended 31/5/2012		Year Ended 31/5/2011	
	£		£	
	Filed	Amended	Filed	Amended
Turnover		227,515		245,649
Gross profit		112,900		159,440
Gross profit %				
Net profit/(loss)		89,306		123,649
Directors emoluments				
Fixed assets	177,685	4,807	133,685	4,069
Current assets	7,000	305	6,320	(430)
Current liabilities	-	(148,862)	-	(131,445)
Shareholders Funds	184,885	153,774	140,205	135,084
Dividend Paid	Unknown	70,416	unknown	72,387
Reserves carried forward	184,685	153,574	140,005	134,884

The accounts for the periods 31 May 2011 and 2012 were approved by the board on 27 February and 3 March 2013 respectively. The amended versions were approved by the board on 3 September 2013 but have not yet been filed at Companies House.

The amended accounts contain positive values for the Company's current liabilities. Contained within the computations for the accounts for years ended 2011 and 2012 are loan account figures of £327,481 and £401,894 respectively, which appear to have been set-off against the Company's creditors.

The exact nature of this loan account, its current position and recovery of the same is being investigated at present and further information on this point shall be forwarded to all creditors in subsequent reports.

5 Events subsequent to the appointment of the Joint Administrators

The Joint Administrators of the Company have performed their functions with the purpose of achieving one of the following hierarchical objectives,

- rescuing the Company as a going concern, or
- achieving a better result for the Company creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or
- realising property in order to make a distribution to one or more secured or preferential creditors.

The first objective of rescuing the Company as a going concern was explored and this may be possible. However, given the uncertain nature of the realisations (see below), it was concluded that the first objective was not possible at this stage. As a result, the second objective is being pursued and it is believed that it is likely to be achieved as there is evidence to suggest that the Company's creditors will achieve a better result than if the Company were wound up without first being in Administration.

Furniture & Equipment

The attached Statement of Affairs refers to furniture and equipment of book value £4,807, with an estimated realisable value of £1,000. This estimate has been provided by the Directors. However, ownership of the asset in question is not yet certain and, in any event, it is highly likely that the costs of removal and subsequent sale of any items would be far in excess of any potential realisable value. I have instructed our agents in this matter to value the assets in question and ascertain any likely realisations for the benefit of the Company.

Commissions – Pre & Post Appointment

The SoA also refers to Commissions of book value £386,680, with an estimated realisable value of £222,727. In accordance with the introductions made by the Company on an annual basis, commissions of approximately £193,340 are due per annum. This is reduced by 20% per annum to allow for insolvency or further refinancing of the introduced clients. The balance of £222,727 is therefore expected to be realised over a period of 24 months.

Accordingly, we are continuing to raise invoices in respect of commissions due from the respective finance companies. To date, invoices totalling £46,226.06 including VAT have been raised, of which £18,120 has been received. We are continuing to monitor recoveries in this regard and are in regular contact with Santander regarding further post-appointment receipts.

In addition to the above, one pre-appointment commission of £4,336.72 plus VAT has been realised.

Customer Database

In connection with the above commissions, the Company also maintained a database of customer details and records of various marketing strategies and records of contacts. As there may be some value in this record, I have placed this schedule with our agents, Charterfields Limited, to assess any value and achieve a sale thereof if possible.

Cash at Bank

Residual cash at bank of £215.52 has been realised from the Company's former banking facility at Santander. The account is continuing to receive numerous credits in respect of invoices raised after the date of my appointment and as such the account has not yet been closed.

Directors' Loan Account

As per the financial information provided above and the SoA attached, the amended accounts for the year ended 31 March 2012 show an outstanding loan account of £401,894 due for repayment to the Company. An offer of £60,000 in full and final settlement of this account has been received from Julie Blackman in respect of this sum. However, we are continuing to reconcile the loan account with the bank statements before we are in a position to consider the offer fully and we shall advise creditors further as to our progress on this point in subsequent reports.

Joint Administrators' Agents and Solicitors

Company	Role	Fee Structure
HLW Keeble Hawson LLP	Solicitors	Time cost basis
Charterfields	Agents	Time cost basis

The Joint Administrators' choice of agent(s) and solicitor(s) was based on their perception of the experience and ability of the respective firms to perform their work and the complexity of the case.

Investigations

The Joint Administrators' investigations into the Company's affairs are currently ongoing.

The Joint Administrators have a statutory obligation to file a report with the Insolvency Service regarding the conduct of the directors that held office in the three years prior to the Administration. The report must be submitted within six months of the appointment date and creditors should note that the contents of this report are confidential.

The Joint Administrators also have a duty to investigate antecedent transactions which include,

- Transactions at an undervalue, s238 of the Insolvency Act 1986
- Preferences, s239 of the Insolvency Act 1986
- Transaction defrauding creditors, s423 of the Insolvency Act 1986

Any creditor who has any information which they think may be relevant should forward appropriate details to the Joint Administrators as soon as possible.

Other actions taken by the Joint Administrators and their staff are as follows:

- Compliance with our statutory duties to notify and advertise the appointment
- Notifying and liaising with Crown departments as necessary
- Arranging new Administration banking facilities

- Notifying and liaising with the Company's bank
- Notifying and liaising with the Finance Companies
- Notifying and liaising with the Company's professional advisors

6 Statement of Affairs

In accordance with Paragraph 47 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators requested a Statement of Affairs from the directors on 1 October 2013, a copy of which is attached at Appendix A

Some creditors amounts may differ from the actual amount owed however this does not affect creditors' ability to submit a claim for a different amount

7 Joint Administrators' Remuneration

Pre-Administration costs

In accordance with Rule 2 67A Insolvency Rules 2010, the Joint Administrators seek approval of their time costs and expenses incurred before the Company entered into Administration but with a view to it doing so

The time costs total £6,568, and a schedule of these is attached at Appendix C

Post-Administration costs

In accordance with Rule 2 106 as amended by the Insolvency Rules 2010, it is proposed that the basis upon which the Joint Administrators' remuneration should be fixed, is by time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration

The Joint Administrators will be seeking the approval of the general body of creditors

The Joint Administrators' time costs from appointment to date total £20,956 17 A schedule of these is attached at Appendix C

Please note that a guide to Administrators fees is available at the following website link, www.insolvency-practitioners.org.uk, however a hard copy is available on request

8 Dividend Prospects

Preferential creditors

The preferential claims will consist of employee wage arrears and holiday pay, the majority of which are subrogated to the National Insurance Fund for monies paid from the Redundancy Payments Office ("RPO")

Whilst the Joint Administrators have not yet received a claim from the RPO, and therefore no claims have been agreed, it is anticipated that the preferential claims will be in the region of £7,000

Unsecured creditors

The Company's books and records show that unsecured creditors total £230,756 12 I can confirm that one claim of £236,962 82 has been received from HM Revenue & Customs in respect of the Company's VAT debt I anticipate further claims in respect of PAYE/NIC deductions not paid across and Corporation Tax

Based upon anticipated realisations, it is likely that a significant dividend will become available to unsecured creditors

9. End of Administration

The exit options available to the Joint Administrators are as follows,

- Return the Company to the control of the Directors
- Creditors' Voluntary Liquidation
- Compulsory Liquidation
- Dissolution

10 Joint Administrators proposals to achieve the purpose of the Administration

The Joint Administrators make the following proposals for achieving the purpose set out in Paragraph 3 of Schedule B1 to the Insolvency Act 1986

- That the Company's affairs will continue to be managed by the Joint Administrators and their agents and such management will be financed from the realisation of the Company's assets within the Administration
- That the Joint Administrators do all things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, otherwise provided by statute as they, in their sole and absolute discretion, consider desirable or expedient in achieving the statutory objective of the Administration
- That the Joint Administrators seek an extension to the Administration period if deemed necessary
- That the Joint Administrators seek approval of their time costs and expenses incurred before the Company entered into Administration but with a view to it doing so
- That the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the Administration
- That the Joint Administrators be authorised to draw Category 2 Disbursements as detailed on the attached schedule at Appendix D
- That the Joint Administrators will be authorised to pay the costs (fees and expenses) connected with the application of the Administration Order, in accordance with the order of priority scheduled in Rule 2.67 of the Insolvency Rules 1986, as amended by the Enterprise Act 2002,
- Upon completion of the proposals above and achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up, and upon the settlement of the Administration expenses and liabilities, the Joint Administrators propose, that they file the requisite notice pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986 to ensure that the Company is placed into Creditors Voluntary Liquidation so as to facilitate any distribution to the creditors of the Company. It is further proposed that Lisa Jane Hogg and Gemma Louise Roberts be appointed as Joint Liquidators of the company. Creditors should however note that in accordance with Paragraph 83(7) of Schedule B1 of the Insolvency Act 1986 Rule 2.117(3) of the Rules, they 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

- Or, if the Joint Administrators at any time conclude that the Company's property is insufficient to permit any or further distributions to its creditors, then the Joint Administrators will seek the dissolution of the Company pursuant to Paragraph 84(1) of Schedule B1. Should the Company be dissolved in accordance with this Paragraph, the Joint Administrators will take steps to destroy all books and records in their possession within 12 months on the dissolution.
- If the Company proceeds into Liquidation the basis of remuneration fixed in the Administration continues to apply in the Liquidation.
- That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 of the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing.

11. Creditors meeting

In accordance with Paragraph 58 of Schedule B1 Insolvency Act 1986, the Joint Administrators propose to deal with the Proposals by way of correspondence instead of holding a creditors meeting. A copy of Form 2.25B is attached at Appendix E.

However, the Joint Administrators shall summon an initial creditors' meeting, if requested to by the creditors of the Company, whose debts amount to at least 10% of the total debts of the Company, using the attached prescribed form 2.21B (attached at Appendix E), within 8 business days from the date of this report.

Creditors are reminded that the costs of any meeting called shall be paid for by them and that a deposit will be required for such purpose. Such costs may be ordered to be paid as an expense of the Administration if the meeting so resolved.

Dated this 8 November 2013



L J Hogg
Joint Administrator
Acting as agent of the Company without personal liability

Lisa Jane Hogg and Gemma Louise Roberts of Wilson Field Limited were appointed Joint Administrators to Cashflow Acceleration Limited on 27 September 2013. The affairs, business and property of the Company are being managed by the Joint Administrators without personal liability.

CASHFLOW ACCELERATION LIMITED – IN ADMINISTRATION

APPENDIX A

DIRECTORS STATEMENT OF AFFAIRS & SCHEDULE OF CREDITORS