

The Insolvency Act 1986

**Administrator's progress report**

Name of Company

Anthony Donald Evans Limited

Company number

6221896

In the

High Court of Justice Manchester District  
Registry

(full name of court)

Court case number

2591 of 2010

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

I/We (a)

Mark Terence Getliffe  
CLB Coopers  
Ship Canal House  
98 King Street  
Manchester  
M2 4WUDiane Elizabeth Hill  
CLB Coopers  
Ship Canal House  
98 King Street  
Manchester  
M2 4WU

administrator(s) of the above company attach a progress report for the period

From

To

(b) Insert date

(b) 1 October 2011

(b) 31 March 2012

Signed

*Mark Terence Getliffe*  
Joint / Administrator(s)

Dated

27 April 2012

**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 searchers of the public record

Mark Terence Getliffe  
CLB Coopers  
Ship Canal House  
98 King Street  
Manchester  
M2 4WU

DX Number

0161 245 1000  
DX Exchange

THURSDAY



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03/05/2012

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COMPANIES HOUSE

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Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

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**Anthony Donald Evans Limited  
In Administration**

**Joint Administrators' Progress  
Report for the period  
1 October 2011 to 24 April 2012**

**and**

**Joint Administrators' Final  
Report to 24 April 2012**

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## **JOINT ADMINISTRATORS' PROGRESS REPORT & FINAL REPORT**

### **1 Introduction and Statutory Information**

- 1 1 This report has been prepared in accordance with Rule 2 47 and Rule 2 110 of the Insolvency Rules 1986 and the Insolvency Amendment Rules 2010 to provide creditors with a summary of the Administration of Anthony Donald Evans Limited ("the Company")
- 1 2 Mark Getliffe together with Diane Hill of CLB Coopers, Ship Canal House, 98 King Street, Manchester M2 4WU were appointed Joint Administrators of Anthony Donald Evans Limited ("the Company") on 23 November 2010 The application for the appointment of Joint Administrators was made by the directors of the Company We are licensed as Insolvency Practitioners in the United Kingdom by the Institute of Chartered Accountants of England and Wales
- 1 3 Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators jointly or alone
- 1 4 The Joint Administrators confirm that the Court having conduct of the proceedings is the High Court of Justice Manchester District Registry, case reference number 2591 of 2010
- 1 5 The trading address of the Company was Unit 8 Deacon Park, Moorgate Road, Knowsley, Liverpool L33 7RX The business used the following trading styles
- Seeus2save
  - Seeus2save Direct
  - Seeus2save Direct Insurance
  - Seeus2save Insurance
  - Seeus2save com
  - Accident Assistance
  - Helpadebt com
  - Clear bike insurance
  - Clear Insurance
  - Homecover

- 1 6 For the purposes of the Administration the registered office of the Company has been changed to, c/o CLB Coopers, Ship Canal House, 98 King Street, Manchester M2 4WU and its registered number is 6221896 England & Wales
- 1 7 The Company was a Financial Services Authority ('FSA') regulated business and as such the FSA's approval to the Administration and the Administrators' strategy was sought and obtained The Company's business was that of an insurance broker, principally motor vehicle insurance business via the web
- 1 8 The period of the Administration was extended on 8 November 2011 by the consent of the creditors by 6 months from 22 November 2011 to 22 May 2012
- 1 9 Form 2 34B – Notice of move from Administration to Creditors' Voluntary Liquidation dated 23 April 2012 was registered at Companies House on 24 April 2012 The Company is now in Liquidation

## **2 Progress of the Administration**

- 2 1 The statutory purpose of Administration consists of three objectives
- rescuing the Company as a going concern,
  - achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or
  - realising property in order to make a distribution to one or more secured or preferential creditors
- 2 2 Notice of Intention to Appoint Administrators was filed at Court on 19 November 2010 and having received consent from the secured creditors, Barclays Bank Plc ('the Bank') and the FSA, the Joint Administrators were appointed on 23 November 2010
- 2 3 The withdrawal of support by the insurers and the lay-off of staff led to the cessation of normal trading operations by the start of November 2010 In addition, it was clear from reviewing the agency transfer agreements between the Company and the insurers that the policyholders were in fact the "property" of the insurers and not the Company and therefore the customer base was not readily saleable if

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at all

- 2 4 The first objective of Administration pursuant to Paragraph 3 (1) (a) of Schedule B1 to the Insolvency Act 1986, rescuing the Company as a going concern was therefore not achievable
- 2 5 The Joint Administrators have performed their functions in relation to the second objective which is to achieve a better result for the Company's creditors as a whole than would be likely if the Company had been wound up (without first being in Administration) Control of the Company via Administration offered immediate protection of its assets and records and allowed a controlled run-off of the Company's business, potentially for the benefit of all creditors We were therefore immediately able to provide assistance to both the insurers and to the policy holders in relation to queries relating to the policies in place This included dealing with members of the public that risked potential exposure under the policies purchased through the Company
- 2 6 The Joint Administrators' proposals were approved at a meeting of the Company's creditors held on 31 January 2011 A copy of the report and proposals are attached at Appendix F There have been no major amendments to or deviations from those proposals
- 2 7 In accordance with Statement of Insolvency Practice No 13 (SIP13), we advise you that no assets were sold to any director of the Company, during the Administration period
- 2 8 A considerable amount of time has been invested in this matter in dealing with the queries, complaints and inquiries of the Company's clients This was as a result of the Company's failure and also as a result of the Company's FSA authorisation and obligations to consumers
- 2 9 Attached at **Appendix A** is the Joint Administrators' Receipts and Payments Account for the period from 1 October 2011 to 31 March 2012 and cumulative to 31 March 2012
- 2 10 Attached at **Appendix G** is the Joint Administrators' Receipts and Payments Account for the period 1 April 2012 to 24 April 2012
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- 2 11 The outcome of the Administration is a move into Creditors Voluntary Liquidation and Diane Hill and I are the Joint Liquidators. The Joint Liquidators will continue to pursue an asset realisation strategy in relation to debts due to the Company by various parties described in this report.

### **3 Realisation of Assets**

#### **3 1 Bank Accounts**

At the date of appointment of the Joint Administrators the Company operated eight bank accounts. The funds held in these accounts at that time were transferred to the Joint Administrators' account.

The Bank withheld some £157,054 of the funds in the Company's bank accounts to cover any legitimate refund requests relating to credit card chargebacks that may have arisen. These chargeback claims could potentially have been received by the Bank for a period of 12 months following the Administration and therefore the Bank withheld some of the funds to cover this eventuality for this period.

The Bank repaid the balance of funds held by it after deducting funds to cover those claims for chargebacks received from the Company's clients.

Total receipts from the Bank in respect of the funds held are £147,490 net of chargebacks of £9,564 and no further funds are expected from the Bank. The total fund received by the Joint Administrators from the Company's various bank accounts inclusive of those returned by the Bank, is £161,567.

#### **3 2 Debtors**

A number of loan accounts and intercompany debts were identified as being due to the Company. These related to amounts due from the directors of the Company and from a number of companies, some of which are connected within the meaning of Section 249 and 435 of the Insolvency Act 1986.

Messrs Howes Percival Solicitors were appointed to assist in reviewing the Company's claims and comment upon the likelihood of successful recovery action. Following the review it was agreed that letters before action would be sent to Anthony Evans, Paul Wheeler and RM Legal.

Following negotiation and consultation with the major insurance creditor the Joint Administrators have recovered £20,000 from Mr Evans in full and final settlement of all claims against him and agreed a settlement with Mr Wheeler as set out at 4.1 below

### 3.3 Furniture and Equipment

The Company's furniture and equipment were valued by our agents Wignall Brownlow LLP and were sold to GT Law for a total of £17,500

## 4 Assets Still to be Realised

### 4.1 Director Loans

Mr Wheeler has agreed to pay £10,000 in full and final settlement of all claims against him. Mr Wheeler has agreed to pay £5,000 by 31 May 2012 and the balance of £5,000 by 31 December 2012. This will be dealt with by the Joint Liquidators.

The debt owed by RM Legal, which the Company's records indicate to be £25,520 also remains due and our solicitors have been instructed to pursue payment of this amount in full.

### 4.2 Premium Rate Telephone Lines

The Company utilised premium rate telephone lines for contact by clients. These lines were operated through a premium rate line provider, Switchconnect Limited. Following the Administration of the Company we reconciled the amount due to the Company from Switchconnect Limited and a balance owing of £20,316.20 was agreed. However, Switchconnect Limited was placed into Administration on 17 March 2011. We have received correspondence from the Administrators of Switchconnect Limited which indicates that there will be a dividend to the unsecured creditors of that Company but which does not yet indicate the timing or value of the dividend.



#### 4.3 Referral Debtors

These relate to amounts outstanding in relation to referral agreements in place between the Company acting as a Claims Management Company ('CMC') and various solicitors. There is one particular agreement on which we are currently obtaining further legal advice. Subject to the legal advice, there may be significant amounts due to the Company in respect of this agreement. Further review will be undertaken by the Joint Liquidators following their appointment.

### 5 Estimated Outcome for Creditors

#### 5.1 Secured Creditors

The Company granted a floating charge to Barclays Bank plc ('the Bank') on 3 November 2008. As a matter of law, the Joint Administrators are required to create a fund out of the Company's net floating charge property if there is any money due to the Bank under its floating charge. As there is no debt due to the Bank under its floating charge, the requirements described above do not apply in this case.

#### 5.2 Preferential Creditors

The preferential creditors are the employees who have claims for holiday pay and arrears of wages together with the claim of the Redundancy Payments Service for payments advanced to the employees in respect of their claims. The preferential claims currently stand at £9,492. A final reconciliation of the amount due will proceed payment of a dividend to preferential creditors. It is likely that preferential creditors will be paid a dividend of 100 pence in the £ on the debt due.

#### 5.3 Unsecured Creditors

We have written to all known creditors advising them of the appointment of the Administrators.

The total of unsecured creditor claims received, inclusive of employees' unsecured claims, are currently estimated at £1,154,598.

It is anticipated that there will be a surplus available for unsecured creditors but we are not able to estimate the quantum or timing of any dividend until the remaining assets are realised in full and any dividend will be paid during the course of the Liquidation

An Estimated Outcome Statement as at 31 March 2012 is attached at **Appendix B** As at 24 April 2012 there have not been any changes to this position

## **6 Investigations**

- 6 1 The Joint Administrators are required under the Company Directors Disqualification Act 1986 to submit a report to the Department for Business Innovation and Skills in respect of the Directors conduct in the three year period prior to the Administration
- 6 2 The content of the report is confidential however the Joint Administrators can confirm that a report has been submitted and their statutory obligation has been complied with
- 6 3 Details of recovery actions resulting from the investigations are set out at section 3 above

## **7 Ending the Administration**

- 7 1 We anticipate that there will be sufficient realisations from assets to allow a dividend to be paid to unsecured creditors Therefore, a notice was filed with the Registrar of Companies in order that the Administration ceased and the Company will be placed automatically into Creditors Voluntary Liquidation This notice was registered at Companies House on 24 April 2012 at which date the Company entered Liquidation
- 7 2 The Joint Administrators were discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrator ceasing to have effect

## 8 Pre-Administration Costs

- 8 1 On 31 January 2011 the following amounts in respect of pre-Administration costs were approved

Name of recipient	Brief description of services provided	Total amount approved
CLB Coopers	Placing Company into Administration	£7,688 35

The approved costs have been paid as an expense of the Administration

## 9 Joint Administrators' Remuneration

- 9 1 The Creditors approved that the basis of the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the Administration
- 9 2 The Joint Administrators' time costs for the Administration period of 23 November 2010 to 31 March 2012 are £165,253 70 This represents 849 40 hours at an average rate of £194 55 per hour Attached at **Appendix C** is a Time Analysis which provides details of the activity costs incurred by staff grade during the period from 1 October 2011 to 31 March 2012 and cumulative to 31 March 2012 As at 31 March 2012 fees of £163,578 05 have been drawn on account of the above time costs
- 9 3 Attached at **Appendix H** is a Time Analysis for the period from 1 April 2012 to 24 April 2012 The Joint Administrators' time costs in this period are £2,745 50 This represents 17 25 hours at an average rate of £159.16 per hour
- 9 4 Due to an administrative error time spent by one employee at "Case Administrator" grade has been charged to this case at a rate which was £7 per hour higher than other members of staff operating at the same grade up to 13 May 2011 We do not consider this increase in the amount charged for this grade of staff to be material An adjustment of £7 per hour has been made to the total amount charged by the relevant case administrator for the period to 13 May 2011 to adjust for this discrepancy

9 5 Attached as **Appendix D** is CLB Coopers' policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade

9 6 Further details of the work carried out under the headings in the Time Analysis referred to at 9.2, are provided at **Appendix E**

## **10 Joint Administrators' Expenses**

The following expenses have been incurred in the Administration to 31 March 2012

<b>Expense</b>	<b>Amount £</b>	<b>Paid/Unpaid</b>
Rent payable	2,000	Paid
Telephone Costs	479 21	Paid
Specialist Insurance Advisory	6,385 50	Paid
Staff Salaries	856 95	Paid
Stationery	96 00	Paid
Agents Fees and Disbursements	1,732 00	Paid
Legal Fees and Disbursements (Debt Collection )	5,567 00	Paid
Mail Redirection	395 85	Paid
Confidential Data Destruction	593 00	Paid

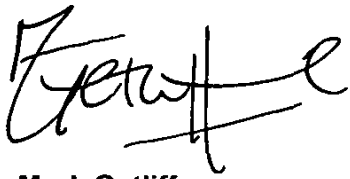
All administration expenses accrued to date in the Administration have been paid up to date

## **11 Creditors' rights**

11 1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which

have been itemised in this progress report

- 11 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Joint Administrators' remuneration, the remuneration charged or the expenses incurred by the Joint Administrators as set out in this progress report are excessive

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

**Mark Getliffe**  
**Joint Administrator**  
**Anthony Donald Evans Limited**

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**Appendix A**

**Anthony Donald Evans Limited**

Receipts and Payments Account from 1 October 2011 to 31 March 2012  
and Cumulative to 31 March 2012

## Appendix A

### Anthony Donald Evans Limited

Receipts and Payments Account from 1 October 2011 to 31 March 2012  
and Cumulative to 31 March 2012

	From 01/10/2011 To 31/03/2012 £	From 23/11/2010 To 31/03/2012 £
<b>Asset Realisations:</b>		
Furniture and Equipment	Nil	17,500 00
Cash at Bank	7,489 95	161,567 30
Directors Loan Account	20,000 00	20,000 00
Bank Interest Net of Tax	1 69	1 69
Sundry Refunds	Nil	326 32
	<u>27,491 64</u>	<u>199,395 31</u>
<b>Cost of Realisations:</b>		
Helpadebt com Refunds	Nil	926 86
Stationery	Nil	96 00
Specific Bond	13 50	413 50
Specialist Insurance Advisory	1,000 00	7,385 50
Pre-administration costs	Nil	7,688 35
Joint Administrators' Remuneration	23,779 65	163,578 05
Agents/Valuers Fees	Nil	1,500 00
Agents/Valuers Disbursements	Nil	232 00
Legal Fees	5,565 00	5,565 00
Legal Disbursements	2 00	2 00
Travel	Nil	350 10
Re-direction of Mail	Nil	395 85
Statutory Advertising	Nil	202 61
Rents Payable	Nil	2,000 00
Confidential Data Destruction	Nil	593 00
Insurance of Assets	Nil	280 54
Wages & Salaries	Nil	856 95
Bank Charges	23 00	46 00
Telephone Costs	Nil	479 21
	<u>(30,383 15)</u>	<u>(192,591 52)</u>
	<u><b>(2,891.51)</b></u>	<u><b>6,803.79</b></u>
Represented by		
VAT Receivable		5,869 13
Current Account		32 97
Interest Bearing Account		901 69
		<u><b>6,803.79</b></u>

**Appendix B**

**Anthony Donald Evans Limited**

Estimated Outcome Statement as at 31 March 2012



## Appendix B

### Anthony Donald Evans Limited

Estimated Outcome Statement as at 31 March 2012

	Notes	To 31.03.12 £	Estimated Future Movement £	Total £
<b>Receipts</b>				
Per the Receipts and Payment Accounts at Appendix A	1	199,395		199,395
Additional Realisations	2		35,520	35,520
Less -				
<b>Payments</b>				
Per Receipts and Payment Account at Appendix A		192,592		192,592
Preferential Creditors			9,492	9,492
Administrators' Fees	3		3,000	3,000
Liquidators' Fees			10,000	10,000
		<u>6,803</u>	<u>13,028</u>	<u>19,831</u>

Based on Estimated non preferential claims of £1,154,598 the surplus funds of £19,831 would equate to a dividend of 2 pence in the £

As at 24 April 2012 there have not been any changes to this position

## Notes on the Estimated Outcome Statement as at 31 March 2012

- 1 The Joint Administrators' Receipts and Payments account for the period 23 November 2010 to 31 March 2012 is included at **Appendix A** and should be read in conjunction with Sections 3 and 4 of the report setting out realisations in the Administration to date together with anticipated further realisations
- 2 The anticipated further realisations in the Estimated Outcome Statement are as follows

	£
Directors Loan Account (see section 4 1)	10,000
Debtor (RM Legal)	<u>25,520</u>
	35,520

Further funds are likely to be realised in respect of the debt due from Switchconnect Limited and from one or more referral debtors. However, the amount likely to be realised is yet to be quantified

- 3 For the purposes of this Estimated Outcome Statement, we have estimated the additional costs of the Administration at £3,000 and the costs of the Liquidation at £10,000

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## **Appendix C**

### **Anthony Donald Evans Limited**

Time Analysis for the period from 1 October 2011 to 31 March 2012  
and Cumulative to 31 March 2012

## Appendix C

### Anthony Donald Evans Limited

Time Analysis for the period from 1 October 2011 to 31 March 2012

Classification of Work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	0 00	4 90	11 75	0 00	16 65	2,622 60	157 51
Investigations	0 00	3 15	2 80	0 00	5 95	1,105 30	185 76
Realisation of assets	16 75	14 60	4 55	0 00	35 90	10,258 05	285 74
Creditors	1 25	14 00	2 55	0 00	17 80	4,035 55	226 72
Other Case Matters	0 00	0 30	0 40	0 00	0 70	123 40	176 29
VAT / Tax Compliance	0 00	0 00	1 10	0 00	1 10	149 60	136 00
Total Fees Claimed £	6,750 00	8,498 50	3,046 00	0 00		18,294 50	234 24
Total Hours	18 00	36 95	23 15	0 00	78 10		
Average Rate	375 00	230 00	131 58	0 00			

## Appendix C

### Anthony Donald Evans Limited

Time Analysis for the period from 23 November 2010 to 31 March 2012

Classification of Work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	15 40	104 65	85 05	11 00	216 10	39,538 05	182 96
Investigations	11 20	22 90	34 35	0 00	68 45	13,910 00	203 21
Realisation of assets	56 15	46 35	78 70	0 00	181 20	41,583 40	229 49
Creditors	25 61	122 70	186 55	8 25	343 10	60,622 75	176 69
Other Case Matters	13 50	8 05	7 15	0 00	28 70	7,679 05	267 56
VAT / Tax Compliance		0 75	10 40	0 00	11 15	1,519 70	136 30
Total Fees Claimed £	45,255 25	65,365 20	52,577 00	1,655 50		164,852 95	194 24
Total Hours	121 85	305 40	402 20	19 25	848 70		
Average Rate	371 40	214 03	130 72	86 00			

## **Appendix D**

### **Anthony Donald Evans Limited CLB Coopers Fees and Disbursements Policy**

#### **Policy**

Detailed below is CLB Coopers policy in relation to

- Staff allocation and the use of sub-contractors
- Professional advisors
- Disbursements

#### **Staff allocation and the use of sub-contractors**

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

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We operate a time recording system which allows staff working on the case along with the office holders to allocate their time to the case in 6 minute units. Time costs are recorded at the individual's hourly rate in force at that time which is detailed below. The rates shown are exclusive of VAT.

We have not utilised the services of sub-contractors in this matter. One member of staff and one consultant previously employed by the Company were retained to assist the Joint Administrators in recording and scheduling the Company's records and dealing with cancellation and complaint matters. This has been described in previous reports as 'sub-contract' services when in fact it was the retention of a key employee and use of an industry consultant previously engaged by the Company.

#### **Professional Advisors**

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

<b>Name of Professional Advisor</b>	<b>Basis of Fee Arrangement</b>
AUA Insolvency Risk Services	Rate for time on cover and sale rate
Wignall Brownlow LLP (valuation and disposal advice)	Time costs commission and disbursements
Howes Percival Solicitors (legal advice – debtors)	Time costs and disbursements
Interim Business Consultancy Services (Insurance Consultancy)	Time costs and disbursements

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

### **Disbursements**

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

Please note that prior to 1 November 2011 business mileage for case related travel may have been recharged in this matter at standard rates which comply with Inland Revenue limits. This rate is currently 45p per mile.

### **Charge-out Rates**

A schedule of CLB Coopers charge-out rates for this assignment effective from 23 November 2010 to 5 June 2011 is shown below:

<b>Grade of Staff</b>	<b>Rate per hour:£</b>
Partner	311 -374 00
Manager	206 00
Administrator	132 00
Assistants and Support Staff	86 00

From 6 June the charge-out rates are

Grade of Staff	Rate per hour £
Partner	320 -375 00
Manager	230 00
Administrator	136 00
Assistants and Support Staff	95 00

A copy of the guide to fees is available on request from CLB Coopers or can be downloaded from our website [clbcoopers.co.uk](http://clbcoopers.co.uk) Follow the link to Business Restructuring & Insolvency and click on 'View our Creditors' Guides to Fees'



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**Appendix E**

**Anthony Donald Evans Limited**

Additional information in relation to Joint Administrators' Fees pursuant to Statement  
of Insolvency Practice 9

## Appendix E

### Anthony Donald Evans Limited

#### Additional information in relation to Joint Administrators' Fees pursuant to Statement of Insolvency Practice 9

#### Policy

Set out at **Appendix D** is CLB Coopers policy in relation to

- Staff allocation and the use of sub-contractors
- Professional advisors
- Disbursements

#### Activities Undertaken

The standard activities – administration and planning, Investigations, realisation of assets, trading, creditors and other case matters which make up the classification of work function provide creditors with a summary of the work carried out by the Office Holders and their staff. Full details of the time and charge out summary are set out in the above table. The classification of work with further examples of work carried out is as follows -

Standard Activity	Examples of Work
Administration & Planning	Case strategy
	Case planning
	Administrative set up
	Appointment notification and formalities
	Maintenance of records
	General accounting
	Statutory reporting & meetings
	Bonding and bordereau
	Fees and WIP
	General cashiering
	Reconciliations
	Periodic reviews
Investigations	CDDA reports
	Questionnaires and checklists
	Antecedent transactions
Realisation of Assets	Identifying, securing, insuring assets
	Retention of Title
	Debt collection
	Property, business and assets sales
	Leasehold property issues
	Stock and WIP issues

	Sale of Goodwill / business
	Health and safety
Trading	Management of operations
	Accounting for trading
	On-going Employee issues
Creditors	Creditor queries
	Creditor correspondence
	Reporting
	Legal claims
	Creditor claims (all categories)
	Employees
	Pre Appointment VAT/PAYE/CT
Other Case Matters	Non specific items not included in other categories
VAT & Tax Compliance	Post appointment VAT, PAYE and Tax issues

### **Administration & Planning**

The total number of hours accrued and categorised as Administration & Planning are 216 10 with a time cost of £39,538 05 which equates to an average rate of 182 62 per hour. A total of 15 4 hours was spent at partner level, 104 65 hours at manager level, 85 05 spent by case administrators and 11 hours by support staff. Examples of work categorised under this heading are as follows:

- Insurance compliance and protection of the former trading premises
- Dealing with media and press enquiries
- Obtaining the Directors' Statement of Affairs
- Banking and cashiering
- Obtaining and reviewing the Company's accounting and other records
- Compliance with the Financial Services Authority's requirements
- Dealing with Bailiffs
- Safeguarding the Company's physical records and client data
- Liaising with the Company's landlord on property issues
- Meetings with management and consultants regarding Administration strategy
- Arranging safe disposal of client documents
- Company searches and other documents
- Site visits and supervision

- Review post and communications from clients
- Liaising with insurers on client matters

### **Realisation of Assets**

The total number of hours accrued and categorised as Realisation of Assets is 181 20 with a time cost of £41,583 40 which equates to an average rate of £229 49 per hour. A total of 56 15 hours was spent at partner level, 46 35 hours at manager level and 78 7 hours at case administrator level. Work undertaken includes

- Engagement of valuers and agents
- Liaising with prospective purchasers
- Attending site to secure the premises and identify and remove debtor related paperwork
- Schedule and store documents and paperwork and files containing client's personal data and information relating to the Company's Affairs
- Arranging and overseeing the transfer of clients from Helpadebt.com to specialist provider
- Review of Sage accounting records
- Review of the Company's bank statements
- Managing security on site to preserve asset value
- Monitoring the clearance of third party assets from site
- Ascertaining location of assets, motor vehicles and caravan not disclosed by the Directors and providing details to the relevant HP/lease companies
- Review of information held on insurance clients
- Reconciliation of debtors
- Dealing with the Bank and Barclaycard regarding funds held, credit card payments and related chargeback amounts over a 12 month period
- Reviewing and agreeing funds due from premium rate telephone lines
- Review of claims management business and related referral fee debtors
- Reconciliation of inter-company debtors and directors' loan accounts

- Liaising with legal advisors on debt collection matters

### **Creditors**

The total number of hours accrued and categorised under the heading Creditors are 343.10 with a time cost of £60,622.75 which equates to an average rate of 176.69 per hour. A total of 25.60 hours has been accrued at partner level, 122.70 at manager level, 186.55 by insolvency case administrators and 8.25 hours by support staff. Work undertaken includes

- Liaising with secured creditors
- Handling creditor queries, recording creditor claims
- Meeting with Directors and staff regarding client and insurance provider accounting system, complaints policy and protocol
- Liaison with insurers and agreeing a strategy for continuing service to current policy holders
- Reporting to the unsecured and secured creditors
- Submitting claims for unpaid wages and holiday pay prior the Administration in respect of the Company's 51 employees
- Corresponding with the Redundancy Payments Service and Job Centre Plus
- Arranging Job Centre Plus staff to attend on site to meet and assist the Company's employees
- Review preferential claims by employees and Redundancy Payments Service
- Arranging uplift of HP/Lease equipment left on site
- Handling several hundred complaints and cancellations and providing information/documentation to current and former policy holders
- Liaising with the Financial Ombudsman Service and the Financial Services Compensation Scheme regarding a large number of clients' accounts

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## **ANTHONY DONALD EVANS LIMITED - IN ADMINISTRATION**

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## ANTHONY DONALD EVANS LIMITED - IN ADMINISTRATION

### 1 Statutory Information

1.1 The registered number of Anthony Donald Evans Limited ("the Company") is 6221896  
The Company was incorporated on 23 April 2007

1.2 The trading address of the Company is Deacon Park, Moorgate Road, Knowsley, Liverpool, L33 7RX. The Company used the following trading styles

- Seeus2save
- Seeus2save Direct
- Seeus2save Direct Insurance
- Seeus2save Insurance
- Seeus2save.com
- Accident Assistance
- Helpadebt.com
- Clear bike insurance
- Clear Insurance
- Homecover

1.3 The registered office of the Company has been changed from Unit 8 Deacon Park, Moorgate Road, Knowsley, Liverpool, L33 7RX to C/o CLB Coopers, Ship Canal House, 98 King Street, Manchester, M2 4WU for the purpose of the Administration

1.4 Details of the Company's directors and secretary are as follows

	Date appointed	Date resigned	Shares held
<b>Directors</b>			
Anthony Donald Evans	23/04/07		100 Fully Paid Up Ordinary Shares of £1
Paul Wheeler	18/06/09		Nil
<b>Secretary</b>	No Secretary Appointed		

1.5 The Company was an FSA regulated insurance broker under number 487906

## **ANTHONY DONALD EVANS LIMITED - IN ADMINISTRATION**

### **2. Background to the Administration**

- 2 1 The Company commenced to trade under the trading style Accident Assistance, as a claims management company "CMC" operating in the personal injury market. The director and shareholder at that time was Anthony Donald Evans, also known as Tony Evans.
- 2 2 The intention of management was to create a second income stream and to change the Company's emphasis to that of a Financial Services Authority (FSA) approved insurance broker/intermediary. A second Director, Paul Wheeler, was appointed and FSA registrations and approvals were obtained during September 2008.
- 2 3 The insurance strategy evolved and developed to focus on writing insurance business via Insurance Aggregators. Typically, this is a website portal or search utility to enable a client to gain several quotes using an electronic e-quote form. It was the intention of the Directors that the operation would be low cost, no frills and would rely heavily on full and frank disclosure from its customers in order for the customer to retain the heavily discounted product.

#### **Company Operation Policy**

- 2 4 The Company operated a call centre using premium rate telephone lines that charged calls from BT land lines up to £1.50 per minute. Calls from mobiles to these numbers could be more expensive still. Therefore, customers with queries had to contact the Company via the premium rate phone line or by email or post and await a written response.
- 2 5 The Company's terms and conditions of business which fully explained the charging policy (explained below) and premium rate call charges were provided on line to the customer prior to the contract being entered into and were emailed to the customer together with an explanatory video clip after the terms of business were accepted on-line.
- 2 6 If the level of disclosure by the customer was insufficient or inaccurate then administration charges were applied to make amendments to the policy and/or the policy was cancelled whilst incurring an administration charge. The intention of the business was to discourage customers with poor claim records and build a database of good quality customers.



## **ANTHONY DONALD EVANS LIMITED - IN ADMINISTRATION**

- 2 7      The Company found that the information provided by customers was not always accurate and the customers did not always accept that they had made mistakes in their applications, usually with regard to the provable level of no claim discount. The Company had a very strict administration protocol in order to deal with the provision of documentation and to ensure that all of the appropriate paperwork was received to substantiate the client information submitted by the client.
- 2 8      When a policy was taken up and paid for, a temporary cover note was issued along with a paper copy of the terms and conditions. Both the covering letter and the terms and conditions explained the need for original proof of no claims period, copies of counterpart and paper driving licences, the time frames to provide the required information and that a £65 charge would be applied if the documents were not received within 14 days.
- 2 9      If the documents were not received within 14 days an administration charge of £65 was made by the Company from the card on which the payment for the insurance had originally been made.
- 2 10     Before the £65 charge was applied and after 7 days had lapsed from the date of purchase, a written reminder was issued to provide the documents. If no response was received to the reminder letter the above £65 charge was applied and a 7 day Road Traffic Act (RTA) letter would be sent confirming that the policy would be cancelled unless the documents were received before 7 days elapsed.
- 2 11     If the customer had provided a mobile number, on the 7<sup>th</sup> day after issue of the RTA letter, a text message would be sent confirming that urgent contact needed to be made by the client as the policy would be cancelled.
- 2 12     If some of the documents were received in the timescale allowed the customer would be granted a further 5 days to provide the information before the £65 charge was applied and the final 7 day letter was sent.
- 2 13     If the policy was cancelled within 14 days of commencement the Company would take a fee of 20% of the total premium plus the £65 charge. If the policy was cancelled after more than 14 days the Company would charge 50% of the return premium plus the £65 charge.
- 2 14     The Company's administration process, charging and cancellation policy were designed to be transparent. However, customers began to complain on internet blog sites and directly to the Company's panel of insurers and Insurance Aggregators. The

## **ANTHONY DONALD EVANS LIMITED - IN ADMINISTRATION**

complaints were concerning the level of charges, the strict application of the cancellation policy and the premium rate phone line charges. Complaints were also made to the Financial Ombudsman and to Trading Standards.

- 2 15 Following the complaints from customers to the panel of insurers, some insurers including the one writing the most business, put the Company on hold for new business during the third week of October 2010.
- 2 16 This freezing of the underwriter relationships in turn led to cessation of normal trading operations by the end of October. The Company entered a period of run-off where cancellations could be dealt with and debt collections could still be made but new business was not written.
- 2 17 In addition to the insurance business streams the Company offered debt management assistance to individuals with difficulty in making payment to their creditors via its trading style Helpadebt.com. This was an Office of Fair Trading regulated area of the business which was not properly managed during the final period up to the Company ceasing to trade.
- 2 18 The Company had approximately 25 customers who had authorised the Company to manage agreements with their creditors and to make payments on their behalf to creditors under the informal debt management plans using the Helpadebt.com service.
- 2 19 The Company also referred insurance clients to third party solicitors and accident claims management companies for assistance after accidents. Commissions and fees were received in relation to these referrals.
- 2 20 Mark Getliffe of CLB Coopers met with the Directors on 16 November 2010 to discuss the position of the Company. It was established that the financial position of the Company was insolvent on both a balance sheet and a cash flow test basis within the meaning of Section 123 of the Insolvency Act 1986.
- 2 21 In addition it was established that there is a debt due to H M Revenue and Customs of approximately £100,000 which was subject to a threat of winding up proceedings. The receipt of commission income from the claims management side of the business was slowing and payments due were not being paid on time by the various solicitor practices holding the funds.

## **ANTHONY DONALD EVANS LIMITED - IN ADMINISTRATION**

- 2 22 Following the meetings with the Directors on 16 November 2010 it was agreed that there was no alternative other than to place the Company into Administration. The Directors held a Board Meeting on 16 November 2010 confirming that the Company was Insolvent and resolving that Administrators should be appointed to the Company and that Mark Getliffe and Diane Hill of CLB Coopers would be appointed to act as Joint Administrators in respect of the Company's affairs.
- 2 23 The regulation of the Company by the FSA meant that authorisation for the appointment of Administrators had to be provided by the FSA pursuant to Section 362A of the Financial Services and Markets Act 2000. Authorisation was received from the FSA on 18 November 2010. Notice of Intention to appoint an Administrator was then filed in Court on 19 November 2010.
- 2 24 Barclays Bank plc (the Bank) hold a valid fixed and floating charge debenture over all of the Company's assets which was created on 3 November 2008 and registered at Companies House on 11 November 2008. The debenture is in respect of all monies due from the Company.
- 2 25 The Bank provided their consent to the appointment of the Joint Administrators on 22 November 2010 and Notice of Appointment of Joint Administrators was filed in Court on 23 November 2010.
- 2 26 Mark Getliffe and Diane Hill of CLB Coopers, Ship Canal House, 98 King Street, Manchester, M2 4WU both Licensed Insolvency Practitioners, were appointed Joint Administrators of the Company by the Directors on 23 November 2010 pursuant to paragraph 22 of Schedule B1 to the Insolvency Act 1986.
- 2 27 The Administration is registered in the High Court of Justice Manchester District Registry, under reference number 2591 of 2010.
- 2 28 The EC Regulation on Insolvency Proceedings 2000 applies to the Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

## ANTHONY DONALD EVANS LIMITED - IN ADMINISTRATION

### 3. Administration Strategy and Objective

3.1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives

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

3.2 The withdrawal of support by the insurers which led to the cessation of writing new business and the majority of staff being laid off at the start of November 2010 as well as the insolvent position of the Company, prevented the Company from being sold as a going concern. In addition, it was clear from the agency/risk transfer agreements between the Company and the insurers that the policyholders were in fact the "property" of the insurers and not the Company and therefore the customer base was not readily saleable, if at all. The Joint Administrators have therefore dismissed the first objective of Administration, rescuing the Company as a going concern.

3.3 The Joint Administrators being unable to achieve the first objective have proceeded on the basis of the second objective, namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up without first being in Administration could not reasonably be achieved.

### Assets

#### *Client Book*

3.4 A review of the client book and the agreements with insurance underwriters was undertaken in order to ascertain whether the Company's interest in current policyholders could be sold to interested third parties.

3.5 In addition legal advice was obtained from Steven Fennell a Partner of Kennedy's Solicitors in Sheffield on 24 November 2010. The Joint Administrators received confirmation that in the event of the Company's insolvency the majority of the transfer of risk/agency agreements with the Insurers provided that the policyholders would revert to the insurers in order that new brokers could be appointed by the insurers.

## **ANTHONY DONALD EVANS LIMITED - IN ADMINISTRATION**

Therefore, there was no client book available to sell and no value in that aspect of the business

### ***Cash at Bank***

- 3 6 The Bank as detailed at point 2 24 above hold a fixed and floating charge debenture over all monies advanced to the Company The Company operated eight bank accounts at the date of the Joint Administrators appointment which were in overall credit at the date of appointment with an overall balance of approximately £148,000 On current information there is no balance outstanding to the Bank under their fixed and floating charge over the Company's assets

### ***Caravan***

- 3 7 The Company has a debt due to Barclays Mercantile Business Finance Limited (BMBF) under a finance agreement signed in May 2010 in respect of a caravan purchased by the Company The caravan is located at Talacre Beach Caravan Park, in North Wales The asset was not initially disclosed to the Joint Administrators and it is unclear why the caravan was purchased by the Company and the matter is subject to further review
- 3 8 The nature of the purchase and the decision making behind the purchase will be further investigated by the Joint Administrators
- 3 9 My Agents Wignall Brownlow Chartered Surveyors advised that there was no equity available in the caravan BMBF have arranged to uplift the caravan and sell it on the open market It is anticipated that there will be a deficit to BMBF after the sale and BMBF will therefore have an unsecured claim in the Administration

### ***Office Equipment***

- 3 10 The office equipment, namely the fixtures, fittings, computer equipment etc have been sold following an independent valuation by Wignall Brownlow Chartered Surveyors It was anticipated by my agents in their valuation report dated 1 December 2010 that the market value of these assets would be £16,000
- 3 11 These assets have been sold by the Joint Administrators' agents for a total of £17,500 to GT Law Limited The Joint Administrators understand that GT Law Limited is unconnected to the Company or its Directors and its Shareholder within the meaning

## **ANTHONY DONALD EVANS LIMITED - IN ADMINISTRATION**

of Sections 249 and 435 of the Insolvency Act 1986 There was one other offer for these assets which was considerably less than the Agent's valuation

- 3 12 The Joint Administrators obtained the agreement of the FSA to wipe all data from the Company's computer systems prior to the assets being made available to the purchaser Approximately 100 computers and servers were cleared of information All paperwork not required for storage was destroyed confidentially upon the Joint Administrators vacating the trading premises on 17 December 2010

### ***Book Debts***

- 3 13 The Company's management accounts indicate that there are commissions due to be paid in respect of various claims management referrals made by the Company The commissions due are being reviewed and the accounts reconciled to enable collection

### ***Motor Vehicles***

- 3 14 The Company had several vehicles on lease from a number of providers The Joint Administrators understand that the lease companies have arranged to either uplift the vehicles or to novate the agreements to third parties The Joint Administrators have assisted the lease companies as far as possible to recover their assets and mitigate the debts the Company's debts There is no value in these vehicles to the Company
- 3 15 It is understood that a number of the above vehicles were rented out to a third party company who in turn provided them to members of the public The Joint Administrators are seeking to identify and recover any rental income outstanding

### ***Overdrawn Loan Accounts***

- 3 16 There are a number of overdrawn loan accounts due to the Company The Company's management accounts indicate that there are balances due from both directors and from a number of companies connected within the meaning of Section 249 and 435 of the Insolvency Act 1986
- 3 17 As the Company's accounts were not up to date at the time of Insolvency and require reconciliation it is too early to confirm what realisations may be made from these accounts

## **ANTHONY DONALD EVANS LIMITED - IN ADMINISTRATION**

### ***Premium Rate Telephone Line***

- 3 18 The Company operated a premium rate telephone line which provided income to the business. The Joint Administrators understand that there is an amount due to the Company of at least £17,290. A reconciliation has been undertaken and settlement is expected in due course.

### **Personal/Sensitive Data**

- 3 19 On 24 November 2010 the Joint Administrators and their staff attended the trading premises. The majority of the Company's staff had been laid off by the Directors on 31 October 2010 following the putting on hold of the business relationships with its major insurance providers. Those staff retained had been paid by the Company up to the end of November 2010 prior to the appointment of the Joint Administrators. One staff member and one self employed contractor were retained to assist the Joint Administrators in dealing with the remaining run off issues, customer complaints and clearing the site. The staff member retained by the Joint Administrators was dismissed on 17 December 2010.
- 3 20 As the Company was regulated by the FSA and because the Company handled sensitive personal data there was an increased burden on the Joint Administrators to ensure that client documents, books records and paperwork were preserved to aid any future investigation by the FSA and to ensure that any personal data was either securely destroyed or stored pursuant to the provisions of the Data Protection Act 1998.
- 3 21 Due to the sudden cessation of the business it became clear that the accounts and individual policyholder files were not up to date as several large piles of policyholder paperwork and outstanding correspondence were found stored in cupboards. Client records were filed, placed into alphabetical order and recovered from the premises.
- 3 22 The majority of other documentation, records etc have been logged and placed into storage. In total some eighty boxes of records were recorded and stored.

### **Employee Matters**

- 3 23 All of the employees who were laid off by the Directors on 31 October 2010 were dismissed upon the Joint Administrators' appointment on 23 November 2010. The employees who remained on site at the date of the Joint Administrator appointment were formally dismissed with effect from 1 December 2010. This is with the exception

## **ANTHONY DONALD EVANS LIMITED - IN ADMINISTRATION**

of one member of staff and one sub contractor, who were retained to assist the Joint Administrators in recording and scheduling the company's records and dealing with cancellation and complaint matters (section 3 19 refers)

- 3 24 Due to the number of employees who were made redundant, the Joint Administrators contacted Job Centre Plus and arranged for a member of the rapid response team to attend the former premises to provide information and advice to those made redundant regarding the benefits and incentives available. Members of the Joint Administrators staff were also available on site to assist employees in the completion of their claim form to the Redundancy Payment Services (RPS). Claims received by the Joint Administrators have been forwarded to the RPS for processing.

### **Policy Cancellations & Complaints**

- 3 25 At the date of Administration a number of insurance policies were logged in the Company's records as cancelled.
- 3 26 The sub contractor retained by the Joint Administrators was engaged to work through the cases and to provide written notification of the cancellation to the client per the Company's terms and conditions. Notification was provided to approximately 50 clients. A further 120 client files were reviewed, however these were not identified as cancelled at appointment and therefore notification was not issued.
- 3 27 A number of files were identified on site which contained letters relating to formal complaints by clients against the Company. A complaint is defined as "an expression of dissatisfaction requiring a response". In addition, there were two general email addresses for the Company to which complaints and queries were addressed. The Joint Administrators have reviewed these files and emails to identify unresolved complaints.
- 3 28 Following a discussion with the FSA and due to the number of complaints received by the Company prior to the date of Administration and during the Administration, the FSA requested that the complaints be dealt with by the Joint Administrators and for the Joint Administrators to provide details of the Financial Services Compensation Scheme (FSCS) to all individuals making a formal complaint. This has been done and complaints will be dealt with on an ongoing basis where appropriate.



## **ANTHONY DONALD EVANS LIMITED - IN ADMINISTRATION**

- 3 29 The complaints have received due consideration by an insurance professional and Mark Getliffe one of the Joint Administrators and a response to all complaints received by the Joint Administrators has or will shortly be provided to each complainant

### **Helpadebt.com**

- 3 30 At the date of the Joint Administrators appointment there were a number of clients who had engaged the Company in respect of their individual debt matters under the trading style Helpadebt.com On appointment of the Joint Administrators there were approximately 25 clients who were or had been relying on the Company collecting and distributing their agreed payments under various debt management plans
- 3 31 It was not possible for the Joint Administrators to confirm from the Company's records what stage the accounts had been serviced to If clients fell in breach of the agreements made between their creditors and the Company they could become subject to further action by their creditors
- 3 32 The Joint Administrators contacted these clients in writing and subject to their agreement arranged for all of the known debt management plans to be transferred to a specialist Company called ClearDebt plc that deals with individuals debt problems and was in a position to service the existing debt management plans at no cost to the Company ClearDebt plc and CLB Coopers have no professional relationship
- 3 33 One of the eight bank accounts in the name of the Company held a credit balance at the date of the Joint Administrators appointment of approximately £5,000 The account must be reconciled to establish what payments have been received from which clients and the ownership of the funds held

### **Connected Companies**

- 3 34 There are a number of connected businesses whose interaction with the Company will require further investigation Following the completion of the Administration it may be appropriate for Liquidators to be appointed (who have greater powers of investigation) to review each matter and to establish if there are any antecedent transactions that may be recoverable for the benefit of creditors

### **Insurance Company Deficits**

- 3 35 The Company operated agreements with approximately 20 insurance underwriters (insurers) In addition, many clients utilised the services of Premium Credit to make

## **ANTHONY DONALD EVANS LIMITED - IN ADMINISTRATION**

payments for insurance over 10 months. The Joint Administrators are working to establish the amounts owed to insurers and Premium Credit. The reconciliation of this account will be actioned.

### **4. Joint Administrators' Receipts and Payments**

- 4.1 A summary of receipts and payments for the Administration period from the date of my appointment to 14 January 2010 is attached as **Appendix A**.

### **5. Financial Position**

- 5.1 Attached at **Appendix B** is a summary of the Directors' Estimated Statement of Affairs of the Company as at the date of the appointment of the Administrator.
- 5.2 I have the following observations to make in relation to the Directors' Estimated Statement of Affairs. The Joint Administrators requested that the Directors provide an estimated Statement of Affairs pursuant to Paragraph 47 of Schedule B1 to the Insolvency Act 1986 no later than 8 December 2010. This deadline was extended, initially to 17 December 2010 and later, extended again to 14 January 2011.
- 5.3 Mr Paul Wheeler submitted an Estimated Statement of Affairs to the Joint Administrators on 17 December 2010. Mr Anthony Donald Evans has not submitted a statement of affairs within the extended time frame provided by the Joint Administrators.
- 5.4 I also enclose a listing of the Company's Creditors taken from Company records.

### **6. Proposals**

- 6.1 It is proposed that the Joint Administrators will continue to manage the affairs of the Company in order to achieve the objective of the Administration. In the circumstances it is proposed that
- 6.2 The Joint Administrators propose to pursue the second objective under the Administration purpose, that of 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.

## ANTHONY DONALD EVANS LIMITED - IN ADMINISTRATION

- 6 3 If having realised the assets of the Company, the Administrator thinks that a distribution will be made to the unsecured creditors, a notice will be filed with the Registrar of Companies which will have the effect of bringing the appointment of the Administrator to an end and will move the Company automatically into Creditors' Voluntary Liquidation (CVL) in order that the distribution can be made. In these circumstances, it is proposed that the Administrator will call a meeting of Creditors for the Creditors to appoint a Liquidator or Joint Liquidators. In the absence of an alternative appointment of a Liquidator or Joint Liquidators, the current Joint Administrators will become the Joint Liquidators of the Company. See Section 7 below on **Exit Routes** for further information on this process.
- 6 4 If the Joint Administrators think that the Company has no property which might permit a distribution to its creditors, a notice will be filed with the Court and the Registrar of Companies for the dissolution of the Company. See Section 7 below on **Exit Routes** for further information on this process.
- 6 5 If the Joint Administrators think that there are issues that require a review by the Official Receiver then the Joint Administrators will Petition for the Compulsory Winding Up of the Company and will retain funds from realisations made in order to present a Petition to Court.
- 6 6 The Joint Administrators shall do all such other things and generally exercise all of the powers as contained in Schedule 1 of the Insolvency Act 1986, considered desirable or expedient to achieve the statutory purpose of the Administration.
- 6 7 The creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Joint Administrators' remuneration and any proposed act on the part of the Joint Administrators without the need to report back to a further meeting of creditors generally, to include any decision regarding the most appropriate exit route from the Administration.
- 6 8 The basis of the Joint Administrators' remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by them:
- as a percentage of the value of the assets dealt with, or
  - by reference to time properly spent by the Joint Administrators and their staff managing the Administration, or

## ANTHONY DONALD EVANS LIMITED - IN ADMINISTRATION

- as a set amount

6 9 Where no Creditors' Committee is appointed, the remuneration of the Joint Administrators shall be fixed by resolution of a meeting of creditors or where the Joint Administrators think that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the prescribed part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with R2 106 of the Insolvency Rules 1986

6 10 In this case, the Joint Administrators are seeking to approve the basis of their remuneration as follows

**By reference to the time properly spent by the Joint Administrator and their staff in attending to matters arising in the Administration.**

6 11 The Joint Administrators be authorised to draw remuneration from funds in hand as and when funds are available

6 12 The Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrator ceasing to have effect

## 7. Exit Routes

### *Creditors Voluntary Liquidation*

7 1 Based on present information, the Joint Administrators think a dividend will be paid to the unsecured creditors. In this situation, a notice will be filed with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation (CVL). It is proposed that in the absence of an alternative Liquidator being proposed at a meeting duly convened, the Joint Administrators will become the Joint Liquidators of the Company.

7 2 Creditors have the right to nominate an alternative liquidator of their choice. To do this, creditors must make their nomination in writing to the Joint Administrators either prior to these proposals being approved or at a meeting of creditors duly convened per paragraph 7 1 above. Where this occurs, the Joint Administrators will advise creditors and provide the opportunity to vote.

## **ANTHONY DONALD EVANS LIMITED - IN ADMINISTRATION**

### ***Compulsory Winding Up***

- 7 3 If the Joint Administrators think that there are matters of investigation that the Official Receiver is better placed to deal with then a Petition will be made for the Compulsory Winding Up of the Company Funds will be retained from realisations in order to present a Petition to Court

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

- 7 4 If the Joint Administrators think that the Company has no property which might permit a distribution to its creditors, it is proposed that the Joint Administrators file a notice together with his final progress report at Court and with the Registrar of Companies for the dissolution of the Company Copies of these documents to the Company and its creditors The Joint Administrators' appointment will end following the registration of the notice by the Registrar of Companies

## **8. Pre-administration Costs**

- 8 1 Pre Administration costs are defined as

(i) Fees Charged and

(ii) Expenses incurred

by the Joint Administrator, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so), and "unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration

- 8 2 The fees incurred in the period prior to the appointment of the Joint Administrators relate to the preparation of the appointment documentation, opening case files, obtaining the consent of the Qualifying Floating Charge Holder and the Financial Services Authority to the appointment of Administrators to the Company Meetings with management and Directors to confirm the current position of the Company and the purpose of the Administration for the Company

## ANTHONY DONALD EVANS LIMITED - IN ADMINISTRATION

- 8.3 Pre appointment costs were incurred under a Board Minute of 16 November 2010 instructing CLB Coopers to place the Company into Administration
- 8.4 Pre-appointment fees charged and expenses incurred by the Joint Administrators in placing the Company into Administration are as follows

Charged by	Brief description of services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
CLB Coopers	Placing Company into Administration	£7,688.35	Nil		£7,688.35

- 8.5 The payment of unpaid pre-administration costs set out above as an expense of the Administration is subject to the approval of creditors, separately to the approval of the Administrator's proposals. If the Joint Administrators think that the company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the prescribed part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with R2.67A

## 9. Joint Administrators' Remuneration

- 9.1 The Joint Administrators' time costs at 7 January 2011 are £63,313.20. This represents 315.20 hours at an average rate of £200.86 per hour. As noted in the Proposals section above, the Joint Administrators are seeking to fix the basis of his remuneration by reference to time properly spent by them and their staff in attending to matters arising. Appropriate approval will be sought as outlined in section 6 of this report.
- 9.2 A copy of "A Creditors' Guide to Administrator's fees" is available on request or can be downloaded from [www.icaew.co.uk/insolvency](http://www.icaew.co.uk/insolvency). If you would prefer this to be sent to you in hard copy please contact Jane Galley of this office on 0161 245 1000.
- 9.3 Attached as Appendix C is a Time Analysis which provides details of the activity costs incurred by staff grade to the above date.

## **ANTHONY DONALD EVANS LIMITED - IN ADMINISTRATION**

- 9.4 Attached as **Appendix D** is additional information in relation to my firm's policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade
- 9.5 Set out at **Appendix D** is a summary of activities undertaken and examples of work under each category heading. Since 23 November 2010 the Joint Administrators have been primarily engaged in

### ***Administration and Planning***

A total of 128.95 hours have been spent in dealing with Administration and Planning of this particular case at a total cost of £25,185.30. Of that time 15.15 hours have been spent by Partners at £374.00 per hour, 62.25 hours by Managers at £206.00 per hour and 51.55 hours by Administration staff charged out at £132.00 in dealing with the following

- Statutory (legal) reporting matters and statutory (legal) issues associated to the Administration
- Insurance compliance and protection of the former trading premises
- Dealing with media and press enquiries
- Obtaining the Directors Statement of Affairs
- Dealing with FSA regulatory issues

### ***Realisation of Assets***

The total number of hours accrued and categorised as Realisation of Assets is 38.85 with a time cost of £6,988.15. A total of 19 hours has been spent by Partners, 1.25 hours have been spent by Managers and 30.35 have been spent by insolvency administrators

This time has been spent establishing the extent of the Company's assets, securing the assets for creditors and establishing the value to ensure that realisations can be maximised

Time has been as follows

- Engagement of valuers and agents

## **ANTHONY DONALD EVANS LIMITED - IN ADMINISTRATION**

- Schedule and store documents and paperwork and files containing client's personal data and information relating to the company's affairs
- Negotiating and securing temporary occupation with the Landlord and ensuring vacation the premises
- Arranging and overseeing the transfer of clients from Helpadebt.com to specialist provider
- Ascertaining location of assets, motor vehicles and caravan not disclosed by the Directors and providing details to HP/Lease companies
- Correspondence with the Bank regarding credit balance and payment to the Company
- Reviewing and agreeing funds due in respect of premium rate telephone lines
- Review of Claims Management Company and other debtors
- Wiping of personal data and arrange secure destruction of records from site

### ***Creditors***

Total time spent in dealing with the Company's creditors is 117 10 hours with a total cost of £20,968 50 Of this total 13 80 hours has been spent by partners, 33 75 hours has been spent by Managers, 62 30 hours has been spent by administrators and 7 25 hours spent by assistants in dealing with the following matters

- Liaison with secured creditors, payment of and accounting for outstanding liabilities and costs in respect of the security
- Employee matters, liaison with rapid response department at the Jobcentre Plus and existing employees with information and claims
- Review and record of employees' claims to National Insurance Fund
- Review of Preferential claims by employees, liaison with Redundancy Payment Office
- Dealing with claims received under hire purchase and lease agreements and overseeing the return of assets subject to those agreements
- Handling creditor queries, recording creditor claims
- Arranging uplift of HP/Lease equipment left on site
- Dealing with Bailiff's



## **ANTHONY DONALD EVANS LIMITED - IN ADMINISTRATION**

- Handling over 150 complaints and cancellations from current and former policy holders received by letter, email and telephone
- Meeting Directors regarding accounting systems, complaints policy and protocol
- Liaison with insurers and agreeing a strategy for the continued service to current policyholders
- Handling press and media enquiries
- Reporting to secured and unsecured creditors

In all of the above matter the level of time accrued reflects the level of technical nature of the Company's business affairs and the required continual involvement from all levels of the Administrators' personnel

### **10. Estimated Outcome**

- 10.1 An estimate of the outcome of the Administration as at 10 January 2010 is attached as **Appendix E**. This indicates that there will be a distribution to unsecured creditors. However the level of distribution will depend upon the funds recovered from the overdrawn loan accounts and the recoverable funds from the Company's debtors as well as the final level of agreed creditors if there is money owed to the Bank.

#### **Secured Creditors**

- 10.2 The Company granted a floating charge to the Bank on 3 November 2008. As a matter of law, I am required to create a fund out of the Company's net floating charge property for unsecured creditors if there is money owed to the Bank.
- 10.3 Based on present information however, there is no amount due to the Bank under the floating charge and therefore the requirement described as 10.2 above may not apply.

#### **Preferential Creditors**

- 10.4 The Company's preferential creditors comprise the Employees claims for arrears of wages and outstanding holiday pay. The Redundancy Payment Service (RPS) is processing the claims received and will make a final claim against the Company in due course. Depending upon the treatment by the RPS of claims arising from

## **ANTHONY DONALD EVANS LIMITED - IN ADMINISTRATION**

Employees laid off by the Company the Joint Administrators currently estimate the level of preferential claims to be £34,411

### **Unsecured Creditors**

- 10.5 Unsecured creditors are shown in the Company's books and records to total £216,735 from 76 creditors. Claims received by the Joint Administrators from unsecured creditors, including Employees unsecured claims for pay in lieu of notice, are approximately £839,719
- 10.6 The Joint Administrators think that there may be a distribution to unsecured creditors. However it is not possible at this stage to estimate the likely percentage available as this is entirely dependent upon the recoverable funds following reconciliation of the loan and debtor accounts

## **11. Next Report**

- 11.1 The Administrator is required to provide a progress report within one month of the end of the first six months of the Administration

## **12. Meeting of Creditors**

- 12.1 An initial meeting of the Company's creditors is being convened to approve the Joint Administrators proposals. The meeting will be held on 31 January 2011 at 12.00 noon at CLB Coopers, 5<sup>th</sup> Floor Ship Canal House, 98 King Street, Manchester, M2 4WU
- 12.2 Further information on the meeting is contained in the letter accompanying this report

For and on behalf of  
Anthony Donald Evans Limited

**Mark Getliffe**  
**Joint Administrator**

When acting as Administrators, M T Getliffe and D E Hill manage the affairs, business and property of the Company as agents and without personal liability

**Appendix G**

**Anthony Donald Evans Limited**  
Receipts and Payments Account from  
1 April 2012 to 24 April 2012

**Appendix G**

**Anthony Donald Evans Limited**  
**Receipts and Payments Account from**  
**1 April 2012 to 24 April 2012**

**From 1 April 2012**  
**To 24 April 2012**  
**£**

**Asset Realisations:** Nil

**Cost of Realisations:**

Joint Administrators' Remuneration	<u>1,286 80</u>
	<u>(1,286 80)</u>

## **Appendix H**

### **Anthony Donald Evans Limited**

Time Analysis for the period from

1 April 2012 to 24 April 2012

## Appendix H

### Anthony Donald Evans Limited

Time Analysis for the period from

1 April 2012 to 24 April 2012

Classification of Work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	0 00	0 00	3 20	0 00	3 20	435 20	136 00
Investigations	0 00	1 10	0 80	0 00	1 90	361 80	190 42
Realisation of assets	0 00	0 70	1 90	0 00	2 60	419 40	161 31
Creditors	0 00	2 25	5 80	0 00	8 05	1,306 30	162 27
VAT / Tax Compliance	0 00	0 20	1 30	0 00	1 50	222 80	148 53
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	0 00	977 50	1,768 00	0 00		2,745 50	159 16
Total Hours	0 00	4 25	13 00	0 00	17 25		
Average Rate	0 00	230 00	136 00	0 00			