

The Insolvency Act 1986

**Statement of administrators  
proposals****2.17B**

Name of Company Propeller Holdings Limited
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Company Number 06441215
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In the High Court of Justice, Newcastle upon Tyne District Registry [full name of court]
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Court case number (For court use only) 132 of 2014
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(a) Insert full name(s) and  
address(es) of  
administrator(s)We<sup>(a)</sup>

Ian Schofield of BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU

Francis Graham Newton of BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU

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

A copy of these proposals was sent to creditors on

(b) Insert date

(b) 7 April 2014
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Signed   
Joint AdministratorDated 7 April 2014**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.

Ian Schofield

1 Bridgewater Place, Water Lane, Leeds, LS11 5RU

Tel 0113 244 3839

DX Number

DX Exchange

WEDNESDAY



A34

09/04/2014

#172

COMPANIES HOUSE

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

The Insolvency Act 1986

Creditor’s request for a meeting

2.21B

Name of Company  
Propeller Holdings Limited

Company Number  
06441215

In the  
High Court of Justice, Newcastle upon Tyne  
District Registry  
[full name of court]

Court case number (For court use only)  
132 of 2014

(a) Insert full name and address of the creditor making the request

I (a)

(b) Insert full name and address of registered office of the company

request a meeting of the creditors of (b) Propeller Holdings Limited of 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU

(c) Insert amount of claim

My claim in the administration is (c) £

(d) Insert full name(s) and address(es) of creditors concurring with the request (if any) and their claims in the administration if the requesting creditors’ claim is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of concurrence.

(e) Insert details of the purpose of the meeting

The purpose of the meeting is (e)

Signed  
  
Dated

WE

A34      "A35GGUHN"  
09/04/2014      #180  
COMPANIES HOUSE



Private and Confidential

4 April 2014

Your ref  
Our ref 015001/PB/PJ

Please ask for Philip Jordan  
Tel 0113 290 6127

Dear Sirs

Propeller (GB) Limited ("GB")  
Propeller Holdings Limited ("Holdings")  
Propeller Technologies Limited ("Technologies")  
All in Administration ("the Companies")  
Joint Administrators Report and Proposals  
Pursuant to Schedule B1, paragraph 49 of the Insolvency Act 1986

## 1 Introduction

- 1.1 I C Schofield and F G Newton were appointed Joint Administrators of the above Companies on 10 February 2014 following an application made by the qualifying floating charge holder of the Companies pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986. Bond Dickinson LLP, Solicitors, were instructed to assist in the preparation of the appointment documents.
- 1.2 This report is prepared pursuant to Paragraph 49 of Schedule B1 ("the Schedule") of the Insolvency Act 1986 ("the Act") and Rule 2.33 of the Insolvency Rules 1986 ("the Rules").
- 1.3 I C Schofield is authorised to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales and F G Newton is authorised to act as an Insolvency Practitioner by the Insolvency Practitioners Association.
- 1.4 For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by all of them, jointly or severally.
- 1.5 The EC Regulations do apply to these proceedings as the registered office of the Company is in the UK. The proceedings are main proceedings as defined in Article 3 of the EC Regulations.
- 1.6 Sections 3 and 4 of this report set out how the Joint Administrators have performed and propose to perform their functions.
- 1.7 Statutory details for each Company are attached at Appendix 1 to this report.

Direct tel 0113 290 6127 | Direct fax 0113 204 1200

Email philip.jordan@bdo.co.uk | www.bdo.co.uk

BDO LLP | 1 Bridgewater Place | Water Lane | Leeds | LS11 5RU

Details of the authorising bodies of the insolvency appointment takers of BDO LLP are available at [www.bdo.co.uk/services/advisory/business\\_restructuring/authorising\\_bodies\\_insolvency\\_appointment\\_takers](http://www.bdo.co.uk/services/advisory/business_restructuring/authorising_bodies_insolvency_appointment_takers)

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## 2 Background

2.1 The Companies incorporation dates and the group structure can be summarised as follows:

**Propeller Holdings Limited - Company Number: 06441215**

Non-trading holding Company  
Incorporated: 29/11/2007

**Propeller (GB) Limited - Company Number: 04281103**

Trading Company  
Incorporated: 04/09/2001

**Propeller Technologies Limited - Company Number: 06599345**

Non-trading Company  
Incorporated: 21/05/2008

- 2.2 GB operated from leasehold premises located at 362B Dukesway, Team Valley Trading Estate, Gateshead, NE11 0PZ and provided systems to monitor access to stock rooms, stock utilisation and stock units which only allow access to specific personnel. In addition, GB sourced and supplied other non-manufacturing items to the automotive, manufacturing, food and aerospace industries.
- 2.3 The Companies have been funded through a stock facility (£250,000) and a Confidential Invoice Discounting ("CID") facility by Centric Commercial Finance ("Centric").
- 2.4 In the last quarter of 2013, GB sought and obtained further funding of £300,000. The receipt of funds consisted of a £200,000 investment from Finance Wales Capital ("FW") and £100,000 from Philip Upton, a private investor and existing shareholder.
- 2.5 GB was experiencing increasing pressure from creditors, therefore in November 2013, Centric requested BDO LLP ("BDO") to perform a short term cash flow review to better understand the cash position of the Companies.
- 2.6 In early 2014 GB suffered the loss of a major customer. This had an immediate impact on the Company's cashflow and significantly reduced turnover by approximately 20%.
- 2.7 As a result of the reduction in turnover, GB identified an additional funding requirement of £250k. GB was unable to source the additional funding required and customers began contacting trade suppliers direct to source their requirements.
- 2.8 Centric, as a result of the above approached BDO for advice on the Companies financial position and future trading prospects. BDO determined that the Companies were insolvent and unable to continue trading, and should be placed into Administration. Accordingly, Bond Dickinson, Solicitors, filed the appointment documents in Court on behalf of Centric in order to prevent the creditors' position from worsening, and to protect the Companies assets.
- 2.9 The Joint Administrators' strategy regarding the realisation of the assets is detailed in Section 4 of this report.

### **3 Purpose of administration**

3.1 Pursuant to Paragraph 3(1) of Schedule B1 of the Insolvency Act 1986, the Joint Administrators are required to perform their functions with the objective of:-

- a) Rescuing the Company as a going concern; or
- b) Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration); or
- c) Realising property in order to make a distribution to one or more secured or preferential creditors.

3.2 The Joint Administrators are of the opinion that objective (a) cannot be achieved. However, the Joint Administrators are of the opinion that objectives b) or c) will be achieved.

### **4 Joint Administrators' strategy**

4.1 Prior to our appointment, the Operations Director, Carl Brookes had been absent from the business for several weeks due to an illness. In addition, immediately following our appointment he was due to have an operation and was unlikely to return to work in the short term.

4.2 Former Sales Director, Anthony Goodwin, had resigned his directorships from the Companies prior to our appointment. His future involvement was therefore uncertain.

4.3 Furthermore, prior to our appointment, certain transactions involving the former Finance Director, Anthony Hall, were under investigation and the Companies' finances were being controlled by an interim Finance Manager, Philip Tilston.

4.4 In view of the events leading up to our appointment and the absence of key personnel, we concluded that GB could not continue its operations and it therefore ceased to trade immediately on our appointment.

4.5 As a result, all employees of GB were immediately made redundant.

4.6 We instructed agents, GoIndustry Dovebid ("GoIndustry"), to prepare a valuation of the chattel assets and to provide their recommendations for disposal.

4.7 The majority of the physical assets related to remaining stock held at the premises.

4.8 GoIndustry recommended that in order to enhance realisations for the stock, they would approach the Companies' key customers with a view to realising the majority of stock and other assets from the premises, without having to incur the cost of removal.

### **5 Directors' statement of affairs**

5.1 In accordance with Rule 2.28 of the Insolvency Rules 1986 and paragraph 47 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators requested that the directors submit a statement of affairs for each company as at the date of the Administrations.

5.2 An identical statement of affairs was submitted by all directors and a copy of one of these is attached for each company at Appendix 2.

- 5.3 The Joint Administrators' comments as regards the Companies assets and liabilities are detailed in Section 6

## 6 Assets and liabilities

- 6.1 A copy of our receipts and payments account as at 2 April 2014 is attached at Appendix 3. There have been no realisations in Holdings or Technologies.

### Leasehold property

- 6.2 GB traded from leasehold premises at 362B Dukesway, Team Valley Trading Estate, Gateshead, NE11 0PZ, with rent payable in the sum of £49,000 per annum. Prior to our appointment, rent had been paid by GB to the end of March 2014.
- 6.3 The premises were also occupied by the following companies:

Uniforms UK  
Team Embroidery Limited ("Embroidery")

- 6.4 Wendy Brookes, wife of Director Carl Brookes, and former employee of GB is a director of Embroidery Uniforms UK were a supplier to GB. We have not been advised of any other connection with the Propeller Companies.
- 6.5 We have not seen any formal agreement between the Companies and the above two parties and therefore the terms of use are not known. However, from information currently available, it is understood that neither of the above companies paid rent in respect of their occupation. Both companies vacated the premises prior to our appointment.

### Trade debtors

- 6.6 At the date of appointment GB's sale ledger showed gross balances outstanding of £1,066,860.
- 6.7 GB operated an invoice discounting agreement with Centric. At the request of Centric, BDO's Receivables Management Team ("RMT") were instructed to review and collect the book debt ledger. At the date of appointment, Centric were owed the sum of £479,885 in respect of their debtor funding to GB.
- 6.8 RMT has indicated provisions for bad, doubtful and contra debts which should have been reflected in the ledger. The position can be summarised as follows:

	Best Case £	Worst Case £
Sales Ledger	1,066,860	1,066,860
Less Adjustments	(22,790)	(22,790)
Less Provisions	(284,157)	(335,279)
	<hr/> 759,913	<hr/> 708,791
Less cash received	(549,165)	(549,165)
Potential balance to collect	<hr/> 210,748	<hr/> 159,626

- 6.9 Total debts in the sum of £549,165 have been collected since the date of our appointment. All of these funds have been received directly by Centric.

- 6.10 The amount due to Centric under the CID facility will be repaid in full. Any surplus will be available to Centric to contribute towards any shortfall it may suffer in respect of its stock facility.

#### **Fixtures and Fittings**

- 6.11 GoIndustry have valued the fixtures and fittings owned by GB at approximately £4,000.

#### **Stock**

- 6.12 At the date of appointment, GB's stock inventory had a book value of £696,865. After providing for old products, slow moving items and possible retention of title claims GoIndustry advised us that realisations of between £126,000 and £160,000 might be achieved.
- 6.13 Following our appointment, a large number of reservation of title ("ROT") claims were submitted by suppliers. We have been working in conjunction with GoIndustry to deal with these claims and organise returns of stock where appropriate. Stock in the sum of £38,700 has been returned under ROT claims.
- 6.14 After adjusting for the ROT claims and following a further review of the stock inventory by GoIndustry they identified a number of errors contained within the inventory listing. As a result GoIndustry current estimate of stock realisations has been revised to approximately £77,000.
- 6.15 Invoices totalling £44,448 have been raised by our agents to date in respect of stock sales.
- 6.16 We have received £5,000 on account from GoIndustry. Funds of £10,283 are currently being held by GoIndustry and will be transferred to the Administrators shortly.

#### **Intellectual Property**

- 6.17 On 1 July 2013, Intellectual Property ("IP") in the name of Holdings and GB was transferred to One MRO Limited ("MRO"). At the date of the transfer, Anthony Goodwin was a director of MRO and signed the transfer on behalf of that company. A consideration of £2 was paid for the transfer of the IP.
- 6.18 We are currently undertaking an investigation into the details of this transfer and will update creditors on their findings in due course.

#### **Regional Growth Fund**

- 6.19 In late 2012 GB applied for a regional growth fund grant from the Department for Communities and Local Government. GB has received £56,914 in respect of this and this amount is shown in our Receipts and Payments account.

#### **Computer equipment**

- 6.20 GB's computer equipment and software were subject to hire agreements and GoIndustry have advised that it has no value to the Administration.

#### **Motor Vehicles**

- 6.21 GB had a fleet of ten vehicles which were subject to various lease, contract hire and finance agreements. Following a review of these agreements by GoIndustry, it was determined that there was no equity available in the agreements and all the vehicles have subsequently been returned to the respective finance companies.

## **Directors Loan Account**

- 6.22 The directors' statement of affairs for GB indicates an overdrawn directors' loan account for Carl Brookes in the sum of £5,175. We will investigate any potential realisations in respect of this overdrawn loan account.

## **7 Secured creditors**

### **Centric**

- 7.1 Centric has a debenture which creates fixed and floating charges over all of the remaining Companies assets. The debenture was created on 18 December 2012 and registered at Companies House on 20 December 2012.
- 7.2 Centric also hold a CID agreement in respect of its lending to the GB. Under this agreement GB's debts are assigned to Centric.
- 7.3 At the date of Administration Centric were owed approximately £730,000 in respect of its debtor lending and its stock facility, subject to any termination charges and interest that may be applied.
- 7.4 Based on current information, it is anticipated that subject to costs of realisations there may be sufficient funds to repay Centric in respect of its lending to the Companies.

### **Finance Wales Capital**

- 7.5 Finance Wales Capital ("FW") hold a debenture which provides for fixed and floating charges over certain of the Company's assets created on 31 March 2011. This debenture ranks behind the security held by Centric.
- 7.6 As at the date of the appointment, FW are owed in excess of £1,000,000 in respect of its investment in the Companies. This consists of an outstanding loan of £416,000 and the balance taken as preference shares.
- 7.7 Based on current information, it is anticipated that there will be no funds available to FW in respect of its lending to the Companies.

### **National Westminster Bank ("Natwest")**

- 7.8 GB operated a bank account and credit card facilities with Natwest. At the date of appointment the bank account with Natwest was overdrawn by £22,000 as a result of credit card liabilities that it had paid.

### **The Royal Bank of Scotland Invoice Finance ("RBSIF")**

- 7.9 RBSIF have an unsatisfied debenture registered at Companies House created on 20 May 2009.
- 7.10 However, in 2012, GB refinanced with Centric and RBSIF were repaid in full. No memorandum of satisfaction has been filed at Companies House, but RBSIF have confirmed that they are not owed any monies from the Companies.

### **Preferential creditors**

- 7.11 Preferential creditors represent the Redundancy Payments Office subrogated claim in respect of the employees' arrears of wages, holiday entitlement and outstanding pension contributions due from the Company, together with additional amounts due to the employees above the statutory limit.



- 7.12 Given that Holdings and Technologies are non-trading entities, the Joint Administrators anticipate that there will only be preferential claims in respect of GB.
- 7.13 The directors' have estimated preferential creditor claims in GB to be in the region of £15,300. Based on current information, it is unlikely there will be sufficient funds available to enable a dividend to be paid to preferential creditors.

#### **Prescribed part**

- 7.14 In accordance with Section 176A of the Insolvency Act 1986, the Administrators are required to set aside a prescribed amount of a company's 'net property' towards the satisfaction of unsecured debts. Net property is the amount of property that would otherwise be available for satisfaction of holders of debentures, secured by, or holders of, any floating charge created by the company after 15 September 2003. Accordingly the Prescribed Part provisions will apply.
- 7.15 However the amount available is dependent upon the net asset realisations, after deduction of professional costs and preferential creditors.
- 7.16 From information presently available, it is likely that there will be no funds available for the prescribed part calculation.

#### **Unsecured creditors**

- 7.17 The directors' have estimated unsecured creditor claims in the Companies to be as follows.

	£
GB	2,270,074
Holdings	115,806
Technologies	23,243

- 7.18 Based on current information, there is no prospect of a distribution to the unsecured creditors of any company.

#### **No meeting of creditors to be held**

- 7.19 In view of the above, and in accordance with Paragraph 52(1)(b) of Schedule B1 of the Insolvency Act 1986, we do not intend to summon a meeting of creditors in any of the Companies.
- 7.20 However, in accordance with Paragraphs 52(2)-(4) of Schedule B1 of the Insolvency Act 1986, we will summon a formal creditors meeting if it is requested by a creditor or a number of creditors of the Company whose debt(s) amount to at least 10% of the total debts of the Company, and provided that such a request is made in the prescribed manner (Form 2.21B) and within the prescribed period (8 business days from the date the proposals were sent) as set out under the aforementioned Rule.
- 7.21 Form 2.21B, "Creditor's Request for a Meeting", is attached at Appendix 7 in the event that any creditor wishes to request a meeting. Please note however that the costs of summoning and holding the meeting are to be met by the creditor or creditors requesting that meeting.

## **8 Professional costs**

### **Pre-Administration Costs**

8.1 Under Rule 2.67A of the Insolvency Rules 1986 certain costs incurred in preparation and planning for the Administration may, with the approval of the creditors, be approved for payment from the Administration estate, as an expense of the Administration. Allowable costs fall into the following categories:-

- (i) the fees charged by the Joint Administrators;
- (ii) the expenses incurred by the Joint Administrators,
- (iii) the fees charged (to the Joint Administrators' knowledge) by any other person qualified to act as an insolvency practitioner.

8.2 BDO have incurred time costs of £25,842 which represents 111 hours at an average hourly rate of £233, prior to the appointment in connection with providing assistance and guidance to the Companies in placing the Companies into Administration.

8.3 Approval has been given by Centric to recover £5,000 in respect of these time costs. The balance of these time costs have been written off

### **Joint Administrators' remuneration**

8.4 The basis for fixing the Joint Administrators' remuneration is set out in Rule 2.106(2) of the Insolvency Rules 1986 (as amended), which states that it shall be fixed by either

- As a percentage of the value of the property with which the Joint Administrators has to deal, or
- By reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, or
- As a set amount

8.5 Our time costs for dealing with the Administrations of the three Companies as at 28 March 2014 total £92,167 which represents 457 hours at an average hourly rate of £202 and are summarised at Appendix 4. To date no fees have been drawn in respect of the work undertaken.

8.6 These amounts are derived by reference to BDO LLP's normal rates for time properly given by the Joint Administrators and their staff in attending to matters arising in the Administrations. Where members of the Joint Administrators' staff have been employed on these insolvencies they have been so based on their experience and abilities in dealing with cases of this nature. Where appropriate, certain staff have dealt with a specific area of the Administrations due to their specialist skills in those areas.

8.7 All staff who have worked on these assignments, including cashiers and secretarial staff, have charged time directly to the assignments and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignments but is reflected in the general level of charge out rates. The Joint Administrators advise that our scale rates may increase from time to time over the period of the administrations.

8.8 It is proposed that the Joint Administrators be remunerated on a time cost basis by reference to BDO LLP's normal rates for the time spent by them and their staff in attending to matters arising in the Administrations.

8.9 A creditors' guide to fees, which provides information regarding creditors' rights in relation to insolvency practitioners' fees is attached at Appendix 5.

8 10 We have also incurred disbursements on behalf of the Companies totalling £1,773, as at 28 March 2014, which are detailed below.

Disbursement	Category 1 £	Category 2 £
Travel	-	1,773
	-	1,773

8 11 Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, advertising, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage. All category 1 disbursements are charged at the actual cost incurred.

8 12 Category 2 disbursements will comprise cost allocations which may arise on some of the category 1 expense where supplied internally: typically, items such as room hire and document storage. Also typically included will be routine or more specialist copying and printing, and allocated communication costs. A further disbursement under this heading is the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency.

8.13 A schedule of office-holders' normal charge-out rates and disbursements are attached at Appendix 6.

8 14 Given that we anticipate that there will be no funds available to enable a distribution either to the preferential or unsecured creditors (other than possibly by the prescribed part), we will be seeking specific approval to both the basis of our remuneration and category 2 disbursements from the secured creditors in accordance with Rule 2.106(5A) of the Rules.

8 15 Any unsecured creditor with the concurrence of at least 5% in value of the total unsecured creditors (including the value of their own claim) or with the permission of the Court, or any secured creditor may make a formal request in writing to the Joint Administrators for further information about the remuneration or expenses (other than pre-administration costs) set out in this report. Such a request must be made within 21 days from the date of receipt of this progress report.

8 16 Additionally, creditors who believe that the Joint Administrators remuneration is, in the circumstances, excessive or inappropriate may apply to the Court under the provisions of Rule 2.109 of the Insolvency Rules 1986. Such application may be made by any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the Court.

8 17 The application must, subject to any order of the Court under Rule 2.48A(4) of the Insolvency Rules 1986, be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question.

## **Other professional costs**

- 8.18 Our agents, GoIndustry, are to be paid on a time cost basis, plus a percentage (5%) of realisations basis plus disbursements for the time spent by them in preparing a stock inventory, valuation of the assets, identification of third party assets, assisting in ROT claims and advice regarding the disposal of the assets
- 8.19 To date, no fees have been paid to GoIndustry
- 8.20 Our solicitors, Bond Dickinson LLP ("BD"), are to be paid on a time cost basis plus disbursements for the time spent by them in assisting Centric in preparing the appointment documentation, confirming the validity of the appointment and other general advice
- 8.21 To date, no fees have been paid to BD
- 8.22 It is difficult to assess the final level of costs to be paid to agents and solicitors at this stage. We shall therefore provide details in our next report

## **9 Proposed exit route**

- 9.1 The Joint Administrators propose the following three possible exit routes from administration for each of the Companies which are detailed below:
- 9.2 Each outcome forms part of the Joint Administrators' proposals and whilst all may be approved for each of the Companies, only one will be actioned, depending on the circumstances:
- (i) In the event that there are sufficient funds available to enable a return to the unsecured creditors of the Company, the Joint Administrators be empowered to place the Company into creditors voluntary liquidation, seeking their own appointment as Liquidators of the Company. In accordance with paragraph 83(7) of Schedule B1 to the Insolvency Act 1986 and Rule 2.117A (2) of the Insolvency Rules 1986, creditors may nominate different persons as the proposed Joint Liquidators. All valid nominations must be made before the proposals are approved, with or without modifications. In this event and under rule 4.127(5A) the basis of remuneration fixed in the administration will apply in the subsequent liquidation; or
  - (ii) subject to the provisions of Paragraph 79 of Schedule B1 of the Insolvency Act 1986 an application will be made to the court to end the administration and for the Company to be compulsorily wound-up. The Joint Administrators may, if they so desire, request that they be appointed Joint Liquidators. In this event and under rule 4.127(5A) the basis of remuneration fixed in the administration will apply in the subsequent liquidation, or
  - (iii) in the event that exit routes (i) and (ii) above are inappropriate or unavailable, the Joint Administrators be empowered to make the necessary arrangements for the Company to be dissolved in accordance with Paragraph 84 of Schedule B1 of the Insolvency Act 1986 on completion of their duties

## **10 Joint Administrators' discharge**

- 10.1 It is standard practice for Administrators to seek a discharge from liability for any action taken by them during the course of an Administration, following the termination of the Administration for each of the Companies.

10.2 Granting the Administrators discharge does not prevent any creditor of the Companies from applying to Court (under Paragraph 75 of Schedule B1 to the Insolvency Act 1986) for permission to bring proceedings against us if any such party believes that our conduct as Joint Administrators has breached our duties in relation to the Companies or has otherwise made us guilty of misfeasance.

10.3 We are not currently aware of any issue that may result in such an application to Court.

10.4 For the avoidance of doubt, granting us our discharge prior to the termination of the Administrations does not discharge our liability, until the termination is effective.

10.5 Paragraph 98(3) of the Schedule requires that the Joint Administrators' discharge is approved by the secured creditor. We will write further to the secured creditor in this regard.

## 11 Joint Administrators' proposals

11.1 In accordance with Paragraph 49 of the Schedule, I C Schofield and F G Newton the Joint Administrators of the Companies, make to the creditors the following proposals for achieving the purposes of the administrations for all three Companies

11.2 The Joint Administrators propose:

- (i) That the Joint Administrators do all such things and generally exercise all of the powers as Joint Administrators contained in Schedule 1 of the Insolvency Act 1986, as they at their discretion consider desirable or expedient in order to achieve the purposes of the administrations, to protect and preserve the assets of the Companies or maximise the realisation of those assets or for any purpose incidental to these proposals
- (ii) That the Joint Administrators are empowered to appoint agents of their choosing to assist them in performing their duties
- (iii) That the Joint Administrators be authorised, if necessary, to compromise debts, for the general benefit of creditors
- (iv) That the Joint Administrators be authorised to make payment, if appropriate, to the unsecured creditors in accordance with either Paragraph 65 or Paragraph 66 of Schedule B1 of the Insolvency Act 1986.
- (v) That the Joint Administrators, at their sole discretion and at a time they see fit, are empowered to either
  - File the necessary returns at Court and with the Registrar of Companies to place the Companies into creditors voluntary liquidation pursuant to Paragraph 83 of Schedule B1 of the Insolvency Act 1986 and that I C Schofield and F G Newton be appointed Joint Liquidators, or any other person(s) be appointed Liquidator(s) of the Companies in accordance with Paragraph 83(7) of the same, or;
  - Make application to Court to end the Administrations pursuant to Paragraph 79 of Schedule B1 of the Insolvency Act 1986, following which, the Administrators request that the Company be compulsorily wound-up and I C Schofield and F G Newton be appointed Joint Liquidators if they so desire, or;
  - File the necessary documents with the Court and with the Registrar of Companies to dissolve the Companies pursuant to Paragraph 84 of Schedule B1 of the Insolvency Act 1986.

- (vi) That the Joint Administrators be discharged from liability in accordance with Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 14 days after filing their final progress report in the Administrations
- (vii) That, if thought appropriate, by creditors, a creditors committee be formed Any creditor(s) wishing to form a committee should write to the Joint Administrators within 14 business days of the report being available. It should also be noted that in order for a creditor committee to be valid, there must be either 3 or 5 willing to act.

As the Joint Administrators have made a statement under Paragraph 52 of the Schedule and decided not to summon a meeting of creditors, the above proposals will be deemed to have been accepted unless creditors request that a meeting be convened If the proposals are so deemed to be approved then notice of such approval will be sent to you

Should you require any further information please contact Philip Jordan on 0113 290 6127.

The Joint Administrators act as agents of the Companies and without personal liability.

Yours faithfully  
For and on behalf of the Companies



I C Schofield & F G Newton  
Joint Administrators

I C Schofield is authorised by the Institute of Chartered Accountants  
F G Newton is authorised by the Insolvency Practitioners Association

**Appendix 1**  
**Statutory information**

<b>Company Name</b>	Propeller (GB) Limited	
<b>Company Number</b>	04281103	
<b>Court Details</b>	High Court of Justice, Chancery Division, Newcastle Upon Tyne District Registry	
<b>Court Number</b>	0130 of 2014	
<b>Administrators details</b>	Ian C Schofield BDO LLP 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU Appointed: 10/02/2014	
	Francis G Newton BDO LLP 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU Appointed: 10/02/2014	
	The Joint Administrators are to act jointly and severally in all matters relating to the administration	
<b>Trading Address</b>	362B Dukesway Team Valley Trading Estate Gateshead NE11 0PZ	
<b>Registered Office</b>	Bridgewater Place Water Lane Leeds LS11 5RU	
<b>Former Registered Office</b>	362B Dukesway Team Valley Trading Estate Gateshead NE11 0PZ	
<b>Directors</b>	David Pearson Philip Upton Carl Brookes Anthony Goodwin (Resigned 25/03/13)	
<b>Shareholdings</b>	Propeller Holdings Limited	Ordinary £1 shares
		4
<b>Financiers</b>	Centric Commercial Finance Finance Wales Capital	

**Appendix 1**  
**Statutory information**

<b>Company Name</b>	Propeller Holdings Limited		
<b>Company Number</b>	06441215		
<b>Court Details</b>	High Court of Justice, Chancery Division, Newcastle Upon Tyne District Registry		
<b>Court Number</b>	0132 of 2014		
<b>Administrators details</b>	<p>Ian C Schofield BDO LLP 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU Appointed: 10/02/2014</p> <p>Francis G Newton BDO LLP Bridgewater Place, Water Lane, Leeds, LS11 5RU Appointed: 10/02/2014</p> <p>The Joint Administrators are to act jointly and severally in all matters relating to the administration</p>		
<b>Trading Address</b>	<p>362B Dukesway Team Valley Trading Estate Gateshead NE11 0PZ</p>		
<b>Registered Office</b>	<p>Bridgewater Place Water Lane Leeds LS11 5RU</p>		
<b>Former Registered Office</b>	<p>362B Dukesway Team Valley Trading Estate Gateshead NE11 0PZ</p>		
<b>Directors</b>	<p>David Pearson Philip Upton Carl Brookes Anthony Goodwin (Resigned 25/03/13) (Filed 13/02/14)</p>		
<b>Shareholdings</b>		<p>Ordinary 1pence shares</p>	<p>Preference 1pence Shares</p>
	Carl Brookes	7,600	-
	Anthony Goodwin	7,600	-
	Philip Upton	3,600	-
	North East Growth 500 Plus LP	-	2,112
<b>PFinanciers</b>	<p>Centric Commercial Finance Finance Wales Capital</p>		



**Appendix 1**  
**Statutory information**

Company Name	Propeller Technologies Limited		
Company Number	06599345		
Court Details	High Court of Justice, Chancery Division, Newcastle Upon Tyne District Registry		
Court Number	0131 of 2014		
Administrators details	Ian C Schofield BDO LLP 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU Appointed: 10/02/2014  Francis G Newton BDO LLP Bridgewater Place, Water Lane, Leeds, LS11 5RU Appointed: 10/02/2014  The Joint Administrators are to act jointly and severally in all matters relating to the administration		
Trading Address	362B Dukesway Team Valley Trading Estate Gateshead NE11 0PZ		
Registered Office	Bridgewater Place Water Lane Leeds LS11 5RU		
Former Registered Office	362B Dukesway Team Valley Trading Estate Gateshead NE11 0PZ		
Directors	David Pearson Philip Upton Carl Brookes Anthony Goodwin (Resigned 25/03/13)		
Shareholdings	Propeller Holdings Limited	Ordinary £1 shares	1
Financiers	Centric Commercial Finance Finance Wales Capital		

The Insolvency Act 1986

## Statement of affairs

**2.14B**

Name of Company Propeller Holdings Limited	Company Number 06441215
In the High Court of Justice, Newcastle upon Tyne District Registry [full name of court]	Court case number (For court use only) 132 of 2014

## Statement as to the affairs of

(a) Insert name and address  
of registered office of the  
company  
(b) Insert date

(a) Propeller Holdings Limited of 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU  
on the (b) 10 February 2014, the date that the Company entered administration.

## Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 10 February 2014 the date that the Company entered administration.

Full Name

PHILIP ANDREW TILSTON

Signed

PA Tilston

Dated

5/3/14

A34

\*A35GGUGJ\*  
09/04/2014  
COMPANIES HOUSE

#175

## Assets

**Assets subject to floating charge:**

**Estimated total assets available for preferential creditors**

Book Value £	Estimated to realise £
1,133,724	0
1,133,724	0

Signature P.A. Inkster Date 5/31/14

# A1 - Summary of liabilities of Propeller Holdings Limited

		Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)		£ 0
<b>Liabilities</b>		
Preferential creditors:	£ 0	0
Estimated deficiency/surplus as regards preferential creditors		£ 0
Estimated prescribed part of net property where applicable (to carry down)		0
Estimated total assets available for floating charge holders		£ 0
Debts secured by floating charges: FW Capital		416,035
Estimated deficiency/surplus after floating charges		£ (416,035)
Estimated prescribed part of net property where applicable (brought down)		0
Estimated assets available to unsecured creditors		£ 0
Unsecured non-preferential claims (excluding any shortfall to floating charge holders) Intercompany Creditors	115,806	115,806
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)		£ (115,806)
Shortfall to floating charge holders (brought down)		(416,035)
Estimated deficiency/surplus as regards creditors		£ (531,841)
Issued and called up capital	637	637
Estimated total deficiency/surplus as regards members		£ (531,204)

Signature P.A. Tolston Date 5/3/14

## B - Company creditors of Propeller Holdings Limited

**Note:** You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the Company's possession.

Name of creditor or claimant	Address (with postcode)	Amount of debt (£)	Details of any security held by creditor	Date security given	Value of security
Propeller (GB) Limited	1 Bridgewater Place, Water Lane, Leeds LS11 5RU	115,806	None	N/A	N/A
FW Capital Fund	Oakleigh House, 14016 Park Place, Cardiff CF10 3DQ	416,035	Debenture	2011	Up to £550,000
Total / Amount carried forward £		531,841			

Signature PA Tabor Date 5/3/14



## C - Company shareholders of Propeller Holdings Limited

Name of shareholder	Address (with postcode)	Number of shares held	Nominal value (£)	Details of shares held
FW Capital Fund	Oakleigh House, 14016 Park Place, Cardiff CF10 3DQ	31,417	314.17	Preference ordinary 1p shares
Philip Upton	27 Reid Park Road, Jesmond, Newcastle Upon Tyne NE2 2ER	17,133	171.33	Ordinary 1p shares
Carl Brookes	Rose Cottage, Hett Village, County Durham DH6 5LU	7,600	76.00	Ordinary 1p shares
Anthony Goodwin	Virginia House, Bickerton, Wetherby LS22 5ER	7,600	76.00	Ordinary 1p shares
Total / Amount carried forward			63,750	637.50

Signature PA Twister Date 5/3/14