

AM03

Notice of administrator's proposals



Companies House

WEDNESDAY



A16 *A8CU00XV* #185
28/08/2019
COMPANIES HOUSE

1	Company details		→ Filling in this form Please complete in typescript or in bold black capitals.
Company number	0 7 6 6 0 7 1 7		
Company name in full	Coverbox Insure Limited		
2	Administrator's name		
Full forename(s)	Michael Thomas		
Surname	Denny		
3	Administrator's address		
Building name/number	PricewaterhouseCoopers LLP		
Street	Cornwall Court, 19 Cornwall Street		
Post town	Birmingham		
County/Region			
Postcode	B 3 2 D T		
Country			
4	Administrator's name ①		
Full forename(s)	Peter David		① Other administrator Use this section to tell us about another administrator.
Surname	Dickens		
5	Administrator's address ②		
Building name/number	PricewaterhouseCoopers LLP		② Other administrator Use this section to tell us about another administrator.
Street	No 1, Hardman Street		
Post town	Manchester		
County/Region			
Postcode	M 3 3 E B		
Country			

AM03

Notice of Administrator's Proposals

6

Statement of proposals



I attach a copy of the statement of proposals

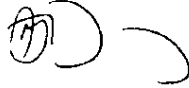
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Sign and date

Administrator's
Signature

Signature

X



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Signature date

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AM03 Notice of Administrator's Proposals



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Andy Lilley
Company name	PricewaterhouseCoopers LLP
Address	Central Square
	29 Wellington Street
Post town	Leeds
County/Region	
Postcode	L S 1 4 D L
Country	
DX	
Telephone	0113 289 4153



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

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



Where to send

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

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



Further information

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

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

In accordance with
paragraph 49 of Schedule B1
of the Insolvency Act 1986
and rule 3.35 of the
Insolvency (England and
Wales) Rules 2016

Date 27 August 2019.
Anticipated to be
delivered on 27 August
2019.

Coverbox Insure Limited – in administration

High Court of Justice
Business and Property Courts in Birmingham
Company & Insolvency List (ChD)

Case No. of CR-2019-BH-000563

Joint administrators' proposals for achieving the
purpose of administration

IR16M568

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Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this document:

Abbreviation or definition	Meaning
Administrators/we/us/our	Michael Thomas Denny of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, B3 2DT Peter David Dickens of PricewaterhouseCoopers LLP, 1 Hardman Square, Manchester M3 3EB
BEIS	Department for Business, Energy & Industrial Strategy
Company	Coverbox Insure Limited
HMRC	HM Revenue & Customs
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
PCL	Premium Credit Limited
Preferential creditors	Primarily employee claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
Prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
Purchaser	Be Wiser Insurance Services Limited
PwC	PricewaterhouseCoopers LLP
RoT	Retention of Title
RPS	Redundancy Payments Service, part of the Insolvency Service, which is an executive agency sponsored by BEIS, and which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
Sch B1 IA86	Schedule B1 to the Insolvency Act 1986
secured creditor	A creditor with security in respect of their debt, in accordance with section 248 IA86
Shoosmiths	Shoosmiths LLP
SIP	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out principles and key compliance standards with which insolvency practitioners are required to comply.
SIP 9	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates
SIP 13	Statement of Insolvency Practice 13: Disposal of assets to connected parties in an insolvency process

SPA	The agreement for the sale and purchase of the business and assets of the Company dated 25 July 2019 between the Company (acting by its Administrators) and the Purchaser
Unsecured creditors	Creditors who are neither secured nor preferential

Why we've prepared this document

On 8 July 2019 the Company went into administration and Peter David Dickens and I were appointed as joint administrators.

We tell you in this document why the Company was put into administration. We give you a brief history and set out our proposals for achieving the purpose of administration. We include details of the Company's assets and liabilities, and say how likely we are to be able to pay each class of creditor.

According to IA86, the purpose of an administration is to achieve one of these objectives:

- (a) rescuing the company as a going concern, or if that is not possible or if (b) would achieve a better result for the creditors than (a)
- (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 finally, if that is not possible
- (c) realising the company's assets to pay a dividend to secured or preferential creditors.

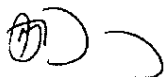
In this case, we're following (b) achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), as it was not reasonably practical to rescue the Company as a going concern.

Our job is to manage the Company until creditors agree our proposals for achieving the purpose of administration and we've implemented them so far as possible. After that the administration will end. The whole of this document and its appendices form our statement of proposals for achieving the purpose of administration.

We are seeking a creditors' decision by correspondence (see the decision notices attached to the proposals) on the following matters:

- The approval of our proposals for achieving the purpose of administration;
- The formation of a creditors' committee;
- If creditors don't form a committee, the approval for payment of the unpaid pre-administration costs as an administration expense;
- If creditors don't form a committee, the basis of our fees and Category 2 disbursements; and
- If creditors don't form a committee, the timing of our discharge from liability.

Please see the decision notice enclosed with these proposals for further information. If you have got any questions, please get in touch with my colleague, Andy Lilley on 0113 289 4153.



Signed.....

Michael Denny
Joint administrator of Coverbox Insure Limited – in administration

Michael Thomas Denny and Peter David Dickens have been appointed as joint administrators of Coverbox Insure Limited to manage its affairs, business and property as its agents and act without personal liability. They are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

*The joint administrators are bound by the Insolvency Code of Ethics which can be found at:
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.*

The joint administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the joint administrators. Personal data will be kept secure and processed only for matters relating to the joint administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the joint administrators.

A summary of what you could recover

Estimated dividend prospects

For Secured creditors:

There are no secured creditors as no debentures have been registered against the Company.

For preferential creditors:

We think we'll be able to pay the preferential creditors in full based on what we know currently. We would anticipate the timing of the dividend payment to be made within 6-12 months following the joint administrators appointment.

For unsecured creditors:

Based on current information and subject to the receipt of further asset realisations (as discussed further in this report) we believe that we will be able to make an unsecured creditor distribution of up to 4 pence in the pound.

This is a brief summary of the possible outcome for creditors based on what we know so far. You shouldn't use it as the main basis of any bad debt provision or debt trading. Please read the rest of this document.

Brief history of the Company and why it's in administration

Background

The Company was an insurance broker providing policies that were priced based on the installation of a telematics box into a vehicle. Its policies were underwritten predominantly by Aviva Plc (70%) with the balance from AXA and, to a lesser extent, Co-Op Insurance.

The Company was based in Peterborough and operated from a leasehold site, employing approximately 41 staff. It had an annual turnover of circa £2m.

The Company is part of a wider group which has been provided with ongoing funding (through the group) since the Company's inception. Recently the group has been providing regular financial support in the region of £200k per month. The strategy was to grow the business as the use of telematics boxes became more widespread. However, the growth in the business has been much slower than anticipated and the Company remained loss-making. The directors had unsuccessfully tried to sell the business during the previous 12 months. Following this the group has now concluded that it was not prepared to continue to provide further funding.

We have previously been engaged by the Company to advise on possible options surrounding the selling of the customer book, whether solvently or insolvently, and what a possible insolvency might look like considering key suppliers, creditors, the landlord, and other stakeholders.

The Company had approximately 8,600 active policies; roughly 70% of these were financed by an external provider, PCL. The arrangement meant that the Company earned commission from PCL's finance arrangements sold. PCL advanced the Company £2m by way of advanced commissions. This reduced to a balance of £1.4m by the date of our appointment. This advanced commission's payment was guaranteed by another group company.

The circumstances leading to our appointment

The Company was a specialist telematics insurance broker. Since its inception eight years ago, it had been unable to generate sufficient growth and sell the number of policies required to cover its costs. The Company had sought to expand its product offering but the Company lacked the funds to complete these projects.

As discussed above, there had been a sustained period of marketing the business in an effort to sell it. Latterly the Company had become entirely dependent on group funding in order to continue trading. When it became apparent that there was little prospect of achieving a sale, this group funding was withdrawn.

The Company engaged with us on 26 June 2019 to undertake contingency planning work, should a solvent sale not be achieved. Although there was some interest in the business, these transactions were not achievable. With no alternative course of action, the directors took the difficult decision to place the Company into Administration and Peter Dickens and I were appointed Joint Administrators on 8 July 2019.

Pre-administration costs

Our pre appointment time costs up to the date of our appointment were £41,739. In addition, Shoosmiths were engaged to provide legal services in connection with effecting the appointment of administrators. At the date of appointment, their costs were £3,827.68 plus VAT, all of which remain unpaid.

PwC's initial role was to advise the Company on its options. However, when it became clear that insolvency of the Company was inevitable, PwC additionally worked with the Company's directors in preparing for administration.

We think that PwC's role in preparing and planning for our appointment made a significant contribution to achieving the purpose of the administration because it facilitated the short term continuation of trade and progressed interest from potential buyers. If this work had not been done prior to our appointment it is likely that following the Company being placed into an insolvency process it would have immediately ceased trading and it would not have been possible to preserve the customer list which was crucial to obtain the sale thereof.

More details of these fees and expenses, including further information regarding the work undertaken, can be found at Appendix E.

The payment of unpaid pre-administration costs as an expense of the administration is subject to approval under rule 3.52 IR16 and doesn't form part of our proposals, which are subject to approval under paragraph 53 Sch B1 IA86. If you elect a creditors' committee, it will be up to the committee to give this approval under rule 3.52 IR16.

But if there's no committee, we'll ask the general body of creditors to do so instead.

To the best of our knowledge and belief, no fees or expenses were charged by any other insolvency practitioner.

What we’ve done so far and what’s next if our proposals are approved

Actions on appointment

Immediately following our appointment as administrators, we undertook (amongst other things) the following actions:

- Liaised with the Company’s employee’s to retain staff in order to maintain the Customer accounts and made redundancies as appropriate;
- Completed the payroll for the retained employees and arranged payments on a weekly basis;
- Commenced the collection of all relevant pensions information in order to progress any pensions claims with the RPS;
- Collected information to enable us to issue the relevant notices of our appointment to suppliers and creditors;
- Drafted and sent initial letters to all known creditors;
- Commenced the drafting of our proposals to creditors;
- Took control of the Company’s pre appointment bank accounts; and
- Updated our estimated outcome statement based on the financial position of the Company at appointment.

Sale of the Company’s customer list

The Company generated income by brokering new insurance policies, facilitating renewals of existing policies, or completing midterm adjustments where policies were changed or amended to reflect changing customer habits, vehicles, locations, etc. It was this customer information, and the right to administer and renew policies, which proved to be the Company’s main asset. An accelerated sales process was undertaken which involved contacting parties previously engaged with as part of the solvent sales process, and new parties identified by the Administrators or the Company’s directors. Company information was then circulated to these interested parties under non-disclosure agreements so the parties could formulate what interest they might have.

After a period of two weeks, there were two parties which were most advanced through the process. We facilitated a number of conference call discussions with key Company stakeholders, including insurers, so the potential purchasers could understand the practicalities of the transaction.

Towards the end of week three, a sale was completed to the Purchaser on 25 July 2019 for a deferred, contingent consideration which is scheduled to fully unwind after six months. The consideration will be based on the level of customer renewals over the next 12 months, and will comprise monthly payments in respect of actual renewals over the first six months, followed by a final payment in respect of expected commissions over the next six months. Further information will be provided in our next progress report.

The sale has provided continuity of policy administration services for consumers, and mitigated the prospect of significant additional creditor claims or costs that would have arisen in a scenario where a sale could not be completed.

Assets excluded from the sale

Cash on appointment

On our appointment, £268K of cash that was held in the Company's bank accounts was transferred into the administrator's bank account. This transfer followed a detailed reconciliation exercise that was undertaken to identify and appropriately allocate any client funds that were held in the Company's bank accounts.

Device stock

The Company was developing a project called Autoist. A key part of this project was the use of TomTom telematics devices, different to the ones currently installed by the Company's telematics provider following the commencement of an insurance policy.

This project was never completed, and the TomTom device stock never utilised. On appointment the Company had approximately 1,500 units. An offer was received from TomTom to acquire the devices back but we were advised by our appointed chattels agents that they would likely generate higher net realisations (i.e. after costs) at auction. These units were subsequently uplifted from site and are being prepared for auction.

Pre-payments

The Company has estimated that prepayments have been made totalling £77K. We will shortly be making arrangements to contact all prepayment suppliers to collect any surplus funds due to the Company. A further update will be provided in our next report.

Stock and retention of title

Any supplier wishing to claim retention of title ownership to stock in the Company's possession at the time of our appointment should contact Andy Lilley at andy.lilley@pwc.com.

Other matters

Employees

At the date of appointment, the Company employed 41 staff at its head office site.

30 employees were made redundant on the date of the administrators' appointment with the remaining 11 being retained to provide assistance to the joint administrators with their duties. Following the sale of the Company's customer list all employees have now been made redundant.

Statutory work we still need to do

Other matters to be completed specific to the administration process, include those set out below.

- We have a duty to investigate what other assets there may be (including potential claims against third parties and what recoveries can be made);
- During the course of the administration, we will be winding-down the Company's affairs, including any necessary final tax and VAT matters, and dealing with the Company's books and records; and
- We must comply with all relevant insolvency legislation and regulatory obligations arising as a result of the insolvency of the Company's and our appointment as joint administrators. These typically include periodic reports to creditors, obtaining approval for our remuneration and internal controls to ensure the administration strategies continue to be appropriate and outstanding matters are being progressed on a timely basis.

Managing the Company’s affairs and conducting the administration (including our remuneration) will be financed by asset realisations.

Connected party transactions

In accordance with SIP13, we are required to disclose any known connected party transactions that occurred in the period following our appointment or any proposed connected party transactions.

As part of the aforementioned project known as Autoist, the Company had acquired a trademark for the name and a selection of associated web domain addresses. These were sold to one of the Company directors, Vivienne Small, in the absence of any other interest. The consideration received for this was £60 plus VAT and the amount has been received and included in the receipts and payments account at Appendix C.

Directors’ conduct and investigations

As we said in our initial letter to creditors, one of our duties is to look at the actions of anybody who has been a director of the Company in the three years before our appointment. We have to submit our findings to BEIS within three months of our appointment.

We also have to decide whether any action should be taken against anyone to recover or contribute to the Company’s assets. If you think there is something we should know about and you haven’t yet told us, please complete the relevant section of the proof of debt form that can be found online at www.pwc.co.uk/coverbox. This is part of our normal work and doesn’t necessarily imply any criticism of the directors’ actions.

Objective of the administration

We are pursuing objective (b) of the statutory purpose for the administration, which is to achieve a better result for the Company’s creditors as a whole than would be likely if the Company was wound up (without first being in administration).

We believe that this objective will be achieved as a result of the sale described earlier, principally the improved outcome for the unsecured creditors as we would not have been able to achieve a sale of the Company’s customer list should the Company have been placed into liquidation (without first being in administration).

We’ll continue to manage and finance the Company’s business, affairs and assets from asset realisations. We may also investigate and, if appropriate, pursue any claims the Company might have. We’ll also do anything else we think appropriate, to achieve the purpose of the administration or to protect and preserve the Company’s remaining assets or to maximise realisations or for any other purpose incidental to these proposals.

Estimated outcome for creditors

Secured creditors

As previously stated, the Company does not have any secured creditors.

Preferential creditors (mainly employees)

We think we’ll be able to pay the preferential creditors in full based on what we know currently.

Unsecured creditors

The prescribed part is a fund that has to be made available for unsecured creditors. It’s paid out of “net property”. Net property is floating charge realisations after costs, and after paying - or setting aside enough to pay - preferential creditors in full. But it only has to be made available where the floating charge was created on or after 15 September 2003.

The amount of the prescribed part is:

- 50% of net property up to £10,000
- 20% of net property above £10,000

- subject to a maximum of £600,000.

In this case the prescribed part doesn’t apply because there is no floating charge registered against the Company.

We currently anticipate a dividend of up to 4% will be paid to the unsecured creditors based on what we know currently. We’ve calculated this based on our estimate of the value of the unsecured creditors. However, the amount of the dividend will depend on the final level of admitted claims, future realisations and administration costs. If we think there will be money for unsecured creditors we may (but we won’t have to) agree in principle the claims of unsecured creditors.

If we choose to agree unsecured claims, we may ask the court to allow us to pay dividends to those creditors. If we choose not to ask the court for permission, a subsequent liquidator or supervisor of a company voluntary arrangement/scheme of arrangement will formally adjudicate on the claims agreed by us in principle and pay any dividends to unsecured creditors.

Creditors’ committee

We’re asking you to decide whether you wish to elect a creditors’ committee to help us in discharging our duties. If the creditors do wish to do so, there will be a creditors’ committee if enough creditors want to be on it. Please see the link below for a guide to creditors’ committees.

https://www.r3.org.uk/media/documents/publications/professional/Creditors_Administration.pdf

Our fees and disbursements

As detailed in the remuneration report attached to this document we propose that our fees be based on the time we and our staff spend on the case at our normal charge out rates for this type of work (a time cost basis).

We also propose that disbursements for services provided by our firm (defined as Category 2 disbursements in SIP 9) are charged as per our firm’s policy.

It will be up to the creditors’ committee to fix the basis of our fees and Category 2 disbursements. But if there’s no committee, we’ll ask the general body of creditors to do so instead. If creditors or the committee do not fix the basis of our fees and Category 2 disbursements, we may apply to the court to fix them no later than 18 months after the date of our appointment.

Ending the administration

Our exit route will depend on the outcome of the administration. At the moment we think that the most likely exit route is as follows:

As we’ve said above, we think there will be enough funds to pay a dividend to unsecured creditors. Assuming that’s the case, once we’ve finished our other work we’ll apply to the court for permission to pay any surplus funds to unsecured creditors. If this is granted, we’ll end the administration by filing a notice with the Registrar of Companies and the Company will be dissolved three months later. If we don’t get permission we’ll put the Company into creditors’ voluntary liquidation, or comply with the terms of any court order if different. If the Company goes into creditors’ voluntary liquidation, we propose that Michael Denny and Peter Dickens are appointed as joint liquidators (or, if replacement administrator(s) are appointed, any person(s) appointed as administrator(s) at the time of the registration of notice of moving from administration to creditors’ voluntary liquidation per paragraph 83(4) Sch B1 IA86) and that any act required or authorised to be done by the joint liquidators can be done by either or both of them. Creditors may, before these proposals are approved, nominate a different person or persons as liquidator(s), in accordance with paragraph 83(7)(a) Sch B1 IA86 and rule 3.60(6) IR16.

However, if it turns out in due course that there won't be a dividend for unsecured creditors after all, once we've finished our other work, we'll file a notice with the Registrar of Companies and the Company will be dissolved three months later. But if we think that there are matters that should be conducted/investigated in a liquidation rather than in the administration we may instead apply for a court order ending the administration and for the Company to be wound up.

Appendix A: Statement of affairs

We were given a statement of affairs of the Company on 01 August 2019. It was signed by Spencer Glanville, a director of the Company.

As required by law, it includes details of the names, addresses and debts of creditors (including details of any security held), other than, if applicable, employees and former employees of the company and consumers claiming amounts paid in advance for the supply of goods and services.

A copy of the statement of affairs can also be found on our website at:

https://www.pwc.co.uk/business-recovery/administrations/assets/coverbox_soa_20190809.pdf

We make the following comments on the statement of affairs:

- As is normal in a statement of affairs, there is no provision for the costs of realising the Company’s assets or the costs of the administration;
- We haven’t audited the information; and
- We make no specific comment on the directors’ estimated realisable values, as our current estimates could be commercially sensitive.

In accordance with section 90
of the Insolvency Act 1986
and rules 6.3 and 6.4 of the
Insolvency (England and
Wales) Rules 2016

Statement of affairs

Name of company
Coverbox Insure Limited

Company number
07660717

The particulars and other information shown in this statement of affairs
and any continuation sheets give a full and complete statement of the
company's affairs on

Date 08/07/2019

Insert date statement made
up to (not more than
14 days before the date of the
resolution for winding up)

Statement of truth

I believe that the facts in this statement of affairs are true.

Full name SPENCE TERRY GLANVILLE

Signed



Dated

1/8/2019



A – Summary of assets

	Book value £	Estimated realisable value £
Assets subject to fixed charge:	Nil	0
Assets subject to floating charge:	Nil	
Uncharged assets:		
Office furniture	992.49	0
IT Equipment	160.80	0
Furniture and fittings	65,080.98	0
Leased assets (IT)	8,007.21	0
Intangible assets	87,544.86	0
Prepayments	77,138.82	0
PCL Control Account	311,241.59	0
Device stock	71,766.46	15,000.00
Debtors Control	99.03	0
Client balances	120,269.55	0
Current account	31,346.39	31,346.39
ITS account	373,984.34	0
Petty cash	5.64	5.64
Healthcare deductions	1,262.08	0
Interco balance	1,282,796.02	0
Insurer Debts	2,825.17	0
Total assets available for preferential creditors	3,432,521.46	46,572.03

Signature



Date

1/8/19

B – Summary of liabilities

		Estimated realisable value £
Total assets available for preferential creditors (carried forward from page A)		46,352.03
Preferential creditors:	£	
	(21,081.54)	25,270.49
Estimated deficiency / surplus as regards preferential creditors		
Estimated prescribed part where applicable (to carry forward)	n	25,270.49
Estimated total assets available for floating charges		
Debts secured by floating charges	p	25,270.49
Estimated deficiency / surplus after floating charges		
Estimated prescribed part where applicable (brought down)	0	25,270.49
Total assets available for unsecured creditors		
Retention of Title claim	(114,327.60)	(89,057.11)
Unsecured non preferential claims (excluding any shortfall to floating charge holders)	(1,209,058.53)	(1,209,115.64)
Estimated deficiency / surplus as regards unsecured non preferential creditors (excluding any shortfall to floating charge holders)		
Shortfall to floating charge holders (brought down)	0	(1,209,115.64)
Estimated deficiency / surplus as regards creditors		
Issued and called up share capital	(18,235,000.00)	(19,533,115.64)
Preference share interest	(22,500.00)	(19,555,615.64)
Estimated total deficiency / surplus as regards members		£ (19,555,615.64)

Signature  Date 1/8/19



B - Company creditors

Note: You must include all creditors, other than employees, former employees and consumer creditors claiming amounts paid in advance of the supply of goods or services ('consumer deposit creditors'), and identify all creditors under hire purchase, chattel leasing or conditional sale agreements and creditors claiming retention of title over property in the company's possession.

Include in this schedule the number of employees and former employees and the total of the debts owed to them and the number of consumer deposit creditors and the total of the debts owed to them. Full details of their must be set out in separate schedules. The employee and consumer deposit creditor schedules are NOT delivered to the Registrar of Companies.

If more convenient, a list of the company's creditors may be attached to this page as long as it contains all the same information as in this table.

Names of creditor or claimant	Address (with postcode)	Amount claimed (pounds)	Details of retention of title arrangements, including hire purchase, chattel leasing or conditional sale agreements, and consumer deposit creditors	Retention of title specified in supply contract
Retention of title claim				
Insure Telematics Solutions	Cygnel Park, Hampton, Peterborough, PE7 8GX	114,327.60		
Creditors ledger balances				
Barclaycard Merchant Services	PO Box 4000, 51 Saffron Road, Wigston, LE18 9EN	1,222.75		
BNP Paribas Leasing Solutions Ltd	St James Parade, Bristol, BS1 3LH	650.87		
Agency Brazil Ltd via Brazil	54 Marshall Street, London, W1F 9BH	8,640.00		
BT	81 Newgate Street, London EC1A 7AJ	1,697.24		
Business Systems (UK) Ltd	462 London Road, Isleworth, Middlesex, TW7 4ED	5,563.20		
CDL Production Services Ltd	Kings Reach Road, Stockport, SK4 2HD	40,000.00		
Confused.com	Greyfriars Road, Cardiff, CF10 3AL	6,540.00		
Comparethemarket.com	Pegasus House, Southgate Park, Peterborough, PE2 6YS	18,182.75		

Connectus Networks Ltd	Sperry Way, Stonehouse, GL10 3LT	138.00	
Coollaird Ltd	Paddocks Drive, Green Road, Newmarket, CB8 9WT	343.20	
Enterprise Managed Services Ltd now AmeyCuspa (East) Ltd	Cambridge, CB25 9PG	186.95	
Expertur Ltd	Expanian Way, Nottingham, NG80 1ZZ	2,112.00	
GoCompare.com Ltd	Industrial Way, Newport, Gwent, NP10 8UH	4,761.00	
Griffiths & Arnold	145-146 Lendenhall Street, London, EC3V 4QZ	8,845.34	
MeLife	Trafalgar, Place Brighton, BN1 4FR	5,930.52	
Microsoft Azure	One Microsoft Place, South County Business Park, Leopardstown, Dublin 18, D18 P521	1,635.27	
MoneySuperMarket.com Ltd	St David's Park, Ewloe, Flintshire, CH5 3UZ	5,610.00	
PayCheck Ltd	Battersea Studios 2, 82 Silverthorne Road, London, SW8 3HE	1,277.33	
Peach Technologies Ltd	Solent Business Park, Whiteley, Hampshire, PO15 7PA	2,985.30	
People Apps Ltd	Fields Court, Station Road, Epworth, DN9 1JZ	92.10	
Peterborough Gas Ltd	1B Rock Road, Peterborough, PE1 3BY	14.99	
Peterborough City Council	Bridge Street, Peterborough, PE1 1HQ	23,716.00	
PHS Restore Dalalshred	Purfleet, Essex, RM19 1NA	81.21	
PHB Insurance Brokers	Longridge Road, Preston, PR2 5BQ	140.62	
Pinney Bowes Finance Ltd	Hatfield Business Park, Mosquito Way, Hatfield, AL10 9UJ	1,211.00	
ProFax Ltd	Exmouth, Devon, EX8 1BD	144.00	
Sagepa Ltd	8-10 Amelia Street, Belfast, BT2 7GS	988.00	
UK Search Ltd	Barlborough Links, Chesterfield, S43 4PZ	48.22	
Winrow Associates LTD	West Derby, Liverpool, L12 2BA	600.00	
Worldpay	Spinningfields, Manchester, M3 3EB	589.35	



Accruals balances				
Activ8 Manage Technologies	Unit 1 Halidon Court, Fernwood Business Park, Newark, NG24 3LP		207.81	
Barkswell Reinsurance Brokers Limited	St Martin's House, 12 Bondage St Peter's Port, Guernsey, GY1 4AU		55,000.00	
Beightwhite Cleaning Company	21 Hall Quay, Great Yarmouth, Norfolk, NR30 1LP		832.49	
Confused.com	Greyfriars Road, Cardiff, CF10 3AL		98.23	
Comparethemarket.com	Pegasus House, Southgate Park, Peterborough, PE2 6YN		2,145.32	
Experian Limited	Exeter Way, Nottingham, NG80 1ZZ		276.48	
GoCompare.com Ltd	Imperial Way, Newport, Gwent, NP10 8UE		899.27	
CDL Production Services Ltd	Kings Reach Road, Stockport, SK4 2HD		7,240.60	
MoneySuperMarket.com Ltd	St David's Park, Ewloe, Flintshire, CH5 3UZ		979.35	
Microsoft Azure	One Microsoft Place, South County Business Park, Leopardstown, Dublin 18, D18 P21		3,078.28	
Barclaycard Merchant Services	PO Box 4000, 51 Saffron Road, Wigston, LE18 9EN		381.29	
Scopio Ltd	8-10 Amelia Street, Belfast, BT2 7GS		134.09	
Peach Technologies Ltd	Solent Business Park, Whiteley, Hampshire, PO15 7PA		766.08	
Wucklitz	Spinningfields, Manchester, M3 3EB		111.16	
Zallos UK Limited	Mayland Avenue, Hemel Hempstead, Herts, HP2 4NW		4,873.22	
General accruals provision	General accrual made via journals		8,781.06	
Bad debt provision	General provision no specific debtors identified		61,878.40	
Insurer balances				
Aviva Insurance	8 Surrey Street, Norwich, NR1 3NG		422,236.69	
Avia Insurance UK Plc	5 Old Broad Street, London, EC2N 1AD		21,580.86	
DAS Legal Services	DAS House, Quayside, Temple Back, Bristol, BS1 4NH		1,063.81	
Midas Underwriting Limited	Ground Floor, 31 Benedictine House, 17 Springfield Lynas Approach, Chelmsford, CM2 5LB		1,093.94	

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B1 - Consumer deposit creditors

Claims of consumer creditors claiming amounts paid in advance of the supply of goods or services. This schedule is **NOT** delivered to the Registrar of Companies.

C - Company shareholders

If more convenient, a list of the company's shareholders may be attached to this page

Name of shareholder	Address (with postcode)	Type of shares held	Nominal value of shares held	Nominal value of shares held	Nominal value of shares held
Coverbox Holdings Limited	299 Thorpe Road, Peterborough, PE3 6LW	£1 notes	18,010,000	18,010,000	18,010,000
Coverbox Holdings Limited	299 Thorpe Road, Peterborough, PE3 6LW	£1 pence	225,000	225,000	225,000
Coverbox Holdings Limited	299 Thorpe Road, Peterborough, PE3 6LW	Preference share interest			22,500
					18,237,500

Signature  Date 1/8/9

Appendix B: Statutory and other information

Court details for the administration:	High Court of Justice Business and Property Courts in Birmingham Companies & Insolvency List (ChD) CR2019BHM000563
Full name:	Coverbox Insure Limited
Trading name:	Coverbox
Registered number:	07660717
Registered address:	Central Square, 29 Wellington Street, Leeds, LS1 4DL
Company directors:	John Corbitt Barnsley Spencer Glanville Robert William Jefferson Vivienne Mary Small
Company secretary:	None
Shareholdings held by the directors and secretary:	Nil
Date of the administration appointment:	8 July 2019
Administrators’ names and addresses:	Michael Denny of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, B3 2DT Peter Dickens of PricewaterhouseCoopers LLP, 1 Hardman Square, Manchester M3 3EB
Appointer’s/applicant’s name and address:	The Directors of the Company, Thorpe Park, 239 Thorpe Road, Peterborough, Cambridgeshire, PE3 6LW
Objective being pursued by the Administrators:	Objective 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 finally, if that is not possible.
Division of the Administrators’ responsibilities:	In relation to paragraph 100(2) Sch B1 IA86, during the period for which the administration is in force, any function to be exercised by the persons appointed to act as Administrators may be done by any or all of the persons appointed or any of the persons for the time being holding that office.
Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on Insolvency Proceedings (recast) :	The Regulation applies to this administration and the proceedings are main proceedings.

Appendix C: Receipts and payments account

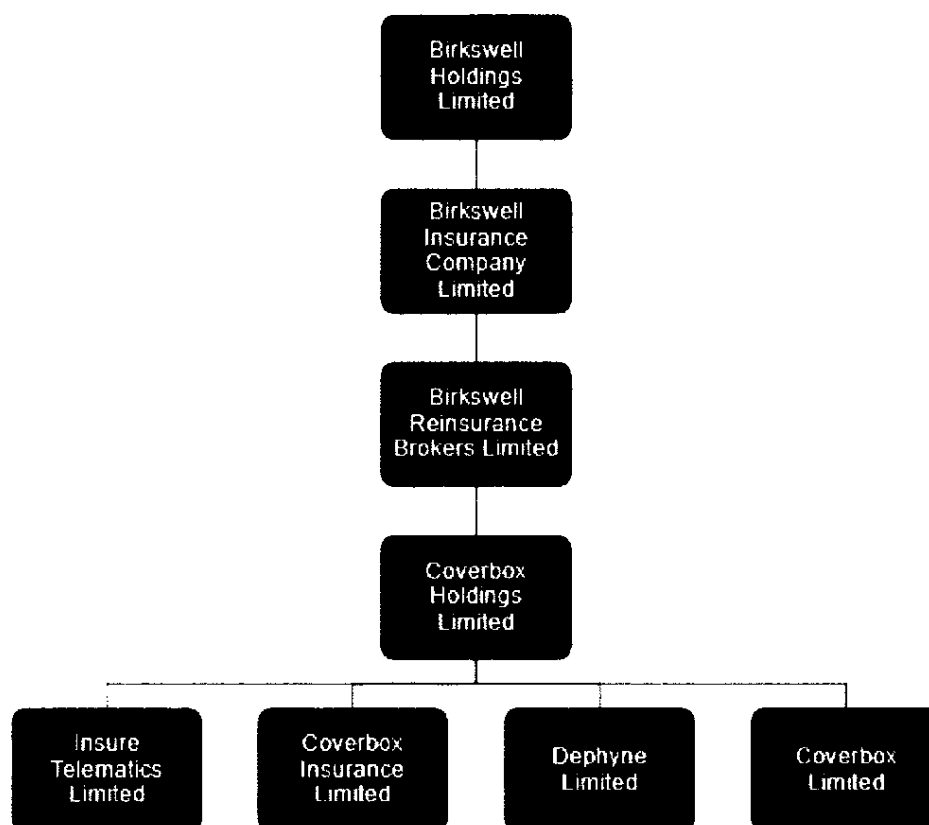
**Coverbox Insure Limited
(In Administration)
JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

	Statement of affairs £	From 08/07/2019 To 19/08/2019 £	From 08/07/2019 To 19/08/2019 £
RECEIPTS			
Fixtures & Fittings	NIL	1,745.01	1,745.01
Pre Appointment Cash at Bank	31,352.03	268,425.30	268,425.30
Prepayments	NIL	0.00	0.00
Sundry Debts & Refunds	NIL	27.57	27.57
Device Stock	15,000.00	0.00	0.00
		<u>270,197.88</u>	<u>270,197.88</u>
PAYMENTS			
Statutory Advertising		77.00	77.00
Wages & Salaries		16,583.60	16,583.60
PAYE/NIC and Pension Deductions		8,368.69	8,368.69
Finance / Bank interest & charges		15.00	15.00
		<u>25,044.29</u>	<u>25,044.29</u>
Net Receipts/(Payments)		<u>245,153.59</u>	<u>245,153.59</u>
MADE UP AS FOLLOWS			
VAT Control Account		(333.59)	(333.59)
Balance at bank		<u>245,487.18</u>	<u>245,487.18</u>

Notes

- 1) We are continuing to review the pre appointment cash at bank to establish if any of the funds held relate to client monies.
- 2) Balances at bank are held in interest bearing accounts.
- 3) All amounts are shown exclusive of VAT.
- 4) No debentures have been registered against the Company therefore no assets are subject to any fixed or floating charges.

Appendix D: Group structure



Appendix E: Pre-administration costs

The table below provides details of costs which were incurred before our appointment as Administrators but with a view to the Company entering administration. Details of the work done and expenses incurred follow.

	Details of agreement including date and parties to it	Paid amount (£)	Payment made by	Unpaid amount (£)	Nature of the payment
Our fees as Administrators-in-waiting	PwC and the Company (engagement letter dated 26 June 2019)	£12,000 (plus VAT)	Company prior to appointment	£41,739 (plus VAT)	Contingency planning work and time immediately leading up to the Appointment
Expenses incurred by us as Administrators-in-waiting	Shoosmiths LLP and the Company (engagement letter dated 26 June 2019)	nil	No payment made	£3,827.68 (plus VAT)	N/A
Total		£12,000		£45,566.68	

Details of the pre-administration work undertaken and a breakdown of expenses

Aspect of assignment	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Support (Hrs)	Total (Hrs)	Time cost £	Average hourly rate £
Strategy and planning	0.50	15.25	1.45	76.80	7.15	-	-	101.15	41,739.00	412.64
Total for the period	0.50	15.25	1.45	76.80	7.15	-	-	101.15	41,739.00	412.64

In the period leading up to appointment, we have spent time on the following matters:

- Contingency planning for the impending insolvency appointment;
- Constructing an estimated outcome statement;
- Preparing budgets for administrators and staff;
- Working with the Company’s directors and their legal advisors in preparing for the administration;
- Completing our internal procedures in preparation for accepting the appointment (including client acceptance documentation and ethical considerations);
- Team briefing meetings;

- Reviewing company employee information;
- Preparing communications to employees;
- Identifying key areas of risk and how these could be mitigated, including seeking health and safety guidance from in-house specialists; and
- Preparing statutory documentation and declarations required for effecting the administration appointment and liaising with our legal advisors in this regard.

Legal costs

Prior to our appointment, we engaged Shoosmiths to provide legal advice in relation to preparation for the administration appointment. The tasks undertaken have included:

- Drafting, reviewing and filing the administration order; and
- Drafting a guarantee document relating to the joint administrators remuneration (should there be insufficient asset realisations to cover these).

Attachments:

Remuneration report: initial information to creditors (including fees estimate)

Background

Purpose of this initial advice to creditors

If a company or individual is facing financial difficulty they may enter a formal insolvency process under the control of an independent external person (an insolvency practitioner). The costs of the proceedings are paid out of the assets of the company or the individual’s estate and include the insolvency practitioner’s remuneration, which in this case would be our fees for acting as joint administrators.

We must seek approval to the basis of our remuneration before it is paid and provide the fee approving body with sufficient information for them to make a decision. Insolvency law determines who the fee approving body is (and it depends on the circumstances of the case), but it’s usually those creditors who have a direct interest in the amount paid because it impacts on how much those creditors recover.

Changes to insolvency legislation on 1 October 2015 also now require us to give all known creditors details of the work we expect to carry out during the case and the expenses that are likely to be incurred. Also, if our fees are proposed to include remuneration calculated on a time costs basis, we must provide an estimate of those fees. This report provides all this information and details of where further information can be obtained.

Action required by you

The following table gives our current estimates on the likely return for the various classes of creditors. We caution creditors against using data in this report as a basis for estimating the value of their claims or their likely eventual entitlement to payment from the Company’s assets. The joint administrators, their firm, its members, partners and staff and advisers accept no liability to any party for any reliance placed upon this report.

Dividend prospects

<i>Class of creditor</i>	<i>Forecast return</i>	<i>Timing</i>
Secured creditors	N/A	N/A
Preferential creditors	100 p/£	6-12 months
Unsecured creditors	Up to 4p/£	6-12 months

We have stated in our proposals that we believe there will be a distribution to unsecured creditors other than from the prescribed part. Therefore where no committee is appointed, the unsecured creditors have the responsibility for fixing the basis of our fees and approving Category 2 disbursements. Please read this Remuneration Report carefully before voting on the basis of our fees and disbursements.

Creditors’ rights

You can find information on administrators’ fees and your rights at:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

You can also obtain a copy free of charge by contacting Andy Lilley on 0113 289 4153.

How fees are calculated

Insolvency law currently allows fees to be calculated in three ways:

- As a percentage of the value of the property which we deal with (often referred to as a “percentage basis”);
- By reference to the time properly given by us and our staff attending to the matters arising (“time costs basis”); or
- A set amount (a fixed fee).

The basis of our fees can be a combination of the above and different bases can be used for different parts of our work. The fee approving body decides which basis (or combination of bases) should be used to calculate fees, once it is satisfied that the fee basis proposed represents the most appropriate mechanism in the circumstances of the case.

The proposed basis of fees

In this case we are proposing that our remuneration is on a time costs basis only, for the following reasons:

- It ensures that creditors are only charged for work that is performed;
- We are required to perform a number of tasks which do not relate to the realisation of assets (for example: reporting to creditors, investigating the conduct of the directors and distributing surplus funds, if any); and
- We are unable to estimate with certainty the total amount of fees necessary to complete all tasks required in the administration.

In the next section, we include details of our fees estimate.

Insolvency law says that in determining the basis of our remuneration, regard must be had to the following:

- the complexity (or otherwise) of the case;
- any exceptional responsibility falling on us;
- the effectiveness with which we are carrying out, or to have carried out, our duties; and
- the value and nature of the property with which we have to deal.

Our fees estimate

This section provides the following information:

- Details of the work we propose to undertake;
- The hourly rates we propose to charge for each part of that work;
- The time we anticipate each part of the work will take; and
- Whether we think it will be necessary to seek approval to exceed the amount of the estimate, and if so, why.

The total amount of our fees estimate is £249,889.50. The following tables summarise our anticipated time costs and then provide more detail on each area of work. Time costs are shown at the hourly rates set out later. Our total remuneration cannot exceed the total amount of this fees estimate without prior consent from the fee approving body. This fees estimate covers the period from our appointment to 16 August 2019. We haven't included an estimate of our fees and the expenses for any subsequent liquidation.

In the period since our appointment to 16 August 2019, we have incurred time costs of £202,639, representing 81% of the fees estimate.

Time costs

<i>Category of work</i>	<i>Hours</i>	<i>Fees estimate (£)</i>	<i>Average hourly rate (£/hour)</i>	<i>Hours incurred to 16 August 2019</i>	<i>Time costs incurred to 16 August 2019 (£)</i>	<i>Average hourly rate for time costs incurred to 16 August 2019 (£/hour)</i>
Accounting and treasury	30.43	9,472.25	311.26	22.40	6,972.25	311.26
Assets	20.54	6,636.00	323.13	12.80	4,136.00	323.13
Creditors	35.89	7,551.50	210.41	9.75	2,051.50	210.41
Employees and pensions	56.97	21,287.25	373.68	47.60	17,787.25	373.68
Investigations	15.76	3,669.50	232.78	3.95	919.50	232.78
Sale of business	89.95	43,205.50	480.33	89.95	43,205.50	480.33
Statutory and compliance	138.04	41,192.75	298.41	86.10	25,692.75	298.41
Strategy and planning	30.04	14,888.75	495.55	25.00	12,388.75	495.55
Tax and VAT	36.69	12,741.50	322.17	4.60	1,741.50	322.17
Trading	275.48	89,244.50	323.96	270.85	87,744.50	323.96
Total hours and fees estimate	729.79	249,889.50	3,769.07	673.00	202,639.50	3,769.07

The above table provides an estimate of the anticipated time likely to be required on the various areas of work and in future reports we will provide an update by reference to actual costs incurred.

Work we propose to undertake

The following table provides details of the work we propose to do (indicated by →), have already done (✓) or which is in progress (□). It provides a brief summary for each category rather than an exhaustive list of all possible tasks. The fees estimate for each category is also shown, together with costs incurred to 9 August 2019.

Category of work	General description	Work included
Assets	Debtors	<ul style="list-style-type: none"> Corresponding with pre-payment debtors □
Estimate: 20.54 hours £6,636.00	Intangible assets	<ul style="list-style-type: none"> Carrying out tasks associated with realising such assets □
Incurring to date: 12.80 hours £4,136.00	Insurance	<ul style="list-style-type: none"> Identifying potential issues requiring attention of insurance specialists ✓ Reviewing insurance policies ✓ Corresponding with insurer regarding initial and ongoing insurance requirements □ Realising any value within policies □
	Asset recoveries	<ul style="list-style-type: none"> Identifying potential asset recoveries relating to the device stock as referenced earlier in this report □
Creditors	Creditor enquiries	<ul style="list-style-type: none"> Setting up a dedicated website for delivery of initial and ongoing communications and reports ✓ Receiving and following up creditor enquiries via telephone, email and post □ Reviewing and preparing correspondence to creditors and their representatives □ Receipting and filing proofs of debt □
Estimate: 35.89 hours £7,551.50	Preferential claims	<ul style="list-style-type: none"> Corresponding with employees regarding dividend → Preparing, issuing and receiving employee preferential claim agreement forms → Corresponding with the RPS regarding proof of debt → Calculating dividend rate and preparing dividend file → Advertising dividend notice → Preparing and paying distribution → Ensuring PAYE/NIC is deducted and remitted to HMRC →
Incurring to date: 9.75 hours £2,051.50	Unsecured claims	<ul style="list-style-type: none"> Dealing with proofs of debt for dividend purposes → Preparing correspondence to potential creditors inviting lodgment of proof of debt → Receiving proofs of debt and maintaining register → Adjudicating claims, including requesting further information from claimants → Preparing correspondence to claimant advising outcome of adjudication and advising of intention to declare dividend → Advertising intention to declare dividend → Calculating dividend rate and preparing dividend file → Preparing correspondence to creditors announcing declaration of dividend → Preparing and paying distribution →
Employees and pensions	Communications with employees	<ul style="list-style-type: none"> Drafting, issuing and delivering initial communications and announcements ✓ Preparing letters to employees advising of their entitlements and options available ✓ Receiving and following up employee enquiries via telephone, post and email □
Estimate: 56.97 hours £21,287.25		

Category of work	General description	Work included
Incurred to date: 47.60 hours £17,787.25	Payroll	<ul style="list-style-type: none"> • Reviewing employee files and company’s books and records ✓ • Reviewing awards and payroll structure ✓ • Calculating and paying periodic payroll ✓ • Deducting and paying over PAYE/NIC to HMRC and other deductions to relevant agencies and third parties <input type="checkbox"/>
	Redundancy related work	<ul style="list-style-type: none"> • Commencing / continuing a consultation process ✓ • Selecting and making redundancies ✓ • Liaising with the RPS and external agencies <input type="checkbox"/>
	Pensions	<ul style="list-style-type: none"> • Issuing statutory notices ✓ • Dealing with general pension scheme issues <input type="checkbox"/> • Calculating contributions and requesting payments to the relevant scheme or policy <input type="checkbox"/>
Trading Estimate: 275.48 hours £89,244.50 Incurred to date: 270.85 hours £87,744.50	Trading management	<ul style="list-style-type: none"> • Liaising with suppliers ✓ • Liaising with management and staff ✓ • Liaising with insurers <input type="checkbox"/> • Liaising with PCL (the credit provider for premium purchases) <input type="checkbox"/> • Detailed reconciliation of customer monies, to ensure customer funds are appropriately identified and allocated ✓ • Overseeing customer enquiries around ongoing policy administration and other matters ✓ • Attending on site ✓ • Authorising purchase orders and other commitments ✓ • Preparing and authorising receipt and payment vouchers <input type="checkbox"/> • Holding meetings to discuss trading position ✓
Investigations Estimate: 15.76 hours £3,669.50 Incurred to date: 3.95 hours £919.50	Conducting investigations	<ul style="list-style-type: none"> • Collecting Company books and records where related to investigatory work ✓ • Reviewing books and records <input type="checkbox"/> • Preparing comparative financial statements and deficiency statement <input type="checkbox"/> • Reviewing specific transactions and liaising with directors regarding certain transactions <input type="checkbox"/> • Preparing investigation file and lodging findings with the Department for Business, Innovation and Skills <input type="checkbox"/>
Sale of business Estimate: 89.95 hours £43,205.50 Incurred to date: 89.95 hours £43,205.50	Sale of business	<ul style="list-style-type: none"> • Preparing an information memorandum ✓ • Liaising with purchaser and solicitors ✓ • Holding internal meetings to discuss/review offers received ✓ • Issuing non-disclosure agreements ✓ • Facilitating a number of conference call discussions with key Company stakeholders, including insurers, so the potential purchasers could understand the practicalities of the transaction. ✓ • Running an accelerated sales process including liaising with relevant stakeholders as appropriate. ✓ • Supporting post sale matters as discussed in this report <input type="checkbox"/>
Strategy and planning Estimate: 30.04 hours £14,888.75 Incurred to date: 25.00 hours £12,388.75	Strategy and planning	<ul style="list-style-type: none"> • Completing tasks relating to job acceptance ✓ • Preparing fee budgets & monitoring cost <input type="checkbox"/> • Holding team meetings not relating to trading and discussions regarding status of administration <input type="checkbox"/>

Category of work	General description	Work included
Statutory and compliance	Other statutory and compliance	<ul style="list-style-type: none"> Filing of documents <input type="checkbox"/> Updating checklists and diary management system <input type="checkbox"/>
Estimate: 138.04 hours £41,192.75	Accounting and treasury	<ul style="list-style-type: none"> Opening and closing bank accounts and arranging facilities ✓ Dealing with receipts, payments and journals not relating to trading <input type="checkbox"/> Carrying out bank reconciliations and managing investment of funds <input type="checkbox"/> Corresponding with bank regarding specific transfers <input type="checkbox"/>
Incurring to date: 86.10 hours £25,692.75	Closure procedures	<ul style="list-style-type: none"> Withdrawing undertakings not relating to trading and obtaining clearances from third parties → Completing checklists and diary management system → Closing down internal systems →
	Books and records	<ul style="list-style-type: none"> Collecting company books and records where not related to investigatory work ✓ Dealing with records in storage <input type="checkbox"/> Sending job files to storage →
	Remuneration report	<ul style="list-style-type: none"> Preparing and circulating to creditors a report giving details of the work we expect to carry out during the case, our fees estimate and the expenses that are likely to be incurred. <input type="checkbox"/>
	Case reviews	<ul style="list-style-type: none"> Conducting case reviews after the first month, then every six months →
	Proposals and initial meeting of creditors	<ul style="list-style-type: none"> Drafting and reviewing a statement of proposals to creditors including preparing receipts and payments accounts and statutory information. ✓ Circulating notice of the proposals to creditors, members and the Registrar of Companies. ✓ Preparing decision notice and associated documentation ✓ Preparing a record of the decision and issuing a report on the outcome to creditors →
	Progress reports and extensions	<ul style="list-style-type: none"> Preparing and issuing periodic progress reports to creditors and the Registrar →
	Initial letters and notifications	<ul style="list-style-type: none"> Preparing and issuing all necessary initial letters and notices regarding the administration and our appointment ✓
	Other meetings / resolutions	<ul style="list-style-type: none"> Preparing documents and information for the purpose of obtaining approval to fees, Category 2 disbursements and other matters in the administration ✓
Tax & VAT	VAT	<ul style="list-style-type: none"> Gathering information for the initial VAT review ✓ Carrying out VAT review and subsequent enquiries ✓ Preparing VAT returns → Liaising with HMRC →
Estimate: 36.69 hours £12,741.50	Tax	<ul style="list-style-type: none"> Gathering information for the initial tax review ✓ Carrying out tax review and subsequent enquiries ✓ Preparing tax computations → Liaising with HMRC →
Incurring to date: 4.60 hours £1,741.50		
Accounting and Treasury	Processing receipts and payments	<ul style="list-style-type: none"> Entering receipts and payments into accounting system. <input type="checkbox"/> Carrying out bank reconciliations and managing investment of funds. <input type="checkbox"/> Corresponding with pre appointment banks regarding specific transfers. <input type="checkbox"/>
Estimate: 30.43 £9,472.25		
Incurring to date: 22.40 £6,972.25		

Included in the above table are tasks that we must perform that may not directly benefit creditors financially. These are expected to relate to:

- fulfilling obligations imposed by statute or regulatory bodies;
- managing the Company's tax and VAT affairs; and
- winding-down the Company's affairs in advance of its dissolution in due course.

Our time charging policy and hourly rates

The time we charge to the administration is by reference to the time properly given by our staff and us in attending to matters arising.

It is our policy to delegate tasks to appropriate members of staff considering their level of experience and any requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or the administrators personally.

Set out below are the relevant maximum charge-out rates per hour worked for the grades of staff actually, or likely to be, involved on this assignment.

All staff who work on this assignment (including cashiers, support and secretarial staff) charge time directly to the assignment and are included within any analysis of time charged. Time is charged by reference to actual work carried out on the assignment in six minute units. The minimum time charged is three minutes (i.e. 0.05 units). There has been/will be no allocation of any general costs or overhead costs. These rates will apply to each part of our work.

Specialist departments with our firm, such as Tax, VAT, Property and Pensions are also used where their expert advice and services are required. Such specialist rates do vary but the figures below provide an indication of the maximum rate per hour.

Charge-out rates

<i>With effect to 30 June 2020</i>	<i>Maximum rate per hour (£)</i>	<i>Specialist maximum rate per hour (£)</i>
<i>Grade</i>		
Partner	690	1,385
Director	595	1,275
Senior Manager	515	975
Manager	405	710
Senior Associate (Qualified)	310	520
Senior Associate (None qualified)	230	330

Associate	210	285
Support staff	120	230

In common with all professional firms, hourly rates increase from time to time over the period of the administration. Any amendments to the above rates will be advised to the fee approving body as required and creditors will be updated on any changes in the first progress report thereafter.

Further approval

Creditors should be assured that the provision of a fees estimate will not affect the proper conduct of the administration. If the necessary work exceeds (or is likely to exceed) that included in the fees estimate, we can seek consent, usually from the fee approving body, for our fees to exceed the fees estimate.

Our fees estimate is based on a number of assumptions, which are explained later. In broad terms and in our experience, the key issues likely to affect the level of costs are the:

- availability and quality of the books and records (for example in relation to any investigation matters);
- volume of future queries from creditors and other stakeholders;
- the response from debtors in paying outstanding debts; and
- any changes to our strategy that might be necessary as a result of the above.

In our periodic progress reports, we will keep creditors updated on how our fees are comparing to the fees estimate. If fees are likely to exceed this fees estimate we will need further approval to draw those fees.

Expenses

What is an expense?

Expenses are defined in SIP9 as amounts properly payable by the office holder from the estate which are not office holders’ remuneration or a distribution to creditors. These include disbursements, which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment. They fall into two categories: Category 1 and Category 2:

Disbursement	SIP9 definition
Category 1	Payments to independent third parties where there is specific expenditure directly referable to the appointment in question.
Category 2	Costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis.

Our firm’s disbursements policy allows for all properly incurred expenses to be recharged to the case. We don’t need approval from creditors to draw Category 1 disbursements as these have all been provided by third parties, but we do need approval to draw Category 2 disbursements as these are for services provided by our firm. The body of creditors who approve our fees also have responsibility for agreeing the policies for the payment of Category 2 disbursements, which in this case are as follows:

Photocopying	At 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying.
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Mileage	At a maximum of 70 pence per mile (up to 2,000cc) or 91 pence per mile (over 2,000cc).
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Our expenses estimate

The following table shows expenses incurred to date and an estimate of further expenses we consider will be (or are likely to be) incurred.

The total expenses estimate for the case is £92,037.13.

The estimate excludes any potential tax liabilities that may be payable as an expense of the administration in due course because amounts due will depend on the position at the end of the tax accounting period.

Our expenses estimate includes pre-administration costs that would, if approved, be payable as an expense of the administration and which are explained in more detail separately in these proposals. Whilst pre-administration costs are subject to approval in the same manner as our remuneration, they do not form part of our remuneration in relation to our work as joint administrators following our appointment.

Expenses estimate

Nature of expenses	Incurred to date (£)	Estimate of future expenses (£)
Trading expenses		
Wages & Salaries	16,583.60	Nil
PAYE/NIC and Pension Deductions	8,368.69	1,863.84
Other expenses		
Bank charges	15.00	30.00
Insurance	Nil	250.00
Legal fees and expenses (Shoosmiths LLP)	16,873.00	Nil
Office holders' disbursements	660.00	500.00
Pre-administration costs	41,739.00	Nil
Statutory advertising	77.00	77.00
Agents fees (John Pye Auctions)	Nil	5,000.00
Total expenses	84,316.29	7,720.84

Professionals and subcontractors

Professionals and subcontractors

<i>Service provided</i>	<i>Name of firm</i>	<i>Reason selected</i>	<i>Basis of fees</i>
Legal advice, relating to: <ul style="list-style-type: none">• <i>appointment related matters.</i>	Shoosmiths LLP	Industry and insolvency knowledge.	Time costs and disbursements
Agent advice, relating to: <ul style="list-style-type: none">• <i>sale of device stock.</i>	John Pye Auctions	Industry knowledge.	Percentage of realisations

We require all third party professionals to submit time costs analyses and narrative in support of invoices rendered.

Notes and assumptions

Fees estimate

We have assumed the administration will last one year.

Expenses

We have made the following key assumptions:

- No additional assets will come to light which will require legal or agent assistance.
- No additional assets will come to light that will require insurance.

1.1. Associates

The administrators have no business or personal relationships with parties responsible for approving remuneration or who provide services to the administrators in respect of the appointment where the relationship could give rise to a conflict of interest.

2) Decision notice

In accordance with
rule[s] 3.38 if seeking
approval of admin
proposals and 15.8 of
the Insolvency
(England and Wales)
Rules 2016

Notice to creditors seeking decisions by correspondence

Name of Company
Coverbox Insure Limited

Company Number
07660717

In the
High Court of Justice, Business and Property Courts in
Birmingham, Company & Insolvency List (ChD)

(full name of court)

Court case number
0563 of 2019

(a) Insert full names of
administrators

We (a) Michael Denny of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT and Peter Dickens of PricewaterhouseCoopers LLP, No 1, Hardman Street, Manchester ,M3 3EB, Joint Administrators of the Company give notice to creditors that we are seeking a decision by correspondence on the following resolution(s)

(b) Insert resolutions

- (1) THAT the administrators’ proposals dated 27 August 2019 be approved;
- (2) THAT the administrators be discharged from liability pursuant to Paragraph 98(1) of Schedule B1 to the Insolvency Act 1986 in respect of any action of theirs as administrators 14 days after they cease to be joint administrators of the company;
- (3) THAT a creditors’ committee **SHOULD NOT** be established;
- (4) THAT the pre-administration costs of £45,566.68 (plus VAT), as disclosed in our proposals dated 27 August 2019, are paid as an expense of the administration;
- (5) THAT the joint administrators' fees be fixed as set out in our proposals dated 27 August 2019, on a time cost basis based on the time properly given by the joint administrators and their staff in attending to the matters arising in the administration up to £249,889.50 (plus VAT); and;
- (6) THAT the joint administrators be authorised to draw disbursements from time to time for services provided by their own firm (Category 2 disbursements) as set out in our proposals dated 27 August 2019.
- (1) These rates may periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. All other disbursements to be charged at cost.

We therefore invite you to vote on the above. To submit your vote please indicate below whether you are voting for or against each resolution and whether or not you want a committee to be established and return this notice to us by post at the address below, to be received by us by 23.59 hrs on (c) **11 September 2019** (the decision date).

In order to be entitled to vote we must receive from you by 23.59 hrs on the decision date, a proof in respect of your claim in accordance with the Insolvency (England and Wales) Rules 2016 (IR16), failing which your vote will be disregarded. A proof of debt form which you can use is attached.

If your debt is treated as a small debt in accordance with rule 14.31(1) IR16 (creditors with claims of £1,000 or less), you must still deliver a proof to us by 23.59 hrs on the decision date if you wish to vote.

If you have opted out from receiving notices you may nevertheless vote if you provide a proof as set out above.

Creditors who meet one of the thresholds in section 246ZE of the Insolvency Act 1986 may, within five business days from the date of delivery of this notice, require a physical meeting to be held to consider the matter(s) set out above. The relevant thresholds are 10% in value of creditors, 10% in number of creditors, or 10 creditors.

If you wish to nominate any creditor(s) to be members of a creditors’ committee if creditors decide that a committee should be established, you must deliver your nomination to us by the decision date. A nomination can only be accepted if we are satisfied as to the creditor’s eligibility under rule 17.4 IR16.

A creditor may appeal a decision in accordance with rule 15.35 IR16 by applying to court not later than 21 days after the decision date.



Signed _____
Joint Administrator

Dated 27 August 2019

Administrators’ postal address: Central Square, 8th Floor, 29 Central Square, Leeds LS1 4DL

Administrators’ contact telephone number: 0113 288 2046

In accordance with rule
15.9 of the Insolvency
(England and Wales)
Rules 2016

Name of Company Coverbox Insure Limited	Company Number 07660717
In the High Court of Justice, Business and Property Courts in Birmingham, Company & Insolvency List (ChD)	Court case number 0563 of 2019

To be completed by creditor and returned to the postal address above if you wish to vote

I/We _____

Company number (if creditor is a company) _____

of _____

vote as follows:

Insert creditor’s name
and address, and
registered number if a
company

	Delete as applicable *
Resolution (1) THAT the administrators’ proposals dated 27 August 2019 be approved;	* for / against
Resolution (2) THAT the administrators be discharged from liability pursuant to Paragraph 98(1) of Schedule B1 to the Insolvency Act 1986 in respect of any action of theirs as administrators 14 days after they cease to be joint administrators of the company;	* for / against
Resolution (3) THAT a creditors’ committee SHOULD NOT be established;	* for / against
Resolution (4) THAT the pre-administration costs of £45,566.68 (plus VAT), as disclosed in our proposals dated 27 August 2019, are paid as an expense of the administration;	* for / against
Resolution (5) THAT the joint administrators’ fees be fixed as set out in our progress report dated 27 August 2019, on a time cost	* for / against

<p>basis based on the time properly given by the joint administrators and their staff in attending to the matters arising in the administration up to £249,889.50 (plus VAT); and;</p>	
<p>Resolution (6) THAT the joint administrators be authorised to draw disbursements from time to time for services provided by their own firm (Category 2 disbursements) as set out in our proposals dated 27 August 2019.</p>	<p>* for / against</p>
<p>Committee member: I/we nominate [creditor to insert name of creditor*] _____ to be a member of the committee if one is established. <small>*If you wish to nominate a creditor to be a member of a committee if one is established, please insert here the name of that creditor. A creditor can nominate themselves or another creditor. If the creditor is a company you must insert the company's name</small></p>	
<p>Committee member’s consent to act and representative: I/we consent to act as a member of the committee and authorise [insert representative’s name here*] _____ to represent me/us on the committee with authority to act generally. <small>* A creditor which is a company or other body corporate must be represented by an individual. A creditor who is an individual can be represented by another individual but does not need to be. If you don't insert the name of a representative, the nominated creditor can still be represented on any committee, but may need to provide a letter of authority to the representative before they can act. A representative may be authorised to act either generally or specifically. If you wish to authorise your representative to act specifically, please amend the authority above and state in what respect they are authorised to act.</small></p>	

I/we enclose my/our proof of debt (if not previously submitted)

Signature of creditor or person authorised to act on behalf of the creditor:

 Name in block capitals:

 Position with or relation to the creditor (e.g. director, company secretary, solicitor):

 Date:

3) Common questions and answers about the decisions we are seeking, including the approval of the Administrators’ proposals

We are seeking approval of the Administrators’ proposals and other resolutions by way of a decision by deemed correspondence.

A copy of the notice requesting decisions by correspondence are attached to the proposals and contain information relating to the decisions being sought and how creditors can vote. We have answered some of the common questions which arise in respect of decisions by deemed correspondence below.

What is a decision by correspondence?

A decision by correspondence is one in which the creditors vote on decisions and/or resolutions in writing.

In this case we are seeking a decision by creditors on the following matters:

- the approval of our proposals for achieving the purpose of administration;
- the formation of a creditors’ committee;
- If creditors don’t form a committee, the approval for payment of the unpaid pre-administration costs as an administration expense;
- If creditors don’t form a committee, the basis of our fees and Category 2 disbursements; and
- If creditors don’t form a committee, the timing of our discharge from liability.

Details of how creditors can vote on the decisions being requested are included in the decision notice attached to the proposals.

Creditors who (by themselves or with others) meet one of the relevant thresholds can request that the decisions be made at a physical meeting instead of by correspondence (see below).

Do I have to vote on a decision being sought by correspondence?

You don’t have to vote, and if you don’t want to, you don’t need to take any further action unless you wish to nominate a member of the committee should one be formed.

How do I ensure that my vote counts?

For it to be counted, a creditor’s vote must be received by us by 11.59pm on the decision date specified in the decision notice and must be accompanied by a proof of debt in respect of the creditor’s claim (rule 15.9(1)(b) IR16) unless the proof of debt has already been provided to the administrators. We have provided you with a form which you can use for this purpose. (Please see the decision notice for more information about submitting your proof of debt).

If any vote is received without a proof of debt, or we decide that the creditor isn’t entitled to vote, that creditor’s vote shall be disregarded (rule 15.9(2) IR16).

Physical Meeting

How do I request a physical meeting (PM)?

Creditors who meet one of the thresholds in section 246ZE IA86 may, within five business days from the date of delivery of the decision notice attached to the proposals, require a physical meeting to be held to consider the

decisions detailed in that notice. The relevant thresholds are 10% in value of creditors, 10% in number of creditors or 10 creditors.

If one of the above thresholds for requiring a physical meeting is met we will issue a further notice calling a physical meeting and the original decisions by correspondence as detailed in our notice attached to the proposals will be superseded.

Details of how to attend and vote at any physical meeting called will be provided in the notice of that meeting.

Who decides whether my claim ranks for the purposes of objecting to deemed consent?

The Administrators have the power to accept or reject the whole or any part of your claim for the purpose of voting and/or requesting a physical meeting (rule 15.33(2) IR16). If there's any doubt whether your claim should be admitted, we'll mark it as-objected to and allow you to vote. If however, the objection is sustained, then your vote will be declared invalid (rule 15.33(3) IR16). If your vote was critical to the outcome, this could change the decisions/resolutions that were passed and/or result in a further decision being required (rule 15.35(3) IR16).

What happens if I disagree with the Administrators' decision?

You're entitled to appeal to the court for an order reversing the Administrators' decision on your claim provided you do so within 21 days of the decision date (rule 15.35(4) IR16). If the court reverses or varies the Administrators' decision, this could change the decisions/resolutions that were made or passed and/or the court may order us to initiate a decision procedure or make such other order as it thinks just (rule 15.35(3) IR16).

You also have the right to appeal to the court if you believe that the Administrators are acting/have acted/propose to act in a way which unfairly harms your interests (paragraph 74(1) Sch B1 IA86).

We recommend that you seek legal advice about the merits of taking these steps in any particular circumstances.

How do I calculate my claim for voting purposes?

Votes are calculated according to the amount of a creditor's claim as at the date on which the Company entered administration, less any payments that have been made to them after that date in respect of their claim and any adjustments by way of set-off made in accordance with rule 14.24 IR16 or that would be made if that rule were applied on the date that the votes are counted (rule 15.31(1)(a)(ii) IR16).

What majorities are needed to approve decisions/resolutions?

A decision to approve the proposals or any modification to them is made by creditors if more than 50% in value of those voting vote for the decision.

But a decision is not made if those voting against it include more than half in value of the creditors to whom notice of the decision procedure was delivered who are not, to the best of the convener or chair's belief, persons connected with the Company (rule 15.34(2) IR16).

What happens if I cannot yet quantify my claim with certainty?

You can vote in respect of a debt for an unliquidated amount or any debt whose value is not ascertained, if the Administrators agree to put on the debt an estimated minimum value for voting purposes and admits the claim for that purpose (rule 15.31(2) IR16).

What happens if my debt is wholly or partly secured?

If you're a secured creditor whose debt is wholly or partly secured, only the balance (if any) of your debt after deducting the value of your security as estimated by you will count towards the threshold for objections.

What happens if I am a creditor under a hire-purchase, conditional sale agreement or leasing agreement?

If you're an owner of goods under a hire-purchase or chattel leasing agreement, or a seller of goods under a conditional sale agreement, the amount of the debt due and payable to you by the Company on the date the Company entered administration will count towards the threshold for objections. In calculating the amount of any debt for this purpose, no account shall be taken of any amount attributable to the exercise of any right under the relevant agreement, so far as the right has become exercisable solely by virtue of:

- the making of an administration application
- a notice of intention to appoint an Administrator or any matter arising as a consequence, or
- of the Company entering administration (rule 15.32 IR16).

Am I bound by the Administrators' proposals if they are approved?

Our proposals, when approved by the creditors, will dictate how the Company's affairs will be conducted in future and how creditors' claims will be addressed.

For this reason, it is important that creditors consider them properly and decide whether and how they wish to vote.

4) Proof of debt

Coverbox Insure Limited - in Administration - Proof of debt

Please complete and return this form with supporting documentation as soon as possible to Helena Perevalova, PricewaterhouseCoopers LLP, Central Square, 29 Wellington Street, Leeds, LS1 4DL. Creditors whose claims are secured or preferential (in part or in whole) should provide details of their claim to the above address. However, they need not use this claim form.

1) Name of creditor	
2) Address of creditor for correspondence	
3) Registered number (if creditor is a company)	
4) Total amount of your claim (including VAT) and outstanding uncapitalised interest at the date the administration commenced*	£
5) Total value (including VAT) of any monies owed by you to the company in administration	£
6) Total amount of any payments received by you in relation to the claim after the administrators' appointment	£
7) If the amount in 4) includes outstanding uncapitalised interest, please state amount	£
8) Particulars of how and when the debt was incurred (please attach a continuation sheet if more space is needed)	
9) Particulars of any security held, the value of the security and the date it was given	
10) Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
11) Details of any documents by reference to which the debt can be substantiated	
12) Particular matters relating to the company's purchase of goods and services from you or any other matters that you feel should be reviewed (please provide on a separate sheet if needed)	
Signature of creditor or person authorised to act on behalf of the creditor	
Name in block capitals	
Position with or relation to the creditor (e.g. director, company secretary, solicitor)	
Address of person signing (if different from 2 above)	
Date	

For office holder's use only

<i>If applicable</i> Admitted to vote for: £	<i>If applicable</i> Admitted for dividend for: £
Date	Date
Signed	Signed
Name	Name