

AM10

Notice of administrator's progress report



Companies House

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07/02/2020

#139

COMPANIES HOUSE

1 Company details

Company number 07660717

Company name in full Coverbox Insure Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Michael Thomas

Surname Denny

3 Administrator's address

Building name/number One Chamberlain Square

Street

Post town Birmingham

County/Region

Postcode B33AX

Country United Kingdom

4 Administrator's name ①

Full forename(s) Peter David

Surname Dickens

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 1 Hardman Square

Street

Post town Manchester

County/Region

Postcode M33EB

Country United Kingdom

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	d	0	d	8	m	0	m	7	y	2	y	0	y	1	y	9
To date	d	0	d	7	m	0	m	1	y	2	y	0	y	2	y	0

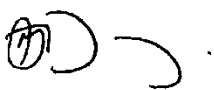
7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X 

X

Signature date	d	0	d	5	m	0	m	2	y	2	y	0	y	2	y	0
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AM10

Notice of administrator's progress report



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 **Helena Perevalova**

Company name **PricewaterhouseCoopers LLP**

Address **Central Square**

29 Wellington Street

Post town **Leeds**

County/Region **West Yorkshire**

Postcode

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Country **United Kingdom**

DX

Telephone **0113 288 2046**



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 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

Joint administrators' progress report from 8 July 2019 to 7 January 2020

Coverbox Insure Limited

(in administration)

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

Case no. 0563 of 2019

31 January 2020

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Abbreviations and definitions

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

Abbreviation or definition	Meaning
Administrators	Michael Thomas Denny of PricewaterhouseCoopers LLP, 1 Chamberlain Square, Birmingham, B3 3AX Peter David Dickens of PricewaterhouseCoopers LLP, 1 Hardman Square, Manchester M3 3EB
BEIS	Department for Business, Energy & Industrial Strategy
Company	Coverbox Insure Limited
FCA	Financial Conduct Authority
HMRC	HM Revenue & Customs
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
PCL	Premium Credit Limited
Preferential creditors	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
RPS	Redundancy Payments Service, an executive agency sponsored by the Department for Business, Energy & Industrial Strategy, 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 creditors	Creditors 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

This report has been prepared by Michael Thomas Denny and Peter David Dickens as Joint Administrators of the Company, solely to comply with the Joint Administrators' statutory duty to report to creditors under IR16 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Administrators' previous reports issued to the Company's creditors, which can be found at www.pwc.co.uk/coverbox. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Michael Thomas Denny and Peter David Dickens have been appointed as Joint Administrators of the Company to manage its affairs, business and property as its agents and act without personal liability. Both 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.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Key messages

Why we've sent you this report

We're writing to update you on the progress of the administration of the Company since our proposals dated 27 August 2019. You may wish to refer to our proposals, which can still be accessed online at www.pwc.co.uk/coverbox.

How much creditors may receive

The following table summarises the possible outcome for creditors*, based on what we currently know.

Class of creditor	Current estimate (p in £)
Secured creditors	Not applicable
Preferential creditors	100p in £
Unsecured creditors	up to 4p in £

*Please note this guidance on dividends is only an indication and should not be used as the main basis of any bad debt provision or debt trading

The Company does not have any secured creditors.

We think preferential creditors (mainly employees) will be fully repaid. The quantum of the preferential claims is still to be determined.

We think the Company's unsecured creditors currently totalling £456k will get a dividend of about 4% based on what we know currently. The amount of any dividend and when it would be paid are dependent on the future level of deferred consideration received from the Purchaser and the recoverability of VAT on the joint administrators' fees (both of which are discussed further in this report)

We've started asking for outstanding claims from unsecured creditors so that we can agree them for dividend purposes.

What you need to do

If you haven't already done so, please send your claim to us so that we can agree it in principle. A claim form can be downloaded from our website at www.pwc.co.uk/coverbox or you can get one by telephoning Helena Perevalova on 0113 288 2046.

All creditors wishing to receive the anticipated dividend payment must submit a proof of debt.

We may decide that some or all creditors who are owed £1,000 or less by the Company won't be required to submit a proof of debt in order to receive the anticipated dividend payment.

A creditor who we decide is not required to submit a proof of debt will be notified when we deliver notice of our intention to pay a dividend of the amount we'll treat as their admitted debt for the purpose of the dividend, unless the creditor advises us that the amount is incorrect (in which case a proof of debt will be required) or not owed.

Please note that should you wish to vote in relation to any decision procedure during the administration or any subsequent liquidation or object to a decision sought by deemed consent, you'll need to submit a proof of debt, even if one is not required for dividend purposes.

Overview of what we've done to date

You'll remember from our proposals for achieving the purpose of administration that when we were appointed, the position was as follows:

- 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 by AXA and, to a lesser extent, Co-Op Insurance.
- The Company was unable to generate sufficient growth and to break even on costs. Despite attempting to expand its product range, the Company lacked the funds to complete these projects.
- The business was marketed for a period of time in an attempt to sell the business. The Company had become largely dependent on group funding, which was withdrawn after it became apparent that solvent sale of business could not be achieved and the Company was subsequently placed into Administration. Michael Denny and Peter Dickens of PwC were appointed as joint administrators on 8 July 2019.

After an initial review, we decided the most appropriate strategy was to run an accelerated sales process to achieve a sale of the Company's customer list. You will recall from our proposals that a sale was completed to the Purchaser on 25 July 2019 for a deferred contingent amount based on the level of customer renewals following the sale.

When we last reported, the key outstanding matters in the administration were as follows:

- Continue to liaise with the Purchaser in respect of the customer renewals and the subsequent level of deferred consideration payable;
- Complete the sale of the Company's device stock;
- Realise the remaining assets within the administrations, principally any remaining pre-appointment refunds;
- Complete our review of the actions of anybody who has been a director of the Company in the three years before our appointment and submit our findings to BEIS (within three months following appointment);
- Obtain the statutory formal approvals from creditors relating to the joint administrators' remuneration;
- Agree preferential and unsecured claims and make dividend payments accordingly;
- Deal with the cancellation of the Company's FCA membership; and
- Deal with our statutory duties as joint administrators, including responsibility for the Company's VAT and tax affairs and other incidental tasks associated with the winding down and ultimate dissolution of the Company.

In the next section, we provide an update on our work in these areas and (where relevant) how they have progressed.

Progress since we last reported

Collection of the deferred sale consideration

As discussed earlier, as part of the sale of the Company's customer list, it was agreed that the deferred sale consideration would be based on the number of customer renewals and would comprise monthly payments in respect of the actual renewals over the first six months, followed by a final payment in respect of actual renewals over the subsequent six months.

As shown in our Receipts and Payments account at Appendix A, deferred consideration of £77k (net) has been received during the period of this report. Further consideration of £25k has now been received post the period end bringing the total received to date of £102k. We are currently in correspondence with the Purchaser to determine the final level of consideration payable, following which we will be able to advise creditors of the quantum of funds available for distribution.

Realisation of other assets

Pre-appointment cash at bank

Within the reporting period we have received funds of £269k representing the Company's cash at bank. £31k of this was the balance held in the Company's current account. The balance of £238k represents the net proceeds from the funds that were transferred from the Company's trust account (£403k) less a payment made to the Purchaser (£167k) relating to funds due to relevant insurance underwriters and PCL. These funds were previously provided by the Company to provide working capital funding to allow for the ups and down in the account balance over time.

As confirmed in our proposals, the Company earned commission from PCL's finance agreements sold. PCL have previously advanced the Company £2m by way of advanced commissions. This was reduced to a balance of £1.4m at the date of the joint administrators appointment.

Device stock

As confirmed in our proposals, 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 inception 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.

Our agents have now sold approximately 1,000 units with consideration of approximately £11.3k and have advised that they plan to have the remaining units sold over the coming months. Our agents currently hold these funds and they are therefore not shown in our current Receipts and Payments account at Appendix A.

Prepayments

As advised previously, the Company estimated that prepayments had been made totalling £77k. These were provisioned with an estimated to realise value of nil in the directors' statement of affairs due to the lack of supporting paperwork that was available from the Company on appointment (to enable refunds to be obtained).

Following our appointment we made arrangements to contact all prepayment suppliers to collect any surplus funds due to the Company. We are pleased to report that we received a refund of £22k as shown in our Receipts and Payments account at Appendix A. No further realisations are anticipated from this source.

Sale of fixtures and fitting

We have completed a sale of the Company's fixtures and fittings which has generated realisations totalling £1.7k.

Intercompany balance

The directors' statement of affairs showed an intercompany balance with a book value of c £2.2m with an estimated to realise value of nil. We have investigated this balance and have established that there are group claims owed by the Company that exceed the book value. We are content that no realisations are due in respect of any intercompany claims.

Employees

We have spent time dealing with employment tribunal claims brought by former employees, including providing information to the Employment Tribunal and filing correspondence as appropriate.

Connected party transactions

We have a duty (under SIP 13) to disclose any disposal of assets in the Administration to a director or other connected party, regardless of the nature or value of the assets concerned.

We are not aware that any such transactions have occurred and none are expected in the future.

Other issues

During the period we have been in correspondence with the FCA to arrange the cancellation of the Company's membership. This work has now been completed and we are not anticipating any further work in respect of this.

Corporation tax

During the period we have spent time preparing the Company's post appointment tax computations. We aim to have the computations finalised shortly following which the returns will be submitted.

VAT

As administrators, we become responsible for dealing with the Company's VAT affairs and filing obligations.

We have submitted a VAT return for the quarter ending October 2019 within the reporting period. We will shortly be preparing the return for the period end January 2020.

We are also currently in communication with HMRC to establish if the VAT charged on the joint administrators fees is recoverable. The outcome will ultimately impact the funds available for creditors. We will provide an update in our next report.

Approval of our proposals

We issued to creditors our proposals for achieving the purpose of administration dated 27 August 2019.

Creditors approved our proposals without modifications on 11 September 2019 by correspondence (rather than at a meeting).

Investigations and actions

We have complied with our duties under the Company Director Disqualification Act 1986 and SIP2. During the period covered by this report, we have submitted our report to the Insolvency Service as required.

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the administration from 8 July 2019 to 7 January 2020.

Our expenses

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

The statement excludes any potential tax liabilities that we may need to pay as an administration expense in due course because amounts due will depend on the position at the end of the tax accounting period.

Our fees

We set out in Appendix C an update on our remuneration which covers our fees, disbursements and other related matters in this case.

Pre-administration costs

You can find in Appendix D information about the approval and payment of the pre-administration costs previously detailed in our proposals

Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34. This information can also be found in the guide to fees at:

https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_Fees_Oct_2015.pdf

You can also get a copy free of charge by telephoning Helena Perevalova on 0113 288 2046.

What we still need to do

The following is a summary of the key areas of our work before the administration can be concluded:

- Agree preferential and unsecured claims and make the associated distributions (subject to sufficient funds being available);
- Realise the remaining assets within the administration, principally the sale of the remaining device stock; and
- Agree with the Purchaser the final quantum of deferred sale consideration due and arrange the collection thereof.

However, before we can finalise our work in the administration of the Company, we also need to deal with our statutory duties as administrators in dealing with the Company's VAT and tax affairs and other incidental tasks associated with the winding down and ultimate dissolution of the Company.

Next steps

We expect to send our next report to creditors at the end of the administration or in about six months, whichever is the sooner.

If you've got any questions, please get in touch with Helena Perevalova on 0113 288 2046.

Yours faithfully

For and on behalf of the Company



Michael Denny
Joint Administrator

Appendix A: Receipts and payments

Coverbox Insure Limited (In Administration)

Joint Administrators' Receipts And Payments Account

RECEIPTS	Notes	Statement of Affairs £	From 08/07/2019 To 07/07/2020 £
Sale of customer list		NIL	77,536.67
Fixtures and fittings		NIL	1,745.01
Pre appointment cash at bank		31,352.03	269,803.31
Prepayments		NIL	21,776.70
Sundry debts and refunds		NIL	27.57
Device stock	1	15,000.00	0.00
Bank interest gross		NIL	320.34
Receipts in Period			<u>371,209.60</u>
PAYMENTS			
Professional fees			679.98
Office holders' pre appointment fees			41,739.00
Legal fees and expenses			20,699.90
Irrecoverable VAT			65.40
Office costs, stationery and postage			130.00
Statutory advertising			77.00
Wages and salaries			16,583.60
PAYE/NIC and pension deductions			10,161.94
Finance / Bank interest and charges			15.00
VAT control account			4687.80
Payments In period			<u>94,839.62</u>
Net Receipts/(Payments)			<u>276,369.98</u>
MADE UP AS FOLLOWS			
Barclays Bank Plc			274,893.24
Barclays Bank Plc - Client account			1,476.74
Balance at bank	2		<u>276,369.98</u>

Notes

1) Please see comments relating to the 'Device Stock' from earlier in this report. The funds realised are currently held by our agents and are therefore not reflected in this receipts and payments account.

2) Balances at bank are held on interest bearing accounts

All amounts are shown exclusive of VAT.

No debentures have been registered against the Company, therefore no assets are subject to any fixed or floating charges.

Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as administrators from the estate and includes our fees, but excludes distributions to creditors. The table also excludes any potential tax liabilities that we may need to pay as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date.

	Incurring in the period under review £	Estimated future £	Anticipated total £	Initial estimate £	Variance £
Trading expenses					
Wages and salaries	16,583.60	0.00	16,583.60	16,583.60	0.00
PAYE/NIC and pension deductions	10,161.94	0.00	10,161.94	10,232.53	(70.59)
Other expenses					
Professional fees	679.98	4,260.00	4,939.98	5,000.00	(60.02)
Office holders' pre appointment fees	41,739.00	0.00	41,739.00	41,739.00	0.00
Legal fees and expenses	20,699.90	2,000.00	22,699.90	16,873.00	5,826.90
Irrecoverable VAT	65.40	0.00	65.40	0.00	65.40
Office costs, stationery and postage	130.00	0.00	130.00	0.00	130.00
Statutory advertising	77.00	77.00	154.00	154.00	0.00
Finance / Bank interest and charges	15.00	30.00	45.00	45.00	0.00
Insurance	1,173.69	250.00	1,423.69	250.00	1,173.69
Office holders' post appointment fees	296,356.00	52,500.00	348,856.00	249,889.50	98,966.50
Office holders' disbursements	666.38	450.00	1,116.38	1,160.00	(43.62)
Total	388,347.89	59,567.00	447,914.89	341,926.63	105,988.26

The joint administrators' post appointment fees have exceeded our initial estimate. This is due to the following reasons:

- a significant amount of time has been spent in the period dealing with former employees' tribunal claims;
- as part of our investigations, we have spent time investigating the group's intercompany claims to establish if funds were due to the Company. The time spent has exceeded our initial fees estimate;
- as discussed earlier in this report, we have spent time in the period reconciling the Company's pre appointment accounts to establish the quantum of funds due to the Company and for return to insurance underwriters (and PCL). The time spent has exceeded our initial estimate, but has delivered a significantly higher level of return than was initially anticipated; and
- we continue to spend time liaising with HMRC to establish if the VAT charged on the joint administrators fees is recoverable. This has not been straightforward due to the Company's previous partial exemption status. We continue to liaise with HMRC and aim to have the position finalised shortly.

Appendix C: Remuneration update

Our fees were approved on a time costs by the general body of creditors. To date we have drawn pre-appointment fees of £41,739 in line with the approval given, as shown on the enclosed receipts and payments account.

The time cost charges incurred in the period covered by this report are £296,356.

We set out later in this Appendix details of our work to date, anticipated future work, disbursements, subcontracted work and payments to associates.

Our hours and average rates

Category of work	Partner	Director	Senior Manager	Senior Associate	Associate	Support	Grand Total	Total cost (£)	Average hourly rate (£/hour)
Accounting & Treasury			0.05	12.10	26.40	12.95	51.50	17,754	344.74
Assets			4.00	2.30	5.85	9.05	21.20	6,718	316.89
Creditors				0.70	8.55	10.05	19.30	4,914	254.61
Employees & Pensions		0.25	20.25	3.05	25.65	27.15	76.60	32,512	424.44
Investigations			0.10	3.80	16.95	14.05	34.90	9,806	280.97
Sale of business	4.00	6.5	64.10	5.95	0.85	46	127.40	51,978	407.99
Statutory & Compliance			2.40	31.75	59.45	47.40	141.00	42,744	303.15
Strategy & Planning	12.25			24.30	14.15	4.05	54.75	23,579	430.67
Trading		3.50	5.10	151.05	1.50	118.60	279.75	91,403	326.73
Tax & VAT			2.70	2.00	25.90	6.60	37.70	14,948	396.50
Grand Total	18.25	10.25	88.70	237.00	185.25	285.90	844.10	296,356	351.09

Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the administration. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the administration (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. Work carried out by our cashiers, support and secretarial staff is charged for separately and isn't included in the hourly rates charged by partners or other staff members. Time is charged in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 units). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the administration.

Grade	Up to 30 June 2020 £
Partner	690
Director	595
Senior Manager	515
Manager	405
Senior Associate - Qualified	310
Senior Associate - Unqualified	230
Associate	210
Support Staff	120

We call on colleagues in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

Grade	Up to 30 June 2020 £
Partner	1,385
Director	1,275
Senior Manager	975
Manager	710
Senior Associate	520
Associate	285
Support Staff	230

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases.

Payments to associates

We have not made any payments to the associated companies.

Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Accounting and treasury	<ul style="list-style-type: none"> • Entering receipts and payments into the accounting system. • Carrying out bank reconciliations and managing investment of funds. • Corresponding with pre-appointment bank regarding specific transfers. 	<ul style="list-style-type: none"> • To manage both post and pre appointment bank accounts. • To ensure receipts and payments are fully and accurately recorded. 	<ul style="list-style-type: none"> • Ensure proper management of funds held.
Assets (Including sale of business)	<ul style="list-style-type: none"> • Corresponding with prepayment debtors. • Correspondence with agents in respect of the sale of the Company's device stock. • Preparing an information memorandum for sale of the Company's customer list. • Liaising with the 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. • 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. 	<ul style="list-style-type: none"> • To ensure returns to the creditors are maximised. 	<ul style="list-style-type: none"> • Realise funds for the benefit of creditors.

Creditors	<ul style="list-style-type: none"> • Receiving and following up creditor enquiries via telephone, email and post. • Receiving and preparing correspondence to creditors and their representatives. • Receipting and filing proof of debt forms received. • Providing information to creditor insurers in relation to confirmation of debt enquiries. • Maintaining a dedicated website for delivery of initial and ongoing communications and reports. 	<ul style="list-style-type: none"> • To manage creditor enquiries • To keep creditors informed on the progress of the case. 	<ul style="list-style-type: none"> • Work is required by statute and for the proper administration of the case.
Employees and Pensions	<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 • 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 • Commencing / continuing a consultation process • Selecting and making redundancies • Liaising with the RPS and external agencies • Issuing statutory notices • Dealing with general pension scheme issues • Calculating contributions and requesting payments to the relevant scheme or policy 	<ul style="list-style-type: none"> • To comply with our statutory obligations. 	<ul style="list-style-type: none"> • Work is required by statute and for the proper administration of the case.
Investigations	<ul style="list-style-type: none"> • Collecting Company books and records where related to investigatory work. • Reviewing books and records • Preparing comparative financial statements and deficiency statement. • Reviewing specific 	<ul style="list-style-type: none"> • To comply with our statutory obligations. 	<ul style="list-style-type: none"> • Work is required by statute and for the proper administration of the case.

	<p>transactions and liaising with directors regarding certain transactions.</p> <ul style="list-style-type: none"> • Preparing investigation file and lodging findings with the Department for Business, Innovation and Skills. 		
Statutory and compliance	<ul style="list-style-type: none"> • Filing documents • Updating checklists and diary management system • Opening and closing bank accounts and arranging facilities • Dealing with receipts, payments and journals not relating to trading • Carrying out bank reconciliations and managing investment of funds • Corresponding with bank regarding specific transfers • Collecting company books and records where not related to investigatory work • 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. • Conducting case reviews after the first month • 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 • Preparing and issuing all necessary initial letters and notices regarding the administration and our appointment • Preparing documents and information for the purpose of obtaining approval to fees, Category 2 disbursements and other matters in the administration • Correspondence with the 	<ul style="list-style-type: none"> • To comply with our statutory obligations. 	<ul style="list-style-type: none"> • Work is required by statute and for the proper administration of the case.

FCA in relation to cancellation of the Company's registration.			
Strategy and planning	<ul style="list-style-type: none"> • Completing tasks relating to job acceptance • Preparing fee budgets monitoring costs • Holding team meeting not relating to trading and discussions regarding status of administration 	<ul style="list-style-type: none"> • To ensure case progression and monitoring costs. 	<ul style="list-style-type: none"> • Controls efficiencies, time costs and ensures continued case progression towards closure.
Trading (run off)	<ul style="list-style-type: none"> • Liaising with suppliers. • Liaising with management and staff. • Attending on site. • Authorising purchase orders and other commitments. • Preparing and authorising receipt and payment vouchers. • Holding meetings to discuss trading position. 	<ul style="list-style-type: none"> • To maintain the Company's customer list to enable a sale to be achieved. 	<ul style="list-style-type: none"> • Work is required to ultimately enable a sale of the customer list to be achieved.
Tax & VAT	<ul style="list-style-type: none"> • Gathering information for the initial VAT and Tax review. • Consideration of the Company's pre appointment partial exemption tax status. • Carrying out VAT and Tax review and subsequent enquiries. • Preparing VAT and Tax returns • Liaising with HMRC. 	<ul style="list-style-type: none"> • To comply with our statutory obligations. 	<ul style="list-style-type: none"> • Required by statute/regulations.

Our future work

We still need to do the following work to achieve the purpose of administration.

Area of work	Work undertaken	Estimated cost £	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Accounting and treasury	<ul style="list-style-type: none"> • Entering receipts and payments into the accounting system. • Carrying out bank reconciliations and managing investment of funds. 	<ul style="list-style-type: none"> • 2,500 	<ul style="list-style-type: none"> • Ensure proper management of funds held.
Assets	<ul style="list-style-type: none"> • Corresponding with insurer regarding initial and ongoing insurance requirements. • Correspondence with agents in respect of the sale of the Company's device stock. 	<ul style="list-style-type: none"> • 2,500 	<ul style="list-style-type: none"> • Realise funds for the benefit of creditors.

Creditors	<ul style="list-style-type: none"> • 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. • Dealing with proofs of debt for dividend purposes. • Preparing correspondence to <i>potential creditors</i> 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. 	• 15,000	• Realise funds for the benefit of creditors.
Employees and Pensions	<ul style="list-style-type: none"> • Preparing, issuing and receiving employee preferential claim agreement forms. • Corresponding with the RPS regarding proof of debt. • Processing preferential dividend payment. • Dealing with any queries raised by the Employment Tribunal. 	• 2,500	• To comply with our statutory obligations.
Statutory and compliance	<ul style="list-style-type: none"> • Updating checklists and diary management system. • Preparing and issuing periodic progress reports to creditors and the Registrar. • Filing of documents. • Updating checklists and diary management system. • Closing down internal systems. 	• 15,000	• To comply with our statutory obligations
Strategy and planning	<ul style="list-style-type: none"> • Conducting case reviews every six months. • Preparing fee budgets & monitoring costs. • Holding team meetings not 	• 5,000	• To ensure case progression and monitor costs.

relating to trading and discussions regarding the status of administration.

Tax & VAT	<ul style="list-style-type: none"> • Preparing tax computations as appropriate • Preparing quarterly VAT returns. • Liaising with HMRC to establish the recoverability of VAT on the administrators expenses. • Liaising with HMRC to obtain tax clearance prior to closure of the case. 	• 10,000	• To comply with our statutory obligations.
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Disbursements

We don't need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called "Category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees.

Our expenses policy allows for all properly incurred expenses to be recharged to the administration and has been approved by Company creditors where required

The following disbursements arose in the period of this report

Category		Costs incurred £
2	Photocopying – At 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	-
2	Mileage – At a maximum of 70 pence per mile (up to 2,000cc) or 91 pence per mile (over 2,000cc)	185.06
1	All other disbursements reimbursed at cost:	
	Hotel	111.75
	Subsistence	28.33
	Storage	334.51
	Postage	6.73
	Total	666.38

Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the administration where the relationship could give rise to a conflict of interest.

Legal and other professional firms

We've instructed the following professionals on this case:

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

Appendix D: 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) £41,739 (plus VAT)	Company prior to appointment Joint administrators	Nil	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)	£3,827.68 (plus VAT)	Joint administrators	Nil	Assistance and advice provided leading up to the appointment
Total		£57,566.68 (plus VAT)		Nil	

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).

Appendix E: Other information

Court details for the administration:	High Court of Justice Business and Property Courts in Birmingham Insolvency & Companies List (ChD)
Company's registered name:	Coverbox Insure Limited
Trading name:	Coverbox Insure Limited
Registered number:	07660717
Registered address:	8th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL
Date of the joint administrators' appointment:	8 July 2019
Joint administrators' names, addresses and contact details:	Michael Denny of PricewaterhouseCoopers LLP, 1 Chamberlain Square, Birmingham, B3 3AX Peter Dickens of PricewaterhouseCoopers LLP, 1 Hardman Square, Manchester M3 3EB Contact details: helena.perevalova@pwc.com
Split of Administrators' responsibilities:	All functions and powers of the Administrators may be exercised by all of the Administrators jointly or by any Administrator separately