

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company

Stingnet Limited

Company number

08239393

In the
High Court Chancery Division Companies Court
(full name of court)Court case number
7881 of 2016(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a)
Carl Jackson
Quantuma LLP
14th Floor, Dukes Keep
Marsh Lane
Southampton
SO14 3EXAndrew Watling
Quantuma LLP
14th Floor, Dukes Keep
Marsh Lane
Southampton
SO14 3EX*Delete as
applicable

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

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

(b) 23 January 2017

Signed



Joint / Administrator(s)

Dated

23 January 2017

Contact Details

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

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

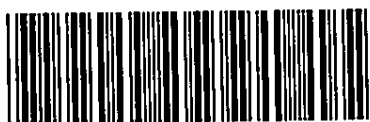
Carl Jackson
Quantuma LLP
14th Floor, Dukes Keep
Marsh Lane
Southampton
SO14 3EX

DX Number

02380336464
DX Exchange

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

TUESDAY



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24/01/2017

#205

COMPANIES HOUSE

**Joint Administrators' Proposals relating to
Stingnet Limited ("the Company") – In Administration**

Issued on: 23 January 2017

Carl Jackson and Andrew Watling of Quantuma LLP are the Joint Administrators of the Company and these are the Joint Administrators' statutory Proposals relating to the Company

STATUTORY INFORMATION

Statutory information relating to the Company is attached at **Appendix I**.

CIRCUMSTANCES LEADING TO THE APPOINTMENT OF THE ADMINISTRATORS

The Company was incorporated in October 2012 and John Linnell was appointed as sole director in November 2012

The Company remained dormant and never traded. In 2014 it purchased the shares of CSM Electronics Limited ("CSM") from Rilform Limited ("Rilform") for the sum of £1,020,000

In 2015, the Company purchased the shares of IO Electronics Limited ("IOE") from Andrew Cridland and Michael Crouch

A summary of the Company's recent trading performance is shown below

	Statutory Accts 31 October 2015 £	Statutory Accts 31 October 2014 £	Statutory Accts 31 October 2013 £
Fixed Assets	2	1,020,000	-
Total Assets less Current Liabilities	2	1,020,001	1
Creditors amounts falling due after more than one year	-	(1,020,000)	-
Total net assets/ (liabilities)	2	1	1
Capital and reserves	2	1	1

It should be noted that the management accounts have not been verified for accuracy and therefore may not reflect the Company's true position

In July 2016, David Howick became the sole director of the Company and it is understood that the Company's shares were sold to Berwick Industrial Holdings Group Limited, although no documentation to this effect has been filed at Companies House. David Howick was also appointed as the sole director of IOE, CSM and Rilform

At about that time, IOE entered into an invoice factoring agreement with Pulse Cashflow Finance Limited ("Pulse") and cross-company guarantees were provided by the Company, CSM and Rilform secured by fixed and floating charges over these companies

On 24 November 2016, Carl Jackson and Andrew Watling of Quantuma LLP were appointed as joint administrators of IOE by one of its chargeholders. Immediately upon their appointment, the joint administrators attended IOE's premises where it became obvious that certain assets were in the process of being transferred to CSM's premises in Wareham

In view of the movement of assets and in order to protect its position and security over IOE, Pulse Cashflow Finance Limited ("Pulse") appointed Carl Jackson and Andrew Watling as Joint Administrators of CSM, the Company and Rilform on 29 November 2016 under the terms of the intercompany guarantees that it holds. The Joint Administrators took over from the Board responsibility for the

management of the affairs, business and property of the Company. The appointment permitted the Joint Administrators to take any actions required either jointly or alone.

As required by the Insolvency Code of Ethics, Andrew Watling and I considered the various threats to our objectivity arising from this prior involvement. We concluded that those threats were at an acceptable level such that we could still act objectively and hence could be appointed Administrators of the Company.

OBJECTIVES OF THE ADMINISTRATION AND THE JOINT ADMINISTRATORS' STRATEGY FOR ACHIEVEMENT

As Administrator of the Company I am an officer of the Court, and I must perform my duties in the interests of the Creditors as a whole in order to achieve the purpose of the Administration, which is to achieve one of the three objectives set out in the insolvency legislation, namely to

- (a) rescue the Company as a going concern, or
- (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), or
- (c) realise property in order to make a distribution to one or more secured or preferential Creditors.

Objective (a) could not be achieved as no purchaser could be found for the shares of the Company and the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement was not appropriate.

The second objective could not be achieved as the amount due to the Company's chargeholders compared to the value of its assets means that there are only sufficient assets to make a distribution to the chargeholders and any preferential Creditors. As a result, I am seeking to achieve objective (c) for the Company and this will be achieved by the appointment over the group of companies giving protection of assets to the chargeholder.

The insolvency legislation has set a 12 month maximum duration for Administrations, unless the duration is extended by the Court or the Creditors. If I am unable to complete the Administration of the Company within 12 months then I will convene a meeting of creditors by correspondence to seek approval to extend the duration of the Administration. Alternatively I can apply to the Court to seek approval to extend the duration of the Administration.

FINANCIAL POSITION OF THE COMPANY

I have asked the Directors to prepare a summary of the Company's estimated financial position, a Statement of Affairs, as at 29 November 2016. This is yet to be received and the Joint Administrators are chasing for this to be returned.

In the absence of a Statement of Affairs, I have prepared an estimate of the financial position of the Company as at 29 November 2016 from the records of the Company, and that is attached at **Appendix II**, together with a list of names and addresses of all known Creditors and the amounts of their debts.

Comments regarding Joint Administrators' estimate of the financial position of the Company are as follows:

Investment – IO Electronics Limited ("IOE")

The Company is the sole shareholder of IOE holding 7,090 shares. Carl Jackson and Andrew Watling of Quantuma LLP were appointed as Joint Administrators of IOE on 24 November 2016. There will be insufficient realisations to enable a return to the shareholder and therefore this asset is deemed to have no realisable value.

Investment – CSM Electronics Limited (“CSM”)

The Company is the sole shareholder of CSM holding 10,000 shares. Carl Jackson and Andrew Watling of Quantuma LLP were appointed as Joint Administrators of IOE on 29 November 2016. There will be insufficient realisations to enable a return to the shareholder and therefore this asset is deemed to have no realisable value.

Secured Creditors

Pulse holds a fixed and floating charge over the Company's assets which was created on 20 July 2016. Pulse was due the sum of £62,262 which was guaranteed by the Company.

As a result of the protective actions taken by the Joint Administrators it is anticipated that Pulse will be paid in full under the terms of its security over the assets of IOE.

Preferential Creditors

There are no known preferential claims.

Prescribed Part

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured Creditors in cases where the Company gave a “floating charge” over its assets to a lender on or after 15 September 2003. This is known as the “prescribed part of the net property”. A Company's net property is that left after paying the preferential Creditors, but before paying the lender who holds a floating charge. An Administrator has to set aside

50% of the first £10,000 of the net property, and
20% of the remaining net property,

up to a maximum of £600,000.

The Company gave a floating charge to Pulse on 20 July 2016. It is anticipated that Pulse will be paid in full under the terms of its fixed charge over IOE and therefore the prescribed part provisions will not apply in this matter.

Unsecured Creditors

The sum of £261,106 is outstanding to Andrew Cridland and Michael Crouch in respect of the purchase of the shares of IOE in 2015. Based on current information there is unlikely to be a distribution to unsecured creditors.

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

I attach at **Appendix III** a summary of the receipts and payments relating to the Company for the period from when it entered Administration, 29 November 2016, to the date of these Proposals.

PROPOSED FUTURE ACTIONS OF THE JOINT ADMINISTRATORS TO ACHIEVE THE OBJECTIVE OF THE ADMINISTRATION

In order to achieve the objective of the Administration of the Company I propose to continue to review the transactions relating to share transfers and whether there are any asset realisations that can be made in this regard.

DIVIDEND PROSPECTS

Subject to the outcome of the Joint Administrators' investigations, the Company's financial position means there are insufficient assets to enable me to pay a dividend to unsecured creditors.

EXIT ROUTE

It is intended that the Administration will end by the Company moving to dissolution

In the event that dissolution is not possible within the statutory period for an Administration and should investigation work remain to be carried out, it is proposed that a petition for the Company's winding up will be presented and that the Joint Administrators shall exit Administration by way of Compulsory Liquidation

MEETING OF CREDITORS & APPROVAL OF PROPOSALS

I am not convening a meeting of creditors as, in the Joint Administrators' opinion, it will not be possible to achieve the following objectives of an Administration set out in the insolvency legislation, which are to

- Rescue the company as a going concern, or
- 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)

However, creditors whose debts amount to at least 10% of the total debts of the Company can require me to call a meeting. Such a request must be made to me on Form 2.21B within 8 business days of the date of the letter accompanying these proposals

If creditors do not require me to convene a meeting of creditors within that time period, then my proposals will be deemed to have been approved

Creditors are also entitled at a meeting of creditors to establish a Creditors' Committee should they so wish, provided that there are no fewer than three wishing to be represented on the Committee, which must be comprised of between three and five creditors

PRE-APPOINTMENT FEES AND EXPENSES

The Joint Administrators are not seeking to recover any costs in respect of work carried out pre-appointment

JOINT ADMINISTRATORS' FEES

It is not anticipated that there will any realisations and the Joint Administrators are not seeking approval for remuneration at this time

JOINT ADMINISTRATORS' EXPENSES & DISBURSEMENTS

Expenses do not have to be approved, but when reporting to creditors during the course of the Administration, the actual expenses incurred will be compared with the original estimate and I will explain any material difference

Details of Quantuma LLP's charging policy in relation to disbursements can be downloaded from <http://www.quantuma.com/guide/creditors-guide-fees/>

Those expenses which are classed as Category 1 disbursements, do not have to be approved, but when reporting to the Creditors during the course of the Liquidation the actual expenses incurred will be compared with the original estimate provided and I will explain any material differences

I have incurred the following Category 1 disbursements since my appointment as Joint Administrator

Name of Expense	Amount incurred/accrued since appointment £	Amount paid £	Amount outstanding £

Statutory Advertising	79 40	0 00	79 40
Specific Bond	135 00	0 00	135 00
Total	214 40	0.00	214 40

To date no category 2 disbursements have been incurred

I attach a schedule at **Appendix IV** outlining the expenses and disbursements that I anticipate will arise in these proceedings, which includes the expenses and disbursements outlined above. It is not anticipated that there will be any asset realisations and accordingly the Joint Administrators are not seeking approval for category 2 disbursements at this time.

DISCHARGE FROM LIABILITY

In accordance with legislation I will seek a resolution from the general body of creditors for discharge from liability in respect of any action of the Administrators to take effect 14 days following cessation to act as Administrators. Should a Committee of Creditors be formed, approval will be sought from the Committee.

The resolution will be as follows:

If the Administration ends by the Joint Administrators filing notice that the objective has been sufficiently achieved or by the Company moving into Liquidation or being dissolved, the Joint Administrators shall be discharged from liability 14 days following either the Company entering into Liquidation or filing the notice of moving from Administration to dissolution.

This resolution does not form part of our Proposals.

JOINT ADMINISTRATORS' INVESTIGATIONS

I have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. I should be pleased to receive from you any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure.

EC REGULATION ON INSOLVENCY PROCEEDINGS

I consider that the EC regulation on insolvency proceedings apply to the Administration of the Company. I also consider that they are "main" proceedings since the Company's registered office is in the United Kingdom.

JOINT ADMINISTRATORS' PROPOSALS

In order to achieve the objective set out at section 3 above, the Joint Administrators, formally propose to Creditors that

- 1 They continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that they
 - (i) sell the Company's assets at such time(s) on such terms as we consider appropriate,
 - (ii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company, and
 - (iii) do all such things and generally exercise all their powers as Administrators as we consider desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these Proposals

The Administration shall end where any of the following shall occur

- 2 the Administration of the Company may end by filing notice of dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the Registrar of Companies three months after the notice is registered
- 3 The Administration may end by the presentation of a winding up petition to the Court for the Compulsory Liquidation of the Company, and it is proposed that Carl Jackson and Andrew Watling are appointed Joint Liquidators of the Company by the Court

FURTHER INFORMATION

Creditors should note that the Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. Additionally the Joint Administrators are also bound by the regulations of their Licensing Bodies

To comply with the Provision of Services Regulations, some general information about Quantuma LLP, including our complaints policy and Professional Indemnity Insurance, can be found at <http://www.quantuma.com/legal-information/>

Should you have any queries in regard to any of the above please do not hesitate to contact Alison Broeders on 02380 336464 or by e-mail at Alison.Broeders@Quantuma.com

Yours faithfully



Carl Jackson
Joint Administrator

Licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales

Enc

The Joint Administrators are agents of the Company and act without personal liability

The affairs, business and property of the Company are currently being managed by the Administrators

Appendix I

Stingnet Limited (In Administration)

Statutory Information

Statutory Information**Company Information**

Company name	Stingnet Limited
Company number	08239393
Date of incorporation	03/10/2012
Trading address	Knight House, 11 Castle Hill, Maidenhead, Berkshire, SL6 4AA
Current registered office	14th Floor, Dukes Keep, Marsh Lane, Southampton, SO14 3EX
Former registered office	Knight House, 11 Castle Hill, Maidenhead, Berkshire, SL6 4AA
Principal trading activity	Holding Company

Appointment Details

Administrators	Carl Jackson and Andrew Watling
Administrators' address	Quantuma LLP 14th Floor, Dukes Keep, Marsh Lane, Southampton, SO14 3EX
Date of appointment	29 November 2016
Court name and reference	High Court Chancery Division Companies Court 7881 of 2016
Appointment made by	Pulse Cashflow Finance Limited
Actions of Administrators	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone

Officers of the Company

Directors	Name	Shareholding
	David Howick	0%
	Ian Hood	0%
Company Secretary	None	

Share capital

Authorised	Allotted, called up and fully paid
2 ordinary shares of £1 each	2 ordinary shares of £1 each

Charges

Name of Chargeholder	Nature of Charge	Date of Charge
Pulse Cashflow Finance Ltd	Fixed and floating	20/07/2016

Appendix II

Stingnet Limited (In Administration)

**Joint Administrators' Estimate of the Financial
Position of the Company**

as at 29 November 2016

Appendix II

Insolvency Act 1986

Stingnet Limited Estimated Statement Of Affairs as at 29 November 2016

	Book Value £	Estimated to Realise £
ASSETS		
Investments - IO Electronics	7,090 00	NIL
Investments - CSM Electronics	1,020 000 00	1,020,000 00
		<u>1,020,000 00</u>
LIABILITIES		
PREFERENTIAL CREDITORS -		NIL
		<u>1,020,000 00</u>
DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003		
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS		
Pulse Cashflow Finance Limited		62,261 72
		<u>62,261 72</u>
		957,738 28
Estimated prescribed part of net property where applicable (to carry forward)		NIL
		<u>957,738 28</u>
DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003		
		NIL
		<u>957,738 28</u>
Estimated prescribed part of net property where applicable (brought down)		NIL
		<u>957,738 28</u>
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Purchase of IOE shares	261,105 63	261,105 63
		<u>261,105 63</u>
Estimated deficiency/surplus as regards non-preferential creditors		
(excluding any shortfall in respect of F C's post 14 September 2003)		696,632 65
		<u>696,632 65</u>
Issued and called up capital		
Ordinary Shareholders	2 00	2 00
		<u>2 00</u>
TOTAL SURPLUS/(DEFICIENCY)		<u><u>696,630 65</u></u>

Stingnet Limited
B - Company Creditors

Key	Name	Address	£
CC00	Michael John Crouch	52 Rue De La Liberation, 17430 Muron, France	11,105 63
CC01	Andrew Cridland	Carrer Vista De La Mar, Cala Vinyes, 07181, Mallorca, Illes de Balears	250,000 00
CH00	HM Revenue & Customs	The National Insolvency Unit, 5th Floor, Regian House, Liverpool, L74 1AD	0 00
CH01	HM Revenue & Customs	Warkworth House, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ	0 00
CP00	Pulse Cashflow Finance Limited	Level 2, Network House,, Basing View, Basingstoke, Hampshire, RG21 4HG	62,261 72
5 Entries Totalling			323,367.35

STINGNET LIMITED

NOTES TO THE JOINT ADMINISTRATORS' ESTIMATE OF THE FINANCIAL POSITION OF THE COMPANY

As at 29 November 2016

- 1 The Joint Administrators' estimate of the Financial Position of the Company does not take into account the costs of the Administration
- 2 The figures contained in the Joint Administrators' estimate of the Financial Position of the Company reflects information obtained from the Company's records

Appendix III

**Stingnet Limited
(In Administration)**

**Joint Administrators'
Receipts and Payments Account**

Stingnet Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 23/01/2017

S of A £		£	£
	ASSET REALISATIONS		
NIL	Investments - IO Electronics	NIL	
1,020,000 00	Investments - CSM Electronics	NIL	NIL
	FLOATING CHARGE CREDITORS		
(62,261 72)	Pulse Cashflow Finance Limited	NIL	NIL
	UNSECURED CREDITORS		
(261,105 63)	Purchase of IOE shares	NIL	NIL
	DISTRIBUTIONS		
(2 00)	Ordinary Shareholders	NIL	NIL
696,630 65			NIL
	REPRESENTED BY		
			NIL

Appendix IV

**Stingnet Limited
(In Administration)**

**Joint Administrators'
Estimate of Expenses**

STINGNET LIMITED - IN ADMINISTRATION

Estimate of expenses to be incurred

Category of work	Nature of expense to be incurred	Estimated amount of expense to be incurred £
Administration & Planning		
	Specific penalty bond	135 00
	Gazette notice of appointment	79 40
	Gazette notice of creditors' meeting	<u>79 40</u>
Sub total for administration		293 80
Creditors		
	Postage	<u>5 10</u>
Sub total for reporting to creditors		5 10
Total		<u><u>298 90</u></u>

Note This estimate has been provided to creditors at an early stage of the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the office holders' current knowledge of the case and so does not take into account any unknown complexities or difficulties. If this estimate is exceeded, or is likely to be exceeded, the office holders will provide an explanation to the creditors in the first report to creditors and provide a revised estimate.

Rule 2 37

Creditor's request for a meeting

Name of Company

Stingnet Limited

Company number

08239393

In the
High Court Chancery Division Companies
Court

(full name of court)

Court case number
7881 of 2016(a) Insert full name and
address of the creditor
making the request

I (a)

(b) Insert full name and
address of registered
office of the companyrequest a meeting of the creditors of (b)
Stingnet Limited14th Floor, Dukes Keep
Marsh Lane
Southampton
SO14 3EX

(c) Insert amount of claim

My claim in the administration is (c)

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

(d)

concur with the above request, and I attach copies of their written confirmation of
concurrence(e) Insert details of the
purpose of the meeting

The purpose of the meeting is (e)

Signed

Dated