

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company FieldCandy Limited	Company number 08326947
In the High Court of Justice, Chancery Division Birmingham District Registry	Court case number of 8025 of 2017

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

We Dean Anthony Nelson and Nicholas Charles Osborne Lee of Smith Cooper, St Helens' House, King Street, Derby DE1 3EE attach a copy of our proposals in respect of the administration of the above company

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

10 February 2017

Signed

Joint Administrators

*Delete as applicable

Dated

10/2/2017

(b) Insert date

act Details

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

Dean Nelson
St Helens House King Street Derby DE1 3EE

Tel

DX Number

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

FieldCandy Limited – In Administration

In the High Court of Justice, Chancery Division, Birmingham District Registry

Court Case No. 8025 of 2017

**JOINT ADMINISTRATORS' STATEMENT TO CREDITORS PURSUANT TO RULE 2.33 OF
THE INSOLVENCY RULES AND STATEMENT OF PROPOSALS UNDER PARAGRAPH 49
OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED)**

10 February 2017

Dean Anthony Nelson and Nicholas Charles Osborn Lee

SC Advisory Services Limited t/a Smith Cooper

St Helen's House, King Street, Derby DE1 3EE

Dean Nelson and Nicholas Charles Osborn Lee were appointed Joint Administrators of FieldCandy Limited on 3 February 2017. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

Disclaimer Notice

- This Statement of Proposals ("Proposal" or "Proposals") has been prepared by Dean Nelson and Nicholas Lee, the Joint Administrators of FieldCandy Limited, solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 (as amended) to lay before creditors a statement of their proposals for achieving the purposes 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 Proposal has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.
- Any estimated outcomes for creditors included in this Proposal are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this Proposal for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 (as amended) does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Proposal.
- The Joint Administrators act as agent for FieldCandy Limited and contract without personal liability. The appointment of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Smith Cooper does not assume any responsibility and will not accept any liability to any person in respect of this Proposal or the conduct of the Administration.
- All licensed Insolvency Practitioners of Smith Cooper are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

CONTENTS

- 1 BACKGROUND
- 2 THE CIRCUMSTANCES GIVING RISE TO THE APPOINTMENT OF THE JOINT ADMINISTRATORS
- 3 MANAGEMENT OF THE COMPANY'S AFFAIRS SINCE THE APPOINTMENT OF THE JOINT ADMINISTRATORS
- 4 DIRECTORS' STATEMENT OF AFFAIRS
- 5 PRE-ADMINISTRATION COSTS
- 6 JOINT ADMINISTRATORS' ANTICIPATED REMUNERATION AND EXPENSES
- 7 OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS
- 8 STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED)

Appendices

1. Statutory Information
2. The Joint Administrators' receipts and payments account as at 10 February 2017
3. Directors' Draft Statement of Affairs
4. Statement of Pre-Administration Costs
5. Joint Administrators' time costs for the period from 3 February 2017 to 10 February 2017 and Joint Administrators' anticipated future fees/costs to be incurred from 11 February 2017
6. Proof of debt – Form 4.25
7. Estimated Outcome Statement
8. Form 2.21B (Notice to Requisition a Meeting)
9. SIP 16 Justification Summary
10. Creditors' Questionnaire
11. Form 2.12B (Notice of Administrators Appointment)
12. Form 2.17B (Statement of Administrator's Proposals)
13. Smith Cooper's Charge Out Rates and Disbursements Policy

ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used

"the Act"	Insolvency Act 1986 (as amended)
"the Rules"	Insolvency Rules 1986 (as amended)
"the Joint Administrators"	Dean Anthony Nelson and Nicholas Charles Osborn Lee of Smith Cooper
"the Company"	FieldCandy Limited (in Administration)
"the Bank"	Royal Bank of Scotland plc
"the Court"	High Court of Justice, Chancery Division, Birmingham District Registry Court Case No 8025 of 2017
"EBIT"	Earnings before interest and tax
"RPO"	The Redundancy Payments Office
"ROT"	Retention of Title
"EOS"	Estimated Outcome Statement
"PP"	The Prescribed Part of the Company's net property subject to Section 176A of the Insolvency Act 1986 (as amended)
"QFCH"	Qualifying Floating Charge Holder
"SIP"	Statement of Insolvency Practice (England & Wales)

1. BACKGROUND

1.1. Introduction

This report is addressed to the creditors of the Company and is prepared pursuant to Paragraph 49 of Schedule B1 of the Act, which requires the Joint Administrators to provide creditors with details of their proposals to achieve the purposes of the Administration

To assist the creditors and enable them to decide on whether or not to vote for the adoption of the proposals, the following information is included in the report

- background of the Company, and
- the circumstances giving rise to the appointment of the Joint Administrators

The Joint Administrators think that there is likely to be insufficient property for a distribution to the unsecured creditors. Consequently, and in accordance with Paragraph 52(1)(b) of Schedule B1 of the Act, the Administrators will not be convening a creditors' meeting to consider the Proposals, unless required to do so

Should creditors of the Company, whose total debts amount to at least 10% of the total debts, wish to request that a meeting be held, they should complete the attached Form 2 21B (Appendix 8) and return it within the deadline stated. A deposit of £1,000 towards the costs of convening the meeting should be enclosed with the request. Such deposit may be repaid subject to the approval of the other creditors

In the event that no request (in the prescribed manner) is received within 8 business days of issue of this statement, the Proposals will be deemed approved and a notice will be filed at Companies House

The Joint Administrators have been endeavouring to achieve the sole purpose of Administration as defined in Paragraph 111 of Schedule B1 to the Insolvency Act 1986 (as amended by the Enterprise Act 2002) by performing their functions with the purpose of achieving one or more of the objectives set out in Paragraph 3(1) of Schedule B1 of the Insolvency Act 1986, namely

- a) Rescuing the Company as a going concern, or failing that
- 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 failing that
- c) If neither of the first two objectives are reasonably achievable, realising property in order to make a distribution to one or more secured or preferential creditors, provided that this does not unnecessarily harm the interests of the creditors of the Company as a whole

Due to the significant liabilities which had accrued due to a high growth strategy, the Company is insolvent on both a balance sheet and cash flow basis, and a sale of the Company's shares, via objective 1, was therefore not achievable

Due to the reasoning stated above, the Company was placed into Administration based on objective 2 and 3 with the Joint Administrators' strategy focussed on achieving objective 2 and 3

Based on information presently available, the Joint Administrators' main Proposal is that the Company exit the Administration by way of dissolution, although the Proposals contain alternatives should the Administration not proceed as planned

The EC Regulation on Insolvency Proceedings applied to the Administrators of the Company and these proceedings are main proceedings as defined in Article 3 of the EC Regulation

For the purposes of this report, we will refer to the Company by the abbreviations set out on the previous page

1.2. Background

Please note that the Company history has been prepared by the directors of the Company and the Joint Administrators accept no personal liability in respect of its contents

The Company was formed by John Harris and Rhona Carr in December 2011 with the intention of creating a modest income from a lifestyle business for the founders

Turnover in the first years trading to December 2012 was c £145k, and the business was run from the founder's home office and all responsibility for the running of the business was undertaken by the two founder directors

The Company's emphasis was to create a brand selling online via a commerce website. The products were designed to bring a much needed breath of fresh air to the rather old fashioned outdoor market

The Company was ambitious and in 2012 entered a competition - Walpole Brand of tomorrow. This was a prestigious award that was given to brands that were up and coming, and deemed to be the cream of the crop of new luxury brands. The Company won one of the seven awards that year, and the prize was a mentor for one year (John Ayton), and free legal advice by Mischoon de Reya, Solicitors

Turnover grew in 2013 to c £217k but it was clear that in order to fund a challenging stock model, and invest in marketing, that external investment would need to be sought. At this point the founders had invested c £300k into the brand development and initial trading. The founders had no further funds to invest, and were not taking any remuneration from the business

In May 2013, the Company took in the first tranche of external investment from John Ayton of £50k who at that point became Chairman but not an appointed director. Further rounds of investment came later in 2013 from various investors invited by the Chairman, then again follow-on investments were made in early and late 2014. Additional further funds were reclaimed back into the business via Corporation Tax credits, as the Company completed several innovative R & D projects

A fairly aggressive plan was put in place to grow the brand over the period from May 2013, with an exit planned in 4 years. The advice given was to move from a wholesale to retail model, and self-manufacture to achieve the required margins. This plan included the purchase of a wide format digital printer, and employing sewing machinists. At that time, the Company moved to its first rented premises, hired, sales, production marketing and web staff

Sadly sales did match up to expectations, and growth of the business was slow, with turnover in 2014 amounting to c £235k. However the strategy was endorsed by the shareholder advisory board and deemed to be the way forward, despite the concerns of the Financial Director. Turnover was not growing significantly, however overheads had risen to c £30k per month resulting in a significant cash burn.

In June 2015, a plan was formulated with the encouragement of the shareholder advisory board to effect a further fund raise via Crowd Funding, resulting in an extremely successful raise of £360k net of costs, being completed in August 2015. However the cash burn by this time was so significant, that it was clear to the two directors that this was not sufficient for the Company and they expressed concerns towards the end of 2015 about the high growth strategy. Whilst turnover had grown in 2015 to c £351k, this was against admin costs alone of c £383k.

The directors therefore decided that radical changes needed to be made to secure the future of the business. A cost cutting exercise saw overheads drop over the course of 2016, ending the year at less than £10k per month. Web sales only were targeted, as retail price was significantly reduced at the end of the first quarter of that year. The reduced pricing strategy increased the number of orders, but lower turnover, resulted in a higher workload, with less resource available and lower GP. Turnover in 2016 for the full year was c £290k.

Despite this radical cost cutting, and injection of R & D credits, it became an untenable situation, where further support from RBS was deemed doubtful, and a shareholder debenture holder was demanding payment of the balance of a temporary loan. Further support from the shareholders in general also looked unlikely. The directors had therefore run out of steam, physically, mentally and most importantly financially.

It is worth noting that neither of the two directors took any form of remuneration from the business in the course of 5 years. The only drawings were made against an interest free directors' loan, which had accrued at the outset relating to set up costs.

It was for this reason, despite the fact that web / market plan and B2B sales were encouraging in 2016 and the signs for 2017 were good, that the directors sought the advice of an Insolvency Practitioner. On 19 January 2017, the directors met with Dean Nelson, Insolvency Practitioner at Smith Cooper, with a view to obtaining advice on the Company's current financial position and options available to the board.

1.3. Overview of Financial Information

Extracts from the unaudited accounts for the 12 months to 31 December 2014 and 31 December 2015, respectively, are shown below.

Please note that this information has not been verified by the Joint Administrators or by Smith Cooper.

Summary Profit and Loss Account

	Draft Management Accounts for period to 31 October 2016 £	Unaudited Statutory Accounts for year to 31 December 2015 £	Unaudited Statutory Accounts for year to 31 December 2014 £
Turnover	292,998	351,835	235,008
Cost of Sales	(135,401)	(153,539)	(178,758)
Gross Profit	157,597	198,292	56,250
Gross Margin %	53.8%	56.4%	23.9%
Other Expenses	(172,224)	(383,868)	(244,477)
Other Income	-	4,083	-
Interest payable	(10,438)	(4,157)	-
Loss before taxation	(25,065)	(185,650)	(188,227)

Source Management accounts prepared by the Company / Unaudited accounts prepared by Sedulo Accountants Limited

Summary Balance Sheet

	Draft Management Accounts for period to 31 October 2016 £	Unaudited Statutory Accounts for year to 31 December 2015 £	Unaudited Statutory Accounts for year to 31 December 2014 £
Tangible assets	99,661	131,769	249,819
Intangible assets	448,420	416,244	37,196
Fixed assets	548,081	548,013	287,015
Current Assets			
Stock	129,909	132,747	80,628
Debtors	37,687	140,138	74,740
Cash in Hand	-	4	987
	167,596	272,889	156,355
Liabilities			
Current Liabilities	(317,060)	(320,172)	(273,995)
Long Term Liabilities	(72,398)	(85,279)	(40,000)
Total Liabilities	(389,458)	(405,451)	(313,995)
Net Assets	326,219	415,451	129,375

Source Management accounts prepared by the Company / Unaudited accounts prepared by Siculo Accountants Limited

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.4. Management and Employees

At the date of the Joint Administrators' appointment on 3 February 2017, the Company employed 4 staff, as follows

Marketing	1
Manufacturing	<u>3</u>
	<u>4</u>

Statutory information on the Company, including details of the Directors, Bank and Shareholders is provided at Appendix 1

2. THE CIRCUMSTANCES GIVING RISE TO THE APPOINTMENT OF THE JOINT ADMINISTRATORS

2.1. Events prior to the Administration

As referred to in the director's background to the Company, Dean Nelson, a Licenced Insolvency Practitioner of Smith Cooper, was contacted by Hubaco Limited on 19 January 2017, who had previously had an involvement with the Company and its directors through the trade and as a supplier. They are also an audit client of Smith Cooper.

Smith Cooper was engaged to help advise on the options available to the Company, in light of its current financial position, as it was deemed to be insolvent. Initial discussions examined the options that were open to the Company including, but not limited to, continuing to trade, cash injections and a Company Voluntary Arrangement, but as more information came to light it became apparent that an Administration, via a pre-packaged sale would provide the best return for creditors.

More detailed discussions were entered into with the directors, regarding the possibility of finding a purchaser for the business and assets as a going concern, as this would maximise the asset values compared to the value that would be achievable on cessation of trade and subsequent Liquidation. In light of the above the directors agreed, as a joint instruction, to commence an accelerated sales process of the Company on 20 January 2017.

I have commented further on the work undertaken in that regard at Paragraph 3.2 below.

The appointment as Joint Administrators became effective on 3 February 2017, following an Administration Order being filed at Court by the directors, and the business and assets were subsequently sold, shortly thereafter.

2.2. Details of the Appointment of the Joint Administrators

Dean Anthony Nelson and Nicholas Charles Osborn Lee, of Smith Cooper, were appointed Joint Administrators of the Company on 3 February 2017, following the filing of a Notice of Appointment of Administrators by the directors, pursuant to paragraph 22 of the Insolvency Act 1986.

The Court, having conducted the proceedings, is High Court of Justice, Chancery Division, Companies Court Birmingham (case number 8025 of 2017). The Company's registered office is situated at 11 Prospect House, Colliery Close, Staveley, Chesterfield S43 3QE and the registered number is 08326947.

For the purposes of Paragraph 100(2) of Schedule B1 of the Act, the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly or severally.

The Joint Administrators act as agent for FieldCandy Limited and contract without personal liability. The appointment of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Smith Cooper does not assume any responsibility and will not accept any liability to any person in respect of this Proposal or the conduct of the Administration.

2.3. Purpose of the Administration

The statutory purpose of an Administration under The Enterprise Act 2002 is split into three objectives

- 1 To rescue a Company as a going concern (in other words a restructuring which keeps the actual entity intact) The Joint Administrators would comment that objective 1 was not achievable due to the lack of working capital and the Joint Administrators did not consider it possible to restructure the existing business or propose a Company Voluntary Arrangement Accordingly this objective was not achievable and the Joint Administrators proceeded to objective two
- 2 If the first purpose is not reasonably practicable (or the second purpose would clearly be better for the creditors as a whole), then the Joint Administrators must perform their functions with the objective of achieving a better result for creditors as a whole than would be obtained through an immediate liquidation of the Company This would normally envisage a sale of the business and assets as a going concern (or a more orderly sales process than in Liquidation) The Joint Administrators would comment that the Administration has enabled a sales of the business and assets to be achieved, obtaining a payment for goodwill and negating employee termination costs to maximise the return and benefit to creditors
- 3 If neither of the first two parts of the purpose are reasonably practicable, the Joint Administrators must perform their functions with the objective of realising property in order to make a distribution to secured and/or preferential creditors as applicable The Joint Administrators would comment that, whilst the purpose of the Administration has been achieved through following objective two, this objective will also be achieved through the sale of the Company's business and assets as a payment will be made to the Bank under it's fixed charge security

2.4. Electronic communication with creditors

In an effort to reduce the costs of the Administration, all communications with creditors, including updates and progress reports, are posted onto a website, which has been set up specifically for this purpose The web address is [https //insolvencynotices co uk/](https://insolvencynotices.co.uk/)

A letter will be issued to all creditors each time the website is updated with a statutory notice or report All creditors' statutory notices will be retained on the website for 3 months after being uploaded to the site

3. MANAGEMENT OF THE COMPANY'S AFFAIRS SINCE THE APPOINTMENT OF THE JOINT ADMINISTRATORS

3.1. Introduction

Immediately upon appointment of the Joint Administrators on 3 February 2017, a sale of the Company's business and assets, as a going concern, was affected. I have commented further on the circumstances leading up to the sale at Paragraph 3.2 below.

In considering the acceptance of the appointment as Joint Administrators, and the proposed strategy to identify potential buyers of the business, the Joint Administrators needed to be satisfied that a sale of the business and its assets as a going concern was in the best interests of creditors as a whole.

It was concluded that it would not be possible to trade the business within the constraints of an Administration process, as the Company had insufficient working capital, no anticipated cash injections from investors, and goodwill would be adversely affected. Furthermore, it was not clear that the business would trade profitably due to the uncertainty surrounding the volume of sales. In addition, it was anticipated that trade and expense creditors would have applied duress against the Joint Administrators, to repay their outstanding arrears, as a consequence of continuing to supply the Company.

Consideration of the above meant that trading the Company in Administration, whilst a purchaser for the business was sought, was not deemed to be an option.

Instead, the best course of action and method of maximising value for all creditors, was a pre-packaged sale of the business in order to preserve continuity of trade, goodwill, ongoing relationships with customers, suppliers and its employees. It was envisaged that the transaction would take place via the sale of the business and assets as a going concern, immediately after the appointment of the Joint Administrators. It was not intended to carry out a period of further marketing post appointment, as there would be a number of significant potential pitfalls to delivering continued trade and supply to the customers.

The Company's secured creditors, RBS and Mr Ayton, were contacted and the Company's circumstances and proposed strategy was explained. The creditors did not raise any specific objections to the proposed pre-pack strategy.

3.2 Sale of the Business and Assets

Due to the Company's precarious financial position, the directors of the Company sought a moratorium by filing an application to Court for an Administration Order under Paragraph 12(1)(b) of Schedule B1 to the Insolvency Act 1986. This was duly filed in the The High Court of Justice, Chancery Division, Companies Court, Birmingham on 23 January 2017.

This Notice was filed as the Company needed to gain immediate protection afforded by a moratorium, in view of the potential threat from certain creditors taking enforcement action against the Company.

Whilst this moratorium was in force, the proposed Joint Administrators' strategy was to try and extract an offer to purchase the Company's business and assets as a going concern with a view to affecting a sale on a pre-packaged basis shortly after appointment. This was due to the fact that the Company had insufficient working capital to enable the Administrators to trade the Company for a significant length of time whilst a purchaser was sought

It was hoped that within a period of 10 days, the market could be tested to the best of the nominated Joint Administrators' abilities, and terms could be agreed in order to continue the Company's business, retain its workforce and maximise the value of the Company's chattel assets, and obtain a payment for goodwill

On behalf of the Company, the nominated Joint Administrators marketed the distressed business and/or its assets for sale as a going concern as widely as possible. This involved advertising on Deal Opportunities Limited website, which specifically markets solvent and insolvent businesses for sale, as well as sending sales particulars, on a no names basis, to a database of over c 1,600 interested parties, comprising businesses deemed to be in a similar industry as the Company

In addition, the proposed Joint Administrators requested that the Company directors identify, and disclose, any potentially interested parties that they were aware of, to maximise exposure to the market and to generate interest

The Joint Administrators requested expressions of interest, evidenced by way of funding by 4 oopm on 27 January 2017, with a view to concluding a sale of the Company's business and assets on or before 3 February 2017. This was to avoid filing a second Notice of Intention to Appoint an Administrator, and to mitigate the accrual of unpaid employee wage arrears

During the hiatus period, the Company continued to trade on a cash proforma basis, in order to ensure the position of creditors was not worsened, and to ensure continuity of trade for any prospective purchaser as a going concern, thus protecting goodwill

The marketing led to 8 parties expressing an interest, and after receiving duly signed non-disclosure agreements, a detailed sales memorandum was issued giving substantial information to enable offers to be submitted. However, despite this level of interest, only one firm offer was received from Terra Nova Equipment Limited ("Terra Nova") of £28,050, which was recommended to be accepted by my agents, John Pye & Sons, auctioneers and valuers of Nottingham ("JPS")

In order for the sale to proceed, the Joint Administrators required deeds of release from the two fixed charge creditors, RBS and Mr Ayton, in respect of the fixed assets, being Computer software, development costs and goodwill. Whilst RBS stated that they were happy to provide this, Mr Ayton stated that he wanted recompense in order to provide his release. Neither the Joint Administrators nor the Company were in a position to make this 'ransom' payment and Terra Nova, were not happy to proceed with the sale unless this release was provided.

Therefore, following lengthy discussions and negotiations with Mr Ayton, Terra Nova agreed directly to pay him £7.5k to provide his release, on the proviso that, their offer, subject to contract, for the business and assets of the Company, be reduced by £5k

The reduced offer of £23,050 was still recommended to be accepted by JPS and as such the Joint Administrators agreed to proceed with the sale

The offer was apportioned as follows

Assets (specifically pledged)		£
Goodwill		1
Customer Contracts		1
Intangible Assets – Development Costs		500
Intangible Assets – Computer Software		750
Assets (not specifically pledged)		
Unencumbered Office Furniture & Equipment		8,250
Stock		13,548
Total		<u>23,050</u>

The offer received for goodwill of c £1 3k, was the only offer received in this instance, and as such, it was accepted on this basis. If the Company had been placed into Compulsory Liquidation, no goodwill realisation would have been effected.

The offer for the Company's chattel assets and stock, totalling c £21 8k was in excess of my agents going concern valuation of c £20 6k and forced sale value, in a Liquidation scenario of c £6 6k, together with avoiding their costs of holding and subsequent realisation.

As a further consideration, the sale as a going concern to Terra Nova extinguished employees' claims in respect of redundancy and pay in lieu of notice, which has the impact of reducing non-preferential unsecured claims in the estate by c £3 4k. This factor should be taken into account when considering the aggregate of the going concern offer, as these liabilities would have crystallised if the offer was not accepted, resulting in the Company ceasing to trade on a Liquidation scenario.

In conclusion, the directors attribute the failure of the Company to the following main reasons:-

- Implementation of a high growth strategy of which sales did not perform as well as initially forecast, meaning that the turnover was insufficient to meet the increased costs and overheads,

Detailed disclosure for the reasoning behind the pre-packaged sale to Terra Nova, is attached at Appendix 9, as required by Statement of Insolvency Practice 16 ("SIP16")

Under Statement of Insolvency Practice 13 ("SIP13"), I can confirm that there is no connection between the purchaser and the directors, shareholders or secured creditors of the insolvent Company or their associates.

One of the directors of the Company, John Harris, is to be employed by the Company in a design role, but will take no active part, I am informed, in the promotion, formation or management of the new entity.

3.3. Sales to connected parties

There have been no sales of any of the Company's assets to connected parties since the Joint Administrators' appointment

3.4. Assets Excluded from the Sale

Under the terms of the SPA, the Company's book debts are excluded from the sale and are to be collected by the Administrators accordingly on appointment

3.5. Post appointment strategy

Immediately following the appointment of the Joint Administrators on 3 February 2017, employees were briefed with regards to the Administration and informed that a sale of the business and assets had been completed to Terra Nova. Employees were then informed that their employment had been transferred under the Transfer of Undertakings (Protection of Employment) Regulations ("TUPE")

The Joint Administrators' staff are in the process of collating creditor claims and have handled creditors' queries as they have arisen which include telephone calls and correspondence

The Joint Administrators' legal advisors advised in respect of all legal issues arising on the sale of business and assets and have been assisting the Joint Administrators with post appointment matters

Some plant and machinery was financed on hire purchase agreements. The Joint Administrators' staff continue to liaise with these funders and information continues to be provided to assist the funders in assessing their position

The Joint Administrators' staff will continue to liaise with Terra Nova to progress any unresolved issues or future matters that may arise

3.6. Receipts and Payment Account

Attached at Appendix 2 is a summary of the Joint Administrators' receipts and payments for the period from the date of appointment to 10 February 2017

4. DIRECTORS' DRAFT STATEMENT OF AFFAIRS

4.1. Introduction

The Directors have not, to date, submitted a signed Statement of Affairs, however a draft Statement of Affairs of the Company, prepared by the Joint Administrators, is attached at Appendix 3, for creditors' information. These details have been extracted from the Company's records, therefore, no warranty can be given to the accuracy of the details given.

A signed Statement of Affairs will be filed at Companies House in due course.

In accordance with the standard format of the Statement of Affairs form, no provision has been made in the Statement of Affairs for the costs of the Administration (including agents, legal and other professional fees).

The Joint Administrators have not carried out any work of the nature of an audit on the information.

There are a number of different classes of creditors within the Company. These include:

- **Secured creditors** They have fixed and floating charge debenture security and, as such, are paid in priority to other creditors. This priority is subject to payments to preferential creditors and unsecured creditors under the PP (see section 4.5). Further details of the Company's security are set out in section 4.3.
- **Preferential creditors** These relate to specific employee wage arrears and holiday pay and are paid in priority to unsecured creditors out of net floating charge realisations before the PP and before payment to the secured floating charge holder.
- **Unsecured creditors** They rank behind secured and preferential creditors and receive any surplus available from net realisations.

4.2. Notes to the Directors' draft Statement of Affairs

As stated above, the financial information has been extracted from the Company's records, therefore, no warranty can be given to the accuracy of the details given. Please note the following:

- The net book values have been calculated in accordance with the Company's accounting records,
- The estimated to realise values are based on the break-up values attributed by our agent, JPS,
- The figures do not take into account any unsatisfied HP liabilities,
- No provision has been made in the Statement of Affairs for the costs of the Administration (including agents, legal and professional fees).

4.3. Secured creditors

RBS hold a fixed and floating charge debenture created on 11 April 2014 and registered on 14 April 2014, over all the property or undertaking of the Company.

The Company's Bank debt at the date of the appointment of the Joint Administrators, and as set out in the directors' draft Statement of Affairs, can be summarised as follows

	£
Overdraft facility	89,258
Credit Card	3,180
Total	<u>92,439</u>

Furthermore, Mr Ayton, an investor of the Company was granted a fixed and floating charge created on 13 April 2015 and registered on 23 April 2015, over all properties and intellectual property of the Company which ranks behind the Bank's security Mr Ayton's debt at the date of appointment of the Joint Administrators is £39,562 as per the Company's books and records

The estimated distribution to the secured creditors is shown with the EOS at Appendix 7 and shows RBS receiving £1,252 under its fixed charge indebtedness

4.4. Preferential claims

Preferential claims relating to employee deductions are expected to be paid by the RPO who will have a corresponding preferential claim against the Company but are unlikely to exceed £3 2k There are no other preferential claims outstanding

4.5. The Prescribed Part

By virtue of Section 176A(2)(a) of the Act, the Joint Administrators must state the amount of funds (net property) available to unsecured creditors in respect of the PP This provision only applies where the Company has granted a floating charge to a creditor since 15 September 2003 Net property is the amount of the Company's property which would, but for this section, be available for the holders of floating charges created by the Company

The PP applies where there are floating charge realisations, net of costs to be set aside for unsecured creditors This equates to

- 50% of net property up to £10,000,
- Plus, 20% of net property in excess of £10,000
- Subject to a maximum of £600,000

It is anticipated that the net property is likely to be less than the prescribed minimum of £10,000, after the costs and expenses of the Administration have been discharged, therefore no PP will be payable to unsecured creditors

4.6. Unsecured claims

The unsecured creditors' position as at 3 February 2017, the date of appointment, and per the Directors' Statement of Affairs (excluding any shortfall to floating charge holders) totals c £237k

There is unlikely to be sufficient realisations from floating charge assets to fully repay the secured creditors, nor do we anticipate there to be sufficient net property to enable a distribution to be made via the Prescribed Part. Attached at Appendix 7 is an EOS which has been prepared from information presently available to the Joint Administrators, and which incorporates estimated future realisations, costs and expenses.

4.7. The creditors' meeting

As the Joint Administrators do not expect any funds will be available to the unsecured creditors, a meeting of creditors will not be held.

A request in the prescribed manner that the Joint Administrators call a meeting can be made by creditors representing 10% or more of the total debts of the Company (individually or jointly).

Creditors wishing to submit this request should complete the attached Form 2.21B and return it to the Administrators no later than 18 February 2017.

A deposit of £1,000 towards the costs of convening the meeting should be enclosed with the request per Rule 2.37(3) of the Rules, which may be repaid if consent is given by creditors.

5. PRE-ADMINISTRATION COSTS

5.1. Introduction

A Statement of Pre-Administration Costs is provided at Appendix 4

Pre-Administration Costs are defined as the remuneration charged and expenses incurred by the Administrator (or other person qualified to act as such) before the Company entered into Administration but with a view to its doing so. Payment of unpaid Pre-Administration Costs as an expense of the Administration is subject to approval under Rule 2.67A and is not part of the Proposals subject to approval under Paragraph 53 of Schedule B1 of the Act.

5.2. Approval of costs – unpaid Pre-Administration Costs

Determination of whether and to what extent the unpaid Pre-Administration Costs are approved for payment falls firstly to any creditors' committee formed at a meeting of creditors. In the absence of a committee, the costs shall be approved by the secured and preferential creditors.

The Joint Administrators are seeking the secured and preferential creditors approval for the payment of the unpaid Pre-Administration Costs.

These costs are allocated as follows, and are stated exclusive of VAT.

- Smith Cooper – Joint Administrators' pre-appointment fees	£6,542
- Nelsons Solicitors Limited – pre-appointment legal fees & disbursements	£3,755
- John Pye & Sons – pre-appointment chattel agent fees	£250

5.3. Paid Pre-Administration Costs

Prior to my appointment, the Company paid £7.2k into Smith Cooper's client account and to assist with discharging any duress / business critical creditors, during the hiatus period, whilst a purchaser was being sought for the business and assets as a going concern. This also provided my firm with security for costs.

Smith Cooper sought approval from the directors, to pay an element of the outstanding pre-appointment professional fees on account from funds held, which was duly provided. Details of the payments, exclusive of VAT, are stated as follows -

- Smith Cooper – Joint Administrators' pre-appointment fees	£3,000
- Nelsons Solicitors Limited – pre-appointment legal fees	£2,500
- John Pye & Sons – pre-appointment chattel agent fees	£500

6. JOINT ADMINISTRATORS' ANTICIPATED FEES AND EXPENSES

6.1. Introduction

The Joint Administrators' time costs incurred to 10 February 2017 total £4,843. These time costs are analysed at Appendix 5.

There will be no funds available to enable a dividend distribution to the unsecured creditors, therefore, fixing the basis of the Joint Administrators' fees will be approved in accordance with the Rules, which are outlined as follows:

- In the absence of a creditors' committee, the basis of the Joint Administrators' fees may be fixed by approval of
 - each secured creditor, or
 - if the Joint Administrators intend to make a distribution to preferential creditors, with the approval of each secured creditor and 50% of preferential creditors who respond to an invitation to consider approval.

The secured creditors and preferential creditors are being asked to approve the basis of the Joint Administrators' fees which will be:

- (i) the basis of time properly given by the Joint Administrators and their staff in attending to matters as set out in the fees estimate, such time to be charged at the prevailing standard hourly charge out rates used by Smith Cooper at the time the work is performed (plus VAT), and
- (ii) That the Joint Administrators' Category 2 disbursements be calculated on the bases described in Appendix 13 and that the Joint Administrators be authorised to draw their Category 2 disbursements from the Administration estate as and when funds allow.

In line with the Act, there is no requirement for unsecured creditors to pass a resolution in respect of the Joint Administrators' fees.

As stated in the estimated outcome statement, enclosed at Appendix 7, the Joint Administrators are required to set out clearly and concisely for creditors, the estimated fees and expenses that are anticipated to be incurred and drawn, during the Administration period, together with that of their advisors, for assistance provided. As such, included at Appendix 5, is an estimated budget, setting out the projected anticipated future fees and expenses of the Joint Administrators, their staff, and their professional advisors, in attending to matters arising in the Administration estate.

For ease of reference, the budgeted anticipated fees estimates is analysed per grade of staff, and category heading, together with providing a narrative of anticipated work to be undertaken for creditors' information. Whilst every effort has been taken in preparing this budget, taking into account the complexity and nature of the assignment, further time costs may accrue, or be incurred, as a result of additional work, or unforeseen issues that may arise, as a result of the Joint Administrators' tenure in office, that was not known or anticipated, at the time of writing this report.

If this position materialises, the Joint Administrators will explain, in a further report, the reasoning for the anticipated budget being exceeded, providing a revised estimation of anticipated fees/expenses to be incurred, based on the complexity of the work undertaken and value derived for the estate

The work has been categorised into the following task headings and sub categories, as follows

- **Administration and Planning** includes such tasks as case planning and set-up, appointment notification, statutory reporting, compliance, accounting and administrative functions
- **Realisation of Assets** includes such tasks as identifying and securing assets, activities in relation to other fixed assets, stock and any related legal issues
- **Investigation** includes such tasks as reporting on the Director's conduct, investigating any antecedent transactions and any other investigations that may be deemed appropriate, in accordance with SIP2 & 4
- **Creditors** include such tasks as creditor set up, reviewing and agreeing preferential claims, corresponding with creditors Also, dealing with trade creditors, dealing with customer creditors, employee issues, and submitting documentation to HM Revenue & Customs and RPO
- **Cashiering** includes all aspects of cashiering

The rates for the separate categories of staff are based on our April 2015 charge out rates as summarised below

Grade	Charge out rate (£ per hour)
Partner	339
Director	243
Manager	182
Assistant Manager	182
Senior Insolvency Administrator	154
Administrator	122
Junior Administrator	83
Cashier	83
Other	58
Time costs are calculated using 6 minute units	

The above bands are specific to the Insolvency department partners and staff In certain circumstances the use of specialists from other Smith Cooper departments, such as Tax/VAT, may be required on the case These departments may charge rates that fall outside the Insolvency department bands quoted above, so where such specialists have performed work on the case, average rates may also fall outside the Insolvency department bands

All partners and technical staff (including cashiers) assigned to the case, recorded their time spent working on the case on a computerised time recording system Time spent by secretarial staff working on the assignment has not been recorded or recovered The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed

“A Creditors’ Guide to Administrators’ Remuneration” is available for download at

https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_Fees_Nov2011.pdf

Should you require a paper copy, please send your request in writing to the Joint Administrators at the address on the front of this report, and this will be provided to you at no cost

6.2. The Joint Administrators’ expenses

In accordance with Statement of Insolvency Practice 9 (SIP9), the basis of disbursement allocation incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1, being expenses directly referable to a third party, e.g. statutory advertising, external meeting room hire, specific bond insurance and courier costs, external archive, storage and subsequent destruction and Company Search fees, or Category 2, being expenses incurred by the firm and recharged to the estate, which may include a profit element, e.g. postage, stationery and storage.

Category 1 disbursements are recoverable in full from the estate without the need for prior approval of creditors. Category 2 disbursements are recoverable in full from the estate, subject to the basis of the disbursement allocation being approved by creditors in advance.

Category 2 disbursements are proposed to be recovered as follows -

Postage	Charged at actual cost (first class)
Photocopying	Recharged at 17p per sheet
Storage	Charged at cost
Room Hire	£50 per meeting held Smith Cooper offices
Archiving case files & closure	Recharged at £42.70 per box
Archiving records & closure	Recharged at £9.55 per box
Mileage	45p per mile

Joint Administrators’ expenses have not been incurred to date.

Please note that the Administrators’ expenses for mileage are calculated by reference to mileage properly incurred by the Administrators and their staff, in attending to matters arising in the Administration, at the prevailing standard mileage rate used by Smith Cooper at the time when the mileage is incurred (presently up to 45p per mile). Should mileage expenses have been incurred, specific approval must be sought from creditors.

6.3. Other professional costs

To advise on appropriate legal matters and to prepare required legal documentation to assist with placing the Company into Administration and preparing and reviewing the SPA, the Joint Administrators instructed Nelsons Solicitors Limited Solicitors (“Nelsons”), a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations.

At the date of this report, post appointment costs of £145 (exclusive of VAT) have been incurred by Nelsons, for their assistance provided in the following

- Tasks related to the sale of the business and assets,

I do not anticipate any further post-appointment fees be paid to my solicitors and will inform creditors in my next correspondence should this position have changed

All professional fees are based upon their recorded time costs incurred at their standard charge out rates and will be reviewed by the Joint Administrators' staff before being approved for payment

6.4. Creditors' right to request information

Any secured creditor or, unsecured creditor with the support of at least 5% in value of the unsecured creditors or, with permission of the Court, may, in writing, request the Joint Administrators to provide additional information regarding fees or expenses to that already supplied within this document. Such requests must be made within 21 days of receipt of this report.

6.5. Creditors' right to challenge fees and/or expenses

Any secured creditor or, unsecured creditor with the support of at least 10% in value of the unsecured creditors or, with permission of the Court, may apply to the Court for one or more orders challenging the amount or the basis of fees which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred. Such applications must be made within 8 weeks of receipt by the applicant(s) of the report detailing the fees and/or expenses being complained of.

7. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

7.1. Directors' conduct

As part of their statutory duties, the Joint Administrators will consider the conduct of the Directors and any person they consider a shadow or de facto director in relation to their management of the affairs of the Company and the causes of failure and will submit a confidential report to the Insolvency Service, a division of the Department for Business, Innovation and Skills

As part of their investigations the Joint Administrators will consider, among other matters, the following

- statutory compliance issues,
- misfeasance or breach of duty, and
- antecedent transactions (including transactions at an undervalue and preferences)

Creditors who wish to draw any matters to the attention of the Joint Administrators should write to the Joint Administrators at the address given on the front of this report and provide supporting evidence. Should you be aware of any potential misconduct which should be brought to my attention, please complete and return the enclosed Creditor Questionnaire at Appendix 10

7.2. Exit routes from Administration

In accordance with the provisions of the Act, all Administrations automatically come to an end after one year, unless an extension is granted by the Court or with consent of the relevant creditors

There are several exit routes which are available to the Joint Administrators such as

- an application to Court (in the event of a Court appointment),
- filing a notice in Court and with the Registrar of Companies confirming that the purpose of Administration has been sufficiently achieved, or
- in the event that the Company has no property (or no remaining property to distribute), the Joint Administrators may notify the Registrar of Companies to that effect at which time the appointment of the Joint Administrators ceases and three months following that date usually the Company is dissolved

In addition, the Joint Administrators could propose to place the Company into Creditors' Voluntary Liquidation, a Compulsory Liquidation or a Company Voluntary Arrangement. The exit route chosen in relation to the Company will depend on the circumstances of the Administration when it is due to end

In view of the fact that the Joint Administrators still have work to do in pursuit of the Administration objective, it is not certain at this time what exit route will be appropriate as the end of the Administration approaches. However, in view of the fact that at present it appears unlikely that there will be sufficient funds to pay a dividend to unsecured creditors, moving to dissolution appears most likely at this stage.

Alternatively, if funds do become available for a distribution, the Joint Administrators may apply to the Court for the authority to make a distribution to unsecured creditors and then take the requisite steps to dissolve the Company.

The Joint Administrators propose to obtain discharge from liability in respect of any action of theirs at the time that they vacate office, whatever exit route from Administration is followed.

7.3. EC Regulations

As stated in the Administration Order in respect of the Companies, Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that Regulation.

7.4. Third party assets

Should you believe that you own items that may have been present at the Company's former trading premises at the date of appointment, please contact the Joint Administrators as soon as possible.

8. STATEMENT OF PROPOSALS

FieldCandy Limited (“the Company”) – In Administration
In the High Court of Justice, Chancery Division, Birmingham District Registry
Court Case No. 8025 of 2017

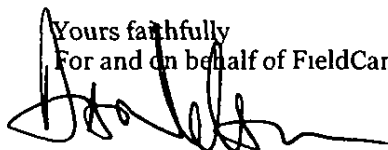
The Joint Administrators’ proposals are as follows

- 1 the Joint Administrators continue to manage the affairs and any remaining assets of the Company and the settlement of all Administration expenses,
- 2 the Joint Administrators continue with their enquiries into the conduct of the Directors of the Company and continue to assist any regulatory authorities with their investigation into the affairs of the Company,
- 3 the Joint Administrators 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 that supplies or has supplied goods or services to the Company,
- 4 the Joint Administrators be authorised to distribute funds to the preferential creditors, as and when claims are agreed and funds permit, and in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application,
- 5 the Joint Administrators do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their 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,
- 6 that, in the event that the creditors of the Company so determine, at a meeting of creditors, that a creditors’ committee be appointed in respect of the Company comprising of not more than five and not less than three creditors of that Company
- 7 That the creditors’ committee, if one is appointed, be asked to agree that the basis of the Joint Administrators’ fees be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters as set out in the fees estimate, such time to be charged at the prevailing standard hourly charge out rates used by Smith Cooper at the time the work is performed (plus VAT) and asked to agree the Joint Administrators’ Category 2 disbursements,
- 8 That, in the absence of a creditors’ committee, the secured and preferential creditors of the Company shall be asked to fix the basis of the Joint Administrators’ fees by reference to the time properly given by the Joint Administrators and their staff in attending to matters as set out in the fees estimate, such time to be charged at the prevailing standard hourly charge out rates used by Smith Cooper at the time when the work is performed plus VAT. In addition those creditors shall also be asked to agree the Joint Administrators’ Category 2 disbursements on the bases disclosed in Appendix 13,
- 9 Albeit that the following does not form part of the proposals subject to approval under Paragraph 53 of Schedule B1 of the Act, but it is subject to approval under Rule 2.67A of the Rules that, if a creditors’ committee is not appointed, the Joint Administrators’ unpaid Pre-Administration Costs as detailed in the Appendix to the Joint Administrators’ Proposals be approved by the secured and preferential creditors of the Company. Also that the Joint Administrators be authorised to discharge such costs plus VAT, from the Administration estate,

- 10 That, following the realisation of assets and resolution of all matters in the Administration, and as quickly and efficiently as is reasonably practicable, the Joint Administrators implement the most cost effective steps to formally conclude the Administration. This may include dissolution of the Company, whether or not it is preceded by the distribution of funds to unsecured creditors (with the Court's permission where requested), or alternatively, moving the Company into Creditors' Voluntary Liquidation ("CVL") or seeking the Company's Compulsory Liquidation, depending on which option will result in a better realisation for creditors,
- 11 that, if the Company were to be placed into CVL, the Joint Administrators propose to be appointed Joint Liquidators and any creditors' committee appointed will become the liquidation committee and that the basis of the Joint Liquidators' fees be fixed on the same basis as that of the Joint Administrators. The creditors may nominate a different person to be Liquidator provided the nomination is made before the proposals are approved by creditors. The Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally, and
- 12 that, in the absence of a creditors' committee, the relevant creditors of the Company agree that the Joint Administrators be discharged from liability immediately upon the Joint Administrators vacating office

Yours faithfully

For and on behalf of FieldCandy Limited – In Administration



Dean Nelson

Joint Administrator

Dean Nelson and Nicholas Charles Osborn Lee were appointed Joint Administrators of FieldCandy Limited on 3 February 2017. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

All licensed Insolvency Practitioners of Smith Cooper are licensed in the UK to act as Insolvency Practitioners.

FLDCANDY LIMITED (IN ADMINISTRATION)

APPENDIX 1

STATUTORY AND HISTORIC FINANCIAL INFORMATION

FIELD CANDY LIMITED (IN ADMINISTRATION)
STATUTORY AND HISTORIC FINANCIAL INFORMATION

Company number	08326947
Date on incorporation	11 December 2012
Trading activities	Retail sale of sports goods, fishing gear, camping goods, boats and bicycles
SIC code	47640
Previous names	N/A
Trading address	9 Prospect House, Colliery Close, Staveley, Chesterfield, S43 3QE
Registered office	At the date of Administration, the Company's registered office was situated at 11 Prospect House, Colliery Close, Staveley, Chesterfield, S43 3QE For the purposes of the Administration, the Company's registered office will be changed to St Helen's House, King Street, Derby, DE1 3EE

Issued share capital		£
	Ordinary Shares	119,337
	A Ordinary Shares	270,000
	B Investment Shares	417,170
		<hr/> 806,507 <hr/>

Shareholders Please see the attached document

Directors (who held office during the last 3 years)	Name	Appointed	Resigned
	Rhona Carr	20 March 2013	-
	John Andrew Harris	11 December 2012	-

Details of the Court The High Court of Justice, Chancery Division, Companies Court – Case reference 8025 of 2017

Administrators	Dean Anthony Nelson Smith Cooper St Helen's House King Street Derby DE1 3EE	Nicholas Charles Osborn Lee Smith Cooper 158 Edmund Street Birmingham B3 2HB
-----------------------	---	--

The Joint Administrators were appointed on 3 February 2017 by the Company's directors pursuant to Paragraph 22 of the Insolvency Act 1986

For the purposes of Paragraph 100 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators are authorised to carry out all functions, duties and powers by each of them, jointly and severally

Bankers The Company's bankers were Royal Bank of Scotland Plc and they also held accounts with HSBC Bank plc

Registered charges Royal Bank of Scotland Plc ("RBS") hold a fixed and floating charge debenture created on 11 April 2014 and registered on 14 April 2014, over all the property or undertaking of the Company

Mr John Ayton, holds a fixed and floating charge debenture created on 13 April 2015 and registered on 23 April 2015 over all properties and intellectual property of the Company which ranks behind RBS' security

Smith Cooper
FieldCandy Limited - In Administration
Register of Shareholders

Key	Name
HA00	Jon Ayton
HA01	Miles Askew
HA02	Gboyega Ake
HA03	Alex Apfel
HA04	Bader Al Omar
HA05	James Athawes
HA06	Aamir Abideen
HA07	Eve Amsen
HA08	Guy Ainsworth-Oakes
HA09	Ben Acheson
HA0A	Assiba Abes
HA0B	Nasir Ahmed
HB00	Adrian Bridge
HB01	Earl of Balfour
HB02	Rob Bain
HB03	Phillip Blackwell
HB04	Imogen Blackwell
HB05	Iain Barclay
HB06	Edmund Browne
HB07	Tatjana Bender
HB08	Rupert Bradstock
HB09	Thomas Beckett
HB0A	Thomas Barrows
HB0B	Paul Bliss
HB0C	Rhiannon Brislee-Young
HB0D	Danilo Barani
HB0E	Luke Bonner
HB0F	Nicholas Bodona
HCo0	Steve Clark
HCo1	Rhona Carr
HCo2	Jo Clevely
HCo3	Rupert Clevely
HCo4	Johanna Campion
HCo5	Arthur Chow
HCo6	James Chester
HCo7	David Cull
HCo8	Cristiano Campi
HCo9	Mandy Crowther
HCoA	Matthew Carver
HCoB	Robert Crook
HCoC	Stephen Corcoran
HCoD	Daniel Clarke
HCoE	Neill Caughey
HCoF	Barclay Cowie
HCoG	Paul Cartwright
HCoH	Liam Corr
HCoI	Harriet Cooper
HCoJ	Daniel Cauchi
HCoK	Jamie Cowell
HCoL	Garv S Creigh

Key	Name
HCoM	Annelene Caspersz
HCoN	Crowdcube Limited
HD00	Annuouska Ducas
HD01	Kate Downey
HD02	Kathryn Dowlath
HD03	Cathryn Dawes
HD04	Vijay Damle
HD05	Timothy Dendy
HD06	Jamie Dickinson
HD07	Ricky Downs
HE00	Tom Elliott
HE01	Claudine Eccleston
HE02	Glyn Evans
HE03	Brian Elgry
HE04	Richard Eckley
HF00	Adam Fenwick
HF01	Giles Fern
HF02	Andrew Fisher
HF03	Mark Firman
HG00	Rebekka Grun vok Jolk
HG01	Jeff Gambold
HG02	Paul Gardener
HG03	Lucy Gaynor
HG04	Annabel Gaynor
HG05	Kenneth Gamble
HG06	Geraldine Green
HG07	David Gibson
HG08	James Goldby
HG09	Miles William Griffiths
HH00	Sarah Hemphill
HH01	Martin Hattrell
HH02	John Harris
HH03	David Harris
HH04	Penelope Hunter
HH05	Ben Harvey
HH06	Martin Humpreys
HH07	David Hamilton
HH08	Alastair Holmes
HH09	Janet Honey
HHoA	Manar Hussain
HHoB	Christopher Haynes
HHoC	Alexander Houstoun Trevor
HHoD	Ryan Hardman
HHoE	Simon Henry
HHoF	Keith Harvey
HHoG	Richard Harvey
HI00	Ilya German
HI01	Iona Gaynor
HJ00	Allan Jenkins
HJ01	Matthew Jackson
HK00	Marcin Kurnal
HK01	Nick Keye
HK02	Tricia Keverne

Key	Name
HL00	Rachel Lilley
HL01	Andrea Lodda
HL02	Ian Leppert
HL03	John Lyle
HL04	Timothy Laurence
HL05	Chithra Iakshmanan
HL06	David Lebus
HL07	Gary Lavery
HL08	Liam Louth
HL09	Lee Lawrence
HM00	Trevor Millett
HM01	Keith MacIntosh
HM02	Allen Murray
HM03	Lionel Martinez
HM04	Ashif Manjothi
HM05	Rob McWilliam
HM06	Stefan Majczak
HM07	Quresh Mukadam
HM08	Jamie Moore
HM09	Christopher Mansfield
HMoA	Timothy Marshall
HMoB	Cabdou Mohamed
HMoC	Hannah Mathew
HMoD	Muhammad Memon
HN00	Lino Nilsson
HO00	Joanne O'Neill
HP00	Anna Porter-Wright
HP01	Andrew Palmer
HP02	Justina Pettifer
HP03	Alvaro Assouali
HP04	David Pearce
HP05	Daniel Pickering
HP06	Christos Pistolas
HP07	Maimie Powell
HP08	Rhona Parry
HP09	Tonno Pruul
HP0A	Helen Picken
HP0B	Simon Purvis
HR00	Angela Rowley
HR01	Hilary Russel
HR02	Nicholas Russell
HR03	Andrew Robbins
HR04	Ian Robinson
HR05	Helen Rayner
HR06	Dominic Rayner
HR07	Roberto Rubio Nunez
HR08	Chirag Roy
HR09	Tania Richardson
HR0A	Sam Reid
HR0B	Paresh Ruparelia
HS00	Stephen Siggs
HS01	William Stancer
HS02	Johnnie Sims
HS03	Nicholas Scott Plummer

Key	Name
HS04	Robert Shaw
HS05	Sidhartha Sharma
HS06	Matthew Sulzberger
HS07	John Seligmann
HS08	Robert Smeath
HS09	Scott Summers
HS0A	Sahil Sethi
HS0B	Johannes Schrefl
HS0C	Damon Shinnie
HS0D	Alpar Szanto
HS0E	Matthew Simmonds
HS0F	Daisy Snow
HS0G	Julie Sherry
HT00	Jennifer Tully
HT01	Steven Timpson
HT02	Ben Tichband
HT03	Timothy Thomas
HT04	Jeffery Turner
HT05	Dawn Truscott
HT06	David Thomas
HT07	Michael Thompson
HU00	Richard Umpleby
HV00	Keith Vickers
HV01	Trevor Voisey
HW00	Hugh Williams
HW01	Gellan Watt
HW02	Henry Winstanley
HW03	Karen Walters
HW04	Ivan Wainewright
HW05	Martyn Wood
HW06	Vanessa Wilson
HW07	Camilla Wilson
HW08	Liam Williams

190 Entries

FLDCANDY LIMITED (IN ADMINISTRATION)

APPENDIX 2

**THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT
FROM 3 FEBRUARY 2017 TO 10 FEBRUARY 2017**

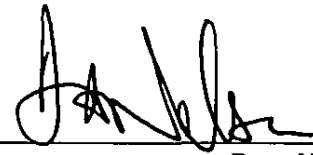
FieldCandy Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 10/02/2017

S of A £		£	£
	SECURED ASSETS		
	Goodwill	1 00	
	Customer Contracts	1 00	
NIL	Intangible - Development Costs	500 00	
NIL	Intangible - Computer Software	750 00	
			1,252 00
	SECURED CREDITORS		
(92,439 00)	RBS Bank Plc	NIL	
(39,562 00)	Mr John Ayton	NIL	
			NIL
	HIRE PURCHASE		
24,000 00	Printer - Mimaki	NIL	
(70,000 00)	Five Arrows Business Finance Ltd	NIL	
19,400 00	Motor Vehicle - Range Rover	NIL	
(26,714 00)	Paragon Car Finance	NIL	
240 00	Primera	NIL	
(1,440 00)	Kenet Equipment Leasing Ltd	NIL	
			NIL
	ASSET REALISATIONS		
1,900 00	Plant & Machinery, Fixtures & Fitting	4,557 00	
3,140 00	Stock	13,548 00	
606 00	Book Debts	NIL	
2,186 00	VAT Refund	NIL	
1,540 00	Computer Equipment	3,693 00	
			21,798 00
	PREFERENTIAL CREDITORS		
(3,787 00)	Employee Arrears	NIL	
			NIL
	UNSECURED CREDITORS		
(69,022 00)	Trade & Expense Creditors	NIL	
(35,406 00)	HSBC Bank Plc	NIL	
(25,741 00)	Directors Loan Account	NIL	
(2,919 00)	HMRC- PAYE & NIC	NIL	
(3,649 00)	HMRC- Corporation Tax	NIL	
(40,000 00)	Shareholders Loans	NIL	
(3,438 00)	Employee's Redundancy & Notice Pay	NIL	
(2,222 00)	Employee's Arrears of Pay	NIL	
			NIL
	DISTRIBUTIONS		
(119,337 00)	Ordinary Shareholders	NIL	
(270,000 00)	Ordinary A Shareholders	NIL	
(417,170 00)	B Investment	NIL	
			NIL
(1,169,834.00)			23,050.00

**FieldCandy Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 10/02/2017**

S of A £	£	£
REPRESENTED BY Solicitors Client Account		23,050 00
		23,050.00

Note
The amounts stated are net of VAT



Dean Nelson
Joint Administrator

FIELD CANDY LIMITED (IN ADMINISTRATION)

APPENDIX 3

DIRECTORS' DRAFT STATEMENT OF AFFAIRS

FieldCandy Limited
Statement Of Affairs as at 3 February 2017

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Intangible - Development Costs	404,546 00	NIL
Intangible - Computer Software	45,704 00	NIL
RBS Bank Plc		(92,439 00)
Deficiency c/d		(92,439 00)
Mr John Ayton		(39,562 00)
Deficiency c/d		(39,562 00)
Printer - Mimaki	58,000 00	24,000 00
Five Arrows Business Finance Ltd		(70,000 00)
Deficiency c/d		(46,000 00)
Motor Vehicle - Range Rover	27,927 00	19,400 00
Paragon Car Finance		(26,714 00)
Deficiency c/d		(7,314 00)
Primera		240 00
Kennet Equipment Leasing Ltd		(1,440 00)
Deficiency c/d		(1,200 00)
Assets subject to floating charge:		
Uncharged assets		
Plant & Machinery, Fixtures and Fitting	16,309 00	1,900 00
Stock	137,484 00	3,140 00
Book Debts	1,211 00	606 00
VAT Refund	2,186 00	2,186 00
Computer Equipment	1,409 00	1,540 00
Estimated total assets available for preferential creditors		9,372 00

Signature _____ Date _____

FieldCandy Limited
Statement Of Affairs as at 3 February 2017

A1 - Summary of Liabilities

		Estimated to Realise £
<hr/>		
Estimated total assets available for preferential creditors (Carried from Page A)		9,372 00
Liabilities		
Preferential Creditors -		
Employee Arrears	3,787 00	
		3,787 00
Estimated deficiency/surplus as regards preferential creditors		5,585 00
<hr/>		
Debts secured by floating charge pre 15 September 2003		
Other Pre 15 September 2003 Floating Charge Creditors		NIL
		5,585 00
<hr/>		
Estimated prescribed part of net property where applicable (to carry forward)		NIL
Estimated total assets available for floating charge holders		5,585 00
<hr/>		
Debts secured by floating charges post 15 September 2003		
Deficiency b/d	132,001 00	
		132,001 00
Estimated deficiency/surplus of assets after floating charges		(126,416 00)
<hr/>		
Estimated prescribed part of net property where applicable (brought down)		NIL
Total assets available to unsecured creditors		NIL
<hr/>		
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Deficiency b/d	54,514 00	
Trade & Expense Creditors	69,022 00	
HSBC Bank Plc	35,406 00	
Directors Loan Account	25,741 00	
HMRC- PAYE & NIC	2,919 00	
HMRC- Corporation Tax	3,649 00	
Shareholders Loans	40,000 00	
Employee's Redundancy and Notice Pay	3,438 00	
Employee's Arrears of Pay	2,222 00	
		236,911 00
Estimated deficiency/surplus as regards non-preferential creditors		(236,911 00)
(excluding any shortfall in respect of F.C's post 14 September 2003)		
Shortfall in respect of F C's post 14 September 2003 (brought down)		126,416 00
Estimated deficiency/surplus as regards creditors		(363,327 00)
<hr/>		
Issued and called up capital		
Ordinary Shareholders	119,337 00	
Ordinary A Shareholders	270,000 00	
B Investment	417,170 00	
		806,507 00
Estimated total deficiency/surplus as regards members		(1,169,834 00)
<hr/>		

Signature _____ Date _____

Smith Cooper
FieldCandy Limited
A2 - Secured Creditors Statement of Affairs Figures

Key	Name	£
CF00	Five Arrows Business Finance Limited	70,000 00
CA02	John Ayton	39,562 00
CK00	Kennet Equipment Leasing Limited	1,440 00
CP02	Paragon Car Finance	26,714 00
CR02	RBS Bank Plc	92,439 00
5 Entries Totalling		230,155.00

Smith Cooper
FieldCandy Limited
A4 - Preferential Creditors Statement of Affairs Figures

Key	Name	£
CE00	Employee Arrears of Pay and Holiday Pay	3,787 00
1 Entries Totalling		3,787.00

Smith Cooper
FieldCandy Limited
A5 - Unsecured Creditors Statement of Affairs Figures

Key	Name	£
CA00	ACS	467 02
CA01	Amex Merchant	3,350 77
CA03	Accruals	22,917 00
CA04	Amazon	1,408 81
CB00	Bowmer Bond	327 54
CB01	British Gas	425 76
CB02	Beach Butler	400 00
CB03	Mr P Blackwell	20,000 00
CC00	Chesterfield Council	7,614 82
CC01	Chatham Rope Company	535 20
CC02	Stephanie Clarke	1,761 00
CC03	Ms J Clevely	20,000 00
CD00	Directors Loan Accounts	25,741 00
CE01	Employee Arrears of Pay	2,221 65
CE02	Employee Redundancy and Notice Pay	3,437 56
CF01	Fedex	183 79
CG00	Global Merchandising	656 69
CG01	Google	6 60
CH00	H M Revenue & Customs	0 00
CH01	H M Revenue & Customs	2,919 00
CH02	H M Revenue & Customs	0 00
CH03	H M Revenue & Customs	0 00
CH04	H M Revenue & Customs	3,649 00
CH05	Henderson Textiles	13,546 95
CH06	Halmatex	180 00
CH07	Sharan Hand	600 00
CH08	HSBC Bank plc	35,406 00
CI00	Interfoam	2,664 00
CI01	Rachel Ingram	390 00
CJ00	JDR	2,799 12
CK01	Kite Packaging Limited	0 03
CL00	Lows	193 20
CL01	John Lyle	1,829 12
CN00	Newlace	411 54
CN01	N Power	495 00
CP00	Pillbox	240 00
CP01	PR Newswire	0 01
CR00	Rajapak	467 07
CR01	R A Smart	3,169 68
CS00	Stirling Electrical	173 16
CT00	Truth	1,458 00
CY00	YKK	350 46
42 Entries Totalling		182,396.55

@ - Denotes associate creditor

FILEDCANDY LIMITED (IN ADMINISTRATION)

APPENDIX 4

STATEMENT OF PRE-ADMINISTRATION COSTS

FLDCANDY LIMITED (IN ADMINISTRATION)

STATEMENT OF PRE-ADMINISTRATION COSTS

1 GENERAL

Pre-Administration costs are defined as the fees charged and expenses incurred by the Joint Administrators (or other person qualified to act as such) before the Company entered into Administration but with a view to its doing so

This Statement gives a detailed analysis of the Pre-Administration costs for FieldCandy Limited incurred by the Joint Administrators

2 APPROVAL

There will be no funds available to the unsecured therefore, in the event that there is no creditors' committee, approval of the unpaid Pre-Administration Costs will be achieved in accordance with Rule 2 67A(3)(b) of the Rules, which is outlined as follows

Determination of whether and to what extent the unpaid Pre-Administration Costs are approved for payment shall be

- By the approval of each secured creditor of the Company or
- If the Joint Administrators have made, or intend to make, a distribution to preferential creditors, by the approval of
 - each secured creditor of the Company, and
 - preferential creditors whose debts amount to more than 50% of the preferential debts of the Company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval

Approval of the secured and a requisite majority of preferential creditors is being sought, in conjunction with the submission of this Proposal The relevant creditors will be contacted under separate cover in this regard

3 PRE-APPOINTMENT FEES AND EXPENSES INCURRED BY THE JOINT ADMINISTRATORS FOR FLDCANDY LIMITED (IN ADMINISTRATION)

As indicated in the Proposals, prior to the Administrators appointment, Smith Cooper met with the Company on 19 January 2017 to advise and assist the Directors in considering the Company's position and options available to it

The Directors further instructed this firm to seek a buyer for the Company's business and trade assets as a going concern

Following receipt of the Company's instructions, the actions taken by Smith Cooper are disclosed in detail in Section 3 2 of the Proposals

The time incurred by the Administrators and their staff for the pre-appointment period from 19 January 2017 to 2 February 2017, is summarised in the table attached to the end of this appendix, and, amounts to £12,335 representing 69 hours at an average hourly rate of £178 per hour

The following is a summary of the work undertaken under the various categories

Determining the financial position and strategy, including

- Attendance at various meetings with directors to discuss the Company's financial position and options available to the Board as a result
- Preparing an estimated statement of financial position to determine the Company's asset and liability position
- Reviewing the Company's short-term cash flow forecast to determine the Company's cash position and ability to trade in the short term

Board meeting conduct and filing Notice of Intention to Appoint an Administrator, including

- Liaising with solicitors and meetings to file the NOITA's to protect the Company's assets from duress, legal execution and / or Winding-Up proceedings being commenced
- Preparation of the engagement letter setting out the basis of the assignment
- Undertaking ethical and money laundering compliance

Obtaining offers for the sale of business and / or its assets / purchaser, including

- Instructing agents to obtain a valuation of the Company's chattel assets on a forced sale and going concern basis and advise on the appropriate disposal strategy
- Marketing on behalf of the Company, the business and / or its assets for sale as a going concern
- Preparation of a competitor / industry specific database to maximise interest
- Preparation and distribution of distressed business for sale flyer to the interested party database
- Prepare and distribute Non-Disclosure Agreements ('NDA') to interested parties
- Obtaining and reviewing agents' valuation of chattel assets and disposal strategy
- Considering Retention of Title risk
- Ascertaining recoverability of Company's debtor ledger
- Prepare and distribute confidential sales particulars to interested parties upon the return of signed NDA
- Liaise and review offers from interested party, subject to contract, to acquire the business and / or its assets as a going concern
- Discussing structure and quantum of offers with agents and liaising thereon
- Discussing the offers with agents to ascertain whether the offer should be accepted
- Liaising with the interested party confirming receipt of offer

Asset Purchase Agreement, including

- Instructing solicitors to issue an asset purchase agreement ('APA')
- Negotiation and agreement of APA
- Liaising with the secured creditors with regards to providing deeds of release and discussions surrounding Mr Ayton's refusal and subsequent negotiations to resolve the issue,
- Liaising with solicitors on a regular basis, reviewing queries raised and responding accordingly
- Agreeing to schedules to be appended to APA and final consideration
- Preparation and circulation of measures letter to employees

Appointment Formalities, including

- Instructing solicitors to prepare the necessary documents to be filed at Court to appoint the Joint Administrators via the directors
- Preparing statement of prior professional relationship

Fees totalling £3,000 plus VAT were paid from funds held in Smith Cooper's client account prior to the appointment of the Joint Administrators in respect of these pre-appointment costs

Fees totalling £9,335 (exclusive of VAT) remain unpaid as at the date of Administration and their payment

- Requires approval from the secured and preferential creditors as discussed under section 2 of this document,

4 ANALYSIS OF EXPENSES INCURRED

The expenses incurred by the Joint Administrators are as follows

To advise on appropriate legal matters and to prepare legal documentation to assist with placing the Company into Administration, the Joint Administrators instructed Nelsons Solicitors Limited ("Nelsons"), a firm of lawyers with the appropriate expertise and experience in dealing with Administration processes

Pre-Administration costs of £6,255 (exclusive of VAT, but including disbursements of £255) have been incurred by Nelsons for their assistance provided in the following

- Preparing and filing a notice of intention to appoint Joint Administrators and the supporting board resolution, including undertaking the necessary searches on the Company,
- Arranging service of the notice of intention to appoint Joint Administrators on relevant parties,
- Liaising with the Purchaser and their solicitor on a regular basis,
- Drafting, negotiating and completing APA,
- Preparing and filing notice of appointment and supporting documents (statement of Joint Administrators, statement of prior professional relationship),
- Advice regarding the security of the fixed and floating charge creditors,

Fees totalling £2,500 plus VAT were paid to Nelsons from funds held in Smith Cooper's client account prior to the appointment of the Joint Administrators in respect of these pre-appointment costs leaving a balance of £3,755

Nelsons' fees are based upon their recorded time costs incurred and the Joint Administrators' are content that the time costs incurred accurately reflect the complexity of the assignment

Grade	Charge out rate (£ per hour)
Partner, Consultant	250 - 290
Associate	225
Solicitor 8 yrs +	225
Solicitor 4 – 8 yrs, Admitted Legal Executive 4 yrs +	215
Other Solicitors and Admitted Legal Executives, or equivalent experience	175
Trainee, Paralegal, Legal Assistant	125

Time costs are calculated using 6 minute units

In addition, John Pye & Sons ("JPS"), a firm of chattel agents with the appropriate expertise and experience in dealing with insolvency related valuations, were instructed to value the Company's business and assets on a going concern basis and a forced sale basis. Furthermore, they provided their professional opinion on the offers received in respect of the business and assets.

As a result JPS have incurred costs of £750 plus VAT of which £500 plus VAT has been discharged from funds held in a Client Account, as approved by the Company. The Joint Administrators are content that these costs are reasonable and proportional to the service provided.

5 SUMMARY OF THE AMOUNT BEING SOUGHT

A request is being made to the relevant creditors (under separate cover) that the following pre-Administration fees and expenses be approved as expenses of the Administration:

- Smith Cooper unpaid fees totalling £9,335 (plus VAT)
- Nelsons solicitors unpaid fees totalling £3,755 (plus VAT)
- JPS agents unpaid costs of £250 (plus VAT)
- **Total charge £13,340 (plus VAT)**

FIELD CANDY LIMITED - IN ADMINISTRATION

SUMMARY OF TIME INCURRED TO THE DATE OF THE JOINT ADMINISTRATORS' APPOINTMENT 3 FEBRUARY 2017

CLASSIFICATION OF WORK FUNCTION	HOURS SPENT					TOTAL COSTS £	AVERAGE HOURLY RATE £
	Partners/ Directors	Manager	Other/Senior Professionals	Assistants & Support Staff	Total Hours		
Determining the Financial Position/Strategy	6 30	1 60	-	0 80	8 70	2,493 30	286 59
Board Meeting Conduct	5 30	-	-	-	5 30	1,796 70	339 00
The Sales Process	2 60	7 90	4 00	-	14 50	2,807 20	193 60
Sale & Purchase Agreement	12 30	0 50	-	-	12 80	4,260 70	332 87
Appointment Formalities	1 00	1 30	0 40	25 40	28 10	977 15	34 77
Total Hours	27 50	11 30	4 40	26 20	69 40		
Total Costs £	9,322 50	2,056 60	536 80	419 15		12,335 05	177 74

Note £3k plus VAT was paid by the Company prior to the appointment of the Joint Administrators

FLDCANDY LIMITED (IN ADMINISTRATION)

APPENDIX 5

**THE JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD FROM 3 FEBRUARY
2017 TO 10 FEBRUARY 2017 AND ESTIMATED FUTURE FEES FOR THE PERIOD OF
THE ADMINISTRATION**

[illegible]

FIELD CANDY LIMITED (IN ADMINISTRATION)

THE ADMINISTRATORS' FEE ESTIMATE FOR DEALING WITH MATTERS ARISING IN THE ADMINISTRATION

GENERAL DESCRIPTION	INCLUDES	NUMBER OF HOURS BY GRADE										VALUE OF TIME COSTS £	AV CHARGE OUT RATE £ P/H
		PA	DI	MA	AM	SA	AD	JA	CA	OT			
REALISATION OF ASSETS	TOTAL	0.5	-	-	2.0	-	3.0	4.0	-	-	1,231.50	129.63	
Sale of Business as a Going Concern or sale of assets	Instructing and liaising with agents Preparing an information memorandum Liaising with potential purchasers Agreeing licences to trade/occupy Assessment and review of offers received Negotiating with intended purchaser Liaising with secured creditors and seeking releases Exchanges with solicitors to agree sale and purchase agreement Surrender of lease (where appropriate) Pursuing deferred sale consideration	-	-	-	-	-	-	-	-	-	-	-	
Plant and Equipment	Liaising with valuers, auctioneers and interested parties Reversing asset listings Liaising with secured creditors and landlords	-	-	-	-	-	-	-	-	-	-	-	
Freehold/Leasehold Property	Liaising with valuers and agents on marketing strategy and offers received Dealing with tenant issues (if any) Liaising with secured creditors and landlords Agreeing assignment, surrender or disclaiming property	-	-	-	-	-	-	-	-	-	-	-	
Debtors	Collecting supporting documentation Correspondence with debtors Reviewing and assessing debtors' ledgers Receiving updates from factoring companies and liaising reassignment of ledger Liaising with debt collectors and solicitors Agreeing debt collection agency agreements Dealing with disputes, including communicating with directors/former staff Pursuing credit insurance claims Submitting VAT bad debt relief claims	0.5	-	-	2.0	-	3.0	4.0	-	-	1,231.50	129.63	
Leasing	Reviewing leasing documents Liaising with owners/lessors Tasks associated with disclaiming leases if appropriate	-	-	-	-	-	-	-	-	-	-	-	
Stock	Conducting stock takes Reviewing stock values Liaising with agents and potential purchasers Analysing the value in WIP Contracting with service-providers/suppliers to complete WIP	-	-	-	-	-	-	-	-	-	-	-	
Other assets: motor vehicles, intangibles, intellectual property VAT/corporation tax refunds, insurance claims	Liaising with agents to agree disposal strategy Dealing with potential purchasers Negotiating sales Liaising with solicitors to agree sales Collecting sales consideration Liaising with insurance companies and directors to pursue claims Examining company records to support tax refunds Exchanges with government departments	-	-	-	-	-	-	-	-	-	-	-	
TRADING	TOTAL	-	-	-	-	-	-	-	-	-	-	-	
Management of operations	Analysing work in progress Liaising with suppliers to secure supplies and credit terms Negotiating with ransom creditors Establishing new accounts with utility providers Ensuring security of premises, computer system, equipment and stock Liaising with customers to confirm orders and secure undertakings Liaising with management and staff Site Supervision Authorising purchase orders Maintaining purchase order registry Preparing and authorising receipt vouchers Preparing and authorising payment vouchers Liaising with RPO and Job Centre Plus regarding redundancies Arranging new PAYE scheme with HMRC and submitting online payroll returns Conducting payroll and issuing forms P45 when trading ceases Liaising with Pension regulator regarding auto-enrolment Collecting sales ledger	-	-	-	-	-	-	-	-	-	-	-	
Accounting for trading	Reviewing company's budgets and financial statements Preparing budgets Preparing weekly financial reports Finalising trading profit or loss Trading strategy review VAT returns	-	-	-	-	-	-	-	-	-	-	-	
Insurance	Updates to insurer re-regularisation of vehicles	-	-	-	-	-	-	-	-	-	-	-	
On-going Employee Issues	Consultation with staff, employee and Union representatives and sub-contractors Arranging for the election of employee representatives Review of staffing requirements for trading period Deciding on and making redundancies where necessary	-	-	-	-	-	-	-	-	-	-	-	
CASHIERING	TOTAL	3.1	-	-	6.0	-	0.5	-	17.2	-	3,631.50	135.50	
	Journals / Cheque Repts / Deposit Vouchers / Daily Bank Postings	2.7	-	-	5.0	-	0.5	-	14.0	-	3,048.30	137.31	
	Filing	-	-	-	-	-	-	-	2.0	-	166.00	83.00	
	Borderlines	0.4	-	-	1.0	-	-	-	1.2	-	417.20	160.46	

FIELD CANDY LIMITED (IN ADMINISTRATION)

THE ADMINISTRATORS' FEE ESTIMATE FOR DEALING WITH MATTERS ARISING IN THE ADMINISTRATION

GENERAL DESCRIPTION	INCLUDES	NUMBER OF HOURS BY GRADE										VALUE OF TIME COSTS £	AV CHARGE OUT RATE £ P/H
		PA	DI	MA	AM	SA	AD	JA	CA	OT			
CREDITORS	TOTAL	16	-	-	25	-	55	77	-	-	2,307.50	133.38	
Creditor Communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Assisting employees to pursue claims via the RPO Corresponding with the PPF and the Pensions Regulator	10	-	-	10	-	20	40	-	-	1,097.00	137.13	
Corporation Tax	Submission of Corporation Tax Checklist to tax re-appointment clearance. Preparing and submitting final CT comp	06	-	-	15	-	20	07	-	-	778.50	162.19	
Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Corresponding with RPO regarding POD when not related to a dividend	-	-	-	-	-	10	20	-	-	288.00	96.00	
Processing proofs of debt	Preparation of correspondence to potential creditors inviting submission of POD Receipt of POD Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication Seeking solicitors' advice on the validity of secured creditors' claims and other complex claims	-	-	-	-	-	05	10	-	-	144.00	96.00	
Retention of Title Claims	Receive initial notification of creditor's intention to claim Provision of retention of title claim form to creditor Meeting claimant on site to identify goods Adjudicate retention of title claims Forward correspondence to claimant advising outcome of adjudication Preparation of payment vouchers and correspondence to claimant to accompany payment of claim (if valid) Exchanges with solicitors in deciding claims and dealing with disputes	-	-	-	-	-	-	-	-	-	-	-	
Dividend procedures	Agreeing allocation of realisations and costs between fixed and floating charges Paying distribution to secured creditors and seeking confirmation of discharged claims Preparation of correspondence to creditors advising of intention to declare distribution Advertisement of notice of proposed distribution Preparation of distribution calculation Preparation of correspondence to creditors announcing declaration of distribution Preparation of cheques/BACS to pay distribution Preparation of correspondence to creditors enclosing payment of distribution Seeking unique tax reference from HMRC submitting information on PAYE/N1 deductions from employee distributions and paying over to HMRC Dealing with unclaimed dividends	-	-	-	-	-	-	-	-	-	-	-	
Creditors Committee	No fees estimate has been provided since this will not incur any costs unless a committee is elected Holding an initial meeting of the committee Reporting to committee the accounts Seeking the committee's approval of a new strategy Calling and holding meetings of the committee as required and the circumstances of the case dictate	-	-	-	-	-	-	-	-	-	-	-	
OTHER CASE SPECIFIC AREAS	TOTAL	-	-	-	-	-	-	-	-	-	-	-	
TOTAL		149	-	-	260	-	318	241	272	-	17,920.60	144.52	

Above is the fee estimate in respect of the above case for the purpose of obtaining approval of the Administrators' remuneration. The total amount estimated is £17,920.60 which represents 124 hours at an average hourly rate of £145. A list of Smith Cooper's current charge out rates is below. For the avoidance of doubt, this estimate includes time incurred in the period 3 February 2017 to 10 February 2017.

Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the administration of the case. The Administrators do not currently anticipate that it will be necessary to seek approval for fees in excess of this estimate. However, should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.

Current Charge-out Rates for the firm

Staff	Charge out rate (£ per hour)
Partner (PA)	339
Director (DI)	243
Manager (MA)	182
Assistant Manager (AM)	182
Senior Administrator (SA)	154
Administrator (AD)	122
Junior Administrator (JA)	83
Cashier (CA)	83
Other (OT)	80

The Office Holder does not recover the costs of support staff other than where their time is specifically incurred and can be identified in dealing with work undertaken on a specific engagement.

10 February 2017

FLDCANDY LIMITED (IN ADMINISTRATION)

THE ADMINISTRATORS' EXPENSES ESTIMATE FOR DEALING WITH MATTERS ARISING IN THE ADMINISTRATION

Below are the Administrators' estimated expenses in respect of category 1, direct expenses, and category 2 expenses, which will have an element of shared or allocated costs

The Administrators' estimate category 1 expenses for the period of the case is c £370

The Administrators' estimate category 2 expenses for the period of the case is nil

Expenses Category 1	Basis	Estimate of total
Nelsons Solicitors	Time-costs	150.00
Advertising	Fixed fee	146.00
Bordereau	Fixed fee	24.00
Storage Costs	Fixed fee	50.00
Total		370.00

Expenses Category 2	Basis	Estimate of total
Total		-

FIELD CANDY LIMITED - IN ADMINISTRATION

SUMMARY OF TIME SPENT IN THE PERIOD FROM 3 FEBRUARY 2017 TO 10 FEBRUARY 2017

CLASSIFICATION OF WORK FUNCTION	HOURS SPENT					TOTAL COSTS £	AVERAGE HOURLY RATE £
	Partners/ Directors	Manager	Other/Senior Professionals	Assistants & Support Staff	Total Hours		
Case Administration and Planning	4 70	12 50	-	4 60	21 80	4,250 10	194 96
Investigations	-	-	-	-	-	-	-
Realisation of Assets	-	-	-	-	-	-	-
Cashiering	0 20	-	-	1 50	1 70	192 30	113 12
Creditors	-	2 20	-	-	2 20	400 40	182 00
Total Hours	4 90	14 70	-	6 10	25 70		
Total Costs £	1,661 10	2,675 40	-	506 30		4,842 80	188 44

Note: These time costs are incorporated within the Joint Administrators fee estimate of £17,920 60

FILEDCANDY LIMITED (IN ADMINISTRATION)

APPENDIX 6

PROOF OF DEBT – FORM 4.25

**In the matter of FieldCandy Limited (In Administration)
and in the matter of The Insolvency Act 1986**

Date of Administration 3 February 2017

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

FLDCANDY LIMITED (IN ADMINISTRATION)

APPENDIX 7
ESTIMATED OUTCOME STATEMENT

FieldCandy Limited
(In Administration)
Joint Administrators' Estimated Outcome Statement
To 10/02/2017

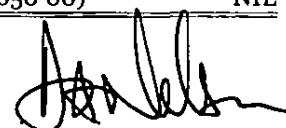
Statement of Affairs £		Realised / Paid	Projected	Total £
	SECURED ASSETS			
	Goodwill	1 00	NIL	1 00
	Customer Contracts	1 00	NIL	1 00
NIL	Intangible - Development Costs	500 00	NIL	500 00
NIL	Intangible - Computer Software	750 00	NIL	750 00
		1,252 00	NIL	1,252 00
	SECURED CREDITORS			
(92,439 00)	RBS Bank Plc	NIL	1,252 00	1,252 00
(39,562 00)	Mr John Ayton	NIL	NIL	NIL
		NIL	(1,252 00)	(1,252 00)
	HIRE PURCHASE			
24,000 00	Printer - Mimaki	NIL	NIL	NIL
(70,000 00)	Five Arrows Business Finance Ltd	NIL	NIL	NIL
19,400 00	Motor Vehicle - Range Rover	NIL	NIL	NIL
(26,714 00)	Paragon Car Finance	NIL	NIL	NIL
240 00	Primera	NIL	NIL	NIL
(1,440 00)	Kennet Equipment Leasing Ltd	NIL	NIL	NIL
		NIL	NIL	NIL
	ASSET REALISATIONS			
1,900 00	Plant & Machinery, Fixtures & Fitting	4,557 00	NIL	4,557 00
3,140 00	Stock	13,548 00	NIL	13,548 00
606 00	Book Debts	NIL	606 00	606 00
2,186 00	VAT Refund	NIL	NIL	NIL
1,540 00	Computer Equipment	3,693 00	NIL	3,693 00
		21,798 00	606 00	22,404 00
	COST OF REALISATIONS			
	Specific Bond	NIL	(24 00)	(24 00)
	Administrators Pre-Appointment Fees	NIL	(9,335 00)	(9,335 00)
	Solicitors Pre-Appointment Fees & disbs	NIL	(6,255 00)	(6,255 00)
	Agents Pre-Appointment Fees	NIL	(250 00)	(250 00)
	Administrators Fees	NIL	(6,179 00)	(6,179 00)
	Insolvency Notices	NIL	(15 00)	(15 00)
	Legal Fees	NIL	(150 00)	(150 00)
	Storage Costs	NIL	(50 00)	(50 00)
	Statutory Advertising	NIL	(146 00)	(146 00)
		NIL	(22,404 00)	(22,404 00)
	PREFERENTIAL CREDITORS			
(3,787 00)	Employee Arrears	NIL	NIL	NIL
		NIL	NIL	NIL
	UNSECURED CREDITORS			
(69,022 00)	Trade & Expense Creditors	NIL	NIL	NIL
(35,406 00)	HSBC Bank Plc	NIL	NIL	NIL
(25,741 00)	Directors Loan Account	NIL	NIL	NIL
(2,919 00)	HMRC- PAYE & NIC	NIL	NIL	NIL
(3,649 00)	HMRC- Corporation Tax	NIL	NIL	NIL
(40,000 00)	Shareholders Loans	NIL	NIL	NIL
(3,438 00)	Employee's Redundancy & Notice Pay	NIL	NIL	NIL

FieldCandy Limited
(In Administration)
Joint Administrators' Estimated Outcome Statement
To 10/02/2017

Statement of Affairs £		Realised / Paid	Projected	Total £
(2,222.00)	Employee's Arrears of Pay	NIL	NIL	NIL
		NIL	NIL	NIL
DISTRIBUTIONS				
(119,337 00)	Ordinary Shareholders	NIL	NIL	NIL
(270,000 00)	Ordinary A Shareholders	NIL	NIL	NIL
(417,170 00)	B Investment	NIL	NIL	NIL
		NIL	NIL	NIL
<u>(1,169,834 00)</u>		<u>23,050 00</u>	<u>(23,050 00)</u>	<u>NIL</u>

REPRESENTED BY

Solicitors Client Account	23,050 00	(23,050 00)	NIL
	<u>23,050 00</u>	<u>(23,050 00)</u>	<u>NIL</u>



Dean Nelson
Joint Administrator

Note: The amounts are
stated Net of VAT

FLDCANDY LIMITED (IN ADMINISTRATION)

APPENDIX 8

FORM 2.21B (NOTICE TO REQUEST A MEETING)

Rule 2.37

Creditor's request for a meeting

Name of Company

FieldCandy Limited

Company number

08326947

In the
High Court of Justice, Chancery Division,
Birmingham District

(full name of court)

Court case number
8025 of 2017(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)
FieldCandy LimitedSt Helen's House
King Street
Derby
DE1 3EE

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and
address(es) of creditors
concerning 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

FLDCANDY LIMITED (IN ADMINISTRATION)

APPENDIX 9

SIP16 JUSTIFICATION SUMMARY

FieldCandy Limited – In Administration (“Company”)

SIP 16 Pre-Packaged Administration Justification Summary

PRE-PACKAGED SALE

The Company's business and assets has been sold following a pre-packaged sale as a going concern. The primary function of an Administrator is to achieve one of the objectives set out in the Insolvency Act. In this case, the statutory purpose pursued is to 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 and to realise the Company's property in order to make a distribution to one or more secured or preferential creditors. This transaction enables the statutory purpose to be achieved and in my view the outcome achieved was the best available outcome for creditors as a whole in all the circumstances. I provide below an explanation and justification of why a pre-packaged sale was undertaken.

The Roles of the Insolvency Practitioners

Prior to commencement of the Administration, Smith Cooper acted as advisors to the Board of Directors in relation to the options available to the Company in light of its current financial position. For the avoidance of doubt, neither Smith Cooper nor its Insolvency Practitioners were engaged to advise the directors personally, or any parties connected with the purchaser, who was encouraged to take independent advice. At all times, prior to the Company entering Administration, the Board of Directors remained responsible for, and in control of the Company's affairs.

During this time, the Insolvency Practitioners of Smith Cooper took their own steps to prepare for their potential appointment as Joint Administrators. At this point, there were clear advantages in looking to sell the Company's business and assets swiftly on appointment, as this strategy would significantly reduce the ongoing costs of securing and maintaining the business and assets, and it would avoid the substantial risks that the value and continued viability of the business and its assets would deteriorate, due to the lack of available working capital to fund trade, and the commencement of a formal insolvency regime.

Therefore, the Insolvency Practitioners, with the assistance of professional and independent agents, considered the most effective method of securing a sale representing the best outcome for creditors as a whole. This resulted in them negotiating with parties interested in acquiring the business and assets of the Company as a going concern, to a point whereby a sale could be concluded shortly after the Administration had commenced.

Immediately on their appointment, the Joint Administrators, as officers of the Court and as agents of the Company, took control from the Board in respect of the responsibilities for managing the affairs, business and property of the Company. In the interests of the creditors as a whole, and mindful of the need to achieve a statutory purpose of an Administration, they concluded the sale.

Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. The Joint Administrators observed the Code in all their activities both prior to, and after their appointment.

Initial Introductions

The Company's directors were referred to Smith Cooper by Hubaco Limited on 19 January 2017, who had previously had an involvement with the Company and its directors through the trade and as a supplier. Smith Cooper was engaged to help advise on the options available to the Company, in light of its current financial position, as it was deemed to be insolvent.

For the record, Hubaco Limited is also an audit client of Smith Cooper.

Pre-appointment Matters

In addition to advising on the Company's options, our advice covered marketing the business and also involved negotiating and agreeing the contract to be completed following the Joint Administrators' appointment

The fee agreed with the Board of Directors in the engagement letter, in respect of my pre-appointment advice, was at the time costs properly incurred by staff at Smith Cooper's standard charge out rates and estimated to be in the sum of £7,500 plus VAT. The sum of £3,000 plus VAT has been received and paid by the Company on account of these pre-appointment fees, and the Joint Administrators intend to seek to have the balance of these fees being £9,335 approved and paid from the insolvent estate in due course, subject to approval of the secured and / or preferential creditors

A signed engagement letter was received from the directors of the Company on 19 January 2017, setting out the scope of the assignment, and anticipated costs to be incurred in the pre appointment period by the Insolvency Practitioners, lawyers and valuation agents

The Company traded as a designers and manufactures of stylish and unique outdoor products, such as tents from 9 Prospect House, Colliery Close, Staveley, S43 3QE

The directors advised that the Company had become insolvent due to the following factors -

The Company was formed by John Harris and Rhona Carr in December 2011 with the intention of creating a modest income from a lifestyle business for the founders

Turnover in the first years trading to December 2012 was c £145k, and the business was run from the founder's home office and all responsibility for the running of the business was undertaken by the two founder directors

The Company's emphasis was to create a brand selling online via a commerce website. The products were designed to bring a much needed breath of fresh air to the rather old fashioned outdoor market

The Company was ambitious and in 2012 entered a competition - Walpole Brand of tomorrow. This was a prestigious award that was given to brands that were up and coming, and deemed to be the cream of the crop of new luxury brands. The Company won one of the seven awards that year, and the prize was a mentor for one year (John Ayton), and free legal advice by Mischoon de Reya, Solicitors

Turnover grew in 2013 to c £217k but it was clear that in order to fund a challenging stock model, and invest in marketing, that external investment would need to be sought. At this point the founders had invested c £300k into the brand development and initial trading. The founders had no further funds to invest, and were not taking any remuneration from the business

In May 2013, the Company took in the first tranche of external investment from John Ayton of £50k who at that point became Chairman but not an appointed director. Further rounds of investment came in later in 2013 from various investors invited by the Chairman, then again follow-on investments were made in early and late 2014. Additional further funds were reclaimed back into the business via Corporation Tax credits, as the Company completed several innovative R & D projects

A fairly aggressive plan was put in place to grow the brand over the period from May 2013, with an exit planned in 4 years. The advice given was to move from a wholesale to retail model, and self-manufacture to achieve the required margins. This plan included the purchase of a wide format digital printer, and employing sewing machinists. At that time, the Company moved to its first rented premises, hired, sales, production marketing and web staff

Sadly sales did match up to expectations, and growth of the business was slow, with turnover in 2014 amounting to c £235k. However the strategy was endorsed by the shareholder advisory board and deemed to be the way forward, despite the concerns of the Financial Director. Turnover was not growing significantly, however overheads had risen to c £30k per month resulting in a significant cash burn.

In June 2015, a plan was formulated with the encouragement of the shareholder advisory board to effect a further fund raise via Crowd Funding, resulting in an extremely successful raise £360k net of costs, being completed in August 2015. However the cash burn by this time was so significant, that it was clear to the two directors that this was not sufficient for the Company and they expressed concerns towards the end of 2015 about the high growth strategy. Whilst turnover had grown in 2015 to c £351k, this was against admin costs alone of c £383k.

The directors therefore decided that radical changes needed to be made to secure the future of the business. A cost cutting exercise saw overheads drop over the course of 2016, ending the year at less than £10k per month. Web sales only were targeted, as retail price was significantly reduced at the end of the first quarter of that year. The reduced pricing strategy increased the number of orders, but lower turnover, resulted in a higher workload, with less resource available and lower GP. Turnover in 2016 for the full year was c £290k.

Despite this radical cost cutting, and injection of R & D credits, it became an untenable situation, where further support from RBS was deemed doubtful, and a shareholder debenture holder was demanding payment of the balance of a temporary loan. Further support from the shareholders in general also looked unlikely. The directors had therefore run out of steam, physically, mentally and most importantly financially.

It is worth noting that neither of the two directors took any form of remuneration from the business in the course of 5 years. The only drawings were made against an interest free directors' loan, which had accrued at the outset relating to set up costs.

It was for this reason, despite the fact that web / market plan and B2B sales were encouraging in 2016 and the signs for 2017 were good, that the directors sought the advice of an Insolvency Practitioner. On 19 January 2017, the directors met with Dean Nelson, Insolvency Practitioner at Smith Cooper, with a view to obtaining advice on the Company's current financial position and options available to the board.

The Company granted the following security

<u>Type of security</u>	<u>Name of charge-holder</u>	<u>Date of creation of security</u>
Debenture	The Royal Bank of Scotland Plc	11 April 2014
Debenture	Mr John Ayton	23 April 2015

By mid-2016, it had become apparent that the Company required funding above the level available to it by its Bank, which was in hard core overdraft, and neither the Company nor its investors were in a position to advance the necessary funding in order to facilitate continued trading.

It was clear from a review of the Company's short term cash-flow forecast that there would be insufficient working capital available to allow the Company to continue to trade in the short to medium term in order for a purchaser to be found. Furthermore, in January 2017, the Board of Directors approached the Company's shareholders to see whether any further support would be forthcoming to avoid the need to seek independent advice from Insolvency Practitioners.

As a result of the above, and due to the Company's precarious financial position and paucity of cash, the options listed below were considered with the directors.

Continuing to trade outside insolvency

The Company had exhausted its available cash resources and its cash constraints were impacting on its ability to continue trading

The Company's shareholders and Bank confirmed that they were not able to provide the level of additional funding necessary to support the Company's ongoing trade, and therefore this option was not viable

Company Voluntary Arrangement ("CVA")

Although a CVA would have given the Company some immediate relief from creditor pressure, without securing additional funding, the directors were not confident that the Company would be successful in trading through its current difficulties, and notwithstanding reducing the Company's overhead structure, the lack of clarity concerning the volume of sales rendered this process unviable

Liquidation

The possibility of placing the Company into Liquidation was considered. However it was decided that this was not the best course of action to take, as Liquidation would mean that all employees would be made redundant leading to an increase in the level of creditors. There would also have been no realisation for goodwill and the overall asset realisations would have been greatly affected by the cessation of the Company and forced sale auction of its assets

Pre-packaged Administration Sale

There was insufficient working capital, and no prospect of obtaining new funding, to allow medium-term trading to continue in order that the business and its assets could be exposed thoroughly to the market. The benefits of achieving a pre-packaged sale related to the transfer of the employees, an orderly repatriation of the business to the purchasers premises and the absence of a break in supply of goods and services, which would enable a value to be achieved for goodwill

The Joint Administrators' Options on Appointment

Immediately prior to appointment, the proposed Joint Administrators had considered whether the first Administration purpose might be achieved by continuing to trade the business within Administration in order that a proposal for a CVA might be put to creditors. However, it was considered that trading the business during the Administration could not continue, as the Company had insufficient finance in order to do so and it was not clear that the business would trade profitably. For these reasons also, the Joint Administrators considered it would not be in the interests of creditors as a whole to continue to trade the business in Administration in the short term with a view to exploring whether the existing offer for the purchase of the business and assets could be improved upon

The Company's secured creditors, RBS and Mr Ayton, were contacted and the Company's circumstances and proposed strategy was explained. The creditors did not raise any specific objections to the proposed pre-pack strategy

To my knowledge, the business and assets sold were not previously purchased from an insolvent company

Marketing of the Business and Assets

The directors were asked to provide information on any parties, of which they were aware, or might possibly be interested in purchasing the business and assets of the Company as a going concern

The directors were asked to advise of any marketing conducted by the Company prior to approaching Smith Cooper for advice, and we were advised that none had been undertaken by the Company. We were advised that the Company had been negotiating with Terra Nova Limited prior to our involvement.

Smith Cooper was then instructed to assist with the marketing of the Company's business and assets as a going concern to try and maximise asset realisations for the benefit of creditors in the estate.

The Marketing Strategy

It was agreed with the Company that the marketing and media coverage would include marketing the business as widely as possible, which involved advertising on Deal Opportunities Limited website, which specifically markets solvent and insolvent businesses for sale, as well as undertaking a FAME search of similar business with the same SIC code. This resulted in 1639 parties being identified in the same and or similar business to that of the Company.

Marketing was undertaken for a period of 5 days because of the limited working capital to fund continued trading, and due to the impending wages payment to employees. I was satisfied that this length of marketing achieved the best available outcome for creditors as a whole in all the circumstances.

The reasons for the marketing and media strategy adopted was to generate as much interest as practically possible, in the short timescales available, in the Company's business and assets, whilst being mindful of the need to protect the goodwill of the Company.

The marketing led to 8 parties expressing an interest, and after receiving duly signed non-disclosure agreements, a detailed sales memorandum was issued giving substantial information to enable offers to be submitted. However, despite this level of interest, only one firm offer was received from Terra Nova Limited in the sum of c £28k, and my agents advised to accept the offer as this exceeded their going concern valuation of c £21k and forced sale value, in a Liquidation scenario of c £7k, together with avoiding their costs of holding and realisation.

The marketing strategy has achieved the best available outcome for creditors as a whole in all the circumstances because of the number of parties circulated, expressions of interest received, and an ultimate offer being received that resulted in the business and assets being sold as a going concern and exceeding my agents going concern and forced sale valuations.

Valuation of the Assets

John Pye & Sons, agents and valuers of Nottingham, were instructed on 19 January 2017 to value the assets of the Company. They confirmed their independence, are qualified by RICS, and have adequate professional indemnity insurance.

Their valuation was received on 25 January 2017 and is detailed below -

	Forced Sale £	Going Concern £	Actual Sale Price £
Assets Specifically Pledged			
Goodwill	-	-	1
Customer Contracts	-	-	1
Intangible Assets – Development Costs	-	-	500
Intangible Assets – Computer Software	-	-	750
Assets Not Specifically Pledged			
Stock	3,140	14,600	13,548
Plant and Machinery, Fixtures and Fittings	1,900	3,330	8,250
Computer Equipment	1,540	2,695	Inc in above

Total**6,580****20,625****23,050**

Goodwill has not been valued as the Company is clearly insolvent, and as such, any value attributed to this category is totally dependent on the purchaser's valuation / perceived worth

A going concern valuation reflects the estimated amount for which the assets could be sold as a whole in their working place(s) The forced sale basis reflects a sale whereby the assets are removed from the premises at the expense of the purchaser

The Joint Administrators considered the bases of the valuations appropriate, as they were able to consider offers with the objective of selling the business and assets as a going concern, but it was also necessary to understand what the assets might realise in the event that sale negotiations deteriorated and a forced sale of the assets became a real possibility

The initial offer received from the purchaser was £5k more than the actual sale price shown in the table above This is due to one of the fixed charge creditors, Mr Ayton refusing to provide his deeds of release in respect of the fixed charge assets, without some recompense Therefore, following lengthy discussions and negotiations with Mr Ayton, the purchaser agreed directly to pay him £7.5k to provide his release, on the proviso that, their offer for the business and assets of the Company, subject to contract, be reduced by £5k

The reduced offer of £23,050 still compares favourably with the above valuation, and agents recommended that it should be duly accepted

The Transaction***The purchaser and related parties***

A sale of the business and assets as a going concern was completed on 3 February 2017 with Terra Nova Limited

There is no connection between the purchaser and the directors, shareholders or secured creditors of the insolvent Company or their associates

One of the directors of the Company, John Harris, is to be employed by the Company in a design role, but will take no active part, I am informed, in the promotion, formation or management of the new entity

The transaction is between the insolvent Company and Terra Nova Limited only and does not impact on any related companies

The former directors have both given guarantees for amounts due from the insolvent Company to a prior financier, RBS, and to my knowledge that financier is not financing the new business

The assets

The Sale included the assets listed below and was completed by means of a sale and purchase agreement prepared and negotiated between solicitors

The sale consideration

The sale consideration totalled £23,050 and was paid in full on completion and allocated to the following asset categories -

	£
Goodwill (fixed charge)	1
Customer Contracts (fixed charge)	1
Intangible Assets – Development Costs (fixed charge)	500
Intangible Assets – Computer Software (fixed charge)	750
Stock (floating charge)	13,548
Plant and Machinery, Fixtures and Fittings (floating charge)	8,250
Computer Equipment (floating charge)	<u>Inc in above</u>
Total	<u>23,050</u>

The validity of the charges has yet to be verified, however the allocation above has been reached by reference to the charge documents and is in consultation with agents

Any book debts, cash at bank or apportionments / pre payments were excluded from the sale
There were 4 employees who were transferred as part of the sale

There were no options, buy-back arrangements or similar conditions attached to the contract of sale

The sale is not part of a wider transaction

Connected Party Transactions

As the sale did not involve a connected party, (as defined by the Insolvency Act), the pre-pack pool was not approached to consider the transaction, and a viability review has not been prepared

FLDCANDY LIMITED (IN ADMINISTRATION)

APPENDIX 10

CREDITORS QUESTIONNAIRE

Questionnaire Re: FieldCandy Limited - In Administration

of, 11 Prospect House
Colliery Close
Staveley
Chesterfield
S43 3QE

Creditor's name	
Address	
Estimated claim	£
What was the authorised Credit limit?	£
Was any security, guarantee or assurance given to you in respect of ongoing trade?	
When did you first encounter delays in obtaining payment of your account, and do you have any evidence?	
Please provide details of any legal proceedings you took to recover your debts	
Please supply details of any cheques which were not honoured, including amounts and dates	
If there is any other information you wish to supply, or issues you consider should be reviewed, please provide brief details on the reverse of this form	
Date	
Signature	
Name	
Position	
Please return the completed form to: Emily Oliver	

FIELD CANDY LIMITED (IN ADMINISTRATION)

APPENDIX 11

FORM 2.12B (NOTICE OF ADMINISTRATORS APPOINTMENT)

Notice of administrator's appointment

Name of Company FieldCandy Limited	Company number 08326947
In the High Court of Justice, Chancery Division, Birmingham, District Registry	Court case number of 8025 of 2017

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

We

Dean Nelson

Nicholas Lee

Smith Cooper

Smith Cooper

St Helen's House

158 Edmund Street

King Street

Birmingham

Derby

West Midlands

DE1 3EE

B3 2HB

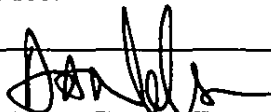
*delete as applicable

give notice that we were appointed as Administrators of the above company on

(b) Insert date

3 February 2017

Signed



Dated

10/2/2017

Joint Administrators (IP No's 9443 & 9069)

Contact Details:

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

Dean Nelson
St Helens House
King Street
Derby
DE1 3EE

Tel

DX Number

DX Exchange

Companies House receipt date barcode

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

FLDCANDY LIMITED (IN ADMINISTRATION)

APPENDIX 12

FORM 2.17B (STATEMENT OF ADMINISTRATOR'S PROPOSALS)

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company FieldCandy Limited	Company number 08326947
In the High Court of Justice, Chancery Division Birmingham District Registry	Court case number of 8025 of 2017

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

We Dean Anthony Nelson and Nicholas Charles Osborne Lee of Smith Cooper, St Helen's House, King Street, Derby DE1 3EE attach a copy of our proposals in respect of the administration of the above company

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

10 February 2017

*Delete as applicable

Signed 
Joint Administrators

Dated 10/2/2017

(b) Insert date

act Details:

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

Dean Nelson
St Helens House King Street Derby DE1 3EE

Tel

DX Number

DX Exchange

Companies House receipt date barcode

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

FIELD CANDY LIMITED (IN ADMINISTRATION)

APPENDIX 13

SMITH COOPERS FEES AND DISBURSEMENTS POLICY



Derby | St Helen's House | King Street | Derby | DE1 3EE | 01332 332021
Nottingham | 2 Lace Market Square | Nottingham | NG1 1PB | 0115 945 4300
Birmingham | 158 Edmund Street | Birmingham | B3 2HB | 0121 236 6789
Ashbourne | 54 St John Street | Ashbourne | DE6 1GH | 01335 343 141
Buxton | 2a Grove Parade | Buxton | SK17 6AJ | 01298 24536
Telford | M54 Space Centre | Halesfield Business Park | Halesfield 8 | Telford | TF7 4QN | 01952 601052

INFORMATION FOR CREDITORS IN RELATION TO FEES AND DISBURSEMENTS

INFORMATION RELEVANT AT 17 APRIL 2015

W	smithcooper.co.uk
F	0121 285 1480
VAT	123354934

General information to creditors regarding insolvency matters

Creditors wishing to understand or find out more information in relation to this or any other type of insolvency process may visit the website

<http://www.creditorinsolvencyguide.co.uk/>

This website is a step-by-step guide designed to help creditors navigate their way through an insolvency process and has been produced by R3, the UK insolvency trade body

A creditors' guide to the fees payable in an insolvency process and the process an insolvency practitioner is required to adopt for seeking approval of his or her fees may be acquired from the following website

<https://www.r3.org.uk/what-we-do/publications/professional/fees>

If any party is unable to obtain a copy of either of the above guides, please contact the individual referred to below who will furnish you with a copy, free of charge

- Contact – Beth Naqwi
- Telephone – 01332 332021
- Email – beth.naqwi@smithcooper.co.uk
- Post – Beth Naqwi, Smith Cooper, St Helen's House, King Street, Derby, DE1 3EE

Sent from Smith Cooper, 158 Edmund Street, Birmingham B3 2HB

Smith Cooper is the trading name of SC Advisory Services Limited, a company registered in England
Registered number 7678255
Registered Office St Helen's House, King Street, Derby DE1 3EE
A list of directors is available for inspection at the above address

Dean Anthony Nelson and Nicholas Charles Osborn Lee are licensed in the UK as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales. Furthermore, they are both bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. When acting as Receiver, Administrative Receiver or Administrator they act as agent only, without personal liability and when acting as Administrator, the affairs, business and property of the company are being managed by them.

Regulated by the Institute of Chartered Accountants in England & Wales for a range of investment business and consumer credit activities.



Information specific to Smith Cooper

Grade	Charge out rate (£ per hour)
Partner	339
Director	243
Manager	182
Assistant Manager	182
Senior Insolvency Administrator	154
Administrator	122
Junior Administrator	83
Cashier	83
Other	58
Time costs are calculated using 6 minute units	

The Office Holder does not recover the costs of support staff other than where their time is specifically incurred and can be identified in dealing with work undertaken on a specific engagement

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1, being expenses directly referable to a third party, eg statutory advertising, external meeting room hire, specific bond insurance and courier costs, external archive, storage and subsequent destruction and Company Search fees, or Category 2, being expenses incurred by the firm and recharged to the estate, which may include a profit element, eg postage, stationery and storage

Category 1 disbursements are recoverable in full from the estate without the prior approval of creditors. Category 2 disbursements are recoverable in full from the estate, subject to the basis of the disbursement allocation being approved by creditors in advance.

Category 2 disbursements are proposed to be recovered as follows -

Postage	Charged at actual cost (first class)
Photocopying	Recharged at 17p per sheet
Storage	Charged at cost
Room Hire	£50 per meeting held Smith Cooper offices
Archiving case files & closure	Recharged at £42.70 per box
Archiving records & closure	Recharged at £9.55 per box
Mileage	45p per mile