

AM03

Notice of administrator's proposals



Companies House

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20/04/2019
COMPANIES HOUSE

1 Company details

Company number 08489878

Company name in full Labrador Ltd

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Joseph Walter

Surname Colley

3 Administrator's address

Building name/number 66

Street Prescott Street

Post town

County/Region London

Postcode E18NN

Country United Kingdom

4 Administrator's name ①

Full forename(s) John Anthony

Surname Dickinson

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 66

Street Prescott Street

Post town

County/Region London

Postcode E18NN

Country United Kingdom

② Other administrator
Use this section to tell us about
another administrator.

AM03

Notice of Administrator's Proposals

6 Statement of proposals



I attach a copy of the statement of proposals

7 Sign and date

Administrator's
Signature

Signature



J. Colley



Signature date

^d1^d7

^m0^m4

^y2^y0^y1^y9

AM03 Notice of Administrator's Proposals



Presenter information

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

Contact name Danielle Bennett

Company name Carter Backer Winter LLP

Address 66 Prescott Street

Post town

County/Region London

Postcode E 1 8 N N

Country United Kingdom

DX

Telephone 020 7309 3800



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- ☐ You have attached the required documents.
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JOINT ADMINISTRATORS' REPORT AND PROPOSALS

**LABRADOR LTD - IN ADMINISTRATION
IN THE HIGH COURT OF JUSTICE NO. 002099 OF 2019**

17 April 2019

Carter Backer Winter LLP
66 Prescott Street
London
E1 8NN

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the action you should take you should consult your solicitor, accountant or other professional advisor immediately.

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ABBREVIATIONS

The following abbreviations are used throughout this Report and are summarised below:

Act	The Insolvency Act 1986 & Insolvency Rules 1986 (as amended)
Asset Sale Agreement	The sale of certain Company's business and certain assets on 5 April 2019 for £200,000, exclusive of any VAT.
Axia	Axia Valuation Services Limited of 23 Tallon Road, Brentwood, CM13 1TE
Bank	Barclays Bank Plc of 298 Mare Street, London, E8 1HF
CBW	Carter Backer Winter LLP of 66 Prescott Street, London, E1 8NN
CBW-CF	Corporate Finance Department of CBW
CBW Rates Policy	Summary of CBW's current charge out rates and time units used for this type of work
CEO	Chief Executive Officer
Company	Labrador Ltd, Company Registration Number: 08489878
Court	High Court of Justice, Companies Court, Chancery Division
Court Reference	002099 of 2019
CSO	Chief Strategic Officer
Directors	Clive Beharrell (non-exec), Stephen Beynon (non-exec), Neil Brettell, Aris Karcianas (non-exec), Jane Lucy, Joseph Mangion (non-exec) and Eric Wilkinson (non-exec)
EvolveIS	Evolve Insolvency Services of Aston house, 5 Aston Road North, Birmingham, B6 4DS
Fees Estimate	A detailed summary of the work intended to be undertaken during the Administration and the estimated associated costs.
Green/The Purchaser	Green Running Limited T/as Verv Energy, Company Registration Number: 07179872
Hambro	Hambro Perks of 8 Greencoat Place, London SW1P 1PL
HMRC	HM Revenue & Customs
Joint Administrators	Joseph Walter Colley and John Anthony Dickinson of CBW
KPMG	KPMG LLP of Small Business Accounting, 15 Canada Square, Canary Wharf, London, E14 5GL
NDA	Non-Disclosure Confidentiality Agreement
NOA	Notice of Appointment of Administrator
Prescribed Part	Provisions of the insolvency legislation that requires an Administrator to set aside a percentage of a Company's assets for the benefit of the non-preferential unsecured creditors in cases where the Company gave a

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"floating charge" over its assets to a lender on or after 15 September 2003.

Regus	Regus Centre Central of Boulevard, Blythe, Valley business Park, Solihull, B90 8AG
RPS	Redundancy Payment Services
Shareholders	The list of shareholders is attached at Appendix 2, including Ordinary A & B Shareholders
SIP 9	Statement of Insolvency Practice 9
SIP 9 Analysis	Summary of the time and costs incurred by the Joint Administrators and their staff
SOA	Statement of Affairs
TDM	Total Data Management Limited of Suite G41, Jubilee House, 3 The Drive, Great Warley, Brentwood, Essex, CM13 3FR
Trading Premises	8 Greencoat Place, London, SW1P 1PL and Birmingham Blythe Valley Business Park, Central Boulevard, Blythe Valley Business Park, Solihull, Birmingham, B90 8AG
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
TV	Taylor Vinters LLP of Merlin Place, Milton Road, Milton, Cambridge, CB4 0DP
WIP	Work in Progress

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1. INTRODUCTION

- 1.1. Joseph Walter Colley and John Anthony Dickinson of CBW were appointed Joint Administrators of the Company, on 25 March 2019.
- 1.2. The appointment of the Joint Administrators was made by the Directors, pursuant to Paragraph 22 of Schedule B1 to the Act, having filed a NOA in the Court.
- 1.3. Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Joint Administrators acting jointly or alone
- 1.4. Within eight weeks of their appointment, the Joint Administrators are required to deliver to the Company's members and creditors and file with the Registrar of Companies, their report detailing certain statutory information, the circumstances leading up to the appointment, the steps taken by them to date and their statutory proposals of how they intend to achieve the purpose of the administration. This report is deemed to have been delivered on 17 April 2019.

2. STATUTORY INFORMATION

- 2.1. The key statutory information of the Company and details of the Directors are attached at **Appendix 1**.

Directors and Shareholders

- 2.2. Ms Lucy was the founder of the Company and appointed as CEO until 26 November 2018, when Mr Brettell was appointed CEO. Ms Lucy however retained her position on the Board of Directors as the Company's CSO and Company Secretary.
- 2.3. Mr Brettell was appointed CEO to develop and execute a sustainable growth strategy.
- 2.4. Mr Mangion, a non-executive director and Chairman of the Company, was involved with providing day to day support to the CEO, formulating strategic objectives, raising capital, negotiating key arrangements and overseeing the financial administrative side of the business.
- 2.5. The remaining directors, apart from Ms Lucy and Mr Brettell are all non-executive directors and did not participate in the day-to-day running of the Company. Other than the Directors the Company employed twelve employees. One resigned shortly prior to, and one after the Administration.
- 2.6. There are 495 shareholders with authorised share capital consisting of 29,237,986 holding A Ordinary shares of £0.0001 each, which have been issued and fully paid, and 694,780 of B investments shares of £0.0001, which convey no voting rights, of which all have been issued and fully paid up. A list of the Company's shareholders (to include A & B shareholders) are attached at **Appendix 2**.

3. BACKGROUND

Trading History

- 3.1. The Company was established in April 2013 and traded as a free-to-use domestic energy switching business that monitors the UK energy market and, when a better deal is found, customers are automatically switched.
- 3.2. The Company, being a leader in the energy switching service, raised funds of approximately £3 million and developed a sophisticated proprietary technology platform, which provided users with a quick hassle-free, sign up journey.

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- 3.3. The Company was the first and only price comparison/auto-switching service to leverage smart meter technology to build a data platform, via an in-home device that easily connects to the Customer's Smart meter and to track energy use.
- 3.4. The Company had been designing the model and building the platform since October 2016 and built a strong team with vast levels of experience across energy, technology, BC2 (Back-Current Circuit), price comparison and data analysis. The device itself that is used by the Company differs from a number of its larger competitors, such as, comparethemarket.com, who will only provide a customer with the more affordable tariff, rather than undertake the switching service. Nevertheless, the auto switching sector is an increasingly competitive marketplace with some big players, including U Switch, Experian, We-Flip and Migrate, to name but a few.
- 3.5. The Company traded from serviced offices at the Trading Premises under a license agreement granted by Hambros. In addition to the principal trading premises, the Company's customer service team operated from serviced offices at Regus in Solihull, Birmingham.
- 3.6. The Company was initially funded by way of an allotment of shares resulting in creation of Ordinary A & B Shares, equating to share capital of £80,902, by the submission of the first Annual Return to the Registrar of Companies on 11 April 2014, a year after incorporation. Following this the Company routinely allocated new shares to new investors as and when further funding was required.
- 3.7. The Company retained a customer database and there were 10,000 customers who signed up, of which approximately 5,000 had fully completed accounts.

Review of Past Trading Results

- 3.8. A summary of the Company's recent trading performance is show below.

	Management Accounts	Statutory Accounts	Statutory Accounts
	1 November 2018 to 28 February 2019	1 November 2016 to 31 October 2017	1 November 2015 to 31 October 2016
	£	£	£
Turnover	33,986	57	500
Administrative expenses	(597,649)	(677,321)	(124,168)
Net Profit/ (Loss)	(563,663)	(677,264)	(123,668)
Tax credit	-	60,062	4,909
Net Profit (Loss) after tax	-	(617,202)	(118,759)

- 3.9. Please note that administrative expenses detailed above are the balance of the Company's cost of sales, administrative expenses and other income.
- 3.10. The financial statutory accounts for the years ending 31 October 2016 and 31 October 2017 have not been verified by independent auditors.

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- 3.11. The management information relating to the Company's financial position for the period 1 November 2018 to 28 February 2019 provided by the Directors has not been independently verified and therefore may not reflect the Company's true trading position.

4. CIRCUMSTANCES LEADING TO ADMINISTRATION

- 4.1. The key factors indicating the Company's solvency position was that the Company had overheads that had substantially increased from 2015 through to the annual accounts for the year ending 31 October 2017. This was also evidenced in the Company's management accounts, whereby administrative expenses of £227,281 had been incurred in February 2019 alone equating to 38% of the administrative expenses in the year to date (£597,649). When compared to the most recent statutory accounts ending 31 October 2017, whereby administrative expenses totalled £677,321, it suggests that should the Company have continued trading the year end expenses would have been exponentially higher. Without additional funding the Company would become insolvent on the basis that it would not be able to pay its debts, as and when they fell due.
- 4.2. Due to the Company being a start-up, it was difficult to predict when the first significant revenue would appear as such budgets and targets were revised on an ongoing basis. Supporting this, first revenues were achieved in September 2018, despite the Company having been incorporated five years beforehand. The Company also held several board meetings to discuss and record these revisions.
- 4.3. As a result, due to the rise in overheads, and in an attempt to alleviate cash flow problems, the Company obtained an unsecured convertible loan in March 2017, totalling £63,000.
- 4.4. The Company first started to experience financial difficulties in January and February 2019 when the Board was in discussions with certain key investors to secure commitments to provide funding of the business plan. This would have enabled the Company to launch a fund raising programme that was aimed at existing and potentially new investors.
- 4.5. At the end of February 2019, it became evident that such support was unlikely, nonetheless, a general letter of request for additional funding was issued to all shareholders, on 1 March 2019. By 4 March 2019, it was clear that there was no reasonable prospect of securing the necessary funding to continue trading. Without additional funding provided by the pre-existing shareholders, the Company would have had no means of trading due to a severe lack of cash.
- 4.6. The Company became subject to increasing creditor pressure and on 20 March 2019, the Company received notice of insolvency proceedings from a creditor, in the sum of £12,749, threatening to commence proceedings to issue a winding up petition, should the amount not be discharged in full within seven days.
- 4.7. On 25 March 2019, a second creditor threatened to issue a statutory demand against the Company in respect of an outstanding amount of £33,984. Since the Company had no protection by way of a moratorium, the Company had no option but to proceed with making the necessary application to place the Company into Administration.
- 4.8. The Company was placed into Administration on 25 March 2019, notwithstanding this, the Company continued to trade for a short period following, under the control of the Joint Administrators, in order to facilitate a business asset sale, which completed on 5 April 2019.

Reasons for Failure

- 4.9. In summary, the Directors attribute the failure of the Company to:
- Insufficient ability to attract investment at a time when it became vital for an injection of funds as the investors had lost confidence in the Company and were not willing to supply the additional working capital required.

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- Increasing pressure from creditors, since the Company had very few liquid assets available, significant arrears to creditors continued to rise.

Professional Advice

- 4.10. In February 2019, the Directors consulted the Company's solicitors TV and the Directors acknowledged that the Company was now unlikely to avoid an insolvency process and sought advice from CBW to consider the options available to them.
- 4.11. On 12 February 2019 CBW were engaged by the Company in an advisory capacity to advise the Board on the best options available to Company; and the most appropriate course of action to take in the circumstances. CBW-CF approached a number of parties to seek investment from independent third parties.
- 4.12. CBW-CF were further instructed to market the business discreetly amongst prospective buyers and to the extent that a dual funding strategy was feasible, to assist with investor introduction on a non-exclusive basis. Unfortunately, there was no interest from any current or potentially new investors. At a meeting of the Board of Directors held on 27 February 2019 it was resolved that the Company was insolvent and that the Directors should place the Company into Administration
- 4.13. On 13 March 2019, CBW's instructions were updated to act as advisors to the Board and after due consideration, it was agreed and accepted by the Directors that the most responsible route was to place the Company into Administration. During this period of engagement, no advice was given to the individual Directors regarding the impact of the insolvency of the Company on their personal financial affairs. Whilst not formally in office at that time, CBW was still required to act in its dealings with the Company in accordance with the Insolvency Code of Ethics.
- 4.14. The NOA by the Directors was filed in Court and at 10:41am, on 25 March 2019, the Company was placed into Administration and was immediately afforded statutory protection by way of a moratorium.
- 4.15. The Joint Administrators were therefore appointed on 25 March 2019 and took over from the Board of Directors' responsibility for the management of the affairs, business and property of the Company. Mr Colley has been the Joint Administrator primarily involved in dealing with the Administration since the appointment.

5. PURPOSE OF THE ADMINISTRATION AND THE JOINT ADMINISTRATORS' STRATEGY TO ACHIEVE THEM

- 5.1. The Joint Administrators are officers of the Court, and therefore must perform their duties in the interests of the creditors as a whole in order to achieve the purpose of the Administration. As set out in Paragraph 3(1) of Schedule B1 to the Act, the purpose of Administration is to achieve one of the following hierarchical objectives, which are to:
 - (a) rescue the company as a going concern, or;
 - (b) achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration), or;
 - (c) realise property in order to make a distribution to one or more secured or preferential creditors.

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- 5.2. The Joint Administrators believed that objective (a) could not be achieved as the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement was not appropriate. As a result the Joint Administrators are seeking to achieve objective (b) for the Company and have been successful in achieving a greater realisation having traded on in Administration, albeit for a short period, in order to sell the business and assets. The sale of the business and its assets is greater than would have been possible in Liquidation.
- 5.3. The Joint Administrators shall do all such things and generally exercise all of the powers as contained in the insolvency legislation or as otherwise provided by statute, as they, in their sole and absolute discretion, consider desirable or expedient to achieve the statutory purpose of the Administration.
- 5.4. The insolvency legislation has set a 12-month maximum duration for Administration, unless the duration is extended by the Court or the Company's creditors. If the Joint Administrators are unable to complete the Administration of the Company within 12 months they will either apply to the Court or seek approval from creditors to extend the duration of the Administration.

6. MATTERS DEALT WITH SINCE THE JOINT ADMINISTRATORS' APPOINTMENT

Pre-Appointment Strategy

- 6.1. Following the Directors' decision to proceed with an administration, the Directors, Axia and CBW-CF, were attempting to secure a sale to a potential purchaser to rescue the business as a going concern, via a Pre-Pack sale which would not have been possible if the Company had been placed straight into Liquidation. However, the proposed purchaser withdrew their offer shortly after the Administration. Subsequently, the Joint Administrators decided to trade on whilst searching for a new purchaser.
- 6.2. As stated, CBW-CF were instructed to assist in raising finance for the Company. This instruction then developed into marketing the Company to find a potential purchaser rather than investors.
- 6.3. Having considered the extent of their prior involvement with the Directors in the light of the Insolvency Code of Ethics the Insolvency Practitioners of CBW consider that the threats to their objectivity identified as a result of the prior involvement was not at a significant level such that they would not be able to act objectively as Joint Administrators of the Company.
- 6.4. Prior to Administration, the proposed Joint Administrators held discussions with the Directors to consider if it was feasible to trade the Company on in Administration. After due consideration, it was acknowledged and agreed that it would be possible to trade the Company in Administration for a short period whilst negotiations were ongoing to secure a sale, and in turn achieve a greater realisation than would be likely in a Liquidation process. It was therefore considered and deemed more appropriate that an immediate sale through an Administration process would allow all or part of the business to be saved as a going concern.
- 6.5. There was an underlying viable business and assets that could potentially be sold as a going concern sale. These included the Company's intellectual property, including the Company's website and domain name, the database and the proprietary software. The Company's on-going client contracts and the benefit of having a knowledgeable team of staff would also be attractive to potential purchasers.
- 6.6. This type of sale is commonly known as a pre-packaged sale, which is defined as an arrangement under which the sale of all, or part of a Company's business or assets is negotiated with a purchaser prior to the appointment of a Joint Administrator and the sale is executed immediately on, or shortly after the Joint Administrators' appointment.

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- 6.7. Following the discussions with the Directors and their confirmed instructions, the proposed Joint Administrators instructed Axia, a firm of valuers, specialists in asset acquisition and distressed asset sales to discuss the initial marketing of the business and its assets to achieve maximum realisations.
- 6.8. Axia followed a targeted marketing campaign to advertise the company's business and its assets as widely as possible and within a short timescale, due to the cashflow position. As part of their marketing campaign, Axia advertised the sale online, as well as targeting potential purchasers cross the industry sector and broadcasting the sale to their trade contacts.
- 6.9. The response received by Axia was very positive and as a result, received 29 expressions of interest for further information, 21 NDA's were signed and returned, 16 parties declined to bid and 5 confirmed offers were received.
- 6.10. Axia received several offers from non-associated third parties to purchase various parts of business and assets of the Company, ranging from £11,000 (to purchase the intellectual property rights) to £350,000 (to purchase the business and certain assets). Further details are provided below as to why the sale did not complete at the price of £350,000.
- 6.11. Axia continued to liaise with various interested parties and after a period of negotiations, on 22 March 2019, Axia received a formal offer from an unconnected party. This party offered to acquire the Company's business and its assets, to include the Intellectual Property; Smart meter; inventory; and to transfer the employees in accordance with TUPE. After further discussions held on 25 March 2019 the party indicated that due to the TUPE liability they were reducing their offer to £100,000, which was at a level that meant the proposed sale could not proceed.

Post – Appointment Strategy

- 6.12. On 25 March 2019, Axia, immediately approached alternative parties which operated in the energy sector.
- 6.13. The Administrators were approached by Green, a non-associated company, which provides a similar service to that of the Company.
- 6.14. The Joint Administrators joined Axia in discussions with Green for the purchase of the Company's business and assets, and as a result, a further offer was received on 28 March 2019 for £200,000. This party required only the technology team from the London office. Since this was the best offer and included the retention of five of the twelve employees, Green's offer was accepted. As a result, the remainder of the employees, were dismissed and their contracts of employment were terminated, with immediate effect on 5 April 2019, the date on which the sale completed.
- 6.15. Prior to terminating those employees' contracts of employment, the Joint Administrators informed all staff by way of a letter on day 1 of the Joint Administrators' appointment of their intention to trade the Company. Meetings were held thereafter, chaired by the Joint Administrator, on 5 April 2019.
- 6.16. The Joint Administrators had to undertake this work in order to protect and realise the assets of the Company and achieve the best result for the creditors of the Company. In addition, I have undertaken routine statutory and compliance work, such as filed notice of the Joint Administrators' appointment at Companies House and prepared a notice of appointment, together with a notice to submit claims, to be published in the London Gazette. These are tasks that are required by statute or regulatory guidance or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

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Professional Advisors

- 6.17. As the incumbent legal advisors of the Company, TV were instructed by the Joint Administrators to provide general advice to the Joint Administrators in respect of any legal matters which may arise during the appointment process and to advise on any matters, deemed appropriate, following appointment.
- 6.18. Axia, a firm of asset valuers were instructed to attend the Trading Premises to value the Company's assets, assist with marketing the Company when attempting to achieve a sale of its Business and assets, and providing their advice on the various offers proposed.
- 6.19. EvolveIS, a firm of employment rights specialists, were instructed to attend the Trading Premises, on 5 April 2019, to inform the employees of their redundancies, collate the necessary employee information, to file the necessary forms on behalf of the employees, liaise with the RPS in relation to the employee claims and to assist the employees generally to ensure they receive all monies due to them as quickly as possible. Those employees that were away from the office, either on annual leave, or on maternity leave were informed by correspondence on the same day.
- 6.20. KPMG LLP were asked by the Joint Administrators to assist with regards to the payroll information and to complete the outstanding pre-Administration PAYE/NIC returns and P45 and P60 forms for the employees. CBW's internal payroll department also assisted with the calculation of the employees' salaries for the short trading period, 1 April 2019 to 5 April 2019.
- 6.21. TDM, a firm of document collection and storage agents, were instructed to collect and list the Company's books and records located at the Trading Premises, however the majority of the Company's books and records were held electronically.
- 6.22. The choice of professionals was based on the Joint Administrators perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the Joint Administrators' fee arrangement with them. The fees charged have been reviewed and the Joint Administrators are satisfied that they are reasonable in the circumstances of this case.

7. STATEMENT OF AFFAIRS

- 7.1. On 5 April 2019, the Joint Administrators issued a notice requiring the Directors provide them with an estimate of the Company's financial position as at the date of Administration, known as a SOA within eleven days of the request.
- 7.2. The Director submitted the SOA to the Joint Administrators on 17 April 2019 estimating the Company's financial position as at 25 March 2019 and a copy is attached at **Appendix 3**, together with a list of names, addresses and claims of all known creditors and shareholders. All of the directors will be invited to complete Statements of Concurrence to affirm the SOA figures.
- 7.3. Some creditor amounts may differ from the actual amounts owed; however, this will not affect their claim.
- 7.4. Please note that the SOA does not take into account any costs of the Administration.

Asset Realisations

- 7.5. As at the date of Administration, the Company's records and the Directors, Axia confirmed the following assets, detailed below, were held by the Company. The Joint Administrators completed a sale of the Company's business and assets, totalling £200,000, on 5 April 2019.

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Business Intellectual Property

- 7.6. Following Axia's valuation of the Company's business intellectual property, which comprises of; the business model itself, the business name/trading style "Labrador", copyright and related rights, moral rights, domain names, right in get-up, goodwill and the right to sue for passing off, rights in design, rights in computer software, database rights, rights to use, confidential information (including know-how and trade-secrets) and other intellectual property rights has been valued on in-situ and ex-situ bases, equating to £100,000 and £25,000, respectively.
- 7.7. The intellectual property, propriety software, database and website and domain names were sold to Green for £20,000, £95,000, £50,000 and £17,000, respectively.

I.T Equipment

- 7.8. The Company's records indicated a book value of £17,338 and Axia advised the estimated current market value was £9,200 and £4,500 on in-situ and ex-situ bases, respectively. This was included in the ASA for £5,000.

Inventory

- 7.9. The Company's records indicated a book value of £90,000 for the c.3,000 CAD units held but Axia advised the estimated current market value was negligible on the basis that the assets were branded by the Company. This was included for sale at £2,996.

Work-in-Progress & Customer Contracts

- 7.10. Axia have advised the estimated current market value is £8,000 in-situ and £4,000 ex-situ. This was sold to Green for £10,004.

Assets Excluded from the ASA

- 7.11. The following assets were specifically excluded from the Asset Sales Agreement and will be realised, where possible, by the Joint Administrators:

Cash at Bank

- 7.12. The Company's bank statements indicate the balances held in the current and savings accounts, at the date of Administration, were in credit of £31,564 and £101,855, respectively. The Joint Administrators have since recovered these balances, plus additional amounts, from the Bank, totalling £183,420, on 29 March 2019. No further amounts are expected to be received.
- 7.13. The Company's accounts indicated a VAT refund of £65,000 is due to be repaid to the Company. However, this was recovered by the Company, prior to the Administration on 20 March 2019.

Rent Deposit

- 7.14. The Company paid a deposit of £1,320 to Hambro for the serviced offices, and we have been informed that this may be realisable. However, since there are amounts due Hambro in respect of their arrears this may be deducted from the deposit held. This will need to be discussed in more detail in the near future.

Assets Not Yet Realised

- 7.15. At the date of this report asset realisations achieved total £200,000, in relation to the Asset Sale Agreement. The Joint Administrators do not envisage any further realisations, than that detailed above.

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8. LIABILITIES AND THE PRESCRIBED PART

- 8.1. A review of Company's records with the Registrar of Companies confirmed there are no charges registered against the Company.

Preferential Creditors

- 8.2. The Company employed twelve staff and amounts are owed to them in respect of outstanding holiday pay. The outstanding holiday pay is subject to statutory limits set by employment rights and insolvency legislation.
- 8.3. It is not envisaged that employees will have preferential claims relating to arrears of wages as all employees were paid up to the date of the Administration and an additional week during the short trading period, for 1 April 2019 to 5 April 2019.
- 8.4. The Company's liability to preferential creditors, in respect of holiday pay is estimated at £11,337.

Non-Preferential Unsecured Creditors

- 8.5. It is anticipated that approximately £124,835 will be owed in respect of pay in lieu of notice.
- 8.6. The Company has 38 known 'trade & expense' creditors owed a total of approximately £189,611.
- 8.7. HMRC are owed approximately £58,376 in respect of PAYE/NI.
- 8.8. In summary, the Company's liability to non-preferential unsecured creditors is summarised as follows:

	£
Trade & Expense Creditors	189,611
Unsecured Loan	99,213
Employees	124,835
HMRC (PAYE/NI)	58,376
Pension	30,414
Sundry creditors	1,655
	473,690

- 8.9. This information has been extracted from the Company's books and records and representations made by the Directors. Some creditors' claims may differ from the amounts shown, though, this does not affect their claim.

Prescribed Part

- 8.10. In calculating the Prescribed Part, an Administrator must set aside;

Net Property less than £10,000: 50% unless you think costs of distribution exceed the likely benefit to unsecured creditors.

Net Property in excess of £10,000: 50% up to £10,000 plus 20% thereafter to a maximum of £600,000.

- 8.11. In this case, as the Company did not grant any floating charges, such that the Prescribed Part provisions will not apply.

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9. DIVIDEND PROSPECTS

Preferential Creditors

- 9.1. The Joint Administrators are yet to receive confirmation of all of the preferential creditor claims, however, it is anticipated there will be sufficient asset realisations to enable to pay a dividend against their claims in full, though the estimated timing of the dividend is uncertain at this stage.

Non-Preferential Unsecured Creditors

- 9.2. The Joint Administrators are yet to receive confirmation of all of the non-preferential unsecured creditor claims, however, it is anticipated that there will not be sufficient asset realisations to enable to pay a dividend against their claims in full, though the estimated quantum and timing of any possible dividend is uncertain at this stage.
- 9.3. Creditors should be aware that it is always difficult to predict the likely dividend levels at the start of an assignment. Actual dividends payable will be affected by asset realisations and level of creditor claims which may differ from the Directors' estimates.
- 9.4. Creditors are invited to lodge their claims in the Administration by completing and returning the Proof of Debt form, attached at **Appendix 9** to the Joint Administrators' office, together with supporting documentation.

10. JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

- 10.1. A copy of the Joint Administrators' Receipts and Payments account for the period 25 March 2019 to 17 April 2019 is attached at **Appendix 4**.

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

- 11.1. In order to fully achieve the objective of the Administration of the Company the Joint Administrators propose to continue steps to enable dividends to be paid to preferential and non-preferential unsecured creditors, as set out at paragraphs 7.13 to 17.17.

12. STATEMENT OF PRE-ADMINISTRATION COSTS

- 12.1. The Joint Administrators are entitled to set out a statement of the pre-Administration costs which remain unpaid at the date of Administration. Any such payment of these costs is to be treated as an expense of the Administration and is subject to the approval of creditors.
- 12.2. On 13 March 2019, the Directors formally instructed CBW to assist with the process of placing the Company into Administration and to discuss a possible pre-packaged sale of the business and assets. Although a fee of £10,000 plus VAT and expenses was estimated to be paid for this service from asset realisations by the Directors during the period following to the date of appointment of the Joint Administrators, CBW incurred pre-Administration time costs of £40,591 plus VAT and expenses amounting to £2 were also incurred in the pre-appointment period. A summary of these costs is attached at **Appendix 5**. To date, all of the time costs and expenses remain unpaid.
- 12.3. In addition to CBW's costs, TV were instructed by the proposed Joint Administrators to review the draft appointment documents, file these documents into Court to place the Company into Administration, responding to creditors' threats to wind-up the Company, assist with the discussions with the proposed purchaser (who subsequently withdrew their offer) regarding the

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proposed pre-pack sale and providing ongoing advice on the implications of a pre-pack vs. a break-up basis sale. During this period, TV incurred costs of £10,960 plus VAT.

- 12.4. The Joint Administrators' agents, Axia, incurred fees in the pre-appointment period equating to £38,133, attending to the various matters detailed above. It has been proposed that Axia's fees will be capped at £25,000 in relation to the time costs incurred in the pre-appointment period.
- 12.5. A summary of these costs is attached at **Appendix 5**. To date, all of the time costs and expenses remain unpaid and will be drawn against first asset realisations.
- 12.6. The following work was undertaken by CBW in the pre-appointment period:
- The work performed by CBW included an initial meeting with the Board of Directors on 27 February 2019 at which the proposed strategy was considered. Further work was undertaken to review and sign the necessary appointment documents prepared by TV, reviewing and responding to various emails and telephone conversations with TV and the Directors in respect of the proposed timeframe for Administration and the immediate steps to be taken upon appointment.
 - Additional work undertaken pre-appointment included CBW's internal pre-appointment checks such as Money Laundering, company searches, and conflict checks and the preparation of a letter of engagement which was sent to the Directors on 5 March 2019.
 - Attending multiple meetings and phone calls with the Board of Directors to discuss the ongoing strategy of the marketing and sale of the business and certain assets of the Company.
 - In anticipation of the proposed appointment on 25 March 2019, numerous phone calls and emails were circulated between CBW, with TV, Axia, EvolveIS, and the Directors in order to agree a strategy and co-ordinate attendance at the Trading Premises prior to the confirmation of the Joint Administrators' appointment.
 - Liaised with interest parties in relation to the sale of the business and certain assets of the Company.
- 12.7. No other professional fees or costs were incurred during the pre-Administration period that would be an expense of the Administration.
- 12.8. The following statement summarises the pre-appointment costs and expenses incurred, as mentioned earlier in this Section. The statement includes those fees and expenses that were paid prior to the Administration and those where approval is being sought to pay them from Administration funds. Please note that we have capped the below pre-appointment costs and expenses.

Description	Incurred pre- appointment £	Paid pre- appointment £	To be paid £
CBW's pre-appointment fees	40,591	-	30,000
Legal fees	10,960	-	10,960
Marketing/Valuation agents fees	38,133	-	25,000
Total	89,684	Nil	65,960

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- 12.9. If a Creditors' Committee is established at the time when creditors consider the Joint Administrators' Proposals, the Joint Administrators will seek approval from the Committee for payment of the pre-appointment fees and expenses that have not yet been paid. If the Committee does not approve those fees, or it approves the fees at a level that the Joint Administrators (or the other insolvency practitioner) feel is insufficient, they may seek approval from further meeting of the Creditors' Committee or failing that, from the Court.
- 12.10. In the event a Creditors' Committee is not established, it falls to the creditors of the Company to approve the unpaid pre-appointment fees and expenses. Accordingly, the Joint Administrators will be seeking approval from the creditors via one of the Qualifying Decision Procedure available to them under the insolvency legalisation, with the proposals.

13. JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES

Basis of Remuneration

- 13.1. It is proposed that the Joint Administrators' remuneration shall be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration at CBW's standard rates for this type of work, as amended from time to time, and to allow said remuneration to be drawn as and when funds are available.
- 13.2. When seeking time costs approval, the Joint Administrators have to set out a Fees Estimate. To assist those who approved our fees, i.e. the Creditors' Committee (if one is established), the creditors, or the Court, in considering the decision to approve the basis of the Joint Administrators' remuneration, a "Fees Estimate Summary" and "Details of the type of work intended to be undertaken during the course of the Administration" are attached at **Appendix 7**.
- 13.3. The Fees Estimate relates to the whole period of the Administration and includes the hourly rates intending to be charged for each part of the work, and the time that the Joint Administrators think each part of the work will take. The Fees Estimate will act as a cap on the level of fees which can be drawn without further approval from the body which approved the Fees Estimate. It is estimated that the total time costs that will be incurred in undertaking the tasks in this case will be £75,246.
- 13.4. The Fees Estimate has been provided to creditors at a relatively early stage in the Administration of the case and before the Joint Administrators have full knowledge of the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the Joint Administrators current knowledge of the case and their knowledge and experience of acting in respect of cases of a similar size and apparent complexity. As a result, the Fees Estimate does not take into account any currently unknown complexities or difficulties that may arise during the Administration of the case.
- 13.5. If the time costs incurred on the case by the Joint Administrators exceed the estimate, or is likely to exceed the estimate, they will provide an explanation as to why that is the case in the next progress report sent to creditors. Since the Joint Administrators cannot draw remuneration in excess of this estimate without first obtaining approval to do so, then where the Joint Administrators considers it appropriate in the context of the case, they will seek a resolution to increase the fee estimate so that they will then be able to draw additional remuneration over and above this estimate.
- 13.6. The Joint Administrators may need to seek approval to draw fees in excess of the estimate if this work leads to further areas of investigation, potential further asset recoveries and any associated action, such as arbitration or legal proceedings. Further details will be provided to creditors in due course, if necessary.

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Time Costs

- 13.7. The Joint Administrators' time costs for the period 25 March 2019 to 17 April 2019 total £61,300, representing 208 hours which equates to an average rate of £295 per hour. **Appendix 6** provides a summary of the time and costs incurred by the Joint Administrators in the form of a SIP 9 Analysis together with the CBW Rates Policy.
- 13.8. To accompany the Fees Estimate, details of the work undertaken to date are provided below.
- 13.9. During the period since appointment, the Joint Administrators have undertaken the following statutory and administrative steps;
- Notified the Registrar of Companies of the Joint Administrators' appointment.
 - Issued a notice to an advertising agency in order to advertise the appointment in the London Gazette.
 - Notified HM Revenue & Customs of the Joint Administrators' appointment.
 - Issued a request to the Directors to complete the Company Directors' Disqualification Act 1986 questionnaire.
 - Prepared the letter and circulated to all relevant parties advising of the Joint Administrators' appointment.
 - Prepared the letter and Proposals Report and providing details of the Joint Administrators' Fees Estimates.
 - Created, updated and maintained the case records following the Joint Administrators appointment.
 - Requested the opening of a designated Administration account.
- 13.10. The Joint Administrators have also taken the following steps in respect of the Company's assets:
- Contacted insurers to obtain Open Cover insurance in respect of the Company's assets.
 - Written to the Bank requesting the transfer of the credit balances, held prior to the commencement of the Administration, to the Administration estate account.
 - Instructed a firm of agents, Axia, to attend the Company's trading premises to secure and recover the Company's tangible assets and commence steps to realise these for the benefit of the creditors.
 - Instructed Axia, to secure the Company's intangible assets, namely the, Intellectual Property Rights, Domain Names, and Goodwill, and commence steps to realise these.
 - Axia have liaised with the Director's during the period since appointment and have now obtained all of the relevant information and documentation in relation to the Company's assets.
 - Liaised with Axia and the Directors in relation to negotiating the sale of the Company's business and certain assets as a going concern with the initial proposed purchaser.
 - Liaised with Axia and the Directors to secure an agreement with Green to purchase the business and assets of the Company as a business asset sale.
 - Axia have confirmed that, all of the known assets of the Company have been recovered.
 - With the assistance of their agents and solicitors, the Joint Administrators completed a sale of the business and certain assets, on 5 April 2019.
 - Instructed a firm of document storage agents, TDM, to make arrangements to recover the Company's books and records from the trading premises and to make secure backups of the Company's server and other electronic data.
 - Instructed TV to advise on the potential claim(s) the Company may have in respect of certain transactions arising prior to Administration.
 - Written to Royal Mail to arrange the redirection of the Company's mail.

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13.11. In addition to the routine work above and the other work the Joint Administrators and their staff have undertaken as described in the section dealing with our actions since appointment, the following additional time has been spent:

- Arranged for staff salaries were paid for the month of March.
- Arranged payment to staff in respect of salaries in the period for 1 April 2019 to 5 April 2019.
- In the short trading period, the Joint Administrators have advised and monitored the payment of certain expenses incurred by the Company and authorised the payment of those expenses that were considered critical for the ongoing sale of the business.
- Liaised with employees, creditors and shareholders.
- Issued notice to shareholders, to include A & B ordinary shareholders.
- Notice given to Innovate UK regarding the grant given to the Company and giving notice to all other named parties, party to that grant.
- Giving notice to Offgem.
- Liaised with Hambro and Regus relating to the occupation of the serviced offices until vacation.

13.12. The work for which fee approval is being sought includes the work that will need to be undertaken should the Joint Administrators be appointed Liquidators either following conversion to Creditors' Voluntary Liquidation or upon the making of a winding up order.

13.13. A copy of 'A Creditors' Guide to Administrators' Fees published by the Association of Business Recovery Professionals is available at www.cbw.co.uk/creditor-guides. Please note that there are different versions for of the Guidance Notes and in this case, you should refer to the post-April 2017 version. A hard copy is available on request.

Expenses

13.14. The Joint Administrators' have incurred expenses, to 17 April 2019, totalling £1,625, none of which have been paid. A summary of these expenses is included in the SIP 9 Analysis attached at **Appendix 5**.

13.15. Certain expenses do not have to be approved, but when reporting to the Creditors' Committee or creditors during the course of the Administration the actual expenses incurred will be compared with the original estimate provided and the Joint Administrators will explain any material differences.

13.16. Details of CBW's policy on the reimbursement of Category 1 and Category 2 disbursements are provided in the CBW's Rates Policy attached at **Appendix 5**.

13.17. It should be noted that approval from creditors to recover Category 1 disbursements from asset realisations is not required, though Category 2 disbursements do require specific creditor approval. However, it is CBW's policy not to seek reimbursement of Category 2 disbursements.

13.18. The following expenses have been incurred or are estimated to be incurred by CBW, but have not yet been paid:

Name	Type of Cost	Amount of expense accrued to date	Amount to be paid
		£	£
Hambro Perks	Rent expense	825	825
Royal Mail	Postage expenses	755	755
Travel/ Fares	Travel expenses	45	45
		1,625	1,625

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13.19. In addition to the expenses already incurred, I anticipate that the following expenses will arise in these proceedings:

- Bonding totalling £210, relating to the level of anticipation assets realisations to be achieved during the Administration.
- Open Cover or Specific Insurance estimated to total £560.
- Statutory Advertising totalling £400, in connection with adverts to be placed in the London Gazette a Notice of an Intended Dividend (if applicable) and the Final Meetings of the members and creditors prior to closing the Administration.
- Postage, estimated to be £200, based on first class postage costs in circulating to creditors Notices of Intended or Paid Dividends (if applicable), Annual Reports and the Final Reports.
- Document Storage costs totalling £120, based on TDM's charge of £0.33 per box, per month for the duration of the liquidation and 15 months following the final meetings of members and creditors and a final destruction charge of £3 per box.
- Travel costs, estimated to be £100, relating to CBW staff attending the trading premises, as and when required.

Sub-Contracted Work

- 13.20. The Joint Administrators have sub-contracted some of the work they are required to undertake as administrators, namely collating employee details, assessing claims and submitting the necessary documents to the RPS. The Joint Administrators sub-contracted this work to an unconnected third-party organisation, EvolveIS who have charged £495 plus VAT for undertaking that work, which has not yet been paid.
- 13.21. This work was sub-contracted to EvolveIS as they are specialists in dealing with employments rights matters and calculating any employees claim such that it would cheaper than if the work was undertaken by the Joint Administrators.
- 13.22. Further work remains to be done by EvolveIS in respect of additional employee claims which have not yet been received and further correspondence with the RPS. Further work remains to be done and the Joint Administrators estimate that it will cost an additional £500 to complete it. Instructing EvolveIS is more cost effective than if the Joint Administrators and their staff at their charge-out rates had undertaken the tasks.
- 13.23. The Joint Administrators have also sub-contracted certain payroll work, including the preparation and completion of the P35 and P14 PAYE returns for filing with HM Revenue & Customs and the P45 and P60 forms for the employees. This work was sub-contracted to a connected third-party organisation, KMPG, who have charged £205 for undertaking that work, which after discussion with KMPG has been agreed to be offset against a credit balance of £207 owed to the Company.

Summary of the agents or professional advisors instructed

- 13.24. Below is a summary of the agents or professional advisors who have been instructed by the Joint Administrators, their work undertaken to date and that likely to be undertaken during the liquidation.

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- 13.25. Details of the work undertaken to date by Axia and TV is provided in **Section 6** above. Additional work likely to be incurred and the basis of their fee arrangements are provided below:

<u>Professional Advisor</u>	<u>Amount of expense accrued to date</u>	<u>Amount of expense likely to be incurred</u>	<u>Amount paid to date</u>	<u>Amount to be paid</u>
	£	£	£	£
Axia	17,229	-	-	10,000
EvolveIS	475	500	-	975
Marsh	560	-	-	560
TV	13,915	-	-	13,915
TDM	-	120	-	120
	32,179	620	-	25,570

- As the sale has completed, it is not anticipated that Axia will incur additional time costs in this matter. In any event, Axia's post-appointment time costs have been proposed to be capped at £10,000, plus VAT.
- Please see paragraph 6.18 above regarding the terms upon which EvolveIS were instructed. When the Joint Administrations are in a position to pay a preferential dividend, it is likely that EvolveIS will charge an additional £500 to assist with the adjudication of the employees' claims.
- Marsh were instructed to provide open cover insurance over the Company's assets during the period from appointment to the date of completion of the sale of the Company's business and certain assets. Due to the completion of the sale, it is not anticipated that Marsh's services will be required any further.
- At this stage, no future work by TV is anticipated.
- TDM will collect the Company's books and records, provide a full inventory and store these for the duration of the Administration. In doing so, they will be paid on a time cost basis in respect of the collection and box listings and will charge storage and destruction on a cost per box basis.

- 13.26. In addition to the time spent by Axia in the pre-appointment period, Axia have spent a considerable amount of time, since the Joint Administrators' appointment, either attending the Trading Premises, or meeting or discussing with the initial proposed purchaser, and then Green, and other interested parties with regards the sale of the Company's assets, to the date the asset realisations were completed and the Trading Premises were vacated. Axia have experience in the energy sector and work closely with insolvency practitioners, therefore, their instruction was appropriate and their proposed fees are commensurate with the work involved.

- 13.27. TV have extensive knowledge and experience in assisting office-holders in drafting asset sale agreements. Given the nature and value of the sale to Green, it was considered appropriate for them to be instructed. TV's costs were agreed and based on their time costs and in the circumstances of their involvement are acceptable, however, remain unpaid.

- 13.28. The choice of professionals was based on the Joint Administrators' perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the Joint Administrators' fee arrangement with them. The fees charged have been reviewed and the Joint Administrators are satisfied that they are reasonable in the circumstances of this case.

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14. EXIT FROM ADMINISTRATION

- 14.1. Administration ends automatically after one year unless extended by a Court Order, or by agreement of the creditors.
- 14.1. The options available to the Joint Administrators to exit the Company from Administration are as follows:
- Compulsory Winding Up;
 - Creditors' Voluntary Liquidation;
 - Company Voluntary Arrangement;
 - Apply to Court
 - Dissolution
- 14.2. Where a distribution is believed to be available to non-preferential creditors and, as in this instance the Prescribed Part provisions do not apply, an Administrator may exit via a Creditors' Voluntary Liquidation.
- 14.3. Should there be insufficient asset realisations to enable a distribution to non-preferential unsecured creditors; the Company will exit Administration by moving to dissolution, once distributions have been made to the secured and preferential creditors, if asset realisations allow.

15. PROPOSALS

- 15.1. In order to achieve the objective, set out at Section 5 above, the Joint Administrators seek creditors' approval of the steps proposed to be taken set out in paragraph 15.1 below (together being the "**Proposals**"):
- 15.1.1. That they continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular;
- a) to recover any refunds due to the Company;
 - b) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company; and
 - c) do all such things and generally exercise all their powers as Joint Administrators, as contained in the Act, as they in their discretion consider desirable or expedient 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.
- 15.1.2. That they deal with such outstanding matters in relation to the Company as they consider necessary until such time as the Administration ceases to have effect.
- 15.1.3. That they may seek an extension to the Administration period if deemed necessary.

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- 15.1.4. That they be authorised to exit the Administration by;
- a) placing the Company into Creditors Voluntary Liquidation, and propose that the Joint Administrators, be appointed as Joint Liquidators of the Company and that they will act jointly and severally in their duties. Creditors may nominate a different person as the proposed liquidator or Joint Liquidators, provided that the nomination is made after the receipt of these Proposals, and before the Proposals are approved. In the absence of such nomination, the Joint Administrators will be appointed Joint Liquidators; or, if necessary,
 - b) filing a Notice of Dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the Registrar of Companies 3 months after the notice is registered;
- 15.1.5. That all outstanding costs and expenses of the Administration be a first expense payable from any funds held in the Administration transferred to a future appointed Liquidator(s) of the Company; or
- 15.1.6. That the future appointed Liquidator(s) recover from the Joint Administrators all funds held, together with unrealised assets, for the purpose of paying a dividend to unsecured creditors, if appropriate, or paying the costs of the Liquidation.
- 15.2. In addition to the above Proposals, the Joint Administrators will be seeking specific approval of the Pre-Appointment Costs, Fees Estimate and Discharge from Liability (as detailed in Sections 11, 12 and 16) from the preferential creditors.
- 15.2.1. The Joint Administrators may pay their firm's unpaid pre-Administration fee of £30,000, plus VAT, and unpaid expenses of £2, plus VAT, when funds are available.
 - 15.2.2. The Joint Administrators may pay the unpaid pre-Administration costs of £10,960, plus VAT, and unpaid expenses of £50 incurred by TV, when funds are available.
 - 15.2.3. The Joint Administrators may pay the unpaid pre-Administration costs of £25,000, plus VAT, incurred by Axia, when funds are available.
 - 15.2.4. The Joint Administrators' remuneration shall be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration at CBW's standard rates for this type of work, as amended from time to time, by reference to the time properly spent by them and their staff in dealing with the matters relating to the Administration and such time shall be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken. Furthermore, the level of fees which can be drawn from asset realisations as and when available and without further approval, be capped at £75,246, being the amount stated in the Fees Estimate appended at **Appendix 7** of the Proposals' Report dated **17 April 2019**.
 - 15.2.5. The Joint Administrators shall be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 at the time that their appointment as Joint Administrators ceases to have effect.
- 15.3. The Proposals shall be subject to such modifications or conditions as the creditors may approve or impose, subject to the approval of the Joint Administrators.
- 15.4. It is the Joint Administrators' opinion that the Proposals are the most effective way to achieve the purpose of the Administration.

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16. APPROVAL OF THE PROPOSALS

- 16.1. The Joint Administrators are seeking decisions by correspondence from the creditors to approve the Proposals, their pre-Administration costs, fix the basis of the Joint Administrators' remuneration, the Fees Estimate and other decisions relating to the Administration ("**the Decisions**").

Notice of Decisions by Correspondence

- 16.2. The notice and voting form in respect of the Decisions to be considered by creditors is enclosed for your attention at **Appendix 8**.

Voting

- 16.3. If a creditor wishes to vote on the Decisions, they must complete and return the voting section within the Notice of Decision enclosed at **Appendix 8**, to me by no later than 23.59 hours on **13 May 2019**, the Decision Date.

Proof of Debt

- 16.4. If a creditor has not already submitted proof of their debt, they should complete the enclosed form at **Appendix 9** and return it to me, together with the relevant supporting documentation. A vote on the Decisions by a creditor will not count unless they have lodged proof of their debt by no later than 23.59 hours on **13 May 2019**.

Creditors' Committee

- 16.5. Creditors are also invited to determine whether to form a Creditors' Committee, and a Notice of Invitation to Form a Creditors' Committee and further instructions are enclosed at **Appendix 10**.
- 16.6. To enable the creditors to make an informed decision as to whether they wish to either seek to form a Committee, or to nominate themselves to serve on a Creditors' Committee, further information about the role of the Committee and what might be expected from its members has been prepared by R3 and can be found is available at the link www.cbw.co.uk/creditor-guides.

Additional Information

- 16.7. Should any creditor or group of creditors wish to request a physical meeting of creditors, they must do so within 5 business days of the delivery of the notice that accompanies this letter. Such requests must be supported by proof of their debt, if not already lodged. I will convene a meeting if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."

17. OTHER MATTERS

Investigations

- 17.1. The Joint Administrators have a statutory duty to investigate the Company's affairs and conduct are required to prepare a report to the Department of Business, Energy & Industrial Strategy on the conduct of any director who has held office in the previous three years under the provisions of the Company Directors' Disqualification Act 1986. This report must be filed within three months of the appointment date and the content of this report is confidential.
- 17.2. The Joint Administrators should be pleased to receive from you any information you have that you consider will assist the Joint Administrators in this duty. The Joint Administrators would stress that this request for information forms part of their normal investigation procedure.
- 17.3. As the investigations are at an early stage a report has not yet been filed with DBEIS.

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Discharge from Liability

- 17.4. Subject to the approval of the unsecured creditors, the Joint Administrators shall be discharged from liability under Paragraph 98 of Schedule B1 to the Act at the time that their appointment as Joint Administrators ceases to have effect.

EC Regulations

- 17.5. The EC Regulation on Insolvency Proceedings 2000 applies to this Administration and these proceedings are main proceedings by virtue of the fact that the Company's main interests are situated within the United Kingdom.

Code of Ethics

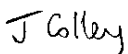
- 17.6. As Insolvency Practitioners, when carrying out all professional work relating to an insolvency appointment, the Joint Administrators are bound by the Insolvency Code of Ethics, as well as by the regulations of their professional body.
- 17.7. The Joint Administrators can confirm that they have not identified any threats to the ethical fundamental principles in respect of this case. Please note that regular monitoring of potential and actual threats to these principals continue throughout the Administration.

CBW's Policies

- 17.8. To comply with the *Provision of Services Regulations 2009*, some general information about CBW, including about the complaints policy and Professional Indemnity Insurance and the Insolvency Code of Ethics, can be found at <https://www.cbw.co.uk/wp-content/uploads/2019/04/Provisions-of-Services-Regulations-2009.pdf>.

Contact Details

- 17.9. If you require further information or assistance, please do not hesitate to contact the case administrator, Aron Williams, on 020 7309 3833 or by email at Aron.Williams@cbw.co.uk.



J W Colley
Joint Administrator

Partners and staff acting as Joint Administrators act as agents and contract without personal liability.

The affairs, business and property of the Company are being managed by the Joint Administrators, Joseph Walter Colley and John Anthony Dickinson, who act as agents of the Company.

The authorising body in the UK for Joseph Walter Colley and John Anthony Dickinson acting as insolvency practitioners is the Institute of Chartered Accountants in England and Wales.

LABRADOR LTD - IN ADMINISTRATION

Joint Administrators' Report and Proposals

17 April 2019

APPENDIX 1

Statutory Information

LABRADOR LTD - IN ADMINISTRATION

Joint Administrators' Report and Proposals

17 April 2019

STATUTORY INFORMATION

Company Name:	Labrador Ltd	
Company Number:	08489878	
Date of Incorporation:	16 April 2013	
Trading Style:	Labrador Ltd	
Nature of Business:	Data processing, hosting and related activities	
Previous Names:	Databarta Ltd (Changed on 29 May 2014) App & E Ltd Limited (Changed on 21 May 2013)	
Registered office:	66 Prescott Street London E1 8NN	
Former registered office:	8 Greencoat Place London SW1P 1PL (Changed on XX April 2019)	
Trading address:	8 Greencoat Place London SW1P 1PL	
Directors (in the last three years):	<u>Appointed</u>	<u>Resigned</u>
Jane Lucy	16 April 2013	-
Clive Beharrell	24 October 2016	-
Stephen Beynon	21 February 2017	-
Neil Brettell	29 November 2018	-
Aris Karcianas	28 September 2018	-
Joseph Mangion	24 October 2016	-
Eric Wilkinson	24 October 2016	-
Stuart Owens	3 April 2015	21 October 2016
Company Secretary:	<u>Appointed</u>	<u>Resigned</u>
Jane Lucy	24 October 2016	-
Shareholders:	<u>No. Shares</u>	<u>Type</u>
See Appendix 2	-	-

LABRADOR LTD - IN ADMINISTRATION

Joint Administrators' Report and Proposals

17 April 2019

OTHER INFORMATION

Auditors: Not Applicable

Accountants: KPMG LLP
1 Snow Hill Queensway
Birmingham
B4 6GH

Bankers: Barclays Bank Plc
298 Mare Street
London
E8 1HF

Charges registered:	<u>Created</u>	<u>Registered</u>	<u>Status</u>
Not Applicable	-	-	-

Parent, Subsidiary & Associated Companies:	<u>Company Number</u>	<u>Comments</u>
Not Applicable	-	-

LABRADOR LTD - IN ADMINISTRATION

Joint Administrators' Report and Proposals

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DIRECTORS' CURRENT AND PREVIOUS DIRECTORSHIPS OF OTHER COMPANIES

Jane Lucy

<u>Company Name</u>	<u>Company Number</u>	<u>Status</u>
Metric Digital Ltd	08327123	Dissolved

Clive Beharrell

<u>Company Name</u>	<u>Company Number</u>	<u>Status</u>
Locpin Limited	08042338	Live
Winch Design Limited	02023355	Live
PTE City Wharf LLP	OC335586	Live
Crew Clothing Holdings Limited	058488071	Resigned as Director

Stephen Beynon

<u>Company Name</u>	<u>Company Number</u>	<u>Status</u>
Thundridge Ltd	10103846	Dissolved

Neil Brettell

<u>Company Name</u>	<u>Company Number</u>	<u>Status</u>
EJZ Consulting Limited	10173093	Dissolved

Aris Karcantias

<u>Company Name</u>	<u>Company Number</u>	<u>Status</u>
FTI Consulting LLP	OC372614	Live

Joseph Mangion

<u>Company Name</u>	<u>Company Number</u>	<u>Status</u>
AFC Energy Plc	05668788	Live

LABRADOR LTD - IN ADMINISTRATION

Joint Administrators' Report and Proposals

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Eric Wilkinson

<u>Company Name</u>	<u>Company Number</u>	<u>Status</u>
Edvinca Limited	11104968	Live
Itchen Stoke Limited	10612172	Live
Zenaura Inc	FC034391	Live
Zenaura Limited	10229395	Live
Vaughan Limited	02889411	Live
Ceed Ltd	09285706	Live
Design Artisan Group Limited	07979192	Live
Polo Management LLP	OC305528	Live
Leading Edge Only Ltd	08244058	Resigned as Director
Kortext Limited	08617088	Resigned as Director

LABRADOR LTD - IN ADMINISTRATION

Joint Administrators' Report and Proposals

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APPENDIX 2

List of Company's Shareholders as at 25 March 2019

Carter Backer Winter LLP
Labrador Ltd
C - Shareholders

Share Class	No of shareholders	Total in issue
		29,237,986
Total in Issue of A Ordinary £0.0001 Shareholders	58	28,543,206
Total in Issue of B Ordinary £0.0001 Shareholders	437	694,780

LABRADOR LTD - IN ADMINISTRATION

Joint Administrators' Report and Proposals

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APPENDIX 3

The Directors' Statement of Affairs

Statement of affairs

Name of Company Labrador Ltd	Company number 08489878
In the High Court of Justice [full name of court]	Court case number 002099 of 2019

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

Statement as to the affairs of (a) Labrador Ltd., * Greencoat Place, London SW1P 1PL

(b) Insert date

on the (b) 25 March 2019, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 25 March 2019 the date that the company entered administration.

Full name Joseph Bernard Mangion

Signed

Joe Mangion
2F3A555913BE487

Dated

4/17/2019

Assets subject to fixed charge:

None

Assets subject to floating charge:

None

Uncharged assets:

Cash (note 1)

Receivables

Other Current Assets

VAT claim to be filed by Administrator (note 2)

Fixed Assets

Book Value £	Estimated to Realise £
133,437	133,437
10,126	10,126
126,155	67,867
42,864	42,864
245,615	132,133
558,198	386,428

Note 2: this will probably be offset against the PAYE/NI liability below

DocuSigned by:
Signature Joe Mangion Date 4/17/2019
2E3A555913BF487

A1 – Summary of Liabilities

		Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)	£	386,428
Liabilities		
Preferential creditors:-		
Holiday pay for employees (est)		1,000
Estimated deficiency/surplus as regards preferential creditors	£	385,428
Estimated prescribed part of net property where applicable (to carry forward)	£	
Estimated total assets available for floating charge holders	£	385,428
Debts secured by floating charges	£	NIL
Estimated deficiency/surplus of assets after floating charges	£	
Estimated prescribed part of net property where applicable (brought down)	£	
Total assets available to unsecured creditors	£	385,428
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£	
Trade Creditors	191,800	
Provision for costs not yet invoiced	15,702	
HMRC - PAYE / NI for February and March (Note 2)	59,869	
Holiday pay (est)	10,000	
Payments in lieu of notice	120,654	
Convertible loan (Note 3)	99,214	
Total		497,239
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)		(111,811)
Shortfall to floating charge holders (brought down)	£	NIL

	Estimated deficiency/surplus as regards	creditors	
			(111,549)
Issued and called up		capital	
£			
Estimated total deficiency/surplus as regards members		£ (111,811)	

Note 3: The Company had issued a convertible unsecured loan for a principal amount of £89,000, of which £63,000 matures on 15 March 2020 and £29,000 on 16 July 2020. If the loan is not converted by the maturity date, it is automatically converted at the last price paid by third party investors, which is £0.231368/share. The Company has the right but not the obligation to redeem the loan in cash prior to the maturity date. The Loan document was silent on what would happen in event that the Company went into administration prior to the maturity date. The outstanding loan together with accrued interest and participation rights is shown as a liability as at 25 March 2019, but depending on the decision taken by the Administrator, it would seem that there is a possibility that this liability does not necessarily crystallise.

Joe Mangion

Signature  Date 4/17/2019

2F3A555913BE487

COMPANY CREDITORS – List A

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

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
42 Bruton Ltd		£3,600.00			
All Response Media (A R.M.)		£39,941.91			
Arthur London		£12,076.50			
Associated Newspapers		£14,161.80			
Bell Cornwall Recruitment		£1,599.70			
BlueBark Brilliant Graphic Designers		£142.80			
Charlotte Parker – expense claim		£262.10			
ElectraLink		£2,400.00			
Equinox Innovations		£18,198.17			
Frankie Dewar		£1,000.00			
Fundraising Innovations Ltd		£1,659.60			
Google Ireland		£509.10			
Gresham House		£1,500.00			
HAMBRO PERKS LTD		£1,128.38			
La Fosse Associates Ltd		£33,984.00			
Lark		£429.93			
Lark Group		£844.47			
Livingbridge		£648.00			
Regus		£2,322.60			
Some One		£57,050.40			
Total		£191,799.86			

DocuSigned by:

Joe Mangion

2F3A555913BE487

Signature _____

Date 4/17/2019

COMPANY CREDITORS (PROVISION FOR EXPENSES NOT YET INVOICED)– List B

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

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Hambro Perks		8,202			
ElectraLink		2,000			
Google Ads		3,000			
Provision for commissions due		2,500			
Total		£15,702			

Signature _____ Date 4/17/2019
 DocuSigned by:
Joe Mangion
 2F3A555913BE487

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
	See separate document			
TOTALS				

DocuSigned by:
Jae Manjion
2F3A5569138E467

Signature _____ Date 4/17/2019

Carter Backer Winter LLP
Labrador Ltd
C - Shareholders

Share Class	No of shareholders	Total in issue
		29,237,966
Total in issue of A Ordinary £0.0001 Shareholders		
	58	28,543,206
Total in issue of B Ordinary £0.0001 Shareholders		
	437	694,760

LABRADOR LTD - IN ADMINISTRATION

Joint Administrators' Report and Proposals

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APPENDIX 4

**Joint Administrators' Receipts and Payments Account
for the period from
25 March 2019 to 17 April 2019**

Labrador LTD

Receipts and Payments Account incorporating an Estimated Outcome Statement as at 17 APRIL 2019

	S of A as at 25/03/19	Realised/paid to 17/04/2019	Accrued/Estimated future realisations/costs to 17/04/2019	Total
	£	£	£	£
Assets not specifically charged				
Intellectual Property		20,000	-	20,000
Proprietary Software		95,000	-	95,000
Database	126,155	50,000	-	50,000
Website & Domain names		17,000	-	17,000
Inventory		2,996	-	2,996
IT Equipment	245,615	5,000	-	5,000
Work in progress	nil	10,000	-	10,000
Customer Contracts	nil	2	-	2
Company records	nil	2	-	2
Receivables	10,126	-	-	-
VAT	42,864	-	-	-
Cash at Bank	133,437	183,470	-	183,470
		383,470	-	383,470
General Funds Available subject to Costs		383,470	-	383,470
Less trading expenditure (expenses of the admin)				
Staff payments - overtime		(500)	-	(500)
Staff wages - March		(50,051)	-	(50,051)
Staff wages - April		(11,053)	-	(11,053)
KPMG - to submit P45'S		-	(50)	(50)
Email server - Google		(145)	-	(145)
Director's expenses		(32)	-	(32)
Rent - office occupancy- HP		(825)	-	(825)
Rent Arrears - Solihull office		-	(500)	(500)
Student Loan		-	(62)	(62)
PAYE & NI -April		-	(3,068)	(3,068)
PAYE & NI - March		-	(2,966)	(2,966)
Pension - April		-	(161)	(161)
Pension - March		-	(16)	(16)
		(62,606)	(6,823)	(69,429)
Total Net Realisations before Administrators fees and expenses		320,864	(6,823)	314,041
Less Taylor Vinters - Pre Administration costs & expenses		-	(11,010)	(11,010)
Less Taylor Vinters - Post Administration costs		-	(13,915)	(13,915)
Less Axia's - Pre Administration costs		-	(25,000)	(25,000)
Less Axia's - Post Administration costs		-	(10,000)	(10,000)
Less CBW's - Pre Administration costs & expenses		-	(30,000)	(30,000)
Less CBW's' - Post Administration costs & expenses (as per fee estimate)		-	(75,426)	(75,426)
Less CBW's Liquidators' Costs & expenses		-	(10,000)	(10,000)
Insurance		-	(560)	(560)
Bonding		-	(210)	(210)
Storage		-	(120)	(120)
EvolveIS		-	(975)	(975)
Statutory Advertising		-	(500)	(500)
Travel expenses		-	(100)	(100)
Postage & stationery		(755)	(250)	(1,005)
		(755)	(178,066)	(178,821)
Assets available for preferential creditors		320,109	(184,889)	135,220
General or Floating Charged assets				135,220
Preferential creditors				135,220
Employees - Holiday pay				(11,337)
Occupational pension schemes				(1)
				(11,338)
Surplus / (deficiency) after preferential creditors (net property under s176A IA 86)				123,882
Prescribed part allocated to unsecured creditors in advance of the floating charge (if applicable)				n/a
Floating charge creditors				123,882
Surplus after floating charge creditors				n/a
Add Back Prescribed Part				n/a
Non-Preferential Unsecured Creditors				
Unsecured portion of employees claims				(124,835)
Unsecured Loan				(99,213)
Trade & Expense Creditors				(189,611)
Corporation tax				TBC
PAYE/NI - March				(27,962)
PAYE/NI - Arrears for February				(30,414)
Pension				(1,655)
Other Creditors				-
				(473,690)
Surplus/shortfall to unsecured creditors				(349,808)
Potential Estimated P in £ dividend to unsecured creditors				26 15
Shareholders equity				
Deficiency/Surplus to Shareholders				(349,808)

LABRADOR LTD - IN ADMINISTRATION

Joint Administrators' Report and Proposals

17 April 2019

APPENDIX 5

Details of Pre-Administration costs incurred by CBW, TV and Axia

Labrador Ltd - In Administration

Pre - Administration costs

Professional Advisors	Type of cost	Description of work	£ Net	£ VAT	Total
Taylor Vinters	(1) Legal	Professional charges	10,959.50	2,191.90	13,151.40
	(2) Disbursements	Court filing fees	50.00	-	50.00
Axia	(1) Time costs	Professional charges	38,133.00	7626.6	45759.6
Carter Backer Winter LLP	(1) Time costs	Professional charges	40,591.00	8,118.20	48,709.20
	(2) Disbursements	Search fees	1.60	0.32	1.92
Total			89,735.10	17,937.02	107,672.12

Post - Administration costs

Professional Advisors	Type of cost	Description of work	£ Net	£ VAT	Total
Taylor Vinters	(1) Legal	Professional charges	13,915.00	2,783.00	16,698.00
	(2) Disbursements		-	-	-
Axia	(1) Time costs	Professional charges	17,229.00	3445.8	20674.80
Carter Backer Winter LLP	(1) Time costs	Professional charges	61,300.00	12,260.00	73,560.00
	(2) Disbursements	Various	1,625.00	325	1950.00
Total			94,069.00	18,813.80	112,882.80

LABRADOR LTD - IN ADMINISTRATION

Joint Administrators' Report and Proposals

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APPENDIX 6

**Details of Time Incurred in accordance with
SIP 9 and CBW's Rates Policy including the reimbursement of
Category 1 and Category 2 disbursements**

Labrador Ltd - in Administration

Time and Charge Out Summary for the period from 25 March 2019 to 17 April 2019

Hours

	Partner / Director	Manager	Assistant Manager	Administrator	Assistant & Support	Total Hours	Total Costs	Average Hourly Rate
Administration and Planning								
Case Administration and Planning	14.50	0.95	29.13	34.70	10.83	90.12	£23,285.21	£258.39
Cashiering	0.00	0.00	0.60	0.00	9.70	10.30	£240.05	£23.31
Compliance	0.00	0.00	3.30	0.00	0.00	3.30	£1,320.00	£400.00
Directors (General)	0.00	0.00	2.30	0.00	0.00	2.30	£920.00	£400.00
Meetings (Non-statutory)	3.50	0.00	3.17	0.00	0.00	6.67	£2,806.67	£421.00
Proposal Preparation	0.00	0.00	0.00	15.40	0.00	15.40	£2,310.00	£150.00
Report Preparation & Review	0.00	0.50	8.67	4.90	0.00	14.07	£4,421.66	£314.34
Taxation	0.00	0.00	0.00	1.00	0.00	1.00	£125.00	£125.00
Creditors								
Creditors' Claims	0.00	0.00	1.10	0.50	0.00	1.60	£502.50	£314.06
Creditors' Correspondence	1.20	0.70	1.00	2.60	0.00	5.50	£1,561.00	£283.82
Employees								
Employees' Claims	0.00	0.00	2.20	0.00	0.00	2.20	£880.00	£400.00
Employees' Correspondence	2.50	0.00	12.87	1.00	0.00	16.37	£6,371.66	£389.31
Investigations								
Investigations (CDDA)	0.00	0.00	0.00	0.40	0.00	0.40	£60.00	£150.00
Investigations (non-CDDA)	0.00	0.00	0.00	0.50	0.00	0.50	£75.00	£150.00
Realisation of Assets								
General Realisation of Assets	18.20	0.00	7.23	0.00	0.00	25.43	£10,901.33	£428.62
Others								
Others (Specify)	0.00	0.00	0.60	0.00	0.00	0.60	£240.00	£400.00
Trading								
Trading	12.00	0.00	0.00	0.00	0.00	12.00	£5,280.00	£440.00
	51.90	2.15	72.17	61.00	20.53	207.75	£61,300.08	£295.07
Cost Per Employee Category	£23,336.00	£732.25	£28,866.65	£8,365.00	£0.18		£61,300.08	

Disbursements for the Period	£
Postage	755.42
Office Occupancy	825.00
Travel/ Fares	45.00
Total	1,625.42

CARTER BACKER WINTER LLP ("CBW")

CORPORATE RECOVERY AND INSOLVENCY DEPARTMENT

INSOLVENCY APPOINTMENTS

TIME COST CHARGE-OUT RATES FROM 1 JANUARY 2017

	<u>Per Hour</u>
	<u>£</u>
Partner	490
Directors	490
Managers	440
Assistant Managers	400
Senior Administrators	390
Administrators	260
Junior Administrators	125 - 150
Cashier	0
Support Staff	0 - 185

Note:

Work undertaken on cases is recorded in 6 minute units utilising time-recording software.

Time properly incurred on insolvency cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. CBW's charge-out rates change from time to time.

DISBURSEMENT RECOVERY

Disbursements are categorised as either Category 1 or Category 2.

Category 1 disbursements generally comprise external supplies of incidental services specifically identifiable to the case. Where expenses are incurred and then recharged to the case, approval from creditors is not required. Examples of Category 1 disbursements include statutory advertising, specific bond insurance, document storage, postage, company search fees, and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot be practically provided internally, such as printing and room hire.

Category 2 disbursements include elements of shared or allocated costs where supplied internally. Category 2 disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance. CBW does not charge Category 2 disbursements.

LABRADOR LTD - IN ADMINISTRATION

Joint Administrators' Report and Proposals

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APPENDIX 7

Fees Estimate Summary

And

**Details of the type of work intended to be undertaken
during the course of the Administration**

Labrador Ltd - in Administration

Estimated Time Costs and Charge Out Summary

Hours

	Partner / Director £490	Manager £440	Assistant Manager £400	Administrator £260	Assistant & Support £0	Total Hours £	Total Costs £	Average Hourly Rate £
Administration and Planning								
Case Administration and Planning	14.50	0.95	31.13	34.70	10.83	92.12	24,085.21	258.39
Cashiering	0.00	0.00	0.60	0.00	9.70	10.30	240.05	23.31
Closing	0.10		2.50	4.50			2,219.00	
Compliance	0.20	1.00	3.30	1.00	0.20	5.70	2,118.00	400.00
Decision Procedure	0.20		0.50	1.50			688.00	
Directors (General)	0.00	0.00	2.30	0.00	0.00	2.30	920.00	400.00
Meetings (Non-statutory)	3.50	0.00	3.67	0.50	0.00	7.67	3,136.67	421.00
Proposal Preparation	0.00	0.00	0.00	15.40	0.00	15.40	2,310.00	150.00
Report Preparation & Review	1.00	2.00	8.67	9.90	0.00	21.57	6,871.66	314.34
Review	0.50	1.00	2.00	1.50			1,875.00	
Taxation	0.00	0.00	0.00	1.00	0.00	1.00	125.00	125.00
Creditors								
Creditors' Claims	0.00	0.00	1.10	3.00	0.00	4.10	1,282.50	314.06
Creditors' Correspondence	1.20	0.70	1.00	3.60	0.00	6.50	1,821.00	283.82
Dividends	0.20		1.50	3.00			1,478.00	
Employees								
Employees' Claims	0.00	0.00	3.20	2.00	0.00	5.20	1,800.00	400.00
Employees' Correspondence	2.50	0.00	12.87	1.00	0.00	16.37	6,371.66	389.31
Investigations								
Investigations (CDDA)	0.20	0.00	1.50	2.90	0.00	4.60	1,408.00	150.00
Investigations (non-CDDA)	0.00	0.00	0.00	0.50	0.00	0.50	75.00	150.00
Realisation of Assets								
General Realisation of Assets	18.20	0.00	7.23	0.00	0.00	25.43	10,901.33	428.62
Others								
Others (Specify)	0.00	0.00	0.60	0.00	0.00	0.60	240.00	400.00
Trading								
Trading	12.00	0.00	0.00	0.00	0.00	12.00	5,280.00	440.00
	51.90	2.15	72.17	61.00	20.53	207.75	£75,246.08	£295.07
Total estimated Time Costs	£24,512.00	£2,272.25	£33,466.65	£14,995.00	£0.18		£75,246.08	

The office holder is seeking to be remunerated on a time cost basis. We use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform, recording time spent in 6 minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work. This document provides an estimate as to how much time the office holder and his staff will spend undertaking specific tasks within broad categories of work, and the time costs of undertaking such work, which will depend upon the grade, or grades, of staff undertaking the work and the number of hours spent undertaking the work by each grade of staff. The estimated time that will be spent undertaking the work in each category of work has been multiplied by the applicable charge out rate for each member of staff that it is anticipated will undertake work in that category to arrive at the estimated total time costs attributable to that category of work on the case. We have then divided that estimated total by the estimated number of hours to arrive at what is known as a blended hourly charge out rate for that category of work. The sum of all the estimates for the different categories of work is the total estimated time costs to undertake all the necessary work on the case. Again, we have then divided that estimated total by the estimated number of hours to arrive at a blended hourly charge out rate for the case as a whole.

LABRADOR LTD - IN ADMINISTRATION

Joint Administrators' Report and Proposals

17 April 2019

APPENDIX 8

**Notice of Decision Procedure by Correspondence
and
Voting Form**

NOTICE OF DECISIONS BY CORRESPONDENCE

Labrador Ltd - In Administration

In the High Court of Justice Number 002099 of 2019

Registered office: 66 Prescott Street, London, E1 8NN

Principal trading address: 8 Greencoat Place, London, SW1P 1PL and Birmingham Blythe Valley Business Park, Central Boulevard, Blythe Valley Business Park, Solihull, Birmingham, B90 8AG

Company registered number: 08489878

NOTICE IS GIVEN by Joseph Walter Colley and John Anthony Dickinson, the Joint Administrators, to the creditors of Labrador Ltd – In Administration that set out below are decisions sought from them by way of **correspondence** under paragraph 51 of Schedule B1 of the Insolvency Act 1986.

Please complete the voting section below indicating whether you are in favour or against the following decisions:

1. That the Joint Administrators' Proposals, as set out in Section 15.1 of the Proposals Report dated 17 April 2019, be approved.

If a Creditors' Committee is not formed, the non-preferential unsecured creditors will be required to consider the following additional decisions:

1. That the Joint Administrators may pay their firm's unpaid pre-administration fee of £30,000, plus VAT, and unpaid expenses of £2 plus VAT, when funds are available.
2. That the Joint Administrators may pay the unpaid pre-administration costs of £10,960, plus VAT, and unpaid expenses of £50 plus VAT incurred by TV, when funds are available.
3. That the Joint Administrators may pay the unpaid pre-administration costs of £25,000, plus VAT, incurred by Axia, when funds are available.
4. That the Joint Administrators' remuneration shall be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration at CBW's standard rates for this type of work, as amended from time to time, by reference to the time properly spent by them and their staff in dealing with the matters relating to the Administration and such time shall be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken. Furthermore, the level of fees which can be drawn from asset realisations as and when available and without further approval, be capped at £75,246, being the amount stated in the Fees Estimate appended at **Appendix 8** of the Proposals' Report dated 17 April 2019.
5. That the Joint Administrators shall be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 at the time that their appointment as Joint Administrators ceases to have effect.

The final date for votes is 13 May 2019, the Decision Date.

- i. In order for their votes to be counted creditors must submit to me their completed voting form so that it is received at the Joint Administrators' office by no later than 23.59 hours on 13 May 2019. It must be accompanied by proof of their debt (if not already lodged). Failure to do so will lead to their vote(s) being disregarded.
- ii. Creditors with claims of £1,000 or less must have lodged proof of their debt for their vote to be valid.
- iii. Any creditors who have previously opted out from receiving documents in respect of the insolvency proceedings are entitled to vote on the decisions provided they have lodged proof of their debt.

- iv. Creditors may, within 5 business days of delivery of this notice to them, request a physical meeting of creditors be held to determine the outcome of the decisions above. Any request for a physical meeting must be accompanied by valid proof of their debt (if not already lodged). A meeting will be convened if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."
- v. Creditors have the right to appeal the decision made by applying to Court under Rule 15.35 within 21 days of 13 May 2019, the Decision Date.

Creditors requiring further information regarding the above, should contact the case administrator, Danielle Bennett on 020 7309 3833 or by email at danielle.bennett@cbw.co.uk

Signed J. Colley
J W Colley
Joint Administrator

Dated 17/4/19

VOTING FORM

Labrador Ltd - In Administration

In the In the High Court of Justice Number 2019-002099 of 2019

Registered office: 66 Prescott Street, London, E1 8NN

Principal trading address: 8 Greencoat Place, London, SW1P 1PL and Birmingham Blythe Valley Business Park, Central Boulevard, Blythe Valley Business Park, Solihull, Birmingham, B90 8AG

Company registered number: 08489878

Voting on Decisions

1. That the Joint Administrators' Proposals, as set out in Section 14.1 of the Proposals Report dated 17 April 2019 be approved.

FOR / AGAINST

If a Creditors' Committee is not formed, the non-preferential unsecured creditors will be required to consider the following additional decisions:

2. That the Joint Administrators may pay their firm's unpaid pre-administration fee of £30,000 plus VAT and unpaid expenses of £2 plus VAT, when funds are available.

FOR / AGAINST

3. That the Joint Administrators may pay the unpaid pre-administration costs of £10,960, plus VAT, and unpaid expenses of £50 plus VAT incurred by TV, when funds are available.

FOR / AGAINST

4. That the Joint Administrators may pay the unpaid pre-administration costs of £25,000, plus VAT, incurred by Axia, when funds are available.

FOR / AGAINST

5. That the Joint Administrators' remuneration shall be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration at CBW's standard rates for this type of work, as amended from time to time, by reference to the time properly spent by them and their staff in dealing with the matters relating to the Administration and such time shall be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken. Furthermore, the level of fees which can be drawn from asset realisations as and when available and without further approval, be capped at £75,246, being the amount stated in the Fees Estimate appended at **Appendix 8** of the Proposals' Report dated 17 April 2019.

FOR / AGAINST

6. That the Joint Administrators shall be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 at the time that their appointment as Joint Administrators ceases to have effect.

FOR / AGAINST

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor: _____

Signature of creditor: _____

(Complete the following if signing on behalf of creditor, e.g. director/solicitor)

Capacity in which signing document _____

(If signing on behalf of a body of persons, state the position of that individual in relation to the body; or, if a body corporate of which the individual is the sole member/shareholder)

Completed forms may be delivered to the Joint Administrators by:

- post to Carter Backer Winter LLP, 66 Prescott Street, London E1 8NN
- fax via 020 7309 3801
- email to danielle.bennett@cbw.co.uk and insolvencyreplies@cbw.co.uk

LABRADOR LTD - IN ADMINISTRATION

Joint Administrators' Report and Proposals

17 April 2019

APPENDIX 9

Proof of Debt Form

PROOF OF DEBT

Labrador Ltd - In Administration
In the In the High Court of Justice Number 002099 of 2019

Date of Administration: 25 March 2019

DETAILS OF CLAIM	
1	Name of Creditor (if a company, its registered name):
2	Address of Creditor (i.e. principal place of business)
3	If the Creditor is a registered company: <ul style="list-style-type: none">• For UK companies: its registered number• For other companies: the country or territory in which it is incorporated and the number if any under which it is registered• The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act
4	Total Amount of Claim, including VAT, as at the date of Administration: Less: less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25 <i>(Note – if you have reclaimed any VAT, such that your claim will be Net of VAT, please confirm the deduction above)</i>
5	If the total amount above includes outstanding uncapitalised interest, please state YES (£) / NO
6	Particulars of how and when the debt was incurred
7	Particulars of any security held, the value of the security, and the date it was given
8	Details of any reservation of title in relation to goods to which the debt relates
9	Details of any document by reference to which the debt can be substantiated <i>(Note - the Administrator may call for any document or evidence to substantiate the claim at his discretion)</i>

10	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	Category Amount(s) claimed as preferential £
11	If you wish any dividend payment that may be made to be paid in to your bank account please provide BACS details. Please be aware that if you change accounts it will be your responsibility to provide new information	Account No.: Account Name: Sort code:
AUTHENTICATION		
Signature of Creditor or person authorised to act on his behalf		
NAME, IN BLOCK LETTERS:		
Dated:		
If signed by someone other than the Creditor, state your postal address and authority for signing on behalf of the Creditor (e.g., director, accountant, credit controller etc)		
Are you the sole member of the Creditor?		YES / NO

Guidance notes re preferential debts:

For claims arising in insolvencies commencing on or after 15 September 2003 the categories of preferential debts under section 386(1) of the Insolvency Act 1986, are as follows:

- (a) pension scheme contributions;
- (b) remuneration etc of employees;
- (c) levies on coal and steel production.

VAT bad debt relief

The provisions of the Finance Act 1990, came into effect on 26 July 1990, and introduced changes in the way that VAT on bad debts is recovered.

Your claim overleaf must be quoted inclusive of VAT. You may claim relief on your VAT return when the debt is at least six months old and has been written off. This system can also be applied to debts for any supplies made between 1 April 1989, and 25 July 1990, and such debts must be claimed gross overleaf. Any dividend you receive in respect of this claim will include payment in respect of the VAT element of your debt and you will be responsible for declaring such VAT to HM Customs & Excise.

LABRADOR LTD - IN ADMINISTRATION

Joint Administrators' Report and Proposals

17 April 2019

APPENDIX 10

Notice of Invitation to Form a Committee

NOTICE OF INVITATION TO FORM A CREDITORS' COMMITTEE

Labrador Ltd - In Administration
In the High Court of Justice Number 002099 of 2019
Company Number: 08489878

NOTICE IS GIVEN by Joseph Walter Colley and John Anthony Dickinson, the Joint Administrators, to the creditors of Labrador Ltd - In Administration of an invitation to form a Creditors' Committee under rule 3.39 of The Insolvency (England and Wales) Rules 2016.

1. Creditors are invited to determine whether a Creditors' Committee should be established.
2. A Committee may be formed if a minimum of 3 and a maximum of 5 creditors are willing to become members.
3. Nominations can only be accepted for a creditor to become a member of the Committee if they are an unsecured creditor and have lodged a proof of their debt that has not been disallowed for voting or dividend purposes.
4. Please complete the section overleaf, and include the name and address of any person you wish to nominate to act as a member of the Creditors' Committee. The completed document should be returned to Carter Backer Winter LLP so that it is received by no later than 23.59 hours on 13 May 2019, the Decision Date.

The completed document may be delivered by:

- post to Carter Backer Winter LLP, 66 Prescott Street, London, E1 8NN
- fax via 020 7309 3801
- email to danielle.bennett@cbw.co.uk and insolvencyreplies@cbw.co.uk

The final date for the decision about the formation of a Creditors' Committee and for nominations for members of the Creditors' Committee is 13 May 2019, the Decision Date.

DATED THIS 17TH DAY OF APRIL 2019

BY ORDER OF THE JOINT ADMINISTRATORS


.....
J W Colley
Joint Administrator

NOMINATION TO ACT AS A MEMBER OF A CREDITORS' COMMITTEE

Labrador Ltd - In Administration
In the High Court of Justice Number 002099 of 2019
Company Number: 08489878

Voting on Decision

- That a Creditors' Committee shall be formed, if there are sufficient nominations

For/Against

I wish to nominate the following creditor to act as a member of the committee:

Name of nominated creditor _____

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor: _____

Signature of creditor: _____

(Complete the following if signing on behalf of creditor, e.g. director/solicitor)

Capacity in which signing document: _____

Dated: _____