

AM03

Notice of administrator's proposals



Companies House

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1 Company details

Company number	0	2	8	2	3	1	9	6
Company name in full	Argo (Cargomasters) Limited							

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s)	Nicholas
Surname	Cusack

3 Administrator's address

Building name/number	5th Floor
Street	The Union Building
Post town	51-59 Rose Lane
County/Region	Norwich
Postcode	N R 1 1 B Y
Country	

4 Administrator's name ①

Full forename(s)	
Surname	

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number	
Street	
Post town	
County/Region	
Postcode	
Country	

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**

Qualifying report and administrator's statement ^①

☐ I attach a copy of the qualifying report☐ I attach a statement of disposal

^① As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

8

Sign and date

Administrator's
Signature

Signature

X 

X

Signature date

^d0

^d4

^m0

^m7

^y2

^y0

^y2

^y2

AM03

Notice of Administrator's Proposals



Presenter information

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

Contact name	Andy Barron
Company name	Parker Andrews Limited
Address	5th Floor
	The Union Building
Post town	51-59 Rose Lane
County/Region	Norwich
Postcode	N R 1 1 B Y
Country	
DX	
Telephone	01603 284284



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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

Argo (Cargomasters) Limited (In Administration)
("the Company")

DOCUMENT CONTAINING THE STATEMENT OF THE ADMINISTRATORS' PROPOSALS
AS REQUIRED BY RULE 3.55(10) OF THE INSOLVENCY (ENGLAND AND WALES)
RULES 2016

In accordance with Paragraph 52(1) of Schedule B1 of the Insolvency Act 1986, the Administrator is not seeking a decision from creditors on the approval of the Proposals. Section 10 of the attached Statement explains how creditors may request a decision on the Proposals, if they so desire.

Separately, the Administrator is seeking certain creditors' approval of a number of proposed decisions including that the Administrator's fees be fixed by reference to the time given by them and their staff in attending to matters arising in the Administration.

A statement of the pre-Administration costs is attached at Appendix III to the Proposals. Payment of any unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Insolvency (England & Wales) Rules 2016 and is not part of the Statement of Proposals subject to approval under Paragraph 53 of Schedule B1 of the Insolvency Act 1986.

The affairs, business and property of Argo (Cargomasters) Limited (in Administration) are managed by the Administrator, who act as agents of the Company and without personal liability.

In the The High Court Reference No. 1769

Argo (Cargomasters) Limited (In Administration)

THE JADMINISTRATORS' STATEMENT OF PROPOSALS

Nicholas Cusack
Administrator

Parker Andrews Limited

5th Floor, The Union Building, 51-59 Rose Lane, Norwich, NR1 1BY

01603 284 284

Andy.barron@parkerandrews.co.uk

Disclaimer Notice

- This Statement of Proposals has been prepared by Nicholas Cusack, the Administrator of Argo (Cargomasters) Limited, solely to comply with their statutory duty under Paragraph 49 of Schedule B1 of the Insolvency Act 1986 and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- Any estimated outcomes for creditors included in this Statement of Proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this document for any purpose or in any context other than under Paragraph 49 of Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Administrator does not assume any responsibility and will not accept any liability in respect of this Statement of Proposals.
- The Administrator acts as agent for Argo (Cargomasters) Limited and contract without personal liability. The appointment of the Administrator is personal to them and, to the fullest extent permitted by law, Parker Andrews Limited does not assume any responsibility and will not accept any liability to any person in respect of this Statement of Proposals or the conduct of the Administration.

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1. Executive Summary

- 1.1 This Statement of Proposals is being delivered to creditors on 7 July 2022.
- 1.2 The principal activity of the Company was freight transport by road and it traded from Unit 5 Easter Park, Axial Way, Colchester, Essex, CO4 5WY. On 28 June 2022, Nicholas Cusack of Parker Andrews Limited was appointed Administrator of the Company by the Director.
- 1.3 The Administrator is currently pursuing the third statutory objective of realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.4 A summary of the current and anticipated future positions are detailed below.

Assets

Asset	Realisations to date (£)	Anticipated future realisations (£)	Total anticipated realisations (£)
Goodwill	1,000.00	9,000.00	10,000.00
Plant and Machinery	700.00	6,700.00	7,000.00
Seller's Records	0.10	0.90	1.00
Office Furniture and Computer Equipment	49.90	449.10	499.00
Motor vehicles	3,750.00	3,750.00	37,500.00
Cash at Bank	Nil	Uncertain	Uncertain
Book Debts	Nil	Uncertain	Uncertain
Cash held on appointment	10,000.00	Nil	10,000.00
Total	15,500.00	Uncertain	Uncertain

Expenses

Expense	Expense incurred to date (£)	Anticipated further expense (£)	Total anticipated expense (£)
Pre appointment Fees	-	12,849.50	12,849.50
Pre Appointment Legal Fees	-	9,995.00	9,995.00
Pre Appointment Agents Fees	-	7,500.00	7,500.00
Administrator's Fees	-	40,960.00	40,960.00
Administrator's Expenses	-	1,168.20	1,168.20
Total	-	72,472.70	72,472.70

Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend
Secured creditor (fixed charge)	Nil	N/A
Secured creditor (floating charge)	Nil	N/A
Preferential creditors	Nil	N/A
Secondary Preferential creditors	Nil	16.73p in the £
Unsecured creditors	Nil	Nil

- 1.5 The main work remaining to be done to conclude the Administration is to realise the cash at bank and book debts of the Company and to undertake the Administrator's statutory investigations into the affairs of the Company. The Administration is expected to be concluded in c.12 months by exiting to dissolution.
- 1.6 Definitions of the terms used in this Proposal are provided in Appendix I.

2. Background to the Company

- 2.1 The business was established in June 1993 and the principal activity of the Company was freight transport. It traded from premises at Unit 5 Easter Park, Axial Way, Colchester, Essex, England, CO4 5WY.
- 2.2 The Company was formed between Ray Stephens and Jo Robinson in Maldon and were operating freight transport services.
- 2.3 In the late 90s, the business focus diversified into smaller, van deliveries rather than large haulage work.
- 2.4 The business continued to be successful, however Jo Robinson sadly passed away and Ray took sole control of the Company. At that time Ray's son joined the Company. The Company relocated to its current premises in Colchester. The Company employed around 7 staff.
- 2.5 In 2009 the Company was offered a contract with a major client which involved the company obtaining a warehouse facility, and employing additional driving staff.
- 2.6 This contract soon required the business to source a larger warehouse. The client wished to increase the contract to deal with more territories. Unfortunately, there was no formal contract in place and all assurances were verbal, and within a year the client reduced the level of work passed to the Company as a result of a management change at the Client and the contract was no longer affordable for the Company and the contract was not continued.
- 2.7 The company has entered into rental agreements for the warehouse units and as such this put significant pressure on the Company, however the Company was able to sublet the units which covered the majority of the costs of the units.
- 2.8 Due to the time spent dealing with the larger client, a number of smaller customers decided to move to alternative suppliers and the Company lost a significant amount of work.
- 2.9 The Company undertook marketing and a rebranding exercise to attract new customers, this activity was moderately successful and the Company obtained several new clients.
- 2.10 Due to the Company having warehouse space, a decision was taken to diversify into other distribution areas in which the Company delivered online purchases to customers.
- 2.11 The company continued to be profitable from this source of work.
- 2.12 During 2020, the Company was significantly impacted by Covid-19 as a large proportion of the existing client base consisted of logistics support for touring musicians around the UK & Europe, all of which was immediately cancelled.
- 2.13 Whilst the Company had been able to sublet its units, the rent received did not cover the full rental due, and this coupled with the loss of revenue during the Covid-19 lockdowns has resulted in significant arrears of rent being due to the Landlord.
- 2.14 As the various lockdowns started to ease, the Company discussed with the Landlord to make arrangements on dealing with the rental arrears so that the Company could trade their way out of their financial situation. However, the landlord was adamant that any payment plan to cover these arrears could last no longer than 12 months. Given the building was now too large for business purposes and other subtenants had left

the premises, the director concluded that the Company could not afford to agree to such terms and decided to seek professional advice to deal with the matter in hand.

- 2.15 Parker Andrews were subsequently contacted for advice on 30 May 2022, and were subsequently engaged to assist on the same day.
- 2.16 Parker Andrews Limited and Nicholas Cusack, the Administrator, have no prior professional relationship with the Company, its directors or shareholders, other than providing advice on the Company's position throughout this process.
- 2.17 Statutory information on the Company and extracts from the most recent accounts are provided at Appendix II. Please note that this information has not been verified by the Administrator or by Parker Andrews Limited.
3. Events leading to the Administration
- 3.1 No Moratorium under Part A1 of the Act has been in force for the Company at any time within the period of 2 years ending with the day on which it entered Administration.
- 3.2 Attached at Appendix III is an account of the work undertaken prior to the Administrator's appointment and the costs associated with that work.
- 3.3 Payment of any unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Insolvency (England & Wales) Rules 2016 and is not part of the Statement of Proposals subject to approval under Paragraph 53 of Schedule B1 of the Insolvency Act 1986.
- 3.4 On 28 June 2022, Nicholas Cusack, of Parker Andrews Limited was appointed Administrator of the Company following the filing of a Notice of Appointment of Administrator by the Directors.
- 3.5 These proceedings are COMI proceedings as defined by the Insolvency (England and Wales) Rules 2016 (as amended).

Ethical Considerations

- 3.6 Prior to the Administrator's appointment, a review of ethical issues was undertaken and no ethical threats were identified. A further review has been carried out and no threats have been identified in respect of the management of the insolvency appointment to date.
4. The Objective of the Administration
- 4.1 Administrators must perform their functions with the objective of:
- rescuing the company as a going concern;
 - or if that is not possible, then achieving a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration);
 - or if that is not possible, realising property in order to make a distribution to one or more secured or preferential creditors.
- 4.2 The Administrator would comment that was a lack of working capital following their appointment to contemplate trading the business and the Administrator did not

consider it possible to restructure the existing business or propose a Company Voluntary Arrangement.

- 4.3 The second objective is normally achieved by means of a sale of the business and assets as a going concern or a more orderly sales process than in liquidation. The Administrator would comment that whilst a sale of the assets of the business has been achieved, the level of the secondary preferential creditors will result in there being insufficient funds available to the unsecured creditors.
- 4.4 The Administrator would comment that the third objective will be achieved, as they expect to pay a distribution to the Company's secured and preferential creditors.
- 4.5 A detailed account of how the Administrator has sought to achieve the objective of the Administration is set out below.

5. Events since the Administrator's Appointment

- 5.1 Immediately upon appointment, the Administrators undertook a review of the Company's affairs with particular regard to its financial and resource requirements. This assessment was carried out in liaison with the remaining management of the Company.

The sale of the Company's business and assets

- 5.2 The Administrator concluded a pre-pack sale of the Company's business and assets. Information relating to this sale is attached at Appendix IV. Of the total sale consideration of £55,000, £5,500 has been received to date and is currently being held on trust with the Administrator's instructed solicitor, and the remaining £49,500 will be collected at regular intervals as detailed later in this report.

Sales to connected parties

- 5.3 In accordance with the requirements of SIP13, details of the sales of assets to parties connected with the Company since the Administrator's appointment are as follows:
- 5.4 Prior to appointment, Hub Freight Ltd expressed an interest in purchasing the Company's assets. Hub Freight Ltd is connected with the Company because Matthew Stephens, the director of Hub Freight Ltd is the Company of the Company.
- 5.5 The Administrator had instructed SIA Group Asset Ingenuity (London) Limited ("SIA"), who are professional independent agents with adequate professional indemnity insurance, to dispose of the Company's assets using the most advantageous method available. Therefore, Hub Freight Ltd was invited to contact SIA direct to progress their interest. SIA weighed up the advantages of a swift sale, which would avoid the ongoing costs of storing and marketing the assets, against the potential of attracting a better offer albeit that this would involve incurring more costs. SIA concluded that purchaser's offer was very likely to represent the best net realisation for the assets and they recommended to the Administrator that the offer be accepted.
- 5.6 Consequently, the Company's assets was sold to Hub Freight Ltd on 28 June 2022 for £55,000 (exclusive of any VAT), payment is due by way of 10 equal monthly payments.

Other steps taken as regards assets

- 5.7 On the Administrator's appointment, the value of the Company's sales ledger was £5,853.98. On appointment, the Administrator arranged for the collection of all

documentation to support the outstanding sales ledger. The Administrator has started efforts to collect the outstanding book debts. To date, no recoveries have been collected.

- 5.8 The Administrator made immediate contact with the Company's bankers in order to freeze the Company's bank accounts and to request the transfer of any credit balances to the Administrator's control.

Steps taken as regards creditors

- 5.9 The Administrator's staff have handled creditors' queries as they have arisen, which has included telephone calls and correspondence

Instruction of specialists

- 5.10 When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Administrator is obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.

- 5.11 The Administrator's legal advisors advised in respect of all legal issues arising on the sale of business and assets and have been assisting the Administrator with matters arising in the Administration.

- 5.12 To advise on appropriate legal matters and to prepare required legal documentation, the Administrator instructed Ashtons Legal, a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations.

- 5.13 In addition, SIA, a firm of chattel agents, was instructed by the Administrator to undertake inventories and valuations of the Company's chattels and intangible assets where appropriate. The agents also advised on the best method of disposal of those assets and assisted in their disposal, as well as assisted with claims of retention of title and security.

- 5.14 All professional fees are based upon the parties' recorded time costs incurred at their standard charge out rates and will be reviewed by the Administrator's staff before being approved for payment.

Investigation into the Company's affairs prior to the Administration

- 5.15 The Administrator has commenced a review of the Company's trading activities in order to establish whether or not there are actions that may be taken for the benefit of the Administration and consequently to enable a report to be submitted to the Insolvency Service on the conduct of the Company's directors.

- 5.16 Should any creditor have any concerns about the way in which the Company's business has been conducted or information on any potential recoveries for the estate, they are invited to bring them to the attention of the Administrator as soon as they are able.

6. The Statement of Affairs and the Outcomes for Creditors

6.1 To date, the directors have not submitted a signed Statement of Affairs, although they are currently in the process of drafting this. The Estimated Financial Position of the Company, together with a list of creditors, is attached at Appendix V. These details have been extracted from the Company's records and therefore no warranty can be given to the accuracy of the details given.

6.2 In accordance with the standard format of a Statement of Affairs, no provision has been made in the Statement for the costs of the Administration.

Prospects for creditors

6.3 Attached at Appendix VI is the Administrator's receipts and payments account for the period from 28 June 2022 to 4 July 2022.

6.4 Also attached at Appendix VII is an Estimated Outcome Statement, which illustrates the anticipated outcomes for creditors.

6.5 The Act requires administrators to make a prescribed part of the company's net property, which is the balance remaining after discharging the preferential and secondary preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts.

6.6 In this case, the prescribed part provision does not apply, as there are no amounts due to the floating charge holders.

7. In summary, it is anticipated that there will be sufficient funds to pay a distribution to secondary preferential creditors.

The Administrator's Fees

7.1 The Administrator proposes to fix their fees on the following basis:

- the time properly given by the Administrator and their staff in attending to matters arising in the Administration, such time to be charged at the prevailing standard hourly charge out rates used by Parker Andrews Limited at the time the work is performed;

7.2 Attached at Appendix VIII is the Administrator's Fees Estimate. Attached at Appendix IX is a breakdown of the time costs incurred in the Administration to 4 July 2022 and the charge-out rates of the Administrators and their staff are provided at Appendix X.

7.3 The Estimated Outcome Statement at Appendix VII provides an overview of the financial benefit that this work is expected to bring to creditors.

7.4 Creditors may access a Guide to Administrators' Fees at <http://thecompliancealliance.co.uk/cgfadm.pdf> or a hard copy will be provided on request.

8. The Administrators' Expenses

8.1 Attached at Appendix VIII are details of the expenses that the Administrator expects to incur in the Administration.

9. The Administrators' Discharge

9.1 The Act requires that the timing of the Administrator's discharge from liability will be decided by the unsecured creditors. The Administrator proposes that this discharge

will take effect when their appointment ceases to have effect and a decision will be sought in respect of this.

10. Approval Process

Approval of the Statement of Proposals

10.1 Attached at Appendix XII is a summary of the Administrator's Statement of Proposals. For further information on how the Company's affairs will continue to be managed, if these Proposals are approved, please refer to Appendix VIII, which sets out in detail what further work the Administrator proposes to undertake.

10.2 The Administrators think that neither of the first two Administration objectives can be achieved. Therefore, pursuant to Paragraph 52(1)(c) of Schedule B1 of the Act, the Administrator is not required to seek creditors' approval of the Statement of Proposals. Notwithstanding this, the Administrator shall be required to seek a creditors' decision on whether to approve the Statement of Proposals, if it is requested by creditors whose debts amount to at least 10% of the Company's total debts. Such request must be delivered to the Administrator within 8 business days from the date on which the Statement of Proposals was delivered. Security must be given for the expenses of seeking such a decision. If no decision is requested, the Statement of Proposals will be deemed to be approved pursuant to Rule 3.38(4) of the Rules.

Other Decisions

10.3 The Administrator is also inviting creditors to decide on the following matters:

- Whether to establish a creditors' committee
- : The timing of the Administrator's discharge from liability
- In the event that a creditors' committee is not established:
 - The basis on which the Administrator's fees shall be fixed
 - The approval of the unpaid pre-Administration costs
 - The approval of the basis of Category 2 expenses

10.4 Attached at Appendix XII are the relevant notices and forms required to assist creditors in submitting a vote in these proceedings.

If any creditor has any queries in relation to the above, please do not hesitate to contact either the Administrator or Andy Barron, on 01603 284 284 or by email to andy.barron@parkerandrews.co.uk.

Dated this 4 July 2022



Nicholas Cusack
Administrator

Nicholas Cusack was appointed Administrator of Argo (Cargomasters) Limited on 28 June 2022. The affairs, business and property of the Company are managed by the Administrator. The Administrator acts as agent of the Company and contract without personal liability.

Appendix I: Definitions

The Act	The Insolvency Act 1986
The Rules	The Insolvency (England & Wales) Rules 2016
The Statement of Proposals	The Statement of the Administrator's Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act
The Administrator	Nicholas Cusack
The Company	Argo (Cargomasters) Limited (in Administration)
The Court	The High Court
EBIT	Earnings before interest and tax
SPA	Sale & Purchase Agreement
RPO	The Redundancy Payments Office
HMRC	HM Revenue & Customs
ROT	Retention of Title
EOS	Estimated Outcome Statement
PP or Prescribed Part	The Prescribed Part of the Company's net property subject to Section 176A of the Act
QFCH	Qualifying Floating Charge Holder
SIP	Statement of Insolvency Practice (England & Wales)
TUPE	Transfer of Undertakings (Protection of Employment) Regulations

Appendix II: Statutory and Financial Information

Company name	Argo (Cargomasters) Limited
Previous name(s)	None
Trading name(s)	None
Proceedings	In Administration
Court	The High Court
Court reference	1769 of 2022
Date of appointment	28 June 2022
Appointed by	The Director
Administrator	Nicholas Cusack Parker Andrews Limited 5th Floor, The Union Building, 51-59 Rose Lane, Norwich, Norfolk, NR1 1BY
Registered office	c/o Parker Andrews Limited, 5th Floor, The Union Building, 51-59 Rose Lane, Norwich, Norfolk, NR1 1BY
Company number	02823196
Incorporation date	2 June 1993
Company Secretary at date of appointment	Matthew Stephens
Director at date of appointment	Raymond Stephens
Director's shareholdings	Raymond Stephens - 100 Ordinary shares

Summary Profit and Loss Account

	Accounts for year to 30.04.2021 £	Accounts for year to 30.04.2020 £	Accounts for year to 30.04.2019 £
Turnover	852,655	1,013,265	1,014,200
Cost of Sales	(553,721)	(625,177)	(691,032)
Gross Profit	298,934	388,088	323,168
Gross Margin %	35%	38%	32%
Other Expenses	(459,044)	(376,888)	(390,355)
Other Operating Income	110,023	16,471	28,874
(L)/EBIT	(50,087)	27,671	(38,313)

Summary Balance Sheet

	Accounts for year to 30.04.2021 £	Accounts for year to 30.04.2020 £	Accounts for year to 30.04.2019 £
Tangible assets	123,605	170,592	219,216
Intangible assets	-	250,000	250,000
Fixed assets	123,605	420,592	469,216
Current Assets			
debtors	200,195	239,847	209,766
Cash at bank and in hand	155,508	7,882	896
	355,703	247,729	210,662
Liabilities			
Trade creditors	(306,506)	(289,271)	(292,430)
Other	(133,501)	(191,675)	(33,200)
Taxation	(82,697)	(51,948)	(41,103)
Finance	(49,263)	(77,392)	(107,335)
Bank	(58,817)	(112,091)	(251,339)
Total Liabilities	(630,784)	(722,377)	(725,407)
Net Assets	(151,476)	(54,056)	(45,529)

Appendix III: Statement of Pre-Administration Costs

On 30 May 2022 the director agreed with the proposed Administrator that Parker Andrews Limited be paid fees for work done prior to the Administration on the basis of time costs incurred by the insolvency practitioners and their staff at their standard charge-out rates plus VAT and related expenses for the following tasks and matters that were considered to be necessary to placing Argo (Cargomasters) Limited into Administration.

Prior to Administration, the proposed Administrator gathered information on the Company to ensure that he was in a position to consent to act as Administrator and to formulate an initial strategy for pursuing achievement of an Administration objective. In addition, it was considered advantageous to take steps to market the business and assets of the Company and to negotiate with interested parties with a view to agreeing a sale in principle that could be completed shortly after the Administrator's appointment. Thus, agents were engaged to value and market the business and assets by the most beneficial means in view of the time available. Solicitors were also engaged to draft a sale and purchase agreement and to assist in agreeing its terms with the prospective purchaser.

In conducting the above work, the following costs were incurred:

	£
Parker Andrews Limited's time costs (see below)	12,849
Agents' costs	2,000
Solicitors' costs	9,955

Further below is a breakdown of the time costs of the Administrators and their staff incurred prior to Administration and at Appendix III are Parker Andrews Limited's charge-out rates and bases of expenses.

All the above costs remain unpaid.

Appendix IV: SIP16 Statement

A PRE-PACKAGED SALE INVOLVING ARGO (CARGOMASTERS) LIMITED – IN ADMINISTRATION (“the Company”)

Following Statement of Insolvency Practice 16, I provide details regarding the sale of the Company’s business and assets (“the Sale”) and the events leading up to the Sale.

PRE-PACKAGED SALE

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

The Roles of the Insolvency Practitioners

In most cases involving a pre-packaged sale, an insolvency practitioner’s firm is initially engaged by the insolvent company to help its board of directors to consider the company’s options for resolving its financial difficulties and/or for arranging an orderly winding up of its affairs. If it is decided that an administration is appropriate, the company may then instruct the insolvency practitioner’s firm to assist the company or its directors to issue the statutory notices to commence the process and to assist the company to take steps towards selling its business and assets to achieve the best available outcome for creditors as a whole in all the circumstances. Once appointed as administrator, the role of the insolvency practitioner is to manage the company’s affairs, business and assets with the objective of achieving a statutory purpose of an administration. In the event of a pre-packaged sale, this involves concluding a sale of the business and/or assets shortly after the administration has begun. When either assisting the company before administration or acting as an administrator, the insolvency practitioner’s role is not to advise the directors personally or any parties connected with any potential purchaser, who are usually encouraged to take independent advice.

In this case, prior to commencement of the Administration, Parker Andrews Limited acted as advisors to the Board of Directors in relation to the options for the Company. For the avoidance of doubt, neither Parker Andrews Limited nor its insolvency practitioners advised the directors personally or any parties connected with the purchaser, who were encouraged to take independent advice. At all times prior to Administration, the Board of Directors remained responsible for and in control of the Company’s affairs.

During this time, the insolvency practitioner of Parker Andrews Limited took their own steps to prepare for their potential appointment Administrator. At this point, there were clear advantages in looking to sell the Company’s business and assets swiftly on appointment, as this strategy would significantly reduce the ongoing costs of securing and maintaining the business and assets and it would avoid the substantial risks that the value and continued viability of the business and assets would deteriorate due to the commencement of a formal insolvency regime. Therefore, the insolvency practitioner, with the assistance of professional and independent agents, considered the most effective method of securing a sale representing the best outcome for creditors as a whole and negotiated with parties interested in acquiring the business and assets of the Company to a point whereby a sale could be concluded shortly after the Administration had commenced.

Immediately on their appointment, the Administrator, as officer of the court and as agents of the Company, took over from the Board the responsibilities of managing the affairs, business and property of the Company. In the interests of the creditors as a whole and mindful of the need to achieve a statutory purpose of an Administration, they concluded the Sale.

Ethical Considerations

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

Prior to the Administrator's appointment, a review of ethical issues was undertaken and no ethical threats were identified.

When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Administrator is obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed in the Administrator's Proposals.

Initial Introductions

Parker Andrews Limited was initially approached by the Company's director on 30 May 2022 to help advise on the options available for the Company, as it was deemed to be insolvent.

Pre-appointment Matters

In addition to advising on the Company's options, our advice covered marketing the business and also involved negotiating and agreeing the contract to be completed following the Administrator's appointment. The fee agreed in respect of my pre-appointment advice was the time costs properly incurred by staff at Parker Andrews Limited's standard charge out rates estimated to be £10,000 plus VAT. The Administrator intends to seek to have these fees approved and paid from the insolvent estate in due course.

A signed engagement letter was received from the director of the Company on 30 May 2022.

The principal activity of the Company was freight transport by road and it traded from Unit 5 Easter Park, Axial Way, Colchester, Essex, CO4 5WY.

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

- The increasing rent arrears due to the landlord, and the subsequent action being taken
- The impact of Covid-19 on the revenue on the business

The Company granted the following security:

Secured creditor's name and address	Details of security	Date security was given
Lloyds Bank Plc	Fixed and floating charge	12/06/2017
Barclays Bank Plc	Fixed and floating charge	20/06/1994

By 30 May 2022, it had become apparent that the Company required funding above the level available to it by its bank and neither the Company nor its investors were in a position to advance the necessary funding in order to pay wages on an ongoing basis.

A review of the Company's cash-flow revealed that there would be insufficient working capital available to allow the Company to continue to trade in the medium term in order for a purchaser to be found. There were no requests made to potential funders because of the pressure already in place from the Company's major creditor, the landlord, whose actions would have had a severe impact on the Company's ability to trade.

The options listed below were considered with the director.

Continuing to trade outside insolvency or through a Moratorium

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

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

Company Voluntary Arrangement ("CVA")

Although a CVA would have given the Company some immediate relief from creditor pressure, this would have been subject to creditor agreement. As negotiations with the landlord had already failed and they were insisting on payment over 12 months and were not agreeable to payments over 3-5 years the prospects of approval were low.

Liquidation

The possibility of placing the Company into Liquidation was considered. However it was decided that this was not the best course of action to take, as issuing notices initiating the liquidation process would have damaged the Company's ability to continue to trade and redundancies would have been very likely necessary leading to an increase in the level of creditors. There would also have been no realisation for goodwill and debtor realisations would have been greatly affected.

Pre-packaged Administration Sale

There was insufficient working capital and no prospect of persuading new funding to allow medium-term trading to continue in order that the business and assets could be exposed thoroughly to the market. The benefits of achieving a pre-packaged sale were the transfer of the employees and potentially the lease on the trading premises and the absence of a break in supply of goods and services, which would enable a value to be achieved for goodwill and ensure a more effective debt collection process.

The Administrator's Options on Appointment

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

No consultation was undertaken with the Company's major creditors as the landlord had commenced recovery action and any delays in undertaking consultations would have had a severe impact on the both the business' ability to trade and any prospect of sale of the same.

According to the director, the business and assets sold were not previously purchased from an insolvent company within the past 24 months.

Marketing of the Business and Assets

The director was asked to provide information on any parties, of which he were aware, who would be interested in purchasing the business and assets of the Company.

The director was asked to advise of any marketing conducted by the Company prior to approaching Parker Andrews Limited for advice and we were advised that none had been undertaken by the Company. We were advised of one interested parties including the existing management team.

Agents, SIA Group were then instructed to market the business and assets of the Company and were advised of all known interested parties.

The Marketing Strategy

It was agreed with the agents that the marketing and media coverage would include marketing the business as widely as possible which involved advertising on the agents' and other websites including www.ip-bid.com, www.dealopportunities.co.uk and <http://uk.businessesforsale.com>, agents internal mailing lists and known buyer contacts and distribution of marketing memo for advertisement on the Company's website/database.

Marketing was undertaken for a period of 14 days due to the proposed Administrator's appointment and this being the maximum amount of time available in the circumstances. Marketing materials were issued at the first opportunity. I was satisfied that this length of marketing achieved the best available outcome for creditors as a whole in all the circumstances, due to the limited funds available for the Company to continue trading through the marketing period.

The reasons for the marketing and media strategy adopted were to minimise costs while maximising exposure of the opportunity to the market. It was not deemed cost effective to incur significant third party publication advertising costs in the timescale available.

The agents' marketing led to several parties expressing an interest and 41 Non-disclosure Agreements were issued, of which 16 were returned. and negotiations were entered into with 1 party. The only firm offer received was from Hub Freight Ltd. The agents advised to accept the offer of £55,000 from Hub Freight Ltd because it was the only offer received and represented a fair value for the business and assets.

The marketing strategy has achieved the best available outcome for creditors as a whole in all the circumstances because a sale was achieved in line with the valuation without the need for additional funding to extend the marketing period or trade in Administration.

Valuation of the Business and Assets

SIA Group were instructed on 30 May 2022 to value the business and assets of the Company. They confirmed their independence, are qualified by the Royal Institute of Chartered Surveyors, and have adequate professional indemnity insurance.

Their valuation was received on 31 May 2022 and is detailed below:-

	Forced Sale £	Going Concern £	Actual Sale Price £
Assets Specifically Pledged			
Goodwill	Nil	20,000	10,000
Sellers records	-	-	1

Assets Not Specifically Pledged			
Office furniture and equipment	250	520	499
Plant and machinery	2,125	7,190	7,000
Motor vehicles	23,000	27,500	37,500

The goodwill has been valued and the basis of this valuation is that despite the Company being loss making (due to increased overheads and other issues) and holding no formal contracts, there is a benefit in acquiring an already established position in the market, the databases and future repeat business by association that comes with the acquisition of a ready formed business.

A going concern valuation reflects the estimated amount for which the assets could be sold as a whole in their working place(s). The forced sale basis reflects a sale whereby the assets are removed from the premises at the expense of the purchaser. The Joint Administrators considered the bases of the valuations appropriate, as they were able to consider offers with the objective of selling the business and assets as a going concern, but it was also necessary to understand what the assets might realise in the event that sale negotiations deteriorated and a forced sale of the assets became a real possibility.

The sale price achieved for the business and assets compares favourably with the above valuation.

Assets excluded from the sale as below have not been valued.

The Transaction

The purchaser and related parties

A sale of the business and assets was completed on 29 June 2022 with Hub Freight Ltd.

Raymond Stephens who was director of the insolvent Company, is the father of Matthew Stephens who is director of Hub Freight Ltd. Matthew Stephens was employed by the Company.

The transaction is between the insolvent Company and Hub Freight Ltd only and does not impact on any related companies.

Raymond Stephens, a Company director, had given guarantees for amounts due from the insolvent Company to a prior financier, Capital on Tap, and to my knowledge that financier is not financing the new business.

The assets

The Sale included the assets listed below and was completed by means of a sale and purchase agreement.

The sale consideration

The sale consideration totalled £55,000 and required £5,500 to be paid on completion and the remainder to be paid on the dates listed below. An additional amount of £4,895.83 was to be paid on completion in respect of the Licence to Occupy.

The sale consideration has been allocated to the following asset categories:-

Goodwill (fixed charge)	£10,000
Seller's Records (fixed charge)	£1
Office furniture and Equipment (floating charge)	£499
Plant and Machinery (floating charge)	£7,000

Motor Vehicles (unencumbered)

£37,500

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

The following assets were excluded from the Sale:

The Book Debts;

The Administrators' Records;

The VAT Records;

The Third Party Assets;

The ROT Assets, except as provided in clause 8.5;

Any cash in hand or at the bank;

Any real property owned, leased or used by the Seller;

All policies of insurance and assurance and any actual or potential claim under such policies or similar contracts or in damages against any third party;

The benefit of any actual or potential claim, or right to make a claim, against any person (other than claims under the manufacturers or suppliers' warranties included in the Assets) including the proceeds of any litigation;

Any shares or other securities owned by the Seller;

Any other property, rights or assets of the Seller which are not listed in clause 2.1.

There were 8 employees who were transferred as part of the Sale.

Sale consideration of £5,500 was received on completion and the remainder is to be received by way of deferred consideration and is payable as follows:-

Date	Amount due
28 July 2022	£5,500
28 August 2022	£5,500
28 September 2022	£5,500
28 October 2022	£5,500
28 November 2022	£5,500
28 December 2022	£5,500
28 January 2023	£5,500
28 February 2023	£5,500
28 March 2023	£5,500

The business and assets were secured by obtaining a debenture over the purchaser's assets.

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

A licence to occupy was granted in respect of Unit 5 Easter Park, Axial Way, Colchester, Essex, CO4 5WY for a period of 1 months whilst negotiations with the landlord of the property are progressed.

The Sale is not part of a wider transaction.

Connected Person Transactions

A viability statement was requested from the purchaser, but one was not provided.

The Evaluator's Report

Regulations require connected persons who are proposing to purchase all or a substantial part of the business or assets of a company via a pre-pack to obtain a report from an independent party called an evaluator.

I attach a copy of the evaluator's report.

Strictly Private & Confidential

This report is addressed to the Connected Person (as defined) for the purposes of complying with The Administration (Restrictions on Disposals etc to Connected Persons) Regulations 2021 and should not be disclosed to nor may it be relied upon by any third party. Otherwise than required by law, no part of this report may be reproduced without the express permission of the Evaluator.

The Administration (Restrictions on Disposal etc to Connected Persons) Regulations 2021

QUALIFYING REPORT
Relating to Argo (Cargomasters) Limited



46 New Broad Street
London EC2M 1JH
Tel : 020 3651 5646
office@amblaw.co.uk

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1 INTRODUCTION

- 1.1 The Administration (Restrictions on Disposal etc to Connected Persons) Regulations 2021 came into force on 30 April 2021 and imposed certain requirements in relation to the proposed disposal, hiring out or sale of a company's property ("disposal") by an administrator where such disposal is to a connected person within eight weeks of the administrator's appointment.
- 1.2 For the purposes of the Regulations, 'connected person' is defined in paragraph 60A(3) of Schedule B1 to the Act as being a person connected with the company or an associate of such a person or any company controlled by such a person. In short a connected person will usually be an officer or employee of the company or another company of which such officer or employee is also an officer or employee.
- 1.3 An administrator cannot, within eight weeks of the administration, effect a disposal of any substantial property of the company without either obtaining the prior approval of the company's creditors or ensuring that the proposed purchaser has first obtained a qualifying report under the Regulations.
- 1.4 This report is, accordingly, a 'qualifying report' within the meaning of regulation 3(1) of the Regulations.
- 1.5 In preparing this report I have relied upon the information provided to me by Hub Freight Limited, the Valuers and, where applicable, the Administrators. I have taken all valuations and assumptions at face value and have not independently verified either. As required by the Regulations, this report has been prepared at the instruction of the Purchaser (being the connected person) to whom it is addressed and it has been prepared solely for the purposes of complying with the Regulations. This report may not be relied upon by any third party other than the Purchaser but it may be given to the Administrators for the purposes of regulation 6(1)(a)(iii) of the Regulations.

2 INTERPRETATION

- 2.1 In this qualifying report, unless the context otherwise requires, the following words and expressions shall bear the following meanings:

"Act" means the Insolvency Act 1986.

"Administrators" means Nick Cusack and other partners from Parker Andrews of Union Building, 51-59 Rose Lane, Norwich NR1 1BY.

"Company" means Argo (Cargomasters) Limited (Co No: 02823196) whose registered office is at Unit 5 Easter Park, Axial Way, Colchester CO4 5WY.

"Purchaser" means Hub Freight Limited (Co No: 12569610) whose registered office is at 320d High Road, Benfleet SS7 5HB.

"Evaluator" means Alistair Martin Bacon of AMB Law Limited, 46 New Broad Street, London EC2M 1JH.

"Regulations" means The Administration (Restrictions on Disposal etc to Connected Persons) Regulations 2021.

"Report" means a valuation report and marketing strategy prepared by the Valuers for the purpose of advising the Company on the best outcome for its creditors.

"Valuers" means SIA Group Asset Ingenuity Limited of 107 Cheapside, London EC2V 6DN.

- 2.2 Regulations 7, 12 and 13 of the Regulations stipulate certain prescribed information that must be included within a qualifying report and this information is contained at Schedule 1 below.

3 BACKGROUND

- 3.1 The Company was established in June 1993 and operates as a transport and logistics services provider.
- 3.2 The Company operates from leased premises in Colchester. It owns a good deal of warehouse equipment and three commercial vehicles one of which is financed on HP.
- 3.3 Historically, the Company has typically operated at a good gross profit margin of around 35%. The Company's accounts reveal that profits have declined steadily since 2020 and the Company has been increasingly loss-making over that time.
- 3.4 The Company is currently insolvent within the meaning in section 123 of the Act and is shortly expected to go into administration. The directors of the Company have been advised by the Administrators and their firm, Parker Andrews, in respect of the various options that might be available to the Company with a view to seeking the best possible outcome for the Company and its creditors.

Valuation

- 3.5 It is common practice in the valuation of a company's business to seek to calculate a present value of the company's future income stream over a period of time and this is often achieved by applying a multiple of years to the company's EBITDA or net profit. Such an approach in respect of an insolvent company is invariably not possible as it will inevitably return a negative value if the future business is loss-making.
- 3.6 Accordingly, the Company has instructed the Valuers to consider the financial impact of the various alternative strategies available and to compare the possible outcomes of either disposing of some or all of the Company's business and assets as a going concern or of selling them on a forced sale basis.
- 3.7 The Report values the Company's assets at £33,472 on a forced sale basis and £45,807 on a going concern basis. The Report recommends seeking offers in the region of £20,000 for the goodwill although the Valuers acknowledge that goodwill is unlikely to have any value at all in an insolvency situation.

Marketing

- 3.8 The Valuers have also conducted a marketing exercise with invitations to treat having been sent to targeted parties in the industry and being advertised on a number of relevant websites including IP-Bid.com and UKbusinessforsale.com.
- 3.9 The Valuers received 16 initial expressions of interest which led to 7 parties signing Non-Disclosure Agreements. Only one bid was received being that from the Purchaser.
- 3.10 Apart from the Purchaser no party has chosen to pursue the matter or to make an offer and the Valuers do not consider that any alternative offer to purchase the assets of the Company is likely to be forthcoming.

Connected Person

- 3.11 Mr Matt Stephens is the company secretary of the Company and is also a director of the Purchaser which is the proposed purchaser of the business and assets of the Company. Mr Ray Stephens is a director of the Company and. I believe, may in the

future be a director of the Purchaser. By dint of the dual roles of Messrs Stephens, the Purchaser either is or could be perceived to be a connected person within the meaning of section 60A of the Act and, accordingly, the parties consider it either necessary or prudent to obtain this qualifying report in accordance with regulation 3 of the Regulations.

4 PROPOSED DISPOSAL

4.1 The Purchaser's offer is to purchase the assets of the Company is as follows:

(a) The following assets will be purchased for the following consideration:

- (i) Office Furniture & Computers ...£500
- (ii) Plant & Machinery£7,000
- (iii) Motor Vehicles£37,500
- (iv) Goodwill£10,000

(b) The Consideration payable by the Purchaser will be £55,000 payable in ten equal monthly instalments beginning on the date of completion. The consideration will be apportioned as shown above.

4.2 I note that the Administrators will procure a debenture over the Purchaser together with personal guarantees from its directors as security for the deferred element of the consideration as protection for the Company's creditors.

Disadvantages of the Proposed Transaction

4.3 There are clearly downsides to any proposed sale of a business that proceeds without a full marketing process. There may be a perception that there is little or no opportunity properly to test the market and it is only a matter of a valuers' expert opinion that the proposed disposal actually represents the best outcome for creditors. It is clear, however, that the Valuers have carried out a fairly extensive marketing process with a nil take up so this is not really a concern in this case.

4.4 Similarly, in any 'pre-pack' process there is little opportunity for creditors to test the assertions made as they are invariably presented with a fait accompli.

4.5 In addition to the lack of certainty as to the price to be paid by the Purchaser, there is a general lack of transparency which may cause concern to some creditors given the connection or perceived connection between the Company and the Purchaser and the Purchaser's being a connected person. I have seen no evidence to cause me concern in this regard.

Advantages of the Proposed Transaction

4.6 The proposed transaction achieves a sale of the Company's assets in line with the Report's valuation and realises £10,000 for the goodwill which the Valuers concluded would achieve nothing in an insolvency procedure. I am mindful also of the fact that the Company has no formal, written contracts and accordingly the so-called 'goodwill' is largely little more than the directors' personal relationships with the customers and contacts.

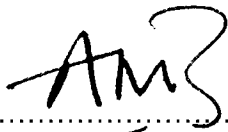
4.7 The proposed transaction will provide for continuation of the Company's business which will provide continuation of employment for its employees and reduced disruption to its customers.

4.8 The employees' employment contracts will transfer to the Purchaser under TUPE which will have a benefit to the Company's other creditors as claims for wage arrears,

holiday pay, redundancy, pay in lieu of notice etc will be avoided. This benefit may be largely hypothetical.

5 CONCLUSION

- 5.1 The Report sets out a comparison of the alternatives which are the recommended disposal of the business and assets in accordance with clause 4.2 above or a piecemeal disposal of those assets on a forced sale basis.
- 5.2 I have considered the Valuers' recommendations and their valuations from which it seems clear that the proposed disposal outlined above will achieve the best realisation of the Company's and I agree that the Purchaser's offer appears to be acceptable.
- 5.3 For the reasons set out above, I am satisfied that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.



.....
Alistair Bacon LLB, LLM, Solicitor
Evaluator
27 June 2022

SCHEDULE 1 : REQUIRED CONTENT

1 THE EVALUATOR

1.1 Reg 7(a) I, Alistair Bacon, am an evaluator within the meaning set out in Part 3 of the Regulations.

1.2 Reg 7(b) I qualified as a solicitor in 1992 and as a licensed insolvency practitioner in 2000 (although I no longer maintain an insolvency licence as I do not take insolvency appointments). I was educated at Marlborough College, University of Westminster (LLB (Hons)), University College London (LLM) and the College of Law, Guildford. I passed the Joint Insolvency Examination Board exams in 1999.

I have worked in insolvency and restructuring since qualifying as a solicitor and have nearly thirty years' experience advising officeholders, banks, debtors, creditors, landlords and others. Some of the matters on which I have previously advised include Daewoo UK, Harland & Wolff, Saab GB, Barceló Hotels, Titan Outdoor and, more recently, Thomas Cook.

I have been involved in a great many pre-packs and insolvency sales and have experience of acting for all sides including the officeholder, the purchaser and other parties.

1.3 Reg 7(c) I am covered by my firm's (AMB Law Limited) professional indemnity insurance the details of which are as follows:

Insurer : Travelers Insurance Company Limited
 Broker : Arthur J Gallagher Insurance Brokers Limited
 Policy No : UC SOL 3959727
 Limit : £5,000,000
 Risks : "... civil liability to the extent that it arises from Private Legal Practice in connection with the Insured Firm's Practice ..."
 Exclusions : None

1.4 Reg 12 In accordance with regulation 12 of the Regulations, neither I nor my firm nor any associate of me or my firm,

- (a) is in any way connected with or an associate of the Company or the Connected Person;
- (b) has any conflict of interest in relation to the subject matter of this report;
- (c) has given any professional advice either to the Company or the Purchaser or any other party whatsoever in relation to the insolvency, rescue or restructuring of the Company; and
- (d) does not fall into any of the restricted categories set out in regulation 13 of the Regulations.

2 THE DISPOSAL

2.1 Reg 7(d) The relevant property to which this report relates is covered in more detail in paragraph 4.1(a) above.

- 2.2 Reg 7(e) I am not aware that the Connected Person has commissioned any prior qualifying report and I have been informed by the Connected Person that no such report exists. Accordingly, regulation 8 of the Regulations does not apply.
- 2.3 Reg 7(f) The consideration to be received by the Company in respect of the proposed disposal is the sum of £55,000 which will be paid as set out in paragraph 4.1(b).
- 2.4 Reg 7(g) The Connected Person (as defined in paragraph 60A(3) of Schedule B1 to the Act) is the Purchaser. I have carried identity checks on the Connected Person and no adverse or concerning issues are raised. The Connected Person's connection with the Company arises by virtue of the common offices held by Matt Stephens.

-o0o-

Appendix V: Estimated Financial Position

Argo (Cargomasters) Limited
Company Registered Number: 02823196
Statement Of Affairs as at 28 June 2022

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Assets subject to floating charge:		
Goodwill		10,000.00
Seller's Records		1.00
Plant & Machinery	64,776.00	7,000.00
Furniture & Office Equipment	NIL	499.00
Motor Vehicles	58,829.00	37,500.00
Book Debts	5,853.98	2,238.96
Intercompany account	44,286.00	Uncertain
Tax Refund	17,464.40	
Cash at Bank	14,618.36	Uncertain
Cash Held on Appointment	10,000.00	10,000.00
Directors' Loan Account	10,377.64	Uncertain
Uncharged assets:		
Estimated total assets available for preferential creditors		67,238.96

Signature _____ Date _____

A1 - Summary of Liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)	67,238.96
Liabilities	
Preferential Creditors:-	
Pension Schemes	716.00
	716.00
Estimated deficiency/surplus as regards preferential creditors	66,522.96
2nd Preferential Creditors:-	
HMRC - VAT	9,939.00
HMRC - NIC	17,886.00
	27,825.00
Estimated deficiency/surplus as regards 2nd preferential creditors	38,697.96
Debts secured by floating charges pre 15 September 2003	
Other Pre 15 September 2003 Floating Charge Creditors	NIL
	38,697.96
Estimated prescribed part of net property where applicable (to carry forward)	NIL
Estimated total assets available for floating charge holders	38,697.96
Debts secured by floating charges post 14 September 2003	
	NIL
Estimated deficiency/surplus of assets after floating charges	38,697.96
Estimated prescribed part of net property where applicable (brought down)	NIL
Total assets available to unsecured creditors	38,697.96

Signature _____ Date _____

Argo (Cargomasters) Limited
Company Registered Number: 02823196
Statement Of Affairs as at 28 June 2022

A1 - Summary of Liabilities

		Estimated to Realise £
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
HM Revenue & Customs - CT	11,063.53	
Finance Company	18,332.00	
Trade Creditors	134,761.36	
		164,156.89
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		(125,458.93)
Estimated deficiency/surplus as regards creditors		(125,458.93)
Issued and called up capital		
Ordinary Shareholders	100.00	
		100.00
Estimated total deficiency/surplus as regards members		<u>(125,558.93)</u>

Signature _____ Date _____

Parker Andrews Limited
Argo (Cargomasters) Limited
Company Registered Number: 02823196
B - Company Creditors

Key	Name	Address	£
CA00	A&H Logistics (UK) Ltd	10 Brooklyn Way, WEST DRAYTON, Middlesex, UB7 7PD	4,560.00
CA01	A&H Spedition (UK) Ltd	49 Milton Avenue, High Barnet, Hertfordshire, EN5 2EY	612.00
CA02	AA Dispatch UK Ltd	Unit 8, Burrell Way, Thetford, Norfolk, IP24 3QS	462.00
CA03	Abacus Fire and Security	Unit 2 Semer Court, Crockatt Road, Hadleigh, Suffolk, IP7 6RN	108.00
CA04	Access UK Ltd	The Old School, Stratford St.Mary, Colchester, EssexCO7 6LZ	951.60
CA06	ANB	11 Groveside Close, CARSHALTON, Surrey, SM5 2EQ	1,320.00
CA07	Armill Lift Trucks Ltd	3A Crittall Drive, Braintree, Essex, CM7 2RT	30.00
CA08	Arturas Kontrimas	4 Hawthorn Way, Thetford, Norfolk, IP24 2TA	95.00
CB00	Box Dixon	86 Reids Piece, Purton, SWINDON, Wiltshire, SN5 4BA	540.00
CC00	Cd Transport	5 Mason Drive, Cradley Heath, B64 6SD	1,100.00
CC01	City 2 City Couriers Ltd	71 Town Lane, Stanwell, Staines-upon-Thames, Surrey, TW19 7PS	180.00
CC02	Colchester Borough Council	33 Sheepen Road, Colchester, Essex, CO3 3WG	15,800.00
CC03	Capital on Tap	7th Floor, The Tea Bldg, 56 Shoreditch High St, London, E1 6JJ	18,332.00
CD00	Delux Logistics B.V.	Mercuriusweg, 18, Den Hag, 2518AW	0.14
CD01	Destiny Spedition s.r.o	Masarykova, 1957/49, 7101, Michalove	1,400.00
CD02	DFDS A/S	Unit 15-21, Whitfield Court, Honeywood Close, White Cliffs Business Park, Whitfield, Dover, Kent, CT16 3PX	3,159.60
CD03	DHL Express	Southern Hub, Unit 1, Horton Road, Colnbrook, Berkshire, SL3 0BB	34.13
CD04	DHL Parcel UK- AR0963	Southern Hub, Unit 1, Horton Road, Colnbrook, Berkshire, SL3 0BB	863.81
CD05	Distance Over Time Ltd	125 London Road, Headington, Oxford, OxfordshireOX3 9HZ	270.00
CD06	DML-Logistics	137 Morgan Close, Luton, LU4 9GN	780.00
CD07	DPD	15th Floor, Castlemead, Lower Castle Street, Bristol, BS1 3Ag	1,217.17
CD08	DPD - 160517	15th Floor, Castlemead, Lower Castle Street, Bristol, BS1 3Ag	58.32
CD09	DPD 3PL - 104243	15th Floor, Castlemead, Lower Castle Street, Bristol, BS1 3Ag	109.37
CD0A	DPD Local - 2038762	15th Floor, Castlemead, Lower Castle Street, Bristol, BS1 3Ag	26.04
CE00	Edgar's Water	Conway House, Pattenden Lane, Marden, Tonbridge, Kent, TN12 9QJ	149.27
CE01	eFlow	Cape House, Westend Office Park	14.84
CE02	Elisha Telecom	40 Bank Street, LONDON, London, E14 5NR	140.44
CE03	Enk Couriers Ltd	12 Gordon Street, LUTON, Bedfordshire, LU1 2QP	375.00

Signature _____

Parker Andrews Limited
Argo (Cargomasters) Limited
Company Registered Number: 02823196
B - Company Creditors

Key	Name	Address	£
CE05	Extrego S.A.	Łódź 146E, PL 36-072 Łódź	320.00
CF00	Fox J Express	37 Boddington Place, Kettering, NN15 6DZ	276.00
CF01	Fuel Card Services Ltd - BP	Alexandra House, Lawnswood Business Park, Redvers Close, Leeds, West Yorkshire, LS16 6QY	146.91
CG00	GLOBE LOGISTICS	7 Abberbury Avenue, Oxford, OX4 4EU	310.00
CH00	Heavyteam-Spezialtransport	Endach 30-6330 Kufstein, Austria	12,964.66
CH01	High Services Ltd	68 The Hollies, Gravesend, DA12 5ER	1,110.00
CH02	H M Revenue & Customs - VAT	EIS Newcastle, BX9 1SR	9,939.00
CH03	H M Revenue & Customs	EIS Newcastle, BX9 1SR	11,063.53
CH04	H M Revenue & Customs	EIS Newcastle, BX9 1SR	17,886.00
CI00	Igor Trans Express Ltd	57 Whittington Street, Allenton, DERBY, Derbyshire, DE24 9AZ	827.00
CI01	Interspeed Express	The Paddocks, Wysall Road, Costock, LOUGHBOROUGH, Leicestershire, LE12 6XQ	1,554.00
CJ00	Jasek SP. Z.O.O	Koscielina 12A, 88-420 Rogowo	1,552.92
CJ01	Jones Lang LaSalle	Property Accounts Dept, Amas Ltd, PO Box 55791, London, E14 5WQ	57,770.64
CK00	Kav Couriers Ltd	209 Long Lane, GRAYS, Essex, RM16 2PT	48.00
CL00	LAB Trade Ltd	7 Dewar Drive, DAVENTRY, Northamptonshire, NN11 9YS	1,050.00
CM00	M & G	1 Taber Place, Witham, Essex, CM8 3YP	150.00
CM01	Marcus Rose	71-75 Shelton Street, Covent Garden, London, WC2H 9JQ	84.00
CM02	Maxco. Transport Limited	4 Walton Close, NUNEATON, Warwickshire, CV11 4ST	48.00
CM03	MDF Transport	Munnings Court, Harfreys Road, Harfreys Industrial Estate, Great Yarmouth, NR31 0LS	550.00
CM04	Mercedes-Benz Financial	Heckworth Close, Severalls Industrial Park, Colchester, Essex, CO4 9TB	994.01
CM05	Mercedes-Benz Trucks UK Ltd	Delaware Drive, Milton Keynes, MK15 8BA	0.04
CM06	Millers Automotive Ltd	Station Road, Penshaw, HOUGHTON LE SPRING, Tyne and Wear, DH4 7PQ	94.96
CM07	Motus Truck & Van	Griggs Way, Witham, Essex, CM8 1ZR	46.27
CN00	NPower	UK Power Networks, Customer Care, Fore Hamlet, Ipswich, Suffolk, IP3 8AA	2,427.23
CN01	NEST	Nene Hall, Lynch Wood Business Park, Peterborough, PE2 6FY	716.00
CO00	On Direct Business Services Ltd	Cambridge House, Henry Street, Bath, BA1 1BT	64.70
CP00	Peter Tricker	37 Weymouth Close, CLACTON-ON-SEA, Essex, CO15 1BS	125.00
CP01	Premier Courier Service Ltd	14 Miramar, HUDDERSFIELD, West Yorkshire, HD2 1NA	1,775.00

Signature _____

Parker Andrews Limited
Argo (Cargomasters) Limited
Company Registered Number: 02823196
B - Company Creditors

Key	Name	Address	£
CQ00	Q Logistics (HW) Ltd	Unit D, Knaves Beech Industrial Estate, Knaves Beech Way, Unit D, HIGH WYCOMBE, Buckinghamshire, HP10 9QY	480.00
CR00	R D COURIERS ESSEX LTD	Unit 13, Hurricane Way, North Weald Airfield, Unit 13, EPPING, Essex, CM16 6AA	30.00
CR01	RAC Motoring Services	Thomas Street, MANCHESTER, Lancashire, M32 0HX	478.00
CR02	Ransome Fleet Solutions	2 Easter Park, Axial Way, Colchester, Essex, CO4 5WY	839.66
CR03	Raya Fast Delivery	10 Vicarage Square, GRAYS, Grays, Essex, RM17 6JJ	71.00
CR04	RLC Transportes Barcelona	Avinguda de la Verge del Puig, 13, Valencia, Spain	2,501.92
CS00	SEG-YS EXPRESS COURIER SERVICES LTD	Flat 20 Francis Court, Erith, DA8 1DQ, UK	40.00
CS01	Sigma Commercial Solutions	Unit 1, Parkway Court, Glaisdale Parkway, NOTTINGHAM, Nottinghamshire, NG8 4GN	168.00
CS02	Structured Revolution Ltd T/A Structured Freight	6, The Grove Industrial Estate, The Grove, swanley, swanley, BR8 8AJ	150.00
CT00	Takeoff Couriers Ltd	8 Canterbury Road, PRESTON, Lancashire, PR1 5PT	840.00
CT02	Top Range Logistics Ltd	13 Morton Walk, Leicester, LE5 0NU, UK	790.80
CT03	Transoil 2 Ltd	31 Dryfield Road, EDGWARE, Middlesex, HA8 9JN	114.00
CU00	UAB DARBSTUOLIAI	Uzutekio Akl. 11, Dembava, 38184	380.00
CV00	V&S COURIER EXPRESS LTD	4 Ambassador Road, STOKE-ON-TRENT, Staffordshire, ST1 3DX	180.00
CV01	Valicek Speed	1 Shamrock Close, Walnut Tree, Milton Keynes, MK7 7NS	3,600.00
CV02	VCM Trans Ltd	191a Station Lane, HORNBURCH, Essex, RM12 6LL	2,100.00
CV03	Veolia	Veolia House, 8th Floor 210, Pentoville Road, London, N1 9JY	154.02
CW00	Wave (Anglian Water)	Po Box 259, Rotherham, Sheffield, South Yorkshire, S98 1QU	132.32
CW01	WORLDTRANS Sp. Z O.O.	Zlotkowo, ul. Zlota 23, 62-002 Suchy Las	2,027.42
CW02	WTA Couriers	39 Macdonald Avenue, Dagenham, London, RM10 7DJ	130.00
CY00	Yu Energy	2 Horizon Place, Mellors Way, Nottingham Business Park, Nottingham, Nottinghamshire, NG8 6PY	828.15
CZ01	Zeal Window cleaning	3 California Close, COLCHESTER, Essex, CO4 9SG	80.00
78 Entries Totalling			192,697.89

Signature _____

Parker Andrews Limited
Argo (Cargomasters) Limited
Company Registered Number: 02823196
C - Shareholders

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up

Signature _____

Schedule of Secured Creditors

Secured Creditors

Secured creditor's name and address	Amount of claim (estimated)	Details of security	Date security was given	Value of security (per Statement of Affairs)
Lloyds Bank Plc	Nil	Fixed and floating charge	12/06/2017	Nil
Barclays Bank Plc	Nil	Fixed and floating charge	20/06/1994	Nil

Appendix VI: Receipts and Payments Account

Argo (Cargomasters) Limited
(In Administration)
Administrator's Summary of Receipts & Payments

Statement of Affairs £		From 28/06/2022 To 04/07/2022 £	From 28/06/2022 To 04/07/2022 £
	SECURED ASSETS		
10,000.00	Goodwill	NIL	NIL
1.00	Seller's Records	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
2,238.96	Book Debts	NIL	NIL
14,618.36	Cash at Bank	NIL	NIL
5,000.00	Cash Held on Appointment	5,000.00	5,000.00
Uncertain	Deposits and Prepayments	NIL	NIL
Uncertain	Directors' Loan Account	NIL	NIL
5,000.00	Funds held by Solicitors on appointme	NIL	NIL
499.00	Furniture & Office Equipment	NIL	NIL
NIL	Intercompany account	NIL	NIL
4,895.83	LTO Payments	NIL	NIL
37,500.00	Motor Vehicles	NIL	NIL
1,988.45	Petty Cash	NIL	NIL
7,000.00	Plant & Machinery	NIL	NIL
17,464.40	Tax Refund	NIL	NIL
		5,000.00	5,000.00
	PREFERENTIAL CREDITORS		
(716.00)	Pension Schemes	NIL	NIL
		NIL	NIL
	SECONDARY PREFERENTIAL CREDITORS		
(17,886.00)	HMRC - NIC	NIL	NIL
(9,939.00)	HMRC - VAT	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(18,332.00)	Banks/Finance Companies	NIL	NIL
(11,063.53)	HM Revenue & Customs - CT	NIL	NIL
(134,761.36)	Trade Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(86,591.89)		5,000.00	5,000.00
	REPRESENTED BY		
	NIB Client Account: Barclays Bank UK		5,000.00
			5,000.00

Note:

The above figures do not include VAT. Where the entity was not VAT registered, VAT payable is shown as a separate entry in VAT Irrecoverable.

Nicholas Cusack
Administrator

Appendix VII: Estimated Outcome Statement

Argo (Cargomasters) Ltd - In Administration

Estimated Outcome Statement as of 28 June 2022

	Notes	Book Value	Administration
		£	£
Fixed Charge Assets			
Goodwill	1	-	10,000.00
Sellers Records	3	0.00	1.00
Fixed Charge Creditors			
Barclays Bank Plc			
Lloyds Bank Plc	2	0	0
	2	0	0
Fixed Charge surplus/(deficit)			10,001.00
Assets			
Plant and Machinery	3	64,776.00	7,000.00
Office furniture and computer equipment	3	Nil	499.00
Motor Vehicles	3	58,829.00	37,500.00
Debtors	4	5,853.98	2,238.96
Intercompany account	5	44,286.00	Uncertain
Tax Refund	6	17,464.40	Uncertain
Cash at Bank		14,618.36	Uncertain
Cash held on appointment		10,000.00	10,000.00
Directors' Loan Account	8	10,377.64	Uncertain
Total assets		226,205.38	67,238.96
Costs			
Administrator's pre appointment fees			(12,849.50)
Solicitors' pre appointment fees			(9,955.00)
Agents pre appointment valuation fee			(2,000.00)
Administrator's post appointment fees (Estimated)			(40,960.00)
Administrator's post appointment expenses (Estimated)			(1,168.20)
Agent Fees (10% of sale price plus expenses)			(5,500.00)
Capital Gains tax on sale of Goodwill			(1,900.00)
Total costs			(74,332.70)
Total assets less costs			-7,093.74
Creditors			
Estimated funds available to preferential creditors			-7,093.74
First Preferential Creditors			
Pension arrears			716.00
Estimated funds available to secondary preferential creditors			-7,809.74
Secondary Preferential Creditors			
HM Revenue and Customs - VAT			9,939.02
HM Revenue and Customs - PAYE			17,885.62
Estimated Shortfall to Secondary Preferential Creditors	9	-	35,634.38
Floating Charge Creditors			NIL
Estimated funds available to unsecured creditors		-	35,634.38
Unsecured Creditors			
HM Revenue and Customs - CT			1,106.53
Banks/Finance Companies			18,332.00
Trade Creditors			134,761.36
Total unsecured creditors			154,199.89
Estimated surplus/(deficit) as regards unsecured creditors			(189,834.27)

Return to creditors summary

Estimated dividend to:		p in the £
Secured Creditor		N/A
First Preferential Creditors	5	Uncertain
Secondary Preferential Creditors		Uncertain
Unsecured Creditors		NIL

Notes
1. The goodwill of the Company has been sold as part of a pre pack sale as detailed in the proposals.
2. The parties holding fixed charges over the assets of the Company are confirmed as being due no funds by the Company.
3. The Book values for the assets are drawn from the Company's accounts up to 30 April 2021. The estimated to realise figure are based on the allocation of the sale proceeds recommended.
4. The Book values for the debtors is taken from the Company's management accounts up to the date of Administration. The estimate to realise figure takes into account the Company's provision for bad debts.
5. The Book values for the assets are drawn from the Company's accounts up to 30 April 2021. It is understood that the connected Company is insolvent and unable to repay the debt due, the Administrator will undertake further enquiries into this matter.
6. The Company's management accounts lists a tax refund as being due to the Company in respect of corporation tax paid on a loan account paid.
7. The Book values for the deposits and is taken from the Company's management accounts up to the date of Administration. The estimated to realise value is uncertain as the level of recoverability is not known.
8. The Company's management accounts lists an overdrawn director's loan account. The Administrator will review this matter and reconcile the account to confirm the correct position.
9. The Administrator's fees will be restricted to allow for a distribution to the Secondary Preferential creditors if realisations are insufficient to defray costs in full.

Appendix VIII: The Administrator's Fees and Expenses Estimate

Estimate of Fees and Expenses for
Argo (Cargomasters) Limited (In Administration)
To 29/06/2022

	Total Hours	Avg Hourly Rate £	Time Cost £	Disbursements £	Expenses £
Classification of Work Function					
Administration & Planning	40.00	213.63	8,545.00		
Creditors	71.50	219.02	15,660.00		
Investigations	51.00	232.65	11,865.00		
Realisation of Assets	20.00	244.50	4,890.00		
	<u>182.50</u>	<u>224.44</u>	<u>40,960.00</u>		
Disbursements					
Category 1 Disbursements				0.00	
Category 2 Disbursements				<u>0.00</u>	
				<u>0.00</u>	
Expenses (*)					
Advertising					188.20
Bordereau					430.00
Postage					<u>550.00</u>
					<u>1,168.20</u>
Totals	<u>182.50</u>	<u>224.44</u>	<u>40,960.00</u>	<u>0.00</u>	<u>1,168.20</u>

(*) Details of the expenses the IP considers will be, or are likely to be, incurred during the period of this estimate.

Details of estimated disbursements that will be paid during the period of this estimate.

Notes:

1. Category 1 Disbursements are payable without prior approval as they are payments to independent third parties e.g. advertising, room hire, storage, travel expenses
2. Category 2 Disbursements are costs directly referable to the appointment e.g. Postage, Printing & Stationery, Mileage but as they are not to an independent third party they require approval in the same manner as the fee
3. The figures provided for Expenses are as accurate as possible based on the information available at this time. No prior approval is required for the payments of the expenses as they are regarded as a cost of the administration of the estate
4. Further approval will be sought from the creditors' committee or creditors if the circumstances of the case indicate that the above fee estimate is likely to be exceeded
5. The above estimates are all exclusive of VAT

Estimate of Fees and Expenses for Argo (Cargomasters) Limited (In Administration)

Explanatory Note:

FEE ESTIMATE

The office holders are 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. In this document 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 a blended hourly charge out rate for that category of work.

This estimate has been provided to creditors at an early stage in the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the office holders' current knowledge of the case and their knowledge and experience of acting as office holders in similar cases. As a result, the estimate does not take into account any currently unknown complexities or difficulties that may arise during the administration of the case.

This fee estimate covers the life of the case and it is currently not anticipated that the total fees during the life of the case will exceed the estimate. However since the office holders cannot draw remuneration in excess of this estimate without first obtaining approval to do so, should the fee estimate be exceeded and where the office holders consider it appropriate in the context of the case, they will seek a resolution to increase the fee. A full outline and explanation of the fees incurred against the fees that have been estimated below will be provided to creditors with this request.

Explanations are given below in relation to each category of work outlined in the estimate. A list of the activities under those categories that it is anticipated will be carried out is also provided.

Administration and planning

This represents the work that is involved in the routine administrative functions of the case by the office holders and their staff, together with the control and supervision of the work done on the case by the office holders and their managers. It does not give direct financial benefit to the creditors, but ensures that the case is managed in a professional and methodical manner and has to be undertaken by the office holders to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow. (

- Initial Statutory and General Notifications & Filing e.g. Advertising the appointment, undertaking statutory notifications to Companies House, HMRC, the Pension Protection Fund, preparing the documentation and dealing with other notification of appointment
- Obtaining a specific penalty bond
- Recovering & Scheduling the company's books and records
- Setting up electronic case files and electronic case details on IPS
- General Administration - Dealing with all routine correspondence and emails relating to the case
- Case strategy & completing file reviews at 1 week, 3 months, 6 months and 6 months thereafter
- VAT & Corporation Tax matters and returns

Creditors

Claims of creditors - the office holder needs maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

Dividends - the office holder has to undertake certain statutory formalities in order to enable him to pay a dividend to creditors. This include writing to all creditors who have not lodged proofs of debt and reviewing the claims and

Estimate of Fees and Expenses for Argo (Cargomasters) Limited (In Administration)

supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.

- Preparing the documentation and dealing with initial appointment notification to creditors
- Dealing with creditor correspondence, emails and telephone conversations
- Dealing with Pension Schemes
- Committee Reporting
- Committee Meetings, Minutes & liaising with Committee members
- Payment of Dividends - calculating, paying a dividend to creditors & issuing the declaration notice
- Notice of Intended Dividend - issuing a notice of intended dividend to creditors and advertising where appropriate
- Reviewing and adjudicating creditors' claims - adjudicating claims & requesting additional information in support of claims
- Dealing with HMRC/RPO claims
- Retention of Title - issuing ROT questionnaires to creditors, reviewing ROT claims & corresponding with creditors
- Secured Creditor Reports/Claims
- Annual/Progress Reports
- Initial Appointment Notification to Creditors - Preparing the documentation & sending out initial appointment notification to creditors
- Interim Fee Report to Creditors
- SIP 16 Disclosure
- Para 49 Administrators' Proposals
- Para 53 Report of Initial Meeting/Deemed Approval Documentation

Investigations

The insolvency legislation gives the office holders powers to take recovery action in respect of what are known as antecedent transactions eg where assets have been disposed of prior to the commencement of the insolvency procedure (and also in respect of matters such as misfeasance and wrongful trading). The office holders are required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then the office holders will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors and approval for an increase in fees will be made as necessary. Such recovery actions will be for the benefit of the creditors and the office holders will provide an estimate of that benefit if an increase in fees is necessary.

The office holders are also required by legislation to report to the Department for Business, Energy & Industrial Strategy on the conduct of the directors. The work to enable them to comply with these statutory obligations may also identify potential recovery actions.

- SIP 2 Review - Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.
- CDDA Reports - Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act.
- Investigating & Pursuing Antecedent Transactions

Realisation of Assets

This is the work that needs to be undertaken to realise the known assets in the case. . If this work is undertaken, the office holder anticipates that the assets will realise the estimated to realise amounts provided to creditors.

- Plant & Machinery - collecting the deferred sales consideration
- Motor Vehicles - collecting the deferred sales consideration
- Debtors - dealing with the debtors to the company to obtain payment of the outstanding balances
- Goodwill- collecting the deferred sales consideration
- Cash at Bank - making arrangements for the credit balance held on the Company's account to be transferred to the administration

Estimate of Fees and Expenses for Argo (Cargomasters) Limited (In Administration)

Cashiering

The office holders must ensure that estate bank accounts are opened and maintained in accordance with legislation and SIPs. Bank reconciliations are performed on all bank accounts and statutory receipts and payments accounts are filed at Companies House & Court.

- Opening, maintaining and managing the Office Holders' cashbook and bank account.
- Dealing with cheque requisitions
- Dealing with deposit forms
- Bank Reconciliations
- Preparing & Filing statutory Receipts & Payments accounts

Closing Procedures

The office holders are required by statute to effect an orderly end to the case and although this has no direct financial benefit to the creditors it is necessary so that where applicable final meetings are advertised and held and final reports are filed at Companies House and Court.

- Preparing Final Account/Report
- Filing final statutory returns at Companies House/Court

EXPENSE ESTIMATE

Full details of Parker Andrews Limited's charging policy in relation to disbursements can be found below.

Disbursements charged in insolvency cases are classified as either Category 1 or Category 2.

Category 1 disbursements are paid to third parties that have no connection or association to Parker Andrews or our staff. These will include items such as company search fees, statutory advertising, specific bond insurance, general insurance for the assets of a client, external books and records storage, external postal services and Land Registry fees. These disbursements may be invoiced to the client that we are appointed over or directly to us, but in either case must be specifically identifiable to the client. We will record and recharge Category 1 disbursements at cost and there is no profit element or mark up applied.

Category 2 disbursements are recharged in house disbursements, such as internal room hire and internal photocopying. These disbursements are not invoiced by any third party but are calculated by the insolvency practitioner and may include a profit element. It is our policy not to record or recharge Category 2 disbursements. Where we are required to instruct solicitors, accountants, valuation agents and other specialist advisors, we will either pay those costs from the assets in the estate that relate to the work carried out. Where there are insufficient assets to do this, we will pay those costs and recharge the estate, to be repaid when assets allow. These are recharged at cost and no profit element or mark up is applied.

For charge out rates prior to the above dates, please contact the office.

Appendix IX: Breakdown of the Administrator's Time Costs

Time Entry - SIP9 Time & Cost Summary

A0115 - Argo (Cargomasters) Limited
All Post Appointment Project Codes
From: 28/06/2022 To: 04/07/2022

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	3.50	0.00	4.00	0.00	7.50	2,360.50	314.73
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	16.30	0.00	13.20	0.00	29.50	9,768.50	331.14
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.80	0.00	0.80	0.00	1.60	548.00	342.50
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	20.60	0.00	18.00	0.00	38.60	12,677.00	328.42
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Appendix X: Charge-out Rates and Expenses Policy

PARKER ANDREWS

TIME COSTS AND EXPENSES CHARGING POLICY – JANUARY 2021

Our approach is that we should work on a results-based service. Therefore, we do not charge up front for initial meetings and we are realistic when it comes to asking for funds to be paid on account to us, as we appreciate that most of our clients are facing financial difficulties. In many cases we can act without receiving funds in advance of being formally appointed. This may not always be the case where significant work is required prior to being appointed.

We will always agree with clients either a fixed fee, or a basis for charging (such as our hourly rates below) before commencing work. Where we agree to charge on our hourly rates, we will give you an estimate of what we think our fee will be in advance. We record our time in units of 6 minutes, similar to solicitors and other professionals. Our time recording system insists on our staff providing narrative to detail what work was carried out.

In most formal insolvency appointments, the basis of our fees from the date of our appointment will be agreed by creditors.

Our charge out rates are reviewed annually. Support staff are charged at their individual staff grades shown below, for specific work conducted on individual cases. Our hourly rates are subject to VAT at the applicable rate. Fees and Expenses charged in relation to Voluntary Arrangements are not usually subject to VAT.

Grade	1 January 2021 to date £
Insolvency Practitioner / Director (Appointment taking)	425
Insolvency Practitioner / Director (Non-appointment taking)	375
Associates	350
Senior Manager	325
Manager	295
Assistant Manager	260
Senior Administrator	230
Administrator	200
Assistant / Support	125

Expenses charged in insolvency cases are classified as either Category 1 or Category 2.

Category 1 Expenses are paid to third parties that have no connection or association to Parker Andrews or our staff. These will include items such as company search fees, statutory advertising, specific bond insurance, general insurance for the assets of a client, external books and records storage, external postal services and Land Registry fees. These Expenses may be invoiced to the client that we are appointed over or directly to us, but in either case must be specifically identifiable to the client. We will record and recharge Category 1 Expenses at cost and there is no profit element or mark up applied.

Category 2 Expenses are recharged in house Expenses, such as internal room hire and internal photocopying. These Expenses are not invoiced by any third party but are calculated by the insolvency practitioner and may include a profit element. It is our policy not to record or recharge Category 2 Expenses. Where we are required to instruct solicitors, accountants, valuation agents and other specialist advisors, we will either pay those costs from the assets in the estate that relate to the work carried out. Where there are insufficient assets to do this, we will pay those costs and recharge the estate, to be repaid when assets allow. These are recharged at cost and no profit element or mark up is applied.

For charge out rates prior to the above dates, please contact the office.

Appendix XI: Summary of the Administrator's Proposals

In order to achieve the purpose of the Administration, the Administrator formally propose to creditors that:

- The Administrator continues to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
 - (i) they sell the Company's assets at such time(s) and on such terms as they consider appropriate;
 - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
 - (iii) they do all such things and generally exercise all their powers as Administrator as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
- The Administrator makes distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- The Administrator ends the Administration in one of the following ways, appropriate to the circumstances of the case at the time
 - (i) In the event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
 - (ii) however, in the unlikely event that the Administrator thinks that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Nicholas Cusack will be appointed Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved. Information about the process of approval of the Statement of Proposals is set out at Section 10; or
 - (iii) alternatively, and should there be no likely funds to distribute to unsecured creditors, the Administrator may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate. In such circumstances, Nicholas Cusack may ask the court that they be appointed Liquidator;
 - (iv) in the event that the Administrator thinks that the purpose of the Administration has been sufficiently achieved and that control of the Company should be returned to the Company directors, they shall [file the relevant form to bring the Administration to an end in accordance with Paragraph 80 of Schedule B1 of the Act.

Appendix XII: Decision Process Documents

NOTICE OF DECISION PROCEDURE BY VIRTUAL MEETING

Company Name: **Argo (Cargomasters) Limited (In Administration) ("the Company")**

Company Number: **02823196**

In the The High Court Reference No. 1769 of 2022

This Notice is given under Rules 3.39 and 15.8 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Administrator of the Company, Nicholas Cusack, of Parker Andrews Limited, 5th Floor, The Union Building, 51-59 Rose Lane, Norwich, Norfolk, NR1 1BY (telephone number 01603 284 284), who was appointed by the director of the Company.

Creditors are invited to attend a virtual meeting for the purposes of considering the following (for the full wording of proposed decisions, see the proxy form):

1. The establishing of a Creditors' Committee, if sufficient nominations are received by 20 July 2022 and those nominated are willing to be members of a Committee
2. The basis of the Joint Administrators' fees
3. The approval of the Joint Administrators' Category 2 expenses
4. The approval of the pre-Administration costs
5. The timing of the Joint Administrators' discharge

The meeting will be held as follows:

Time: 11:00am

Date: 26 July 2022

Please contact the Administrator (details below) to receive instructions on how to access the virtual meeting, which will be held via a telephone conferencing platform.

The meeting may be suspended or adjourned by the chair of the meeting (and must be adjourned if it is so resolved at the meeting).

Also provided is a proxy form to enable creditors to appoint a proxy-holder to attend on their behalf (note: any creditor who is not an individual must appoint a proxy-holder, if they wish to attend or be represented at the meeting).

All proxy forms, together with a proof of debt if one has not already been submitted, must be completed and returned to the Administrator by one of the methods set out below:

By post to: Parker Andrews Limited, 5th Floor, The Union Building, 51-59 Rose Lane, Norwich, NR1 1BY

By fax to: 08450 943 906

By email to: andy.barron@parkerandrews.co.uk

Please note that, if you are sending forms by post, you must ensure that you have allowed sufficient time for the forms to be delivered to the address above by the times set out below. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.

All proofs of debt must be delivered by: 4pm on 25 July 2022

All proxy forms must be delivered to the convener or chair before they may be used at the meeting fixed for 11:00am on 26 July 2022.

If the Administrator has not received a proof of debt by the time specified above (whether submitted previously or as a result of this Notice), that creditor's vote will be disregarded. Any creditor whose debt is treated as a small debt in accordance with Rule 14.31(1) of the Rules must still deliver a proof if the creditor wishes to vote. A creditor who has opted out from receiving notices may nevertheless vote if the creditor also provides a proof by the time set out above.

Creditors who meet one or more of the statutory thresholds listed below may, within 5 business days from the date of the delivery of this Notice, require a physical meeting to be held to consider the matter.

Statutory thresholds to request a meeting: 10% in value of the creditors
 10% in number of the creditors
 10 creditors

Creditors who have taken all steps necessary to attend the virtual meeting under the arrangements made by the convener, but that do not enable them to attend the whole or part of the meeting, may complain under Rule 15.38 of the Rules. A complaint must be made as soon as reasonably practicable and in any event no later than 4pm on the business day following the day on which the person was, or appeared to be, excluded; or where an indication is sought under Rule 15.37, the day on which the complainant received the indication.


A creditor may appeal a decision by application to the court in accordance with Rule 15.35 of the Rules. Any such appeal must be made not later than 21 days after the Decision Date.

Invitation to Form a Committee

Creditors are invited to nominate creditors (which may include themselves) by completing the relevant section on the proxy form and returning it to the Administrator.

All nominations must be delivered by: 4pm on 25 July 2022.

Nominations can only be accepted if the Administrator is satisfied as to the nominated creditor's eligibility under Rule 17.4 of the Rules. For further information on the role of Creditors' Committees, go to: <http://thecompliancealliance.co.uk/cglc.pdf>.

Signed:  _____ Dated: 04/07/22 _____
Nicholas Cusack
Administrator
Convener

The Insolvency Act 1986

Proxy (administration)

In the matter of Argo (Cargomasters) Limited

and

Notes to help completion of the form

Please give full name and address for communication

in the matter of the Insolvency Act 1986

Name of creditor _____

Address _____

Please insert name of person or "chair of the meeting". If you wish to provide for alternative proxy-holders in the circumstances that your first choice is unable to attend please state the names of the alternatives as well

Name of proxy-holder

1 _____

2 _____

3 _____

Please delete words in brackets if the proxy-holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be the principal's proxy-holder at the meeting of creditors of the above Company to be held on 26 July 2022 or at any adjournment of that meeting.

or

[all meetings in the above Insolvency proceeding relating to the above company]

The proxy-holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

Voting instructions for resolutions:

SEE ATTACHED SHEET

This form must be signed

Signature _____ **Dated** _____

Name in CAPITAL LETTERS _____

Only to be completed if the creditor has not signed in person

Position with creditor or relationship to creditor or other

authority for signature: _____

Are you the sole member/shareholder of the creditor?

Yes / No

This proxy may be completed with the name of the person or the chair of the meeting who is to be the proxy-holder.

Proxy (administration) (continued)

Argo (Cargomasters) Limited (In Administration)

Name of creditor _____

Voting instructions for resolutions:

<p>That a Creditors' Committee be established if sufficient nominations are received by 25 July 2022 and those nominated are willing to be members of a Committee.</p> <p>1. I nominate the following creditor to be a member of a Creditors' Committee <u>and they have confirmed that they are willing to act:</u></p> <p>_____</p>	<p>*For / Against</p>
<p>That the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of Joint Administrators ceases to have effect, as defined by the Act, unless the court specifies a time.</p> <p>1.</p>	<p>*For / Against</p>
<p>That the Joint Administrators' fees be fixed by reference to the time given by them and their staff in attending to matters arising in the Administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken.</p> <p>2.</p>	<p>*For / Against</p>
<p>That the unpaid pre-Administration costs set out in the Joint Administrators' Proposal be approved.</p> <p>3.</p>	<p>*For / Against</p>

* Please delete as applicable to indicate your voting instructions