In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

AM10
Notice of administrator's progress report

Companies House

THURSDAY

A88IAIMO
A29 27/06/2019 #371
COMPANIES HOUSE

1 Company details

Company number	0 2 9 5 0 7 5 0
Company name in full	Systematic Logistics International Limited

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

2 Administrator's name

Full forename(s)	Glyn
Surname	Mummery

3 Administrator's address

Building name/number	Jupiter HouseWarley Hill Business Park
Street	The Drive
Post town	Brentwood
County/Region	Essex
Postcode	C M 1 3 3 B E
Country	

4 Administrator's name ❶

Full forename(s)	Paul
Surname	Atkinson

❶ **Other administrator**
Use this section to tell us about another administrator.

5 Administrator's address ❷

Building name/number	Jupiter HouseWarley Hill Business Park
Street	The Drive
Post town	Brentwood
County/Region	Essex
Postcode	C M 1 3 3 B E
Country	

❷ **Other administrator**
Use this section to tell us about another administrator.

AM10
Notice of administrator's progress report

6 **Period of progress report**

From date	30 11 2018
To date	29 05 2019

7 **Progress report**

☑ I attach a copy of the progress report

8 **Sign and date**

Administrator's signature	Signature X ✕
Signature date	25 06 2019

Systematic Logistics International Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 30/11/2018 To 29/05/2019 £	From 30/11/2018 To 29/05/2019 £
	SECURED ASSETS		
1.00	Goodwill	1.00	1.00
690,734.00	Book Debts	NIL	NIL
		1.00	1.00
	SECURED CREDITORS		
(421,130.00)	HSBC Invoice Finance	NIL	NIL
NIL	HSBC Bank PLC	NIL	NIL
		NIL	NIL
	HIRE PURCHASE		
234,000.00	HP Commcercial Vehicles	1.00	1.00
(233,999.00)	Various Finance Companies	NIL	NIL
112,000.00	HP Trailers	12,792.00	12,792.00
(99,208.00)	Various Finance Companies	NIL	NIL
78,000.00	HP Plant & Machinery	1.00	1.00
(77,999.00)	Various Finance Companies	NIL	NIL
21,557.00	Rent Deposit	NIL	NIL
Uncertain	Stansted Landlord	NIL	NIL
		12,794.00	12,794.00
	ASSET REALISATIONS		
38,200.00	Commercial Vehicles	40,000.00	40,000.00
22,000.00	Commercial Trailers	22,205.00	22,205.00
12,170.00	Plant & Machinery	15,000.00	15,000.00
8,870.00	Office Equipment	10,000.00	10,000.00
Uncertain	Prepayments	NIL	NIL
Uncertain	Non-Factored Book Debts - SLE	NIL	NIL
NIL	Non-Factored Book Debts - PWUKL	NIL	NIL
Uncertain	Non-Factored Book Debts - Others	NIL	NIL
	Cash at Bank	46.45	46.45
	LTO Licence Fee: Colchester	108,000.00	108,000.00
	LTO Licence Fee: Stansted	2,804.52	2,804.52
	Motor Tax Refund	171.25	171.25
	Bank Interest Gross	232.45	232.45
	Suspense Account	9,207.04	9,207.04
	Legal fee refund	707.97	707.97
	Business Rates Refund	2,313.35	2,313.35
		210,688.03	210,688.03
	COST OF REALISATIONS		
	Rent - Stansted	2,804.52	2,804.52
	Pre-Appointment fees	35,000.00	35,000.00
	Legal Fees - Pre Administration	11,254.00	11,254.00
	Legal disbursements - Pre-Administrat	107.80	107.80
	Pre-Administration disbursements	195.00	195.00
	LTO Licence Fee: Colchester	105,000.00	105,000.00
	Bank Charges - Floating	0.40	0.40
		(154,361.72)	(154,361.72)
	UNSECURED CREDITORS		
(680,067.06)	Unsecured Creditors	NIL	NIL
(247,124.97)	HM Revenue & Customs - VAT	NIL	NIL
(88,460.62)	HM Revenue & Customs - PAYE	NIL	NIL
(510,336.00)	Palletways - Trade	NIL	NIL
(80,000.00)	Palletways - Loan	NIL	NIL
(100,000.00)	Funding Circle	NIL	NIL

Systematic Logistics International Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 30/11/2018 To 29/05/2019 £	From 30/11/2018 To 29/05/2019 £
Uncertain	Shortfall to Stansted Landlord	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(5,000.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,325,792.65)		**69,121.31**	**69,121.31**
	REPRESENTED BY		
	Vat Recoverable - Floating		30,852.26
	IB Current Fixed		50.00
	IB Current Floating		60,379.95
	Vat Payable - Floating		(22,160.90)
			69,121.31

Glyn Mummery
Joint Administrator

FRP Advisory

SYSTEMATIC LOGISTICS INTERNATIONAL LIMITED (IN ADMINISTRATION) ("THE COMPANY")

The High Court of Justice CR-2018-010105

The Administrator's Progress Report for the period 30/11/2018 – 29/05/2019 pursuant to Rule 18.3 of the Insolvency (England and Wales) Rules 2016

20 June 2019

Contents and abbreviations

The following abbreviations may be used in this report:

FRP	FRP Advisory LLP
The Company	Systematic Logistics International Limited (In Administration)
The Administrators	Glyn Mummery and Paul Atkinson of FRP Advisory LLP
The Period	The reporting period 30/11/2018 – 29/05/2019
CVL	Creditors' Voluntary Liquidation
SIP	Statement of Insolvency Practice
QFCH	Qualifying floating charge holder
HMRC	HM Revenue & Customs
PWUKL	Palletways UK Limited
HSBCIF	HSBC Invoice Finance
SLIE	SLI European Services Limited – in liquidation

1. Progress of the Administration

FRP Advisory

Background/the Proposals

This report should be read in conjunction with the Administrators' Proposals dated 6 December 2018, which set out full background to the Company and the events which led to it being placed into Administration on 30 November 2018.

That report also provided full disclosure of the pre-packaged sale of the business and assets of the Company to PWUKL, which took place on 30 November 2018, pursuant to SIP 16. For ease of reference, a further copy of this disclosure is attached at Appendix A.

The Proposals were approved by creditors without amendment, by way of a decision procedure by correspondence, on 3 January 2019. No Creditors Committee was formed.

Statutory information regarding the Company and the administration appointment is attached at Appendix A.

The Objective of the Administration

At the time of circulating the Proposals, the Administrators set out the reasons why objective a), namely to rescue the Company as a going concern, could not be achieved.

The Administrators stated, however, that they were satisfied that objective b) had been achieved, because of the pre-packaged sale of the businesses and assets of the Company that had occurred. This enabled a better result for the Company's creditors as a whole than would have been likely if the Company had been wound-up (without first being in Administration).

This view is supported by the following: -

- A sale of the Company's business and assets was completed on 30 November 2018 to PWUKL as part of the pre-pack transaction.
- The sale of the business and assets to PWUKL has ensured the continuity of the business and trading for customers with minimal disruption, thereby maximising and enabling a more orderly collection of the Company's residual book debts, which are subject to a fixed charge in favour of HSBCIF who extended an Invoice Discounting Facility to the Company.
- The contracts of employment for 64 members of staff were transferred to the purchaser, PWUKL, pursuant to TUPE. This has served to eliminate significant employee preferential liabilities of approx. £75k in respect of arrears of wages and holiday pay, and non-preferential employee liabilities of approx. £200k in respect of redundancy and pay in lieu of notice, which would otherwise have arisen in Liquidation.

It is also evident that objective (c) could be achieved, to realise property in order to make a distribution to one or more secured or preferential creditors, by virtue of the fixed charge realisations from the book debt collections.

The above, therefore, enabled a better outcome for the Company's creditors as a whole than would have been likely if the Company had been wound - up (without first being in Administration).

Work undertaken during the period

I attach at Appendix C a Schedule of Work undertaken during the period together with a summary of work still to be completed.

An overview is set out below:-

<u>Sale of Business and Assets</u>

As previously reported and disclosed within our Proposals dated 6 December 2018, the Company's business and assets were sold to PWUKL on 30 December 2018.

1. Progress of the Administration

A total of £100,000 was received and full details of this transaction are disclosed in Appendix A.

It must be noted that the Statement of Affairs issued with the Administrators' Proposals reflected forced sale values for the assets and therefore, did not reflect the correct breakdown of the sale. Nonetheless, the sums realised are greater than the sums shown on the Statement of Affairs allowing a greater return to creditors.

The correct breakdown of the sale is provided within the SIP 16 disclosure attached at Appendix A of this report.

Book debts

At the date of Administration, the Company's book debt ledger totalled £863,418 which, after application of a general bad debt provision of 20%, resulted in an estimated to realise figure of £690,734.

HSBCIF hold a debenture created on 7 November 2012, encompassing fixed and floating charges over the Company's assets in support of an Invoice Discounting Facility. At the date of Administration, HSBCIF was owed approx. £421,130.

You may recall that PWUKL confirmed their willingness to assist with the collection process and were instructed to collect the remaining ledger on a commission basis. A portion of the outstanding debts were recovered by PWUKL and paid directly to HSBCIF, however due to additional complications/queries arising in pursuing the debts, responsibility for collection of the ledger was passed back to the Administrators in May 2019. Collections remain ongoing and are being paid directly to HSBCIF to reduce the total liability due to them.

Following a recent update, we have been advised that the residual book debt ledger totals c.£424,887 and HSBCIF have an outstanding liability totalling c.£21,500. In the event of any disputed/doubtful debts, a provision of 30% has been applied to the remaining debts and therefore, it is currently estimated that a total of £297,421 may be recovered. Please note however that this is purely an estimate based upon information received since the ledger has been handed back to the Administrators.

Whilst we currently expect a surplus to be available for the benefit of the Administration Estate, it must be noted that HSBCIF have a cross guarantee from the Company, in support of an Invoice Discounting Facility extended to an associated company, SLIE – In Liquidation. In the event of any shortfall under the SLIE ledger, HSBCIF will look to recover this from the realisations on the Company's ledger.

LTO Licence Fees – Colchester and Stansted

A License to Occupy for the Stansted premises was put in place for 7 days to allow PWUKL to remove required items from site. A total of £2,805 plus VAT was received in respect of rent for the LTO period, which was subsequently paid to the Landlord. Following the 7-day period, the LTO expired and the lease was surrendered by agreement between the Administrators and the landlord.

A License to Occupy was also granted in respect of the Colchester premises for a period of 6 months to allow a new lease/assignment to be negotiated. A total of £108,000 plus VAT was received in respect of rent for the LTO period, of which the sum of £105,000 plus VAT was paid to the Landlord. The balance of £3,000 plus VAT relates to a portion of December's rent paid by the Company pre-administration. As such, this balance will remain in the Administration estate.

The LTO expired following the 6-month period and we have received confirmation that a new lease has been entered into between PWUKL and the landlord.

Motor Tax Refunds and Legal Fee Refund

Motor tax refunds totalling £171 and Legal Fee Refunds relating to the pre-administration period of £708 have been received during the Period.

1. Progress of the Administration

FRP Advisory

Business Rates Refund

A business rates refund totalling £2,313.35 has been received directly from Tendring District Council.

Rental Deposit

The Company paid a rental deposit of £21,557 to the landlord of the Stansted premises at the commencement of the occupation of the property. Since the date of Administration, we have received a claim from the landlord of approx. £60,000 and therefore, the rental deposit will be utilised by the landlord against the outstanding liability due.

Attached at Appendix E is a Receipts and Payments Account detailing transactions for the Period of this report.

I have also attached at Appendix E a Receipts and Payments Account up to the date of this report, in order for creditors to identify realisations made to date, when considering the proposed fee resolutions detailed in this report.

Investigations

Part of my duties include carrying out proportionate investigations into what assets the Company has, including any potential claims against directors or other parties, and what recoveries could be made. I have reviewed the Company's books and records and accounting information, requested further information from the directors, and invited creditors to provide information on any concerns they have regarding the way in which the Company's business has been conducted.

Further details of the conduct of my investigations are set out in the Schedule of Work attached. I can confirm that no further investigations or actions were required.

Extension to the initial period of appointment

The Administrators are able to extend the Administration period with the consent of the creditors for up to 12 months, or longer by application to the Court, as required.

Based on current information, an extension to the Administration period will not be required.

Anticipated exit strategy

Although I envisage that the most likely exit route will be via CVL, this will be dependent upon the outcome of the book debt collections and the ability for surplus funds to be generated to facilitate the payment of dividends to unsecured creditors within the estate (other than by way of the prescribed part).

In the event that there are no funds available for a distribution to unsecured creditors, the Company will most likely exit Administration via dissolution or by way of Compulsory Liquidation. For the reasons set out earlier in this report, the responsibility for collection of the debtor ledger has been passed back to the Administrators and it is currently uncertain as to the level of surplus funds that might become available for the Administration estate. This is partly due to the fact that the Company guarantees the SLIE Invoice Discounting Facility and it is currently uncertain whether there will be a shortfall in this respect.

Further information on dividend prospects for each class of creditor are detailed below.

2. Estimated Outcome for the creditors

The estimated outcome for creditors was set out in the Administrators proposals.

Outcome for Secured Creditor

HSBCIF holds a fixed charge over book debts and a floating charge over all of the Company's business and assets, both present and future. As at the date of appointment, the total outstanding to HSBCIF equated to approx. £421k, which has now reduced to £21,500, excluding any liability owed by SLIE. The currently liability owed by SLIE is estimated at £60000.

It is anticipated that the outstanding liability due to HSBCIF will be settled in full from the collection of the outstanding book debts. It should be noted, however, that it is uncertain as to the level of surplus available for the Administration estate due to the cross guarantee with SLIE, as explained previously.

HSBC Bank Plc hold a debenture dated 30 November 2012 incorporating fixed and floating charges over the undertaking and assets of the Company.

As at the date of the Administration, no sums were due or owing to HSBC Bank Plc.

Outcome for Preferential Creditors

As at the date of appointment, the Company employed 64 staff, which were subsequently transferred to the purchaser, PWUKL, pursuant to TUPE. This process was carried out in conjunction with the pre-pack transaction completed on 30 November 2018.

As such, there are no preferential liabilities in this respect.

Outcome for Unsecured Creditors

While it is anticipated that there will be a distribution to the unsecured creditors, however, the quantum is currently uncertain and will be dependant on the level of surplus funds available from the book debt collections, following settlement of the cross-guarantee liabilities due to HSBCIF.

Prescribed Part

The prescribed part is a carve out of funds available to the holder of a floating charge which is set aside for the unsecured creditors in accordance with Section 176A of the Insolvency Act 1986. The prescribed part only applies where the floating charge was created after 15 September 2003 and the net property available to the floating charge holder exceeds £10,000 and the cost of making a distribution to unsecured creditors would not be disproportionate to the benefits.

A prescribed part is not appropriate because the secured creditor, HSBCIF, is anticipated to be settled in full from the collection of the fixed charge book debts.

3. Administrators' remuneration, disbursements, expenses and pre-appointment costs

FRP Advisory

Administrators' remuneration

The Administrators' Proposals advised that fee proposals were not being sought at that time, due to the uncertainty surrounding the level of anticipated realisations in the Administration, and the various factors impacting upon those realisations, as referred to earlier in this report.

We now, however, consider it appropriate to seek approval for our remuneration and a Schedule of Work undertaken in the Period and for the remainder of the Administration is set out at Appendix C, together with an Estimated Outcome Statement, which includes estimates of the expenses likely to be incurred by the Administrators. Assumptions made in preparing the Estimated Outcome Statement are set out in the Schedule of Work.

The Administrators' remuneration will be drawn from the assets within the Administration estate and it is proposed that it will be charged by reference to time incurred in attending to matters arising, capped at £75,000.

Approval to the Administrators proposed remuneration and Category 2 Disbursements in respect of mileage, is to be by way of a 'Decision Procedure' and a voting form is attached in this respect.

The basis of the Administrators' remuneration has not yet been approved by creditors, and the Administrators have accordingly not drawn any remuneration in this case. The Administrators' fees for dealing with any assets subject to a fixed charge will be agreed with the charge holder HSBCIF, if and when necessary. Should the Company subsequently be placed into liquidation and the Administrators appointed as liquidators, the basis agreed for the drawing of the Administrators' remuneration will also be that utilised in determining the liquidators' remuneration, in accordance with the Insolvency Rules.

Remuneration charged by reference to the time incurred in attending to matters arising

The Administrators' remuneration which is proposed to be charged by reference to time incurred, capped at £75,000, is set out on the fee estimates attached at Appendix C. Time costs incurred to date total £48,121. The time charged is based on computerised records capturing time charged by myself and my staff in dealing with the conduct of those aspect of the case being charged on a time cost basis. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and the experience required. Time is charged to the case in maximum units of six minutes. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters.

Charge out rates are reviewed at least annually, details of FRP's charge out rates are included at Appendix C.

Administrators' disbursements

The Administrators' disbursements are a recharge of actual costs incurred by the Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP Advisory at the HMRC approved mileage rate prevailing at the time the mileage was incurred and we are seeking creditors approval to draw any sums incurred in this respect. Details of disbursements incurred during the period of this report are set out in Appendix D.

Administrators' expenses

An estimate of the Administrators' expenses was not previously set out in the Administrators' proposals. I attach at Appendix F a Statement of Expenses that have been incurred during the Period covered by this report.

3. Administrators' remuneration, disbursements, expenses and pre-appointment costs

Creditors have a right to request further information from the Administrators and further have a right to challenge the Administrators' remuneration and other expenses, which are first disclosed in this report, under the Insolvency (England and Wales) Rules. (For ease of reference these are the expenses incurred in the reporting period as set out in Appendix F only). Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link https://creditors.frpadvisory.com/info.aspx and select the one for administrations. Alternatively, a hard copy of the relevant guide will be sent to you on request. Please note there is a time limit for requesting information being 21 days following the receipt of this progress report. There is a time limit of 8 weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive.

Administrators' pre-appointment costs

The Proposals dated 6 December 2018 detailed the following pre-appointment costs, which had not been paid when the Company entered into Administration:

- Joint Administrators fees of £35,000 plus VAT, in accordance with the engagement letter signed by the director on 12 November 2018;

- £11,254 plus VAT and disbursements of £108 incurred by solicitors, Birketts LLP, in relation to the administration appointment and drafting of the Asset Sale Agreement and sundry legal matters incidental thereto;

- Costs and expenses of £1,000 plus VAT incurred by chattel agents, ITC Valuers Limited, in connection with the preparation of an inventory and valuation of the Company's assets;

- Costs of £195 plus VAT incurred by IP-BID Limited in relation to the advertisement of the sale of the business and assets.

Agreement for these pre-appointment costs was received from the Company's unsecured creditors on 3 January 2019 and have been settled in the period.

Appendix A

Statutory Information and explanation of the pre-packaged sale in accordance with Statement of Insolvency

SYSTEMATIC LOGISTICS INTERNATIONAL LIMITED (IN ADMINISTRATION)

COMPANY INFORMATION:

Other trading names:	None
Company number:	02950750
Registered office:	Jupiter House, Warley Hill Business Park, The Drive, Brentwood, Essex, CM13 3BE
Previous registered office:	Logistics House Systematic Business Park, Old Ipswich Road, Colchester, Essex, CO7 7QL
Business address:	Logistics House Systematic Business Park, Old Ipswich Road, Colchester, Essex, CO7 7QL

ADMINISTRATION DETAILS:

Administrator(s):	Glyn Mummery & Paul Atkinson
Address of Administrator(s):	FRP Advisory LLP Jupiter House, Warley Hill Business Park, The Drive, Brentwood, Essex, CM13 3BE
Date of appointment of Administrator(s):	30/11/2018
Court in which administration proceedings were brought:	The High Court of Justice
Court reference number:	CR-2018-010105
Appointor details:	Director
Previous office holders, if any:	None
Extensions to the initial period of appointment:	None

Appendix A

Statutory Information and explanation of the pre-packaged sale in accordance with Statement of Insolvency

Date of approval of Administrators' proposals:	3 January 2019

FRP Advisory

Systematic Logistics International Limited

Disclosure to creditors in accordance with Statement of Insolvency Practice 16

Appendix A

Statutory Information and explanation of the pre-packaged sale in accordance with Statement of Insolvency

FRP Advisory

Sections

This document is split into the following sections:

1. Introduction
2. Statement of Insolvency Practice 16 – Pre-packed sales in administrations: An overview for creditors
3. Background information and events leading to appointment of the Administrators
4. Pre-appointment considerations

The following abbreviations may be used in this report:

CVL	Creditors' Voluntary Liquidatior
CVA	Company Voluntary Arrangement
FRP	FRP Advisory LLP
HMRC	HM Revenue & Customs
HSBCIF	HSBC Invoice Finance (UK) Limited
PWUKL	Palletways (UK) Limited
QCH	Qualifying floating charge holder
RT	Richard Triolo
SIP	Statement of Insolvency Practice
The Administrators	Glyn Mummery and Paul Atkinson of FRP Advisory LLP
SLIL or The Company	Systematic Logistics International Limited (In Administration)
The Insolvency Rules	The Insolvency (England and Wales) Rules 2016

Appendix A

Statutory Information and explanation of the pre-packaged sale in accordance with Statement of Insolvency

To all known creditors

Following the appointment of the Administrators on 30 November 2018, I am required to provide the creditors with a detailed narrative explanation of the justification of the pre-pack sale within seven days of completion in accordance with SIP 16.

I set out in this document full details of the sale and reasons behind the decision for this sale and why it was considered to be in the overall best interests of all creditors of the Company as a whole.

I can confirm that the transaction will enable the statutory purpose of the administration, achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), to be achieved and that the sale price realised was the best reasonably obtainable in all the circumstances.

Should you require any further information regarding this report or the administration in general please contact Emma Priest of my staff.

Yours faithfully
For and on behalf of
Systematic Logistics International Limited - In Administration

Glyn Mummery

Glyn Mummery FABRP FIPA
Joint Administrator
Licensed in the United Kingdom by the Insolvency Practitioners Association and bound by the Insolvency Code of Ethics

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

The affairs, business and property of the Company are being managed by Glyn Mummery and Paul Atkinson who were appointed Joint Administrators on 30 November 2018

Appendix A

Statutory Information and explanation of the pre-packaged sale in accordance with Statement of Insolvency

What is a SIP?

The purpose of SIPs is to promote and maintain high standards by setting out required practice and harmonising the approach of IPs to particular aspects of insolvency practice. They apply in parallel to the prevailing statutory framework.

SIPs set principles and key compliance standards with which IPs are required to comply. Failure to observe the principles and/or maintain the standards set out in a SIP is a matter that may be considered by an IP's regulatory authority for the purposes of disciplinary or regulatory action in accordance with that authority's membership and disciplinary rules.

SIPs set out required practice, but they are not statements of the law or the obligations imposed by insolvency legislation itself.

What is a pre-packaged sale?

The term 'pre-packaged sale' refers to an arrangement under which the sale of all or part of a company's business or assets is negotiated with a purchaser prior to the appointment of an administrator and the administrator effects the sale immediately on, or shortly after, appointment.

The particular nature of an IP's position in these circumstances renders transparency in all dealings of primary importance. Creditors and other interested parties should be confident that the IP has acted professionally and with objectivity; failure to demonstrate this clearly may bring the practitioner and the profession into disrepute.

What are the principles of SIP 16

The IP should differentiate the roles that are associated with an administration involving a pre-packaged sale.

Creditors should be provided with sufficient information such that a reasonable and informed third party would conclude that the pre-pack was appropriate and that the administrator has acted with due regard for the creditors' interests.

Key Compliance Standards

Preparatory work – the IP should be clear about the nature and extent of the role of adviser in the pre-appointment period. The IP should bear in mind the duties and obligations owed to both the company and the creditors in the pre-appointment period. The IP should keep a detailed record of the reasoning behind the decision to undertake a pre-packaged sale and all alternatives considered.

After appointment – the administrator should be able to demonstrate that the duties of an administrator have been considered.

Disclosure – the administrator should provide creditors with a detailed narrative explanation of the justification of the pre-pack sale within seven days of completion. The following information should be included:

- Source of the initial introduction to the IP;
- Pre-appointment considerations;
- Marketing of the business and assets;
- Valuation of the business and assets; and
- Details of the transaction including the assets sold and the consideration received.

The SIP does not restrict an administrator from not disclosing information in certain limited circumstances in accordance with the IA86.

Further information

A copy of SIP 16 can be found from the following link
http://creditors.frpadvisory.com/feesguide.htm.

Appendix A

Statutory Information and explanation of the pre-packaged sale in accordance with Statement of Insolvency

Background information regarding the Company

- The Company was incorporated on 20 July 1994, by the current director and ultimate shareholder, RT, specialising in palletised freight delivery. Former directors include Andrew Triolo who was appointed as a director on 1 June 2007 and resigned on 31 March 2016 and Stephen Parkes, who was appointed on 14 November 2016 and resigned on 30 April 2018.

- SLIL commenced trading in 1994, funded by a £30k business loan from HSBC Bank. This loan was due to be repaid in seven years, however, given its immediate success, the Company exceeded its original budget and it was repaid within two years.

- 64 members of staff are employed by the Company, consisting of predominantly administrative staff and drivers, located at two leased premises situated in Colchester and Stansted in Essex.

- The Company is one of the largest and longest service partners of Palletways (UK) Limited who are market leading pallet network, which accounts for approx. 33% of SLIL's turnover.

- During the course of SLIL relationship with PWUKL it has entered into a number of service contracts which sets a standard price for the delivery of a pallet. During 2013/2014 the service contract was once again renegotiated and a price and delivery area set. Following this a number of market conditions changed together with an internal issue (see below) and some 24 months later SLIL realised that it had in fact been loss making.

- During this period, the financial controller sought to hide SLIL's financial deteriorating position by falsifying management accounts. Please note that no financial gain was obtained by the financial controller, he was merely seeking to protect the director from bad news.

- During 2016/17 SLIL started to struggle for cash which predominately manifested itself in an increase in the liability to PWUKL. This was a surprise to RT who set about trying to identify the issue, which is when the actions of the financial controller became known. This resulted in a review of the financial position, which culminated in a significant loss of £400k being reported for the year ended 31st August 2016. In addition, RT restructured the board and dismissed his fellow director Andrew Triolo. This caused a considerable distraction for the business.

- As a result RT sought the advice of FRP to understand the options SLIL had going forward. It had already been identified that the service contract with PWUKL was not workable and it was clear without significant changes to this contract the business would continue to decline. FRP's advice was to approach PWUKL and look to alter the terms of the contract, which RT subsequently did. This led to additional financial support from PWUKL and a reduction in the distribution area during the latter part of 2017.

- Following this RT was confident about the financial position of SLIL and focused on trading. Unfortunately, 2018 saw the business facing additional headwinds, which included a reduction in turnover with the loss of two contracts in June, increased fuel prices and the uncertainty of Brexit. The decreased level of turnover had a negative impact on the already slim margins and management accounts indicated the business was once again loss making.

- During the course of this year RT liaised with PWUKL and kept them abreast of the situation. In addition, he kept HSBC fully informed of the financial position. PWUKL assisted SLIL by providing considerable funding (which it has continued to do so to date) and assistance in any network issues. This was not sufficient to reverse the cash shortage and liabilities in respect of PAYE and VAT built up.

Appendix A

Statutory Information and explanation of the pre-packaged sale in accordance with Statement of Insolvency

- During the course of August 2018 RT was decided that SLI needed a change of management and made a decision to exit the business. To this end, he approached PWUKL and a corporate finance partner with the view of selling the business.

- During August and September of this year, RT marketed the business extensively and in particular, with the assistance of PWUKL, to other members of the network. Despite a good level of interest, no offer was forthcoming which was primarily due to the liabilities that had accrued.

- Towards the end of August 2018 RT suspected that the sale would not be successful and contacted FRP again to understand the options that the business may be faced with.

Appointment of the Administrators

- Glyn Mummery and Paul Atkinson were duly appointed Administrators on 30 November 2018, by order of The High Court of Justice under No CR-2018-010105. The appointment was made by the director, RT, and consent was given by both HSBCIF and HSBC on 29 November 2018.

Purpose of the administration

In accordance with Paragraph 3 of Schedule B1 to the IA86 an Administrator must perform his functions with the objective of:

a) Rescuing the Company as a going concern, or

b) Achieving a better result for the Company's creditors as a whole than would have been likely if the Company were wound up (without first being in administration) or,

c) Realising property in order to make a distribution to one or more of the secured or preferential creditors.

Based on current information, the purpose of the administrations will be to achieve objective b) by obtaining consideration for the sale of the business and assets and the collection of the outstanding sales ledger balances.

Appendix A

Statutory Information and explanation of the pre-packaged sale in accordance with Statement of Insolvency

Administrators' initial introduction and pre-appointment involvement

- FRP were contacted directly by RT during May 2017. He had become aware of FRP due to our involvement as a sponsor of the Essex Business Awards in 2011/12.
- FRP were initially advising the director in relation to ongoing trade as the Company had experienced a trading loss of approx. £400k for the financial year ended 31 August 2016.
- RT was concerned that despite carrying out a review of the business and reducing costs where possible, SLIL continued to make monthly losses, which he believed was due to the delivery area of the PWUKL contract and the expensive lease premiums for the Stansted premises.
- RT had discussed with Palletways the likelihood of applying new increased prices, which were due to come into effect in January 2018, to be accelerated into this year. However, negotiations were unsuccessful and at this stage, as a debt was due to PWUKL from SLI, the implications of a pre-pack Administration were discussed with RT.
- Following advice from FRP to approach PWUKL, RT managed to negotiate a reduced area for PWUKL deliveries and favourable financial support, which gave the director confidence that he could achieve a turnaround of SLIL.
- So with no obvious signs that the business was in distress, RT took the decision to continue to trade believing a turnaround was achievable.
- In August 2018, RT contacted GM again as the business had suffered a drop in turnover and was experiencing cashflow issues again with HMRC arrears building. At this time, RT was working closely with PWUKL and had expressed a desire to sell the shares of SLIL and was actively marketing the same. Whilst there were a number of interested parties, to date, most had fallen away once they had undertaken their due diligence.
- RT sought FRP's advice in relation to its options should the remaining interested parties fall away, which focused on a pre-pack Administration.
- A further meeting was held on Monday 8th October whereby all interested parties had fallen away and the conversation focused on a pre-pack administration. RT was left to consider the position and explore final options. A further meeting was held on Wednesday 7th November where RT confirmed he considered it necessary for the Company to enter into an insolvency procedure. A subsequent meeting on Thursday 8th November was held with PWUK to discuss the proposed Administration strategy and seek their support.
- On 9 November 2018, FRP were instructed to commence marketing with a view to conducting a prepack administration.

Alternative courses of action considered

- As explained previously, RT had attempted to sell the business in a solvent situation, without success.
- In light of the liabilities that had accrued with HMRC and other creditors, it became clear that the Company would have no choice but to consider a formal insolvency procedure.
- The prospect of a CVA was considered, however, with the extensive liabilities owed to HMRC, which continue to accrue on a weekly basis, and their indication to file Winding Up Petitions as soon as possible, it was clear that there was insufficient time to enable CVA proposals to be drafted and circulated to creditors for consideration.
- Furthermore, a review of the management accounts indicated that the business was substantially loss making and therefore the directors were not able to conclude that a viable CVA could be proposed to creditors.

- If the Company were to go into Liquidation, either voluntarily or via Winding Up Petitions being filed by a creditor, this would inevitably result in all contracts automatically terminating and all staff having to be made redundant. There would be no ongoing trade or trading business to market or sell, and assets would be sold on a forced sale break up basis. This, together with the inevitable detrimental impact on the debtor ledger, would result in a much worse outcome for both secured and unsecured creditors. Furthermore, there would be significant preferential and unsecured claims for redundant employees, with employees being paid monthly in arrears. In addition, the damage done to the PWUKL network would be considerable and a consequential loss claim from PWUKL would likely be substantial.

- Trading during Administration was not a feasible option for a number of reasons, including the following:
  - The Company's Operating Licences would potentially be compromised and the Administrators would have to apply to the Traffic Commissioner to take over the licences while a buyer is sought. This imposes a number of obligations and risks on the Administrators.
  - Given the nature of the industry, an Administrator would not want to trade this business (whilst adopting the Operators' Licences) for a long period of time due to the difficulties with controlling the goods in transit and numerous trucks on the road at the point of the Administration. There would be risks of haulier liens which would be very difficult for an Administrator to control. The shorter timescale available to market and seek a purchaser for the business (who would need to have Operators' Licences in place) would also make it difficult to achieve a desirable sale in the time required.
  - It was considered highly likely that a number of the Company's customers would terminate their relationship with SLIL upon the Administration Order being made. This would result in loss of revenue, making the business more difficult to sell.
  - It is also uncertain as to whether HSBCIF would provide funding to support trading the Company whilst in Administration.
  - The Company's funding availability relies heavily on regular payments from debtors and, upon administration, it is likely that many debtors will withhold payments and cause significant funding difficulties for the initial period of trading. Furthermore, overall debtor recoveries would no doubt worsen, which could ultimately result in a shortfall to the secured creditor, HSBCIF.

- It became apparent that the most appropriate solution to preserve the value in the Company's assets and to produce the best outcome for all creditors and stakeholders would be to conduct an accelerated merger and acquisition process.

- If a purchaser for the Company was found, it would preserve the jobs of all 64 staff, give the secured lender the optimum chance of being repaid in full via book debt collections (due to continuity of business and uninterrupted supply of services), and ensure the best realisations of assets for the benefit of unsecured creditors.

Consultation with major creditors

- HSBCIF hold a fixed charge against the Company's book debts via the Invoice Discounting facility created on 5 November 2012 and registered on 7 November 2012. It is understood that RT has a personal guarantee in this regard.

- RT, the Company's financial controller and FRP have liaised with HSBCIF on a daily basis to discuss the Company's financial position and daily cash flow requirements/critical payments to enable it to continue trading whilst a purchaser for the business was sought.

- HSBC Bank also hold a debenture created on 28 November 2012 and registered on 30 November 2012, incorporating a fixed and floating charge over the Company's undertaking and all assets. This was provided in respect of an overdraft facility extended to the Company, however, this has been withdrawn and the Company operates in credit. HSBC have been notified accordingly of our proposed strategy and confirmed their support to allow critical payments, drawn down from HSBCIF, to leave the account. A personal guarantee has been provided by RT, however, it should be noted that the account is in credit.

- There are two other charges registered at Companies House held in favour of HSBC Bank, including a Legal Assignment of Contract Monies created on 22 November 2012 and registered on 24 November 2012 and a Fixed and Floating Charge created on 15 August 1994 and registered on 18 August 1994. It is understood that there is no liability outstanding under either of these charges.
- In addition, we notified HMRC, who are currently owed approx. £300k as regards the proposed strategy.
- The Funding Circle, who are an unsecured creditor for approx. £100k in respect of a loan forwarded to the Company, were also notified of the Administration strategy. A personal guarantee has been provided by RT in respect of this debt.
- PWUKL, who account for 33% of the Company's turnover and are a net creditor for approx. £220k, were advised of the situation at an early stage.

Post appointment administration trading considerations

- The possibility of trading the business and offering it for sale as a going concern during administration was considered, however there are a number of reasons why this was not considered a viable option.

- Firstly, there are a number of practical considerations with trading a haulage business whilst in administration, including issues with continuation of Operators' Licences, contracts with customers terminating upon insolvency, and issues with trucks being out on the road and unpaid subcontractors and drivers taking lien over third party goods in transit and vehicles belonging to the Company.

- Furthermore, HSBCIF made it clear that they were only funding critical payments while a formal solution was sought and would not be in a position to continue to fund the business in Administration.

- In addition, there was a risk that PWUKL would cancel their contract with the Company, which would significantly reduce the level of ongoing work, making it financially unviable to trade.

- The possibility of seeking cash injections from management was explored, however no cash was available.

- All other reasons why this was not a viable option were outlined previously in this report.

Previous acquisitions from an IP

- The business was not acquired previously from an IP, nor has it ever been involved in any formal insolvency process.

Appendix A

Explanation of the pre-packaged sale in accordance with Statement of Insolvency Practice 16

FRP Advisory

Marketing activities undertaken

- Prior to FRP's involvement, the Company together with third party agents, carried out a full marketing exercise, however, whilst interest was shown, due to the level of liabilities, no offers were forthcoming.

- FRP retrieved all the information from the previous marketing exercise from the Company, which showed that there were 18 parties who expressed an interest.

- FRP set up a dataroom and sent out a teaser document on Friday 9 November 2018, together with placing an advert on IP-Bid.com. Best and final offers were requested by Friday 16 November 2018. The teaser was sent to all 18 parties who had previously expressed an interest in the Company, together with 251 parties identified from FRP's database. ITC also targeted their database of potential interested parties.

- Coincidentally a total of 18 interested parties signed NDAs and accessed the dataroom, of which a couple of investors/private equity firms made further enquiries. However given the nature of the business and the need for any interested party to have Operator's Licences in place in order to trade the business, the extent of their interest could only go as far as funding any proposed purchase by management or a third party within the industry.

- The Company was marketed as widely as possible to make the business's availability known to the widest group of potential purchasers in the time available. FRP searched it's own extensive database of potential interested parties, together with advertising the opportunity on IP-Bid.com.

- In view of the marketing carried out by RT and then FRP, the Administrators consider that the marketing carried out was as extensive as possible.

Valuation of assets

- FRP instructed ITC Valuers Limited to prepare an inventory and valuation of the Company's chattel assets, which consisted of 36 commercial vehicles (15 encumbered and 21 unencumbered), 25 trailers (18 encumbered and 7 unencumbered), together with plant and machinery, office furniture and equipment.
- ITC have prepared their valuation in accordance with RICS Guidance. They have confirmed their independence and that they carry adequate professional indemnity insurance.
- The valuations were obtained on a going concern and forced sale basis, with no valuation provided for the goodwill, and are broken as follows –

Asset Description	Willing Buyer Value	Forced Sale Value
Vehicles	£58,000.00	£38,200.00
HP Vehicles	£3,766.00	£0.00
Trailers	£30,500.00	£22,000.00
HP Trailers	£34,870.00	£12,792.00
Plant & Machinery	£21,950.00	£13,170.00
HP Plant and Machinery	£1,774.00	£0.00
Office Equipment	£12,415.00	£8,870.00
Goodwill	N/A	N/A
	£163,275.00	**£95,032.00**

Appendix A

Explanation of the pre-packaged sale in accordance with Statement of Insolvency Practice 16

- There are approx. 40 vehicles/trailers subject to Hire Purchase across 9 different finance companies. Whilst information held on the Company's systems indicates that estimates of any potential equity available in these agreements can be deduced from information held on the Company's systems, it is not possible to ascertain the exact interest an administrator may have in these assets without thorough analysis of each individual HP Agreement and each finance companies terms and conditions as regards consolidation clauses etc.

- No valuation has been obtained for goodwill as the goodwill of the business is reliant primarily on the membership of the PWUKL network. Any purchaser would have to satisfy their criteria for entry to their network, which is not within the control of SLIL. Furthermore, the unconnected trade has fallen away so significantly that is was considered that goodwill had no value.

- As explained later in this report, the only offer received for the business was £100k for all of the assets.

Offers received and further negotiations

- The deadline for offers was Friday 16 November 2018 and despite the pre-appointment marketing carried out by SLIL and our own marketing, the only offer received was from PWUKL.

- An initial offer of £85k was received from PWUKL. At this stage, PWUKL were in negotiations to acquire SLE, an associated company, to potentially acquire the assets of SLIL. Eventually this did not take place.

- This offer was refused as it was below breakup value. Following a two-hour meeting they agreed to pay a marginally higher amount than the forced sale value of the assets.

- A further offer of £100k was received from PWUKL, which we have apportioned in line with the valuation provided by ITC, broken as follows-

Asset Description	Willing Buyer Value	Forced Sale Value	Offer
Vehicles	£58,000.00	£38,200.00	40,000.00
HP Vehicles	£3,766.00	£0.00	1.00
Trailers	£30,500.00	£22,000.00	22,205.00
HP Trailers	£34,870.00	£12,792.00	12,792.00
Plant & Machinery	£21,950.00	£13,170.00	15,000.00
HP Plant and Machinery	£1,774.00	£0.00	1.00
Office Equipment	£12,415.00	£8,870.00	10,000.00
Goodwill	N/A	N/A	1.00
	£163,275.00	**£95,032.00**	**100,000.00**

- In addition to the above their offer included TUPE all employee contracts and therefore paying all outstanding arrears of salary of £130,000. In addition a Licence to Occupy for 6 months to mitigate any liability to the landlord.

Appendix A

Explanation of the pre-packaged sale in accordance with Statement of Insolvency Practice 16

FRP Advisory

- Whilst every attempt to increase this offer was made, PWUKL made it clear that this was their best and final offer, due to the wages, TUPE and landlord liabilities being assumed.

- The terms of the agreement are as follows-

  - Payment of £100,000 for all assets is to be paid upon completion.
  - A Licence to Occupy is required for the Stansted premises for 7 days, (with the option to cancel before) whilst PWUKL remove required items from site.
  - A Licence to Occupy for the Colchester premises will be issued for a period of 6 months whilst new leases/assignments are negotiated with landlord, as appropriate;
  - All 64 employees' contracts to transfer to PWUKL via TUPE.

- No offer was received for the debtor ledger, which is subject to a Confidential Invoice Discounting Facility with HSBCIF, however, PWUKL have confirmed their willingness to assist with the collect out process.

- The current offer from PWUKL ensures the upmost continuity in business and trading for customers with minimal disruption, which will enable the Administrators to maximise realisations from the debtor ledger. This will ensure the secured creditor is repaid in full and gives the best opportunity for a dividend to become available to unsecured creditors.

- Furthermore, all 64 staff will retain their jobs in the first instance, thus avoiding significant claims in the Administration for wage arrears, holiday pay, notice pay and redundancy.

The transaction

- The transaction took place on Friday 30 November 2018.

Purchaser and related parties

- The purchaser is PWUKL.
- SLIL have entered into a membership with PWUKL to benefit from their pallet network. This is solely a business relationship and there are no known personal connections between any of the parties.
- There are no former directors involved in the purchasing entity and there are no financing requirements.
- The director, RT, has given personal guarantees to HSBC Bank, HSBCIF, Funding Circle and Mercedes Benz Finance. None of these financiers will be funding the new business going forward.

Assets

- As outlined earlier, the assets included in the transaction include goodwill, all chattel assets/vehicles, including vehicles, trailers, all HP assets, plant, machinery, office furniture and equipment. An LTO will also be granted for a period of 7 days for the Stansted premises and 6 months for the Colchester site, with licence fees to be paid to cover initial rents as appropriate.

Sale consideration

- The sale is for £100k and is payable immediately upon completion.
- The sale is not part of a wider transaction. There are no buy back agreements, no deferred consideration or any other conditions to the sale.
- No security is required from the Administrators.
- The purchaser has been independently advised by Keelys LLP.

Appendix A

Explanation of the pre-packaged sale in accordance with Statement of Insolvency Practice 16

Connected Party transactions

- There are no connected party considerations. See above comments relating to SLE.

Pre-pack pool consultation

- As the sale is to an unconnected party, the pre-pack pool has not been approached.

Viability review

- As the sale is to an unconnected party, a viability review is not necessary.

Tax considerations

- Goodwill was not included in the Company's accounts, however, as goodwill has been sold for £1, there are no tax implications to consider.

Statutory purpose of administration

- The statutory purpose of the administration to be achieved in accordance with P3(1) of Schedule B1 IA86 is

  (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration);

  It is also considered that the following objective will be achieved:

  (c) realising property in order to make a distribution to one of more secured or preferential creditors

Appendix B

Form AM10, formal notice of the progress report

In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

AM10

Notice of administrator's progress report

Companies House

For further information, please refer to our guidance at www.gov.uk/companieshouse

1 Company details

Company number	0 2 9 5 0 7 5 0
Company name in full	Systematic Logistics International Limited

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

2 Administrator's name

Full forename(s)	Glyn
Surname	Mummery

3 Administrator's address

Building name/number	Jupiter HouseWarley Hill Business Park
Street	The Drive
Post town	Brentwood
County/Region	Essex
Postcode	C M 1 3 3 B E
Country	

4 Administrator's name ❶

Full forename(s)	Paul
Surname	Atkinson

❶ **Other administrator**
Use this section to tell us about another administrator.

5 Administrator's address ❷

Building name/number	Jupiter HouseWarley Hill Business Park
Street	The Drive
Post town	Brentwood
County/Region	Essex
Postcode	C M 1 3 3 B E
Country	

❷ **Other administrator**
Use this section to tell us about another administrator.

AM10
Notice of administrator's progress report

6 Period of progress report

	d	d	m	m	y	y	y	y
From date	3	0	1	1	2	0	1	8
To date	2	9	0	5	2	0	1	9

7 Progress report

☑ I attach a copy of the progress report

8 Sign and date

Administrator's signature

Signature

X [signature] X

	d	d	m	m	y	y	y	y
Signature date	2	5	0	6	2	0	1	9

AM10
Notice of administrator's progress report

Presenter information

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

Contact name	Alexandra Thurgood
Company name	FRP Advisory LLP
Address	Jupiter House
	Warley Hill Business Park
Post town	The Drive
County/Region	Brentwood
Postcode	Essex
Country	
DX	
Telephone	01277 50 33 33

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

Important information

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

Where to send

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

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

Further information

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

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

Appendix C

Details of the Administrators' time costs and disbursements for the period and cumulative

1) Estimated Outcome Statement

2) Schedule of Work

3) Fee Estimate

4) FRP's charge out rates

5) FRP disbursement

Systematic Logistics International Limited
(In Administration)
Joint Administrators' Estimated Outcome Statement

Statement of Affairs £		Realised / Paid	Projected	Total £
	SECURED ASSETS			
690,734.00	Book Debts	NIL	297,421.00	297,421.00
(421,130.00)	Less: HSBC Invoice Finance	NIL	(21,500.00)	(21,500.00)
-	Less: HSBCIF cross gurantee (SLIE)	NIL	(69,434.00)	(69,434.00)
		1.00	206,487.00	206,487.00
1.00	Goodwill	1.00	NIL	1.00
NIL	HSBC Bank PLC	NIL	NIL	NIL
		NIL	0.00	1.00
	HIRE PURCHASE			
234,000.00	HP Commcercial Vehicles	1.00	233,999.00	234,000.00
(233,999.00)	Various Finance Companies	NIL	(233,999.00)	(233,999.00)
112,000.00	HP Trailers	12,792.00	54,801.23	166,801.23
(99,208.00)	Various Finance Companies	NIL	(17,500.00)	(116,708.00)
78,000.00	HP Plant & Machinery	1.00	77,999.00	78,000.00
(77,999.00)	Various Finance Companies	NIL	(77,999.00)	(77,999.00)
21,557.00	Rent Deposit	NIL	NIL	NIL
Uncertain	Stansted Landlord	NIL	NIL	NIL
		12,794.00	37,301.23	50,095.23
	ASSET REALISATIONS			
38,200.00	Commercial Vehicles	40,000.00	NIL	40,000.00
22,000.00	Commercial Trailers	22,205.00	NIL	22,205.00
12,170.00	Plant & Machinery	15,000.00	NIL	15,000.00
8,870.00	Office Equipment	10,000.00	NIL	10,000.00
Uncertain	Prepayments	NIL	Uncertain	Uncertain
Uncertain	Non-Factored Book Debts - SLE	NIL	NIL	NIL
NIL	Non-Factored Book Debts - PWUKL	NIL	NIL	NIL
Uncertain	Non-Factored Book Debts - Others	NIL	NIL	NIL
-	Cash at Bank	46.45	NIL	46.45
-	LTO License Fee: Colchester	108,000.00	NIL	108,000.00
-	LTO License Fee: Stansted	2,804.52	NIL	2,804.52
-	Motor Tax Refund	862.81	NIL	862.81
-	Bank Interest Gross	232.45	NIL	232.45
-	Suspense Account	9,207.04	NIL	9,207.04
-	Legal fee refund	707.97	NIL	707.97
-	Business Rates Refund	2,313.35	NIL	2,313.35
		211,379.59	NIL	211,379.59
	COST OF REALISATIONS			
-	Rent - Stansted	(2,804.52)	NIL	(2,804.52)
-	Pre-Appointment fees	(35,000.00)	NIL	(35,000.00)
-	Legal Fees - Pre Administration	(11,254.00)	NIL	(11,254.00)
-	Legal disbursements - Pre-Administration	(107.80)	NIL	(107.80)
-	Pre-Administration disbursements	(195.00)	NIL	(195.00)
-	LTO Licence Fee: Colchester	(105,000.00)	NIL	(105,000.00)
-	Administrators fees - time costs capped at £75,000	NIL	(75,000.00)	(75,000.00)
-	Bank Charges - Floating	(0.40)	NIL	(0.40)
-	Advertising	NIL	(69.93)	(69.93)
-	Professional Services - software fees	NIL	(49.93)	(49.93)
-	Travel/Taxis	NIL	(75.40)	(75.40)
-	Mileage (Category 2 Disbursement)		(116.66)	(116.66)
-	Bonding	NIL	(350.00)	(350.00)
-	IT disbursements	NIL	69.71	69.71
-	Administrators Disbursements	NIL	(8.10)	(8.10)
-	Storage Costs	NIL	(100.00)	(100.00)
		(154,361.72)	(75,700.31)	(230,062.03)
	UNSECURED CREDITORS			
(680,067.06)	Trade Creditors	NIL	(680,067.06)	(680,067.06)
(247,124.97)	HM Revenue & Customs - VAT	NIL	(247,124.97)	(247,124.97)
(88,460.62)	HM Revenue & Customs - PAYE	NIL	(88,460.62)	(88,460.62)
(510,336.00)	Palletways - Trade	NIL	(510,336.00)	(510,336.00)

(80,000.00)	Palletways - Loan	NIL	(80,000.00)	(80,000.00)
(100,000.00)	Funding Circle	NIL	(100,000.00)	(100,000.00)
Uncertain	Shortfall to Stansted Landlord	NIL	NIL	NIL
		NIL	(1,705,988.65)	(1,705,988.65)
	DISTRIBUTIONS			
(5,000.00)	Ordinary Shareholders	NIL	(5,000.00)	(5,000.00)
		NIL	(5,000.00)	(5,000.00)
(1,325,792.65)		69,812.87	(1,542,900.73)	(1,473,087.86)
	REPRESENTED BY			
	Vat Recoverable - Floating	30,852.26	NIL	30,852.26
	IB Current Fixed	50.00	NIL	50.00
	IB Current Floating	61,071.51	NIL	61,071.51
	Vat Payable - Floating	(22,160.90)	NIL	(22,160.90)
		69,812.87	NIL	69,812.87

Glyn Mummery
Joint Administrator

Appendix C

A Schedule of Work

The table below sets out a detailed summary of the work undertaken by the office holder to date and details of the work it is anticipated will be undertaken by the office holder throughout the duration of this assignment. Details of assumptions made in compiling this table are set out below. The fee basis for the different categories or work are set out in this table together with an estimate of the estimated fee for each category of work where this can be estimated.

Where the fee basis proposed is time costs, further details of the estimated time costs to be incurred are set out in the fee estimate accompanying this schedule.

Where work undertaken results in the realisation of funds there may be a financial benefit to creditors should there be sufficient funds available to make a distribution to one or more class of creditor. In this case, work undertaken will include the scrutiny and agreement of creditor claims.

A proportion of the work undertaken by an Insolvency Practitioner is required by statute, including ensuring the appointment is valid, notifications of the appointment to third parties, regular reporting on the progress, notifying statutory bodies where required in relation to the conduct of the directors, complying with relevant legislation and regulatory matters. This may not have a direct financial benefit to creditors but is substantially there to protect creditors and other stakeholders and ensuring they are kept informed of developments.

GENERAL ASSUMPTIONS IN COMPILING THIS SCHEDULE OF WORK
• The records received are complete and up to date. • There are no matters to investigate or pursue. • The fee proposal represents work to be undertaken in the Administration only. • No financial irregularities are identified. • A committee of creditors is not appointed. • There are no exceptional queries from stakeholders. • Full co-operation of the directors and other relevant parties is received as required by legislation. • There are no health and safety or environmental issues to be dealt with. • The Administration will be closed within 12 months.

Appendix C

A Schedule of Work

FRP Advisory

Note	Category		
1	***ADMINISTRATION AND PLANNING*** **Work undertaken in Period**	***ADMINISTRATION AND PLANNING*** **Future work to be undertaken**	***£15,811***
	General matters	**General matters**	
	Work which falls within the Administration and Planning category generally would not add financial benefit to the Administration but, is either required by statute or is necessary to ensure general compliance and case progression.		
	• Necessary administrative and strategic work.	• Regular reviews of the case and the on-going strategy as required under legislation and by the Joint Administrators' Regulatory Professional Bodies ("RPBs") to ensure that all compliance and statutory matters are attended to and that the case is progressed in a timely manner.	
	• Assisting with the preparation of post appointment documentation and completing internal procedures. Completing file reviews at 30 days and 3 months.	• Undertaking periodic file reviews to ensure compliance and to monitor progression of the Administration and outstanding matters to be dealt with and dealing with various other sundry matters.	
	• Setting up case file and inputting information onto bespoke Insolvency Practitioners Systems ("IPS").	• Update IPS as appropriate.	
	• General case administration such as filing and the maintenance of case files.	• This will be appropriate throughout the Administration period.	
	• Corresponding with the Company's accountants and former advisors to the Company requesting third party information to assist in general enquiries.	• Ongoing.	

	• Gathering information and completion of documents as required and provision of additional information and documentation to agents and attending to any other matters as and when they arise.		• Gathering information will remain ongoing for the foreseeable future.	
	Regulatory Requirements			
	• Completion of money laundering risk assessment procedures and Know Your Client checks in accordance with the Money Laundering Regulations. • Completion of take on procedures which include consideration of professional and ethical matters and other legislation such as the Bribery Act, Data Protection Act. • In addition to the above, to consider if there are any other case specific matters to be aware of prior to or on appointment, for example health and safety, environmental concerns, particular licences or registrations, tax position, social media and profile of the client or its stakeholders.		• Ongoing adherence to Money Laundering Regulations. • Completed. • Completed.	
	Case Management Requirements			
	• Determine and document case strategy. • Setting up and administering insolvent estate bank accounts throughout the duration of the case. Ensuring all accounts are regularly reconciled to produce accurate and timely reports to all creditors when required. Processing		• Continue to monitor strategy and document any proposed changes and implementation thereof. Holding regular team meetings in respect thereof. • Case accounting work to process all receipts and payments including associated adjustments to ensure accurate bank reconciliations and production of reports	

	and recording of all receipts and payments throughout the appointment on IPS and providing internal and external reports as required. • Setting up case specific paper and electronic files to be updated and maintained for the duration of the appointment. Filing all papers and correspondence received and maintaining a diary system to ensure all matters are discharged in accordance with legislation • Compiling a forecast of the work that has been or is anticipated will be undertaken throughout the duration of the case, circulating this to creditors together with other such documentation as required to enable the relevant approving creditors to assess and vote on the fee bases proposed. • Regularly reviewing the case as required by the regulatory bodies to ensure all statutory matters are adhered to and the case is progressing. Up-dating and completing check lists on a timely basis. Completion of file reviews after 30 days and 3 months. • Notifying HMRC of the Administration and more specifically correspondence with the VAT and other departmental offices to ascertain the Company's final tax position.		can be achieved at all times. Continued updating and maintenance of records on the IPS system. • Filing of paperwork will remain ongoing throughout the duration of the Administration. • Ongoing. Continuing to maintain a record and forecast of the work that has been or is anticipated to be undertaken throughout the duration of the case, circulating this to all known creditors together with such other documentation as is required to enable the relevant approving creditors to continue to assess the costs and expenses incurred versus projections and to challenge, if appropriate, in accordance with the relevant insolvency rules. • Ongoing. Regularly reviewing the case as required by the regulatory bodies to ensure all statutory matters are adhered to and the case is progressing. On-going up-dating of check lists to underpin case progression/compliance. Completing a file review at 10 months and periodically thereafter. • Ongoing liaison with HMRC to crystallise the Company's pre-appointment tax position and to achieve tax clearance for the period of the administration.	

2	ASSET REALISATION Work undertake in Period	ASSET REALISATION Future work to be undertaken	£27,242
	Work undertaken which falls within this category adds financial benefit to the Administration.		
	One of the main purposes of an insolvency process is to realise the insolvency assets and to ensure a fair distribution of the proceeds to the creditors in the correct order of priority as set out by legislation.		
	Sale of Business in accordance with Statement of Insolvency Practice 16 and matters connected to transaction		
	• Please refer to Appendix A for details of the Pre-Packaged Sale of the business and assets to PWUKL.	• Completed.	
	• The Company's business and assets were sold to PWUKL on 30 November 2018, in accordance with Statement of Insolvency Practice 16.	• Completed.	
	HP Trailers		
	• Following the date of Administration, Lombard North Central PLC did not wish to allow a novation of the trailers under a HP agreement with them. Lombard have advised that they have sold the trailers under the agreements and the proceeds of c.£54,801.23 were received.	• Following deduction of Lombard's liability of circa £17,500, a total of £37,201.23 will shortly be received into the Administration estate from the sale proceeds.	
	Debtors		
	• As stated in the main body of the report, PWUKL confirmed their willingness to assist with the collection of the Company's remaining debtor ledger as at the date of the Administration.	• Completed.	

	• A portion of the outstanding debts were recovered by PWUKL and paid directly to HSBCIF. Due to the reasons set out in the body of the report, the ledger has now been handed back to the Administrators. • Collections remain ongoing and are being paid directly to HSBCIF to reduce the total liability due to them. A total of £21,500 remains outstanding to HSBCIF.	• Collections remain ongoing. Since the date of appointment, a total of c£571,300 has been collected (by both PWUKL and the Administrators) and residual debts of £425,818 remain to be collected.	
	<u>LTO License Fees – Colchester and Stansted</u>		
	• As detailed in the main body of the report, LTO's were issued by the Administrators in respect of the two trading premises to enable required information to be removed from one premises and to allow negotiations for a new lease/assignment for the other premises.	• Completed. Both LTO's have expired and the Stansted lease subsequently surrendered.	
	<u>Prepayments</u>		
	• We have requested details of prepayments that could potentially be due to the Administration estate.	• The relevant information has been received in this respect and we will therefore undertake a review and determine whether any recoveries are achievable.	
	<u>Other Asset Realisations</u>		
	• The only other realisations during the Period were motor tax refunds, legal fee refunds and a business rates refund.	• Completed. No further realisations are expected.	
	• We have received a sum of £9,207.04 from the Company's pre-administration bank account. We are trying to determine whether these funds are due to HSBCIF in respect of *previous book debt collections, or whether they* are due to the Administration estate.	• As we have now received copy bank statements, we will review to identify where the funds are due to.	

FRP Advisory

5	**CREDITORS** **Work undertaken in Period**	**CREDITORS** **Future work to be undertaken**	**£8,784**
	Work which falls within this category generally will not add financial benefit to the Administration but, is either required by statute or necessary to ensure general compliance and fulfilment of the Administrators' duties.		
	<u>Secured Creditors</u> HSBCIF hold a fixed charge against the Company's book debts via the Invoice Discounting facility created on 5 November 2012 and registered on 7 November 2012. It is understood that RT has provided a personal guarantee in this regard. • HSBCIF have a cross guarantee from the Company, in support of an Invoice Discounting Facility extended to an associated company, SLIE – In Liquidation. In the event of any shortfall under the SLIE ledger, HSBCIF will look to recover this from the realisations on the Company's ledger. As at the date of this report, the amount owed to HSBCIF under the SLI and SLIE ledgers are c£23,000 and c£69,434. • At this stage, we are therefore unable to determine the overall level of book debt realisations as this will be dependant on the success of recoveries on the SLI ledger. **<u>Preferential Creditors</u>** • All preferential claims against the Company in respect of employees' arrears of wages and holiday pay have	• Completed/ongoing. The Administrators will continue to liaise closely with HSBCIF with regard to updates on the collections. • Completed.	

	been eliminated because of the transfer of contracts of employment for all staff being adopted by PWUKL, pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"). • This process was carried out in conjunction with the pre-pack transaction completed on 12 May 2018. **<u>Unsecured Creditors</u>** • Dealing with creditor enquiries, inputting creditor details and logging claims. • Ascertaining if a prescribed part distribution is applicable and ongoing review as asset realisations continue plus the likely outcomes for all classes of creditor on an ongoing basis.		• Completed. • To continue to review and respond to creditors' claims and enquiries as they arise in a timely and cost-effective manner. • Based upon present information, it is uncertain as to what level of distribution will be available to creditors and this will be heavily dependant on the level of surplus funds available from the debtor collections.	
4	**INVESTIGATIONS** **Work undertaken in Period**		**INVESTIGATIONS** **Future work to be undertaken**	**£5,640**
	Some of the work undertaken which falls within this category may add some financial benefit to the Administration, should any assets come to light during the investigation; however, the majority of work within this category will not add financial benefit to the Administration but, is required by statute.			
	An IP has a duty to review the books and records of the Company and other information available to identify the assets that may be available to realise for the benefit of the insolvency estate.			

	Furthermore, there may be other antecedent or voidable transactions that are identified which if pursued could swell the funds available for the insolvency estate.			
	• Requesting the director(s) of the Company both current and those holding office within 3 years of the insolvency to complete a questionnaire to assist in preparing the statutory return to the Department of Business Energy and Industrial Strategy ("DBEIS") in accordance with the Company Directors Disqualification Act.		• Completed/received. NFA.	
	• Coordinated arrangements for the collection/collation of the Company's books and records, including its statutory records, and preparation of an inventory, as may be required to assist with the Liquidation and statutory investigation.		• Completed.	
	• Undertaking initial investigations to consider if potential action could be taken to swell the assets available in the estate. To weigh up the merits of any such proceedings; to consider the most appropriate course of action and possible further consultation with creditors, as applicable.		• Completed.	
	• Reviewing the Company's books and records/ directors questionnaires/financial accounts /bank statements and conducting a statutory investigation, within three months of appointment, and submitting a report to the DBEIS and/or the Insolvency Service. Information provided to DBEIS is confidential but can be used to assist DBEIS in identifying conduct that should be investigated further and could result in individuals being disqualified from acting as a director.		• Completed.	

	• Attending site to take a copy of the Company's electronic records. To ensure that those records are securely stored and available for future scrutiny in furthering investigations on an ongoing basis. • Consideration of whether any matters have come to light which require notification to the Secretary of State or National Crime Agency.	• Completed. • Ongoing.	
3	**STATUTORY COMPLIANCE AND REPORTING** **Work undertaken in Period**	**STATUTORY COMPLIANCE AND REPORTING** **Future work to be undertaken**	**£17,524**
	Some of the work undertaken which falls within this category may add some financial benefit to the Administration, such as the submission of VAT returns, however the majority of work within this category will not add financial benefit to the Administration but, is either required by statute or is necessary to ensure general compliance and case progression.		
	• Dealing with all statutory appointment formalities including issuing notification to all known/ relevant parties, filings with the Court, the Registrar of Companies and statutory advertising. • An insolvency bond was arranged to protect the assets available for preferential and unsecured creditors. • Formulating the Administrators formal proposals for the conduct of the Administration and achieving the statutory purpose, pursuant to P49 of Schedule B1 of the IA86. Circulating those proposals to creditors / members to consider and completing all statutory filings. The proposals	• Completed. • Completed. • Completed. Approval was obtained on 3 January 2019.	

	were subsequently approved by way of a decision procedure by correspondence on 3 January 2019.			
	• Notifying creditors of their right to set up a creditors' committee.		• Completed as part of the decision procedure by correspondence when circulating the Administrators Proposals. No nominations for a committee were received.	
	• The IP is required to establish the existence of any pension schemes and staging dates for auto-enrolment and take appropriate action to notify all relevant parties and appoint independent trustees if required.		• Completed.	
	• The directors of the Company were asked to submit a Statement of Affairs under paragraph 47 of Schedule B1 of the IA86.		• Despite chasers and the director being made aware of the implications of not submitting a Statement of Affairs, a completed Statement of Affairs is still awaited. We have, however, recently received confirmation that this is receiving attention and it is hoped, therefore that the document will be received shortly. Following receipt, it will be filed with the Registrar of Companies.	
	• Dealing with all tax and VAT matters arising following appointment and submitting returns at prescribed times throughout the process as required.		• Completed/ongoing.	
			• When necessary, circulating a proposal (including an Estimated Outcome Statement) and seek approval to the basis of the Insolvency Practitioners fees and Category 2 disbursements from secured and unsecured creditors. Monitor closely receipt of any written requests for a physical meeting to be convened.	
			• If a physical meeting is requested, dispatch the notice convening the meeting to creditors accordingly.	

			• When agreed, to process fees and disbursements from time to time as funds allow, having given due consideration to all other costs of the process as prescribed under the IA86. • Reporting to members / creditors on a six-monthly basis, as required by legislation, providing an update on the progress of the Administration during each reporting period and filing statutory reports as required. • To place legal advertisements as required by statute which may include formal meetings of creditors and notices to submit claims • Dealing with post appointment VAT and or other tax returns as required. • Dealing with the statutory requirements to bring the Administration to a close, either by way of placing the Company into CVL, Compulsory Liquidation or dissolution. This includes, inter alia, preparation and circularisation of a final Progress Report and filing the relevant documentation with the Court and Registrar of Companies. • Adherence to all other statutory and compliance matters as they arise throughout the appointment.	
	TOTAL ESTIMATED FEES			**£75,000**

SYSTEMATIC LOGISTICS INTERNATIONAL LIMITED - IN ADMINISTRATION
Joint Administrators' fee estimate as at 20 June 2019

Activity	Total Hours	Cost (£)	Average hourly rate £
ADMINISTRATION	58.1	15,811	272
ASSET REALISATION	119.4	27,242	228
STATUTORY COMPLIANCE AND REPORTING	66.8	17,524	262
TRADING	-	-	#DIV/0!
INVESTIGATION	17.6	5,640	320
CREDITORS	31.9	8,784	276
LEGAL AND LITIGATION	-	-	-
TOTAL	**293.7**	**75,000**	

Hourly Charge out rates:	**£**
Appt taker/partner	**370-450**
Managers/directors	**280-370**
Other professional	**165-230**
Junior Professional/support	**80-110**

The above fee estimate is based on the assumptions contained in the accompanying schedule of work.

The office holder anticipates that it will not be necessary to seek further approval.

Time costs are maintained on computerised records of all time spend on the administration of each case. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and experience required. Time is charged to the case in maximum of six minute units. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters. Charge out rates are reviewed at least annually, details of FRP charge out rates applicable to this assignment are set out above.

Further information can be found in the Creditors' Guide to Fees which you can access using the following link http://www.frpadvisory.com/fees-guide.html. Alternatively, a hard copy of the relevant guide will be sent to you on request.

On occasions it may be necessary to change the rates applicable to the work undertaken and if this occurs during the period of the assignment this will be notified to creditors as part of the normal reporting procedures.

APPENDIX C

FRP ADVISORY LLP ("FRP")

HOURLY CHARGE OUT RATES

Appointment taker/Partner	370-495
Managers/Directors	280-370
Other Professional	165-230
Junior Professional/Support	80-110

Time costs are maintained on computerised records of all time spent on the administration of each case. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and experience required. Time is charged to the case in maximum of six minute units. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters. Charge out rates are reviewed at least annually, details of FRP charge out rates applicable to this assignment are set out above.

Further information can be found in the Creditors' Guide to Fees which you can access using the following link http://www.frpadvisory.com/fees-guide.html. Alternatively, a hard copy of the relevant guide will be sent to you on request.

On occasions it may be necessary to change the rates applicable to the work undertaken and if this occurs during the period of the assignment this will be notified to creditors as part of the normal reporting procedures.

APPENDIX C

DISBURSEMENT POLICY

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

There are two types of disbursements; direct disbursements (known as Category 1) and indirect disbursements (known as Category 2).

Category 1 disbursements:

These are payments to independent third parties where there is specific expenditure directly referable to the appointment in question, these include but are not limited to such items as case advertising, storage, bonding, searches, insurance, licence fees.

Category 1 disbursements can be drawn without prior approval

Category 2 disbursements

These are expenses that are directly referable to the appointment in question but not to a payment to an independent third party. With the exception of mileage FRP do not charge category 2 disbursements.

Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP at the HMRC approved mileage rate prevailing at the time the mileage was incurred, at the time of this report this is 45p per mile.

Category 2 disbursements require prior approval in the same manner as an office holder's remuneration.

FRP

Systematic Logistics International Limited (In Administration)
Time charged for the period 30 November 2018 to 29 May 2019

	Appointment Takers / Partners	Managers / Directors	Other Professional	Junior Professional & Support	Total Hours	Total Cost £	Average Hrly Rate £
Administration and Planning	**13.10**	**4.60**	**23.55**	**3.00**	**44.25**	**11,327.75**	**255.99**
Admin & Planning	0.30				0.30	135.00	450.00
Case Accounting		0.30	1.20	1.50	3.00	450.00	150.00
Travel		4.00	4.00		8.00	1,640.00	205.00
Case Control and Review		0.20	6.00		6.20	1,122.50	181.05
Case Accounting - General		0.10			0.10	32.50	325.00
General Administration	12.80		11.50	1.50	25.80	7,807.50	302.62
Insurance			0.85		0.85	140.25	165.00
Asset Realisation	**11.30**	**18.60**	**0.25**	**12.70**	**42.85**	**11,358.25**	**265.07**
Asset Realisation		2.60		6.80	9.40	1,278.00	135.96
Freehold/Leasehold Property		0.20			0.20	65.00	325.00
Debt Collection	10.30	13.80	0.25	5.90	30.25	9,105.25	301.00
Asset Realisation Floating	1.00	2.00			3.00	910.00	303.33
Creditors	**3.00**	**5.60**	**16.55**		**25.15**	**5,368.75**	**213.47**
Unsecured Creditors			13.40		13.40	2,211.00	165.00
Secured Creditors		0.30			0.30	69.00	230.00
HP/ Leasing		0.70	3.15		3.85	680.75	176.82
Landlord	3.00	4.60			7.60	2,408.00	316.84
Investigation	**1.00**	**9.80**	**6.80**		**17.60**	**3,878.50**	**220.37**
Investigatory Work	1.00		0.65		1.65	557.25	337.73
CDDA Enquiries			2.65		2.65	437.25	165.00
IT – Investigations		9.80	1.50		11.30	2,524.00	223.36
FTech - Data Capture			2.00		2.00	360.00	180.00
Statutory Compliance	**4.70**	**8.50**	**49.10**	**0.10**	**62.40**	**12,334.50**	**197.67**
Statutory Compliance - General	0.90	7.70			8.60	2,318.50	269.59
Statutory Reporting/ Meetings	3.00	0.40			3.40	1,442.00	424.12
Appointment Formalities	0.80		48.75		49.55	8,403.75	169.60
Bonding/ Statutory Advertising		0.10		0.10	0.20	43.50	217.50
Pensions- Other		0.30	0.35		0.65	126.75	195.00
Trading		**0.10**			**0.10**	**32.50**	**325.00**
Trading - General		0.10			0.10	32.50	325.00
Total Hours	33.10	47.20	96.25	15.80	192.35	44,300.25	230.31

FRP Charge out rates

Grade	From 1st May 2016	1st May 2019
Appointment taker / Partner	370-450	370-495
Managers / Directors	280-370	280-370
Other Professional	165-230	165-230
Junior Professional & Support	80-110	80-110

Disbursements for the period
30 November 2018 to 29 May 2019

	Value £
Category 1	
Advertising	69.93
Prof. Services	49.93
Taxis	40.00
Travel	35.40
Bonding	350.00
Computer Consumables	69.71
Subsistence	8.10
Category 2	
Car/Mileage Recharge	83.76
Grand Total	706.83

Mileage is charged at the HMRC rate prevailing at the time the cost was incurred

Appendix E

Receipts and payments account for the period and cumulative

APPENDIX E

Systematic Logistics International Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 30/11/2018 To 29/05/2019 £	From 30/11/2018 To 29/05/2019 £
	SECURED ASSETS		
1.00	Goodwill	1.00	1.00
690,734.00	Book Debts	NIL	NIL
		1.00	1.00
	SECURED CREDITORS		
(421,130.00)	HSBC Invoice Finance	NIL	NIL
NIL	HSBC Bank PLC	NIL	NIL
		NIL	NIL
	HIRE PURCHASE		
234,000.00	HP Commcercial Vehicles	1.00	1.00
(233,999.00)	Various Finance Companies	NIL	NIL
112,000.00	HP Trailers	12,792.00	12,792.00
(99,208.00)	Various Finance Companies	NIL	NIL
78,000.00	HP Plant & Machinery	1.00	1.00
(77,999.00)	Various Finance Companies	NIL	NIL
21,557.00	Rent Deposit	NIL	NIL
Uncertain	Stansted Landlord	NIL	NIL
		12,794.00	12,794.00
	ASSET REALISATIONS		
38,200.00	Commercial Vehicles	40,000.00	40,000.00
22,000.00	Commercial Trailers	22,205.00	22,205.00
12,170.00	Plant & Machinery	15,000.00	15,000.00
8,870.00	Office Equipment	10,000.00	10,000.00
Uncertain	Prepayments	NIL	NIL
Uncertain	Non-Factored Book Debts - SLE	NIL	NIL
NIL	Non-Factored Book Debts - PWUKL	NIL	NIL
Uncertain	Non-Factored Book Debts - Others	NIL	NIL
	Cash at Bank	46.45	46.45
	LTO Licence Fee: Colchester	108,000.00	108,000.00
	LTO Licence Fee: Stansted	2,804.52	2,804.52
	Motor Tax Refund	171.25	171.25
	Bank Interest Gross	232.45	232.45
	Suspense Account	9,207.04	9,207.04
	Legal fee refund	707.97	707.97
	Business Rates Refund	2,313.35	2,313.35
		210,688.03	210,688.03
	COST OF REALISATIONS		
	Rent - Stansted	2,804.52	2,804.52
	Pre-Appointment fees	35,000.00	35,000.00
	Legal Fees - Pre Administration	11,254.00	11,254.00
	Legal disbursements - Pre-Administrat	107.80	107.80
	Pre-Administration disbursements	195.00	195.00
	LTO Licence Fee: Colchester	105,000.00	105,000.00
	Bank Charges - Floating	0.40	0.40
		(154,361.72)	(154,361.72)
	UNSECURED CREDITORS		
(680,067.06)	Unsecured Creditors	NIL	NIL
(247,124.97)	HM Revenue & Customs - VAT	NIL	NIL
(88,460.62)	HM Revenue & Customs - PAYE	NIL	NIL
(510,336.00)	Palletways - Trade	NIL	NIL
(80,000.00)	Palletways - Loan	NIL	NIL
(100,000.00)	Funding Circle	NIL	NIL

Systematic Logistics International Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 30/11/2018 To 29/05/2019 £	From 30/11/2018 To 29/05/2019 £
Uncertain	Shortfall to Stansted Landlord	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(5,000.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,325,792.65)		**69,121.31**	**69,121.31**
	REPRESENTED BY		
	Vat Recoverable - Floating		30,852.26
	IB Current Fixed		50.00
	IB Current Floating		60,379.95
	Vat Payable - Floating		(22,160.90)
			69,121.31

Glyn Mummery
Joint Administrator

Systematic Logistics International Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 30/11/2018 To 20/06/2019 £	From 30/11/2018 To 20/06/2019 £
	SECURED ASSETS		
1.00	Goodwill	1.00	1.00
690,734.00	Book Debts	NIL	NIL
		1.00	1.00
	SECURED CREDITORS		
(421,130.00)	HSBC Invoice Finance	NIL	NIL
NIL	HSBC Bank PLC	NIL	NIL
		NIL	NIL
	HIRE PURCHASE		
234,000.00	HP Commcercial Vehicles	1.00	1.00
(233,999.00)	Various Finance Companies	NIL	NIL
112,000.00	HP Trailers	12,792.00	12,792.00
(99,208.00)	Various Finance Companies	NIL	NIL
78,000.00	HP Plant & Machinery	1.00	1.00
(77,999.00)	Various Finance Companies	NIL	NIL
21,557.00	Rent Deposit	NIL	NIL
Uncertain	Stansted Landlord	NIL	NIL
		12,794.00	12,794.00
	ASSET REALISATIONS		
38,200.00	Commercial Vehicles	40,000.00	40,000.00
22,000.00	Commercial Trailers	22,205.00	22,205.00
12,170.00	Plant & Machinery	15,000.00	15,000.00
8,870.00	Office Equipment	10,000.00	10,000.00
Uncertain	Prepayments	NIL	NIL
Uncertain	Non-Factored Book Debts - SLE	NIL	NIL
NIL	Non-Factored Book Debts - PWUKL	NIL	NIL
Uncertain	Non-Factored Book Debts - Others	NIL	NIL
	Cash at Bank	46.45	46.45
	LTO License Fee: Colchester	108,000.00	108,000.00
	LTO License Fee: Stansted	2,804.52	2,804.52
	Motor Tax Refund	862.81	862.81
	Bank Interest Gross	232.45	232.45
	Suspense Account	9,207.04	9,207.04
	Legal fee refund	707.97	707.97
	Business Rates Refund	2,313.35	2,313.35
		211,379.59	211,379.59
	COST OF REALISATIONS		
	Rent - Stansted	2,804.52	2,804.52
	Pre-Appointment fees	35,000.00	35,000.00
	Legal Fees - Pre Administration	11,254.00	11,254.00
	Legal disbursements - Pre-Administrat	107.80	107.80
	Pre-Administration disbursements	195.00	195.00
	LTO Licence Fee: Colchester	105,000.00	105,000.00
	Bank Charges - Floating	0.40	0.40
		(154,361.72)	(154,361.72)
	UNSECURED CREDITORS		
(680,067.06)	Unsecured Creditors	NIL	NIL
(247,124.97)	HM Revenue & Customs - VAT	NIL	NIL
(88,460.62)	HM Revenue & Customs - PAYE	NIL	NIL
(510,336.00)	Palletways - Trade	NIL	NIL
(80,000.00)	Palletways - Loan	NIL	NIL
(100,000.00)	Funding Circle	NIL	NIL

Systematic Logistics International Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		**From 30/11/2018 To 20/06/2019 £**	**From 30/11/2018 To 20/06/2019 £**
Uncertain	Shortfall to Stansted Landlord	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(5,000.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,325,792.65)		**69,812.87**	**69,812.87**
	REPRESENTED BY		
	Vat Recoverable - Floating		30,852.26
	IB Current Fixed		50.00
	IB Current Floating		61,071.51
	Vat Payable - Floating		(22,160.90)
			69,812.87

Glyn Mummery
Joint Administrator

Appendix F

Statement of expenses incurred in the Period

Expenses	Total Expenses for the period 30 November 2018 to 29 May 2019 £
Pre Administration Fees	35,000
Pre Administration Disbursements	195
Pre Administration Legal Fees - Birketts	11,254
Pre Administration Legal Disbursements - Birketts	108
LTO Licence Fee - Stansted Premises	2,805
LTO Licence Fee – Colchester	105,000
Time costs incurred	44,300
Administrators' Disbursements	707
Total	**199,369**

AM10
Notice of administrator's progress report

Presenter information

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

Contact name	Alexandra Thurgood
Company name	FRP Advisory LLP
Address	Jupiter House
	Warley Hill Business Park
Post town	The Drive
County/Region	Brentwood
Postcode	E s s e x
Country	
DX	
Telephone	01277 50 33 33

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

Important information

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

Where to send

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

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

Further information

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

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