In accordance with Rule 3 35 of the Insolvency (England & Wales) Rules 2016 & Paragraph 49(4) of Schedule B1 to the Insolvency Act 1986

AM03
Notice of administrator's proposals

Companies House

WEDNESDAY

A6YS4D37
A12 31/01/2018 #17
COMPANIES HOUSE

WED

A6XUJ0IB
A06 17/01/2018 #99
COMPANIES HOUSE

1 Company details

Company number	0 3 0 8 9 3 5 2
Company name in full	Keyne Express Deliveries Limited

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

2 Administrator's name

Full forename(s)	Richard Michael
Surname	Hawes

3 Administrator's address

Building name/number	5 Callaghan Square
Street	Cardiff
Post town	CF10 5BT
County/Region	
Postcode	
Country	

4 Administrator's name ❶

Full forename(s)	Matthew James
Surname	Cowlishaw

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

5 Administrator's address ❷

Building name/number	Four Brindleyplace
Street	Birmingham
Post town	B1 2HZ
County/Region	
Postcode	
Country	

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

AM03
Notice of Administrator's Proposals

6	Statement of proposals
	☑ I attach a copy of the statement of proposals

7	Sign and date
Administrator's Signature	Signature ✕ ✕
Signature date	15 01 2018

AM03
Notice of Administrator's Proposals

Presenter information

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

Contact name	Jessica Hough
Company name	Deloitte LLP
Address	5 Callaghan Square
	Cardiff
Post town	CF10 5BT
County/Region	
Postcode	
Country	
DX	
Telephone	+44 121 632 6000

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

Important information

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

Where to send

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

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

Further information

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

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

Deloitte.

Keyne Express Deliveries Limited ("Keyne") and K E D Logistics Limited ("K E D") (in administration) ("the Companies")

Keyne: Court Case No. 103 of 2017
High Court of Justice
Business and Property Courts in Cardiff
Insolvency List (ChD)
Company Number: 03089352

K E D: Court Case No. 108 of 2017
High Court of Justice
Business and Property Courts in Cardiff
Insolvency List (ChD)
Company Number: 06086283

JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED) ("the Act").

Registered Offices:
c/o Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

Richard Michael Hawes and Matthew James Cowlishaw ("the Joint Administrators") were appointed Joint Administrators of Keyne Express Deliveries Limited and K E D Logistics Limited ("the Companies") on 20 November 2017. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners.

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

15 January 2018

Deloitte.

Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ
Tel: 0121 632 6000
Fax: 0121 695 5678
www.deloitte.co.uk

Keyne Express Deliveries Limited and K E D Logistics Limited (in administration) ("the Companies")

This Statement of Joint Administrators' Proposals ("the Proposals") has been prepared pursuant to paragraph 49 of Schedule B1 of the Act, which requires that we, as the Joint Administrators, provide creditors with details of our proposals to achieve the purpose of the administrations.

We do not think that the Companies have sufficient property to enable a distribution to be made to unsecured creditors. As such we are not required to ask unsecured creditors to approve our proposals unless requested to do so by creditors whose total debts amount to at least 10% of the total debts of one of the Companies.

If you would like to ask us to hold a decision procedure to consider our proposals, please complete a Form for Requisitioned Decisions which is available for download from the website set up for the administration at www.deloitte.com/uk/keyneexpressdeliveries and return it to us by post or email no later than 26 January 2018. *Please note that a deposit of £1,000 will be required towards the costs of initiating the decision procedure; such deposit may be refunded as an expense of these proceedings under Rule 15.19(4) Insolvency Rules 2016 ("the Rules"), if so decided by creditors.*

In the event that a request for a decision procedure is not received by us within the above deadline, our proposals will be deemed approved on 26 January 2018 and a notice to that effect will be filed at Companies House.

Please also note that hard copies of any of these documents will be provided free of charge on request.

We have also included the following information in this report:

- background of the Companies;
- the circumstances giving rise to the appointments of the Joint Administrators;
- the progress of the administrations to date; and,
- the Joint Administrators' proposals for achieving the objective of the administrations (Appendix H).

Yours faithfully
For and on behalf of the Companies

Joint Administrators

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Key Messages

Key Messages

Joint Administrators of the Companies

Richard Michael Hawes

Deloitte LLP

5 Callaghan Square

Cardiff

CF10 5BT

Matthew James Cowlishaw

Deloitte LLP

Four Brindleyplace

Birmingham

B1 2HZ

Contact Details

Email: jehough@deloitte.co.uk

Website:

www.deloitte.com/uk/keyneexpressdeliveries

Tel: 0121 695 5723

Date proposals delivered to creditors: 15 January 2018

	Commentary
Purpose of the Administration	• The purpose of the administrations will be to achieve a *better result for* the Companies' creditors as a whole than would be achieved via liquidations.
Joint Administrators' Strategy	• The Companies continued to trade for a short period following our appointment in order to seek a purchaser of the *business*. A *sale* of the business and assets was completed to Beaches Logistics Group Limited ("Beaches") on 22 November 2017. Further details can be found on Page 11.
Approval of the Proposals	• As there is no prospect of any *funds being returned* to unsecured creditors, our proposals will be deemed approved by creditors unless a decision procedure is requested under Rule 15.18. Please refer to Appendix H for *further details*. • Please note that hard copies of any of these documents will be provided to you free of charge on request using any of the contact details provided opposite.
Estimated Timescale	• On current information the duration of the *administrations are not* likely to exceed 12 months, following which it is anticipated that the Companies will move to dissolution, as detailed at Page 15.
Estimated Costs	• We anticipate *that* our fee *for the duration of* the appointments will not exceed £245,000 between the Companies. We propose to charge our fees on a time costs basis as follows: - K E D: £50,000; and - Keyne: £194,000. • We have provided Fees Estimates showing a breakdown of our *anticipated time costs at* Appendices E-F. • We anticipate that disbursements of approximately £2,000 will be incurred over the duration of the appointment *as detailed on* Page 28. • We anticipate that third party costs in relation to legal and agents fees will be in the region of £30,000 over the duration of the appointments, as *detailed* on Page 18.
Estimated Outcomes	• *On current information*, we anticipate the following outcome for each category of creditor: o The secured creditor will be repaid in full; o We do not anticipate receiving any preferential claims in the administrations; and o *It is unlikely that there will* be a distribution for unsecured creditors.
Proposals	• Our proposals for managing the business and affairs of the Companies can be found at Appendix H.

Background

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Background

Keyne Express Deliveries Ltd ("Keyne") was incorporated in 1995, started by Edward and Helen Jarvis as a haulage business. K E D Logistics Ltd ("KED") was later established in 2007 to support the haulage network which later developed into a storage business in the past years, making use of the warehouse facility rented by the Companies.

Keyne was a UK road transport and pallet distribution company and a member of the Palletways Group. Both Companies operated from Milton Keynes (England), and covered Milton Keynes, Luton and Dunstable among others for Palletways Group and local customers.

Palletways Group represented c. 30% of Keyne's revenue and had a 10 year history of working with the Company.

KED's operations were much smaller and simply provided storage facilities to customers of Keyne as well as local companies.

Employees

Keyne employed c. 38 staff at Milton Keynes, with the large majority of these being operational staff including approximately 21 haulage drivers. The Company also used a series of temporary staffing agencies to maintain the series of haulage routes they were contracted to maintain. KED had no employees.

Shareholders / Directors

As at the date of the Joint Administrators' appointment, the directors of both Companies were Edward Jarvis, Helen Jarvis and Mark Jarvis. The Company Secretary for Keyne was Helen Jarvis, and Susan Bourke for KED.

The shareholding of each company was as seen below;

Keyne

Edward Jarvis 34% - Ordinary Shares

Helen Jarvis 33% - Ordinary Shares

Mark Jarvis 33% - Ordinary Shares

KED

Edward Jarvis 100% - A Shares

Helen Jarvis 100% - B Shares

Mark Jarvis 100% - C Shares

Susan Bourke 100% - D Shares

Summary profit and loss account - Keyne

£'000	Management Accounts for 11 months to Sep-17	Statutory Accounts for 12 months to Oct-16	Statutory Accounts for 12 months to Oct-15
Turnover	3,456,780	N/A	N/A
Cost of Sales	(1,542,745)	N/A	N/A
Gross Profit	**1,914,035**	**N/A**	**N/A**
Gross Margin %	**55%**	N/A	N/A
Other Expenses	(2,011,692)	N/A	N/A
(L)/EBIT	**(97,657)**	**N/A**	**N/A**

Summary balance sheet - Keyne

£'000	Management Accounts for 11 months to Sep-17	Statutory Accounts for 12 months to Oct-16	Statutory Accounts for 12 months to Oct-15
Tangible assets	147,857	165,402	172,925
Intangible assets	-	-	-
Fixed assets	**147,857**	**165,402**	**172,925**
Stock	-	5,015	8,052
Debtors	652,229	692,435	767,124
Other	82,308	55,973	20,254
Current Assets	**734,537**	**753,423**	**795,430**
Creditors <1 Year	(989,901)	(889,150)	(936,237)
Creditors >1 Year	(118,135)	(157,658)	(217,045)
Total Liabilities	**(1,108,036)**	**(1,046,808)**	**(1,153,282)**
Net Assets	**(225,642)**	**(127,983)**	**(184,927)**

Overview of financial information

Extracts from the unaudited Company management accounts for the 12 months to September 2017, Statutory audited accounts for 12 months to October 2016 and to October 2015 are shown opposite.

Please note that this information has not been verified by the Joint Administrators or by Deloitte LLP ("Deloitte").

Profit and loss commentary

The Company was loss making in the 11 months prior Administration. Other major expenses in the year included vehicle hire/leasing expenses and temporary staffing.

Although we do not have comparative values for Revenue we are aware the Company lost a series of major contracts and was experiencing decreasing revenue over the past year.

Balance sheet commentary

Tangible assets principally comprise of pallet racking and office equipment as well as leasehold improvements, all of which hold very little value in an Administration sale scenario.

Intangible assets reflect goodwill but was considered to be fully depreciated in the Company's accounts.

Background
KED Summary Financials

Summary profit and loss account - KED

£'000	Management Accounts for 11 months to Sep-17	Statutory Accounts for 12 months to Oct-16	Statutory Accounts for 12 months to Oct-15
Turnover	389,974	N/A	N/A
Cost of Sales	(1,202)	N/A	N/A
Gross Profit	**388,772**	**N/A**	**N/A**
Gross Margin %	**100%**	N/A	N/A
Other Expenses	(371,053)	N/A	N/A
(L)/EBIT	**17,719**	**N/A**	**N/A**

Summary balance sheet - KED

£'000	Management Accounts for 11 months to Sep-17	Statutory Accounts for 12 months to Oct-16	Statutory Accounts for 12 months to Oct-15
Tangible assets	8,338	14,738	18,229
Intangible assets	-	-	-
Fixed assets	**8,338**	**14,738**	**18,229**
Debtors	27,183	192,289	172,707
Other	1,045	43	1,342
Current Assets	**28,228**	**192,332**	**174,049**
Creditors <1 Year	(66,234)	(158,255)	(196,302)
Creditors >1 Year	(142,579)	(238,779)	(233,499)
Total Liabilities	**(208,813)**	**(397,034)**	**(429,801)**
Net Assets	**(172,247)**	**(189,964)**	**(237,523)**

Overview of *financial* information

Extracts from the unaudited Company *management* accounts for the 11 months to *September* 2017, Statutory audited accounts for 12 months to October 2016 and to October 2015 are shown opposite.

Please note that this information has not been verified by the Joint Administrators *or* by Deloitte LLP ("Deloitte").

Profit and loss commentary

The Company was making *a small* amount of profit in the period leading to Administration. However, given the loss of key storage contracts in the summer of 2017 this was not expected to continue in the foreseeable future.

Balance sheet commentary

Tangible assets principally comprise of leasehold improvements and a small amount of Plant and Machinery, both holding little value in an Administration scenario.

Intangible assets reflect the goodwill, which was amortised down to zero in the accounts of the Company.

The reduction in debtors reflects the falling turnover of the Company and loss of major storage contracts.

Circumstances giving rise to the appointment of the Joint Administrators

Reasons for failure & financial distress

The Companies had been experiencing trading pressure for a number of years with a significant decline in trading performance in October 2017, this decline was the result of the loss of major storage contracts in KED and a loss of revenue in Keyne resulting in the Companies being loss making for an extended period.

This decline in performance caused the Companies to be unable to meet their debt commitments which subsequently resulted in HMRC threatening a Winding Up Petition. Furthermore, there was a risk of enforcement action by the Companies' Landlord in respect of unpaid rent.

When decision to appoint was made

Once it became clear that the Companies would be unable to pay their debts once they fell due, the directors held a board meeting on 20 November 2017 to consider placing the Companies into administration.

Involvement of Deloitte pre-appointment

The directors of the Companies approached Deloitte at the end of October 2017 to advise the Companies on their financial position and options available to them.

Due to the pending Winding Up Petition and the inability to pay creditors or wages, the Companies had no alternative other than to appoint Administrators.

Richard Michael Hawes and Matthew James Cowlishaw of Deloitte were asked to take the pending appointment as Joint Administrators by the directors.

Post-appointment

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Post-appointment

Purpose and Joint Administrators' Strategy

Appointment of the Joint Administrators

Richard Michael Hawes and Matthew James Cowlishaw of Deloitte were appointed Joint Administrators of the Companies by the directors on 20 November 2017, following the filing of a Notice of Appointment of Joint Administrators.

Purpose of the Administrations

The Companies have significant levels of borrowing (secured debt) which would need to be restructured in order to rescue the business as a going concern.

Accordingly, the purpose of the administrations was to achieve a better result for creditors as a whole than would be obtained through immediate liquidation of the Companies.

Sale of Business

Immediately following our appointment, it was apparent that there was no money available to the Companies to pay wages or continue to trade. Meetings were held with the employees and Palletways and it was agreed that the Company had just a few days to try and achieve a sale of the business and assets.

With the support of Palletways over this period we maintained the operations of the Companies, whilst a purchaser was sought.

On 22 November 2017, the business and assets of the Companies were sold to Beaches. The details of the sale are confidential, however, we have shown the consideration received by us in the receipts and payments account on Page 24.

We will continue to liaise with Beaches to progress any unresolved issues or future matters that may arise.

Receipts and payment account

A receipts and payments account, detailing asset realisations achieved and costs paid up to 15 January 2018 is provided at Appendix C.

Post-appointment

Joint Administrators' Strategy

Asset realisations

Trading

As discussed, minimal trading continued for a period of two days with the view to sell the business and assets as a going concern.

To maintain the operations of Keyne, Palletways (UK) Limited ("Palletways"), the companies largest customer agreed to provide fuel to enable the fleet to continue operating, whilst a potential purchaser was found. Without the support of Palletways, the Companies would have had no alternative other than to cease trading on appointment of Administrators.

Sale of Business

We instructed Gordon Brothers Europe ("Gordon Bros") agents to value the Companies chattel assets the Companies possessed.

The agents valued the unencumbered assets at;

- Keyne: £52,500 in situ / £21,500 ex situ
- KED: £9,500 in situ / £5,500 ex situ

With no equity existing in any of the leased assets.

On 22 November 2017, the business and assets of the Companies were sold to Beaches, a member of the Palletways network. We have shown the consideration received in the receipts and payments account at Appendix C.

We believe by pursuing a quick sale this has achieved a better result for creditors than an immediate winding up of the Companies.

Receipts and Payment Account

A receipts and payments account, detailing asset realisation achieved and costs paid up to 31 December 2017 is provided at Appendix C.

Chattel Assets

As at the date of appointment the Companies owned a quantity of tangible assets including plant and machinery, fixtures and fittings and other items across its trading premises, with a combined book value of c.£137,000 for Keyne Express and c.£8,000 for KED.

A significant amount of plant and machinery was financed through lease agreements and there was no equity in these agreements.

Beaches purchased the residual plant and machinery for £60,000, split as follows:

- Keyne: £52,000
- KED: £8,000

Both considerations were considered to be at the higher end of the valuations provided by Gordon Bros, hence Gordon Bros recommended the offer should be accepted.

Goodwill

Beaches purchased the Goodwill of the Companies for consideration of £10,000 in each of Keyne and KED, based on the continued operation of the business.

Rental Income

The Company operated from two leasehold properties. Beaches was granted a licence to occupy these on completion of the sale of business and assets whilst consent is obtained from the relevant landlords for the assignment of the leases.

To date, £66,000 and £8,000 has been received for KED and Keyne premises in respect of rent, this will in turn be paid to the landlord.

Post-appointment

Joint Administrators' strategy

Asset realisations continued

Book debts and collection

As at the date of our appointment, the Keyne's sales ledger showed pre-appointment book debts valued at £388,000.

The debtor book was subject to a fixed charge with Aldermore Bank, who at the date of appointment were owed £190,000.

Following our appointment, we agreed with Aldermore that we would continue to collect the debtor ledger. To date we have collected £285,000 and anticipate a further £55,000 will be realised in the next couple of months.

The KED ledger in comparison only amounted to £16,000 which we are currently collecting.

The Joint Administrators' Proposals

Our proposals for the administration include:

- continuing to manage the affairs and any remaining assets of the Companies and the settlement of all administration expenses;
- assessing the affairs of the Companies and reviewing and reporting on the conduct of their directors and, where required, providing assistance to any regulatory authorities with any investigation into the affairs of the Companies or their management;
- continuing with enquiries into the conduct of the directors of the Companies and continuing to assist any regulatory authorities with any investigation into the affairs of the Companies;
- agreement of the claims of any secured, preferential and unsecured creditors against the Companies unless we conclude, in our reasonable opinion, that the Companies will have no assets available for distribution;
- distributing funds to any secured and preferential creditors and, where applicable, to unsecured creditors under the Prescribed Part as and when their claims are agreed and funds permit, and to make distributions to unsecured creditors, other than out of the Prescribed Part if the court gives permission following an appropriate application; and
- that, following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, we will implement the most appropriate exit route to formally conclude the administrations.
- that, if the Companies are to be placed into Creditors' Voluntary Liquidation ("CVL"), we (or any person appointed as a replacement office holder) propose to be appointed Joint Liquidators and for the purposes of section 231 of the Act the Joint Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.

We will seek specific approval from the appropriate body to fix the basis of and the ability to draw our remuneration and expenses, including pre administration costs and expenses, and to agree the time of our discharge on conclusion of the administration.

Please refer to Appendix H for further details.

Post-appointment

Outcome for Creditors

Estimated Outcome for Creditors

Secured Creditor

The Companies' records show Aldermore Bank, in its capacity as Secured Creditor were owed c.£190,000 by Keyne at the date of our appointment.

These amounts are secured by way of fixed charges granted by the Companies. Aldermore have recently been paid in full.

Preferential Creditors

Preferential creditors consist of amounts owed to the Companies' employees for arrears of wages and salaries, holiday pay and pension contributions.

We do not anticipate receiving any preferential claims in the administrations as all employees transferred to Beaches with no arrears occurring.

If trading had ceased on 20 November 2017, the Companies would have been placed into liquidation and we estimate employee claims for wages, holiday pay, redundancy and notice pay would be £90,000.

Unsecured Creditors

As previously detailed, we do not anticipate that there will be sufficient asset realisations to enable a distribution to be made to unsecured creditors.

Prescribed Part

The Prescribed Part is an amount set aside for unsecured creditors from asset realisations that would otherwise be paid to secured creditors under their floating charge, (referred to as the net property), as set out under section 176A of the Act. It applies only where the charge was created on or after 15 September 2003.

The Prescribed Part is calculated as a % of the net property and is subject to a statutory maximum of £600,000 per company.

As there is insufficient property, the Prescribed Part provisions will not apply to this case.

Claims Process

As there is no prospect of a distribution for unsecured creditors for either Company, we do not intend to undertake any work to agree any creditor claims received as this work will be performed only once the dividend prospects are certain.

Post-appointment

Extensions & Exit Routes

Exit Routes

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

There are several possible exit routes from administration. Based on current information, we consider the following exit routes may be appropriate:

- *Dissolution* – If there is no further property which might permit a distribution to the Companies' creditors, we may file notice to that effect with the Registrar of Companies and the Companies will be dissolved three months later.
- *Compulsory Liquidation ("WUC")* – where there is a possibility, but no certainty, of recoveries being made or matters such as property to disclaim or further enquiry, it may be appropriate to ask the court to end the administration and to make an order to wind up the Companies.
- *Creditors' Voluntary Liquidation ("CVL")* - Where a distribution to unsecured creditors will be made, other than by virtue of the Prescribed Part, we may file a notice to that effect with the Registrar of Companies. The administration will cease on the date that notice is registered and the Companies will be wound up.

Please note that if the Companies are placed into CVL, the Joint Administrators (or any person appointed as a replacement office holder) propose to be appointed as Joint Liquidators. The creditors may nominate a different person to be liquidator(s) provided the nomination is made before the proposals are deemed *approved i.e. by 26 January 2018.*

- Any creditors' committee appointed in the administration will become a liquidation committee.
- For the purposes of section 231 of the Act the liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.

Discharge of Joint Administrators' Liability

Pursuant to paragraph 98 of Schedule B1 of the Act, the Joint Administrators' discharge of liability in respect of their actions as administrators takes effect at the specific time appointed by either the court, the creditors (either via the creditors' committee or by decision of the creditors) or, in specific circumstances, by the secured (and preferential) creditors.

In this case, we will request approval from the Secured Creditor for us to be discharged from liability as at the date the Registrar of Companies registers the Joint Administrators' final progress report.

Remuneration and Expenses

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Remuneration and Expenses

Creditors' Guide to Administrators' Remuneration

A Creditors' Guide to Administrators' Remuneration" is appended to SIP 9 and is provided on the administration website and also available for download at www.deloitte.com/uk/sip-9-england-and-wales

Should you require a paper copy, please send your request in writing to the Joint Administrators at the address on page 4 and this will be provided to you at no cost.

Basis of Administrators' Remuneration

Pursuant to Rule 18.16 of the Insolvency Rules 2016 ("the Rules"), the basis of the Joint Administrators' remuneration may be fixed:

- as a percentage of the value of the property with which the Joint Administrators have to deal;
- by reference to time properly given by the insolvency practitioners and their staff in attending to matters *arising in the administration;*
- as a set amount;
- or, any combination of the above.

There will be no funds available to the unsecured creditors. Therefore, in accordance with Rule 18.18(4) of the Rules and in the absence of a creditors' committee, we will seek to fix the basis of our by reference to our time costs incurred in attending to *matters arising in the administration with the consent of* the Secured Creditor.

Fees Estimates

Fees Estimates are provided at Appendices E-F and from which you will see that we estimate that our fees for the duration of the appointments will not exceed £234,000 between the Companies.

Joint Administrators' Expenses

We anticipate that the following expenses *will* be incurred for the duration of the appointments:

- Specific Penalty Bond– mandatory insurance cover £250 to protect the estate in the event of loss.
- Statutory Advertising - we are required to give notice by advert in the London Gazette of our appointment. We estimate costs in this regard will be £204.
- *Legal Costs - we have instructed Darwin Gray* Solicitors to assist in the following matters:
  - Darwin Gray have been instructed to aide in the sale of the Companies dealing with property and *appointment matters and* estimate their fee for so doing will be £24,000 plus VAT.
- Agent's Costs – we have instructed *Gordon Bros* to assist in the following matters:
  - Gordon Bros have been instructed to value the chattel assets of the Companies and estimate their fee for so doing will be £2,625 plus VAT.
- Agent's Costs – we have instructed Lambert Smith Hampton to assist in the following matters:
  - Lambert Smith Hampton have been instructed to aide in the production of Schedule of Conditions regarding the two rental properties and estimate their fee for so doing will be £2,645 plus VAT.

All professional costs will be reviewed and analysed in detail before payment is approved.

Additional information

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Additional information

Investigations and Case Specific Matters

Investigations

As part of our duties, we are obliged shortly after our appointment to review all of the information available to us and conduct an initial assessment of whether there are any matters that might lead to a recovery for the benefit of creditors. This initial assessment includes enquiries into any potential claims that may be brought against parties either connected to or who have had past dealings with the Companies.

In addition, we are required to consider the conduct of the directors and any person we consider to have acted as a shadow or de facto director in relation to their management of the affairs of the Companies and the causes of failure and we will submit a confidential report to the Insolvency Service, a division of the Department for Business, Innovation and Skills. Creditors who wish to draw any matters to our attention should contact us using the contact details given on page 4 as soon as possible.

EU Regulations

As stated in the administration appointment documents, Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that Regulation.

Third Party Assets

Should you believe that you own or have a claim regarding items that may have been present at the Companies' premises at the date of our appointment please contact us as soon as possible.

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Website

In order to facilitate communication, all statutory reports, documents and notices will be posted on to a website which has been set up specifically for the Companies. The web address is www.deloitte.com/uk/keyneexpressdeliveries

All documents will be retained on the website which will remain live until two months after the conclusion of the proceedings. Please contact Jessica Hough using any of the contact details given below if you would like to be provided, free of charge, with a hard copy of documents posted, either now or in the future, to the website:

- Tel: 0121 695 5723
- E-mail: jehough@deloitte.co.uk
- Address:

  c/o Deloitte LLP
  Four Brindleyplace
  Birmingham
  B1 2HZ

Please note that, other than notice of intended dividend, no further notice will be given to you when documents are uploaded to the website. It is thus important that you review the website regularly to check for updates, *such as notices of* decision procedures or our six monthly reports on progress.

EOS

Keynes - EOS	Keynes Express Deliveries Book Value £	Keynes Express Deliveries ETR £	KED Logistics Book Value £	KED Logistics ETR £
Assets Subject to Aldermore Security				
Trade debtors	390,000	340,000	-	-
Book debt collection fees (fixed charge debtors)	-	-	-	-
Assets available to Aldermore	**390,000**	**340,000**	-	-
Debt due to fixed charge holder	**(190,000)**	**(190,000)**	-	-
Termination Charges	-	**(6,000)**	-	-
Surplus	200,000	144,000	-	-
Other Assets				
Goodwill	-	10,000	-	10,000
Property Improvements	53,919	-	6,228	-
Plant & Equipment	16,054	20,000	1,529	8,000
Office Equipment	23,981	25,500	-	-
Fixtures & Fittings	7,659	6,500	-	-
Stock of Fuel	-	-	-	-
Trade debtors not subject to fixed charge	-	-	11,319	8,000
Cash at Bank	1,524	1,524	11,000	11,000
Prepayments	24,080	-	21,575	-
	127,217	**63,524**	**51,651**	**37,000**
Total Assets available	**327,217**	**207,524**	**51,651**	**37,000**
Less: Estimated Realisation Costs				
Estimated Holding costs		(10,000)		-
Administrators' Fees		(171,000)		(23,000)
Book Debt Collection Fees (non-fixed charge debtors)		-		-
Legal Fees & Disbursements		(12,000)		(6,000)
Agent's fees - chattels		(2,520)		(630)
Agent's fees - property		(1,587)		(1,587)
Other (statutory costs, insurance, bank charges, health & safety)		(10,417)		(5,783)
		(207,524)		**(37,000)**

Joint Administrators' comments

Above we have provided and Estimated Outcome Statement which summarises the likely outcome of the Administration, including expected future receipts and payments. As seen above, it is not envisaged that there will be any surplus for unsecured claims.

The Estimated Outcome Statement seen above shows an indicative figure for the level of fees expected for each company and it is yet uncertain if we will be able to recover our fees in full. As stated previously our fees will not exceed £194,000 for Keyne and £50,000 for KED.

Keyne Receipts and Payments Account

Joint Administrators' receipts and payments account 20 November 2017 to 15 January 2018

£	Notes	Period	To date
Receipts			
Trading surplus/(deficit)		(6,278)	(6,278)
Goodwill		10,000	10,000
Plant & Machinery		52,000	52,000
Rent	*1*	6,667	6,667
Bank Interest Gross		6	6
Book Debts	*2*	284,291	284,291
Total receipts		**346,686**	**346,686**
Payments			
Legal Fees (2)	*3*	67	67
Agents/Valuers Fees		2,100	2,100
Legal Fees (1)		10,000	10,000
Other Property Expenses		1,323	1,323
Bank Charges		20	20
Pension Schemes		658	658
Secured Creditor	*4*	191,919	191,919
Total payments		**206,086**	**206,086**
Balance			**140,601**
Made up of:			
VAT Receivable			3,944
VAT Payable			(1,333)
Floating Chge Deposit A/c			137,990
Balance in hand			**140,601**

Notes to the receipts and payments account

Note 1 – Rent for the property has been received from the occupants, this will be paid to the landlord in the coming period.

Note 2 – These relate to pre-appointment book debts which we have collected post-administration.

Note 3 – Legal Fees (2) relates to ad hoc payments such as Court or Registry fees.

Note 4 – The £192k relates to the *invoices funded* as of date of appointment (excluding Termination charges).

K E D Receipts and Payments Account

Joint Administrators' *receipts and payments account*
20 November 2017 to 15 January 2018

£	Notes	Period	To date
Receipts			
Goodwill		10,000	10,000
Plant & Machinery		8,000	8,000
Rent	1	55,000	55,000
Bank Interest Gross		0	0
Total receipts		**73,000**	**73,000**
Payments			
Agents/Valuers Fees		525	525
Legal Fees (1)		5,000	5,000
Legal Fees (2)	2	67	67
Other Property Expenses		1,323	1,323
Bank Charges		20	20
Total payments		**6,934**	**6,934**
Balance			**66,066**
Made up of:			
VAT Receivable			1,374
VAT Payable			(11,000)
Floating Chge Deposit A/c			75,693
Balance in hand			**66,066**

Notes to the receipts and payments account

Note 1 – Rent for the property has been received from the occupants, this will be paid to the landlord in the coming period.

Note 2 – Legal Fees (2) relates to ad hoc payments such as Court or Registry fees.

Appendices
Appendix D

Fees Estimate

For purposes of the Fees Estimate, the blended rate per hour shown for each work activity is based on the estimated time that will be *spent by each grade of staff at* their specific charge - out rate on that activity.

Time Costs to Date

These are shown as the blended rate per hour for each activity based on the actual time spent by each grade of staff at their specific charge - out rate.

Joint Administrators' Fees Estimates

Our Fees Estimates detailing the work that we *anticipate will need to be undertaken on this case* for the duration of the appointments together with estimates of the likely cost and amount of time that each part of that work will take to complete, is provided on the next page.

The work anticipated to be undertaken has been categorised by activity which we hope is self explanatory. Please also refer to our Post *Appointment* Strategy on Page 11, where we have talked in more detail about specific tasks on these cases.

We have also separately identified and grouped those work activities that are primarily administrative in nature (including tasks required for statutory, regulatory or compliance purposes) from activities which can be seen to directly add value to the case, such as asset realisation or dealing with claims.

Time Costs Incurred to Date

As previously indicated above, we intend to invite the Secured Creditor to fix our fees on a time costs basis. An analysis showing our time costs for this work and the average hourly charge *for each category of work* undertaken to 7 January 2018 is also provided in the Fees Estimates on the next few pages.

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

Time is charged in six minute increments.

K E D – Fees Estimate to 15 January 2018

Activity		Anticipated hours	Blended Rate £/h	Anticipated fees (£)	Hours incurred in period	Blended Rate £/h	Time costs incurred in period (£)
		Anticipated Time and Costs per Fees Estimate			**Actual Time and Costs for Report Period**		
Administrative activities	Cashiering	2.0	560	1,120	0.6	445	267
	Case supervision	8.0	455	3,638	7.5	445	3,338
	Case reviews	3.0	474	1,421	2.5	445	1,113
	Case closure matters	3.0	670	2,010	-	-	0
Statutory & compliance	Compliance & IPS diary	2.0	335	670	1.5	445	668
	Insurance	1.0	445	445	1.0	445	445
	General reporting	6.0	630	3,781	5.6	650	3,640
	Regulatory & other legislatio	2.0	525	1,050	-	-	0
Initial actions	Appointment matters	11.0	537	5,910	9.5	545	5,178
	Securing assets	3.5	784	2,745	3.5	784	2,745
	Notifications	3.0	480	1,440	3.0	445	1,335
Investigations	CDDA reporting	5.0	493	2,465	2.0	445	890
	Investigations	2.0	445	890	-	-	0
Total of above categories		**51.5**	**536**	**27,585**	**36.7**	**535**	**19,617**
Taxation	Tax	2.0	449	898	0.6	985	542
	VAT	2.0	481	938	-	-	0
Asset realisations	Book debts	8.0	623	4,985	4.0	445	1,780
	Sale of business	15.0	852	12,775	13.0	701	9,110
Employees	Consultation	-	-	0	-	-	0
	Correspondence	-	-	0	-	-	0
	Pensions	-	-	0	-	-	0
Correspondence	Creditors	5.5	385	2,118	4.5	551	2,478
	Shareholders	0.1	445	45	-	-	0
Distributions	Secured creditors	-	-	0	-	-	0
	Preferential creditors	-	-	0	-	-	0
	Unsecured creditors	2.0	335	670	-	-	0
Total fees estimate		**86.1**	**581.2**	**50,013**	**58.8**	**570.7**	**33,526**

Keyne - Fees Estimate to 15 January 2018

Activity		Anticipated Time and Costs per Fees Estimate: Anticipated hours	Blended Rate £/h	Anticipated fees (£)	Actual Time and Costs for Report Period: Hours incurred in period	Blended Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	19.0	536	10,180	0.6	445	267
	Case supervision	31.0	475	14,715	18.5	400	7,398
	Case reviews	9.0	622	5,600	3.0	445	1,335
	Case closure matters	8.5	639	5,433	-	-	0
Statutory & compliance	Compliance & IPS diary	12.0	453	5,440	4.5	498	2,240
	Insurance	3.0	524	1,573	2.0	920	1,840
	General reporting	41.0	520	21,315	24.7	711	17,567
	Regulatory & other legislatio	8.0	584	4,670	2.0	445	890
Initial actions	Appointment matters	6.5	555	3,605	5.0	540	2,700
	Securing assets	15.0	572	8,575	13.5	416	5,615
	Notifications	35.0	536	18,775	13.5	445	6,008
Investigations	CDDA reporting	12.0	501	6,010	2.0	445	890
	Investigations	6.5	482	3,130	-	-	0
Total of above categories		**206.5**	**528**	**109,020**	**89.3**	**524**	**46,749**
Taxation	Tax	3.0	462	1,385	1.8	981	1,718
	VAT	2.0	525	1,050	-	-	0
Asset realisations	Book debts	30.0	644	19,320	27.0	656	17,715
	Sale of business	45.0	656	29,525	34.5	820	28,298
Employees	Consultation	9.0	551	4,955	6.0	524	3,145
	Correspondence	10.0	540	5,400	9.0	560	5,040
	Pensions	1.0	445	445	1.5	560	840
Correspondence	Creditors	20.0	391	7,826	6.0	683	4,095
	Shareholders	3.0	603	1,810	0.5	445	223
	Customers	7.0	581	4,065	3.0	445	1,335
Distributions	Secured creditors	10.0	540	5,400	1.0	445	445
	Preferential creditors	-	-	0	-	-	0
	Unsecured creditors	10.0	438	4,375	5.5	445	2,448
Total fees estimate		**356.5**	**545.8**	**194,576**	**198.5**	**624.0**	**123,838**

Disbursements

Disbursements

We estimate that the following disbursements are likely *to be incurred in relation to the administration.*

Category 1 Disbursements

These are payments made by us *direct to third parties* and for which no approval is required.

Our estimate of *Category 1 disbursements* is *given* below, all figures are shown excluding VAT.

Please note we do not anticipate incurring any Category 1 disbursements incurred in K E D.

Category 1 disbursements - Keyne

£ (net)	Incurred in report period	Future	Total
Travel	5	-	5
Accommodation	632	-	632
Postage/Couriers	-	150	150
Parking/Tolls	6	-	6
Subsistence	20	-	20
Stationary	-	100	100
Bonding	250	-	250
Total disbursements	**913**	**250**	**1,163**

Category 2 Disbursements

These are costs and expenses initially paid by us and *which are not generally made to a third party*, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs. Specific approval is required before these costs and expenses can to be drawn from the administration estate.

Our estimate of Category 2 disbursements is given *below, all figures are shown* exclusive of VAT. No category 2 disbursements have been incurred in K E D

Category 2 disbursements - Keyne

£ (net)	Incurred in report period	Future	Total
Mileage	283	-	283
Website set up	500	-	500
Total disbursements	**783**	**-**	**783**

Mileage is calculated by reference to the mileage properly incurred by the Joint Administrators and their staff, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred (currently up to 45p per mile).

Deloitte charges a fixed cost of *£500 for each statutory* website set up to cover the costs of setting up and maintaining the website, along with the uploading of statutory notifications, reports and other documents to the website for the duration of the appointment.

Joint Administrators' Proposals

Our proposals will be deemed approved on 26 January 2018 unless a creditors' decision procedure is requisitioned in accordance with Rules 15.18 and 15.19 of the Rules 2016.

We will still need to obtain specific approval for the resolutions given below from the Secured Creditor:

1. Approval that the basis of the Joint Administrators' remuneration shall be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration, plus VAT.
2. Approval that the Joint Administrators' category 1 disbursements and expenses and category 2 disbursements in respect of mileage and statutory websites (as detailed on page 29) be approved and the Joint Administrators be authorised to draw both category 1 and category 2 expenses, (plus VAT where applicable) from the administration estate.
4. Approval that the Joint Administrators be discharged from liability per paragraph 98 of Schedule B1 of the Act immediately upon the registration of the Joint Administrators' final progress report by the Registrar of Companies.

A creditors' committee will not be formed unless we are requested to hold a decision procedure for purposes of forming a creditor's committee; please refer to page 1 of the proposals for details of the procedure in this regard.

Please note that if you wish to form a creditors' committee, you will also be expected to confirm your willingness to serve or be represented on the creditors' committee, including dealing with any business placed before the creditors' committee throughout the period of the administration and in any follow on liquidation should a creditors' committee be formed.

Important Notice

This document has been prepared by the Joint Administrators solely to comply with their statutory duty under paragraph 49 of Schedule B1 of the Act to lay before creditors a statement of their proposals for achieving the purpose of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This document has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Companies.

Any estimated outcomes for creditors included in this document are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this document for any purpose or in any context other than under paragraph 49 of Schedule B1 of the Act does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these proposals.

The Joint Administrators act as agents of the Companies and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Deloitte LLP does not assume any responsibility and will not accept any liability to any person in respect of this document or the conduct of the administration.

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