

The Insolvency Act 1986

# Administrator's progress report

# R2.38

Pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986

Name of Company
Misco UK Limited

Company number
SC114143

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

I/We (a)  
 Geoffrey Paul Rowley  
 FRP Advisory LLP  
 2nd Floor  
 110 Cannon Street  
 London  
 EC4N 6EU

Thomas Campbell MacLennan  
 FRP Advisory LLP  
 Apex 3  
 Edinburgh  
 EH12 5HD

John Anthony Lowe  
 FRP Advisory LLP  
 1st Floor Ashcroft House  
 Ervington Court  
 Harcourt Way  
 Meridian Business Park  
 Leicester  
 LE19 1WL

administrator(s) of the above company attach a progress report for the period

from

to

(b) Insert date(s)

(b) 19 October 2017
---------------------

(b) 18 April 2018
-------------------

Signed

Joint / Administrator(s)

Dated

2/5/2018

### Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form.

The contact information that you give will be visible to searchers of the public record

Geoffrey Paul Rowley FRP Advisory LLP 2nd Floor 110 Cannon Street London EC4N 6EU	020 3005 4000 DX Exchange
DX Number	

When you have completed and signed this form, please send it to the Registrar of Companies at:-  
**Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF**  
**DXED235 Edinburgh 1 / LP- 4 Edinburgh 2**  
 ited, Glasgow, Scotland

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SCT 04/05/2018 #60

COMPANIES HOUSE

**Misco UK Limited**  
**(In Administration)**  
**Joint Administrators' Trading Account**  
**To 18/04/2018**

S of A £	£	£
<b>OTHER DIRECT COSTS</b>		
Work in Pogress - Sub Contractor Pay	94,964.29	
Direct Wages	213,368.37	
Direct Expenses	146.88	
	<hr/>	(308,479.54)
<b>TRADING EXPENDITURE</b>		
Rents	3,712.00	
Rates	23,054.87	
Heat & Light	62,121.77	
Telephone and Internet	13,350.76	
Professional Fees	7,085.00	
Water and Sewerage	6,130.83	
Repairs & Maintenance	18,932.16	
Postages	7.30	
Security Costs	65,434.82	
Hungary Service Centre Costs	291,568.42	
Ransom Payments	5,739.92	
PAYE/NI	113,126.57	
Paper Waste Removal	6,843.40	
IT Disposal Costs	1,800.00	
	<hr/>	(618,907.82)
<b>TRADING SURPLUS/(DEFICIT)</b>		<hr/> <b>(927,387.36)</b> <hr/>

**Misco UK Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**  
**To 18/04/2018**

S of A £	£	£
<b>SECURED ASSETS</b>		
Leasehold Land & Property	6,000,000.00	6,000,000.00
<b>COSTS OF REALISATION</b>		
Agents/Valuers Fees	584.00	(584.00)
<b>SECURED CREDITORS</b>		
Systemax Netherlands BV	2,493,914.30	
HUK 76 Limited	3,500,000.00	(5,993,914.30)
<b>ASSET REALISATIONS</b>		
Furniture & Equipment	125,000.00	
Stock	101,801.97	
Book Debts	4,780,362.19	
IT Equipment	150,480.80	
Insurance Refund	24,090.55	
Cash at Bank	111.22	
Advance from Secured Creditor	400,000.00	
Purchase Ledger Refund	159,219.01	
Bank Interest Gross	1,447.02	
Intercompany Debt SP	442,399.58	
Trading Surplus/(Deficit)	(927,387.36)	
Intercompany Debt NL	1,968,680.09	
Rates Refund	36,608.18	
Pre-Appointment Legal Settlement	31,665.59	
Professional Fees	(2,950.00)	
		7,291,528.84
<b>COST OF REALISATIONS</b>		
Post-Appointment Pension Contributio	7,564.68	
Fire Protection Costs	2,010.00	
Registers of Scotland Fees	15.00	
Agents/Valuers Fees	43,862.33	
Legal Fees	41,002.68	
VAT Irrecoverable	122.00	
VAT Payable on Collection Charges	(319,190.99)	
Debtor Overpayment	17,183.85	
Statutory Advertising	399.60	
PAYE & NI	373.00	
Bank Charges - Floating	171.00	
		206,486.85
<b>FLOATING CHARGE CREDITORS</b>		
HUK 76 Limited	4,750,000.00	(4,750,000.00)
		<b>2,753,517.39</b>

**Misco UK Limited  
(In Administration)  
Joint Administrators' Summary of Receipts & Payments  
To 18/04/2018**

<b>S of A £</b>	<b>£</b>	<b>£</b>
REPRESENTED BY		
Vat Recoverable Floating		2,811.95
IB Current Fixed		7,194.61
IB Current Floating		2,436,755.50
Trade Creditors		(10,655.99)
Vat Control Account		317,411.32
		<u><b>2,753,517.39</b></u>



# **MISCO UK LIMITED (IN ADMINISTRATION)**

The Administrators' Progress Report for the period 19/10/2017– 18/04/2018

2 May 2018

# Contents and abbreviations



<b>The following abbreviations may be used in this report:</b>	
<b>FRP</b>	FRP Advisory LLP
<b>The Company</b>	Misco UK Limited (In Administration)
<b>The Administrators</b>	Geoffrey Paul Rowley, Thomas Campbell Maclennan and John Anthony Lowe of FRP Advisory LLP
<b>The Period</b>	The reporting period 19/10/2017 – 18/04/2018
<b>CVL</b>	Creditors' Voluntary Liquidation
<b>SIP</b>	Statement of Insolvency Practice
<b>QFCH</b>	Qualifying floating charge holder
<b>HMRC</b>	HM Revenue & Customs
<b>RPS</b>	Redundancy Payment Service
<b>CL</b>	Credit Limits Limited
<b>Hilco</b>	Hilco Appraisal Limited
<b>RoT</b>	Retention of Title
<b>GVA</b>	GVA Commercial Property Agents
<b>Leumi</b>	Leumi ABL Limited

  

<b>Section</b>	<b>Content</b>
<b>1.</b>	Progress of the Administration in the period
<b>2.</b>	Estimated outcome for the creditors
<b>3.</b>	Administrators' remuneration, disbursements and pre-appointment costs

  

<b>Appendix</b>	<b>Content</b>
<b>A.</b>	Statutory information regarding the Company and the appointment of the Administrators
<b>B.</b>	Form 2.20B (Scot) - formal notice of the progress report
<b>C.</b>	A schedule of work
<b>D.</b>	Details of the Administrators' time costs and disbursements for the period.
<b>E.</b>	Receipts and payments account for the period
<b>F.</b>	Statement of disbursements for the accounting period

# 1. Progress of the 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.

Details of work undertaken during the period are noted below:

### *Staff and Cessation of Trade*

- The Company's trade ceased immediately on appointment;
- Identified staff redundancies to be made and 34 staff to be retained to assist with IT capture, collection of the Company's debtor ledger and RoT claims;
- Staff retained to assist with additional £1.1m invoicing pertaining to pre-appointment work in progress and customer queries;
- Liaising with employees and the RPS in respect of employee claims.

### *Assets*

- Engaged GVA to value and market the freehold properties in Greenock and Wellingborough;
- Completion of the freehold sale agreement for Wellingborough premises for £6.125m;
- Liaising with interested parties in relation to the Greenock property;
- Entering into formal surrender negotiations with landlord in respect of the leasehold premises at Weybridge;
- Assisting Hilco in identifying all floating charge assets and subsequent auction and sale of the same;
- Liaising with a group company in Hungary in order to assist with reconciliation of supplier over payments and debtor collections; and
- Credit control team retained to assist CL with debtor queries and collection of the Company's book debts of £1.4m.

### *Other General Matters*

- Administering the Company's pre-appointment bank accounts, completing daily cash reconciliations and liaising with relevant parties to ensure necessary services are retained;
- Liaising with HMRC in respect of PAYE issues;
- Liaising with pre-appointment tax advisers to evaluate potential bad debt relief claims.
- Liaising with the Company's pension provider to ensure pre-appointment pension deductions are claimed via the RPS and that post-appointment pensions deductions are paid;
- Sourcing temporary office accommodation in order to assist CL and remaining staff with final collect out of the debtor ledger; and
- Liaising with the payroll company to ensure retained staff wages are processed each month.
- Extensive negotiations with Systemax Netherlands B.V. in relation to security approval for the sale of the Wellingborough property, application of sale proceeds and other ancillary matters.

The schedule of work details the work required to realise the following assets:

- Book debt collections; and
- Sale of the freehold property in Greenock.

Attached at **Appendix E** is a receipts and payments account detailing transactions for the period of this report.

# 1. Progress of the Administration



## **Investigations**

Part of my duties include carrying out proportionate investigations into what assets the Company had, 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 are required.

## **Extension to the Initial period of appointment and meeting of creditors by correspondence**

The period of the administration is due to automatically end 12 months following the appointment of the Administrators' on 19 October 2017.

The Administrators' are seeking an extension of 12 months to this date to allow enough time to complete realisations and issue a prescribed part dividend to unsecured creditors.

Approval will be sought from secured and preferential creditors as the only return to unsecured creditors will be by way of prescribed part payment.

## **Anticipated exit strategy**

On the basis of information currently available, it appears that there will be insufficient funds to enable payment of a dividend to unsecured creditors (other than by way of prescribed part). Therefore moving the Company into CVL is not applicable.

Accordingly, it is anticipated that exit of the administration will be by dissolution of the Company at the appropriate time, as outlined in the Administrators' Proposals.



## 2. Estimated outcome for the creditors



### **Outcome for the secured creditors**

Leumi have been repaid in full from debtor realisations which were subject to their floating charge. Leumi will therefore not rely upon their legal charge over the Greenock property.

Systemax Netherlands B.V. have been repaid in full under their fixed charge from the sale of the freehold property at Wellingborough.

HUK 76 Limited will suffer a shortfall under their security following fixed and floating charge realisations.

### **Outcome for the preferential creditors**

Preferential creditors are estimated at £155k, being the employees' preferential element for arrears of pay, unpaid pension contributions and holiday pay as calculated in accordance with legislation. It is anticipated that preferential creditors will be paid in full.

### **Outcome for the unsecured creditors**

A dividend will be available to unsecured creditors by way of Prescribed Part only.

### **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.

The prescribed part, based on net property estimated to be £8.3m has been calculated to be the maximum value of £600k. The prescribed part is available for all unsecured creditors and where there are only sufficient funds to enable a dividend to be paid to unsecured creditors from the prescribed part, this will be paid by the Administrators.

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



#### **Administrators' remuneration**

Approval was sought from the relevant secured creditor and the preferential creditors that the Administrators' remuneration should be calculated on a time cost basis but would not exceed £1.1m excluding costs in dealing with payment of the prescribed part.

Initial approval of an interim fee of £974k was sought with the relevant secured creditor and preferential creditors, this approval has been granted.

Further approval for time costs up to a maximum of £1.1m, alongside time incurred for dealing with the prescribed part, will be sought from the same creditors in due course.

It was not necessary to seek approval from the unsecured creditors as there will only be a dividend payable to unsecured creditors by way of prescribed part.

A breakdown of my time costs incurred during the period of this report is attached at **Appendix D**. 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 D**.

You will see from the breakdown of my time costs attached that time costs incurred in respect of trading total £92k of which none has been drawn during the period. Although the Company ceased to trade upon appointment, time was spent dealing with residual trade matters, in order to maximise realisations to creditors.

#### **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 at the HMRC approved mileage rate prevailing at the time the mileage was incurred. Details of disbursements incurred during the period of this report are set out in **Appendix D**.

#### **Administrators' pre-appointment costs**

The Company resolved to pay FRP the sum of £73,117 plus VAT for the advice given since June 2017 until October 2017 when I assisted with placing the Company into administration. This was paid before administration by Leumi on behalf of the Company.

## Appendix A

### Statutory Information

#### MISCO UK LIMITED (IN ADMINISTRATION)

##### COMPANY INFORMATION:

Other trading names: n/a

Date of incorporation: 21 October 1988

Company number: SC114143

Registered office: Apex 3, 95 Haymarket Terrace, Edinburgh, EH12 5HD

Previous registered office: Caledonian, Exchange, 19a, Canning Street, Edinburgh, EH3 8HE

Business address: Darby Close, Wellingborough NN8 6XH

Directors: Alan John Cantwell  
Harvey Paul Downer  
Colin Robinson

Company secretary: Alan John Cantwell

##### ADMINISTRATION DETAILS:

Administrator(s): Geoffrey Paul Rowley, Thomas Campbell MacLennan and John Antony Lowe

Address of Administrator(s): FRP Advisory LLP  
2nd Floor 1.10 Cannon Street London EC4N 6EU

Date of appointment of Administrator(s): 19/10/2017

Court in which administration proceedings were brought: The Court of Session Edinburgh

Court reference number: N/A

Appointor details: Leumi ABL Limited as Qualifying Floating Charge Holder

Previous office holders, if any: N/A

Extensions to the initial period of appointment: N/A

Date of approval of Administrators' proposals: 2 January 2018

The Insolvency Act 1986

# R2.38

## Administrator's progress report

Pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986

Name of Company
Misco UK Limited

Company number
SC114143

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

I/We (a)  
 Geoffrey Paul Rowley  
 FRP Advisory LLP  
 2nd Floor  
 110 Cannon Street  
 London  
 EC4N 6EU

Thomas Campbell MacLennan  
 FRP Advisory LLP  
 Apex 3  
 Edinburgh  
 EH12 5HD

John Anthony Lowe  
 FRP Advisory LLP  
 1<sup>st</sup> Floor Ashcroft House  
 Ervington Court  
 Harcourt Way  
 Meridian Business Park  
 Leicester  
 LE19 1WL

administrator(s) of the above company attach a progress report for the period

from

to

(b) Insert date(s)

(b) 19 October 2017
---------------------

(b) 18 April 2018
-------------------

Signed

Joint / Administrator(s)

Dated

2/5/2018

### Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form.

The contact information that you give will be visible to searchers of the public record

Geoffrey Paul Rowley FRP Advisory LLP 2nd Floor 110 Cannon Street London EC4N 6EU	
DX Number	020 3005 4000 DX Exchange

Companies House receipt date barcode
--------------------------------------

When you have completed and signed this form, please send it to the Registrar of Companies at:-  
**Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF**  
**DXED235 Edinburgh 1 / LP- 4 Edinburgh 2**

**MISCO UK LIMITED (IN ADMINISTRATION)**

**Schedule of Work**



The table below sets out a detailed summary of the work undertaken by the office holder(s) during the reporting period together with an outline of work still to complete.

Note	Category
<p>1</p> <p><b>ADMINISTRATION AND PLANNING</b>  <b>Work undertaken during the reporting period</b>  <u>Case Control, Review, Strategy and General Administration</u></p> <p>Complied with internal take on procedures to identify any professional, ethical or conflict matters.</p> <p>Liaised with the secured lenders in respect of initial strategy.</p> <p>Obtained legal advice on the validity of appointment to ensure all required documentation has been properly filed and submitted. In addition, this includes a review of any security documentation to confirm the validity of any charges.</p> <p>Considered if there are other industry specific regulatory or statutory issues to address (e.g. FCA registration).</p> <p>Considered if any environmental or health and safety issues to deal with.</p> <p>Continued to update case strategy and documented all pertinent points.</p>	<p><b>ADMINISTRATION AND PLANNING</b>  <b>Future work to be undertaken</b>  <u>Case Control, Review, Strategy and General Administration</u></p> <p>Regularly reviewing the conduct of case strategy and updating as required by Administrators' regulatory professional body to ensure all statutory matters are attended to and to ensure the case is progressing. This aids efficient case management.</p> <p>Correspond with parties as required to request further information to assist in general enquiries.</p> <p>Continue to adhere to internal procedures and external requirements.</p> <p>Ongoing adherence to Money Laundering Regulations and any other regulations specific to the Company.</p> <p>Ensuring accounts are regularly reconciled to produce accurate and timely reports to all creditors when required. Processing and recording of all receipts and payments throughout the appointment on the Insolvency Practitioners System ("IPS") and providing internal and external reports as required.</p>

**MISCO UK LIMITED (IN ADMINISTRATION)**

**Schedule of Work**

Corresponded with the group company in Hungary to provide assistance in staff retention, payroll and wind-down planning.

Liaising with Company IT staff to ensure continuity of IT systems to assist in customer queries, returns and payments.

Planning meetings with FRP staff in Scotland to further assess staffing and security requirements at the Greenock property.

Review of ongoing maintenance needs of the two freehold properties in Greenock and Wellingborough.

Providing undertakings where necessary to allow orders to be released, goods delivered and maintenance services to be retained for Greenock and Wellingborough properties.

Liaising further with insurers to ensure specific requirements met for the removal of assets from the three premises for auction and subsequent empty property cover at the Greenock premises.

Liaising with directors to ensure books and records are accurate.

Corresponded with the former advisors to the Company requesting third party information to assist with general enquiries including, but not limited to, taxation returns so that future returns and claims are as accurate as possible.

**MISCO UK LIMITED (IN ADMINISTRATION)**

**Schedule of Work**



	Arranged to collect and store all Company paper and digital records.		
	<p><u>Insurance</u></p> <p>Open cover insurance was arranged in respect of the Company's assets and applicable third-party cover.</p> <p>Provided specific list of assets to formalise policy.</p>	<p><u>Insurance</u></p> <p>Cancelling insurance cover over assets as they are realised to control insurance costs. This includes public liability insurance in Greenock where the Administrators' still have an interest.</p>	
	<p><u>Case Accounting</u></p> <p>Set up and administered insolvent estate bank accounts ensuring all receipts, payments and journals are up to date on IPS in accordance with SIP 7.</p> <p>Setting up pre-appointment bank account access and ensuring continued administration of the same.</p>	<p><u>Case Accounting</u></p> <p>Administering bank accounts for the purposes of the Administration. Continue to produce payments and journals in accordance with SIP7.</p>	
2	<p><b>ASSET REALISATION</b></p> <p><b>Work undertaken during the reporting period</b></p> <p><u>Valuation, Chattels, Office Furniture and Equipment</u></p> <p>Taking the necessary steps to ensure all assets are protected and under the control of the office holders.</p> <p>Instructed independent agents Hilco Appraisal Limited ("Hilco") to identify all floating charge assets. Assisted Hilco with identifying all IT equipment for sale with the help of retained IT staff.</p> <p>Hilco valued chattel assets and stock at all three Company premises.</p>	<p><b>ASSET REALISATION</b></p> <p><b>Future work to be undertaken</b></p>	

## MISCO UK LIMITED (IN ADMINISTRATION)

### Schedule of Work

	<p>Review of valuation report and ongoing monitoring of cataloguing and listing process for auction.</p> <p>Liaised with approximately 300 redundant staff to obtain all Company IT equipment in their possession for auction and sale.</p> <p>Aided Hilco with subsequent auctions of chattel assets and stock for the benefit of the Administration estate. This included removal of all data from computer equipment and destruction of any computer equipment not eligible for sale.</p>	
	<p><u>Freehold and Leasehold Properties</u></p> <p>Instructed agents GVA to value and market the freehold properties in Greenock and Wellingborough.</p> <p>Correspondence with interested parties and facilitated site visits for viewing the freehold properties.</p> <p>Compiled schedules of assets to be included and excluded for the sale of the freehold premises with the assistance of Hilco.</p> <p>Reviewed and agreed terms for completion of sale of the freehold property in Wellingborough. A sale of certain chattel assets, office furniture and equipment were also included as part of the sale.</p> <p>All goods and Company files removed from Wellingborough premises prior to sale to ensure the asset left vacant.</p>	<p><u>Freehold and Leasehold Properties</u></p>



**MISCO UK LIMITED (IN ADMINISTRATION)**

**Schedule of Work**

<p>Interested party found in relation to the Greenock property. There was a requirement for the property's mezzanine floor to be removed before any sale could be concluded.</p> <p>Ongoing periodic updates to secured creditors regarding the sale and completion of the freehold premises and any returns under their respective fixed charges.</p> <p>Assisted Hilco with the removal of all assets from the leasehold premises at Weybridge. Ensured the premises left secure on appointment to enable a request for a surrender of the lease.</p> <p>Liaised with utility companies to ensure termination of service supply where necessary and that the Administrators' are not in occupation of the leasehold premises.</p>	<p>Review and monitor final terms of sale as agreed and finalise completion of sale of the Greenock freehold property. Review necessary documentation for execution.</p>
<p><u>Debtors, Purchase Ledger Refunds and Work in Progress</u></p> <p>The Company's debtor ledger at appointment totalled £14m made up of over 20 thousand invoices across over 5 thousand different customers. Five members of staff were retained from the credit control team to assist CL in collection of these debts. To date realisations are £13.5m.</p> <p>Retained staff to assist in additional pre-appointment invoicing for work in progress, totalling approximately £1.1m. Ongoing assistance and supervision of the team, reviewing necessary contracts and corresponding with CL to ensure correct recording and collection of invoicing.</p>	<p><u>Debtors, Purchase Ledger Refunds and Work in Progress</u></p> <p>Assist CL with the collection of the remaining £500k book debts with remaining two members of staff. Continue to rent premises to allow collections to be conducted.</p> <p>Dealing with any debtor queries that may arise and provide confirmation of payment methods as and when required.</p>

## MISCO UK LIMITED (IN ADMINISTRATION)

### Schedule of Work

The credit control team in Hungary were retained to collect out the smaller debtors, post cash and reconcile accounts daily. They also assisted in ensuring purchase ledger overpayments were brought up to date.

Correspondence with debtors to provide confirmation of appointment, payment details and answer general queries where required.

Administered refund payments to debtors where duplicate or overpayments made in order to realise statement balance against the pre-appointment debtor ledger.

Liaising with retained IT staff to establish migration of information over to the new system to enable continuity of debtor collection post-appointment.

Liaised with suppliers to ensure purchase ledger overpayments were reimbursed and realised into the estate.

Liaised with Company's pre-appointment bankers to ensure access to various company bank accounts to enable daily cash reconciliations and assist in debtor collections.

Liaised with group companies to collect inter-company loan balances.

Members of the customer service team were retained to answer customer queries and post credit notes to accounts.

**MISCO UK LIMITED (IN ADMINISTRATION)**

**Schedule of Work**



	<p><u>Rates Refunds</u></p> <p>Liaised with local authorities to claim back rates refunds. Specifically, in relation to the Wellingborough property. Engaged Hilco Profit Recovery Limited to review any further rates rebates due to the company.</p>	<p><u>Rates Refunds</u></p> <p>Monitor further rates rebates currently due back to the Company as identified by Hilco Profit Recovery Limited.</p>
	<p><u>Bad Debt Relief, Legal and All Other Potential Claims</u></p> <p>Identified any outstanding legal claims and arranged settlement agreements to realise funds into the estate.</p> <p>Consideration of any VAT bad debt relief claims and any Corporation Tax reclaims. Engaged KPMG Limited to pursue the same.</p> <p>Providing further company records and information which may assist KPMG in collating bad debt relief claim(s).</p> <p>Considered likelihood of additional recoveries being made e.g. antecedent transactions and miss-selling.</p>	<p><u>Bad Debt Relief, Legal and All Other Potential Claims</u></p> <p>Ensure updates are received from KPMG regarding potential VAT bad debt relief claim(s). Continue to provide information where necessary to support claim.</p> <p>Complete VAT reclaim for post-appointment period.</p> <p>De-register for VAT.</p>

**MISCO UK LIMITED (IN ADMINISTRATION)**

**Schedule of Work**



3	<p><b>CREDITORS</b>  <b>Work undertaken during the reporting period</b>  <u>Secured Creditors</u></p> <p>Prior to making a distribution to secured creditors the office holder obtained advice on the validity of security before making payment.</p> <p>Issuing initial notification of appointment and subsequently the Administrators' proposals and answering any queries pertaining to the same.</p> <p>Liaised with HUK 76 Limited to provide a distribution under their fixed and floating charge.</p> <p>Liaised with Systemax Netherlands B.V. in order to confirm the sale and completion of freehold property, timeline to fixed charge distribution and payment in full under their charge.</p> <p>Corresponded with Systemax Netherlands B.V. to confirm no further claims in the Administration following fixed charge distribution.</p> <p>Confirmed with Leumi that they have been repaid in full from book debt collections.</p> <p><u>Retention of Title Creditors' ("RoT")</u></p> <p>Issuing RoT questionnaires to relevant creditors and reviewing terms and conditions of business to identify any valid RoT clauses. Dealing with all queries and correspondence which arise out of RoT claims.</p>	<p><b>CREDITORS</b>  <b>Future work to be undertaken</b>  <u>Secured Creditors</u></p> <p>Ensure further distributions are made to HUK 76 Limited under their fixed and floating charge as and when necessary.</p> <p>Seeking approval from secured and preferential creditors for extension of Administration for a period of 12 months to allow for future realisations and payment of the prescribed part.</p> <p><u>Retention of Title Creditors' ("RoT")</u></p> <p>Ensure final credit notes and proof of debts are received for adjudication.</p>
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**MISCO UK LIMITED (IN ADMINISTRATION)**

**Schedule of Work**



	<p>Liaising with RoT creditors in respect of potential claims. Formulating RoT schedule for 25 claims received.</p> <p>Ensuring up to date stock listing acquired to compare and contrast claims against.</p> <p>Ring fencing any stock held for identification purposes and to ensure they are not included within asset sale at auction.</p> <p>Liaising with creditors on site in Greenock and Wellingborough to identify RoT stock and the collection of the same following confirmation of valid claims.</p> <p>Updating staff and schedule of claims to ensure debtor and creditor balances are adjusted accordingly following collection of goods.</p> <p>Ongoing correspondence with RoT creditors regarding unsecured element of claims.</p>	
	<p><u>Preferential and Pensions Claims</u></p> <p>Corresponded with the RPS to ensure all employee claims were submitted and preferential claims made to the Administrators'. A total of 322 claims were received with the assistance of FRP staff to the RPS.</p> <p>Correspondence with the Company's pension provider to ascertain a new account to make post-appointment contributions for retained employees.</p> <p>Speaking with the RPS and the pension provider to agree RP15 for unpaid pre-appointment contributions.</p>	<p><u>Preferential and Pensions Claims</u></p> <p>Pay preferential claims in full, following receipt of preferential claims for pensions contributions, from the RPS.</p>

**MISCO UK LIMITED (IN ADMINISTRATION)**

**Schedule of Work**



	<p>Collating data for the Company's pension provider to process and present in a manner fit for their IT systems to register and update.</p> <p>Dealing with queries and correspondence arising from employee tribunal claims.</p>	
<p><u>Unsecured Creditors</u></p> <p>Administering the Misco general enquiry inbox to deal with significant customer queries and updates. Advising on appointment of the Administrators' and requesting claims to be submitted as appropriate.</p> <p>Dealing with creditor correspondence and claims. Inputting a large volume of claims totalling approximately £21m onto IPS for future adjudication and filing paper copies.</p> <p>Requesting further substantiation of claims where necessary and dealing with queries arising from the same.</p> <p>Substantial time has been spent dealing with creditor requests for updates on the progress of the Administration and dividend prospects. Further dealing with general queries on status of order and the process for claiming money back.</p> <p>Completing confirmation of debt forms for third party credit insurers.</p> <p>Liaising with creditors regarding concerns over directors' conduct.</p>	<p><u>Unsecured Creditors</u></p> <p>Ensure HMRC provide final unsecured claims to enable adjudication process.</p> <p>Adjudicate on all unsecured creditor claims, provide a schedule of claims to creditors and allow 14 days for creditors to respond.</p> <p>Issue prescribed part dividend within the statutory period allocated to unsecured creditors.</p> <p>Any other matters that may arise from issuing statutory reports and detailing the likelihood of a dividend to each class of creditor.</p>	

**MISCO UK LIMITED (IN ADMINISTRATION)**

**Schedule of Work**



	<p><b>EMPLOYEES</b>  <b>Future work to be undertaken</b>  <u>Initial and ongoing staff redundancies</u></p> <p>Ensure final redundancies made in line with completion of the debtor ledger collection.</p> <p>Issue P45s to final employees.</p> <p>Update third party benefit providers to ensure all schemes are brought to a close.</p> <p>Dealing with ongoing employee tribunal correspondence.</p>
<p>4</p>	<p><b>EMPLOYEES</b>  <b>Work undertaken during the reporting period</b>  <u>Initial and ongoing staff redundancies</u></p> <p>Ensuring relevant redundancies made on appointment and key staff retained in order to wind the business down. Issuing redundancy letters and dealing with all queries arising from the same.</p> <p>In total, 34 staff were retained across the three sites.</p> <p>Liaising with third party employee benefit providers in order to update their records and ensure continuity of benefits where applicable.</p> <p>Continued to make redundancies as appropriate in line with requirements of orderly wind-down of business and collection of the debtor ledger.</p> <p>Contacting and winding down staff benefit schemes and third-party assets leased to employees.</p> <p>Issuing employee references/confirmation of employment where requested.</p> <p>Liaising with the group company in Hungary to ensure issuing P45s and dealing with all queries arising out of receipt of the same from employees. Copy P45s being sent to employees who have not received originals.</p> <p>Dealing with queries arising out of employee calculations for holiday and other preferential claims.</p>

**MISCO UK LIMITED (IN ADMINISTRATION)**

**Schedule of Work**



	<p>Dealing with queries regarding claims for commissions due.</p> <p>Managing ongoing employee queries regarding pension deductions and any lack of consultation claims.</p>	
	<p><u>Post-appointment staff payroll and tax</u></p> <p>Engaging services of specialist payroll agents Insol Group to assist in payroll, taxation and employee benefit matters.</p> <p>Liaising with HMRC to resolve incorrect PAYE deductions and tax codes for retained and redundant staff.</p> <p>Substantial time was spent corresponding with HMRC to ensure future taxation and HMRC records are correct.</p> <p>Managing payroll and tax payments in a timely manner for all retained staff.</p> <p>Seeking premises available for retained staff to work from to assist with the realisation of the debtor ledger post sale of the Wellingborough property.</p> <p>All other queries that arise from retained staff.</p>	<p><u>Post-appointment staff payroll and tax</u></p> <p>Pay final PAYE/NI balances to HMRC.</p> <p>Ensure final post-appointment pension payments are calculated and paid to the Company's pension provider.</p>



**MISCO UK LIMITED (IN ADMINISTRATION)**

**Schedule of Work**



	INVESTIGATIONS AND POST APPOINTMENT IT INVESTIGATIONS	INVESTIGATIONS AND POST APPOINTMENT IT INVESTIGATIONS
5	<p><u>Directors' conduct</u></p> <p>Conducted initial enquiries into the conduct of the directors' and if appropriate associated parties.</p> <p>Wrote to all creditors providing them with an opportunity to provide any information which may assist with investigations into the directors' conduct. Liaised with any creditors who have come forward with information.</p> <p>Wrote to all directors' requesting questionnaires to be completed and returned, reviewed the same for the purposes of investigations.</p> <p>Reviewed Company bank statements for any suspicious activity.</p> <p>Following initial investigations, considered if potential action could be taken, to swell the assets available in the estate.</p> <p>Following conclusion of these investigations reported findings as required to the Department of Business Innovation and Skills and/or the Insolvency Service.</p>	<p><u>Directors' conduct</u></p> <p>Investigate any subsequent evidence and concerns provided to the Administrators' regarding the conduct of the directors from creditors.</p> <p>If applicable submit a revised copy of the directors' conduct report to the relevant government authority for review in light of any new information.</p>
	<p><u>Post-appointment IT investigations</u></p> <p>Attending three sites and assessing data to be backed-up for retention purposes. Review of data listing to ensure Company information retained.</p> <p>Identifying IT service needs for post-appointment period.</p>	<p><u>Post-appointment IT investigations</u></p> <p>Ensure all systems are successfully backed-up and company records retained to assist any further investigation should new information come to light.</p>

**MISCO UK LIMITED (IN ADMINISTRATION)**

**Schedule of Work**



	<p>Identifying data for destruction and instructing third party to complete the same.</p> <p>Liaise with Systemax B.V in order to establish requirements for continuity of systems use and updating Company records.</p> <p>Identifying key staff hard drives for back-up and archive in order to assist with any further investigations into directors' conduct.</p> <p>Liaising with group staff in order to establish Misco UK servers within the group IT structure. Identifying services that can be shut down without implication to the wider group IT systems.</p> <p>Ongoing troubleshooting alongside retained IT staff in server back-up and retention needs.</p>	
6	<p><b>STATUTORY COMPLIANCE AND REPORTING</b>  <b>Work undertaken during the reporting period</b>                  Appointment Formalities</p> <p>Dealing with all appointment formalities including notification to relevant parties, filings with the Court; the Registrar of Company; and statutory advertising.</p> <p>Notifying suppliers of appointment in order to close accounts and retain essential services to the two freehold premises.</p> <p>Ensuring relevant utility readings taken and provided to suppliers to ensure post-appointment liabilities are accurate.</p>	<p><b>STATUTORY COMPLIANCE AND REPORTING</b>  <b>Future work to be undertaken</b>                  Appointment Formalities</p>

**MISCO UK LIMITED (IN ADMINISTRATION)**

**Schedule of Work**



	<p>Notifying HMRC and requesting new PAYE information in order to pay over retained staff tax deductions.</p> <p>Notifying HMRC of appointment in respect of VAT operations.</p> <p>Ensuring case set-up on IPS and office file set-up for paper filing.</p>	
<p><u>Statutory compliance and reporting</u></p> <p>Arranging for an insolvency bond to protect the assets available for creditors.</p> <p>Reported to members/creditors to update them on the progress of the matter during the reporting period and filing statutory reports as required. Dealing with any queries arising following circulation of statutory reports.</p> <p>The Administrators' are required to produce, and has provided creditors with, proposals for the conduct of the Administration for approval by creditors in accordance with legislation.</p> <p>Liaising with the directors' in order to obtain background information and trading history to provide to creditors in the Administrators' initial update report.</p> <p>Review of the Company's statutory and management accounts in order to provide creditors with the Administrators' estimated outcome for creditors.</p> <p>Established the existence of any pension schemes.</p>	<p><u>Statutory compliance and reporting</u></p> <p>To provide statutory reports to various stakeholders at regular intervals and manage any queries arising therefrom. Copies of these reports are required to be filed at the Registrar of Companies.</p> <p>To place legal advertisements as required by statute which may include formal meetings of creditors.</p> <p>Once necessary approval for extension of the Administration by 12 months received, file with Registrar of Companies.</p> <p>To deal with the statutory requirements in order to bring the case to a close and for the Administrators' to obtain their release from office; this includes preparing final reports for stakeholders, convening final meetings, statutory advertising and filing the relevant documentation with the Court and Registrar of Companies.</p> <p>If required, the formal setting up of a creditors' committee and regular reporting to them as necessary.</p> <p>Convening meetings of members/creditors by correspondence as required by legislation.</p> <p>Obtaining further approval to the basis of the Administrators' fees.</p> <p>Bringing the conduct of the Administration to a close when all matters are complete in accordance with the relevant requirements.</p>	

**MISCO UK LIMITED (IN ADMINISTRATION)**

**Schedule of Work**



	<p>Requested the completion of a statement of affairs and assisted with initial queries arising out of the same.</p> <p>Obtained creditor approval for the basis on which the Administrators' fees will be calculated.</p> <p>Completed file reviews and checklists in order to ensure case progression in accordance with internal protocol.</p>	<p>Filing of necessary post-appointment tax returns for VAT and corporation tax.</p>
7	<p><b>LEGAL AND LITIGATION</b> <b>Work undertaken during the reporting period</b></p> <p>Sought legal advice as to the validity of appointment.</p> <p>Sought legal advice on matters pertaining to third party software licences and the ability to terminate the same resulting in potential unsecured claims.</p> <p>Legal advice in relation to creditor claims and RoT claims.</p> <p>Advice and direction on creditor court claims, assisting in settlement agreements.</p> <p>Drafting and reviewing Sale and Purchase Agreement for sale of freehold properties.</p> <p>Review of inter-company debt settlement.</p> <p>Drafting and completing inter-company debt/loan note assignment.</p>	<p><b>LEGAL AND LITIGATION</b> <b>Future work to be undertaken</b></p> <p>Continue to seek legal advice as and when needed throughout the assignment.</p> <p>Completion of sale agreement for Greenock property.</p>

**MISCO UK LIMITED (IN ADMINISTRATION)**

**Schedule of Work**



	<p>Review and advice on formal surrender document with the landlord of the Weybridge premises.</p> <p>Legal advice on matters that may have arisen from the Administration when deemed necessary.</p>	
8	<p><b>TRADING</b> <b>Work undertaken during the reporting period</b></p> <p>Meeting with respective maintenance staff to identify essential suppliers of utilities to ensure ongoing day to day functionality of the Greenock and Wellingborough premises.</p> <p>Liaising with Company suppliers to ensure continuity of trade services, telephone, heat and light.</p> <p>Negotiating terms of business with suppliers for the post-appointment period, reviewing and executing the same. Providing undertakings where necessary.</p> <p>Substantial correspondence with Talk Talk and other service providers in order to establish post-appointment accounts for the Wellingborough and Greenock properties. Subsequent correspondence to request account closure and final invoices to be issued in respect of internet and telephone supply.</p> <p>Ensuring that security is maintained to enable trade and wind down operations to continue. Ongoing cleaning</p>	<p><b>TRADING</b> <b>Future work to be undertaken</b></p> <p>Ensuring that all trade suppliers provide final invoices for period to date of sale of premises of Wellingborough property.</p> <p>Updating all suppliers when Greenock property sold in order to close relevant accounts.</p> <p>Confirmation of all local authority business rates accounts being paid and closed.</p> <p>Confirm all undertakings have ceased.</p>

**MISCO UK LIMITED (IN ADMINISTRATION)**

**Schedule of Work**



	<p>and pest control in order to adhere to health and safety requirements.</p> <p>Drafting and updating trading cashflow forecast to monitor costs.</p> <p>Liaising with FRP and Company IT staff to ensure continuity of IT services and systems.</p> <p>Execution of novation of service contracts.</p> <p>Liaising with group company in Hungary to gather all data needed to assist with trading activity. Ensuring payments for services retained are made in a timely manner.</p> <p>Making necessary payments for trading services as and when required.</p> <p>Liaising with local authorities to ensure payment of rates bills for the trading period.</p>	
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**Misco UK Limited  
(In Administration)  
Joint Administrators' Trading Account  
To 18/04/2018**

S of A £	£	£
<b>OTHER DIRECT COSTS</b>		
Work in Pogrress - Sub Contractor Pay	94,964.29	
Direct Wages	213,368.37	
Direct Expenses	146.88	
	<u>                    </u>	(308,479.54)
<b>TRADING EXPENDITURE</b>		
Rents	3,712.00	
Rates	23,054.87	
Heat & Light	62,121.77	
Telephone and Internet	13,350.76	
Professional Fees	7,085.00	
Water and Sewerage	6,130.83	
Repairs & Maintenance	18,932.16	
Postages	7.30	
Security Costs	65,434.82	
Hungary Service Centre Costs	291,568.42	
Ransom Payments	5,739.92	
PAYE/NI	113,126.57	
Paper Waste Removal	6,843.40	
IT Disposal Costs	1,800.00	
	<u>                    </u>	(618,907.82)
<b>TRADING SURPLUS/(DEFICIT)</b>		<u><u><b>(927,387.36)</b></u></u>

**Misco UK Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**  
**To 18/04/2018**

S of A £	£	£
<b>SECURED ASSETS</b>		
Leasehold Land & Property	6,000,000.00	6,000,000.00
<b>COSTS OF REALISATION</b>		
Agents/Valuers Fees	584.00	(584.00)
<b>SECURED CREDITORS</b>		
Systemax Netherlands BV	2,493,914.30	
HUK 76 Limited	3,500,000.00	(5,993,914.30)
<b>ASSET REALISATIONS</b>		
Furniture & Equipment	125,000.00	
Stock	101,801.97	
Book Debts	4,780,362.19	
IT Equipment	150,480.80	
Insurance Refund	24,090.55	
Cash at Bank	111.22	
Advance from Secured Creditor	400,000.00	
Purchase Ledger Refund	159,219.01	
Bank Interest Gross	1,447.02	
Intercompany Debt SP	442,399.58	
Trading Surplus/(Deficit)	(927,387.36)	
Intercompany Debt NL	1,968,680.09	
Rates Refund	36,608.18	
Pre-Appointment Legal Settlement	31,665.59	
Professional Fees	(2,950.00)	
		7,291,528.84
<b>COST OF REALISATIONS</b>		
Post-Appointment Pension Contributio	7,564.68	
Fire Protection Costs	2,010.00	
Registers of Scotland Fees	15.00	
Agents/Valuers Fees	43,862.33	
Legal Fees	41,002.68	
VAT Irrecoverable	122.00	
VAT Payable on Collection Charges	(319,190.99)	
Debtor Overpayment	17,183.85	
Statutory Advertising	399.60	
PAYE & NI	373.00	
Bank Charges - Floating	171.00	
		206,486.85
<b>FLOATING CHARGE CREDITORS</b>		
HUK 76 Limited	4,750,000.00	(4,750,000.00)
		<b>2,753,517.39</b>



**Misco UK Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**  
**To 18/04/2018**

<b>S of A £</b>	<b>£</b>	<b>£</b>
REPRESENTED BY		
Vat Recoverable - Floating		2,811.95
IB Current Fixed		7,194.61
IB Current Floating		2,436,755.50
Trade Creditors		(10,655.99)
Vat Control Account		317,411.32
		<u><b>2,753,517.39</b></u>

**APPENDIX F**

**MISCO UK LIMITED (IN ADMINISTRATION)  
STATEMENT OF DISBURSEMENTS FOR THE ACCOUNTING PERIOD  
ENDED 18 APRIL 2018**

<b>Category 1 disbursements</b>	<b>£</b>
Company Search	16.00
Delivery	1,031.83
Hotels	3,644.82
Parking	16.50
Postage	3,712.12
Staff Welfare	94.95
Subsistence	259.93
Sundries/General	171.03
Taxis	961.98
Telephone	20.24
Travel	9,060.51
Storage	332.19
Bonding	1,650.00
Mobile Telephone	17.96
Computer Consumables	9,429.71
Property	25.50
Consultancy	477.00
VAT Query	6.60
<b>Total</b>	<b>30,928.87</b>

<b>Category 2 disbursements</b>	
Mileage	4,222
<b>Total</b>	<b>4,222</b>