

# Report to Creditors

## COLLATERAL SALES LIMITED, COLLATERAL (UK) LIMITED AND COLLATERAL SECURITY TRUSTEE LIMITED ALL IN ADMINISTRATION (“the Group”)

ADMINISTRATOR’S REPORT TO CREDITORS AND STATEMENT OF PROPOSALS  
IN ACCORDANCE WITH PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY  
ACT 1986

23 MARCH 2018

IN HIGH COURT OF JUSTICE, THE BUSINESS AND PROPERTY COURTS IN  
MANCHESTER

COURT NUMBER 2168, 2169 & 2170 OF 2018

**COLLATERAL SALES LIMITED,  
COLLATERAL (UK) LIMITED AND COLLATERAL SECURITY TRUSTEE LIMITED  
ALL IN ADMINISTRATION  
ADMINISTRATOR'S REPORT TO CREDITORS AND STATEMENT OF PROPOSALS  
23 MARCH 2018**

**Contents**

1. Glossary
2. Introduction
3. Statutory Information
4. Background and Events Leading to the Administrator's Appointment
5. Progress of the Administration
6. Financial Position
7. Receipts and Payments
8. Investigation
9. EC Regulation
10. The Administrator's Proposals
11. Agreement of Proposals
12. Administrator's Fees and Disbursements
13. Conclusion of the Administration

**Appendices**

1. Statutory Information
2. Summary of the Estimated Financial Position of the Group as at 28 February 2018
3. Receipts and Payments Accounts

**COLLATERAL SALES LIMITED,  
COLLATERAL (UK) LIMITED AND COLLATERAL SECURITY TRUSTEE LIMITED  
ALL IN ADMINISTRATION  
ADMINISTRATOR'S REPORT TO CREDITORS AND STATEMENT OF PROPOSALS  
23 MARCH 2018**

**1. Glossary**

the Group	Collateral Sales Limited, Collateral (UK) Limited and Collateral Security Trustee Limited
UK	Collateral (UK) Limited (company no. 09314729)
Sales	Collateral Sales Limited (company no. 10390419)
Trustee	Collateral Security Trustee Limited (company no. 10390795)
the Administrator	Gordon Craig of Refresh Recovery Limited, West Lancashire Investment Centre, Maple View, White Moss Business Park, Skelmersdale, Lancashire, WN8 9TG
Refresh Recovery	Refresh Recovery Limited
the Appointment Date	28 February 2018 being the date of appointment of the Administrator
the Appointor	The Directors
the Directors	Peter Currie Andrew Currie
the Bank	Santander Bank Plc, the Group's bankers
Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Group's property (floating charge assets less costs of realisation) shall be made available to the non-preferential unsecured creditors.
QFC	Qualifying Floating Charge
CVA	Company Voluntary Arrangement
SoA	Statement of Affairs

**COLLATERAL SALES LIMITED,  
COLLATERAL (UK) LIMITED AND COLLATERAL SECURITY TRUSTEE LIMITED  
ALL IN ADMINISTRATION  
ADMINISTRATOR'S REPORT TO CREDITORS AND STATEMENT OF PROPOSALS  
23 MARCH 2018**

RPS	Redundancy Payments Service
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006
BEIS	The Department of Business, Energy and Industrial Strategy
ICAEW	The Institute of Chartered Accountants in England and Wales
the Act	the Insolvency Act 1986 (as amended)
the Rules	the Insolvency (England and Wales) Rules 2016
EC Regulation	EC Regulation on Insolvency Proceedings 2000
Category 1 Disbursements	The Administrator's firms external supplies of incidental services specifically identifiable to the case.
Category 2 Disbursements	The Administrator's firms internal costs and expenses in dealing with the Administration that comprises a cost allocation
SIP 9	Statement of Insolvency Practice 9 (E & W), Remuneration of Office Holders
SIP 13	Statement of Insolvency Practice 13 (E & W), Acquisition of assets of insolvent companies by directors.
SIP 15	Statement of Insolvency Practice 15 (E & W), Reporting and providing information on their functions to Committees in formal insolvencies.

**COLLATERAL SALES LIMITED,  
COLLATERAL (UK) LIMITED AND COLLATERAL SECURITY TRUSTEE LIMITED  
ALL IN ADMINISTRATION  
ADMINISTRATOR'S REPORT TO CREDITORS AND STATEMENT OF PROPOSALS  
23 MARCH 2018**

## **2. Introduction**

Gordon Craig was appointed Administrator of the Group in the High Court Of Justice, The Business and Property Courts in Manchester on 28 February 2018 under Court administration numbers 2168, 2169 and 2170 of 2018.

The appointments were made by the Directors of the Group, ("the Appointor"), in accordance with Paragraph 22 of Schedule B1 of the Insolvency Act 1986.

The purpose of Administration, as defined under the provisions of the Enterprise Act 2002, as it amends the Act 1986, is for the Administrator to perform his functions with the following three objectives:

- Rescue the Group as a Going Concern;
- Achieve a better result for the Group's creditors as a whole than would be likely if the Group were wound up;
- Realise property in order to make a distribution to one or more secured creditors or preferential creditors;

In accordance with Paragraph 49 of Schedule B1 of the Act, the Administrator now reports to creditors and set out his proposals for achieving the purpose of Administration and for the conduct of the Administration.

This report also includes certain information required to be provided to creditors in accordance with Rule 3.35 and 3.36 of the Rules, which will be treated as delivered to creditors on creditors on 29 March 2018.

## **3. Statutory Information**

A summary of the Group's statutory information, as shown at Companies House is set out in Appendix 1.

**COLLATERAL SALES LIMITED,  
COLLATERAL (UK) LIMITED AND COLLATERAL SECURITY TRUSTEE LIMITED  
ALL IN ADMINISTRATION  
ADMINISTRATOR'S REPORT TO CREDITORS AND STATEMENT OF PROPOSALS  
23 MARCH 2018**

**4. Background and Events leading to the Administrator's Appointment**

*Important Note: The information contained in this section has been provided by the Director of the Group.*

Collateral (UK) Limited ("UK") was incorporated on 17 November 2014 with Andrew and Peter Currie being appointed as Directors and equal shareholders each holding 1 share each. UK was set up as a platform to bring borrowers and lenders together.

The first two years of trading were spent building the infrastructure of UK, carrying out research and the Directors injecting money into UK in order for the platform to be developed at a high level and incorporating all the best aspects of the market place.

In February 2016 Andrew Currie resigned as a Director and shareholder to pursue other endeavours and allowed his brother to continue to trade the business alone.

An application was made to the Financial Conduct Authority ("FCA") on 24 March 2016 for full permissions. UK instructed DWF LLP, solicitors, to provide legal opinion on the group structure and deal with all legal matters going forward.

The platform opened 5 May 2016 which had a positive response from the industry. The investors would log onto the site and set up an account, which was checked by Experian to identify individuals and comply with money laundering regulations. Once the account was verified the investors would put money into a virtual account, which was held in a separate client account by UK. When investors wanted to invest their balance of monies they would log on to the site and review the various developments and investment opportunities. If they saw an investment they were interested in, they would allocate all or part of their funds to the individual investment. In doing this, the investor would receive interest each month dependent upon the investment they had put their funds into; therefore the interest they earned could be between 10% and 15% per annum.

Each investment would require a certain level of funding; therefore the option to invest would remain open until the required level was reached. When the balance was achieved the money would be drawn down and transferred to the Group's solicitors to allow the relevant paperwork to be done to secure the investment against the relevant asset and then the balance was transferred to the borrower.

Should the investors not find a development they liked the monies would remain in the client account until they decided to invest them or withdraw them back to their personal account which they could do at any time.

**COLLATERAL SALES LIMITED,  
COLLATERAL (UK) LIMITED AND COLLATERAL SECURITY TRUSTEE LIMITED  
ALL IN ADMINISTRATION  
ADMINISTRATOR'S REPORT TO CREDITORS AND STATEMENT OF PROPOSALS  
23 MARCH 2018**

As UK continued to operate and trade through the platform, their legal and compliance team continued to discuss matters with the FCA, which resulted in UK removing its request for permissions, as their legal team advised they were not required as in their legal opinion UK was undertaking no regulated activities.

As part of these earlier discussions, DWF advised Mr Currie that he needed to change the way in which UK operated and that he needed to set up entities to deal with holding of the assets and the way in which loans were brought to the platform. Consequently Collateral Sales Limited ("Sales") and Collateral Security Trustee Limited ("Trustee") were incorporated on 22 September 2016. Sales acted as the introducer to the platform and Trustee held the assets on behalf of the investors.

The Group continued to trade in this manner for the upcoming 15 months, regularly entering into discussions with the FCA and legal and compliance advisers with regard its operations. Throughout the period the Group had 5 different case handlers at the FCA who reviewed the business and its undertakings, asked various queries and then matters would go quiet. Despite legal opinion that the Group was operating unregulated investments Mr Currie thought it best to operate in such a way which would fit with the FCA guidelines for credibility within the industry.

Despite Mr Currie's best efforts and continued co-operation with the FCA, including multiple conference calls and meetings, the FCA contacted Mr Currie on 29 January 2018 to advise that the FCA deemed them not to be regulated and that all reference to the FCA had to be removed from the website. Mr Currie complied with this instruction, as the Group's legal advice was that it was operating as unregulated in any case.

Thereafter following further discussions with the legal and compliance advisers, Mr Currie was advised to stop all loans and shutdown the portal based on the letters and emails from the FCA. Again Mr Currie complied.

Mr Currie was struggling with the ongoing matters and discussed the position with his brother Andrew Currie, who was aware of the business and how it operated, due to his previous involvement. In order to assist his brother Mr Andrew Currie was appointed Director of the Group on 14 February 2018 to assist his brother going forward.

The Directors didn't have clear advice on how to deal with the Group going forward, as despite trying to discuss matters with the FCA, no issues were being resolved. In addition, the site was unable to operate and interest payments were becoming due and they were unaware if they

**COLLATERAL SALES LIMITED,  
COLLATERAL (UK) LIMITED AND COLLATERAL SECURITY TRUSTEE LIMITED  
ALL IN ADMINISTRATION  
ADMINISTRATOR'S REPORT TO CREDITORS AND STATEMENT OF PROPOSALS  
23 MARCH 2018**

were able to pay these as normal due to the restrictions being enforced by the FCA. The Directors took advice on what to do as they didn't feel they were in a position to continue to trade, and considered what was the best way in which to safeguard the position for the investors. Consequently the Directors sought professional advice from Refresh Recovery in accordance with their wind down procedure as previously submitted to the FCA. The Group had previously submitted this wind down policy to the FCA in 2017 and had it tacitly approved by the FCA, including a stipulation that Refresh Recovery would be the Administrator should it be necessary.

On 21 February 2018 the proposed Administrator met with the Directors to discuss the financial position of the Group. At this meeting, the Directors advised that the Group was unable to pay its debts when they fell due and consequently was insolvent. Refresh Recovery discussed with the Directors various options available to the Group and recommended that the Group be placed into Administration.

The Administrator considered the position prior to accepting the appointment and, having regard to the ICAEW's ethical guidelines, considered that there were no circumstances preventing him from accepting the appointment. The Administrator was therefore subsequently appointed on the Appointment Date. It should be noted that the Administrator is bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. The Administrator also checked the Group's legal advice from DWF LLP, the letter from the FCA dated 29 January 2018 and then checked the FCA's own website of regulated Companies on which none of the Group companies appeared. Based on this review the Administrator did not seek the permission of the FCA to the appointment of an Administrator as all the evidence was that the Company was not regulated and as such this permission was not required.

#### **5. Progress of the Administration**

Following the Administrator's appointment, the strategies for the Administrations were carefully assessed to ensure that a coherent planned process could be achieved. This work included liaising with solicitors to deal with any legal considerations surrounding the Group's insolvency as well discussions with the Directors to determine the position surrounding the assets of the Group.

The Administrator has also dealt with a number of statutory formalities which are required of him under related legislation. Typically, this includes issuing and filing all appointment notices

**COLLATERAL SALES LIMITED,  
COLLATERAL (UK) LIMITED AND COLLATERAL SECURITY TRUSTEE LIMITED  
ALL IN ADMINISTRATION  
ADMINISTRATOR'S REPORT TO CREDITORS AND STATEMENT OF PROPOSALS  
23 MARCH 2018**

with creditors and the Registrar of Companies and also advertising his appointment in the London Gazette.

Please note that much of this work will have been performed to comply with statutory requirements and as such may not necessary add any value to the insolvent estate.

### **5.1 Purpose of the Administration**

In accordance with the purpose of Administration, as outlined in Section 2, the initial objective of an Administration is to rescue the Group as a going concern. Given that the operations of the Group were uncertain due to the position of the FCA and advisers being able to ascertain the way in which the Group should operate, this purpose was not deemed achievable.

The second purpose of an Administration is to achieve a better result for the creditors as a whole than would be likely if the Group was wound up. In placing the Group in Administration the Administrator is still able to trade the Group without the restrictions which would be enforced if the Group was placed in Liquidation. Trading the business for a short period would allow a gradual wind down of the Group's loan book which will enable for the individual loans to be concluded in a manner which will allow a maximum return for the investors.

### **5.2 Legal Action**

Upon the appointment of the Administrator, the first initial steps taken were to notify all the investors of the position of the Group and confirm the Group's move to Administration. This was undertaken by notifying all investors via email utilising the mailing system previously operated by the Group.

The following day the Administrator was contacted by the FCA making enquiries of the Group and the Administration. The various pieces of information were provided as requested via a conference call and various emails.

The Administrator was contacted at 4.50pm on 14 March 2018 to advise that the FCA were taking steps to remove the Administrator seeking the appointment of alternative administrators based in London, and the Court hearing was set for 10.30am Friday, 16 March 2018.

The matter was vigorously defended and it was subsequently adjourned to be heard again in April on the basis that certain restrictions were imposed on the Administrator including the disposal of assets and funds being returned to investors.

**COLLATERAL SALES LIMITED,  
COLLATERAL (UK) LIMITED AND COLLATERAL SECURITY TRUSTEE LIMITED  
ALL IN ADMINISTRATION  
ADMINISTRATOR'S REPORT TO CREDITORS AND STATEMENT OF PROPOSALS  
23 MARCH 2018**

### **5.3 Asset Realisations**

#### **5.3.1 Properties**

A number of businesses made contact with UK who were looking for investment either into development properties or into the business generally. The investment was provided on the basis that security was provided by way of an unencumbered property, however the maximum that would be loaned to the business would be 70% of the property's value.

As of today's date the Group has loans outstanding of £15,624,628 which is secured against properties in the value of £23,552,400, of which each loan has a fixed charge in the name of Trustee against the relevant property. A schedule of the properties can be supplied on request

Loans are due to expire at various periods, should these periods be missed, then interest will begin to accrue.

Since the appointment of the Administrator, steps had been taken to secure potential refinancing of a large amount of the property portfolio, terms were in the process of being agreed which would allow a return to the relevant investors of 100p in the pound of their investment. However due to the current legal matter these cannot be finalised, therefore the funds cannot be released. To date the Administrator has received over 15 expresses of interest in buying all or part of the Group.

In addition, one interested regulated party has made an offer to buy the whole of the loan book and satisfy investors at 100p in the pound this offer is still available pending the resolution of the above action.

#### **5.3.2 Chattel Assets**

The Group loaned monies against other assets as well as property including jewellery, vehicles antiques and artwork. At the date of the Administration loans have been provided amounting to £1,678,071 secured against assets valued at £2,478,336. These assets are held by the Administrator in an independently owned safety deposit box, should the loans not be repaid in accordance with the loan agreements, the assets will be sold to enable the loans to be repaid. Any surplus would be returned to the borrower.

**COLLATERAL SALES LIMITED,  
COLLATERAL (UK) LIMITED AND COLLATERAL SECURITY TRUSTEE LIMITED  
ALL IN ADMINISTRATION  
ADMINISTRATOR'S REPORT TO CREDITORS AND STATEMENT OF PROPOSALS  
23 MARCH 2018**

### **5.3.3 Cash at Bank**

UK maintained 2 bank accounts on behalf of the Group which dealt with all transactions with regard the investors and the borrowers. These two accounts are a business account and the client account.

At the date of this report the Administrator's appointment the business account held £376,113.

In the client account there is a balance of £395,404, which principally relates to 777 individuals who have deposited money amounting to £370,553. Should the Group have continued to trade the individuals would have been able to withdraw these funds as and when they wanted. It was the intention of the Administrator to return these monies to the individuals as they were not part of the investment portfolio however due to restrictions enforced above, this task cannot be undertaken at present.

## **5.4 Creditors**

### **5.4.1 Employees and Preferential Creditors**

The Group had 5 full time employees who were retained to assist the Administrator with the winding up of the loan book. These employees may now have to be made redundant in the current situation due to the Administrator's inability to pay the wages due to the restrictions detailed above.

### **5.4.2 Secured Creditors**

The Group has no registered secured creditors.

### **5.4.3 Unsecured Creditors**

The Group has no unsecured creditors as all trade and expense creditors have been paid up to date.

### **5.4.4 Investors**

The Group has 1132 investors who have secured investments against the various properties chattels and assets of the Group, these investments amount to £17,538,817.

**COLLATERAL SALES LIMITED,  
COLLATERAL (UK) LIMITED AND COLLATERAL SECURITY TRUSTEE LIMITED  
ALL IN ADMINISTRATION  
ADMINISTRATOR'S REPORT TO CREDITORS AND STATEMENT OF PROPOSALS  
23 MARCH 2018**

These investments are entirely secured against the relevant individual properties and consequently it was the intention of the Administrator is to distribute the monies in accordance with the relevant loan agreements which each individual had signed up to. Therefore when a loan was concluded and the balance of funds would be received into the Group and payment to the relevant investors would be made accordingly.

Again however, this action cannot be undertaken at present due to the restrictions imposed by the Court.

### **5.5 Prescribed Part**

In accordance with Rule 3.35(6)(a)(i) of the Rules, the Administrator must estimate the amount of funds available to unsecured creditors in respect of the Prescribed Part. The Group has not granted a floating charge to any creditor after 15 September 2003 and consequently there will be no Prescribed Part. Similarly, the provisions of Section 176A(3) and 176A(5) will not apply.

### **5.6 Limitation Act**

It should be noted that the Limitation Act 1980 continues to apply to all debts due from the Group. Case law indicates that where a company is in Administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Group becoming time-barred during the course of the Administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

## **6. Financial Position**

Attached at Appendix 2 is a summary of the Estimated Financial Position of the Group as at 28 February 2018 together with a list of creditors names and addresses along with details of their debts.

## **7. Receipts and Payments**

A Receipts and Payments account to date is attached as Appendix 3.

**COLLATERAL SALES LIMITED,  
COLLATERAL (UK) LIMITED AND COLLATERAL SECURITY TRUSTEE LIMITED  
ALL IN ADMINISTRATION  
ADMINISTRATOR'S REPORT TO CREDITORS AND STATEMENT OF PROPOSALS  
23 MARCH 2018**

## **8. Investigation**

As required under SIP 2 an investigation into the affairs of the Group will be conducted to consider if there are any additional assets which would give rise to further recoveries, this will include reviewing the Group's records for antecedent transactions. The Administrator's initial assessment will be disclosed in the next progress report.

The Administrator also has a statutory obligation to carry out a preliminary review of the conduct of the Directors or Shadow Director of the Group at any time in the three years immediately preceding the Administrator's appointment and complete an online questionnaire for submission to the Directors Disqualification Unit of the BEIS. This online questionnaire has to be submitted within 3 months of the Administrator's appointment. Further information can be provided to BEIS after this date as and when it is received or determined as relevant.

If you are aware of any matters in connection with the conduct of the Directors, or have any concerns regarding the way in which the Group's business has been conducted or potential recoveries for the estate, which you think may be relevant to the investigations, please contact the Administrator in writing without delay. This request forms part of the usual investigation procedures and does not imply any criticism of the Directors.

## **9. EC Regulation**

It is the Administrator's view that the EC Regulations apply and that these proceedings are the main proceedings as defined by Article 3 of the Regulation. The centre of main interest of the Group is in England.

## **10. The Administrator's Proposals**

The Administrator's proposals are as follows:

1. It is proposed that the Administrator will continue to manage the affairs of the Group in order to achieve the objective of the Administration which has been outlined above.
2. The first objective under the Administration regime is based on the survival of the existing Company through a Company Voluntary Arrangement (CVA) or a Scheme of Arrangement under Section 425 of the Companies Act. The Administrator therefore proposes taking any action he considers necessary with a view to the approval of a CVA.

**COLLATERAL SALES LIMITED,  
COLLATERAL (UK) LIMITED AND COLLATERAL SECURITY TRUSTEE LIMITED  
ALL IN ADMINISTRATION  
ADMINISTRATOR'S REPORT TO CREDITORS AND STATEMENT OF PROPOSALS  
23 MARCH 2018**

3. If the survival of the existing Company is not achievable or any proposals for a CVA put to creditors are not accepted, the Administrators will pursue the second objective and if appropriate take any action he considers necessary to achieve a sale of the Group as a going concern.
4. When it is anticipated that no further realisations will be made in the Administration than would be available in a winding up, to take the necessary steps to put the Group into Creditors' Voluntary Liquidation should funds permit a distribution to creditors other than the Prescribed Part (subject to 5 below).
5. If Creditors' Voluntary Liquidation is deemed appropriate, the Administrator be permitted to seek the appointment of Gordon Craig as Liquidator of the Group, without further recourse to creditors. In accordance with paragraph 83(7) of the Act and Rule 3.60(6) of the Rules, creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of these Proposals and before these Proposals are approved.
6. To seek an extension to the Administration period if deemed necessary by the Administrator.
7. If, in accordance with Paragraph 84(1) of Schedule B1 of the Act, the Group has no property which would permit distribution to creditors other than the Prescribed Part, the Administrator is permitted to move the Group from Administration to dissolution (Subject to 6 above).
8. For the Group to be placed into Compulsory Liquidation should the Administrator deem it necessary.
9. Without prejudice to the provisions of Schedule B1 of the Enterprise Act 2002, the Administrator may carry out all other acts that they may consider to be incidental to the proposals above in order to assist in his achievement of the stated purposes of the Administration Order or any variation thereto.

**11. Agreement of Proposals**

On the basis of current information, the Group has sufficient property to enable it to pay its unsecured creditors in full. As a result and in accordance with Paragraph 52 (1) (a) of Schedule B1 of the Insolvency Act 1986, I am not required to seek a decision from the Group's unsecured

**COLLATERAL SALES LIMITED,  
COLLATERAL (UK) LIMITED AND COLLATERAL SECURITY TRUSTEE LIMITED  
ALL IN ADMINISTRATION  
ADMINISTRATOR'S REPORT TO CREDITORS AND STATEMENT OF PROPOSALS  
23 MARCH 2018**

creditors. Under Rule 3.38 of the Rules the Proposals are deemed approved if no creditors or a group of creditors representing at least 10% of the total debt of the Group request a decision be sought from the unsecured creditors as to whether to approve my Proposals. If you wish to request that a decision be sought in this manner, your request must be delivered to my office in writing by **6 April 2018**. The request must include details of the purpose of the proposed decision and include details of the value of your claim and also any other creditors concurring with your request, together with their confirmation of concurrence. A deposit for costs would be required from the requisitioning creditors.

Please note that in the absence of any such request by the above date, my Proposals will be deemed approved.

The Administrator does not propose to seek the formation of a creditors' committee and unless creditors request a decision to approve the Administrator's Proposals, he is not obliged to invite creditors to consider forming a committee at this stage.

## **12. Administrator's Fees and Disbursements**

### **12.1 Administrator's Pre- Appointment Fees and Disbursements**

Pre-administration costs are defined as:

- (i) Fees charged, and
- (ii) Expenses incurred

by the Administrator, or another person qualified to act as an insolvency practitioner before the Group entered Administration (but with a view to its doing so), and "unpaid pre-administration costs" are pre-administration costs which had not been paid when the Group entered Administration.

### **12.2 Administrator's Pre- Appointment Fees**

Prior to the Administration the Administrator was paid £88,000 from the Group. £40,000 was transferred to the Directors to cover the costs of future wages for the staff to enable them to assist with the wind down of the loan book.

**COLLATERAL SALES LIMITED,  
COLLATERAL (UK) LIMITED AND COLLATERAL SECURITY TRUSTEE LIMITED  
ALL IN ADMINISTRATION  
ADMINISTRATOR'S REPORT TO CREDITORS AND STATEMENT OF PROPOSALS  
23 MARCH 2018**

The remaining £48,000 was paid to Refresh Recovery to cover the pre-appointment costs of dealing with the Group. This amount was tacitly agreed by the FCA when the Group submitted their wind down procedures in 2017.

Due to the restrictions imposed by the Court following the FCA application the above monies have been placed into individual client accounts and cannot be utilised by any party until the legal matters are concluded.

### **12.3 Administrator's Pre-Appointment Disbursements**

The Administrator has incurred no pre-appointment disbursements apart from a court fee of £150 for filing the appointment documents.

### **12.3 Administrator's Pre-Appointment Disbursements**

The matter of the Administrator's fees will be dealt with following the conclusion of the Court proceedings with the FCA.

## **13. Conclusion of the Administration**

Once matters regarding my appointment are resolved it is intended to realise the loan book and based upon offers received to date this will be enough to pay investors and creditors in full and any balance thereafter will be distributed to members. It may be necessary to complete this task within a liquidation procedure. Alternatively if the the investors are paid in full the Group will be moved to Dissolution.

  
Gordon Craig  
**Administrator**

## **Appendix 1 – Statutory Information**

**COLLATERAL SALES LIMITED,  
COLLATERAL (UK) LIMITED AND COLLATERAL SECURITY TRUSTEE LIMITED  
ALL IN ADMINISTRATION  
ADMINISTRATOR'S REPORT TO CREDITORS AND STATEMENT OF PROPOSALS  
23 MARCH 2018**

**COLLATERAL SALES LIMITED  
(COMPANY NUMBER 10390419)  
Statutory Information**

<b>Company number</b>	10309419
<b>Date of Incorporation</b>	22 September 2016
<b>Current Directors</b>	Peter Currie Andrew Currie
<b>Registered Office</b>	
<b>Currently:</b>	c/o Refresh Recovery Limited Maple View White Moss Business Park Skelmersdale Lancashire WN8 9TG
<b>Previously:</b>	12th Floor Blue Tower Media City Uk Manchester M50 2ST
<b>Issued Share Capital</b>	1 shares at £1 each
<b>Shareholders</b>	Peter Currie

**COLLATERAL SALES LIMITED,  
COLLATERAL (UK) LIMITED AND COLLATERAL SECURITY TRUSTEE LIMITED  
ALL IN ADMINISTRATION  
ADMINISTRATOR'S REPORT TO CREDITORS AND STATEMENT OF PROPOSALS  
23 MARCH 2018**

**COLLATERAL SECURITY TRUSTEE LIMITED  
(COMPANY NUMBER 10390419)  
Statutory Information**

<b>Company number</b>	10390795
<b>Date of Incorporation</b>	22 September 2016
<b>Current Directors</b>	Peter Currie Andrew Currie
<b>Registered Office</b>	
<b>Currently:</b>	c/o Refresh Recovery Limited Maple View White Moss Business Park Skelmersdale Lancashire WN8 9TG
<b>Previously:</b>	12th Floor Blue Tower Media City Uk Manchester M50 2ST
<b>Issued Share Capital</b>	1 shares at £1 each
<b>Shareholders</b>	Peter Currie

**COLLATERAL SALES LIMITED,  
COLLATERAL (UK) LIMITED AND COLLATERAL SECURITY TRUSTEE LIMITED  
ALL IN ADMINISTRATION  
ADMINISTRATOR'S REPORT TO CREDITORS AND STATEMENT OF PROPOSALS  
23 MARCH 2018**

**COLLATERAL (UK) LIMITED  
(COMPANY NUMBER 10390419)**

**Statutory Information**

<b>Company number</b>	09314729
<b>Date of Incorporation</b>	17 November 2014
<b>Current Directors</b>	Peter Currie Andrew Currie
<b>Registered Office</b>	
<b>Currently:</b>	c/o Refresh Recovery Limited Maple View White Moss Business Park Skelmersdale Lancashire WN8 9TG
<b>Previously:</b>	12th Floor Blue Tower Media City Uk Manchester M50 2ST
<b>Issued Share Capital</b>	1 shares at £1 each
<b>Shareholders</b>	Peter Currie

## **Appendix 2 – Summary of the Estimated Financial Position of the Group as at 28 February 2018**

Insolvency Act 1986

Collateral (UK) Limited, Collateral Sales Limited and  
Collateral Security Trustees Limited  
Estimated Statement Of Affairs as at 28 February 2018

	Book Value £	Estimated to Realise £	£
<b>ASSETS</b>			
Property & Developments	15,624,628.00	15,624,628.00	
Chattel Assets	1,678,071.00	1,678,071.00	
Investors		(17,538,817.00)	
Deficiency c/d		<u>(236,118.00)</u>	
Cash at Bank			<u>376,113.00</u>
			376,113.00
<b>LIABILITIES</b>			
<b>PREFERENTIAL CREDITORS:-</b>			
			NIL
			<u>376,113.00</u>
<b>DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003 OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS</b>			
			NIL
			<u>376,113.00</u>
Estimated prescribed part of net property where applicable (to carry forward)			NIL
			<u>376,113.00</u>
<b>DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003</b>			
			NIL
			<u>376,113.00</u>
Estimated prescribed part of net property where applicable (brought down)			NIL
			<u>376,113.00</u>
<b>Unsecured non-preferential claims (excluding any shortfall to floating charge holders)</b>			
Deficiency b/d		<u>236,118.00</u>	
			<u>236,118.00</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)			<u>139,995.00</u>
			139,995.00
Issued and called up capital			
Ordinary Shareholders		(2.00)	
			<u>(2.00)</u>
<b>TOTAL SURPLUS/(DEFICIENCY)</b>			<u><u>139,997.00</u></u>

## Notes to Statement of Affairs

1. The property and developments have been independently valued at £23,552,400.
2. The amounts shown are included net of interest.
3. The chattel assets have been valued at £2,478,336.
4. The ongoing monthly net interest receivable by the Group is in excess of £150,000.

## **Appendix 3 – Receipts and Payments Account**

Collateral ( UK) Limited  
( In Administration)

Summary of Receipts & Payments  
28 February 2018 to 23 March 2018

RECEIPTS	Total ( £)
	<hr/>
	0.00
	<hr/>
PAYMENTS	
	<hr/>
	0.00
	<hr/>
	0.00
	<hr/> <hr/>

Note - VAT is not recoverable.

Collateral Sales Limited  
( In Administration)

Summary of Receipts & Payments  
28 February 2018 to 23 March 2018

RECEIPTS	Total ( £)
	<hr/>
	0.00
	<hr/>
PAYMENTS	
	<hr/>
	0.00
	<hr/>
	0.00
	<hr/>
	<hr/>

Note - VAT is not recoverable.

Collateral Security Trustee Limited  
( In Administration)

Summary of Receipts & Payments  
28 February 2018 to 23 March 2018

RECEIPTS

Total ( £)

---

0.00

---

PAYMENTS

Balance In Hand

---

0.00

0.00

---

0.00

---

---

Note - VAT is not recoverable.