



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

1 Company details

Company number	0	1	5	3	4	7	5	8
Company name in full	IDEAL SHOPPING DIRECT LIMITED							

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s)	MARTIN CHARLES
Surname	ARMSTRONG

3 Administrator's address

Building name/number	ALLEN HOUSE
Street	1 WESTMEAD ROAD
Post town	SUTTON
County/Region	SURREY
Postcode	S M 1 4 L A
Country	UK

4 Administrator's name ①

Full forename(s)	ANDREW RICHARD
Surname	BAILEY

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number	ALLEN HOUSE
Street	1 WESTMEAD ROAD
Post town	SUTTON
County/Region	SURREY
Postcode	S M 1 4 L A
Country	UK

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 2	^d 1	^m 0	^m 2	^y 2	^y 0	^y 2	^y 2
To date	^d 2	^d 0	^m 0	^m 8	^y 2	^y 0	^y 2	^y 2

7 Progress report

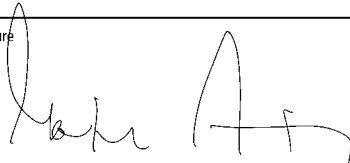
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date	^d 2	^d 0	^m 0	^m 9	^y 2	^y 0	^y 2	^y 2
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**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

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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

Private and Confidential
To all known creditors and members

Our ref ARB/MCA/XI0137

Date 20 September 2022

Dear Sir

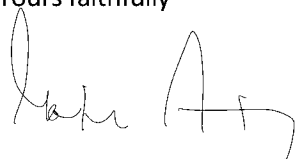
Ideal Shopping Direct Limited t/as "Create & Craft" and "Ideal World" – In Administration ("the Company")
In the High Court of Justice CR-2022-000222

This is my report on the progress of the Administration of the Company for the six month period from 21 February 2022 to 20 August 2022.

If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available online, they should contact our office by email at ideal@turpinba.co.uk, or by phone on 020 8661 4001.

Finally, please note that the affairs, business and property of the Company are being managed by the Joint Administrators, Martin C Armstrong and Andrew Bailey. The Joint Administrators act as agents of the Company and contract without personal liability.

Yours faithfully



Martin C Armstrong FCCA FABRP FIPA MBA FNARA
Joint Administrator
Enc.

Partners

M.C. Armstrong FCCA FABRP FIPA MBA FNARA, D.C. Clark FCCA, J.E. Patchett FCCA FABRP, D.A. Payne BA (Hons) FCA,
B.I. Suckling BSc (Hons) FCCA, M.C. Card FPFS Certs CII (MP & ER), A.R. Bailey FABRP MIPA,
S-J. Crean FCCA, R.A. Russell MABRP MIPA, K.M. Drake FABRP MIPA
Consultant - A.W. Payne FFA/FIPA FFTA DipPFS CeMAP

Registered as auditors in the United Kingdom by the Association of Chartered Certified Accountants.
M. C. Armstrong, J. E. Patchett and A. R. Bailey are licensed to act as Insolvency Practitioners in the United Kingdom
by the Institute of Chartered Accountants in England and Wales.

turpin barker armstrong's privacy policy can be found on our website at <https://www.turpinbarkerarmstrong.co.uk/privacy.html>

**Ideal Shopping Direct Limited t/as 'Create & Craft' and 'Ideal World' ("the Company") – In
Administration**

**JOINT ADMINISTRATORS' PROGRESS REPORT TO CREDITORS
FOR THE SIX MONTHS ENDING 20 AUGUST 2022**

For the purposes of this report, the following abbreviations shall be used:

“AAL”	Aurelius Alpha Limited
“CCPL”	Craft Channel Productions Limited (In Administration)
“C&C”	Create & Craft
“CCHL”	Craft Channel Host Limited
“CRIL”	Craft Retail International Limited (In Administration)
“CVL”	Creditors’ Voluntary Liquidation
“Deramores”	Nomoreretail Limited (formerly Deramores Retail Limited) (In Administration)
“EOS”	Estimated Outcome Statement included with the Proposals
“Evolve”	Evolve IS Limited
“GDPR”	The General Data Protection Regulation
“HMRC”	HM Revenue and Customs
“Hochanda”	Hochanda Global Limited
“Ikan”	Ikan Paper Crafts Limited (In Administration)
“IWL”	Ideal World Limited
“Katten”	Katten Muchin Rosenman UK LLP
“MBV”	Middleton Barton Asset Valuation Limited
“Natwest”	Natwest Bank Plc
“NOITA”	Notice of Intention to Appoint an Administrator
“R&P”	Receipts and Payments Account
“RPS”	The Redundancy Payments Service
“ROT”	Retention of Title
“Sircles”	Sircles.net Limited
“S&S”	Scott+Scott Europe LLP
“STV”	STV Central Limited

“the Company” or “ISD”	Ideal Shopping Direct Limited (in Administration)
“the Code”	ICAEW Insolvency Code of Ethics
“the Court”	The High Court of Justice
“the Joint Administrators”	Martin C Armstrong and Andrew R Bailey of Turpin Barker Armstrong
“the Purchasers”	Ideal World Limited and Hochanda Global Limited
“TUPE”	Transfer of Undertakings (Protection of Employment)
“VM”	Virgin Media Limited

APPENDICES

Appendix 1	A description of the routine work undertaken since appointment
Appendix 2	Joint Administrators' receipts and payments account
Appendix 3	Proof of Debt form

Ideal Shopping Direct Limited t/as “Create & Craft” and “Ideal World” (“the Company”) – In Administration

JOINT ADMINISTRATORS’ PROGRESS REPORT TO CREDITORS

For the six months ending 20 August 2022

EXECUTIVE SUMMARY

Objective of the Administration

- As Joint Administrators of the Company, Andrew Bailey and I are officers of the Court, and must perform our duties in the interests of the creditors as a whole in order to achieve the purpose of the Administration, which is to achieve one of the three objectives set out in the insolvency legislation.
- As stated in the Proposals, the purpose of the Administration of the Company is to achieve objective (b) i.e., achieve a better result for the Company’s creditors as a whole than would be likely if the Company were wound up (without first being in Administration). This has been achieved by the following:
 - An Administration has maximised asset realisations by enabling the transitional period following the pre-appointment sales to be managed in an orderly manner. This has assisted with the collection of flexi-pay receipts due to the Company and ensuring that any deferred consideration remains payable.
 - An Administration has mitigated potential liabilities by enabling the transitional period to be managed in an orderly manner. This has assisted by ensuring services are maintained by the Purchasers and allowed transfer of ongoing contracts to the purchasers. The importance of this is to remove future liabilities from the Company for contractual obligations and these will now be taken on by the Purchasers.
 - An Administration has preserved a number of employees’ jobs, which has considerably reduced liabilities.
 - An Administration has provided the Company with a moratorium which has prevented any action being taken by creditors (without leave of the court or the consent of the administrators) including any action by a landlord. A Licence to Occupy the premises at Ideal Home House has been granted to IWL. This will serve to preserve the deferred consideration due to the Company.
 - The moratorium afforded by the NOITA also provided the Company with protection whilst a sale to IWL took place. The Board has advised that this transaction was in the best interest of creditors as a whole and resulted in enhanced realisations than would have otherwise been available in an insolvency.
 - The moratorium afforded by an Administration has allowed transitional services to be provided and facilitated the continued occupation of properties which would have been more difficult in a winding up and may have resulted in deferred consideration being disputed and may have also resulted in substantial counter claims being made under the terms of the sales.

Joint Administrators’ proposals, approval of pre-administration costs and expenses and approval of the Joint Administrators’ remuneration

- The Proposals were delivered to creditors on 14 April 2022 and were approved at a virtual

meeting of creditors held on 29 April 2022 without modification.

- At the meeting, creditors resolved to form a committee which consists of the following members:
 - o Dormeo UK Limited (represented by ReSolve Group)
 - o House of Alistair Limited
 - o Janeplan Limited
 - o Kim Suleman t/as Six Penny Memories
- The first meeting of the committee was held on 15 June 2022 and a subsequent meeting was held on 26 July 2022.
- Since creditors decided to form a Creditors' Committee, the resolutions proposed by the Administrators in the Proposals relating to costs fell to be considered by the Creditors' Committee. However, despite the Joint Administrators seeking resolutions from the Committee at both meetings, they have failed to determine the basis of the Joint Administrators' pre-administration costs and to fix the basis of the Joint Administrators' remuneration and the Joint Administrators are therefore obliged under Rules 3.52 and 18.18 of The Insolvency (England and Wales) Rules 2016 to seek a decision from creditors in this instance.
- The Joint Administrators will therefore be seeking a decision from creditors to approve the Joint Administrators' pre-administration costs and to fix the basis of the Joint Administrators' remuneration and a separate report in this regard will be sent to creditors shortly.

Progress of the Administration

- I have sought to realise and deal with the Company's assets, including cash at bank, residual assets not included in the sales to IWL or Hochanda, sums due to the Company in respect of debts and deferred consideration, deposits and interchange fee (and associated) claims.
- The actions taken by the Joint Administrators since appointment are detailed in the Proposals and an update on the position is detailed later in this report. Creditors will note that this has been a complex case with significant work required to be undertaken.

Estimated outcome for creditors

- It is anticipated that distributions will be made under the floating charge held by AAL. It is presently unclear whether there will be a distribution under the fixed charge since this will depend on i) whether the deferred consideration due from IWL is paid, and ii) whether those funds are allocated in accordance with the sale agreement or whether they are treated as a debt due to the Company.
- It is anticipated that ordinary preferential liabilities consisting of arrears of wages and holiday pay will be paid in full. According to the EOS, this is estimated to total £236,657. The Joint Administrators' ERA agents, Evolve, are currently calculating employees' balancing preferential claims. It is anticipated that an ordinary preferential distribution will be made shortly.
- Secondary preferential creditors consisting of HMRC for VAT, PAYE, Employees' NIC and Student Loan Deductions of £2,088,526, are also expected to be paid in full. It was initially understood that the sum of £600,000 held by Natwest by way of deposit would be offset against HMRC's preferential and non-preferential debts on a pro-rata basis. However, the majority of the deposit has been released and hence no set off will apply.
- The Company's financial position means there are sufficient assets to enable a dividend to non-preferential unsecured creditors and the dividend to unsecured creditors is likely to be between 6p – 7p in the £, as previously stated in the Proposals. However, I would also advise as follows:

- There is scope for additional realisations to be made, particularly in relation to interchange fee claims against both Visa and Mastercard and in relation to a potential claim against the lawyers instructed to deal with this matter for negligence. If additional realisations are made in respect of these currently “uncertain” assets, then the position for unsecured creditors may improve.
- The EOS is prepared based on the Company’s records at the date of Administration so it is possible that additional claims may be received from creditors (as referred to later in this report) which may have an impact on the level of the distribution for creditors.

STATUTORY INFORMATION

Company name:	Ideal Shopping Direct Limited t/as “Create & Craft” and “Ideal World”
Court name and reference:	High Court of Justice CR-2022-000222
Registered office:	Allen House, 1 Westmead Road, Sutton, Surrey, SM1 4LA
Former registered office:	Ideal Home House, Newark Road, Peterborough, PE1 5WG
Registered number:	01534758
Joint Administrators’ names:	Martin C Armstrong and Andrew Bailey
Joint Administrators’ address:	Allen House, 1 Westmead Road, Sutton, Surrey, SM1 4LA
Joint Administrators’ date of appointment:	21 February 2022
Actions of Administrators:	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

JOINT ADMINISTRATORS’ ACTIONS SINCE APPOINTMENT

Since we were appointed Joint Administrators, work has been undertaken in respect of the matters set out below. This work was carefully planned in advance of the Administration to ensure that the strategy could be implemented quickly.

We were aware that the director had been in negotiations with interested parties with respect to the sale of the main elements of the business. The Craft business had been sold in January 2022 and going into February 2022 there remained uncertainty as to whether the remaining element of the business, Ideal World, could be sold at that stage. The sale of Ideal World business was eventually sold on 14th February 2022 once certain conditions were met and the Company was therefore no longer in a position to trade

having sold the majority of its business.

It was noted that the terms of the sales included obligations upon the Company to support the Purchasers with their transition where reasonable to do so. Following appointment, it was therefore important that we recognised this obligation.

Arranging calls with directors and key personnel

Communication was commenced with key personnel in HR, legal and finance. This included exchanging information to support them with their own roles as well as obtaining further information about the Company's affairs.

Planning

Due to the size and nature of the business there were many key areas which we needed to plan for and manage which included the following.

- Employees
- Creditors
- Critical suppliers
- Properties
- Assets
- Payment providers
- Customers
- Legal aspects
- Security, IT and records
- Communications
- Statutory requirements

Aside from preparing for the assignment immediately prior to appointment we considered it appropriate to have a presence on site shortly after appointment. By doing so it ensured that staff had our team available to them to deal with any matters arising. Our presence also assisted with addressing the key elements of the assignment. Further details of our work (which includes time spent dealing with the above matters) is set out in detail below.

Employees

The employees were a primary focus as we were required to undertake the following:

- Identify key staff.
- Decide which staff needed to be retained to support the Administration.
- Identify which staff would be made redundant immediately.
- Secure payroll records.
- Prepare a communications plan with the HR team.
- Ensure HR1 form(s) had been submitted and consider whether such forms needed updating.
- Work with shared functions to deal with HR, legal and finance requirements.

To support our work, we engaged specialist employment agents, Evolve, to assist which included liaising with the HR team, dealing with submissions to the RPS and dealing with pension enquiries.

As at the date of appointment, the Company employed circa 369 staff (which included 19 staff members that worked in Ikan). A number of staff had previously transferred to the Purchasers prior to our

appointment as Administrators under TUPE. In addition, certain staff were retained by the Joint Administrators up to 31st March 2022 to assist with the orderly wind down of the Company's affairs. All remaining staff (totalling circa 250) were made redundant in the post-Administration period to 31st March 2022.

As at the date of Administration, all ISD employees had wage arrears from 15th February 2022 to 21st February 2022. The affected staff fitted into three categories:

- **TUPE Staff** – Staff that had transferred to IWL under TUPE.
- **Not Retained** – Staff that were not required by the Joint Administrators and would be made redundant as soon as practicable after Administration (these staff were made redundant on 22nd February 2022).
- **Retained** – Staff that would be required by the Joint Administrators in the short term to assist with operation/winding down of affairs.

It was agreed as follows:

TUPE Staff

On the basis IWL had provided an undertaking to reimburse the gross sums due for these employees up to 28th February 2022, it was agreed that the February payroll for this category of staff would be paid via the existing ISD payroll (as IWL had yet to move these employees to their own payroll and doing so mid-month would cause tax issues for the employees who would be moved to emergency tax codes). There was no loss to the estate in respect of these payments and the normal monthly payroll to 28th February for these staff was processed and paid on 25th February. IWL have reimbursed the appropriate gross sum of £154,377.10 to the estate.

Not Retained

These staff were not required to assist the Administrators and therefore it was agreed that they should claim their wage arrears from the RPS as normal. These staff were notified of their redundancy on 22nd February 2022.

Retained

As these staff were to be retained to assist with the Administration, they would be entitled to be paid their post-Administration wages as an expense of the Administration until such time as they left or were made redundant (whichever was sooner). This would leave the period of 15th February 2022 to 21st February 2022 owing which they could, in theory have claimed from the RPS. However, employees were becoming increasingly uncooperative and disgruntled due to the arrears and the fact they would not be paid in full as normal.

The Joint Administrators therefore took the decision to pay retained staff their arrears. As part of this decision, the following was taken into account:

- The wages for all retained staff amounted to £364,549.37 for the month of February 2022.
- The arrears amounted to circa 1 week for each employee.
- Wage arrears up to £800 would be preferential and be liable to repaid in full from the Administration.
- Of the retained employees, only a small number were owed over the £800 limit. The total surplus over the £800 limit amounted to circa £13,900, which is the effective net loss to the estate as the preferential balance would have been paid in full in any event.

- Of the “loss” mentioned above some of this would also have been repaid by way of future unsecured dividends.

In view of the above, and in order to preserve staff cooperation to assist the Administrators with an orderly and efficient winding down of affairs, and to reduce the costs associated with this (and future preferential dividends) if any of these staff left, it was agreed that the pre-Administration wage arrears of the retained staff be paid as an expense of the Administration. The monetary loss to the estate was nominal relative to asset realisations and also avoided increased costs associated with the loss of key staff which would have restricted the Joint Administrators’ ability to carry out their functions efficiently, which would have been detrimental to all stakeholders.

TUPE claims

We have received correspondence from solicitors acting on behalf of some employees in relation to purported TUPE and other related claims. Under the terms of the sale to IWL that took place prior to Administration, the Company has provided an indemnity in relation to employees in respect of regulations 11 and 13 of TUPE. This means that whilst IWL may be liable for any TUPE claims, it does have a claim against the Company under an indemnity in respect of some of them. Any claim under the indemnity would be an unsecured claim in the Administration.

In addition, the terms of the sale provide for the deferred consideration payable by IWL (further details of this are provided later) to be reduced or retained subject to receipt of four or more TUPE claims within a prescribed period. Therefore, whilst the TUPE claims are mainly an issue for IWL, it has been necessary to undertake the following work in order to deal with the claims to preserve the deferred consideration due:

- Obtain legal advice from Katten.
- Liaise with IWL regarding the TUPE claims.
- Review and approve correspondence issued by Katten to solicitors acting on behalf of employees.

Disclosure request

As stated in the Proposals, the Joint Administrators have been contacted by a former officer of the Company requesting access to Company emails in relation to disclosure requirements in court proceedings. In addition, the Joint Administrators have been contacted by solicitors acting on behalf of the respondent in the court proceedings requesting the same. Due to the nature of the request, it has been necessary to obtain advice from Katten on the Joint Administrators’ obligations to provide the data. Katten has also been instructed to correspond with the parties on behalf of the Joint Administrators in relation to assisting with the disclosure obligations (whilst adhering to GDPR). The following work has been undertaken in relation to this since appointment:

- Liaising with an external IT provider in relation to determining the number of searches returned for keywords.
- Liaising with Katten regarding the disclosure request and the process for dealing with the same.
- Obtaining an undertaking for the Joint Administrators’ costs for undertaking work in relation to this.

Insurance claim

The Joint Administrators were made aware of a claim by a former employee for an injury suffered whilst under the employment of the Company prior to our appointment. We have sought legal advice with respect to the claim and our solicitors are communicating with the pre-appointment insurers and

their representatives dealing with the claim on behalf of the Company.

Presenters

Shortly after appointment we were advised that the sums due to ISD's regular presenters as at completion of the sale to IWL had not been paid with the pre-Administration payroll as was intended.

Whilst the presenters were not PAYE employees per the Company's payroll, they have all been engaged by the Company for many years and, to our knowledge, their services were not provided for any other company.

Further, whilst those that are self-employed will not qualify as employees for the purposes of claiming unpaid wages from the RPS, the presenters alleged that they were quasi-employees of the Company and so should have been paid along with PAYE staff. Based on the circumstances of the presenters' roles with the Company, the Joint Administrators could have concluded that they should be treated as employees and that the unpaid sums owed to them could constitute wages which would rank as preferential claims in the Administration (up to £800 per individual).

The matter was discussed with the director to seek his views on the presenters' role at the Company and that they should have been paid with the normal payroll. The director did not disagree that there was some validity to the claim that they were essentially quasi-employees and that addressing this post-appointment was justified given their roles at the Company and the critical nature of the same.

In addition, the Joint Administrators took the decision to pay pre-Administration wages owed to retained staff. Whilst the presenters were not retained by the Administrators for the benefit of the Administration, they have been utilised by IWL since completion and non-payment of the sums owing to them would have likely created issues for IWL and may have led to claims by them in the Administration for (a) the sums they have to reimburse the presenters on behalf of ISD; (b) misrepresentation of the Company's position as part of the sale; and (c) reputational damages arising from this issue. This was considered likely to increase creditor claims by a higher amount than the sums owing to presenters.

In summary:

- The sums owed to presenters should have been paid by the Company with the pre-Administration payroll which was paid to all employees at that time (even those ultimately made redundant following appointment).
- The presenters may have legitimate preferential claims in the Administration for their "wage arrears". In this scenario, the Administrators would incur costs (in addition to potential legal costs) in assessing presenters' claims that they were employees and processing a preferential dividend payment to them.
- If accepted, wage arrears for each of the presenters (up to £800) would be preferential and likely to be repaid in full from the Administration estate. This would reduce the net "loss" to the estate in making the payments to self-employed presenters.
- IWL were expected to claim that there was misrepresentation in relation to the position and given the critical role that the presenters have at the Company then they expected them to have been paid. IWL considered this fell within the terms of the sale agreement and that they would likely claim against the Company if this was not addressed.

In view of the above, in order to reduce the costs associated with preferential dividends, and to avoid

potential significant claims from IWL in the Administration, it was agreed that the pre-IWL sale completion sums owed to presenters be paid as an expense of the Administration. The sums paid total £140,339.52.

Pending orders

Shortly after appointment we were advised that certain ISD orders had not been fulfilled by suppliers. This situation had arisen on orders where goods were shipped to customers directly by suppliers and suppliers had withheld despatch on the basis that they had become aware that ISD was having financial issues.

It was agreed, subject to the provision of certain information/documentation, that these suppliers be paid the sums due to them for all customer orders prior to 15th February 2022, where goods had not yet been despatched and the Company is (or will be) the recipient of the respective customer payments ("the Pending Orders"), as an expense of the Administration.

This was on condition that the supplier in question (a) shall despatch the goods associated with the Pending Orders without delay (in accordance with the relevant Terms & Conditions); (b) shall apply such payment by the Company (acting by its Joint Administrators) solely to the Pending Orders; (c) shall not make it a condition of the despatch of goods that any other outstanding sums owed to the supplier by the Company (other than those relating to the Pending Orders) are paid as an expense of the Administration; and (d) that the sums owed to the supplier for the Pending Orders remain at the original level charged to the Company and are not varied or increased in any way.

The rationale for agreeing to make these payments was as follows:

- ISD has, or will via Flexi-Pay, receive the gross sale prices from customers which will benefit the estate.
- If the Pending Orders go unfulfilled, the customers will apply for refunds, which will result in additional creditor claims or, more likely, charge back claims for the higher sale prices (which will be deducted by the respective merchant provider from future funds due to ISD (or be required to be paid as an expense where they are not deducted at source)).
- Due to the margins involved, the loss of the sale price is much greater than the sums owed to the relevant suppliers, meaning there is a benefit to the estate in making these payments to ensure charge back claims aren't made.

It should be noted that we only undertook to pay suppliers for the Pending Orders that they are withholding as this provided a commercial benefit to the estate and creditors as a whole. If they were a creditor for a balance in excess of the Pending Orders, then this element of their claim was not settled, and they were advised to submit a claim in the Administration for this sum.

Only one supplier ultimately fell into this category, and they were paid the sum of £121,817.93 in this regard.

Pre-appointment disposals

Details of these transactions and the work undertaken by the Joint Administrators to investigate them can be found in the Investigation section of this report.

Assets that remained in the Company at the date of Administration

Although the majority of the business and assets had been sold prior to appointment we have sought

to identify all assets that fell outside of these agreements. In addition, we have taken steps to identify all other assets in order to realise them as quickly as possible including cash at bank, debtors, deposits and other matters which may eventually generate value for the Administration.

As previously reported to creditors, the Board sold the business and assets of the Company via two separate transactions to IWL and Hochanda. Following appointment, the Joint Administrators and our agents reviewed the terms of the sale agreements and attended site to ascertain whether any assets fell outside of the agreements and therefore remained the property of the Company. It was established that the majority of assets were subject to the agreements and only residual assets were still owned by the Company. Our staff and MBV therefore took appropriate steps to realise any value in these assets, details of which can be found in the Asset section of this report.

In addition, following our appointment we were made aware that a shipment of furniture relating to an order placed by the Company was in transit. The freight company in possession of the stock advised that if their liability was not paid then they would claim a lien on the stock. The stock would also remain held in a warehouse incurring storage costs. IWL advised that they would be willing to settle the freight forwarder's liability but only on the basis that they were able to purchase the Company's interest in the stock. Our agents advised that the sale value of the stock was uncertain and that there was a risk that, had the Joint Administrators settled the freight forwarder's liability themselves, realisations may not exceed the liability. IWL submitted an offer for £10,390.15 plus VAT to purchase the Company's interest in the stock which our agents recommended be accepted. This equated to 14p in the £ of the book value of the stock.

Ofcom licence

The terms of the sales to IWL and Hochanda stipulated that the Company would take reasonable steps to enable the transfer of the business including any licences.

On 28th February 2022, we were notified that Ofcom had consented to the transfer of the relevant licences to IWL which was vital to the ongoing operations of the business. However, they would not complete the transfer until the outstanding fees of £9,000 were paid.

We sought legal advice on our obligations from Katten who confirmed that it was appropriate that this sum be paid by the Company. Their view was that it is likely to be considered to fall under the terms of the agreement.

In the event that the amount was not paid then it could have led to the business and assets not transferring which could have resulted in claims being made by IWL for failure to adhere to the sale terms.

On this basis, it was agreed that the £9,000 should be paid from Administration funds to enable the licence to be transferred.

Transitional Services

The Company was subject to various contractual obligations with key stakeholders due to its delivery of services across various TV channels. It was important that we took steps to understand the structure of the business and its contractual arrangements. We have liaised with Katten in this regard to manage the transitional period.

By working with the Purchasers and supporting them with transitional arrangements we have assisted

with ensuring that there has been minimal disruption of service to customers. This has avoided any cessation in supply to customers in order to avoid chargebacks and complaints.

It was identified that a business of this type would be subject to various contracts with third party providers that would be critical for ongoing trade. Although the Company itself had essentially ceased to trade at the date of Administration there were obligations upon the Company to take reasonable steps to assist the Purchasers in supporting the transition of the business. The Joint Administrators sought advice on the terms of the sale agreements, and it was considered that there was an obligation to continue this support. Aside from the terms of the sale it was noted that deferred consideration was also due from IWL and this continued support would mitigate the risk of any claims being made by IWL that the Company had failed to adhere to the terms of the sale which in turn may jeopardise receipt of the deferred consideration and may have resulted in counter claims being made by the Purchasers in the Administration.

The Purchasers were proactive in identifying critical suppliers and taking steps to engage with them to maintain future use of their services. However, in order to transfer any contracts, it did require the Joint Administrators to consider the terms of any transfer. One of the key focusses of the Joint Administrators was to ensure that any transfers would have a benefit to the Administration, where reasonable to do so, such as by mitigating potential claims. For example, many contracts were expected to continue to run for several more years and by agreeing to novate contracts to the Purchasers it would mean that the future obligations for the contract would pass to the Purchasers. It was critical that the contracts being transferred were scrutinised to ensure that fair terms were agreed. The Joint Administrators have worked continuously to ensure that claims arising from contractual obligations have been reduced where possible.

It would be inappropriate to discuss the specific terms of the transferred contracts. However, to provide creditors with a gauge of the type of contracts being transferred these included the following:

BT

This included a straightforward transfer of the existing phone and internet agreements to IWL.

Verifone

This contract related to the provision of services for payment authentication and security for customer payments. It was imperative that this was transferred to enable customers to continue to make secure payment via the various payment platforms.

TV channels, licences and agreements

Dealing with these agreements has been the most time intensive requirement in assisting with transitional services. This has included discussions with various stakeholders and their representatives in order to assist with the transfer of the agreements for the continued use of the TV channels. The stakeholders have included, but were not limited to VM, STV, SDN Limited and Sky.

Significant time has been incurred by the Joint Administrators and their staff in addressing the position which has included the following:

- Communicating with IWL and Hochanda with respect to the critical suppliers.
- Liaising with stakeholders and their representatives directly.
- Discussing and agreeing the terms of any novations/transfers between the Joint Administrators and the critical suppliers.

- Seeking legal advice with regard to ongoing arrangements and terms of agreements.
- Ongoing discussions between the Joint Administrators and senior personnel at IWL and Hochanda regarding terms of the novations/transfers.

Properties

The Company's business was spread across three different sites (being Ideal Home House, Sabre Way and premises at Coney Green Network Centre, Chesterfield).

The Joint Administrators granted a six-month Licence to Occupy the premises at Ideal Home House to IWL. The premises at Sabre Way were vacated on 31 March 2022 and the lease was subsequently surrendered on 19 May 2022.

The Chesterfield premises was subject to a lease held by a connected company, CCPL, which was placed into Administration on 16 February 2022. The lease had never been transferred to another entity despite CCPL having ceased to trade several years ago. This premises had been utilised by the Company for storage and was retained by the Joint Administrators to enable Hochanda to uplift any remaining stock purchased under the terms of the sale agreement. These premises were vacated on 29 March 2022 and formally surrendered on 26 July 2022.

Access to the various premises remained of importance to ensure that the terms of the respective sales were adhered to and there was no disruption to the Purchasers which could have jeopardised payment of deferred consideration and may have led to substantial counter claims. It is therefore considered that the continued occupation of the premises has furthered the purpose of Administration.

Whilst IWL had been in discussions with the landlord of Ideal Home House to formalise their occupation of the premises (either via a new lease or an assignment of the existing lease), however, it was recognised that this would not be achieved prior to the expiry of the Licence to Occupy. At the request of IWL, and on the basis it was considered that the occupation of this premises furthered the purpose of the Administration and that an agreement on the lease was close to being finalised, the Joint Administrators agreed to extend the existing Licence to Occupy to 22nd September 2022 (or sooner if an agreement between IWL and the landlord was reached). As at the date of this report, neither a new lease nor an assignment of the existing lease has been agreed between IWL and the landlord of Ideal Home House and it is likely that a further extension to the Licence to Occupy will be needed.

The following work has been required to be undertaken in relation to the various premises since appointment:

- Corresponding with the landlord(s) and their representatives.
- Corresponding with MBV regarding overseeing the removal of assets from the Chesterfield premises.
- Liaising with solicitors regarding the terms of the Licence to Occupy.
- Liaising with Katten regarding correspondence received from the landlord's solicitor in relation to the premises at Ideal Home House.
- Issuing invoices to IWL for rent due under the Licence to Occupy and arranging for the onward transmission of rent to the landlord.
- Corresponding with IWL and Katten regarding the extension of the Licence to Occupy.
- Negotiating a surrender of the lease at Sabre Way and executing documentation relating to

the same.

- Corresponding with the landlord's solicitor in relation to a surrender of the Chesterfield premises.

Jervis v Harris notice

On 26 May 2022, solicitors acting for the landlord of Ideal Home House served a Jervis v Harris notice in relation to roof repairs estimated at £90,000 excluding VAT. A Jervis v Harris notice is a notice to repair which entitles the landlord to enter the property, require the tenant to carry out work within two months or carry out the repair works themselves if the tenant does not and recover the cost of the works from the tenant as a debt. As this was a debt claim, it was arguable whether this would be an expense of the Administration.

Katten advised the Joint Administrators to instruct a building surveyor to independently inspect the property to verify the landlord's notice and to estimate the costs of the repair work. The Joint Administrators instructed Avison Young to undertake this work. Their report concluded that the repairs would cost £52,780 plus VAT. They also advised that the corrosion to the roof had occurred prior to the Joint Administrators being appointed and Katten advised that it was therefore unlikely that this would be an expense of the Administration.

Katten also instructed counsel to advise on the notice to repair, particularly in relation to the formalities of service and whether these had been complied with by the landlord. The Joint Administrators had not granted access to the property to the landlord, but it is understood that access was granted by IWL as the occupier.

The Joint Administrators considered that any sum payable to undertake these works would be covered by IWL by way of indemnity in the Licence to Occupy.

The following work has been undertaken in relation to the above to date:

- Reviewing the Jervis v Harris notice and obtaining advice from Katten on the same.
- Reviewing counsel's advice on the formalities of service of the notice.
- Instructing building surveyors, Avison Young.
- Liaising with IWL regarding the notice.

Payment providers

The nature of the business meant that to receive payments from customers the Company required different payment platforms to receive funds. This included but was not limited to the Company having agreements with Worldpay, Paypal and Amex. Customers also paid for goods over time using a facility called Flexi-pay.

Following our appointment, the Joint Administrators have been required to communicate with these providers to ensure that the facilities remained active. This enabled funds to continue to be received by the Company for sales made prior to the completion of the sales to the Purchasers but also enabled the Purchasers to continue to receive funds in relation to customer sales made post-completion. The Purchasers needed to continue to use the Company's facilities whilst they transitioned to their own providers. The nature of the business meant that this could not be easily addressed, and time was required to deal with the transition in an orderly manner.

It subsequently transpired that IWL had diverted flexi-pay receipts, which were being received into the

Company's Worldpay account, to their own bank account without the knowledge or permission of the Joint Administrators. These diverted receipts still included funds due to the Company and Hochanda, such that time was spent reconciling the funds received by IWL in order to determine the sums due to the Company and Hochanda. Any funds owing to the Company were offset against credits received from the other payment providers that were due to IWL, whilst Hochanda funds were transferred to the Company and have been retained by the Joint Administrators against sums owing to the Company by Hochanda (further details of which are provided later in this report).

No further funds are being received from Worldpay since the Company's flexi-pay position has naturally concluded. However, the Joint Administrators continue to receive funds from PayPal and Amex which are wholly due to IWL and continue to be reconciled and paid over as appropriate. It is anticipated, however, that the PayPal and Amex transactions will shortly be transferred to IWL going forward.

Significant time has continued to be incurred by the Joint Administrators and their staff in addressing the position which has included the following:

- Communicating with IWL and Hochanda with respect to ongoing requirements.
- Liaising with the various payment providers.
- Working with IWL staff to reconcile receipts and apportion these between the Company and the purchasers.
- Contacting the Company's bankers and the payment providers to monitor receipts and to request the transfer of funds.
- Cashiering requirements to monitor and securely transfer funds.
- Seeking legal advice with regard to ongoing arrangements and the terms of agreements.
- Ongoing discussions between the Joint Administrators and senior personnel at IWL and Hochanda regarding the terms of ongoing arrangements.

To reflect that the Joint Administrators, their staff and advisors were incurring costs, it was agreed that the Joint Administrators could retain 1% of the transaction values being processed. This was considered sufficient to cover the cost of administering the funds with the payment providers and would also encourage the Purchasers to move to new facilities as soon as possible.

Deferred Consideration

The sale to IWL included payment of a deferred instalment of £70,000 due thirty-one days after the Completion Date (which was 14 February 2022). Payment of this sum was conditional upon IWL receiving three or less TUPE claims during a 30-day period from the date of completion. During this period, only one TUPE claim had been received. As such, the Joint Administrators issued a demand for the payment of the deferred consideration of £70,000 (together with additional requests for payment). This sum is yet to be received as IWL is alleging set-off for sums in respect of TUPE and ROT claims. The Joint Administrators have instructed Katten to make a request for payment.

The following work has been undertaken in relation to the above:

- Reviewing the terms of the sale agreement to IWL.
- Considering the position in relation to the TUPE claims.
- Issuing IWL with further requests for payment.
- Liaising with Katten regarding the purported set-off.

Channel 95

It was identified that Freeview Channel 95 had not been purchased as part of the pre-appointment transactions. Valuation advice was sought with respect to the channel but as a consequence of the terms of the relevant agreements, including insolvency clauses enabling termination, it was not anticipated that the channel would have any value. We sought legal advice in order to ascertain appropriate next steps to deal with the channel. As a result, the Joint Administrators wrote to SDN Limited and ITV to confirm their acknowledgement of and agreement to the termination of the Company's transmission services agreement and the automatic reversion of Channel 95 to SDN.

Book Debts – Hochanda

As previously reported to creditors, Hochanda owed the Company sums relating to third-party costs and a contribution to rent due for the Sabre Way premises. A formal demand for the sum due of £360,300 (inclusive of VAT) has been issued to Hochanda. Hochanda does not dispute the debt but advised that they were reluctant to pay until the issues surrounding onward transmission of Flexi-pay receipts had been resolved. Due to this, the Administrators have retained £124,393.86 to date in relation to funds due to Hochanda in relation to flexi-pay receipts to set-off against the debt due. Solicitors acting for Hochanda dispute the Joint Administrators' ability to set off these sums. Katten remain in correspondence with them regarding this.

Book Debts – Flexi-pay

The Company utilised Flexi-pay to enable customers to "buy now, pay later". The product value is split into even instalments across the terms with the first instalment taken at the point of order. The remaining instalments are scheduled to the same calendar day of following months. Collection of the payments from the customers was automated and in the event of non-payment the debt was passed to a collection agency to recover. Costs were added to the debt for debt collection costs and administration charges. The Joint Administrators have continued to manage the collection of the Flexi-pay funds. The amount received to 20th August 2022 totals £2,326,593.78. However, Worldpay is holding an additional £500,000 as collateral pending chargeback claims (in addition to a £250,000 deposit).

Book Debts - Other

Howmans Solicitors have been instructed to pursue the debts due to the Company from non-connected companies. The ledger totalled £478,863 but this included amounts due from intercompany debtors. The total amount due from unconnected parties was £145,736. £49,062.67 has been recovered to date. In addition, the sum of £60,687.66 has been received in respect of commissions due to the Company that were not included in the debtor ledger.

Natwest

In order to facilitate the receipt of funds owing to the Company, Natwest have been instructed to ensure that the Company's bank accounts remain open to receive credits only. Credit funds have been periodically transferred by the Bank into the Administration estate account as and when requested.

The work undertaken in this regard relates to ongoing correspondence with Natwest regarding the operation of the accounts and the transfer of funds.

Interchange fees

As reported previously, in 2017, the Company engaged S&S on a contingency fee basis in relation to losses as a result of interchange fees charged by both Mastercard and Visa. The Company's claims were circa £2.2m and £3.2m against Mastercard and Visa, respectively. Claims were lodged (by electronic

filing) in 2017 which covered the six years prior to filing but due to no sealed copy being received, they were deemed not served. After a lengthy court process, both claims were re-filed in 2020 but as a consequence, the claims were reduced to £900,000 and £1.7m.

Due to the defective service of the claim (which led to a substantial reduction in ISD's claims against both Mastercard and Visa), the Company has a claim against S&S who have acknowledged this and have suggested that this matter be re-visited once the litigation concludes as the settlement value or lost claim value will provide a guide as to the likely rate of recovery that would have been obtained for the lost claim period (which is a period in excess of three years). Whilst the Joint Administrators consider this a sensible approach, in order to protect the Company's position, it has been necessary to obtain independent legal advice from Katten. They suggested that a standstill agreement be entered into with S&S in order to prevent any limitation issues arising. This agreement has been duly entered into.

On 31 March 2022, solicitors acting on behalf of Visa made an offer of £118,000 in settlement of the claim (which equates to 7% of the claim value). This was an offer that had been made previously and one which the Company did not respond to as they did not think that it was sufficient. The offer was open until 14th April 2022. On the basis that the claim is circa £1.7m excluding interest (up to mid-2020 only), and in order to consider any settlement properly, it has been necessary to fully quantify the Company's losses and obtain acquirer data for the period since 2020.

The following work has been undertaken in relation to this matter to date:

- Attending conference calls with S&S, Katten and the Director to discuss the Company's claims against Visa, Mastercard and S&S.
- Reviewing correspondence/documentation relating to the proceedings.
- Instructing Katten to provide advice and liaising with them in respect of the same.
- Reviewing a standstill agreement in relation to the Company's claim against S&S.
- Making enquiries in relation to obtaining additional acquirer data in order to quantify the Company's losses.
- Reviewing/considering the offer in settlement made by Visa.
- Ongoing correspondence with Katten.

Overseas tax registrations/refunds

The Joint Administrators have been made aware that the Company has VAT registrations in Spain, France and Germany. The Joint Administrators instructed the Company's existing tax advisor (KPMG UK LLP) to deregister the Spanish and French tax registrations, which have been completed. It is understood that there may be a refund due to the Company in respect of German VAT and the Joint Administrators are continuing to make enquiries regarding this.

Creditors

Due to the size of the business, there were various categories of creditors to engage with including trade suppliers, ROT creditors, hire purchase companies, freelancers and contractual creditors. All required engagement in order to manage their own interests and our team has sought to engage with all creditors since appointment. Notification of the Administration was circulated to all known creditors and their representatives, and we have continually communicated with creditors via email, phone and other platforms.

This included conversations with creditors who had concerns regarding the circumstances leading to

the Administration. We have sought to engage with these creditors to fully understand any concerns and taken these into consideration as part of our investigations.

The Company has around 600 known creditors. The following work has been undertaken in order to deal with creditors since the Proposals were issued:

- Regular team meetings to discuss internally.
- Maintaining up to date creditor information on the case management system.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.

VM termination

ISD and VM were party to a Carriage Agreement covering two channels: '*Ideal World*' and '*Create & Craft*'. A Variation Agreement was entered into shortly prior to Administration which provided for the '*Ideal World*' agreement to end. The termination took place alongside a new Carriage Agreement being entered into with Hochanda, the purchaser of the C&C business.

In order to terminate the contract, VM sought to include a clause that the Joint Administrators accept their unsecured claim for the entire Annual Fixed Fee of £849,430 for C&C despite the agreement stating that this was paid quarterly in advance.

VM originally advised that the Fixed Fee payable under the contract for C&C pro rata from termination to year end was circa £721,433 (albeit subject to the date of termination). They stood to receive income from Hochanda for 2022 under their new Carriage Agreement with them of £192,310. As such, they advised that their claim for the Fixed Fee will be reduced by the income they will be receiving from Hochanda. They therefore suggested that, by way of compromise, their claim in respect of the Fixed Fee will total £529,123.

VM stated that if they do not agree to enter the termination, then the Company would become liable for sums accruing up to the end of the term of around £730,742 in any event and they would not be obliged to deduct any income received from Hochanda.

After carefully considering the position, it was concluded that there was a benefit to the Administration in accepting VM's unsecured claim for the reduced Fixed Fee of circa £529,123 and including this as a clause in the Termination Agreement for the following reasons:

- It reduced VM's liability in the Administration by c£200k and therefore unsecured claims overall.
- Katten advised that the only way in which the Joint Administrators could terminate the agreement would be to argue that VM is in breach of a warranty or a material obligation (likely to be difficult and subject to dispute). In addition, VM advised that in the event that a termination was not agreed, the contract would simply continue to run and the liabilities would accrue in any event.
- It prevented additional legal costs being incurred in considering and/or disputing the position further.
- It prevented further costs being accrued by the Joint Administrators (and delays in adjudicating upon the claim which may increase costs further).

It should be noted that the Termination Agreement included a clause that amounts payable under the

Variation Agreement in respect of 'Ideal World' are reserved. These claims were not agreed in the Termination Agreement (we only confirmed that accrued rights are not lost) so these claims will be adjudicated upon in due course.

The following work has been undertaken in relation to this matter:

- Liaising with VM.
- Reviewing the terms of the Carriage Agreement and Variation Agreement to consider VM's claim for the Fixed Fee element.
- Instructing Katten to review and advise on the Termination Agreement.
- Reviewing and executing the Termination Agreement.

ROT

The work that has been undertaken, and continues to be undertaken, in respect of ROT claims includes, but is not limited to, the following:

- Reviewing the terms of the sales to IWL and Hochanda to review the position in relation to goods sold and potential ROT claims.
- Receipt of notification of purported ROT claims.
- Notifying IWL and /or Hochanda (as appropriate) of the ROT claims to request that they ringfence (and catalogue) any goods pending resolution of the ROT claim.
- Requesting a completed ROT questionnaire and associated documentation from the claimant and undertaking a preliminary review of the ROT claim to assess its validity.
- Seeking legal advice on the validity of ROT claims as necessary.
- Requesting copies of standard ISD terms purportedly entered into with suppliers to conclude whether they avoid any ROT claims (and reviewing those obtained to date).
- Advising the claimant, IWL, and Hochanda (as appropriate) whether we consider the ROT claim to be valid.
- Ascertaining whether Hochanda and/or IWL wish to deal with the claimant directly to resolve/agree a deal.
- Corresponding with ROT creditors, IWL, and Hochanda (and their legal representatives where applicable) generally on ROT matters.
- Regular correspondence with solicitors and ROT creditors regarding general ROT queries as required.

As the sale of goods from suppliers to IWL and Hochanda took place before the appointment of the Joint Administrators the goods are not under the conduct of the Joint Administrators, with any stock subject to ROT claims held by IWL or Hochanda, and unfortunately the Joint Administrators are reliant on information/documentation being provided from third parties to resolve ROT matters.

As previously advised, the Joint Administrators put IWL and Hochanda on notice of known potential ROT claims and they have been asked to segregate stock relating to those potential claims pending their resolution. The Joint Administrators also asked these parties, along with the claimants, for information/documentation to enable the ROT position to be concluded. Unfortunately, there were delays in providing this information, however, the Joint Administrators have now finalised their views on all but one of the ROT claims.

Marketplace Creditors

The Company operated an online shopping platform that allowed retailers and customers to transact

with each other. ISD only provided the platform for retailers and customers to complete transactions and acted only as agent of the retailer and therefore was not a party to the actual transaction. The payment would be held by ISD for 30 days to ensure that there were no refunds and then they would be sent to the retailer minus ISD's commission. The funds were not segregated from the Company's general bank account, and it has therefore been necessary to obtain advice on whether funds received from marketplace customers were held on trust for marketplace retailers. The legal advice received has confirmed that it as the funds were not segregated it is unlikely that the funds will be held on constructive trust for the retailers.

The following work has been undertaken to date in relation to this matter:

- Obtaining further information relating to marketplace creditors.
- Reviewing the terms and conditions relating to marketplace.
- Liaising with a marketplace creditor.
- Instructing Katten to provide advice on whether the funds received were held on trust.

AAL

AAL has a fixed and floating charge over the Company dated 24 July 2018. The following work has been undertaken in respect of AAL's liability/security to date:

- Requesting information/documentation from AAL in support of their claim and the sums received from the Company.
- Instructing solicitors to provide advice on the validity of AAL's security.
- Instructing solicitors to review the payments made to AAL from the various pre-appointment sales.

Pensions

The Company operated two pension schemes and, whilst agents have been engaged to assist with our obligations in respect of these schemes, the following work has been required in this regard:

- Dealing with the formalities of the instruction.
- Liaising with pension agents and dealing with queries raised.
- Reviewing and authorising statutory notifications.

Books and records (physical and electronic)

The Joint Administrators are required to secure and store the Company's physical and electronic records. We have engaged document management agents and IT consultants to assist with this.

The Company's physical books and records were stored at Ideal Home House. Time has been spent liaising with former staff and File Lady Limited, the storage agents instructed to assist us, regarding the collection of these records.

The Company's electronic records were secured by Sircles. Whilst certain electronic records have been obtained in piecemeal format since appointment, unfortunately various delays were encountered when trying to obtain the Company's full electronic records from the IWL and third party hosts. It is now believed that all electronic records and data have been received, albeit this is subject to a review by Sircles to ensure the data is capable of being interrogated.

Routine statutory and compliance work

Details of the routine statutory and compliance work required since appointment can be found at **Appendix 1**. These are tasks that are required by statute or regulatory guidance or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

R&P

My R&P Account for the period from 21 February 2022 to 20 August 2022 is attached at **Appendix 2**. All amounts are shown net of VAT. I have reconciled the account against the financial records that I am required to maintain.

Since the reporting period end date, the following transactions have taken place through the estate bank account:

Date	Payments (£)	Description
22/08/2022	4,659.91	Third party funds – IWL
22/08/2022	2.50	Bank charges
23/08/2022	112.48	Worldpay charges
23/08/2022	134.99	Worldpay charges
24/08/2022	256,995.42	Legal fees – post-ADM
24/08/2022	0.45	Bank charges
30/08/2022	2.50	Bank charges
30/08/2022	6,489.86	Third party funds – IWL
02/09/2022	731.46	Utilities – Ideal Home House
02/09/2022	0.45	Bank charges
05/09/2022	2.50	Bank charges
05/09/2022	3,940.93	Third party funds – IWL
12/09/2022	2.50	Bank charges
12/09/2022	12,507.35	Third party funds – IWL
13/09/2022	1,236.17	Agents' fees – post-ADM (Kingford)

Date	Receipts (£)	Description
30/08/2022	43,241.49	Rent & insurance – Ideal Home House
30/08/2022	731.46	Utilities – Ideal Home House
30/08/2022	7.31	Charge on utility payments
30/08/2022	65.55	Charge on third party funds – IWL
30/08/2022	6,489.86	Third party funds – IWL
31/08/2022	18,813.29	Rent & insurance – Ideal Home House
31/08/2022	1,087.79	Rent & insurance – Ideal Home House
05/09/2022	39.81	Charge on third party funds – IWL
05/09/2022	3,940.93	Third party funds – IWL
12/09/2022	289,647.96	Book debts – FlexiPay
12/09/2022	126.34	Charge on third party funds – IWL
12/09/2022	12,507.35	Third party funds – IWL
13/09/2022	4,944.67	Rates refund

The balance of funds are held in an interest bearing estate bank account.

ASSETS

Payroll contribution – IWL

As previously reported, on the basis IWL had provided an undertaking to reimburse the Company for the gross sums due to employees (who transferred to IWL) up to 28 February 2022, it was agreed that the February payroll for these staff would be paid via the existing ISD payroll (as IWL had yet to move these employees to their own payroll and doing so mid-month would cause tax issues for the employees who would be moved to emergency tax codes). There was no loss to the estate in respect of these payments and the normal monthly payroll to 28 February for these staff (and retained staff) was processed and paid on 25 February. IWL have reimbursed the appropriate gross sum of £154,377.10 to the estate.

Deferred Consideration

The Joint Administrators have issued a demand to IWL for the payment of the deferred consideration of £70,000. Despite further requests for payment, this sum is yet to be received. As referred to earlier in this report, IWL is purporting to apply set off in respect of TUPE and ROT claims for which they claim they will suffer significant loss. Katten are continuing to pursue payment of this sum.

Fixed Assets

Although the majority of the business and assets had been sold prior to appointment, the Joint Administrators sought to identify all assets that fell outside of these agreements.

MBV attributed the following values to these assets:

Category	Market value (In situ) (£)	Market value (Ex situ) (£)	Sale value (£)	Notes (see below)
Office furniture & equipment	7,500	5,000	12,411	(1), (2), (3) and (5)
Plant & machinery	3,800	1,200	See above	(1), (2), (3) and (5)
Returned stock	30,000	20,000	21,126	(4)
Total	41,300	26,200	33,537	

Assets at Sabre Way, Peterborough (1)

At the Company's warehouse it was identified that there was residual furniture and equipment. Following advice from MBV, these items were sold to Hochanda for £5,200.

Assets at Coney Green Network Centre, Chesterfield (2)

Hochanda were provided with access to the premises in Chesterfield to uplift the stock purchased via the sale agreement. However, although technically purchased by Hochanda under the sale agreement, certain items, including furniture, equipment and stock were abandoned and Hochanda confirmed that they had no interest in these items. In order to exit the premises in an orderly way our agents sold the remaining items at auction for £7,209.

Assets at Ideal Home House (3)

The Company had residual IT equipment and furniture at Ideal Home House. The costs to remove and sell these items were considered prohibitive. However, during ongoing discussions with IWL regarding transitional services, IWL claimed that a fee of £5,000 attributable to the novation of an agreement to

IWL was payable from the Administration estate. Whilst this was disputed by the Joint Administrators legal advice would have needed to be sought to confirm the position. To avoid this and resolve the position, it was agreed IWL would retain the remaining furniture and equipment at Ideal Home House in lieu of accepting liability for the transfer fee.

Returned goods (4)

It was identified that some stock relating to pre-appointment sales was being returned to Ideal Home House post-appointment. This consisted of a mixture of goods including, homeware, clothing, jewellery and sports equipment. It was considered that the costs to uplifting and sell these goods would be prohibitive. IWL submitted an offer of 12p in the £ at book value to purchase the stock and this offer was recommended to be accepted by MBV. The sum of £21,126.62 was realised in this regard.

IT equipment (5)

Two laptops were sold by the Joint Administrators to IWL for £1 each. This reflected the terms of the pre-appointment sale agreement between the Company and IWL which provided IWL with an entitlement to purchase laptops for £1 each for a period of 30 days from appointment.

In addition to the above another category of asset was identified which is set out below.

Stock in transit

We were made aware that a shipment of furniture relating to an order placed by the Company was in transit. The freight company in possession of the stock advised that if their liability was not paid then they would claim a lien on the stock. The stock would also remain held in a warehouse incurring storage costs until the position was resolved. IWL advised that they would be willing to settle the freight forwarder's liability but only on the basis that they were able to purchase the Company's interest in the stock. Our agents advised that the sale value of the stock was uncertain and that there was a risk that, had the Joint Administrators settled the freight forwarder's liability themselves, realisations may not exceed the liability. IWL submitted an offer for £10,390.15 to purchase the Company's interest in the stock which our agents recommended be accepted. This equated to 14p in the £ of the book value of the stock.

The funds generated from the above sales total £43,927.77.

Book Debts – Flexi-pay

At the date of the Joint Administrators' appointment, it was understood that debts from Flexi-pay customers totalled circa £3m.

As advised earlier in this report, the sum of £2,326,593.78 has been received in the reporting period in respect of Flexi-pay debts. The sum of £289,647.96 has also been received outside of the reporting period, so will not be reflected in the R&P. In addition, Worldpay is currently withholding £500,000 in respect of Flexi-pay receipts pending chargeback claims.

Book Debts – Other

Non-connected debtors totalled £145,736. However, for the purposes of the EOS, a provision of 20% was made. Howmans Solicitors were instructed to pursue recovery of the ledger for a fee of 10% of realisations. As advised earlier in this report, the sum of £108,926.83 has been received to date which includes commissions of £60,687.16 due to the Company (which were not included in the debtor ledger and are therefore not subject to Howmans' fees).

Book Debts – Hochanda

As advised earlier in this report, the Company is due to receive an aggregate sum of £360,300 (inclusive of VAT) from Hochanda in respect of a rent contribution for Sabre Way and third-party costs for the period from 1 February 2022 to 24 February 2022. This debt was acknowledged by Hochanda as being due, but they advised they were reluctant to pay because of the perceived risk relating to the ongoing receipt of flexi-pay instalments due to them. Whilst we have previously remitted funds to Hochanda to which they were entitled, in view of the position and our duty to protect the position of creditors, we have offset certain Hochanda flexi-pay receipts against the outstanding invoices of £360,300. As a result, the sum of £124,393.86 has been retained. As advised earlier in this report, Katten remain in correspondence with Hochanda's solicitors regarding payment of the balance.

Worldpay deposit

At the date of appointment, Worldpay was holding a £500,000 deposit pending chargeback claims. £250,000 of this deposit was subsequently released to the Administrators. Worldpay retained an additional £500,000 (which related to flexi-pay receipts) as collateral for releasing post-Administration sums received by them (as part of the indemnity agreed with them). They are currently therefore holding an aggregate sum of £750,000 as security for ISD and will hold this sum until their exposure reduces to nil.

HMRC bond

Whilst the EOS included a bond of £600,000, this was considered likely to be offset against HMRC's preferential and non-preferential debt, which was expected to extinguish the bond in full. However, the sum of £572,183.94 has been received from Natwest in relation to the bond which is net of their charges and duty deferment claims received against the bond of £27,816.06.

Intercompany debts

It was understood that intercompany debts totalled £2,692,285 as owing to the Company, which primarily related to sums due from Deramores, Ikan and CRIL.

The Company does have a fixed and floating charge registered against the assets of Ikan. However, based upon information available it is unlikely that this will have any value and result in a distribution to the Company under its security.

The Joint Administrators have instructed Menzies Chartered Accountants to review and reconcile the intercompany position, including whether any payments to group companies could be recoverable under the Insolvency Act 1986. This work is ongoing.

Cash at Bank

The Company's various currency accounts were frozen by the Joint Administrators following appointment but remained open in order to receive monies due to the Company from the various payment providers. The sum of £3,483,192.10 has been received from the Company's bankers which relates to the credit balance held at the date of Administration.

Rent and insurance – Ideal Home House

As referred to earlier in this report, the Joint Administrators granted IWL a Licence to Occupy for the premises at Ideal Home House for a six-month period ending 21 August 2022 (which was subsequently extended). The sum of £273,039.86 has been invoiced to IWL in respect of rent and insurance due for the premises for the period from the date of Administration up to 21 August 2022, with the sum of

£254,226.57 having been received from IWL in the reporting period in respect of rent due for the period prior to and including the March quarter. The balance of £63,142.57 has been received outside of the reporting period.

The sum of £230,370.51 has been paid to the landlord in respect of rent and insurance up to 21 August 2022. The Company had paid the rent for the January quarter prior to Administration. Part of this was recouped from IWL in respect of their occupation of the premises from the date of Administration up to the March quarter date.

Sundry Refunds

The Joint Administrators have received subscription refunds from BUPA in the sum of £4,333.81 and £2,211.39 from SSE Swalec that represented a credit balance at the date of Administration.

The Joint Administrators will investigate the recoverability of all prepayments and pursue repayment as necessary.

Cash in Hand

At the date of the Joint Administrators' appointment, £3,414.29 was held in respect of petty cash.

Gross Bank Interest

The sum of £919.25 has been received in respect of gross bank interest received on funds held in the estate bank account.

Interchange fee claim

As advised earlier, the Company has instructed S&S to pursue interchange fee claims against Visa (circa £1.7m) and Mastercard (circa £900,000). Whilst Visa has made an offer in settlement (which is not considered acceptable at this stage), for the purposes of the EOS, realisations are currently uncertain.

Negligence claim

The Company also has a claim against S&S for defective service which led to a significant reduction in the Company's claims against Visa and Mastercard. S&S have suggested that this matter be re-visited once the litigation against Visa and Mastercard concludes as the settlement value or lost claim value will provide a guide as to the likely rate of recovery that would have been obtained for the lost claim period (which is a period in excess of three years). Whilst the Joint Administrators consider this a sensible approach, in order to protect the Company's position, it has been necessary to obtain independent legal advice from Katten. They suggested that a standstill agreement be entered into with S&S in order to prevent any limitation issues arising.

For the purposes of the EOS, realisations in this regard are stated as uncertain.

Utilities – Ideal Home House

Due to issues with IWL transferring ISD accounts with existing the utility providers, it was agreed that the Joint Administrators would pay utilities for the Ideal Home House premises following receipt of funds from IWL. In the reporting period, funds of £60,095.34 have been received from IWL in relation to utilities. The sum of £60,095.34 has been paid to the utility provider to date.

Charge on utility payments

To account for the costs in dealing with the above, it was agreed that a 1% fee would be charged to IWL for any payments made. The 1% fee charged to IWL to date is £600.96.

Charge on third party funds – IWL

The sum of £124,977.89 has been received in the reporting period by way of the 1% charge on funds received from the payment providers and subsequently remitted to IWL.

Charge on third party funds – Hochanda

The sum of £14,756.40 has been received in the reporting period by way of the 1% charge on funds received from the payment providers and subsequently remitted to Hochanda.

Bank Refund

The sum of £244.52 has been received from Natwest in respect of a refund of charges on the Company's deposit account.

Third party funds – IWL

The sum of £12,330,212.44 (after deduction of the 1% charge) has been received from the various payment providers and £12,528,521.82 has been remitted to IWL. A sum in excess of that received is shown as being remitted to IWL since the excess funds received are currently sitting in the Company's Natwest account and are periodically being transferred by Natwest to the Administrators' estate account.

Third party funds – Hochanda

The sum of £1,460,883.90 (after deduction of the 1% charge) has been received from the various payment providers and subsequently remitted Hochanda.

Overseas tax refunds

As advised earlier, the Joint Administrators are making enquiries in relation to the German VAT position to establish if there is scope to obtain any refunds.

Surrender of tax losses

I approached Buzzacott LLP to prepare the Company's corporation tax returns and computations for the year ending December 2021 and for the short period prior to Administration. This was on the basis that there may be scope to surrender any tax losses incurred in these periods to other group companies for compensation. At this stage, it is uncertain whether any tax losses were incurred and so the group has agreed to underwrite the costs of Buzzacott LLP completing and submitting these returns in the event that it transpires that there are no losses to surrender. Buzzacott LLP were formally instructed after the end of the reporting period (after the group's undertaking had been received) and hence I have not provided details of their costs in the expenses section of this report.

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, shows that the Company has granted the following charges (which remain unsatisfied at the Registrar):

Persons entitled	Type of charge	Created	Delivered
National Westminster Bank PLC	Fixed & floating charge	15/01/2022	21/01/2022
National Westminster Bank PLC	Fixed & floating charge	21/01/2021	25/01/2021
National Westminster Bank PLC	Fixed charge	23/05/2019	04/06/2019

AAL

Fixed & floating charge

24/07/2018

30/07/2018

AAL has advised that their indebtedness as at the date of Administration is £1,851,335.07. However, this includes £292,474.28 in respect of unpaid management fees accrued under a consultancy agreement. Advice is being sought on whether these unpaid fees are subject to AAL's security. No sums have been paid to AAL during the Administration. Legal advice is being obtained on AAL's liability generally, principally whether all entities subject to the guarantee for the revolving credit facility entered into with ISD are liable for the debt and/or whether ISD would have a subrogated claim against the other group companies for the sums it has paid or will pay to AAL under the charge.

There is no indebtedness owed to National Westminster Bank plc. They were holding the sum of £600,000 in respect of a HMRC bond (this relates to the fixed charge granted on 23 May 2019) but this has now been used to meet HMRC's duty deferment claims and the balance of £572,183.94 has been received into the estate.

Preferential Creditors

The only known ordinary preferential creditors are former employees of the Company for arrears of wages and holiday pay, owed an estimated £236,657 in this regard.

It is anticipated that secondary preferential creditors consisting of HMRC for VAT, PAYE, Employees' NIC and Student Loan Deductions of £2,088,526, will be paid in full. It was initially understood that the bond of £600,000 held by Natwest would be offset against HMRC's preferential and non-preferential debts on a pro-rata basis, however, as above, the sum of £572,183.94 has since been received from Natwest in relation to the bond which is net of their charges and duty deferment claims received against the bond of £27,816.06.

A claim in the sum of £811,311.54 has been received to date in respect of PAYE/NIC and student loan deductions only, whilst an assessment of £835,087 has been submitted, which relates to the Group VAT. As advised earlier in this report, Menzies have been instructed to prepare the Group's pre-administration VAT return to ensure that HMRC's liability is accurate.

Crown Creditors

It was estimated that £348,613 was owed to HMRC in respect of their non-preferential claim. HMRC is yet to submit a non-preferential claim.

Non-preferential unsecured Creditors

It was estimated that non-preferential unsecured creditors totalled £15,617,851. This sum was based on the Company's records as at the date of Administration and was inclusive of sums owed to employees in respect of arrears of wages (over and above the statutory limit), redundancy pay and pay in lieu of notice.

I have received claims from unsecured creditors totalling £17,513,277.49, which includes a claim from the RPS for the non-preferential element of employees' claims met by them. To date, a number of claims exceed the figures obtained from Company records.

DIVIDEND PROSPECTS AND ALLOCATION OF COSTS

To comply with SIP14 costs are required to be apportioned between fixed, floating and uncharged asset realisations. In view of there being no fixed charge realisations to date, all costs have been allocated to

floating charge realisations.

Fixed charge creditors

It is presently unclear whether there will be a distribution to AAL under the fixed charge since this will depend on i) whether the deferred consideration due from IWL is paid, and ii) whether those funds are allocated in accordance with the sale agreement or whether they are treated as a debt due to the Company.

Preferential creditors

It is anticipated that ordinary preferential creditors will be paid in full shortly.

It is also anticipated that secondary preferential creditors consisting of HMRC for VAT, PAYE, Employees' NIC and Student Loan Deductions of £2,088,526, will be paid in full.

Floating charge creditors

Based on current information it is anticipated that floating charge distributions will be made to AAL (subject to ongoing legal advice regarding their security).

Unsecured creditors

No dividends have been paid to unsecured creditors to date.

As previously advised, the Company gave a floating charge to AAL on 24 July 2018 and the prescribed part provisions will apply, whilst it is also anticipated that AAL will be paid in full under their floating charge such that there will be funds available for unsecured creditors over and above the prescribed part. We are presently unable to estimate the quantum or timing of any distribution but based on current information it is estimated that the dividend will be between 6p – 7p in the £. This is, however, subject to change.

If a creditor has not already submitted proof of their debt, they should complete the enclosed form (see Appendix 3) and return it to me, together with the relevant supporting documentation.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

We undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. We are required by the Statements of Insolvency Practice to undertake such an initial investigation and the work detailed below has been undertaken in connection with that initial investigation.

Specifically, we recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the Natwest GBP accounts for the two-year period prior to Administration; conducted a detailed analysis of aged creditor claims and compared the information in the Company's last set of accounts with that contained in the EOS and made enquiries about the reasons for the changes.

In addition, following appointment, a number of creditors raised matters of concern. The Joint Administrators reviewed any matters raised and have concluded those raised by creditors which did not merit further investigation. A number of concerns raised did merit further investigation. These

matters consisted of concerns over the pre-appointment disposals, the retention of sums due to marketplace traders and the actions of the director prior to Administration in relation to obtaining credit/ordering stock and wrongful trading.

Marketplace creditors

The Company acted as an agent which took payment on behalf of certain Marketplace retailers who were the Merchant of Record. In practice, payments were then kept for 30 days (to allow for any refunds) and then sent on to the respective retailers less the Company's commission.

Due to the Administration, certain retailers did not receive their payments from the Company, and we were contacted by certain Marketplace retailers alleging that the payments received by the Company and not paid over were held on trust for their benefit (and should therefore be paid to them from estate funds).

We made enquiries of former ISD staff and obtained legal advice. We would summarise the position as follows:

- ISD was not a party to any contract of sale between a Retailer and a Customer conducted in the Marketplace.
- ISD was appointed as agent of the Retailer to receive payment on behalf of the Retailer from the Customer.
- Receipt of payment by ISD would be treated as receipt by the Retailer (notwithstanding any accounting entries which may identify ISD as the payee).
- ISD acted as the Retailer's agent to hold the payment received from a Customer to the Retailer's order pending payment to the Retailer in accordance with the below.
- ISD was generally obliged to make payments to Retailers on a weekly basis.
- All payments relating to the purchase or sale of an item by a Customer and a Retailer must be handled by ISD as the Retailer's agent.
- ISD could retain a portion of a payment due to a Retailer in order to provide for refunds due. The retention period is limited to no longer than six months after the relevant order date. As above, funds were generally retained for 30 days.

Katten's view was that if it could be shown that ISD did not segregate the funds exclusively received on behalf of Retailers, it is unlikely that the funds will be held on constructive trust for the Retailers. As funds were not deemed to be held on trust and repayable to Marketplace retailers, we considered whether this constitutes any misconduct. We would comment as follows:

- The Marketplace T&Cs do not appear to require ISD to segregate the funds received on behalf of Retailers.
- Former Counsel for ISD confirmed that funds received on behalf of Retailers were not segregated, however, whilst this may have been prudent, as this does not appear to be a specific term of the agreement between ISD and the Retailers, this does not appear to be evidence of misconduct.
- We have only been contacted by one creditor who advised they were a Marketplace retailer but have not yet submitted a claim.
- Whilst there may be other affected retailers, in view of the nominal sums believed to be owing to this category of creditor, and the fact that ISD were not obligated to ringfence funds owing to Marketplace retailers, there does not appear to be any evidence of misconduct in this regard.

The actions of the director prior to Administration in relation to obtaining credit/ordering stock and wrongful trading

As set out in the Proposals, the Joint Administrators undertook an initial review of the position and whilst it is feasible that the position of certain individual creditors had worsened during the period from the filing of the NOITA, the overall position for all stakeholders improved as a result of the Company continuing to trade in the period.

Following this review, and in view of the concerns raised by members of the Creditors' Committee, we undertook a further, expanded, review, and have sought Katten's advice on the position. In this regard we reviewed ISD's financial information, the relevant Company books and records in our possession and further information provided by the members of ISD's Creditors' Committee. One purpose of this review has been to assess the extent to which ISD or the Joint Administrators, may have claims against any persons, including the current and/or former directors of ISD, in relation to matters and transactions arising prior to ISD's administration.

Following our expanded review, we prepared a detailed file note which summarised the relevant information we had reviewed and our analysis of those documents and, in particular, financial information including monthly balance sheets and cash flow summaries.

Katten have reviewed our file note and other relevant documentation and are in the process of finalising their views in respect of potential claims that may vest in ISD and/or the Joint Administrators against the current and/or former directors of ISD (or any potential shadow or de facto director) and/or any other persons and particularly in relation to the continued trading of the business during the period identified below.

Pre-appointment transactions/disposals

C&C and Ideal World

The director took steps to seek buyers for the different elements of the business with a view to avoiding a scenario which would include cessation of trade and a disorderly wind down of the Company's affairs. In this scenario it was anticipated that all stakeholders would face a worst-case scenario to include, but not be limited to, the following:

- All company employees and freelance staff would be made redundant.
- All premises would be vacated and handed back to the respective landlords resulting in claims for future rent and dilapidations.
- Suppliers would face significant liabilities, but it was considered that an orderly sale may mitigate the existing liabilities generally.
- No value being achieved from any sales and any going concern value would dissipate.
- All contractual obligations for existing contracts, including the TV channels, being crystallised and claims arising for future liabilities under the respective contracts.
- Opportunities for suppliers to trade with any purchasers going forward would not be available.

By undertaking a marketing exercise, it was considered that it would enable the following to generate a best-case scenario in these circumstances:

- As many elements of the business to be sold as possible to generate maximum value.
- Preservation of certain elements of the business resulting in employees associated with these elements being employed by the purchasers.
- Potential future occupation of the Company's premises to mitigate future rent claims.
- Potential novation of contracts to the purchasers to mitigate contractual obligations going forward which would transfer to the purchasers.

- Survival of the existing elements of the business to enable suppliers to continue to trade with them going forward. It was understood that some suppliers relied significantly on the business for their trade and the preservation of the business to these suppliers was vital.

It was important that these transactions were reviewed independently to ensure that they have generated best value in the circumstances and that all appropriate steps have been taken. MBV were engaged by the Joint Administrators to review these transactions. MBV are independent and professional valuation agents who confirmed that they have adequate professional indemnity insurance in place. MBV also confirmed that they had no previous involvement in respect of the Company and no conflict of interest.

MBV undertook a detailed review of the above transactions. It was noted that the C&C and Ideal World brands, along with the associated tangible and intangible assets, were the basis of the Company's identity and encompassed the vast majority of the Company's trading assets, leaving only a small quantity of tangible assets of no real significant value in the business at the point of the Joint Administrators' appointment.

The combined realisations across the asset categories were as follows:

Asset	Sale Value (£)
Goodwill	603,886.00
Seller's records	603,885.00
Business Intellectual Property Rights	623,885.00
Stock	1,248,344.00
Office Equipment	10,000.00
Studio Equipment	230,000.00
Warehouse Equipment	10,000.00
iHub Equipment	50,000.00
Total	3,380,000.00

MBV reviewed the statutory accounts filed at Companies House for the years ending 30 December 2018, 29 December 2019 and 27 December 2020. The key trading figures are summarised as follows:

	Year to: 30/12/2018 (£000)	Period to: 29/12/2019 (£000)	Period to: 27/12/2020 (£000)
Turnover	130,387	129,703	150,583
Gross Profit	46,208	46,681	48,982
Net Profit/(Loss) Before Tax	(32,487)	6,292	8,008

Further to the above, MBV noted that the Company achieved a turnover of £144.1M in 2021, which resulted in an EBITDA of -£0.5M.

The Company's performance over the last 4 years, accounting for an exceptional loss in 2018 and enhanced profit in 2020, has an average of circa £1.1 million in net profit. The sale of the Company's intangible assets achieved circa £1.8m, resulting in a multiplier in the region of 1.5. MBV confirmed that in their opinion, the sales concluded in respect of the intangible assets prior to the Joint Administrators' appointment were significantly higher than what they could reasonably expect to

achieve on the open market, should these assets have been offered for sale on the open market upon the Joint Administrators' appointment, under the circumstances.

With regard to stock held, MBV noted that the total cost value of stock sold was £5,889,599. The transactions prior to the Joint Administrators' appointment achieved a total of £1,248,344, representing a return of circa 21.2%. Considering the purchasers are responsible for any suppliers' claims on title, MBV advised that the value achieved appears to be fair under the circumstances.

With regard to the tangible assets sold, which included the studio and iHub equipment utilised for both aspects of the business, MBV noted that the sale agreements did not schedule the assets included within the sales, however MBV understood that there is a clear physical distinction on site in terms of how these assets are allocated. MBV have taken a global view of the assets located at both trading premises, which was understood to have been included in these sales and are confident that the consideration achieved far exceeds any realisable market value these assets would hold if offered for sale on the open market.

In summary, having carried out a detailed review of the Company's assets, of both a tangible and intangible nature, and in view of the marketing exercise undertaken by Interpath in November 2021 (referred to in the Proposals), we are satisfied that the steps taken by management and stakeholders prior to the Administrators appointment, with a view to maximising the potential return for the body of Creditors as a whole, have achieved a level of realisations significantly higher than what we believe could have been achieved for these assets if offered sale on the open market as part of the Administration process under the circumstances.

Channel 22 swap

As advised in the Proposals, on 6th January 2022, ISD entered into an agreement with Shop TJC Limited to swap Freeview channels. ISD's channel, Ideal World, was to move from channel 22 to 50 and Shop TJC's jewellery channel from 50 to 22. The swap was to happen on the next date on which Digital UK would permit such a swap, which was 19 January 2022. ISD received £7m as compensation for moving to a less attractive position on Freeview. In order to obtain AAL's consent and release, 50% of the consideration was paid to them.

MBV were engaged by the Joint Administrators to review the Channel 22 swap and the pre-appointment sales generally (their comments on the sales to IWL and Hochanda were included in the Proposals). MBV are independent and professional valuation agents who confirmed that they have adequate professional indemnity insurance in place. MBV also confirmed that they had no previous involvement in respect of the Company and no conflict of interest.

MBV have advised that at the time of the transaction, management had no precedence for what effect on viewer numbers and revenue the swap would have. It is understood that the Company previously swapped LCN 23 to LCN 95 in a similar transaction, wherein the Company did not lose in any measurable way. The only difference in the LCN 23 transaction was the channel had a dedicated audience. The Company estimated that the LCN 22 swap may impact revenue by 20% - 40% and MBV have advised that in the first few weeks of trading on LCN 50, the losses were in this region. At the time of the LCN 22 transaction, the Company was in talks with Hochanda and were close to completion in respect to the sale of the C&C brand (with the sale completing on 10 January 2022). At this time the Company had no third-party interest in the IWL brand, and considering the financial losses being incurred, insolvency proceedings were imminent. The Company went on to agree a sale of the IWL brand on 8th February 2022. MBV is unable to quantify what effect (if any) the LCN swap from 22 to 50

may have had on the price achieved for the IWL sale, however they have confirmed that they are satisfied that any impact the swap had on the consideration ultimately achieved, would not be comparable to the level of consideration received by the Company in completing the transaction with Shop TJC. They advised that there are no real price precedents for transactions of this type and generally Freeview LCN's have no real market value.

In summary, they confirmed that the sale achieved a sum significantly higher than what they believe could have been achieved for this asset if offered for sale on the open market, as part of the Administration process under the circumstances.

Channel 23 swap

On 13 March 2020, the Company entered into a Put and Call Option Agreement with UKTV Media Limited as part of a wider transaction relating to the launch and transfer of Channel 23. In summary:

- ISD would launch Channel 23 itself and broadcast.
- Once up and running for a specified period, it would transfer Channel 23 and associated permissions/licences etc. to CCHL which was, in effect, an SPV set up for this purpose.
- Following that, ISD would then sell its shares in CCHL to UKTV in accordance with the option agreement.
- The ultimate result is that Channel 23 would then sit within the UKTV Group.

The director has advised that this sale was part of a channel switch from 23 to 95 with the total sum of £7.9m actually being received. Of this, £1.2m was purportedly utilised by the Company in the ordinary course of business, whilst the residual sum was paid to AAL to reduce the revolving credit facility subject to their security.

MBV have also provided advice on the above transaction. In summary, they confirmed that the sale achieved a sum significantly higher than what they believe could have been achieved for this asset if offered for sale on the open market. They have also advised that the transaction had no real financial impact on the continued trading of the Company. They are satisfied that the sale presented fair value and it was in the best interest of the Company to complete the transaction.

In addition, the Joint Administrators instructed Katten to provide advice on the effect of the security granted by the Company in favour of AAL in relation to the pre-appointment transactions that were undertaken. The transactions were as follows:

- The put and call option agreement dated 13 March 2020 made between the Company and UKTV Media.
- The Channel swap agreement dated 6 January 2022 made between the Company and Shop TJC Limited.
- The sale to Hochanda dated 10 January 2022.
- The sale to IWL dated 14 February 2022.

Katten concluded that AAL holds valid security over the Company's assets realised in respect of each of the transactions listed above by way of both fixed and floating charges. In summary, they concluded that there are no grounds to challenge the security granted in favour of AAL or the payments made to them from the transactions above.

AAL's security

Katten has provided advice which confirms that AAL's charge has been validly executed. It was granted over two years ago so section 245 of The Insolvency Act 1986 does not apply. AAL has been partially repaid prior to Administration from i) the sale of CCHL in 2020, ii) from the Channel 22 swap, iii) from the sale of C&C to Hochanda and iv) from the sale to IWL. As advised above, Katten has provided advice that concludes that the payments to AAL from the pre-appointment sales is not capable of being challenged.

Bank Analysis

The analysis undertaken to date includes full reconciliations of payments made to, and received from, the following in the two-year period prior to Administration:

- Ikan
- Deramores
- CRIL
- CCPL
- CCHL
- Any other connected companies
- The directors (including any de facto or resigned directors) and other connected parties and key personnel
- The charge holders
- IWL
- Hochanda
- HMRC
- Cheque payments
- Cash withdrawals
- Payments made after cessation
- Large and unidentified transactions
- Other companies in which the ultimate beneficial owner of the Company has an interest

The above reconciliations were undertaken to establish whether any sums could be recovered for the benefit of creditors. The intercompany reconciliations were also considered appropriate in order to assist in quantifying the intercompany balance.

In addition, the Company's bank accounts were reviewed in respect of payments made to HMRC. This was undertaken to assist with the confidential report on the conduct of the directors (further details of which can be found below).

A review of the Company's banking records highlighted certain transactions that require further investigation. Our investigations into these transactions remain ongoing at this stage.

This work may lead to potential recovery actions, and the work outlined above was undertaken to further those investigations with a view to establishing whether recoveries can be made for the benefit of the creditors.

Conduct Report

Within three months of our appointment as Joint Administrators, we are required to submit a confidential report to the Secretary of State to include any matters which have come to our attention during the course of our work which may indicate that the conduct of any past or present Director would make them unfit

to be concerned with the management of the Company. We would confirm that our report has been submitted.

PRE-ADMINISTRATION COSTS

The Joint Administrators' pre-Administration costs are yet to be approved.

As previously reported, since Creditors decided to form a Creditors' Committee, the resolutions proposed by the Administrators in the Proposals relating to costs fell to be considered by the Creditors' Committee. However, despite the Joint Administrators seeking resolutions from the Committee at two meetings, they have failed to determine the basis of the Joint Administrators' pre-administration costs and the Joint Administrators are therefore obliged under Rule 3.52 of The Insolvency (England and Wales) Rules 2016 to seek a decision from creditors in this instance.

A separate report will shortly be issued to creditors in this regard; however, the following table sets out our pre-administration costs incurred. The table also shows those fees and expenses that were paid prior to the Administration and those where approval is being sought to pay them from Administration funds.

Description	Total	Paid pre-appointment	To be Paid
Joint Administrators' Remuneration	£65,000.00	Nil	£65,000.00
Valuation Agents	£14,687.50	Nil	£14,687.50
Legal Fees and Expenses	£33,031.00	Nil	£33,031.00
TOTAL	£112,718.50	Nil	£112,718.50

The above costs will not be drawn until they have been approved by creditors.

JOINT ADMINISTRATORS' REMUNERATION

The Joint Administrators' remuneration for acting as Joint Administrators is yet to be approved.

As previously reported, since Creditors decided to form a Creditors' Committee, the resolutions proposed by the Administrators in the Proposals relating to costs fell to be considered by the Creditors' Committee. However, despite the Joint Administrators seeking resolutions from the Committee at two meetings, they have failed to fix the basis of the Joint Administrators' remuneration and the Joint Administrators are therefore obliged under Rule 18.18 of The Insolvency (England and Wales) Rules 2016 to seek a decision from creditors in this instance.

A separate report will shortly be issued to creditors in this regard.

No fees will be drawn until the basis of our remuneration has been approved.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.turpinbainsolvency.co.uk/fees-and->

[links](#). There are different versions of these Guidance Notes, and in this case please refer to the most recent version.

JOINT ADMINISTRATORS' EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

The following professional advisors have undertaken work on this case to date:

Professional Advisor	Nature of Work	Fee Arrangement
MBV	Valuing and realising assets	Time Costs + Disbursements
Katten	Legal advice	Time Costs + Disbursements
Evolve	ERA Services	Fixed Fee
Evolve	Pension services	Fixed Fee
Sircles.net	It support/data recovery	Time Costs
Howmans Solicitors	Debt collection	% of realisations
S&S	Legal advice	% of realisations
Menzies	Accountancy services	Time costs
File Lady Limited	Document Management	Fees based on recurring charges
Avison Young	Building surveyors	Fixed Fee
Buzzacotts	Tax advice	Fixed Fee
KPMG	Tax advice	Fixed Fee

MBV

MBV were engaged by the Joint Administrators to assist with winding down the affairs of the Company post-appointment and their engagement could be generally split into several key areas:

Reviewing pre-appointment transactions

As set out separately in our report, MBV undertook a review of the pre-appointment transactions.

The included a preparation of formal review and forensic analysis of pre-appointment transactions and providing professional opinions in respect to the sales.

Coney Green Network Centre, Chesterfield premises

The lease for this premises is held by a connected company, CCPL. However, for several years the premises have been used by the Company. For this purpose, it was considered appropriate that any costs attributed to their work at the Chesterfield premises should be a cost of the Administration of

the Company. MBV undertook the following work in relation to the Chesterfield premises:

- Securing the premises.
- Communicating with the purchaser for the removal of stock.
- Supervision of abandoned assets on site and clearance.
- Sale of residual assets held on site.
- Liaising with the landlord and Senior Surveyor.

The costs incurred dealing with the site were mitigated by the sale of some residual items at the premises which are referred to elsewhere in this report.

Ideal Home House, Sabre Way and other services

The majority of MBV's work relates to dealing with matters at the main premises, Ideal Home House and Sabre Way, as well as supporting the Joint Administrators with their requirements. The activities would be summarised as follows:

- Full review of pre-appointment activity and background.
- Attendance, security and valuation/disposal of assets at Ideal Home House.
- Attendance, security and valuation/disposal of assets at Sabre Way.
- Liaising with landlords and representatives of the above premises.
- Multiple site visits for the above premises to address ongoing matters with purchasers and Joint Administrators. This equated to 23 days on site.
- Dealing with IT on site to discuss sale of assets and data security.
- Assessment of assets falling outside of sale agreements.
- Preparation of formal valuation report on in situ and ex situ basis of company owned assets and providing marketing recommendations and advice.
- Liaising with rental companies in respect to factory transport equipment and copier equipment and ensuring return of assets.
- Clearance of various premises.
- Valuation of leases.
- Discussing terms of sale of assets with interested parties.
- Advising upon case specific assets such as TV channels that fell outside of the sale agreement alongside market assessment.
- General advice to the Joint Administrators and their staff and additional support dealing with creditor claims and queries, additional queries from purchasers and stakeholders.
- Assistance with consideration of ROT claims.

MBV provided an important role in managing the transitional period following appointment and ensuring that we were able to fully understand the activities undertaken prior to our appointment and accordingly what steps needed to be taken post-appointment. This enabled certain key areas to be addressed which will benefit the Administration in the long term in relation to the following:

- Any value to be generated from residual items that fell outside of the sale agreements.
- Maintaining access to all premises to ensure the purchasers were not disrupted. In turn, this should ensure that the terms of the pre-appointment sale agreements were adhered to and therefore maximise realisations and mitigate potential liabilities.
- Premises were managed and handed back to landlords where appropriate to avoid difficulties with the landlords.
- Reactive to immediate issues that required addressing quickly to ensure, as an example,

preservation of contacts or dealing with stakeholders quickly to avoid matters escalating that would otherwise result in loss of value or liabilities arising.

Katten

Katten has assisted with a number of matters to date including, but not limited to, the following:

- Reviewing pre-administration contracts, in particular, sale agreements and property leases and licence.
- Advising on matters relating to the UK national television network and broadcasting licencing (particularly Ofcom licences).
- Advising generally on the Company's position in respect of claims for interchange fees against Mastercard and Visa.
- Preparing a standstill agreement in relation to the Company's negligence claim against S&S relating to the interchange fees claims.
- Advising on matters relating to the terms of a sale agreement between the Company and IWL, including options and strategy for recovering deferred consideration owed by IWL.
- Advising on the Company's position in relation to a number of payment providers, including matters relating to the termination of agreements and reconciliation of funds received by the Company from various payment providers including Worldpay, Open Pay, PayPay and Elavon.
- In particular, with Worldpay, reviewing an indemnity with Worldpay and drafting associated back-to-back indemnities re the same.
- Advising on the Company's position in relation to a novation agreement with Verifone.
- Reviewing and amending the VM termination.
- Advising on the appropriateness of the termination payment, the status of VM's claim and compromise of the same.
- Reviewing lien claim in relation to stock held.
- Advising on the Company's position in relation to the Company's interest in various properties (Ideal House and Sabre Way in particular).
- Agreeing a licence to occupy (and extension) with IWL re Ideal house and advising on Hochanda's pre-existing licence and rights in relation to Sabre Way.
- Corresponding with the landlord's solicitors in relation to Ideal House and threat of forfeiture from the landlord.
- Advising on the surrender of the Company's lease interest in Sabre Way and subsequent property related issues raised by the landlord and their legal representatives.
- Receipt, review and advising on Jervis v Harris notice and IWL's occupation and issues related to the licence to occupy agreed with IWL.
- Advising on the non-disclosure agreement provided by Sircles in relation to their engagement to provide assistance with data extraction.
- Dealing with matters arising in relation to claims brought on behalf of former employees, which included providing advice on the Company's position in relation to TUPE matters and interplay with the sale agreement with IWL.
- Dealing with matters arising in relation to former employees and their entitlement to issue claims in the administration of the Company.
- Reviewing and preparing advice on the Company's security position including advice on AAL's entitlement to receive the proceeds from the pre-administration sales.
- Advising on potential and valid ROT claims received by the Joint Administrators and the management of those ROT claims with the respective buyers, including preparing a draft s234/236 application.
- Liaising with Hochanda's solicitors to deal with the position on the validity of ROT claims.

- Reviewing Transmission Services Agreement with SDN and drafting correspondence to SDN.
- Advising on the Company's position in relation to an agreement with Sky, reviewing and amending a novation of the same and dealing with invoices.
- Advising on a potential trust claim in respect of marketplace creditors.
- Advising on a disclosure request.
- Advising in relation to the Proposals.
- Attending the second meeting of the Committee.
- Preparing an analysis of claims that could be brought by the Joint Administrators for the benefit of creditors.
- Strategy and updates to the Joint Administrators in relation to the above work streams.

Evolve

Evolve have been instructed to assist the Joint Administrators in dealing with the Company's pension schemes and the associated obligations. The work undertaken to date is as follows:

- Completion and submission of statutory Pensions Act notifications for all relevant schemes.
- Liaising with pension providers.
- Ongoing advice and assistance to the Joint Administrators in respect of pension matters.

Evolve are also engaged to provide support and assistance in dealing with certain employee matters. The work undertaken following appointment relates to the following:

- Collating employee information from the Company's records and evidence gathering for 250 employees.
- Completing a 13-week average check for all employees.
- Preparing and submitting RP14 and RP14a forms to the RPS.
- Dealing with all employees' queries in respect of the termination of their employment and any claims they are making to the RPS.

Sircles

Sircles have been engaged to provide assistance with data extraction and IT security, in addition to providing ongoing IT support.

Howmans Solicitors

Howmans Solicitors have been instructed to pursue the recovery of the Company's debtor ledger.

S&S

As advised earlier in this report, S&S were engaged by the Company prior to Administration to pursue interchange fee claims against both Visa and Mastercard. They have subsequently been retained by the Joint Administrators.

Menzies

Menzies have been instructed to undertake a full reconciliation of the Company's intercompany position and to prepare and submit the outstanding pre-Administration VAT return for the VAT Group. No costs have been incurred to date.

File Lady Limited

File Lady Limited has been engaged to assist with the collection, listing and storage of the books and records held at the former trading premises. These records also comprise records for connected

companies which the Joint Administrators have been appointed over. Therefore, costs will be apportioned between the connected companies in accordance with the estimated records for each entity.

Avison Young

Avison Young were instructed to provide an independent report of the repair works following the receipt of the Jervis v Harris notice received from the landlord.

Buzzacotts

Buzzacotts has been instructed to prepare the Company's corporation tax returns for the pre-appointment periods ending 31 December 2021 and 21st February 2022. This is necessary to ensure that HMRC's non-preferential unsecured claim is accurate. In addition, there may be scope to surrender tax losses (if available) to group companies for a percentage of the losses surrendered. Buzzacotts has recently been instructed and therefore they have not accrued any costs to date.

KPMG

KPMG were instructed to de-register the Company for tax overseas.

Our choice of professional advisors is based on our perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. We have also confirmed that they hold appropriate regulatory authorisations and will ensure that the basis on which they will charge their fees represents value for money.

Our category 1 expenses incurred to date total £978,108.49 and are made up as follows:

Nature of category 1 expense	Amount incurred/ accrued to date	Amount paid	Amount outstanding
MBV - valuation agents	£238,193.75	£204,463.42	£33,730.33
Katten - solicitors	£423,012.67	Nil	£423,012.67
Evolve – ERA Services	£8,100.00	£8,100.00	Nil
Evolve – Pension Services	£3,935.00	£3,285.00	£3,935.00
Sircles – IT support/data recovery	£2,510.00	Nil	£2,510.00
Howmans solicitors – debt collection	£4,906.27	£4,906.27	Nil
S&S – solicitors	Nil (fees based on a % of recoveries)	N/A	N/A
Menzies – accountancy services	Nil	Nil	Nil
File Lady – Document management/storage	£10,373.12	£4,200.00	£6,173.12
Avison Young – Property Surveyor	£2,176.74	£2,176.74	Nil
Buzzacotts – tax advice	Nil	Nil	Nil
Specific Bond	£3,040.00	£3,040.00	Nil
Statutory Advertising	£181.60	£90.80	£90.80
Insurance of Assets	£1,705.76	£1,705.76	Nil

Insurance – D & O Run off cover	£28,449.12	£28,449.12	Nil
Wages & Salaries (including consultancy fees and pension contributions)	£237,191.27	£237,191.27	Nil
Bank charges (including Worldpay charges)	£52,847.42	£52,847.42	Nil
KPMG – tax advice	£1,389.22	£1,389.22	Nil
TOTAL	£992,406.87	£550,245.02	£469,451.92

We are required to seek approval before we can pay any expenses to associates, or pay expenses where there is an element of shared costs, which are known as category 2 expenses. No category 2 expenses have been incurred to date, nor do we anticipate incurring any such costs.

FURTHER INFORMATION

An unsecured creditor may, with the permission of the Court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Joint Administrators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

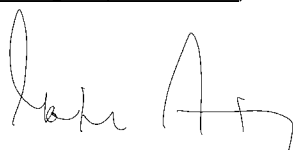
An unsecured creditor may, with the permission of the Court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount and/or basis of the Joint Administrators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to Court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Turpin Barker Armstrong can be found at <https://www.turpinbainsolvency.co.uk/fees-and-links>.

SUMMARY

The Administration will remain open until the matters detailed in this report have been finalised.

If creditors have any queries regarding the conduct of the Administration in general, or if they want hard copies of any of the documents made available on-line, they should our office by email at ideal@turpinba.co.uk, or by phone on 020 8661 4001.



Martin C Armstrong FCCA FABRP FIPA MBA FNARA
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Martin Armstrong and Andrew Bailey. The Joint Administrators act as agents of the Company and contract without personal liability.

Appendix 1 – routine work undertaken to date

Administration

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

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Regular internal video calls/meetings with staff.
- Setting up electronic case files.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holders, including gazetting the office holders' appointment.
- Obtaining a specific penalty bond.
- Preparing, reviewing, and issuing the Joint Administrators proposals to the creditors and members.
- Filing the proposals at Companies House.
- Seeking approval of the proposals by virtual meeting.
- Reporting on the outcome of the approval of the proposals to the creditors, Companies House and the Court.
- Liaising with pension agents in respect of the work done; and checking the adequacy of the work done.
- Reviewing and authorising statutory pension notifications.
- Seeking decisions from creditors and members.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining, and managing the office holders' estate bank account.
- Creating, maintaining, and managing the office holders' cashbook.
- Undertaking regular reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Dealing with Bribery, Anti-Money Laundering, GDPR and Code of Ethics requirements and considerations.

Creditors

Employees - The office holders need to deal with the ex-employees in order to ensure that their claims are processed appropriately by the RPS. The office holders are required to undertake this work as part of their statutory functions.

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

- Liaising with ERA agents, supervising the work done by them and obtaining information from

the case records about employee claims.

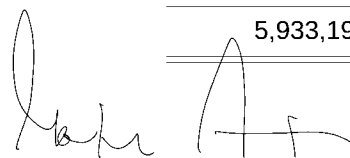
- Reviewing documentation for submission to the Redundancy Payments Service.
- Corresponding with employees regarding their claims and dealing with queries.
- Liaising with the RPS regarding employee claims.
- Liaising with solicitors regarding the validity and nature of the charge held by AAL.
- Preparing estimated outcome statements.
- Dealing with creditor correspondence, emails, and telephone conversations regarding their claims.
- Setting up a designated phone line and email address to deal with substantial incoming correspondence.
- Meetings with team dealing with creditor correspondence.
- Maintaining up to date creditor information on the case management system.
- Reviewing proofs of debt received from creditors.
- Preparing reports to the Creditors' Committee.
- Convening and holding meetings of the Creditors' Committee.
- Preparing detailed minutes of meetings of the Creditors' Committee.
- Dealing with ad hoc queries of the Creditors' Committee.
- Liaising with ERA agents regarding the calculation of employees' preferential and unsecured balancing claims.

Ideal Shopping Direct Limited Trading As: "Create and Craft" and "Ideal World"
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 20/08/2022

S of A £	£	£
FIXED CHARGE ASSETS		
Goodwill/IP	NIL	NIL
FIXED CHARGE CREDITORS		
Aurelius Alpha Limited	NIL	NIL
ASSET REALISATIONS		
Payroll Contribution - IWL	154,377.10	
Deferred consideration	NIL	
Fixed assets	43,927.77	
Book Debts - FlexiPay	2,326,593.78	
Book Debts	109,749.83	
Book Debts - Hochanda	124,393.86	
Worldpay deposit	NIL	
HM Revenue and Customs - bond	572,183.94	
Intercompany debts	NIL	
Future Licence to Occupy Fees – Hocha	NIL	
Cash at Bank	3,483,192.10	
Rent & insurance - Ideal Home House	254,226.57	
Sundry Refunds	6,545.20	
Cash in Hand	3,414.29	
Gross Bank Interest	919.25	
Interchange fee claims	NIL	
Utilities - Ideal Home House	60,095.34	
Charge on utility payments	600.96	
Charge on third party funds - IWL	124,977.89	
Charge on third party funds - Hochand	14,756.40	
Bank Refund	244.52	
Third Party Funds - IWL	12,330,212.44	
Third Party Funds - Hochanda	1,460,883.90	
Negligence claim	NIL	
		21,071,295.14
COST OF REALISATIONS		
Agents' fees - post-ADM (MBV)	204,463.42	
Debt collection fees	4,906.27	
		(209,369.69)
COST OF ADMINISTRATION		
Specific Bond	3,040.00	
Statutory Advertising	90.80	
Records Management & Storage	4,200.00	
Rent & insurance - Ideal Home House	230,370.51	
Rent - Sabre Way	34,767.86	
Insurance of Assets	1,705.76	
Wages & Salaries	219,880.91	
Insurance - D&O Run Off Cover	28,449.12	

Ideal Shopping Direct Limited Trading As: "Create and Craft" and "Ideal World"
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 20/08/2022

S of A £	£	£
Utilities - Ideal Home House	60,095.34	
Pension contributions	10,209.36	
Accountancy Fees - KPMG	1,389.22	
Property surveyor	2,176.74	
Consultancy fees	7,101.00	
Bank Charges	550.65	
Critical payments - Presenters	140,799.52	
Supplier payments - Unfulfilled orders	121,817.93	
Third Party Funds - IWL	12,528,521.82	
Third Party Funds - Hochanda	1,460,883.90	
Ofcom Licences	9,000.00	
Worldpay charges	52,296.77	
Pension Agents' Fees - Post-App	3,285.00	
ERA Agents' Fees - Post-App	8,100.00	
		(14,928,732.21)
PREFERENTIAL CREDITORS		
Employees' Wage Arrears and Holiday	NIL	
HMRC - NIC/PAYE/SL deductions	NIL	
HMRC - VAT	NIL	
		NIL
UNSECURED CREDITORS		
Trade & Expense Creditors	NIL	
Employees - PILON, Redundancy, Wa	NIL	
HM Revenue and Customs - Employer	NIL	
		NIL
DISTRIBUTIONS		
Ordinary Shareholders	NIL	
		NIL
		5,933,193.24
REPRESENTED BY		
Input VAT		111,377.03
Bank - Current a/c, Interest Bearing		5,893,586.34
Output VAT		(71,770.13)
		5,933,193.24


 Martin C Armstrong FCCA FABRP/FIPA
 Joint Administrator

Rule 14.4 The Insolvency (England and Wales) Rules 2016

Proof of Debt – General Form

Name of Company in Administration:

Ideal Shopping Direct Limited t/as “Create & Craft” and
“Ideal World”

Company Registration Number:

01534758

Date of Administration:

21st February 2022

1 Name of creditor

(If a company, please also provide the company
registration number).

2 Correspondence address of creditor (including
any email address)

3 Total amount of claim (£)
(include any Value Added Tax)

4 If amount in 3 above includes (£)
outstanding uncapitalised interest, state
amount.

5 Details of how and when the debt was incurred.
(If you need more space, attach a continuation
sheet to this form)

6 Details of any security held, the value of the
security and the date it was given.

7 Details of any reservation of title claimed in
respect of goods supplied to which the debt
relates.

8 Details of any document by reference to which the debt can be substantiated

9 Signature of creditor
(or person authorised to act on the creditor's behalf)

10 Address of person signing if different from 2 above

11 Name in BLOCK LETTERS:

12 Position with, or relation to, creditor

13 Date of signature

Admitted to vote for

Amount (£)

Date

Admitted for dividend for

Amount (£)

Date

MARTIN C ARMSTRONG
JOINT ADMINISTRATOR

MARTIN C ARMSTRONG
JOINT ADMINISTRATOR

Notes:

1. There is no need to attach them now but the office holderS may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convener of any qualifying decision procedure.

2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.

3. If you wish any dividend to be paid by way of bank transfer rather than by cheque, please provide the following information:

Bank Name:

Account Name;

Sort Code:

Account Number: