

AM10

Notice of administrator's progress report



Companies House

FRIDAY



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05/06/2020

#270

COMPANIES HOUSE

1 Company details

Company number 03126476

Company name in full Paperhat Group Limited

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

2 Administrator's name

Full forename(s) Philip James

Surname Watkins

3 Administrator's address

Building name/number 2nd Floor

Street 110 Cannon Street

Post town London

County/Region

Postcode EC4N 6EU

Country

4 Administrator's name ①

Full forename(s) Anthony John

Surname Wright

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 2nd Floor

Street 110 Cannon Street

Post town London

County/Region

Postcode EC4N 6EU

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② Other administrator
Use this section to tell us about
another administrator.

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6 Period of progress report

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

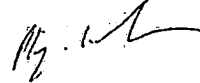
7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X 

X

Signature date

d	0	d	5	m	0	m	6	y	2	y	0	y	2	y	0
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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 **Matthew Kesek**

Company name **FRP Advisory Trading Limited**

Address **2nd Floor**

110 Cannon Street

Post town **London**

County/Region

Postcode **E C 4 N 6 E U**

Country

DX **cp.london@frpadvisory.com**

Telephone **020 3005 4000**



Checklist

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

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Crôwn Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



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Paperhat Group Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 09/11/2019 To 08/05/2020 £	From 09/11/2018 To 08/05/2020 £
	SECURED ASSETS		
25,000.00	Despark Bulgaria	NIL	25,000.00
	Bank Interest - Fixed	9.91	46.09
20,000.00	Grebot Donnelly Associates Ltd	10,000.00	15,000.00
200,000.00	CTI Digital	80,000.00	100,000.00
		<u>90,009.91</u>	<u>140,046.09</u>
	COSTS OF REALISATION		
	Legal Fees	610.00	30,003.98
	Advertising	NIL	69.93
	Bank Charges - Fixed	NIL	0.80
		<u>(610.00)</u>	<u>(30,074.71)</u>
	ASSET REALISATIONS		
	Insurance Refund	NIL	338.67
	Bank Interest Gross	219.25	296.70
		<u>219.25</u>	<u>635.37</u>
	COST OF REALISATIONS		
	Bank Charges - Floating	0.40	0.40
		<u>0.40</u>	<u>0.40</u>
245,000.00		<u>89,619.56</u>	<u>110,607.15</u>
	REPRESENTED BY		
	IB Current Fixed		104,239.13
	IB Current Floating		353.23
	Vat Recoverable - Fixed		6,014.79
			<u>110,607.15</u>

FRP

Paperhat Group Limited & Paperhat Communications Limited (In Administration)
("The Companies")

The High Court of Justice District Registry Bristol NO. 258 & 259 OF 2018

The Administrators' Progress Report for the period 9 November 2019 to 8 May
2020 pursuant to Rule 18.3 of the Insolvency (England and Wales) Rules 2016

5 June 2020

Contents and abbreviations

FRP

Section	Content
1.	Progress of the Administrations in the period
2.	Estimated Outcomes for the creditors
3.	Administrators' remuneration, disbursements, expenses and pre-appointment costs
Appendix	Content
A.	Statutory information regarding the Companies and the appointments of the Administrators
B.	Form AM03, formal notices of the progress reports
C.	Schedule of works
D.	Details of the Administrators' time costs and disbursements for the Period and cumulatively for the Companies
E.	Receipts and payments accounts for the period and cumulative
F.	Statements of expenses incurred in the Period

The following abbreviations may be used in this report:

FRP	FRP Advisory Trading Limited
Group	Paperhat Group Limited (In Administration)
Communications	Paperhat Communications Limited (In Administration)
The Administrators	Philip James Watkins and Anthony John Wright of FRP Advisory LLP
The Period	The reporting period 9 November 2019 to 8 May 2020
CVL	Creditors' Voluntary Liquidation
SIP	Statement of Insolvency Practice
QFCH	Qualifying floating charge holder
HMRC	HM Revenue & Customs
The Insolvency Rules	The Insolvency (England and Wales) Rules 2016
Barclays	Barclays Bank PLC
Close	Close Brothers Invoice Finance Limited

1. Progress of the Administrations in the Period

Work undertaken during the period

I attach at **Appendix C** schedules of work undertaken during the period together with a summary of work still to be completed. This report should be read in conjunction with the Administrators' proposals report dated 19 November 2018 and progress reports dated 6 June 2019 and 6 December 2019.

During the previous period, an offer of £20k was received for the purchase of the shares of Grebot Donnelly Associates Limited from Tony Rapacioli, a former director of Paperhat. The offer had £5k payable on completion with the remaining £15k payable in three instalments over the following twelve months. The deferred payments are supported by a personal guarantee. The first three payments have been received as agreed.

The deferred second payment for the CTI Digital Limited share purchase totalling £80k was received on 29 November 2019. The final payment is due to be received in November 2020.

The only assets remaining to be realised in Group are the deferred payments for the shareholdings of CTI Digital Limited (£100k due in November 2020) and Grebot Donnelly Associates Limited (final payment of £5k due by July 2020).

As the deferred payments for the purchase of the Nirvana Solutions Limited shareholding have been received, there are not expected to be any further realisations in the administration of Communications.

Attached at **Appendix E** are receipts and payments account detailing both transactions for the period of this report and also cumulatively since my appointments as Administrator.

Investigations

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

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

Extension to the initial period of appointment

The statutory twelve month periods for the administrations of the Companies were extended with the consent of the Secured Creditors to enable collection of the deferred payments for the share sales made during the administration.

It is anticipated that the administration of Paperhat Group Limited will need to be extended by an application to the court in order for the final CTI payment to be received.

Anticipated exit strategy

In accordance with the approved Administrators' proposals the purposes of the Administrations are to realise the Companies' assets with a view to making a distribution to one or more of the secured or preferential creditors.

Based on current information it is anticipated that these purposes will be achieved and the Administrations will be exited by the Administrators filing the requisite forms at Companies House with the Companies being dissolved 3 months after the filing of the notices.

2. Estimated Outcomes for the creditors

FRP

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

Outcome for the secured creditors

On appointment, Close and Barclays both held fixed and floating charges over the Companies.

Close were owed some £553k on appointment. Close was repaid in full from the collection of the debtors' ledgers that were assigned to them. Close also hold guarantees from other group companies which settled the shortfall of £38k.

On appointment, there was a loan to Barclays of £1.4m owed by Group. In addition there was a further CAS arrangement which enabled the UK group companies to pool their positive and overdrawn cash balances subject to a maximum net overdraft of £600k. On the filing of the notices of intention to appoint administrators, the cash balances held in the UK subsidiaries were swept to reduce the overdrawn position of Group of £869k in accordance with the security granted. The CAS was in a net overdraft position of around £15k.

There are inter-group cross guarantees and debenture for all amounts owed to Barclays by the UK registered companies. However, they are still expected to suffer a significant shortfall.

Outcome for the preferential creditors

Preferential creditors relate to employees' preferential element for arrears of pay, unpaid pension contributions and holiday pay as calculated in accordance with legislation.

As all 53 employees of Communications have been transferred to the purchaser of the business. There are not expected to be any preferential claims.

Group had no employees other than the statutory directors. The directors were made redundant on appointment and two claims have been submitted to the Redundancy Payments Office.

Outcome for the unsecured creditors

There will not be sufficient funds available to make a distribution to unsecured creditors.

Prescribed Part

The prescribed part is a carve out of funds available to the holder of a floating charge which is set aside for the unsecured creditors in accordance with Section 176A of the Insolvency Act 1986. The prescribed part only applies where the floating charge was created after 15 September 2003 and the net property available to the floating charge holder exceeds £10k.

A prescribed part is not appropriate in these cases because net floating charge realisations are below £10k.

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

FRP

Administrators' remuneration

On appointment, it was understood that as all the Companies realised assets are subject to an assignment of trade receivables or fixed charge security, the Administrators' fees for dealing with these assets will be agreed with Barclays and Close.

Fees of £50k were agreed with Close and drawn during the period.

A small floating charge realisation has been made in Communications and approval to draw fees from these funds will be sought from the appropriate class of creditor in due course.

A breakdown of our time costs incurred during the period of this report and to date is attached at **Appendix D**.

Administrators' disbursements

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

Administrators' expenses

An estimate of the Administrators' expenses was set out in the Administrators' proposals. I attach at **Appendix F** a statement of expenses that have been incurred during the period covered by this report. It is currently expected that the expenses incurred or anticipated to be incurred are not likely to exceed the details previously provided

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

Administrators' pre-appointment costs

The Joint Administrators' pre-appointment costs as set out in the proposals report dated 19 November 2018 were approved by Barclays on 26 April 2019.

These have not yet been paid.

Appendix A

Statutory Information

FRP

PAPERHAT GROUP LIMITED (IN ADMINISTRATION)

COMPANY INFORMATION:

Other trading names: N/A
Company number: 09441985
Registered office: 2nd Floor, 110 Cannon Street, London, EC4N 6EU
Previous registered office: 5 Fleet Place, London, EC4M 7RD
Business address: Aldwych House, 71-91 Aldwych, London, WC2B 4HN

ADMINISTRATION DETAILS:

Administrators: Philip James Watkins & Anthony John Wright
Address of Administrators: FRP Advisory Trading Limited
2nd Floor, 110 Cannon Street, London, EC4N 6EU
Date of appointment of Administrators: 9 November 2018
Court in which administration proceedings were brought: The High Court of Justice District Registry Bristol
Court reference number: 259 of 2018
Appointor details: Directors
Extensions to the initial period of appointment: The administration was extended to 8 November 2020 with the consent of the Secured creditors
Date of approval of Administrators' proposals: 9 December 2018

Appendix A
Statutory Information

FRP

PAPERHAT COMMUNICATIONS LIMITED (IN ADMINISTRATION)

COMPANY INFORMATION:

Other trading names: N/A
Company number: 03126476
Registered office: 2nd Floor, 110 Cannon Street, London, EC4N 6EU
Previous registered office: 5 Fleet Place, London, EC4M 7RD
Business address: Aldwych House, 71-91 Aldwych, London, WC2B 4HN

ADMINISTRATION DETAILS:

Administrators: Philip James Watkins & Anthony John Wright
Address of Administrators: FRP Advisory Trading Limited
2nd Floor, 110 Cannon Street, London, EC4N 6EU
Date of appointment of Administrators: 9 November 2018
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Court reference number: 258 of 2018
Appointor details: Directors
Extensions to the initial period of appointment: The administration was extended to 8 November 2020 with the consent of the Secured creditors
Date of approval of Administrators' proposals: 9 December 2018

Appendix B

CH Form AM10 Formal Notices of the Progress Reports

FRP

AM10

Notice of administrator's progress report



Companies House

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

1 Company details

Company number 09441985

Company name in full Paperhat Communications Limited

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

2 Administrator's name

Full forename(s) Philip James

Surname Watkins

3 Administrator's address

Building name/number 2nd Floor

Street 110 Cannon Street

Post town London

County/Region

Postcode EC4N 6EU

Country

4 Administrator's name ①

Full forename(s) Anthony John

Surname Wright

① Other administrator
Use this section to tell us about
another administrator.

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6 Period of progress report

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

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

[Handwritten Signature]

X

Signature date

^d 0	^d 5	^m 0	^m 6	^y 2	^y 0	^y 2	^y 0
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Contact name	Matthew Kesek
Company name	FRP Advisory Trading Limited
Address	2nd Floor 110 Cannon Street
Post town	London
County/Region	
Postcode	E C 4 N 6 E U
Country	
DX	cp.london@frpadvisory.com
Telephone	020 3005 4000



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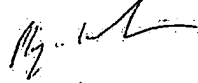
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8 Sign and date

Administrator's
signature

Signature

X 

X

Signature date

d	0	d	5	m	0	m	6	y	2	y	0	y	2	y	0
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Appendix C

Schedule of works

FRP

Paperhat Group Limited

Note	Category	
1	ADMINISTRATION AND PLANNING Work undertaken during the reporting period	ADMINISTRATION AND PLANNING Future work to be undertaken
	General Matters	
	<p>Necessary administrative and strategic work.</p> <p>Liaising with secured lender and identifying any other significant creditors.</p> <p>Assisting with preparation of pre and post appointment documentation and complete internal procedures.</p> <p>Identify and secure all relevant Company records required for the ongoing administration processes.</p> <p>Collation of relevant information and Company records to ensure the objective of the Administration is achieved.</p>	<p>Regular reviews of the case and the on-going strategy as required under legislation and by the Joint Administrators' Regulatory Professional Bodies ("RPBS") to ensure that all compliance and statutory matters are attended to and that the case is progressed in a timely manner.</p> <p>Ongoing liaison with the secured and all other creditors.</p> <p>Continued adherence to internal procedures and external requirements.</p>
	Regulatory Requirements	
	<p>Consider if there are other industry specific regulatory or statutory issues to address (e.g. FCA registration).</p> <p>Consider if there are any environmental or health and safety issues to deal with.</p>	<p>Regularly reviewing the case as required by the RPBs to ensure all statutory matters are adhered to and that the case is being progressed in a timely manner.</p> <p>Ongoing adherence to Money Laundering Regulations and any other regulations specific to the Company.</p>

Appendix C

Schedule of works

FRP

Case Management Requirements	
<p>Determine and document case strategy.</p> <p>Correspond with accountants/ auditors/ bankers/ insurers/ solicitors and other advisors to request further information to assist in general enquiries.</p> <p>Setting up case specific paper and electronic files to be updated and maintained for the duration of the appointment. Filing all papers and correspondence received and maintaining a diary system to ensure all matters are discharged in accordance with legislation.</p> <p>Setting up and administering bank accounts for the purposes of the administration. Ensuring accounts are regularly reconciled to produce accurate and timely reports to all creditors when required. Processing and recording of all receipts and payments throughout the appointment on the Insolvency Practitioners System ("IPS") and providing internal and external reports as required.</p> <p>Liaising with the Company to ensure a statement of affairs is produced and filed with the Registrar of Companies in a timely manner.</p> <p>Notifying HMRC of the Administration and more specifically correspondence with the VAT and other departmental offices to ascertain the Company's final tax position. Completion and submission of future returns as and when required.</p> <p>Maintaining appropriate insurances, as required and cancel non-essential cover in a timely manner.</p>	<p>Continue to monitor and document any proposed changes of strategy and implementation thereof.</p> <p>Regularly reviewing the case as required by the RPBs to ensure all statutory matters are adhered to and the case is progressing.</p> <p>Maintaining and developing the case specific paper and electronic files on behalf of the Administrators aside from other records pertaining to the Company directly.</p> <p>Case accounting work to process all receipts and payments including associated adjustments to ensure bank reconciliations and production of reports can be achieved at all times. Continued updating and maintenance of records on the IPS system.</p> <p>Ongoing liaison with HMRC to crystallise the Company's pre-appointment tax position and to achieve tax clearance from the period of the administration. Submission of ongoing returns as required.</p> <p>To receive final unsecured claims from HMRC and consider if any VAT bad debt relief claim need to be made or any other ancillary reliefs are available to the Company.</p> <p>Ongoing review of insurance and to cancel any remaining covers in place, as appropriate, in a timely manner.</p>

Appendix C

Schedule of works

FRP

2	<p>ASSET REALISATION Work undertaken during the reporting period</p> <p>To complete a sale of the business and assets of the Company in accordance with SIP16 working in conjunction with our solicitors, the purchaser and their legal representatives to ensure all aspects were concluded in a timely and orderly manner.</p> <p>Providing initial updates to secured creditors on asset realisations and future strategy to maximise recoveries for the benefit of the creditors as a whole.</p> <p>Liaise with interested parties to complete the sale of the CTI Digital Limited and Grebot Donnelly Associates Limited shareholdings.</p> <p>Monitoring receipt and allocation of funds arising from the sale of the CTI Digital Limited and Grebot Donnelly Associates Limited shareholdings.</p>	<p>ASSET REALISATION Future work to be undertaken</p> <p>To monitor receipt of the deferred consideration arising under the sale and purchase agreement.</p> <p>To continue to work in tandem with the Company and the secured creditor to maximise recoveries for the benefit of the creditors as a whole.</p> <p>The provision of both written and oral updates to the secured creditors on asset realisations and strategy as required to include recommendations of supplementary actions.</p> <p>To maintain comprehensive records of client meetings and implementing all appropriate actions to ensure repayments plans are implemented and adhered to, if required.</p> <p>To interrogate the Company records to identify and secure realisation of any other assets available to the estate.</p> <p>Ongoing liaison with our legal advisors to ascertain the most appropriate and cost effective method of recovering funds to the estate, as required.</p> <p>Updating records on an ongoing basis and liaising with stakeholders.</p> <p>Monitoring receipt and allocation of funds arising from the sale of the CTI Digital Limited and Grebot Donnelly Associates Limited shareholdings.</p>
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Appendix C

Schedule of works

FRP

3	CREDITORS Work undertaken during the reporting period	CREDITORS Future work to be undertaken
	<p>Contacting all known creditors & suppliers in order to advise of appointment and provide proof of debt forms to enable claims to be lodged.</p> <p>Dealing with all queries and correspondence received from creditors on an on-going basis and recording the same.</p> <p>Reviewing the Company's paper and electronic records to ascertain the basis and validity of any claims arising.</p> <p>Liaising and reporting to the secured creditors as required.</p>	<p>To continue to liaise with and provide reports and oral updates to the secured creditor as required.</p> <p>To continue to liaise with and provide reports and oral updates to the unsecured creditors as required.</p> <p>If sufficient funds become available to make a distribution to unsecured creditors, to advertise for claims, request submission of claims from all known creditors and adjudicate on those claims where there are sufficient funds to make a distribution either agreeing or rejecting, in full or in part.</p>
4	INVESTIGATIONS Work undertaken during the reporting period	INVESTIGATIONS Future work to be undertaken
	<p>All directors of the Company, both current and those holding office within 3 years of the appointment, have been requested to complete a questionnaire to assist in preparing the statutory return to the Insolvency Service in accordance with the Company Directors Disqualification Act 1986 ("CDDA").</p> <p>The collation and review of all information received along with the preparation and submission of the conduct report to the Insolvency Service under CDDA – the content of this report is confidential.</p>	<p>None</p>

Appendix C

Schedule of works

FRP

5	STATUTORY COMPLIANCE AND REPORTING Work undertaken during the reporting period	STATUTORY COMPLIANCE AND REPORTING Future work to be undertaken
	<p>Dealing with all appointment formalities including notification to relevant parties, filings with the Court, the Registrar of Companies and statutory advertising.</p> <p>Arranging for an insolvency bond to protect the assets available for creditors.</p> <p>Deal with tax and VAT matters arising following appointment.</p> <p>Statutory reporting to all relevant parties and filing of those reports in accordance with the legislation.</p> <p>Establish the existence of any pension scheme and take appropriate action to notify all relevant parties and appoint independent trustees if required.</p> <p>Compiling a forecast of the work that has been or is anticipated to be undertaken throughout the duration of the case, circulating this to all known creditors together with such other documentation as is required to enable the relevant approving creditors to assess and vote on the fee basis proposed.</p> <p>Notifying creditors of their right to set up a creditors' committee.</p>	<p>Bringing the conduct of the insolvency process to a close when all matters are complete in accordance with the relevant requirements.</p> <p>To provide updating reports to all known creditors and members as prescribed under the Insolvency Act 1986.</p> <p>To place legal advertisements as prescribed under the Insolvency Act 1986 which may include formal meetings of creditors and notice to submit claims, as applicable.</p> <p>Obtaining approval to the basis of the Insolvency Practitioners fees from the secured creditors.</p> <p>To deal with statutory requirements in order to bring the appointment to an orderly close either by dissolution or transfer to a creditors' voluntary liquidation and for the Joint Administrators to receive their release from office. This will include the preparation of further progress and/or final reports for all known creditors, statutory advertising and filing the relevant documentation with the High Court / Registrar of Companies, as applicable.</p> <p>Maintaining a record and forecast of the work that has been or is anticipated to be undertaken throughout the duration of the case.</p>

Appendix C

Schedule of works

FRP

6	LEGAL AND LITIGATION Work undertaken during the reporting period	LEGAL AND LITIGATION Future work to be undertaken
	<p>Assisting in the completion of the sale of the business and assets and commencing all other works and registering security as prescribed within the sale and purchase agreement.</p> <p>Seeking legal advice as and when needed, including advice on the treatment of various asset realisations in accordance with security held.</p>	<p>To release any security in place once all deferred consideration is received and all the purchasers' obligations are fully discharged.</p> <p>Continuing to seek legal advice and intervention as and when needed throughout the assignment.</p>
7	TRADING Work undertaken during the reporting period	TRADING Future work to be undertaken
	<p>The business and assets of the Company were sold on 9 November 2018.</p>	<p>No further works identified.</p>

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Paperhat Communications Limited

Note	Category	
1	ADMINISTRATION AND PLANNING Work undertaken during the reporting period	ADMINISTRATION AND PLANNING Future work to be undertaken
	General Matters	
	<p>Necessary administrative and strategic work.</p> <p>Liaising with secured lender and identifying any other significant creditors.</p> <p>Assisting with preparation of pre and post appointment documentation and complete internal procedures.</p> <p>Identify and secure all relevant Company records required for the ongoing administration processes.</p> <p>Collation of relevant information and Company records to ensure the objective of the Administration is achieved.</p>	<p>Regular reviews of the case and the on-going strategy as required under legislation and by the Joint Administrators' Regulatory Professional Bodies ("RPBS") to ensure that all compliance and statutory matters are attended to and that the case is progressed in a timely manner.</p> <p>Ongoing liaison with the secured and all other creditors.</p> <p>Continued adherence to internal procedures and external requirements.</p>
	Regulatory Requirements	
	<p>Consider if there are other industry specific regulatory or statutory issues to address (e.g. FCA registration).</p> <p>Consider if there are any environmental or health and safety issues to deal with.</p>	<p>Regularly reviewing the case as required by the RPBs to ensure all statutory matters are adhered to and that the case is being progressed in a timely manner.</p> <p>Ongoing adherence to Money Laundering Regulations and any other regulations specific to the Company.</p>

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Case Management Requirements	
<p>Determine and document case strategy.</p> <p>Correspond with accountants/ auditors/ bankers/ insurers/ solicitors and other advisors to request further information to assist in general enquiries.</p> <p>Setting up case specific paper and electronic files to be updated and maintained for the duration of the appointment. Filing all papers and correspondence received and maintaining a diary system to ensure all matters are discharged in accordance with legislation.</p> <p>Setting up and administering bank accounts for the purposes of the administration. Ensuring accounts are regularly reconciled to produce accurate and timely reports to all creditors when required. Processing and recording of all receipts and payments throughout the appointment on the Insolvency Practitioners System ("IPS") and providing internal and external reports as required.</p> <p>Liaising with the Company to ensure a statement of affairs is produced and filed with the Registrar of Companies in a timely manner.</p> <p>Notifying HMRC of the Administration and more specifically correspondence with the VAT and other departmental offices to ascertain the Company's final tax position. Completion and submission of future returns as and when required.</p> <p>Maintaining appropriate insurances, as required and cancel non-essential cover in a timely manner.</p>	<p>Continue to monitor and document any proposed changes of strategy and implementation thereof.</p> <p>Continue to correspond with accountants/ auditors/ bankers/ insurers/ solicitors and other advisors to request further information to assist in general enquiries and ongoing investigations.</p> <p>Regularly reviewing the case as required by the RPBs to ensure all statutory matters are adhered to and the case is progressing.</p> <p>Maintaining and developing the case specific paper and electronic files on behalf of the Administrators aside from other records pertaining to the Company directly.</p> <p>Case accounting work to process all receipts and payments including associated adjustments to ensure bank reconciliations and production of reports can be achieved at all times. Continued updating and maintenance of records on the IPS system.</p> <p>Ongoing liaison with HMRC to crystallise the Company's pre-appointment tax position and to achieve tax clearance from the period of the administration. Submission of ongoing returns as required.</p>

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2	<p>ASSET REALISATION Work undertaken during the reporting period</p> <p>To complete a sale of the business and assets of the Company in accordance with SIP16 working in conjunction with our solicitors, the purchaser and their legal representatives to ensure all aspects were concluded in a timely and orderly manner.</p> <p>Providing initial updates to secured creditors on asset realisations and future strategy to maximise recoveries for the benefit of the creditors as a whole.</p> <p>Liaise with interested parties to complete the sale of the Nirvana Solutions Limited shareholding.</p> <p>To monitor receipt of the deferred considerations arising under the sale and purchase agreements.</p>	<p>ASSET REALISATION Future work to be undertaken</p> <p>Ongoing monitoring receipt of the deferred consideration arising under the sale and purchase agreements.</p> <p>To continue to work in tandem with the Company and the secured creditor to maximise recoveries for the benefit of the creditors as a whole.</p> <p>The provision of both written and oral updates to the secured creditors on asset realisations and strategy as required to include recommendations of supplementary actions.</p> <p>To maintain comprehensive records of client meetings and implementing all appropriate actions to ensure repayments plans are implemented and adhered to, if required.</p> <p>To interrogate the Company records to identify and secure realisation of any other assets available to the estate.</p> <p>Ongoing liaison with our legal advisors to ascertain the most appropriate and cost effective method of recovering funds to the estate, as required.</p> <p>Updating records on an ongoing basis and liaising with stakeholders.</p>
3	<p>CREDITORS Work undertaken during the reporting period</p>	<p>CREDITORS Future work to be undertaken</p>
		<p>To continue to liaise with and provide reports and oral updates to the secured creditor as required.</p>

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	<p>Contacting all known creditors & suppliers in order to advise of appointment and provide proof of debt forms to enable claims to be lodged.</p> <p>Dealing with all queries and correspondence received from creditors on an on-going basis and recording the same.</p> <p>Reviewing the Company's paper and electronic records to ascertain the basis and validity of any claims arising.</p> <p>Liaising, reporting and distributing funds to the secured creditors as required.</p>	<p>To continue to liaise with and provide reports and oral updates to the unsecured creditors as required.</p> <p>If sufficient funds become available to make a distribution to unsecured creditors, to advertise for claims, request submission of claims from all known creditors and adjudicate on those claims where there are sufficient funds to make a distribution either agreeing or rejecting, in full or in part.</p>
4	<p>INVESTIGATIONS</p> <p>Work undertaken during the reporting period</p>	<p>INVESTIGATIONS</p> <p>Future work to be undertaken</p>
	<p>All directors of the Company, both current and those holding office within 3 years of the appointment, have been requested to complete a questionnaire to assist in preparing the statutory return to the Insolvency Service in accordance with the Company Directors Disqualification Act 1986 ("CDDA").</p> <p>The collation and review of all information received along with the preparation and submission of the conduct report to the Insolvency Service under CDDA – the content of this report is confidential.</p>	<p>None</p>

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5	STATUTORY COMPLIANCE AND REPORTING Work undertaken during the reporting period	STATUTORY COMPLIANCE AND REPORTING Future work to be undertaken
	<p>Dealing with all appointment formalities including notification to relevant parties, filings with the Court, the Registrar of Companies and statutory advertising.</p> <p>Arranging for an insolvency bond to protect the assets available for creditors.</p> <p>Deal with tax and VAT matters arising following appointment.</p> <p>Statutory reporting to all relevant parties and filing of those reports in accordance with the legislation.</p> <p>Establish the existence of any pension scheme and take appropriate action to notify all relevant parties and appoint independent trustees if required.</p> <p>Compiling a forecast of the work that has been or is anticipated to be undertaken throughout the duration of the case, circulating this to all known creditors together with such other documentation as is required to enable the relevant approving creditors to assess and vote on the fee basis proposed.</p> <p>Notifying creditors of their right to set up a creditors' committee.</p> <p>Obtaining approval to the basis of the Insolvency Practitioners fees from the secured creditors.</p>	<p>Bringing the conduct of the insolvency process to a close when all matters are complete in accordance with the relevant requirements.</p> <p>To provide updating reports to all known creditors and members as prescribed under the Insolvency Act 1986.</p> <p>To place legal advertisements as prescribed under the Insolvency Act 1986 which may include formal meetings of creditors and notice to submit claims, as applicable.</p> <p>To deal with statutory requirements in order to bring the appointment to an orderly close either by dissolution or transfer to a creditors' voluntary liquidation and for the Joint Administrators to receive their release from office. This will include the preparation of further progress and/or final reports for all known creditors, statutory advertising and filing the relevant documentation with the High Court / Registrar of Companies, as applicable.</p> <p>Maintaining a record and forecast of the work that has been or is anticipated to be undertaken throughout the duration of the case.</p>

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6	LEGAL AND LITIGATION Work undertaken during the reporting period	LEGAL AND LITIGATION Future work to be undertaken
	<p>Assisting in the completion of the sale of the business and assets and commencing all other works and registering security as prescribed within the sale and purchase agreement.</p> <p>Seeking legal advice as and when needed, including advice on the treatment of various asset realisations in accordance with security held.</p> <p>Completion of the shareholdings and commencing all other works and registering security as prescribed within the sale and purchase agreement.</p> <p>To release any security in place once all deferred consideration is received and all the purchasers' obligations are fully discharged.</p>	<p>Continuing to seek legal advice and intervention as and when needed throughout the assignment.</p>
7	TRADING Work undertaken during the reporting period	TRADING Future work to be undertaken
	<p>The business and assets of the Company were sold on 9 November 2018.</p>	<p>No further works identified.</p>

Appendix D

Details of the Administrators' time costs and disbursements for the period and cumulatively for the Companies

FRP

Paperhat Group Limited (In Administration) Time charged for the period 09 November 2019 to 08 May 2020

	Managers / Directors	Other Professional	Junior Professional & Support	Total Hours	Total Cost £	Average Hrlly Rate £
Administration and Planning	0.50	0.35	0.25	1.10	361.50	328.64
Admin & Planning	0.50			0.50	225.00	450.00
Case Accounting		0.20	0.25	0.45	102.75	228.33
Case Control and Review		0.15		0.15	33.75	225.00
Creditors	1.00	1.50		2.50	960.00	384.00
Secured Creditors	1.00	1.50		2.50	960.00	384.00
Statutory Compliance	1.50	3.00		4.50	1,695.00	376.67
Statutory Compliance - General	1.50			1.50	675.00	450.00
Statutory Reporting/ Meetings		3.00		3.00	1,020.00	340.00
Total Hours	3.00	4.85	0.25	8.10	3,016.50	372.41

FRP Charge out rates

Grade	From 1st May 2017	1st May 2019
Appointment taker / Partner	450-545	495-595
Managers / Directors	340-465	385-495
Other Professional	200-295	225-340
Junior Professional & Support	125-175	150-195

Appendix D

Details of the Administrators' time costs and disbursements for the period and cumulatively for the Companies

Time charged from the start of the case to 08 May 2020			
	Total Hours	Total Cost £	Average Hrly Rate £
Administration and Planning	14.40	4,503.25	312.73
Admin & Planning	1.50	532.50	355.00
Case Accounting	4.95	1,223.25	247.12
Case Control and Review	0.90	288.75	320.83
General Administration	3.05	758.75	248.77
Strategy and Planning	4.00	1,700.00	425.00
Asset Realisation	58.50	26,935.00	460.43
Asset Realisation	24.00	9,677.50	403.23
Asset Realisation Fixed	34.50	17,257.50	500.22
Creditors	30.25	11,101.50	366.99
Employees	7.85	1,811.25	230.73
Secured Creditors	8.05	3,777.50	469.25
Unsecured Creditors	14.35	5,512.75	384.16
Investigation	12.00	3,425.00	285.42
Investigatory Work	2.75	756.25	275.00
CDDA Enquiries	8.25	2,418.75	293.18
IT – Investigations	1.00	250.00	250.00
Statutory Compliance	56.95	19,916.25	349.71
Statutory Compliance - General	28.00	8,427.50	300.98
Statutory Reporting/ Meetings	26.50	10,687.50	403.30
Appointment Formalities	1.50	510.00	340.00
Statement of Affairs	0.70	222.50	317.86
Bonding/ Statutory Advertising	0.25	68.75	275.00
Grand Total	172.10	65,881.00	382.81

Appendix D

Details of the Administrators' time costs and disbursements for the period and cumulatively for the Companies

FRP

Paperhat Communications Limited (In Administration)

Time charged for the period 09 November 2019 to 08 May 2020

	Managers / Directors	Other Professional	Junior Professional & Support	Total Hours	Total Cost €	Average Hrly Rate €
Administration and Planning	1.20	0.40	0.20	1.80	676.00	375.56
Admin & Planning	0.50			0.50	225.00	450.00
Case Accounting	0.70	0.40	0.20	1.30	451.00	346.92
Creditors		2.50		2.50	850.00	340.00
Secured Creditors		2.50		2.50	850.00	340.00
Statutory Compliance	1.50	3.00		4.50	1,695.00	376.67
Statutory Compliance - General	1.50			1.50	675.00	450.00
Statutory Reporting/ Meetings		3.00		3.00	1,020.00	340.00
Total Hours	2.70	5.90	0.20	8.80	3,221.00	366.02

Appendix D

Details of the Administrators' time costs and disbursements for the period and cumulatively for the Companies

Time charged from the start of the case to 08 May 2020

	Total Hours	Total Cost £	Average Hrly Rate £
Administration and Planning	20.05	5,664.50	282.62
Admin & Planning	2.25	813.75	361.67
Case Accounting	6.25	1,653.25	264.52
Case Control and Review	3.20	876.25	273.83
General Administration	6.60	1,765.00	267.42
Insurance	0.50	137.50	275.00
Fee and WIP	1.25	418.75	335.00
Asset Realisation	14.20	6,205.00	436.97
Asset Realisation	6.50	2,077.50	319.62
Sale of Business	0.20	40.00	200.00
Asset Realisation Fixed	7.50	4,087.50	545.00
Creditors	44.40	13,605.25	306.42
Employees	1.50	412.50	275.00
HP/ Leasing	0.50	137.50	275.00
Secured Creditors	20.55	6,430.00	312.90
Unsecured Creditors	16.35	4,842.75	296.19
Landlord	4.50	1,237.50	275.00
Shareholders	1.00	545.00	545.00
Investigation	10.50	3,037.50	289.29
Investigatory Work	1.25	343.75	275.00
CDDA Enquiries	9.25	2,693.75	291.22
Statutory Compliance	66.30	23,416.25	353.19
Statutory Compliance - General	34.10	10,105.00	296.33
Statutory Reporting/ Meetings	28.50	11,777.50	413.25
Appointment Formalities	2.75	1,242.50	451.82
Statement of Affairs	0.70	222.50	317.86
Bonding/ Statutory Advertising	0.25	68.75	275.00
Grand Total	155.45	51,928.50	334.05

Appendix E

Receipts and payments account for the period and cumulative

FRP

**Paperhat Group Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 09/11/2019 To 08/05/2020 £	From 09/11/2018 To 08/05/2020 £
	SECURED ASSETS	
25,000.00	Despark Bulgaria	NIL
	Bank Interest - Fixed	9.91
20,000.00	Grebot Donnelly Associates Ltd	10,000.00
200,000.00	CTI Digital	80,000.00
		90,009.91
	COSTS OF REALISATION	
	Legal Fees	610.00
	Advertising	NIL
	Bank Charges - Fixed	NIL
		(610.00)
	ASSET REALISATIONS	
	Insurance Refund	NIL
	Bank Interest Gross	219.25
		219.25
	COST OF REALISATIONS	
	Bank Charges - Floating	0.40
		0.40
245,000.00		
	REPRESENTED BY	
	IB Current Fixed	104,239.13
	IB Current Floating	353.23
	Vat Recoverable - Fixed	6,014.79
		110,607.15

Receipts and payments account for the period and cumulative

FRP

Paperhat Communications Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 09/11/2019 To 08/05/2020 £	From 09/11/2018 To 08/05/2020 £
SECURED ASSETS		
Debtors surplus	NIL	74,998.00
54,000.00 Nirvana share sale	NIL	54,000.00
Bank Interest - Fixed	NIL	167.65
1.00 Paperhat USA	NIL	1.00
1.00 Paperhat Hong Kong	NIL	1.00
	<u>NIL</u>	<u>129,167.65</u>
COSTS OF REALISATION		
Administrators' Fees	50,000.00	70,857.28
Administrators' Disbursements	NIL	456.55
Legal Fees	NIL	28,320.77
Advertising	NIL	69.93
Bank Charges - Fixed	NIL	10.80
	<u>(50,000.00)</u>	<u>(99,715.33)</u>
ASSET REALISATIONS		
Cash at Bank	33.82	6,472.55
Bank Interest Gross	215.85	426.42
	<u>249.67</u>	<u>6,898.97</u>
COST OF REALISATIONS		
Bank Charges - Floating	(0.40)	10.40
	<u>(0.40)</u>	<u>10.40</u>
54,002.00	<u>(49,750.73)</u>	<u>36,361.69</u>
REPRESENTED BY		
IB Current Fixed		14,516.31
IB Current Floating		6,518.45
Vat Recoverable - Fixed		15,326.93
		<u>36,361.69</u>

Appendix F

Statements of expenses incurred in the Period.

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Paperhat Group Limited (in Administration) Statement of expenses for the period ended 8 May 2020		
Expenses	Period to 8 May 2020 £	Cumulative period to 8 May 2020 £
Office Holders' remuneration (Time costs)	3,017	65,881
Office Holders' disbursements	-	191
Legal fees	610	30,004
Statutory advertising	-	70
Total	3,627	96,146

Paperhat Communications Limited (in Administration) Statement of expenses for the period ended 8 May 2020		
Expenses	Period to 8 May 2020 £	Cumulative period to 8 May 2020 £
Office Holders' remuneration (Time costs)	3,221	51,929
Office Holders' remuneration (Fixed Fee)	50,000	50,000
Office Holders' disbursements	-	457
Legal fees	-	28,321
Statutory advertising	-	70
Total	53,221	130,776